



NOTICE

To the Shareholders

NOTICE is hereby given that the 37th Annual General Meeting of the members of Terai Tea Company Limited will be held on Saturday, the 28th August, 2010 at 10.30 A.M. at the registered office of the company situated at 10, Government Place(East), 1st Floor, Kolkata - 700069 to transact the following business:

AS ORDINARY BUSINESS:

- 1) To consider and adopt the Balance Sheet as at 31st March, 2010 and the Profit and Loss Account of the Company for the year ended on that date and Reports of Board of Directors and Auditors thereon.
- 2) To appoint a director in place of Smt.Shashikala Agarwala, who retires by rotation but being eligible offers herself for re-election.
- 3) To appoint a director in place of Shri Rajendra Kanodia, who retires by rotation but being eligible offers himself for re-election.
- 4) To appoint Messrs P.K.Shah & Co., Chartered Accountants, Siliguri (Registration no. 308150E) as Auditors of the Company for the year 2010-11 and to fix their remuneration.

Registered Office :

10, Government Place (East)
Kolkata-700 069
Dated, the 13th day of July, 2010

By order of the Board
For Terai Tea Company Limited

Ajit Kumar Agarwala
Chairman & Managing Director

NOTES :

1. ***A member entitled to attend and vote is entitled to appoint a proxy instead of himself/herself and the proxy need not be a member of the Company. Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting.***
2. The Equity Share Transfer Registers of the Company will remain closed from 21st August, 2010 to 28th August, 2010(both days inclusive) for the purpose of Annual General Meeting.
3. Members desiring any information as regard accounts are requested to intimate the company at least ten days before the meeting to enable the management to keep the required information readily available at the meeting.



4. The Company's shares are enlisted with NSDL and CDSL for participation into Electronic Depository System operated by them. Its shares are compulsorily to be traded in Electric Form and the security bears Code ISIN INE 390D1011.
5. Members are requested to notify immediately any change of their address, if any, to the Company in case shares are held in physical form or to the DP's, where the account is maintained, if held in demat form.
6. As per provisions of the Companies Act, 1956 facility for making nominations is available for members in respect of the shares held by them. Nomination Forms can be obtained from the Company's Registrar and Transfer Agent.
7. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange the particulars of the directors seeking appointment/reappointment at the meeting are annexed separately.
8. The Securities and Exchange Board of India (SEBI) vide Circular Ref. No. MRD/DoP/Cir-05/2007 dated April 27, 2007 made PAN mandatory for all securities market transaction. Thereafter, vide Circular No. MRD/DoP/Cir-05/2009 dated May 20, 2009 it was clarified that for securities market transactions and off market/private transaction involving transfer of shares in physical form of listed Companies, it shall be mandatory for the transferee(s) to furnish copy of PAN Card to the Company/RTAs for registration of such transfer of shares.
SEBI further clarified that it shall be mandatory to furnish a copy of PAN in the following cases:
 - a) Deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholder(s).
 - b) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares.
 - c) Transposition of shares - when there is a change in the order names in which physical shares are held jointly in the names of two or more shareholders.
9. Members are requested to quote folio numbers in all their correspondences.

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For Terai Tea Company Limited

Ajit Kumar Agarwala
Chairman & Managing Director



Details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting of the Company.

(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)

NAME OF THE DIRECTOR	Smt. Shashikala Agarwala	Shri Rajendra Kanodia
Date of Birth	March 13 ,1955	February 20,1957
Expertise in specific functional areas	Tea Marketing	Tea Marketing and Legal Matters.
Qualifications	B.A.	B.Com(Hons.)
Number of shares held in the Company	18,98,800	14,700
Chairman /Member of the Committees of the Companies on which he is a Director *	NIL	NIL
List of Companies in which outside Directorships held	East Indian Produce Ltd . Amit Paridhan Pvt. Ltd. Sayedabad Tea Co. Ltd. East Indian Fats And Edibles Ltd. Terai Infrastructures Ltd. Jaldacca Tea Plantations Pvt. Ltd. Terai Resorts & Country Club Pvt. Ltd. Terai Jute Pvt. Ltd. Terai Ispat & Trading Ltd.	Abhijit Tea Co.Pvt.Ltd. East Indian Produce Ltd. The Kharibari Tea Co.Ltd. Bagdogra Tea Co. Pvt.Ltd. Terai Dooars Tea Co.Pvt. Ltd. Sayedabad Tea Co. Ltd. East Indian Fats And Edibles Ltd. Terai Infrastructures Ltd. Jaldacca Tea Plantations Pvt. Ltd. Terai Overseas Ltd. Terai Resorts & Country Club Pvt. Ltd. Terai Ispat & Trading Ltd.

