

# **ASIAN TEA & EXPORTS LIMITED**

CIN NO. L24219WB1987PLC041876

## **CORPORATE INFORMATION**

**BOARD OF DIRECTORS :** Sri H.R.Garg, Chairman cum Managing Director  
Sri Sunil Garg, Whole time Director  
Sri C.S.Surana  
Sri Lakshman Srinivasan  
Sri Sanjay Choudhury

**COMPANY SECRETARY :** Anand Kumar Jha

**CHIEF FINANCIAL OFFICER:** Rajesh Garg

**AUDITORS' :** Agarwal Kejriwal & Co.  
Chartered Accountants  
1, Ganesh Chandra Avenue,  
Kolkata- 700 013

**BANKERS' :** State Bank of India

**REGISTERED OFFICE :** “Sikkim Commerce House”  
5<sup>th</sup> Floor,  
4/1, Middleton Street  
Kolkata- 700071

**ISIN :** INE822B01017

**WEBSITE :** [www.asianteaexports.com](http://www.asianteaexports.com)

**E-MAIL :** [info@asianteaexports.com](mailto:info@asianteaexports.com)

**REGISTRAR &  
TRANSFER AGENT :** S.K.Infosolutions Pvt Ltd.  
34/1A, Sudhir Chatterjee Street,  
Kolkata- 700 006.

## **NOTICE**

**NOTICE** is hereby given that the Twenty Eighth Annual General Meeting of the members of Asian Tea & Exports Limited will be held on Friday, the 29th August, 2014 at 10.00 A.M at H4/93A, B.B.T.Road, New Chakmir, Maheshtalla, Kolkata-700 141 to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2014, the Statement of Profit & Loss for the year ended on that date and the Report of the Directors and Auditors' thereon.
2. To appoint a Director in place of Shri Lakshman Srinivasan (DIN: 01349322) who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an

#### **ORDINARY RESOLUTION:**

“**RESOLVED THAT** M/s. Agarwal Kejriwal & Co, Chartered Accountants, be and is hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the Thirty First (31<sup>st</sup>) Annual General Meeting of the Company on such remuneration as may be determined by the Board of Directors in consultation with the said Auditor.”

### **SPECIAL BUSINESS**

4. To re-appoint Shri H.R.Garg (DIN: 00216053) as Managing Director and in this regard to consider and if thought fit, to pass the following resolution, with or without modifications as an

#### **ORDINARY RESOLUTION:**

"**RESOLVED THAT** in accordance with the provisions of sections 196,197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to all such approvals as may be required, the approval of the members be and is hereby accorded to the re-appointment of Shri H.R.Garg , as Managing Director of the Company for a period of five years effective from 14th April, 2014 on the terms and conditions including remuneration as set out in the explanatory statement annexed hereto and also the draft agreement submitted to this meeting, with liberty to the Board of Directors to alter, vary, modify the terms and conditions of the said re-appointment and /or remuneration as it may deem fit and as may be acceptable to Shri H.R.Garg, subject to the same not exceeding the limits specified under Schedule V to the Companies Act,2013 or any statutory modification(s) or re-enactment thereof.”

5. To consider and if thought to pass with or without modification the following resolution as an

#### **ORDINARY RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, (Act) consent of the members be and is hereby given to the appointment of Mr. Lakshman Srinivasan (DIN: 01349322), whose period of office was liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing in terms of Section 160 of the Act, as an Independent Director of the Company for a period of 5 Years who shall hold office from the date of this Annual General Meeting till 31<sup>st</sup> March ,2019 and whose office shall not, henceforth, be liable to determination by retirement of Directors by rotation.”

6. To consider and if thought to pass with or without modification the following resolution as an **ORDINARY RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, (Act) consent of the members be and is hereby given to the appointment of Mr. Chhatar Singh Surana (DIN: 00256209), whose period of office was liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing in terms of Section 160 of the Act, as an Independent Director of the Company who shall hold office from the date of this Annual General Meeting till 31<sup>st</sup> March ,2019 and whose office shall not, henceforth, be liable to determination by retirement of Directors by rotation.”

7. To consider and if thought to pass with or without modification the following resolution as an **ORDINARY RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, (Act) consent of the members be and is hereby given to the appointment of Mr. Sanjay Choudhury (DIN: 00646848), whose period of office was liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing in terms of Section 160 of the Act, as an Independent Director of the Company who shall hold office from the date of this Annual General Meeting till 31<sup>st</sup> March ,2019 and whose office shall not, henceforth, be liable to determination by retirement of Directors by rotation.”

8. To consider and if thought to pass with or without modification the following resolution as an **ORDINARY RESOLUTION**:

**“RESOLVED THAT** Smt. Rama Garg (DIN:00471845), who is appointed as an Additional Director of the company by the Board of Directors w.e.f 21<sup>st</sup> July 2014 in terms of section 161(1) of the Companies Act,2013 and whose term of office expires at the Annual General Meeting and in respect of whom the company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the company whose period of office shall be liable to determination by retirement of directors by rotation.”

9. To consider and if thought to pass with or without modification the following resolution as an **ORDINARY RESOLUTION**:

**“RESOLVED THAT** Mr. Sushil Kumar Nevatia (DIN:06391023), who is appointed as an Additional Director of the company by the Board of Directors w.e.f 21<sup>st</sup> July 2014 in terms of section 161(1) of the Companies Act,2013 and whose term of office expires at the annual general meeting and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the company pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, (Act) who shall hold office from the date of this Annual General Meeting till 31<sup>st</sup> March ,2019 and whose office shall not, henceforth, be liable to determination by retirement of Directors by rotation.”

**10. To consider and if thought fit, to pass, with or without modifications the following resolution as a Special Resolution:**

**“RESOLVED THAT** in supersession of all earlier resolutions passed under Section 293(1)(d) of the Companies Act, 1956 and pursuant to section 180(1)( c) and other applicable provisions, if any, of the Companies Act,2013 as amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) for borrowing from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s Bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of Rs.100 Crore.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things as they may deem necessary to give effect to the above resolution including but not limited to the appointment of any manager/consultant or any other intermediary in respect of the above offerings and/or to execute all such documents, instruments and writings as may be required.”

By Order of the Board

**Place:Kolkata**  
**Date: 21st July’14**

**ANAND KUMAR JHA**  
**(Company Secretary)**

**NOTES:**

1. The relevant details of directors seeking re-appointment under Item No.2 above, as required by clause 49 of the listing agreements entered into with the Stock Exchanges are also annexed.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing a proxy should however be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday the 21st August, 2014 to Thursday 28th August, 2014 (both days inclusive).
4. Details of the Directors seeking appointment/re-appointment in forthcoming Annual General Meeting (in pursuance of clause 49 of the Listing Agreement)

Name of the Director	Shri Lakshman Srinivasan
Date of Birth	03.04.1966
Date of Appointment	19.08.2008
Expertise in specific functional area	Expertise in Finance.
Qualification	PGDBM
Outside Directorship held	13
Chairman/Member of the Committee of the Board of Directors of the Company	3
No. of shares	Nil

Name of the Director	Shri Chhatar Singh Surana
Date of Birth	23.02.1947
Date of Appointment	02.02.1993
Expertise in specific functional area	Expertise in Finance.
Qualification	B.COM
Outside Directorship held	Nil
Chairman/Member of the Committee of the Board of Directors of the Company	Nil
No. of shares	9700

Name of the Director	Shri Sanjay Choudhury
Date of Birth	07.11.1968
Date of Appointment	03.11.2010
Expertise in specific functional area	Expertise in Finance.
Qualification	B.COM
Outside Directorship held	7
Chairman/Member of the Committee of the Board of Directors of the Company	Nil
No. of shares	Nil

Name of the Director	Smt.Rama Garg
Date of Birth	03.10.1967
Date of Appointment	21.07.2014
Expertise in specific functional area	Expertise in Marketing & Operation.
Qualification	B.COM
Outside Directorship held	2
Chairman/Member of the Committee of the Board of Directors of the Company	Nil
No. of shares	175000

Name of the Director	Shri Sushil Kumar Nevatia
Date of Birth	19.07.1950
Date of Appointment	21.07.2014
Expertise in specific functional area	Expertise in Marketing & Operation
Qualification	B.Tech
Outside Directorship held	3
Chairman/Member of the Committee of the Board of Directors of the Company	Nil
No. of shares	Nil

5. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Registrar & Transfer Agent or to the Company at its registered Office quoting reference of their folio numbers or their Client ID number with DP-ID number, as the case may be.
6. Electronic copy of the Notice of the 28<sup>th</sup> Annual General Meeting of the company inter alia indicating the process and manner of e-voting along with Attendance Slip and proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes. For members who have not registered their email address, physical copies of the Notice indicating the process and manner of e-voting along with Attendance Slip and proxy form is being sent in the permitted mode. Members who have not yet registered their email ID or holding shares in physical form are requested to register their email ID with their DP and/or RTA.

7. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 the Company is pleased to inform that all the resolutions as stated in the notice can be transacted by electronic voting system and the Company has provided members facility to exercise their right to vote at the 28<sup>th</sup> Annual General Meeting (AGM) by electronic means through e-voting services provided by S.K.Infosolutions Private Limited. The instruction for e-voting has been enclosed and sent along with the notice.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.**

**ITEM NO.4**

The Directors of your Company at its Meeting of the Board of Directors approved and ratified subject to the approval of the members of the company, the re-appointment of Shri H.R.Garg as managing Director of the Company for a period of 5 years effective from the 14th April, 2014 on the following terms and conditions and in the manner and to the extent as set out in the draft agreement referred to in the resolution at ITEM NO. 4 of the notice.

**A. Remuneration.**

- a) **SALARY/SCALE:** In the scale of Rs. 1,25,000 – 5000 – 1,50,000 to be fixed by the Board of Directors from time to time.
- b) **GRATUITY:** Not exceeding 1/2 months' salary for each completed year of service.
- c) **PERQUISITES:**

**Part-A.**

1. **Medical Reimbursement:** Reimbursement of actual medical expenses in India and/or abroad including hospitalization, nursing home and Surgical charges for himself and family.
2. **Leave Travel:** For the managing Director and his family once in a year in respect of family and himself.
3. **Leave:** One month's paid leave for eleven months' service.
4. **Club Fees:** Subject to a maximum of two clubs. This will not include admission and life membership fee.
5. **Personal Accident Policy:** Premium not to exceed Rs. 12,500/- per annum.

**Part-B**

Contribution to Provident Fund, Superannuation Fund or Annuity Fund is not to be included in the computation of ceiling on perquisites to the extent these either singly or together are not taxable under the income Tax Act, 1961.

**Part-C**

Provision of car with driver for use in Company's business and telephone at residence will not be considered as perquisites. However, personal long distance calls and use of car for private purpose will be billed by the Company to the Managing Director

In the absence or inadequacy of profit during the period Shri H.R.Garg shall be paid the above remuneration as minimum remuneration subject to the limit prescribed under section II, Part II of Schedule V to the Companies Act 2013.

The draft agreement referred to the above resolution will be available for inspection to any member at the registered office of the Company between 11.00 A.M. to 1.00 P.M. on any working day and also at the Annual General Meeting.

Shri H.R.Garg being promoter Director of the company has made substantial progress due to his efforts. The remuneration proposed to Shri H.R.Garg is justified having regard to the nature of service required from him and the responsibility which he is called upon to bear as Managing Director of the company. The Board recommends acceptance of the Resolution.

In addition to Shri H.R.Garg, Shri Sunil Garg being his relative may also be deemed to be interested Director in the proposed Resolution.

The above may be regarded as an abstract of the terms of appointment and memorandum of concern or interest pursuant to Section 190 of the Companies Act, 2013.

#### **ITEM NO.5**

Mr. Lakshman Srinivasan is a Non-Executive Director of the Company. He joined the Board of Directors of the Company in August, 2008.

Mr. Lakshman Srinivasan is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile provisions of the Companies Act 1956. Under the Companies Act, 2013, the Company is required to appoint independent directors for a fixed term and their office shall not be liable to determination by retirement of Directors by rotation. Accordingly in compliance to Section 149,150,152, Schedule IV and any other applicable provisions of the Companies Act, 2013, Mr. Lakshman Srinivasan being eligible and offering himself for appointment, is proposed to be appointed as an independent Director who shall hold office from the date of this Annual General Meeting till 31<sup>st</sup> March, 2019. A notice has been received from a member proposing him as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Lakshman Srinivasan fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be immense benefit to the Company and it is desirable to continue to avail services of Mr. Lakshman Srinivasan as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Lakshman Srinivasan as an Independent Director for the approval by the shareholders of the Company.

Except Mr. Lakshman Srinivasan, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.5

## **ITEM NO.6**

Mr. Chhatar Singh Surana is a Non-Executive Director of the Company. He joined the Board of Directors of the Company in February, 1993.

Mr. Chhatar Singh Surana is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile provisions of the Companies Act 1956. Under the Companies Act, 2013, the Company is required to appoint independent directors for a fixed term and their office shall not be liable to determination by retirement of Directors by rotation. Accordingly in compliance to Section 149,150,152, Schedule IV and any other applicable provisions of the Companies Act, 2013, Mr. Chhatar Singh Surana being eligible and offering himself for appointment, is proposed to be appointed as an independent Director who shall hold office from the date of this Annual General Meeting till 31<sup>st</sup> March,2019. A notice has been received from a member proposing him as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Chhatar Singh Surana fulfills the conditions specified in the Companies Act,2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be immense benefit to the Company and it is desirable to continue to avail services of Mr. Chhatar Singh Surana as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Chhatar Singh Surana as an Independent Director for the approval by the shareholders of the Company.

Except Mr. Chhatar Singh Surana, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.6

## **ITEM NO.7**

Mr. Sanjay Chowdhury is a Non-Executive Director of the Company. He joined the Board of Directors of the Company in November, 2010.

Mr. Sanjay Chowdhury is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile provisions of the Companies Act 1956. Under the Companies Act, 2013, the Company is required to appoint independent directors for a fixed term and their office shall not be liable to determination by retirement of Directors by rotation. Accordingly in compliance to Section 149,150,152, Schedule IV and any other applicable provisions of the Companies Act, 2013, Mr. Sanjay Chowdhury being eligible and offering himself for appointment, is proposed to be appointed as an independent Director who shall hold office from the date of this Annual General Meeting till 31<sup>st</sup> March,2019. A notice has been received from a member proposing him as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Sanjay Chowdhury fulfills the conditions specified in the Companies Act,2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be immense benefit to the Company and it is desirable to continue to avail services of Mr. Sanjay Chowdhury as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Sanjay Chowdhury as an Independent Director for the approval by the shareholders of the Company.



Except Mr. Sanjay Chowdhury, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.7

#### **ITEM NO.8**

The Board of Directors of the Company appointed, pursuant to the provisions of section 161(1) of the Companies Act, Smt. Rama Garg as an Additional Director of the Company w.e.f 21<sup>st</sup> July 2014.

In terms of the provisions of section 161(1) of the Act, Smt. Rama Garg would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Smt. Rama Garg for the office of Director of the Company.

Accordingly in compliance to Section 149,152 and any other applicable provisions of the Companies Act, 2013, Smt. Rama Garg being eligible and offering herself for appointment, is proposed to be appointed as a Director whose period of office shall be liable to determination by retirement of directors by rotation.

In the opinion of the Board, Smt. Rama Garg fulfills the conditions specified in the Companies Act,2013 and rules made thereunder for his appointment as a Director of the Company.