*The Committees include Audit Committee and the Shareholders'/Investors' Grievance Committee.



DIRECTORS' REPORT

For the year ended 31st March, 2010.

Dear Shareholders,

We present the 37th Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2010. We feel pleasure to inform you that the Company has achieved excellent growth in profitability and sale. The growth in profitability is mainly due to increase in production and improvement in tea prices.

FINANCIAL RESULT

(Rs. in lacs)

Particulars	2009-10	2008-09
Gross Revenue	5289.56	4468.84
Profit/(Loss) before depreciation, interest and tax	499.56	509.38
Less: Interest	235.64	236.94
Profit/(Loss) before depreciation	263.92	272.44
Less: Depreciation	191.46	216.37
Profit/(Loss) before taxation	72.46	56.07
Less: Taxation	19.56	15.42
Profit after Taxation	52.90	40.65
Add/Less: Balance Brought Forward	1017.70	977.05
Surplus/(Deficit) Carried to Balance Sheet	1070.60	1017.69

TEA MARKET SCENARIO

The country's tea exports went up by 19.46% in the first five months this year at 71.2 million kgs. on increased demand from the Middle East and price hike by competitor Sri Lanka. The early cropping pattern in Sri Lanka and increase in the price of Sri Lankan orthodox variety also helped India to remain competitive in the export market. According to Indian Tea Association (ITA) data, the country had exported 59.6 million kgs. tea during the January -May period last year. India had exported 190 million kgs. of tea in 2008 - 09. The country exports CTC (crush-tear-curl) variety mainly to Egypt, Pakistan and the UK and the premium orthodox variety of tea to Iraq, Iran and Russia. India faces stiff competition from Kenya and other African countries for exporting CTC tea while for orthodox variety competition comes from Sri Lanka and Indonesia.



The average price of the Indian tea overseas came down to Rs. 122.15 per kg, in the January - May period of the current year from Rs. 129.36 per kg. in the same period last year. The all India production was 979 mn.kgs. in the year 2009 as against 981 mn.kgs.in 2008.The world crop was lower at 1839 mn.kgs as against 1893 mn.kgs. in 2008. This was mainly due to prolonged drought conditions in Kenya running for the second year.

FINANCIAL PERFORMANCE REVIEW

Your company produced 63.35 lac kgs. in 2009-10 against 62.26 lac kgs. during 2008-09 which was due to favorable weather conditions. The Company's profit after tax for the year under review was 52.90 lacs as compared to 40.65 lacs in the previous year. The Company achieved a higher sales turnover of Rs. 5258 lacs during the year which was 18.8% higher compared to the turnover recorded in the previous year. The programme for uprooting and replanting with quality clones is continuing in a phased manner. The programme for modification and extension of the existing manufacturing facilities, as well as the setting up of new facilities for manufacture of tea have been implemented and is expected to be beneficial for your Company. During the year, upgrading of machineries at some of the tea factories were undertaken for achieving quality improvement as well as increased output and as a result of which the tea estate is in excellent condition.

The Company continues to focus on improving the yield for achieving higher productivity with resultant reduction in production cost at Bagdogra Tea Estate. It is also constantly monitoring the adoption of cost control as well as quality upgradation measures which will enable your company to sustain its growth and profitability over the coming years.