The Board considers that her vast experience and knowledge would be immense benefit to the Company and it is desirable to appoint Smt. Rama Garg as a Director. Accordingly, the Board recommends the resolution in relation to appointment of Smt. Rama Garg as a Director for the approval by the shareholders of the Company.

In addition to Smt. Rama Garg, Shri H.R.Garg & Shri Sunil Garg being her relatives may also be deemed to be interested Director in the proposed Resolution as set out at item no.8.

#### **ITEM NO.9**

The Board of Directors of the Company appointed, pursuant to the provisions of section 161(1) of the Companies Act, Mr. Sushil Kumar Nevatia as an Additional Director of the Company w.e.f 21<sup>st</sup> July 2014.

In terms of the provisions of section 161(1) of the Act, Mr. Sushil Kumar Nevatia would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Sushil Kumar Nevatia for the office of Director of the Company.

Accordingly in compliance to Section 149,150,152, Schedule IV and any other applicable provisions of the Companies Act, 2013, Mr. Sushil Kumar Nevatia being eligible and offering himself for appointment, is proposed to be appointed as an independent Director who shall hold office from the date of this Annual General Meeting till 31<sup>st</sup> March,2019.

In the opinion of the Board, Mr. Sushil Kumar Nevatia fulfills the conditions specified in the Companies Act,2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his vast experience and knowledge would be immense benefit to the Company and it is desirable to appoint Mr. Sushil Kumar Nevatia as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Sushil Kumar Nevatia as an Independent Director for the approval by the shareholders of the Company.

Except Mr. Sushil Kumar Nevatia, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.9.

#### **ITEM NO.10**

In terms of the resolution passed by the members of the Company at the Annual General Meeting held on 8<sup>th</sup> September 2006, the Board of Directors of the Company were authorized to borrow on behalf of the Company up to Rs.100 Crores at any point of time. In view of expected growth in the business of the Company, it may be necessary for the Company to borrow monies from various sources. Further under law, it is now required that such a resolution be by way of a special resolution.

Yours Directors accordingly commend the borrowing powers of Rs.100 Crores as set out in the resolution at Item No.8 for approval of the members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.10.

By order of the Board

**Place: Kolkata**  
**Date: 21st July'14**

**ANAND KUMAR JHA**  
**(Company Secretary)**

## **THE BOARD OF DIRECTOR'S REPORT**

**Dear Shareholders,**

Your Directors are pleased to present the Twenty Eighth Annual Report and the audited accounts for the year ended 31<sup>st</sup> March, 2014.

<b>FINANCIAL RESULTS</b>	<b>For the year Ended 2013-14 (Rs. In Lacs)</b>	<b>For the year Ended 2012-13 (Rs. In Lacs)</b>
<b>Sales and Other Income</b>	<b>5989.56</b>	<b>5568.10</b>
<b>Profit before Taxation</b>	<b>81.05</b>	<b>98.82</b>
<b>Provision for Taxation</b>		
<b>Current</b>	<b>26.50</b>	<b>33.55</b>
<b>Deferred</b>	<b>(2.67)</b>	<b>(0.68)</b>
<b>Profit after Taxation</b>	<b>57.22</b>	<b>65.95</b>
<b>Expenses/(Income) pertaining to:</b>		
<b>Previous year (net)</b>	<b>-</b>	<b>2.99</b>
<b>Net Profit</b>	<b>57.22</b>	<b>62.96</b>
<b>Balance brought forward from Previous Year</b>	<b>742.16</b>	<b>679.20</b>
<b>Balance to be carried to next year</b>	<b>799.38</b>	<b>742.16</b>

### **REVIEW OF OPERATIONS**

During the year under review the company has recorded a turnover of Rs.5884.17 Lacs as compared to Rs.5388.43 Lacs in the Previous Year. The Company has recorded a net profit to the tune of Rs.57.22 lacs as compared to Rs.62.96 lacs in the previous year.

### **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

During the period under review the company has not carried out any manufacturing activities, hence the disclosures required under the provisions of Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 with regard to energy and technology absorption are not applicable to your company.

### **FOREIGN EXCHANGE EARNINGS AND OUTGO**

<b>Sl.</b>	<b>Particulars</b>	<b>2013-14</b>	<b>2012-13</b>
1	Activities relating to export taken to increase exports	Procured orders from new buyers	Procured orders from new buyers
2	Total Foreign Exchange Earnings (Rs. In Lac)	322.29	3369.38
3	Used (Rs. In Lacs)	1390.36	1772.04

Note: Total Foreign exchange earnings during the year were of USD 0.54 Millions.

### **PARTICULARS OF EMPLOYEE**

Section 217 (2A) of the Companies Act, 1956 is not applicable as no employee is in receipt of or entitled to receive remuneration in excess of the limits specified therein.

## **CORPORATE GOVERNANCE**

In terms of Clause 49 of the Listing Agreement, reports on Corporate Governance together with the Auditors Certificate regarding the compliance of conditions of corporate governance are annexed.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

As required under section 134(1)(c) of the Companies Act, 2013, your Directors confirm that:

1. In preparation of the Annual Accounts, for the year ended 31<sup>st</sup> March 2014, the applicable Accounting Standards have been followed and that there are no material departures.
2. The Directors have, in the selection of Accounting Policies, consulted the statutory Auditor and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31<sup>st</sup> March 2014 and of the Profit and Loss for the financial year ended 31<sup>st</sup> March, 2014.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956, for safeguarding the assets of the Company and for detecting fraud and irregularities.
4. The Directors have prepared the Annual Accounts on Going Concern basis.

## **DIRECTORS**

Pursuant to provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri Lakshman Srinivasan, Director of the Company retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

## **AUDITORS AND AUDITORS' REPORT**

M/S Agarwal Kejriwal & Co, Chartered Accountants, the retiring auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

The notes on accounts referred to in the Auditors Report are self-explanatory and therefore do not require any further comment.

## **STOCK EXCHANGE**

The Company's securities are listed at Calcutta Stock Exchange Association Limited and Bombay Stock Exchange Ltd.

## **APPRECIATION**

Your Directors place on record their deep appreciation for the continued assistance, support and co-operation extended to the Company by the Banks, Government departments, other agencies and employees at all levels.

Your Directors thank you, our esteemed shareholders, for your continued support.

**Place: Kolkata**  
**Date: 21st July'14**

For and on behalf of the Board

**H.R.GARG**  
**(CHAIRMAN)**

## **REPORT ON CORPORATE GOVERNANCE**

### **1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company is committed to practice good corporate Governance. The Company fully realizes the rights of its shareholders to information on the performance of the Company and considers itself a trustee of its shareholders. Sound governance process consists of a combination of business practices which result in enhanced shareholder value and enable the company to fulfill its obligations to customers, employees, financiers and to the society in general. The Company further believes and focuses on attaining the highest levels of core values of transparency, empowerment, accountability, independent monitoring and environment consciousness. The Company makes its best endeavour to uphold and nurture these core values across all aspects of its operations

### **2. BOARD OF DIRECTORS**

#### **(A) Composition of the Board**

The Board is headed by the Executive Chairman, Shri Hariram Garg and comprises of persons with considerable professional experience in their respective fields. Sixty percent of the Board consists of Non- Executive Directors and Three out of Five are Independent Directors.

The Composition of the Board of Directors and also the number of other Boards or Board Committees of which he is a member or chairperson are as under:

Name of the Director	Executive/Non-Executive/Independent	No. of other Directorship (s)		No. of outside Committee positions held	
		Public	Private	Member	Chairman
Shri H.R.Garg	Chairman- Executive	-	12	-	-
Shri Sunil Garg	Executive	-	16	-	-
Shri C.S.Surana	Non Executive Independent	-	-	-	-
Shri Lakshman Srinivasan	Non Executive Independent	2	11	-	-
Shri Sanjay Choudhury	Non Executive Independent	1	6	-	-

#### **(B) Details of Board Meetings and attendance**

The Board met 6 times during the year under review on 14.05.2013, 29.06.2013, 26.07.2013, 08.08.2013, 07.11.2013, 12.02.2014, and the agenda papers were circulated well in advance of each meeting of the Board of Directors. The Company placed before the Board, the working of the organization and statements containing the status of the various matters pursuant to Corporate Governance practices as required by Clause 49 of the Stock Exchange Standard Listing Agreement

The attendance of each of the Directors at the meeting during the year and at the last Annual General Meeting is as follows:

Name of the Director	No. of Board Meetings Attended	Attendance at last AGM
Shri H.R.Garg	4	Yes
Shri Sunil Garg	6	Yes
Shri C.S.Surana	6	Yes
Shri Lakshman Srinivasan	6	Yes
Shri Sanjay Choudhury	5	Yes

### **3. AUDIT COMMITTEE**

#### **(A) Terms of reference**

The audit committee oversees the Company's financial reporting process and disclosure of its financial information, to recommend the appointment of Statutory Auditor and fixation of their remuneration, to review and discuss with the Auditor about internal control systems, the scope of audit including the observations of the Auditor, adequacy of the internal audit system, major accounting policies, practices and entries, compliance with accounting standards and Listing Agreements, and other legal requirements concerning financial statements and related party transactions, if any, and to review the financial statements before they are submitted to the Board of Directors.

#### **(B) Composition of the Committee, Meetings and Attendance**

The Audit Committee of the Company comprises of three Directors, of which two are Independent and one is executive. The Chairman of the Committee is an independent Director. The Company Secretary acts as the Secretary to the Committee. The Statutory auditor of the company is a permanent invitee at the meetings of the Committee.

The Constitution of the Audit Committee is as follows:

1. Shri Lakshman Srinivasan : Chairman, Independent Director
2. Shri C.S.Surana : Member, Independent Director
3. Shri Sunil Garg : Member, Executive Director

The Committee met 5 (five) times during the year on 14.05.2013, 29.06.2013, 08.08.2013, 07.11.2013 and 12.02.2014 and was attended by all the members of the committee.

### **4. REMUNERATION COMMITTEE**

The Company has formed a remuneration committee which is a part of non- mandatory requirement of the Code. The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is in consonance with the existing industry practices and the requirements of law. The Company does not have stock option plan or performance linked incentives for its Directors.

The Constitution of the Remuneration Committee is as follows

1. Shri Lakshman Srinivasan : Chairman, Independent Director
2. Shri C.S.Surana : Member, Independent Director
3. Shri Sanjay Choudhury : Member, Independent Director

The detail of Directors' remuneration is as follows:

<b>Name of Directors</b>	<b>Salary</b>	<b>Benefits</b>	<b>Sitting Fees</b>	<b>Total</b>
Shri H.R. Garg	1500000	-	-	1500000
Shri Sunil Garg	1200000	-	-	1200000
Shri C.S. Surana	-	-	4500	4500
Shri Lakshman Srinivasan			4500	4500
Shri Sanjay Choudhury			3750	3750

## **5. STAKEHOLDERS RELATIONSHIP COMMITTEE**

### **(A) Terms of reference**

The Committee looks into issues relating to share, including transfer /transmission of shares, issue of duplicate share certificates, non- receipt of dividend, annual reports etc. The Committee meets to review status of investor grievances, ratify share transfers, approve transmission of shares and issue duplicate share certificates from time to time. Besides, officers of the Company have been authorized to approve issue of share certificates, approve transfers/ transmission of shares, consolidation, sub-division, split of share certificate.

### **(B) Composition, Meetings and Attendance**

The committee consists of the following members:

1. Shri Lakshman Srinivasan : Chairman, Independent Director.
2. Shri Sunil Garg : Executive Director
3. Shri Hari Ram Garg : Executive Director

The Committee meets at an interval of 15 days to look share transfers and investor grievances and the meetings have been attended by all the members.

### **(C) Compliance Officer:**

The Board has designated Shri A.K.Jha, the Company Secretary as the Compliance Officer.

### **(D) Details of Shareholder's Complaints Received**

The total number of investor complaints received and replied to the shareholders during the year ended 31<sup>st</sup> March, 2014 was ten. There are no investor complaints lying unresolved at the end of the year as on 31<sup>st</sup> March, 2014. No shares are pending for transfer as on 31<sup>st</sup> March, 2014.

## **6. GENERAL BODY MEETINGS**

<b>Financial year</b>	<b>Date</b>	<b>Location of the Meeting</b>	<b>Time</b>
2012-13	12 <sup>th</sup> September, 2013	H4/93A, B.B.T.Road, New Chakmir, Maheshtalla Kolkata-700 141	10.00 A.M.
2011-12	14 <sup>th</sup> September, 2012	H4/93A, B.B.T.Road, New Chakmir, Maheshtalla Kolkata-700 141	10.00 A.M.
2010-11	15 <sup>th</sup> September, 2011	Calcutta Rowing Club, 15, Rabindra Sarobar, Kolkata-700 029	10.00 A.M.

### **Extra Ordinary Meeting**

An extra-ordinary General Meeting of the Shareholders was held on 16<sup>th</sup> December, 2009 at Calcutta Rowing Club, 15 Rabindra Sarobar, Kolkata- 700029.

## **SPECIAL RESOLUTIONS**

No Special resolutions were passed during last 3 Annual General Meetings, but a special resolution was passed at the Extra Ordinary General Meeting of the Company held on 16<sup>th</sup> December, 2009 to approve the Preferential Allotment of Convertible Warrants.

## **POSTAL BALLOT**

Four special resolutions were passed through postal ballot on 8<sup>th</sup> August 2011 regarding alteration in main object clause of memorandum, re-appointment of Mr. Rajesh Garg as an employee of the company pursuant to section 314(1B) of the Companies Act and increase in remuneration of Mr. Hariram Garg and Mr. Sunil Garg.

## **7. DISCLOSURES**

Related party disclosures have been made in Note-32 of Notes to financial statement.

The Company has complied with the requirements of regulatory authorities on capital markets and no penalties/ strictures were imposed against it during the last three years.

Pursuant to the provisions of Sub- Clause V of the revised Clause 49 of the Listing Agreement with the stock Exchanges, the Managing Director and the Executive Director have issued a certificate to the Board, for the Financial Year ended 31<sup>st</sup> March 2014.

The Board has taken cognizance of the non-mandatory requirements of Clause 49 of the Listing Agreement and shall consider adopting the same as and when necessary.

The Company has in place a procedure for identification and mitigation of business and commercial risk. The Audit Committee reviews the risk management and mitigation plan from time to time.

## **8. MEANS OF COMMUNICATION.**

1. Quarterly results and the half-yearly results are published in leading newspaper in English and Bengali.
2. Management Discussion and Analysis Report forms part of the Directors' Report.

## **9. GENERAL SHAREHOLDERS INFORMATION.**

### **A) Annual General Meeting**

**Date & Time: 29th August, 2014 at 10.00 A.M.**

**Venue: H4/93A, B.B.T.Road, New Chakmir, Maheshtalla, Kolkata-700 141**

### **B) Financial Calendar & Publication of Results (Tentative):**

The financial Year of the Company is April to March.

Results for the quarter ending 30 <sup>th</sup> June, 2014	Second week of August, 2014
Results for the quarter ending 30 <sup>th</sup> September, 2014	Second week of November, 2014
Results for the quarter ending 31 <sup>st</sup> December, 2014	Second week of February, 2015
Results for the quarter ending 31 <sup>st</sup> March, 2015	Fourth week of May, 2015

### **C) Book Closure Date**

The Register of Members and Share Transfer Books of the Company will remain closed from Thursday the 21st August, 2014 to Thursday the 28<sup>th</sup> August, 2014 (both days inclusive).

### **D) Dividend Payment Date**

The Board of Directors of the Company has not recommended any dividend for this year.