PROJECTS & EXPANSION PLANS

Active involvement in the development of Project work in the nature of new product development like jute, steel trading and manufacturing with diversification focus will be undertaken to fit into Company's strategic growth plan. Sevoke Tea Factory Unit of the Company has been shifted to Village: Moulani, P.O. Chandani Danga, Dist.: Uttar Dinajpur, West Bengal. Production at Sevoke Tea Factory could not be started due to lack of registration under TMCO by Tea Board of India. The activities at Export Division could not be started due to uncertainty in realization of prices from various importing countries including Russia. Your directors have made sincere attempts to start exports of tea during the year by way of their several visits to European Countries. Your Directors are hopeful of good business in export of tea in near future.

As the members are aware, the real estate sector has transformed from nascent sector to an emerging industry. Keeping in view the growth, your company had planned in the year 2006 itself to enter into real estate business by constructing Multiplex cum commercial complex at Sevoke Road ,Siliguri.The Company was sanctioned Credit Facilities for such purpose but due to sudden demise of the then Joint Managing Director, Mr.Amit Agarwala, the said multiplex project could not be started. However the company is considering starting the said project with a great enthusiasm. Your company owns a prime land of 5500 sq. mtrs. at Sevoke Road, Siliguri which is also in the heart of the town. The company proposes to develop a "Commercial Complex" in the near future. The company proposes to undertake one or more activities involving selection of building sites for construction and taking preliminary approval from the concerned authority.



Your company has decided to takeover sick or closed tea gardens, if any, being approached by State / Central Government and ensures to revive the same through the efforts of the panel of professionals working for your company having expertise in various fields. Your company has entered into an agreement for taking over management and control of 98% shareholding of Belgachi Tea Co. Ltd. from the present owners of Belgachi Tea Estate in Dist. Darjeeling. However after conclusion of deal, the present owners have refused to perform the said agreement for sale. Your company has filed specific performance suit which is pending before Hon'ble High Court, Calcutta. Your directors are hopeful of succeeding in the said suit pending before Hon'ble High Court, Calcutta.

Your company has participated in a tender invited by Railway Land Development Authority for development of a commercial complex on 8317 sq. mtrs. land at Burman Road, Siliguri, West Bengal. We are pleased to inform that your company has succeeded in Technical Bid and your directors are confident of succeeding in financial Bid as well which will be opened shortly. Your company has decided to take financial assistance from United Bank of India for completing this project, if succeeded in the said Bid.

In the litigation filed by your Company against Ministry of Defence, Government of India against acquisition of land by the Indian Army in the year 1962, the Hon'ble High Court, Calcutta has passed an order for appointment of Arbitrator to ascertain the quantum of compensation to be received by your company against acquisition of land and grown standing crops/ trees at Bagdogra Tea Estate. Your Company expects to receive several crores towards such compensation. Another Compensations for acquisition of land of Bagdogra Tea Estate in the years 1981 & 2002 from the Indian Airforce and Airport Authority of India respectively are pending with the Court of Law.

CHANGE OF REGISTERED OFFICE

For administrative convenience the Registered Office of the Company was changed from 11, Government Place (East), Kolkata-700069 to 10, Government Place (East) Kolkata-700 069 with effect from March 3, 2010 after obtaining necessary approvals from the concerned authorities.

SHARE CAPITAL

Your Company had allotted 20,05,900 Equity Shares of Rs. 10/- each at premium of Rs. 40/- pursuant to its Public Issue in April, 1995. The Company received application money @ Rs. 2.50 per equity share. The allotment money on 94,500 Equity Shares was pending from 301 defaulting Shareholders. In view of the SEBI (DIP) Guidelines, 2009 to forfeit Equity Shares on which the allotment/ call money are in arrear/outstanding for more than 12 months, the Board of Directors in its meeting held on December 15, 2009, after giving a last and final opportunity to the defaulting Shareholders to remit the allotment/call money due, forfeited 94,500 Equity Shares in the best interest of the Company. All the forfeited shares were consequently cancelled and accordingly, the share capital of the Company has been adjusted by cancellation of 94,500 forfeited shares of the face value of Rs. 10/- each.