### E) Listing of Stock Exchanges

The Company's securities are listed at:

- i) Calcutta Stock Exchange Association Ltd:  
7, Lyons Range, Kolkata- 700 001
- ii) Bombay Stock Exchange Ltd.  
Phiroze Jeejeebhoy Towers, Dalal Street, 25<sup>th</sup> Floor, Mumbai- 400 001

### F) Listing Fees

Listing Fee for the year 2014-2015 has been paid to the above stock exchanges.

### G) Stock Code

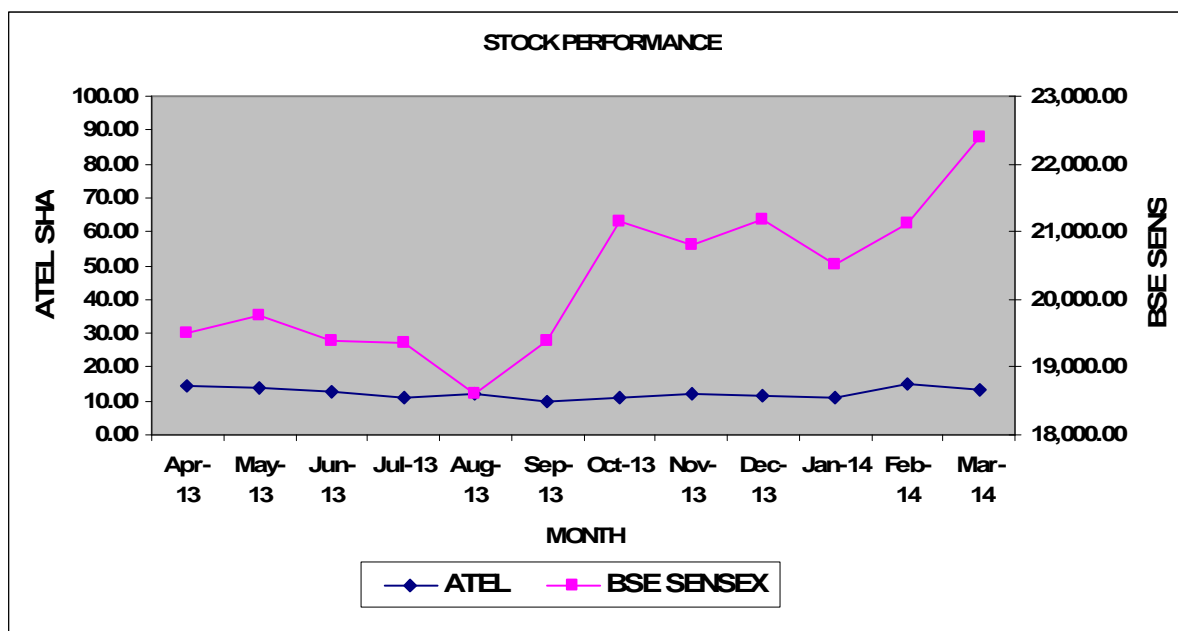
Calcutta Stock Exchange Association Ltd  
Bombay Stock Exchange Ltd  
ISIN NO.

011053  
519532  
INE822B01017

### H) Stock Price Data

Month	Bombay Stock Exchange Limited	
	High (Rs)	Low (Rs)
April 2013	15.50	11.50
May 2013	15.75	13.52
June 2013	14.00	12.55
July 2013	13.45	11.10
August 2013	12.50	9.51
September 2013	11.90	9.70
October 2013	15.23	10.18
November 2013	12.00	8.91
December 2013	12.60	10.45
January 2014	13.89	10.31
February 2014	15.79	11.10
March 2014	16.38	12.10

### I) Stock Performance



**J) REGISTRAR & TRANSFER AGENT****S.K.Infosolutions Pvt Ltd**

34/1A, Sudhir Chatterjee Street, Kolkata- 700 006  
 Tel: - (033) 2219-4815/ 6797, Fax: (033) 2219-4815

**K) Share Transfer System**

The shares received for transfer in physical mode, if in order in all respects are registered and returned within 3 weeks from the date of lodgment.

**L) Distribution of Shareholding as on 31.3.14**

No of Shares	No of Shareholders	% to total holders	No of Shares	% to total holding
<b>Upto 500</b>	<b>11759</b>	<b>94.80</b>	<b>1333803</b>	<b>13.34</b>
<b>501 to 1000</b>	<b>308</b>	<b>2.48</b>	<b>261341</b>	<b>2.61</b>
<b>1001 to 2000</b>	<b>165</b>	<b>1.33</b>	<b>256885</b>	<b>2.57</b>
<b>2001 to 3000</b>	<b>42</b>	<b>0.34</b>	<b>106792</b>	<b>1.07</b>
<b>3001 to 4000</b>	<b>18</b>	<b>0.15</b>	<b>63792</b>	<b>0.64</b>
<b>4001 to 5000</b>	<b>20</b>	<b>0.16</b>	<b>94890</b>	<b>0.95</b>
<b>5001 to 10000</b>	<b>40</b>	<b>0.32</b>	<b>291123</b>	<b>2.91</b>
<b>10001 to 50000</b>	<b>31</b>	<b>0.27</b>	<b>606731</b>	<b>6.07</b>
<b>50001 to 100000</b>	<b>5</b>	<b>0.04</b>	<b>411438</b>	<b>4.11</b>
<b>100001 and above</b>	<b>14</b>	<b>0.11</b>	<b>6573205</b>	<b>65.73</b>
<b>TOTAL</b>	<b>12402</b>	<b>100.00</b>	<b>10000000</b>	<b>100.00</b>

**M) Categories of shareholders as on 31.03.14**

Category	No of Shares held	% of shareholding
<b>Res Ind</b>	<b>2730390</b>	<b>27.3</b>
<b>Dom Com</b>	<b>797945</b>	<b>7.98</b>
<b>N.R.I</b>	<b>109067</b>	<b>1.09</b>
<b>For Com</b>	<b>0</b>	<b>0.00</b>
<b>Mutual Funds</b>	<b>14700</b>	<b>0.15</b>
<b>Fin Ins</b>	<b>0</b>	<b>0.00</b>
<b>Nal Bank</b>	<b>0</b>	<b>0.00</b>
<b>PROM. COM</b>	<b>3941216</b>	<b>39.41</b>
<b>Dir Relv</b>	<b>2406682</b>	<b>24.07</b>
<b>F.I.I.S</b>	<b>0</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>10000000</b>	<b>100.00</b>

**N) Dematerialisation of shares**

**90.31** % of the Shares aggregating to 90,30,779 Shares have been Dematerialized Upto 31<sup>st</sup> March'2014.

**O) There are no outstanding GDR/ Warrants and Convertible Bonds**

**P) Plant Locations:**

Factory Warehouse: Budge Budge Trunk Road, Rampur, 24 Parganas (South), West Bengal.

**Q) Investor Correspondence**

S.K.Infosolutions Pvt Ltd  
34/1A, Sudhir Chatterjee Street, Kolkata- 6  
Tel: 2219-4815/679  
Fax: 2219-4815

OR

Anand Kumar Jha  
Company Secretary  
Sikkim Commerce House  
4/1 Middleton Street, Kolkata 700071  
Tel: 2287-7334/9320  
E-mail: anand@asianteaexports.com

**R) Pan Requirement**

SEBI has vide its circular no. MRD/Dop/Cir-05/2009 dated 20-05-2009 made the requirement of PAN Card of all Transferee(s) compulsory in case of all Physical Transfer of Shares.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Production of tea in India increased by 6.50 % to 1200 million kg in 2013 compared to 1126 (Revised) million kg in 2012. Exports of Indian Tea stood at 212 million kg in 2013 compared to 208 (Revised) million kgs in 2012.

The company has achieved business turnover of Rs.594.92 Million in Current financial year compared to Rs.550.89 Million in 2012-13. The company has achieved PAT of Rs.5.72 Million in 2013-14 compared to Rs.6.29 Million in 12-13. The company has achieved consolidated PAT of Rs.16.08 Million in 2013-14 compared to Rs.15.23 Million in 2012-13.

**OPPORTUNITIES AND THREATS**

The Company is actively exploring various business opportunities in garments & fabrics, iron & steel and other commodities. The company is also considering acquisition of tea estates. The Company has tied up with mines in Meghalaya for export of coal to Bangladesh.

**BUSINESS OUTLOOK**

Outlook remains stable for the current year. The company is looking at other avenues for business growth.

**RISKS & CONCERNS**

Increased competition is putting stress on operating margins. Price and forex volatility is another concern.

**DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT.**

The Company has adopted a code of conduct for its Directors, senior management and employees of the Company.

In accordance with sub-clause I-(D) of Clause 49 of the Listing Agreement with the stock exchanges, I hereby confirm that all the Directors and Senior Management Personnel of the Company have affirmed compliance with their Codes of Conduct, as applicable to them, for the Financial Year ended 31<sup>st</sup> March, 2014.

**For ASIAN TEA & EXPORTS LIMITED**

**Hariram Garg**  
**Managing Director**

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF  
CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

**To**

**The Members of Asian Tea & Exports Ltd.  
Sikkim Commerce House,  
4/1, Middleton Street,  
Kolkata- 700 071.**

We have examined the compliance of Corporate Governance by **ASIAN TEA & EXPORTS LTD**, for the year ended on 31<sup>st</sup> March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance; it is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

As required by the Guidance note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India, we state that the Registrars of the Company have certified that as on 31<sup>st</sup> March 2014, there were no investor grievances remaining unattended/ pending for a period exceeding one month.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**Place: Kolkata  
Date: 21st July'2014**

**For Agarwal Kejriwal & Co.  
Chartered Accountant  
Firm Regn. No.316112E**


**(M. Agarwal)  
Partner  
M. No. 052474**


# **AGARWAL KEJRIWAL & CO.**


**Chartered Accountants**

1, Ganesh Chandra Avenue,

4<sup>th</sup> Floor, Kolkata-700 013

 2236-5177/1785; 2225-6995

 (033) 22256372

 agarwalkejriwal@vsnl.com

## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of Asian Tea and Exports Limited**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Asian Tea and Exports Limited**, ("the "Company") which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with General Circular No. 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of the Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances and not for the purpose of the expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, we report that:
  - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - (c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - (e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

*Forming an Opinion and Reporting on Financial Statements*

For **AGARWAL KEJRIWAL & CO.**  
*Chartered Accountants*  
Firm's Registration No. 316112E

Place: Kolkata  
Date: 29<sup>th</sup> May, 2014

**(M. Agarwal)**  
Partner  
Membership No. : 52474

## **Asian Tea & Exports Limited**

### **Annexure to Independent Auditors' Report**

**Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.**

- (I)
  - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) As per the information and explanations given to us, all the assets have been physically verified by the management during the year in accordance with the phased programme of verification, which in our opinion is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - (c) During the year the company has not disposed off substantial part of its fixed assets so as to affect its going concern status.
- (II)
  - (a) The company has conducted physical verification of inventories at reasonable intervals.
  - (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
  - (c) The company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (III)
  - (a) The company has granted unsecured loan of ₹1,37,00,000/- to wholly owned subsidiaries covered in the register maintained under section 301 of the Companies Act, 1956. The number of parties are two, the maximum amount of transactions made during the year is ₹ 1,19,91,159/- and the balance at the end of the year is ₹ 1,19,91,159/-.
  - (b) In our opinion, the rate of interest and other terms & conditions of the loans given by the company are not prejudicial to the interest of the company
  - (c) The companies to whom the loans have been given are repayable on demand.
  - (d) Since the loans are repayable on demand, clause (d) of the Order is not applicable to the company.
  - (e) The company has taken unsecured loan of ₹ 37,00,000/- from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount of transactions made during the year is ₹ 37,00,000/- and the balance at the end of the year is ₹ Nil.
  - (f) In our opinion, the rate of interest and other terms & conditions of the loans taken by the company are not prejudicial to the interest of the company.
  - (g) The companies from whom the loans have been received as referred to in para (e) above have been repaid on demand.

## **Annexure to Independent Auditors' Report**

- (IV) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (V) (a) According to the information and explanations given to us, we are of the opinion that particulars of contracts or arrangements referred in section 301 that need to be entered into the register maintained under above section of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (VI) In our opinion and according to the information and explanations given to us, the company has not taken deposits from public. Therefore, the provisions of para 4(vi) of the Order are not applicable to the company.
- (VII) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (VIII) The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 as applicable to the company, hence the provisions of Para 4(viii) of the Order is not applicable to the company.
- (IX) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues including provident fund, investor education & protection fund, employees state insurance, income tax, wealth tax, service tax, customs duty, excise duty, cess and any other statutory dues were in arrears, as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date they became payable.
- (c) According to the records of the company and information and explanation given to us, there are no dues on account of Income Tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess & other material statutory dues applicable to it, which have not been deposited on account of dispute as on 31<sup>st</sup> March, 2014.
- (X) The company does not have accumulated losses at the end of the financial year. Therefore, the provisions of para 4(x) of the Order are not applicable to the company.
- (XI) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank and the company does not have any borrowings by way of debentures.



## **Annexure to Independent Auditors' Report**

- (XII) According to the information and explanations given to us, we are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of para 4(xii) of the Order are not applicable to the company
- (XIII) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of para 4(xiii) of the Order are not applicable to the company.
- [XIV] In our opinion and according to the information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investments except investment in unquoted shares of subsidiaries and associates and other companies which have been held by the company in its own name.
- (XV) In our opinion and according to the information and explanations given to us, the provisions of para 4(xv) of the Order are not applicable to the company, as the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (XVI) According to the information and explanation given to us, during the period covered by our audit report, the company had not raised any term loans.
- (XVII) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- (XVIII) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (XIX) According to the information and explanations given to us, during the period covered by our audit report, the company had not issued debentures.
- (XX) According to the information and explanations given to us, the provisions of para 4(xx) of the Order are not applicable to the company.
- (XXI) During the course of our examination of books of account carried out in accordance with generally accepted practices in India and we have neither come across any incidence of fraud on or by the Company nor have we been informed of any such case by the management.

**For AGARWAL KEJRIWAL & CO.**

*Chartered Accountants*

Firm Regn. No. :316112E

Place : Kolkata

Date : 29<sup>th</sup> May, 2014

**(M. Agarwal)**

Partner

Membership No. : 52474

**ASIAN TEA & EXPORTS LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2014**

PARTICULARS	NOTE	AS AT 31/03/2014	AS AT 31/03/2013
		₹	₹
<b>I EQUITY &amp; LIABILITIES</b>			
<b>1 Shareholders' Fund</b>			
(a) Share Capital	2	100000000	100000000
(b) Reserves & Surplus	3	144238723	138516679
<b>2 Share Application Money pending allotment</b>		-	-
<b>3 Non Current Liabilities</b>			
(a) Long term borrowings	4	-	1694231
(b) Long term provisions	5	410067	776076
<b>4 Current Liabilities</b>			
(a) Short term borrowings	6	49739779	14296412
(b) Trade payables	7	180398772	56953097
(c ) Other current liabilities	8	3315235	7408960
(d) Short-term provisions	9	3645588	4354604
<b>TOTAL</b>		<b>481748164</b>	<b>324000059</b>
<b>II ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	10	6591710	8771357
(b) Non-Current Investments	11	143452080	142203830
(c ) Deferred Tax Assets (Net)	12	1165458	898603
(d) Long term loans & advances	13	6729015	6544808
<b>2 Current Assets</b>			
(a) Current Investments	14	2807412	2155627
(b) Inventories	15	53818865	31115680
(c ) Trade Receivables	16	194285868	76900931
(d) Cash and bank balances	17	28581843	27514584
(e) Short term loans & advances	18	44315913	27894639
<b>TOTAL</b>		<b>481748164</b>	<b>324000059</b>

Significant Accounting Policies

1

Notes on Financial Statements

2 to 36

As per our Report of even date

For &amp; on behalf of the Board

**For AGARWAL KEJRIWAL & CO.**

Chartered Accountants

Firm Regn No.316112E

**H.R.GARG**

Chairman cum Managing Director

**M.AGARWAL**

(Partner)

Membership No.52474

**SUNIL GARG**

Wholetime Director

**C.S.SURANA**

Director

**ANAND KR. JHA**  
Company Secretary**LAKSHMAN SRINIVASAN**

Director

Place : Kolkata

Dated: 29th May 2014

**SANJAY CHOUDHURY**

Director

**ASIAN TEA & EXPORTS LIMITED****STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

PARTICULARS		NOTE	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
<b>INCOME</b>				
I	Revenue from operations	19	594915584	550895283
II	Other Income	20	4040305	5915068
III	Total Revenue (I + II)		<b>598955889</b>	<b>556810351</b>
<b>IV Expenses</b>				
	Cost of materials consumed		-	-
	Purchases of stock in-trade	21	598394781	347305763
	Changes in inventories of stock in trade	22	(22703185)	131245824
	Employee benefits expense	23	4712703	5870294
	Finance Costs	24	2822916	15945316
	Depreciation and Amortization Expense		1250685	1906633
	Other expenses	25	6196188	44723768
	Total Expenses		<b>590674088</b>	<b>546997598</b>
V	Profit before exceptional and extraordinary items and tax ( III - IV )		<b>8281801</b>	<b>9812753</b>
VI	Exceptional Item (Loss/(profit) on sale of Car)		176612	(69761)
VII	Profit before extraordinary items & Tax ( V - VI )		<b>8105189</b>	<b>9882514</b>
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII )		<b>8105189</b>	<b>9882514</b>
X	Tax Expense			
	(1) Current Tax		2650000	3355000
	(2) Deferred Tax		(266855)	(68060)
	(3) Earlier Year Taxes		-	299787
XI	Profit for the year (IX - X)		<b>5722044</b>	<b>6295787</b>
XII	Earning per equity share	26		
	(1) Basic		<b>0.57</b>	<b>0.63</b>
	(2) Diluted		<b>0.57</b>	<b>0.63</b>

Significant Accounting Policies

1

Notes on Financial Statements

2 to 36

As per our Report of even date

For &amp; on behalf of the Board

For **AGARWAL KEJRIWAL & CO.**

Chartered Accountants

Firm Regn No.316112E

**H.R.GARG**

Chairman cum Managing Director

**M.AGARWAL**

(Partner)

Membership No.52474

**SUNIL GARG**

Wholetime Director

**C.S.SURANA**

Director

**ANAND KR. JHA**  
Company Secretary**LAKSHMAN SRINIVASAN**

Director

Place : Kolkata

**SANJAY CHOUDHURY**

Dated: 29th May 2014

Director

## ASIAN TEA & EXPORTS LIMITED

### CASH FLOW STATEMENT AS PER CLAUSE 32 OF THE LISTING AGREEMENT

	As at 31.03.2014		As at 31.03.2013	
	Amount ₹	Amount ₹	Amount ₹	Amount ₹
<b>(A) <u>Cash Flow From Operating Activities</u></b>				
Net Profit before Tax and Extra-ordinary Items		8281801		9812753
<u>Adjustments for</u>				
Depreciation	1250685		1906633	
Interest Received on Loan	(2161833)		(3179556)	
Profit on sale of vehicle	-		-	
Profit on sale of Investment	-	(911148)	-	(1272923)
<b>Operating Profit before</b>				
<b>Working Capital Changes</b>		<b>7370653</b>		<b>8539830</b>
<u>Adjustments for</u>				
Trade and Other Receivables	(131790418)		134307567	
Inventories	(22703185)		131245824	
Trade and Other Payables	115626925	(38866678)	42715079	308268470
<b>Cash Generated from Operations</b>		<b>(31496025)</b>		<b>316808300</b>
Income Tax Paid		(2200000)		(3000000)
<b>Cash Flow before Extra Ordinary Items</b>		<b>(33696025)</b>		<b>313808300</b>
Income/(Expenses) pertaining to previous year		-		4555128
<b>Net Cash from Operating Activities</b>		<b>(33696025)</b>		<b>318363428</b>
<b>(B) <u>Cash Flow From Investing Activities</u></b>				
Purchase of Fixed Assets		(247650)		(1016943)
Sale of Fixed Assets		1000000		260000
Purchase of Investments		(1900035)		(6895003)
Interest Received on Loan		2161833		3179556
Profit on Sale of Investment		-		-
Sale of Investments		-		-
<b>Net Cash Generated From/(Used in) Investing Activities</b>		<b>1014148</b>		<b>(4472390)</b>

*Contd.....*

**(C) Cash Flow From Financial Activities**

Borrowings (Repaid) / Taken	33749136	(295232587)
Issue of Capital (preferential issue)	-	-
<b>Net Cash Generated From/(Used in) Financing Activities</b>	<b>33749136</b>	<b>(295232587)</b>

<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>1067259</b>	<b>18658451</b>
---------------------------------------------------------------------	----------------	-----------------

Opening Cash & Cash Equivalents (Refer Note No.17)	27514584	8856133
Closing Cash & Cash Equivalents (Refer Note No.17)	28581843	27514584

**Summary of Closing Cash & Cash Equivalents**

Cash & Cash Equivalent	28581843	27514584
Less : Bank Overdrafts	-	-
<b>Net Closing Cash &amp; Cash Equivalent</b>	<b>28581843</b>	<b>27514584</b>

**Notes :**

- (i) The above cash flow statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India
- (ii) Cash and cash equivalents include "Cash and Bank Balances".
- (iii) Previous years figures have been re-arranged/re-grouped wherever necessary

This is the Cash Flow Statement referred to in our report of even date

**For AGARWAL KEJRIWAL & CO.**  
*Chartered Accountants*

Firm Regn No.316112E

**(M. Agarwal)**

Partner

Membership No. 52474

For & on behalf of the Board

**H.R.GARG**

Chairman cum Managing Director

**SUNIL GARG**

Wholetime Director

**ANAND KR. JHA**  
Company Secretary

**C.S.SURANA**  
Director

Place : Kolkata

Dated: 29th May 2014

**LAKSHMAN SRINIVASAN**  
Director

**SANJAY CHOUDHURY**  
Director

## **ASIAN TEA & EXPORTS LIMITED**

### **Note 1 to Financial Statements for the year ended 31<sup>st</sup> March, 2014**

#### **SIGNIFICANT ACCOUNTING POLICIES:**

##### **1.1. Basis of Preparation of Financial Statements:**

The financial statements have been prepared on accrual basis and under historical cost convention and in compliance with all the material aspects of the applicable accounting principles in India, the applicable accounting standards notified under section 211(3C) and other relevant provisions of the Companies Act, 1956.

All the Assets and Liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956. The Company has ascertained its operating cycle to be 12 months for the purpose of current, non-current classification of assets and liabilities.

##### **1.2. Revenue Recognition :** In compliance with the requirement of accrual system of accounting following standards have been set out and are being followed over years :

- a) Sale is recognized when the ownership and control has been transferred to the prospective buyer provided there is no significant uncertainty in collection of the amount of consideration.
- b) In case of benefit of DEPB, income is recognized after obtaining the license from the concerned authorities.
- c) Revenue from interest is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

Having regard to the size of operations and nature and complexities of company's business, in management's opinion the above are the reasonable standards of applying the accrual system of accounting required by the law.

##### **1.3. Inventories/Work-in-Progress :** Inventories are stated at lower of cost or net realizable value. Cost is determined using FIFO method and comprises of the purchase price including duties and taxes and other expenditure directly attributable to the acquisition, but excluding the trade discount and other rebates.

1.4. **Fixed Assets And Depreciation:**

- a) Fixed assets are stated at cost or revalued amounts, as the case may be, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.
- b) Depreciation has been provided on historical cost and where revaluation of assets has been made on written up cost in the manner and as per Written Down Value Method at the rates prescribed in the Schedule XIV of the Companies Act, 1956. Proportionate depreciation is charged for additions/ deletions during the year on the basis of no. of days of use of the asset.

1.5. **Foreign Currency Transactions:**

- a) **Initial Recognition:** Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.
- b) **Conversion:** Foreign currency assets (debtors) are translated at the rates of exchange prevailing on the date of the transaction.
- c) **Exchange Differences:** Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

1.6. **Investment:**

Current Investments are stated at lower of cost and fair value. Long-term Investments intended to be held for more than a year are classified as non-current investments, and are carried at cost. However, provision for diminution in value, other than temporary, has been recognized, wherever necessary.

- 1.7. **Earnings per share:** Basic and diluted earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the number of equity shares outstanding, there being no potential equity shares in the capital structure of the company.

1.8. **Taxation** : Tax expense comprises both current and deferred taxes. Current tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognized for all the timing differences subject to the consideration of prudence in respect of deferred tax assets and measured using the tax rates and tax laws enacted by the balance sheet date. Unrecognized deferred tax assets of earlier years are reassessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

1.9. **Impairment of Assets (AS-28)** :

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

1.10. **Provisions, Contingent Liabilities & Contingent Assets** :

Provisions are recognized for present obligation as a result of past events where it is probable that outflow of resources will be required to settle the obligation, and in respect of which a reliable estimate can be made at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent Liabilities not provided for are disclosed in the notes to the Financial Statements. Contingent Assets are neither recognized nor disclosed in the financial statements.



ASIAN TEA & EXPORTS LIMITED		
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014		
	AS AT 31.03.2014 ₹	AS AT 31.03.2013 ₹
<b>NOTES - "2"</b>		
<b>Share Capital</b>		
<b>Authorised</b>		
3,00,00,000 Equity Shares of Rs.10/- each	300000000	300000000
(Previous year 3,00,00,000 Equity Shares of Rs.10/- each)	300000000	300000000
<b>Issued, Subscribed and Paid-up</b>		
1,00,00,000 Equity Shares of Rs.10/- each fully paid up	100000000	100000000
(Previous year 1,00,00,000 Equity Shares of Rs.10/- each)	100000000	100000000
<b>The Reconciliation of the number of shares outstanding is set out below</b>		
	<b>No. of shares</b>	<b>No. of shares</b>
Equity Shares at the beginning of the year	10000000	10000000
Add: Issued during the year	-	-
Equity Shares at the end of the year	10000000	10000000
<b>The details of Shareholders holding more than 5% shares</b>		
	<b>No. &amp; % of shares</b>	<b>No. &amp; % of shares</b>
<b>Name of the Shareholders:</b>		
Asian Capital Market Limited	1585883 (15.86)	1524478 (15.24)
Hariram Garg	726878 (7.27)	725000 (7.25)
Greenex Chemicals Pvt Ltd	658480 (6.58)	658480 (6.58)
Kanchan Wood Products Pvt Ltd	593401 (5.93)	593163 (5.93)
Asian Housing & Constructions Pvt Ltd	570000 (5.70)	570000 (5.70)
<b>Terms, Rights, Preference and Restrictions attached to Equity Shares</b>		
The company has only one class of equity shares having a par value of Rs.10/- each. Each holder of equity shares is entitled to one vote per share.		
<b>NOTES - "3"</b>		
<b>Reserves &amp; Surplus</b>		
(a) Securities Premium Reserve		
Balance as per last Account	63000000	63000000
Additions:	-	-
Sub-Total (a)	63000000	63000000
(b) General Reserve		
Balance as per last account	1300000	1300000
sub-Total (b)	1300000	1300000
(c ) Surplus In the Statement of Profit and Loss		
Balance as per last account	74216679	67920892
Additions during the year	5722044	6295787
sub-Total (c )	79938723	74216679
	<b>144238723</b>	<b>138516679</b>
<b>NOTES - "4"</b>		
<b>Long term borrowings</b>		
<b>Term Loan</b>		
<b>BMW Financial Services private Limited (Car Loan)</b>		
(Secured against vehicle on deferred credit)	865451	2834121
Less : Current maturities of Long term borrowings classified as		
Other current liabilities	865451	1139890
	-	<b>1694231</b>
<b>Terms of Repayment:</b>		
(i) Repayable in 48 monthly installments commencing from 16.04.2011. Last installment due on 16.03.2015		
Rate of interest is 10% P.A, Principal amount outstanding as on 31.03.2014 is Rs.8,65,451/-		
(Previous year:16,48,880)		
<b>NOTES - "5"</b>		
<b>Long term provisions</b>		
Provisions for Gratuity	410067	776076
	<b>410067</b>	<b>776076</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	AS AT 31.03.2014 ₹	AS AT 31.03.2013 ₹
<b>NOTES - "6"</b>		
<b>SHORT TERM BORROWINGS (SECURED)</b>		
Loans repayable on demand from banks :		
<u>State Bank of India</u>		
Cash Credit Account	23269220	-
Packing credit account (EPC/PCFC)	26470559	14296412
(Secured by hypothecation charge on all current assets covering raw material/finished goods at company's godown, procurement centres, goods in transit, goods with company's agent/representative etc. domestic and export receivable and other current assets present and future and collateral security in the form of equitable mortgage of properties lying in the name of subsidiary concerns and personal guarantee of Managing Director & Whole-time Director)		
	<b>49739779</b>	<b>14296412</b>
<b>NOTES - "7"</b>		
<b>TRADE PAYABLES</b>		
For Goods purchased	179504032	56740976
For Services received	894740	212121
	<b>180398772</b>	<b>56953097</b>
<b>NOTES - "8"</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Current Maturities of long term debts (refer Note No. 4)		
BMW Financial Services private Limited (Car Loan)		
<u>(Secured against vehicle on deferred credit)</u>	865451	1139890
Advances from Customers	2047950	5747950
Other Payables	401834	521120
	<b>3315235</b>	<b>7408960</b>
<b>NOTES - "9"</b>		
<b>SHORT TERM PROVISIONS</b>		
Provisions for Income Tax	2650000	3355000
Provisions for Gratuity	995588	999604
	<b>3645588</b>	<b>4354604</b>

**ASIAN TEA & EXPORTS LIMITED**
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**
**NOTES -10 - FIXED ASSETS (Tangible)**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2013 ₹	Additions during the yr ₹	Deductions/ Adjustments ₹	Total Cost as At 31.03.2014 ₹	upto 31.03.2013 ₹	during the yr ₹	Adjustment during the yr ₹	Total as at 31.03.2014 ₹	As at 31.03.2014 ₹	As at 31.03.2013 ₹
<b><u>Tangible Assets</u></b>										
Residential Flat	3783654		-	3783654	824002	147983	-	971985	2811669	2959652
Plant & Equipment	868194		-	868194	649010	30489	-	679499	188695	219184
Office Equipments	2200682	78900	-	2279582	1278767	136597	-	1415364	864218	921915
Furniture & Fixtures	1184348	168750	-	1353098	776292	86996	-	863288	489810	408056
Vehicles	8703739		2284556	6419183	4513728	819604	1107944	4225388	2193795	4190011
Computers	863721	-	-	863721	791182	29016	-	820198	43523	72539
<b>TOTAL</b>	<b>17604338</b>	<b>247650</b>	<b>2284556</b>	<b>15567432</b>	<b>8832981</b>	<b>1250685</b>	<b>1107944</b>	<b>8975722</b>	<b>6591710</b>	<b>8771357</b>
<b>Previous Year</b>	<b>17101595</b>	<b>1016943</b>	<b>514200</b>	<b>17604338</b>	<b>7250309</b>	<b>1906633</b>	<b>323961</b>	<b>8832981</b>	<b>8771357</b>	

**ASIAN TEA & EXPORTS LIMITED**
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	AS AT 31.03.2014			AS AT 31.03.2013		
	Face Value	No. of Eq. sh.	Amount ( ₹)	Face Value	No. of Eq. sh.	Amount ( ₹)
<b>NOTES - "11"</b>						
<b>NON-CURRENT INVESTMENTS</b>						
<b>(A) in Equity shares of subsidiary companies</b>						
<b><u>Unquoted fully paid up (Trade)</u></b>						
Greenol Laboratories (P) Limited	10	979990	40688360	10	979990	40688360
Sarita Nupur Vyapaar (P) Limited	10	322490	35473900	10	322490	35473900
Asian Tea company Pvt Ltd	-	-	-	10	198125	25075000
<b><u>(B) in Equity shares of Associate Companies</u></b>						
<b><u>Unquoted fully paid up (Trade)</u></b>						
Kesavatsapur Tea Company (P) Ltd.	10	3100000	31000000	10	3100000	31000000
Hurdeodass Co. (P) Ltd.	10	99000	9942500	10	80000	9182500
Asian Tea company Pvt Ltd	10	198125	25075000	-	-	-
<b><u>(C) in Equity shares- unquoted fully paid up (Non-Trade)</u></b>						
Azambad Tea Co. (P) Ltd.	10	3800	606625	10	3800	606625
Prachi Mittal Creations (P) Ltd.	10	10510	488550	10	10	300
Mittal Tex Fab (P) Ltd.	10	10	200	10	10	200
<b><u>Other Investment</u></b>						
Gold Coin (69 Gram) - 9 Pcs			176945			176945
			<b>143452080</b>			<b>142203830</b>
Market Value of Quoted Investment			<b>Nil</b>			<b>Nil</b>

**NOTES - "12"**
**DEFERRED TAX (NET)**

Deferred tax b/f

Add: Arising out of depreciation

31.03.2014 ₹	31.03.2013 ₹
898603	830543
266855	68060
<b>1165458</b>	<b>898603</b>

**NOTES - "13"**
**LONG TERM LOANS & ADVANCES**

Security Deposits

Group Gratuity Fund

5604930	5604930
1124085	939878
<b>6729015</b>	<b>6544808</b>

**NOTES - "14"**
**CURRENT INVESTMENT (Non-Trade Unquoted)**

Investment in Commodity Exchange Contracts

2807412	2155627
<b>2807412</b>	<b>2155627</b>

**NOTES - "15"**
**INVENTORIES**

(as taken, valued &amp; certified by the management)

**Finished Goods**

Stock of Tea

Stores &amp; Packing Materials

Wax

Coal

42643865	19587180
25000	2500
4040000	11526000
7110000	-
<b>53818865</b>	<b>31115680</b>

**ASIAN TEA & EXPORTS LIMITED****NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	AS AT 31.03.2014 ₹	AS AT 31.03.2013 ₹
<b>NOTES -"16"</b>		
<b>TRADE RECEIVABLES (Unsecured, Considered Good)</b>		
Trade Receivable Outstanding for a period less than 6 months from the date they are due for payment	185146482	73789335
Trade Receivable (overdue for a period exceeding six months)	9139386	3111596
	<b>194285868</b>	<b>76900931</b>
<b>NOTES -"17"</b>		
<b>CASH &amp; BANK BALANCES</b>		
<b>(i) Cash and Cash Equivalents</b>		
(a) Balances with Banks	4034524	12024266
(b) Cash on Hand (as certified by management)	833110	583239
<b>(ii) Other Bank Balances</b>		
(a) Balance with Bank held as Margin Money	17604319	8536419
(b) Bank Deposits held as collateral	5893379	3849827
(c )Other Bank Deposits	216511	2520833
Other bank balances include deposits with maturity period of more than 12 months amounting to Rs.58,93,379/- (P.Y Rs.43,78,532/-)		
	<b>28581843</b>	<b>27514584</b>
<b>NOTES -"18"</b>		
<b>SHORT TERM LOANS &amp; ADVANCES</b>		
Loans to Body Corporates (Unsecured, considered good)	18962155	4476961
Advances recoverable in cash or in kind or value to be received (Unsecured, considered Good)	18160851	15949344
<u>Other Advances (Unsecured, Considered Good)</u>		
Export Incentive Receivable	460282	460282
Advance Tax & TDS	2531653	3485277
Prepaid Expenses	993182	170856
Input Tax Credit Account	2328730	2477870
DEPB Licence in hand	67509	67509
Rent Receivable	15223	15223
Service Tax Receivable	-	146258
Sundry Balances Receivable	23537	-
Income Tax Refundable	761054	630777
TDS Receivable from parties	11737	14282
	<b>44315913</b>	<b>27894639</b>

**ASIAN TEA & EXPORTS LIMITED****NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
<b>NOTES - "19"</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>(i) SALES OF PRODUCTS</b>		
<b>A. EXPORTS:</b>		
Tea	3796848	336937579
Coal	1365525	-
Misc. Items	27066422	-
<b>B. High Sea Sales</b>		
Logs	110215162	111720362
<b>C. Domestic</b>		
Tea	13733020	25086706
Iron & Steel	310003573	1875773
Garments	97061546	30034523
Wax	25175350	15234550
Misc. Items	-	17953745
<b>(ii) Other Operating Revenues</b>		
Export Incentive	6498138	12052045
	<b>594915584</b>	<b>550895283</b>
<b>NOTES - "20"</b>		
<b>OTHER INCOME</b>		
Interest on Loan	2161833	3179556
Interest on fixed deposits with Banks	696718	1561900
Gain on Forex fluctuation, Derivatives	525688	-
Profit on sale of current Investments	422189	689316
Rent Received	222968	472420
Misc. Receipts	10909	11876
	<b>4040305</b>	<b>5915068</b>
<b>NOTES - "21"</b>		
<b>PURCHASES OF STOCK IN TRADE</b>		
Tea	40414609	138996868
Iron & Steel	307202454	1891050
Logs	108054079	109529761
Packing Materials	826853	3087753
Garments	92586690	48712695
Wax	17172000	27759000
Coal	8295000	-
Misc. Items	23843096	17328636
	<b>598394781</b>	<b>347305763</b>
<b>NOTES - "22"</b>		
<b>CHANGES IN INVENTORIES OF STOCK IN TRADE</b>		
Opening Stock	31115680	162361504
Less: Closing Stock	53818865	31115680
Decrease/ (Increase)	<b>(22703185)</b>	<b>131245824</b>

**ASIAN TEA & EXPORTS LIMITED****NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
<b>NOTES - "23"</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages	4109702	5091451
Contribution to Provident Funds and Other Funds	538001	723843
Staff Welfare Expenses	65000	55000
	<b>4712703</b>	<b>5870294</b>

As per Accounting Standard 15 "Employee benefits", the disclosure as defined in the Accounting Standard are given below:

Provident fund and Pension fund are defined contribution schemes and the contributions thereto are charged to Statement of Profit & Loss for the year when the contributions to the respective funds are paid/due.

Group Gratuity Fund is defined contribution scheme. In case of Defined Benefit Plans, the cost of providing the benefit is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>(i) Reconciliation of opening and closing balances of defined benefit obligation</b>		
Present Value of Obligation at Beginning of year	1775680	1582262
Acquisition Adjustment	-	-
Interest Cost	150933	125637
Past Service Cost	-	-
Current Service Cost	115345	162364
Curtailement cost	-	-
Settlement Cost	-	-
Benefits Paid	-	(23596)
Actuarial (gain)/loss on Obligations	(636303)	(70987)
Present Value of Obligation at end of Year	<b>1405655</b>	<b>1775680</b>
<b>(ii) Reconciliation of Opening and closing balances of fair value of plan Asset:</b>		
Fair Value of Plan Asset at Beginning of year	939878	893566
Acquisition Adjustment	-	-
Expected Return on Plan Asset	79890	71485
Contributions	97169	-
Benefits Paid	-	(23596)
Actuarial gain/(loss) on Plan Asset	7148	(1577)
Fair Value of Plan Asset at end of Year	<b>1124085</b>	<b>939878</b>
<b>(iii) Reconciliation of present value of Obligation and Fair value of Assets:</b>		
Present Value of obligation at end of year	1405655	1775680
Fair Value of Plan Asset at end of Year	1124085	939878
Funded Status	(281570)	(835802)
Unrecognized actuarial gain/loss at end of year	-	-
Net Asset (Liability) Recognized in Balance Sheet	(281570)	(835802)
<b>(iv) Total expense recognized in Statement of Profit/Loss during the year</b>		
Current Service Cost	115345	162364
Past Service Cost	-	-
Interest Cost	150933	125637
Expected Return on Plan Asset	79890	71485
Curtailement cost	-	-
Settlement Cost	-	-
Actuarial Gain/(Loss) recognized in the year	(643451)	(69410)
Expense recognized in statement of Profit & Loss	(457063)	147106

**ASIAN TEA & EXPORTS LIMITED****NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

	As at March, 2014	As at March, 2013
(v) The financial assumption employed for the calculations are as follows:		
Mortality Table	IALM 2006-08 Ultimate	LICI 1994-1996
Superannuation Age	60 Yrs	60Yrs
Early Retirement & Disablement	10 Per Thousand P.A 6 above age 45 3 between age 29 & 45 1 below age 29	10 Per Thousand P.A 6 above age 45 3 between age 29 & 45 1 below age 29
Discount Rate	8.50%	8.00%
Inflation Rate	6%	5%
Return on Asset	8.50%	8%
Remaining Working Life	8 Yrs	11 Yrs
Formula	Projected Unit Credit Method	Projected Unit Credit Method
(vi) Movements in the Liability Recognized in Balance Sheet		
Opening Net Liability	835802	688696
Expenses as above	-457063	147106
Contributions	97169	-
Closing Net Liability	281570	835802
Closing Fund/ Provision at end of year	1405655	1775680



**ASIAN TEA & EXPORTS LIMITED****NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
<b>NOTES - "24"</b>		
<b><u>FINANCE COSTS</u></b>		
Interest Expenses	2603855	8702241
Bank Charges	219061	7243075
	<b>2822916</b>	<b>15945316</b>
<b>NOTES - "25"</b>		
<b><u>OTHER EXPENSES</u></b>		
Advertisement & Sponsorship	94065	116176
Auditor's Remuneration	112360	112360
Bad Debts	-	946017
Blending Charges	108000	1568244
Business Promotion Expenses	524176	1622415
Clearing & Forwarding Charges	80250	643514
Commission & Brokerage	-	18059337
Consultancy Charges	158893	143725
Directors Sitting Fees	12750	12000
Electricity Charges	241000	245400
Filing Fees	1500	11000
Freight Outward (Export)	432253	7614590
Loss on Forex fluctuation, Derivatives & forward contract	-	2800458
Inspection & testing	-	626131
Insurance	305454	1144166
Legal, Professional & Listing Expenses	398548	535756
Local Transportation Charges	5835	152805
Medical Expenses of Director	-	26110
Misc. Expenses	27577	546702
Office Expenses	285813	329504
Postage & Telegram	127013	146496
Printing & stationery	225552	230504
Rent, Rates & Taxes	152268	2896342
Repairs & Maintenance	68953	141850
Subscription & Donation	375079	655414
Telephone Expense	169169	195785
Travelling & conveyance	1118569	1334626
Vehicle Maintenance Charges	256111	590412
Warehousing Charges	915000	1275929
	<b>6196188</b>	<b>44723768</b>

**ASIAN TEA & EXPORTS LIMITED****NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
<b>NOTES - "26"</b> <b><u>EARNING PER SHARE (EPS)</u></b>		
i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs.)	5722044	6295787
ii) Weighted Average number of equity shares	10000000	10000000
iii) Basic and Diluted Earning per share (Rs.)	0.57	0.63
iv) Face Value per equity share (Rs.)	10	10
<b>NOTES - "27"</b> <b><u>AUDITORS REMUNERATION</u></b>		
i) Statutory Audit Fees	84270	84270
ii) Tax Audit Fees	28090	28090
	<b>112360</b>	<b>112360</b>
<b>NOTES - "28"</b> <b><u>VALUE OF IMPORTS ON CIF BASIS</u></b>		
Tea- Merchanting Trade	13800000	49711365
Logs (Highseas)	108054079	109529761
Misc. Items	17182584	-
	<b>139036663</b>	<b>159241126</b>
<b>NOTES - "29"</b> <b><u>EXPENDITURE IN FOREIGN CURRENCY</u></b>		
Travelling Expenses	189844	57855
Sales Commission	-	17904680
	<b>189844</b>	<b>17962535</b>
<b>NOTES - "30"</b> <b><u>EARNINGS IN FOREIGN EXCHANGE</u></b>		
Export of Goods on FOB Basis	31796542	331108112

## **ASIAN TEA & EXPORTS LIMITED**

### **Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2014**

31. a) As per the policy of management each year actual bad debts are ascertained after the consideration and they are written off.
- (b) Balance of Loans, Debtors, Creditors and Deposits & Advances are subject to confirmation from the respective parties

### **32. Related Party Disclosures:**

As per Accounting Standard-18, the disclosures of transactions with the related parties are given below:

#### **(i) List of Related Parties where control exists with whom transactions have taken place and relationships:**

<b><u>Name of the Party</u></b>	<b><u>Nature of Relation</u></b>
1. Greenol Laboratories Pvt. Ltd.	Subsidiary
2. Sarita Nupur Vyapaar Pvt Ltd.	Subsidiary
3. Asian Tea Co. Pvt Ltd	Associate
4. Asian Capital Market Ltd.	Associate
5. Asian Housing & Constructions Pvt Ltd	Associate
6. Hurdeodass Co. Pvt Ltd	Associate
7. H.R.Garg	Key Management Personnel (KMP)
8. Sunil Garg	Key Management Personnel (KMP)
9. Rajesh Garg	Relative of Key Management Personnel (KMP)

#### **(ii) Transactions during the year and outstanding balance with Related Parties**

<b><u>Nature of Transaction</u></b>	<b><u>Subsidiaries</u></b>	<b><u>Associate</u></b>	<b><u>KMP</u></b>	<b><u>Total</u></b>
	<b><u>(₹)</u></b>	<b><u>(₹)</u></b>	<b><u>(₹)</u></b>	<b><u>(₹)</u></b>
1. Purchase of Tea	- (17698552)	4891675 (8481274)	- -	4891675 (26179826)
2. Interest received on loan	212400 (1503183)	- -	- -	212400 (1503183)
3. Sale of Tea	- (21396241)	3796848 -	- -	3796848 (21396241)
4. Outstanding Balance of Advance Given	11991159 -	2230317 -	- -	14221476 -
5. Collateral Securities of Office Premises & warehouse	92900000 (92900000)	- -	- -	92900000 (92900000)
6. Rent Paid	930000 (2430000)	- -	- -	930000 (2430000)
7. Remuneration	- -	- -	3200000 (3600000)	3200000 (3600000)

33. **Segment Reporting as per AS-17 issued by ICAI:**

Particulars	Domestic	International	Unallocated	Total
	(₹)	(₹)	(₹)	(₹)
Segment Revenue				
Sales	445973489 (90185297)	142443957 (448657941)	- (-)	588417446 (538843238)
Other Income	2817899 (4383531)	7720544 (13583582)	- (-)	10538443 (17967113)
Total	448791388 (94568828)	150164501 (462241523)	- (-)	598955889 (556810351)
Segment Expenses	447683844 (91550079)	142990244 (455447519)	- (-)	590674088 (546997598)
Segment Results	1107544 (3018749)	7174257 (6794004)	- (-)	8281801 (9812753)
Segment Assets	232964438 (4507324)	105331646 (177288905)	143452080 (142203830)	481748164 (324000059)
Segment Liability	180875576 (11311546)	136572588 (148388513)	164300000 (164300000)	481748164 (324000059)
Cost to Acquire Tangible Fixed Assets	- (-)	- (-)	247650 (1016943)	247650 (1016943)
Depreciation & Amortization Expenses	- (-)	- (-)	1250685 (1906633)	1250685 (1906633)

*The figures in brackets indicate previous year figures*

**Note:**

- The company is engaged in the business of sale of made tea (including blending), Logs, Coal, Iron & Steel items, Wax, Garments & Misc. consumer products etc, The Products and their applications are homogeneous in nature. The business segments are organized as domestic and international on the basis of geographical segment.
  - Segment assets & liabilities, as well as revenue and expenses are directly attributable to the segment.
  - All unallocated assets and liabilities and revenue and expenses are treated separately.
  - There are no separate reportable secondary segments.
  - Accounting policies of the segment are the same as those described in Summary of significant accounting policies as set out in Note No. 1 of Schedule.
34. Based on the intimation received by the company and information & explanations given to us none of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development Act

2006". Accordingly the disclosures relating to amounts unpaid as at the year ended together with interest paid or payable is not required to be furnished.

35. The previous year figures have also been regrouped, rearranged, and reclassified wherever necessary.
36. The information as required to be furnished pursuant to the General Instructions to Part I & Part II of the Schedule VI to the Companies Act, 1956 have been given to the extent applicable.

**Signature to Notes "1" to "36"**  
In terms of our report of even date

**For AGARWAL KEJRIWAL & CO.**  
Chartered Accountants  
Firm Regn. No. :316112E

**(M. Agarwal)**  
**Partner**  
Membership No.52474

For & on behalf of the Board

**H. R. Garg**  
Chairman-cum-Managing Director

**SUNIL GARG**  
Whole-time Director

**C. S.Surana**  
Director

**LAKSHMAN SRINIVASAN**  
Director

**ANAND KR.JHA**  
Company Secretary

**SANJAY CHOWDHURY**  
Director

Place : Kolkata  
Date : 29<sup>th</sup> May, 2014

# **AGARWAL KEJRIWAL & CO.**

*Chartered Accountants*

1, Ganesh Chandra Avenue,  
4<sup>th</sup> Floor, Kolkata - 700 013  
☎ 2236-5177/1785, 2225-6995  
✉ (033) 22256372  
✉ agarwalkejriwal@vsnl.com

## **INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

**To The Board of Directors  
Asian Tea & Exports Limited**

We have audited the accompanying Consolidated Financial Statements of **Asian Tea and Exports Limited** ('the Company') and its Subsidiaries, viz. **Sarita Nupur Vyapaar Private Limited and Greenol Laboratories Private limited** (collectively referred to as the "group") which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2014, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

### **Management's Responsibility for the consolidated Financial Statements**

The Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flow of the Group in accordance with accounting principles generally accepted in India. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and free from material misstatement, whether due to fraud and error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our Audit. We conducted our audit in accordance with the auditing standards and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants Of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

We report that the consolidated financial statements have been prepared by the company's management in accordance with the requirements of Accounting Standard (AS)-21-Consolidated Financial Statements and AS-23 Accounting for Investment in Associates in Consolidated Financial Statement read with General Circular No. 15/3013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Sec 133 of the Companies Act, 2013.

Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to in "Other Matters" paragraph below and to the best of our information and according to the explanations given to us, the Consolidated Financial Statements together with notes thereto give a true and fair view in conformity with accounting principles generally accepted in India:

- (a) in the case of Consolidated Balance Sheet, of the state of affairs of the Group as at 31<sup>st</sup> March, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flow of the group for the year ended on that date.

### **Other Matters**

We did not audit the financial statements of the subsidiary company viz Greenol Laboratories Private Limited , whose financial statements reflect the total assets of Rs. 6,59,43,197 as at 31<sup>st</sup> March 2014 and total revenues(including other income) of Rs.11,54,276 /- for the year ended on that date and net cash outflows amounting to Rs.19,26,714 /- for the year ended on that date as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditor whose report have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of such subsidiary is based solely on the report of other auditors.

**For AGARWAL KEJRIWAL & CO.**  
*Chartered Accountants*  
Firm Registration No. : 316112E

Place : Kolkata  
Date : 29<sup>th</sup> May, 2014

**(M. Agarwal)**  
Partner  
Membership No. : 52474

**ASIAN TEA & EXPORTS LIMITED****CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014**

PARTICULARS	NOTE	AS AT 31/03/2014 (₹)	AS AT 31/03/2013 (₹)
<b>I EQUITY &amp; LIABILITIES</b>			
<b>1 Shareholders' Fund</b>			
(a) Share Capital	2	100000000	100000000
(b) Reserves & Surplus	3	202639967	195493209
<b>2 Minority Interest</b>		-	31520885
<b>3 Share Application Money pending allotment</b>		-	-
<b>4 Non Current Liabilities</b>			
(a) Long term borrowings	4	1145679	2740379
(b) Other Long term Liabilities	5	2306100	2103400
(c) Long term provisions	6	410067	776076
<b>5 Current Liabilities</b>			
(a) Short term borrowings	7	50149899	168700242
(b) Trade payables	8	180618326	77991267
(c ) Other current liabilities	9	4370658	5774676
(d) Short-term provisions	10	5190588	11727604
<b>TOTAL</b>		<b>546831284</b>	<b>596827738</b>
<b>II ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	11	92022533	96570172
(ii) Intangible Assets (Goodwill on consolidation)		33232437	33308966
(iii) Capital Work -in- Progress		-	23961740
(b) Non-Current Investments	12	102653103	65330420
(c ) Deferred Tax Assets (Net)	13	1069213	752942
(d) Long term loans & advances	14	1229015	1071808
(e) Other non-current Assets	15	21241	132234
<b>2 Current Assets</b>			
(a) Current Investments	16	2807412	2155627
(b) Inventories	17	55378865	105447518
(c ) Trade Receivables	18	194388194	213398892
(d) Cash and bank balances	19	29049564	20136434
(e) Short term loans & advances	20	34969087	34516907
(f) Other current Assets	21	10620	44078
<b>TOTAL</b>		<b>546831284</b>	<b>596827738</b>

Significant Accounting Policies

1

Notes on Financial Statements

2 to 41

As per our Report of even date

For &amp; on behalf of the Board

For **AGARWAL KEJRIWAL & CO.**

Chartered Accountants

Firm Regn No.316112E

**H.R.GARG**

Chairman cum Managing Director

**M.AGARWAL**

(Partner)

Membership No.52474

**SUNIL GARG**

Wholetime Director

**C.S.SURANA**

Director

**ANAND KR. JHA**  
Company Secretary**LAKSHMAN SRINIVASAN**

Director

Place : Kolkata

Dated: 29th May, 2014

**SANJAY CHOUDHURY**

Director



**ASIAN TEA & EXPORTS LIMITED****CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

PARTICULARS	NOTE	For the year ended 31st March, 2014 (₹)	For the year ended 31st March, 2013 (₹)
<b>INCOME</b>			
I Revenue from operations	22	594915584	1442958167
II Other Income	23	18151614	6524734
III Total Revenue (I + II)		<b>613067198</b>	<b>1449482901</b>
<b>IV Expenses</b>			
Purchases of stock in-trade	24	598394781	1184523806
Changes in inventories of stock in trade	25	(22703185)	58550565
Employees benefits expense	26	5380153	14672168
Finance Costs	27	3014482	40349121
Depreciation and Amortization Expense	28	2871978	3091003
Other expenses	29	6829235	115618250
Total Expenses		<b>593787444</b>	<b>1416804913</b>
V Profit before exceptional and extraordinary items and tax ( III - IV )		<b>19279753</b>	<b>32677988</b>
VI Exceptional Items		176612	(69761)
VII Profit before extraordinary items & Tax ( V - VI )		<b>19103141</b>	<b>32747749</b>
VIII Extraordinary Items		-	-
IX Profit before tax (VII - VIII )		<b>19103141</b>	<b>32747749</b>
X Tax Expense			
(1) Current Tax		3270000	10655000
(2) Deferred Tax		(316544)	(59476)
(3) Earlier Year Taxes		62769	314544
XI Profit for the year (IX - X)		<b>16086916</b>	<b>21837681</b>
XII Minority Interest		-	<b>6610354</b>
XIII Profit After Tax & Minority Interest		<b>16086916</b>	<b>15227327</b>
XIV Earning per equity share	30		
(1) Basic		<b>1.61</b>	<b>1.52</b>
(2) Diluted		<b>1.61</b>	<b>1.52</b>

Significant Accounting Policies

1

Notes on Financial Statements

2 to 41

As per our Report of even date

For &amp; on behalf of the Board

**For AGARWAL KEJRIWAL & CO.**

Chartered Accountants

Firm Regn No.316112E

**H.R.GARG**

Chairman cum Managing Director

**M.AGARWAL**

(Partner)

Membership No.52474

**SUNIL GARG**

Wholetime Director

**C.S.SURANA**

Director

**ANAND KR. JHA**

Company Secretary

**LAKSHMAN SRINIVASAN**

Director

Place : Kolkata

Dated: 29th May, 2014

**SANJAY CHOUDHURY**

Director

## ASIAN TEA & EXPORTS LIMITED

### CONSOLIDATED CASH FLOW STATEMENT AS PER CLAUSE 32 OF THE LISTING AGREEMENT

	As at 31.03.2014		As at 31.03.2013	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>(A) <u>Cash Flow From Operating Activities</u></b>				
Net Profit before Tax and Extra-ordinary Items		19279753		32677988
<u>Adjustments for</u>				
Depreciation	2861357		3046924	
Preliminary Expenses Written Off	10620		44078	
Interest Received on Loan	(1949433)		(1676373)	
Provision for Gratuity	-		193418	
Profit on sale of Investment	(422189)		(689316)	
Non cash items (share of profit from Associate)	(8399433)	(7899078)	(334213)	584518
<b>Operating Profit before</b>				
<b>Working Capital Changes</b>		<b>11380676</b>		<b>33262506</b>
<u>Adjustments for</u>				
Trade and Other Receivables	20829491		(15394022)	
Inventories	50068653		58473986	
Trade and Other Payables	91867156	162765300	56497042	99577006
<b>Cash Generated from Operations</b>		<b>174145976</b>		<b>132839512</b>
Income Tax Paid		(2600000)		(7200000)
<b>Cash Flow before Extra Ordinary Items</b>		<b>171545976</b>		<b>125639512</b>
Income/ (Expenses) pertaining to previous year		-		-
<b>Net Cash from Operating Activities</b>		<b>171545976</b>		<b>125639512</b>
<b>(B) <u>Cash Flow From Investing Activities</u></b>				
Purchase of Fixed Assets		(1974991)		(24842702)
Sale of Fixed Assets		26610918		260000
Purchase of Investments		(37974468)		-
Interest Received on Loan		1949433		1676373
Profit on Sale of Investment		422189		689316
Sale of Investments		-		18144751
Adjustment on account of Minority Interest		(31520885)		31520885
<b>Net Cash Used In Investing Activities</b>		<b>(42487804)</b>		<b>27448623</b>
				<i>Contd.....</i>

**(C) Cash Flow From Financial Activities**

Borrowings (Repaid) / Taken	(120145042)	(144782609)
Issue of Capital	-	-
<b>Net Cash from Financing Activities</b>	<b>(120145042)</b>	<b>(144782609)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalent (A+B+C)</b>	<b>8913130</b>	<b>8305526</b>
Opening Cash & Cash Equivalents	20136434	11830908
Closing Cash & Cash Equivalents	29049564	20136434
<b><u>Summary of Closing Cash Balance</u></b>		
Cash & Cash Equivalent	29049564	20136434
Less : Bank Overdrafts	-	-
<b>Net Closing Cash &amp; Cash Equivalent</b>	<b>29049564</b>	<b>20136434</b>

**Notes :**

- (i) The above cash flow statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India
- (ii) Previous years figures have been re-arranged/re-grouped wherever necessary

This is the Cash Flow Statement referred to in our report of even date

For & on behalf of the Board

**For AGARWAL KEJRIWAL & CO.**

*Chartered Accountants*

Firm Regn No.316112E

**(M. Agarwal)**

Partner

Membership No. 52474

**H.R.GARG**

Chairman cum Managing Director

**SUNIL GARG**

Wholetime Director

**ANAND KR. JHA**

Company Secretary

**C.S.SURANA**

Director

Place : Kolkata

Dated: 29th May, 2014

**LAKSHMAN SRINIVASAN**

Director

**SANJAY CHOUDHURY**

Director

# **ASIAN TEA & EXPORTS LIMITED**

## **NOTE –1 to Consolidated Financial Statement for the year ended 31<sup>st</sup> March,2014**

### **Significant Accounting Policies:**

#### **1.1 Basis of Preparation:**

The financial statements are prepared under historical cost convention and following fundamental accounting assumptions namely going concern, consistency and accrual so as to comply with the mandatory accounting standards issued by The Institute of Chartered Accountants of India. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

#### **1.2 Basis of Consolidation:**

- i. The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as the company i.e year ended March 31, 2014 and are prepared based on the accounting policies consistent with those used by the company
- ii. The financial statements of the group have been prepared in accordance with the Accounting Standard 21- “Consolidated Financial Statements” Notified under the Companies (Accounting Standards) Rules 2006, as amended and other generally accepted accounting policies in India.
- iii. The consolidated Financial Statements have been prepared on the following basis:
  - a) The financial statements of the company and its subsidiary have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. The intra group Balances and unrealized profits and losses, if any have been fully eliminated.
  - b) The excess of cost to the company of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the date on which the investments in the subsidiary companies are made, is recognized as “Goodwill”, being an asset in the consolidated financial statements.
  - c) The consolidated financial statements include the share of profit or loss of the associate companies which has been accounted as per the equity method and accordingly, the share of profit or loss of the associate companies (the loss being restricted to the cost of investment) has been added to/deducted from the cost of investments. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture of the investor.

- 1.3** The List of subsidiary companies which are included in the consolidation and the parent company's holding therein are as under:

Name of the Company	Country of incorporation	Ownership interest
Sarita Nupur Vyapaar Private Limited	India	100%
Greenol Laboratories Private Limited	India	100%

The List of associate companies which are included in the consolidation and the parent company's holding therein are as under:

Name of the Company	Country of incorporation	Ownership interest
Kesavatsapur Tea Co. (P) Ltd	India	40.79 %
Asian Tea Co. Pvt Limited	India	40.43 %
Hurdeodass Tea Co. Pvt Ltd	India	39.92 %

**1.4. Other significant Accounting Policies:**

These are set out under significant accounting policies as given in the company's separate financial statements.

- 1.5.** Investments other than in subsidiaries and associates have been accounted as Accounting Standard-13 "Accounting for Investments".
- 1.6.** Investment in associates have been accounted under the equity method as per AS-23- "Accounting for Investments in associates in Consolidated Financial Statements" issued by the Companies (Accounting Standard) Rules 2006.

ASIAN TEA & EXPORTS LIMITED		
NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014		
	AS AT 31.03.2014 (₹)	AS AT 31.03.2013 (₹)
<b>NOTES - "2"</b>		
<b>Share Capital</b>		
<b>Authorised</b>		
3,00,00,000 Equity Shares of Rs.10/- each	300000000	300000000
(Previous year 3,00,00,000 Equity Shares of Rs.10/- each)	300000000	300000000
<b>Issued, Subscribed and Paid-up</b>		
1,00,00,000 Equity Shares of Rs.10/- each fully paid up	100000000	100000000
(Previous year 1,00,00,000 Equity Shares of Rs.10/- each)	100000000	100000000
<b>The Reconciliation of the number of shares outstanding is set out below</b>		
	<b>No. of shares</b>	<b>No. of shares</b>
Equity Shares at the beginning of the year	10000000	10000000
Add: Issued during the year	-	-
Equity Shares at the end of the year	10000000	10000000
<b>The details of Shareholders holding more than 5% shares</b>		
	<b>No. &amp; % of shares</b>	<b>No. &amp; % of shares</b>
<b>Name of the Shareholders:</b>		
Asian Capital Market Limited	1585883 (15.86)	1524478 (15.24)
Hariram Garg	726878 (7.27)	725000 (7.25)
Greenex Chemicals Pvt Ltd	658480 (6.58)	658480 (6.58)
Kanchan Wood Products Pvt Ltd	593401 (5.93)	593163 (5.93)
Asian Housing & Constructions Pvt Ltd	570000 (5.70)	570000 (5.70)
<b>Terms, Rights, Preference and Restrictions attached to Equity Shares</b>		
The company has only one class of equity shares having a par value of Rs.10/- each. Each holder of equity shares is entitled to one vote per share.		
<b>NOTES - "3"</b>		
<b>Reserves &amp; Surplus</b>		
(a) Securities Premium Reserve		
Balance as per last Account	63000000	63000000
Additions:	-	-
Sub-Total (a)	63000000	63000000
(b) General Reserve		
Balance as per last account	1300000	1300000
sub-Total (b)	1300000	1300000
(c ) Surplus In the Statement of Profit and Loss		
Balance as per last account	85446022	70218695
Less: Adjustment on account of conversion of subsidiary into Associate	(6652801)	
Additions: during the year	16086918	15227327
sub-Total (c )	94880139	85446022
(d ) Revaluation Reserve		
Balance as per last account	45747187	48154934
Less: Adjustment of Depreciation on write up value of assets	2287359	2407747
sub-Total (d )	43459828	45747187
	<b>202639967</b>	<b>195493209</b>
<b>NOTES - "4"</b>		
<b>Long term borrowings (Secured)</b>		
<b>Term Loan</b>		
<b>From Bank</b>		
HDFC Bank Limited (Car Loan)	2058372	1562515
<b>From Financial Institution</b>		
BMW Financial Services private Limited (Car Loan)	865451	2834121
(Secured against vehicle on deferred credit)	2923823	4396636
Less : Current maturities of Long term borrowings classified as		
Other current liabilities	1778144	1656257
	<b>1145679</b>	<b>2740379</b>
<b>Terms of Repayment:</b>		
<b>BMW Financial Services private Limited (Car Loan)</b>		
(i) Repayable in 48 monthly installments commencing from 16.04.2011. Last installment due on 16.03.2015		
Rate of interest is 10% P.A, Principal amount outstanding as on 31.03.2014 is ₹ 8,65,451/-		
(Previous year:16,48,880/-)		
<b>HDFC Bank Limited (Car Loan)</b>		
(i) Repayable in 36 monthly installments commencing from 07.02.2013. Last installment due on 07.01.2016		
Rate of interest is 11% P.A, Principal amount outstanding as on 31.03.2014 is ₹ 649607 /-(Previous Year Rs.951516/-)		
(ii) Repayable in 36 monthly installments commencing from 05.11.2012. Last installment due on 05.10.2015		
Rate of interest is 11% P.A, Principal amount outstanding as on 31.03.2014 is ₹ 396541/-(Previous Year Rs.610999/-)		
(iii) Repayable in 36 monthly installments commencing from 05.01.2014. Last installment due on 05.12.2016		
Rate of interest is 11% P.A, Principal amount outstanding as on 31.03.2014 is ₹ 1012224/-		

**ASIAN TEA & EXPORTS LIMITED****NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

	AS AT 31.03.2014 (₹)	AS AT 31.03.2013 (₹)
<b>NOTES - "5"</b>		
<b>Other Long term Liabilities</b>		
Trade Payable - Lease rent	806100	603400
Security Deposits against Office	1500000	1500000
	<b>2306100</b>	<b>2103400</b>
<b>NOTES - "6"</b>		
<b>Long term provisions</b>		
Provisions for Gratuity	410067	776076
	<b>410067</b>	<b>776076</b>
<b>NOTES - "7"</b>		
<b>SHORT TERM BORROWINGS (SECURED)</b>		
Loans repayable on demand :		
<u>From Banks -</u>		
<u>State Bank of India</u>		
Cash Credit account	23269220	-
Export bill discounting account	-	64333685
Packing credit account (EPC/PCFC)	26470559	67890338
(Secured by hypothecation charge on all current assets covering raw material/finished goods at company's godown, procurement centres, goods in transit, goods with company's agent/representative etc. domestic and export receivable and other current assets present and future and collateral security in the form of equitable mortgage of properties lying in the name of subsidiary concerns and personal guarantee of Managing Director & Whole-time Director)		
From Other Parties	410120	36476219
	<b>50149899</b>	<b>168700242</b>
<b>NOTES - "8"</b>		
<b>TRADE PAYABLES</b>		
For Goods purchased	179706732	75994858
For Services received	911594	1996409
	<b>180618326</b>	<b>77991267</b>
<b>NOTES - "9"</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Current Maturities of long term borrowings (refer Note No. 4)		
BMW Financial Services private Limited (Car Loan)	865451	1139890
HDFC Bank Limited (Car Loan)	912693	516367
(Secured against vehicle on deferred credit)		
Advances from Customers	2047950	2047950
Other Payables	544564	2070469
	<b>4370658</b>	<b>5774676</b>
<b>NOTES - "10"</b>		
<b>SHORT TERM PROVISIONS</b>		
Provisions for Income Tax	4195000	10728000
Provisions for Gratuity	995588	999604
	<b>5190588</b>	<b>11727604</b>

**ASIAN TEA & EXPORTS LIMITED****NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014****NOTES -11 (FIXED ASSETS)**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2013 (₹)	Additions during the yr (₹)	Deductions/ Adjustment (₹)	Total Cost as At 31.03.2014 (₹)	upto 31.03.2013 (₹)	during the yr (₹)	Adjustment (₹)	Total as at 31.03.2014 (₹)	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)
<b><u>Tangible Assets</u></b>										
Residential Flat	3783654			3783654	824002	147983		971985	2811669	2959652
Office Equipments	3465030	78900	106485	3437445	1983669	200610	7228	2177051	1260394	1481361
Furniture & Fixtures	1263528	168750	79180	1353098	798515	86996	22223	863288	489810	465013
Vehicles	11214803	1654935	2284556	10585182	4687167	1532811	1107944	5112034	5473148	6527636
Computers	906790		43069	863721	793164	29016	1982	820198	43523	113626
Freehold Land	21153610			21153610	-	-		-	21153610	21153610
Building (Warehouse)	17303413	72406		17375819	1270317	802094		2072411	15303408	16033096
Premises -Leasehold (Unit No.503)	14108316			14108316	2127357	599048		2726405	11381911	11980959
Premises -Leasehold (Unit No.504)	14576514			14576514	2182095	619721		2801816	11774698	12394419
Premises -Leasehold (Unit No.505)	26443735			26443735	3834962	1130439		4965401	21478334	22608773
Tea Plantation at N.B.University	852028			852028	-	-		-	852028	852028
<b>TOTAL</b>	<b>115071420</b>	<b>1974991</b>	<b>2513290</b>	<b>114533121</b>	<b>18501248</b>	<b>5148718</b>	<b>1139377</b>	<b>22510589</b>	<b>92022533</b>	<b>96570172</b>
<b>Previous Year</b>	<b>111866518</b>	<b>3719102</b>	<b>514200</b>	<b>115071420</b>	<b>13370538</b>	<b>5454671</b>	<b>323961</b>	<b>18501248</b>	<b>96570172</b>	

Note : Depreciation of Rs. 22,87,359/- (P.Y. Rs. 24,07,747/-) on Revalued assets of Rs. 5,33,57,267/- adjusted with revaluation reserve.

Previous year figure includes the fixed assets of the erstwhile subsidiary viz. Asian Tea Company Pvt Ltd. which has been converted into associate w.e.f 01.04.2013.



**ASIAN TEA & EXPORTS LIMITED**
**NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

	AS AT 31.03.2014			AS AT 31.03.2013		
	Face Value	No. of Eq. sh.	Amount (₹)	Face Value	No. of Eq. sh.	Amount(₹)
<b>NOTES - "12"</b>						
<b>NON-CURRENT INVESTMENTS (TRADE)</b>						
<b>(A) in Equity shares of Associate Companies- unquoted fully paid up</b>						
Asian Capital Market Limited	10	52000	3175000	10	52000	3175000
Asian Housing & Infrastructure (P) Ltd	10	209750	4743677	10	209750	4743677
Asian Tea Company Private Limited	10	198125	33487280	-	-	-
Hurdeodass Co. (P) Ltd.	10	152700	12341984	10	83700	10015000
Kesavatsapur Tea Company (P) Ltd.	10	3100000	32732802	10	3100000	32312633
<b>(B) in Equity shares- unquoted fully paid up</b>						
Greenex Chemicals Private Limited	100	13000	3300000	100	13000	3300000
Kanchan Wood Products Private Limited	10	80000	800000	10	80000	800000
Azambad Tea Co. (P) Ltd.	10	3800	606625	10	3800	606625
Mittal Tex Fab (P) Ltd.	10	14	240	10	14	240
Prachi Mittal Creations (P) Ltd.	10	10510	488550	10	10	300
S.T.Buildcon Pvt Ltd	10	64000	1600000	10	64000	1600000
Sita Plantations Private Limited	10	54750	2400000	10	54750	2400000
Sky View Dealtrade Pvt Ltd	10	29000	2900000	10	29000	2900000
Sriram Tokhram Tea Vanijya Pvt Ltd	10	5000	1000000	10	5000	1000000
Swati Nippon Private Limited	10	10000	100000	10	10000	100000
Tirumala Mart Pvt Ltd.	10	27500	2200000	10	27500	2200000
Ultrafocus Developers Pvt Ltd	10	10000	100000	-	-	-
Everlasting Procon Pvt Ltd	10	20000	200000	-	-	-
Upmost Retails Pvt Ltd	10	10000	100000	-	-	-
Ultrashine Marketting Pvt Ltd	10	10000	100000	-	-	-
Moonview Marcom Pvt Ltd	10	10000	100000	-	-	-
<b>(C ) Other Investment</b>						
Gold Coin (69 Gram) -9 Pcs			176945			176945
Share Application money pending allotment						
			<b>102653103</b>			<b>65330420</b>
Market Value of Quoted Investment			Nil			Nil

**NOTES - "13"**
**DEFERRED TAX (NET)**

Deferred tax b/f

Add/Less: Arising out of depreciation

31.03.2014 (₹)	31.03.2013 (₹)
752669	693193
316544	59749
<b>1069213</b>	<b>752942</b>

**NOTES - "14"**
**LONG TERM LOANS & ADVANCES (Unsecured, Considered Good)**

Security Deposits

Group Gratuity Fund

104930	131930
1124085	939878
<b>1229015</b>	<b>1071808</b>

**NOTES - "15"**
**OTHER NON-CURRENT ASSETS**

Preliminary Expenses

21241	132234
<b>21241</b>	<b>132234</b>

**NOTES - "16"**
**CURRENT INVESTMENT (Non-Trade Unquoted)**

Investment in Commodity Exchange Contracts

2807412	2155627
<b>2807412</b>	<b>2155627</b>

**ASIAN TEA & EXPORTS LIMITED****NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

	AS AT 31.03.2014			AS AT 31.03.2013		
	Face Value	No. of Eq. sh.	Amount (₹)	Face Value	No. of Eq. sh.	Amount(₹)
<b>NOTES - "17"</b>						
<b>INVENTORIES</b>						
(as taken, valued & certified by the management)						
<u>Finished Goods</u>						
Stock of Tea			42643865			92320018
Stores & Packing Materials			25000			41500
Wax			4040000			11526000
Coal			7110000			
<u>Shares (Unquoted)</u>						
Greenex Chemicals (P) Ltd	100	4000	80000	100	4000	80000
Sita Plantations Pvt Ltd	10	10000	600000	10	10000	600000
Asian Housing & Infrastructure Pvt Ltd	10	120000	675000	10	120000	675000
Kanchan Wood Products Pvt Ltd	10	8500	105000	10	8500	105000
Bengal Enterprises Pvt Ltd	10	50000	100000	10	50000	100000
			<b>55378865</b>			<b>105447518</b>

**NOTES - "18"****TRADE RECEIVABLES (Unsecured, Considered Good)**

Trade Receivable Outstanding for a period less than 6 months from the date they are due for payment

Trade Receivable (overdue for a period exceeding six months)

31.03.2014 (₹)	31.03.2013 (₹)
185248808	210287296
9139386	3111596
<b>194388194</b>	<b>213398892</b>

**NOTES - "19"****CASH & BANK BALANCES****(i) Cash and Cash Equivalents**

(a) Balances with Banks

(b) Cash on Hand (as certified by management)

**(ii) Other Bank Balances**

(a) Balance with Bank held as Margin Money

(b) Bank Deposits held as collateral

(c )Other Bank Deposits

Other bank balances include deposits with

maturity period of more than 12 months

amounting to Rs.58,93,379/- (P.Y Rs.43,78,532/-)

4298968	2096489
1036387	2396331
17604319	8852479
5893379	4270302
216511	2520833
<b>29049564</b>	<b>20136434</b>

**NOTES - "20"****SHORT TERM LOANS & ADVANCES**

Loans to Body Corporates (Unsecured, considered good)

Advances recoverable in cash or in kind or value to be received

(Unsecured, considered Good)

Other Advances (Unsecured, Considered Good)

Export Incentive Receivable

Advance Tax & TDS

Prepaid Expenses

Input Tax Credit Account

DEPB Licence in hand

Rent Receivable

Service Tax Receivable

Sundry Balance Receivable

Income Tax Refundable

TDS Receivable from parties

6970996	4476961
18164351	16447878
460282	460282
4881653	8649337
1086177	748813
2328730	2690450
67509	67509
15223	15223
-	232895
23537	-
958892	713277
11737	14282
<b>34969087</b>	<b>34516907</b>

ASIAN TEA & EXPORTS LIMITED		
NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014		
	For the year ended 31st March, 2014 (₹)	For the year ended 31st March, 2013 (₹)
<b>NOTES - "21"</b>		
<b>OTHER CURRENT ASSETS</b>		
Preliminary Expenses	31861	176312
Less: Non-Current preliminary Expenses	21241	132234
	<b>10620</b>	<b>44078</b>
<b>NOTES - "22"</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>(i) SALES OF PRODUCTS</b>		
<b>A. EXPORTS:</b>		
Tea	3796848	1234186665
Coal	1365525	-
Misc. Items	27066422	-
<b>B. High Sea Sales</b>		
Logs	110215162	111720362
<b>C. Domestic</b>		
Tea	13733020	15772908
Iron & Steel	310003573	1875773
Garments	97061546	30034523
Wax	25175350	15234550
Misc. Items	-	17953745
Sale of Saree	-	2474050
<b>(ii) Other Operating Revenues</b>		
Export Incentive	6498138	13705591
	<b>594915584</b>	<b>1442958167</b>
<b>NOTES - "23"</b>		
<b>OTHER INCOME</b>		
Agricultural Income	195326	264285
Interest on Loan	1949433	1676373
Interest on bank deposit	696718	1602495
Interest on IT Refund	4950	-
Gain on Forex fluctuation, Derivatives & forward contract	525688	469891
Profit on Sale of Current Investments	422189	689316
Miscellaneous Receipts	10909	9678
Rent Received	5946968	1426420
Discount Received	-	52063
Share of profit/(loss) from Associate	8399433	334213
	<b>18151614</b>	<b>6524734</b>
<b>NOTES - "24"</b>		
<b>PURCHASES OF STOCK IN TRADE</b>		
Tea	40414609	971372220
Iron & Steel	307202454	1891050
Logs	108054079	109529761
Packing Materials	826853	5121274
Garments	92586690	48712695
Wax	17172000	27759000
Misc. Items	23843096	17328636
Coal	8295000	-
Sarees	-	2809170
	<b>598394781</b>	<b>1184523806</b>
<b>NOTES - "25"</b>		
<b>CHANGES IN INVENTORY OF STOCK IN TRADE</b>		
Opening Stock	32675680	163998083
Less: Closing Stock	55378865	105447518
Decrease/(Increase)	<b>(22703185)</b>	<b>58550565</b>

**ASIAN TEA & EXPORTS LIMITED****NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

	For the year ended 31st March, 2014 (₹)	For the year ended 31st March, 2013 (₹)
<b>NOTES - "26"</b>		
<b><u>EMPLOYEES BENEFITS EXPENSE</u></b>		
Salaries and wages	4777152	13713740
Contribution to Provident Funds and Other Funds	538001	903428
Staff Welfare Expenses	65000	55000
	<b>5380153</b>	<b>14672168</b>

As per Accounting Standard 15 "Employee benefits", the disclosure as defined in the Accounting Standard are given below:

Provident fund and Pension fund are defined contribution schemes and the contributions thereto are charged to statement of Profit & Loss for the year when the contributions to the respective funds are paid/due.

Group Gratuity Fund is defined contribution scheme. In case of Defined Benefit Plans, the cost of providing the benefit is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b><u>(i) Reconciliation of opening and closing balances of defined benefit obligation</u></b>		
Present Value of Obligation at Beginning of year	1775680	1582262
Acquisition Adjustment	-	-
Interest Cost	150933	125637
Past Service Cost	-	-
Current Service Cost	115345	162364
Curtailement cost	-	-
Settlement Cost	-	-
Benefits Paid	-	(23596)
Actuarial (gain)/loss on Obligations	(636303)	(70987)
Present Value of Obligation at end of Year	<b>1405655</b>	<b>1775680</b>
<b><u>(ii) Reconciliation of Opening and closing balances of fair value of plant Asset:</u></b>		
Fair Value of Plan Asset at Beginning of year	939878	893566
Acquisition Adjustment	-	-
Expected Return on Plan Asset	79890	71485
Contributions	97169	-
Benefits Paid	-	(23596)
Actuarial gain/(loss) on Plan Asset	7148	(1577)
Fair Value of Plan Asset at end of Year	<b>1124085</b>	<b>939878</b>
<b><u>(iii) Reconciliation of present value of Obligation and Fair value of Assets:</u></b>		
Present Value of obligation at end of year	1405655	1775680
Fair Value of Plan Asset at end of Year	1124085	939878
Funded Status	(281570)	(835802)
Unrecognized actuarial gain/loss at end of year	-	-
Net Asset (Liability) Recognized in Balance Sheet	(281570)	(835802)
<b><u>(iv) Total expense recognized in Statement of Profit/Loss during the year</u></b>		
Current Service Cost	115345	162364
Past Service Cost	-	-
Interest Cost	150933	125637
Expected Return on Plan Asset	79890	71485
Curtailement cost	-	-
Settlement Cost	-	-
Actuarial Gain/(Loss) recognized in the year	(643451)	(69410)
Expense recognized in statement of Profit & Loss	(457063)	147106

ASIAN TEA & EXPORTS LIMITED		
NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014		
	As at 31st March, 2014	As at 31st March, 2013
(v) The financial assumption employed for the calculations are as follows:		
Mortality Table	IALM 2006-08 Ultimate	LICI 1994-1996
Superannuation Age	60 Yrs	60 Yrs
Early Retirement & Disablement	10 Per Thousand P.A	10 Per Thousand P.A
	6 above age 45	6 above age 45
	3 between age 29 & 45	3 between age 29 & 45
	1 below age 29	1 below age 29
Discount Rate	8.50%	8.00%
Inflation Rate	6%	5%
Return on Asset	8.50%	8%
Remaining Working Life	8 Yrs	11 Yrs
Formula	Projected Unit Credit Method	Projected Unit Credit Method
(vi) Movements in the Liability Recognized in Balance Sheet		
Opening Net Liability	835802	688696
Expenses as above	-457063	147106
Contributions	97169	-
Closing Net Liability	281570	835802
Closing Fund/ Provision at end of year	1405655	1775680

**ASIAN TEA & EXPORTS LIMITED****NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

	For the year ended 31st March, 2014 (₹)	For the year ended 31st March, 2013 (₹)
<b>NOTES - "27"</b>		
<b><u>FINANCE COSTS</u></b>		
Interest Expenses	2788121	31072989
Bank Charges	226361	9276132
	<b>3014482</b>	<b>40349121</b>
<b>NOTES - "28"</b>		
<b><u>DEPRECIATION &amp; AMORTIZATION EXPENSES</u></b>		
Depreciation and Amortisation	5159337	5498750
Less : Adjustment of Depreciation on write up value of assets	(2287359)	(2407747)
	<b>2871978</b>	<b>3091003</b>
<b>NOTES - "29"</b>		
<b><u>OTHER EXPENSES</u></b>		
Advertisement & Sponsorship	94065	141998
Auditor's Remuneration	146068	174158
Bad Debts	-	946017
Blending Charges	108000	4286863
Business Promotion Expenses	524176	1975998
Clearing & Forwarding Charges	80250	1706612
Commission & Brokerage	-	51052459
Consultancy Charges	192771	344420
Electricity Charges	304040	437503
Freight Outward (Export)	432253	29268651
Gain/Loss on Forex fluctuation, Derivatives & forward contract	-	2800458
Inspection & testing	-	729550
Insurance	376481	5408250
Legal & Listing Expenses	398548	535756
Local Transportation Charges	5835	3838895
Misc. Expenses	320264	1203225
Office Expenses	285813	383777
Postage & Courier Charges	127013	531328
Printing & stationery	225552	272034
Rent,Rates & Taxes	705859	2761351
Repairs & Maintenance	548535	268117
Subscription & Donation	375079	746651
Telephone Expense	169169	332327
Travelling & conveyance	1118569	3072951
Vehicle Maintenance Charges	275895	590412
Warehousing Charges	15000	1808489
	<b>6829235</b>	<b>115618250</b>

**ASIAN TEA & EXPORTS LIMITED****NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

	For the year ended 31st March, 2014 (₹)	For the year ended 31st March, 2013 (₹)
<b><u>NOTES - "30"</u></b>		
<b><u>EARNING PER SHARE (EPS)</u></b>		
i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs.)	16086916	15227327
ii) Weighted Average number of equity shares	10000000	10000000
iii) Basic and Diluted Earning per share (Rs.)	1.61	1.52
iv) Face Value per equity share (Rs.)	10	10
<b><u>NOTES - "31"</u></b>		
<b><u>AUDITORS REMUNERATION</u></b>		
i) Statutory Audit Fees	117978	146068
ii) Tax Audit Fees	28090	28090
	<b>146068</b>	<b>174158</b>
<b><u>NOTES - "32"</u></b>		
<b><u>VALUE OF IMPORTS ON CIF BASIS</u></b>		
Tea- Merchanting Trade	13800000	562698484
Logs (Highseas)	108054079	109529761
Miscellaneous Item -Merchanting Trade	17182584	16500019
	<b>139036663</b>	<b>688728264</b>
<b><u>NOTES - "33"</u></b>		
<b><u>EXPENDITURE IN FOREIGN CURRENCY</u></b>		
Travelling Expenses	189844	773059
Sales Commission	-	50350339
	<b>189844</b>	<b>51123398</b>
<b><u>NOTES - "34"</u></b>		
<b><u>EARNINGS IN FOREIGN EXCHANGE</u></b>		
Export of Goods on FOB Basis	31796542	1228099378
	<b>31796542</b>	<b>1228099378</b>

## ASIAN TEA & EXPORTS LIMITED

### Notes on Accounts:

35. a) The parent company has acquired the subsidiary companies (Sarita Nupur Vyapaar Private Limited and Greenol Laboratories Private Limited) during the financial year 2009-10 and an amount of Rs.3,32,32,437/- has been recognized as goodwill in the consolidated Financial Statements.
- a) M/s Asian Tea Company Private Limited has been converted from subsidiary to Associate w.e.f 01.04.2013.
36. Intra group transactions include rent payment, interest on loan, loans and security deposit, the transactions have been executed at prevailing market prices therefore no unrealized profit is required to be eliminated from the same.
37. (a) As per the policy of management each year actual bad debts are ascertained after due consideration and they are written off wherever found necessary.
- (b) Balance of Deposits and Advances are subject to confirmation from the respective parties

38. **Related Party Disclosures:**

As per Accounting Standard-18, the disclosures of transactions with the related parties are given below:

<b>(i) List of Related Parties where control exists with whom transactions have taken place and relationships:</b>	
<b><u>Name of the Party</u></b>	<b><u>Nature of Relation</u></b>
1. Greenol Laboratories Pvt. Ltd.	Subsidiary
2. Sarita Nupur Vyapaar Pvt Ltd.	Subsidiary
3. Asian Tea Co. Pvt Ltd	Associate
4. Asian Capital Market Ltd.	Associate
5. Asian Housing & Constructions Pvt Ltd	Associate
6. Hurdeodas Co. Pvt Ltd	Associate
7. H.R.Garg	Key Management Personnel (KMP)
8. Sunil Garg	Key Management Personnel (KMP)
9. Rajesh Garg	Relative of Key Management Personnel (KMP)



<b>(ii) Transactions during the year with Related Parties</b>			
Nature of Transaction	Associate	KMP	Total
	(₹)	(₹)	(₹)
1. Purchase of Tea	4891675 (8481274)	- -	4891675 (8481274)
2. Sale of Tea	3796848 -	- -	3796848 -
3. Remuneration	-	3200000 (3600000)	3200000 (3600000)

39. Based on the intimation received by the company none of the suppliers have confirmed to be registered under “The Micro, Small and Medium Enterprises Development Act 2006. Accordingly the disclosures relating to amounts unpaid as at the year ended together with interest paid or payable is not required to be furnished.

40. **Segment Reporting as per AS-17 issued by ICAI:**

Particulars	Domestic	International	Unallocated	Total
	(₹)	(₹)	(₹)	(₹)
Segment Revenue				
Sales	445973489 (83345549)	142443957 (1345907027)	-	588417446 (1429252576)
Other Income	8516928 (4452348)	16132824 (15777977)	-	24649752 (20230325)
Total	454490417 (87797897)	158576781 (1361685004)	-	613067198 (1449482901)
Segment Expenses	450797199 (82619675)	142990244 (1334185238)	-	593787443 (1416804913)
Segment Results	3693218 (5178222)	15586536 (27499766)	- -	19279754 (32677988)
Segment Assets	305614097 (126873796)	105331646 (339321862)	135885540 (130632079)	546831283 (596827737)
Segment Liability	202498867 (143700589)	136572588 (260336769)	207759828 (192790379)	546831283 (596827737)
Cost to Acquire Tangible Fixed Assets	-	-	1974991 (3719102)	1974991 (3719102)
Depreciation & Amortization Expenses	-	-	2871977 (3091003)	2871977 (3091003)

**Note:**

- (a) The company is engaged in the business of sale of made tea (including blending), Logs, Coal, Iron & Steel items, wax, Garments & Misc. consumer products etc, The

Products and their applications are homogeneous in nature. The business segments are organized as domestic and international on the basis of geographical segment.

- (b) Segment assets & liabilities, as well as revenue and expenses are directly attributable to the segment.
- (c) All unallocated assets and liabilities and revenue and expenses are treated separately.
- (d) There are no separate reportable secondary segments.
- (e) Accounting policies of the segment are the same as those described in Summary of significant accounting policies as set out in Note No. 1 of Schedule.

41. The information as required to be furnished pursuant to the General Instructions to Part I & Part II of the Schedule VI to the Companies Act, 1956 have been given to the extent applicable.

**Signature to Notes “1” to “41”**

In terms of our report of even date

For & on behalf of the Board

**For AGARWAL KEJRIWAL & CO.**

Chartered Accountants

Firm Regn. No. :316112E

**H. R. Garg**

Chairman-cum-Managing Director

**(M. Agarwal)**

**Partner**

Membership No.52474

**SUNIL GARG**

Director

**C. S.Surana**

Director

**LAKSHMAN SRINIVASAN**

Director

**ANAND KR.JHA**

Company Secretary

**SANJAY CHOUDHURY**

Director

Place : Kolkata

Date : 29<sup>th</sup> May, 2014

**ASIAN TEA & EXPORTS LIMITED**  
**Regd. Office: 4/1, Middleton Street, Sikkim Commerce House, Kolkata-700071**  
**CIN: L24219WB1987PLC041876**

**ATTENDANCE SLIP**

I hereby record my presence at the 28<sup>th</sup> Annual General Meeting of the Company held on Friday, August 29, 2014 at 10.00 A.M at H4/93A, B.B.T.Road, New Chakmir, Maheshtalla, Kolkata-700 141.

Signature of Attending Member/Proxy	Folio No./Client ID	DP ID	No. of Shares

Note: Shareholder/ Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.

**ASIAN TEA & EXPORTS LIMITED**  
**Regd. Office: 4/1, Middleton Street, Sikkim Commerce House, Kolkata-700071**  
**CIN: L24219WB1987PLC041876**

**PROXY FORM**

**(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)**

Name of the member(s)		Email ID	
Registered Address		Folio No/Client ID	
		DP ID	

I/We, being the member(s) of ..... Shares of Asian Tea & Exports Limited, hereby appoint:

1. ----- of-----having email id----- or falling him
2. -----of-----having email id-----

and whose signature(s) are appended below as my.our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, August 29, 2014 at 10.00 A.M at H4/93A, B.B.T.Road, New Chakmir, Maheshtalla, Kolkata-700 141 and at any adjournment thereof in respect of such resolutions as are indicated below:

**Sl No. Resolutions**

1. Adoption of the Audited Balance Sheet as at 31<sup>st</sup> March, 2014 and the Statement of Profit & Loss for the year ended on that date together with the Director's Report and the Auditor's Report thereon.
2. To appoint a Director in place of Mr. Lakshman Srinivasan who retires by rotation and being eligible offers himself for re-appointment.
3. Appointment of Statutory Auditors & fixing their remuneration.
4. Re-appointment of Shri H.R.Garg as Managing Director.
5. Appointment of Shri Lakshman Srinivasan as an Independent Director.
6. Appointment of Shri Chhatar Singh Surana as an Independent Director.
7. Appointment of Shri Sanjay Choudhury as an Independent Director.
8. Appointment of Smt Rama Garg as a Director.
9. Appointment of Shri Sushil Kumar Nevatia as an Independent Director.
10. Consent under section 180(1)(c) of the Companies Act, 2013 for borrowings.

Signed this ----- day of 2014.

**Affix Revenue Stamp**

Signature of Shareholder-----

Signature of Proxy holder (1)----- (2)-----

Note: This form of proxy in order to effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.