The Bombay Stock Exchange Limited has taken a note of the said forfeiture of shares vide its notice no.20100407-9 dated 7th April, 2010.

**DIRECTORS**

Pursuant to section 256 of the Companies Act, 1956, Shri Rajendra Kanodia and Smt. Shashikala Agarwala, Directors of your company are liable to retire by rotation and being eligible, offers themselves for re-appointment. Brief particulars and expertise of these Directors and their directorships and committee membership have been given in the annexure to the notice of Annual General Meeting in accordance with the requirement of Listing Agreement with Stock Exchange.

All the Directors have filed Form DD-A with the Company as required under the Companies (Disqualification of Directors u/s 274(1) (g) of the Companies Act, 1956) Rules 2003.

AUDITORS

Messrs P.K.Shah & Co., Chartered Accountants, Siliguri, (Registration No. 308150E) Statutory Auditors of the Company, holds office until the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

The Company has received letter from the auditors to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1)(b) of the Companies Act, 1956 and that they are not disqualified for reappointment within the meaning of section 226 of the said Act.

AUDITORS' OBSERVATIONS

The notes on Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

FINANCE

The present bankers of the Company are Central Bank of India, Bank of India and UCO Bank providing credit facilities to the company. The Directors express their appreciation for the assistance and co-operation provided by them.

PUBLIC DEPOSITS

During the year under review, your company has not accepted any deposit under Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

DIVIDEND

Considering the financial requirements towards the funding of the ongoing expansion plan, which we believe will enhance the shareholder's value in the long term, no dividend is recommended by the Directors of your company for the year ended 31st March, 2010.

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors would like to inform members that the audited accounts containing the financial statements for the year 2009-10 are in conformity with the requirements of the Companies Act and they believe



that the financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operations. The Statutory Auditors, P.K.Shah & Co., Chartered Accountants, Siliguri (Registration no. 308150E) have audited these financial statements.

Based on the same, your Directors further confirm that according to their information:

- i. In the preparation of the annual accounts, applicable accounting standards have been followed and there are no material departures;
- ii. The accounting policies are consistently followed and applied to give a true and fair view of the state of affairs of the Company;
- iii. Proper and sufficient care has been taken for the maintenance of accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company ;
- iv. The annual accounts have been prepared on a going concern basis.

The Company's Internal Auditors have conducted periodical audits to provide reasonable assurance that the Company's established policies and procedures have been followed.

The Audit Committee constituted by the Board meets at regular intervals to review internal control and financial reporting system.

INSURANCE

Adequate insurance cover has been taken for properties of the company including buildings, plant and machineries and stock against fire, earthquake and other risks as considered necessary.

DISCLOSURE OF PARTICULARS WITH REGARD TO CONSERVATION OF ENERGY ETC.

Necessary information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required to be disclosed under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are provided in Annexure-A to this Report.

PARTICULARS OF EMPLOYEES

The company had no employee during the financial year ended 31st March, 2010 who was in receipt of remuneration in excess of the limit specified under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

STATUTORY DISCLOSURE

None of the Directors of the Company are disqualified as per the provision of section 274(1)(g) of the Companies Act, 1956. All the Directors have made the necessary disclosures as required by the various provisions of the Act and Clause 49 of the Listing Agreement.



CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance and adheres to the stipulations prescribed under Clause 49 of the Listing Agreement with the Stock Exchanges. A separate section on Corporate Governance practices, the Auditors' Certificate on compliance of mandatory requirements thereof, Management Discussion and Analysis Report and Shareholders' information are given as annexure to this report.

CODE OF CONDUCT

Your Directors are pleased to report that your Company has adopted and complied with the TTCL-Code of Conduct of Business Principles and Ethics for the Directors and Senior Executives of the Company. The code has been duly affirmed by them.

CORPORATE SOCIAL RESPONSIBILITY

The Company continues to support the Amit Agarwala Foundation, a Public Charitable Trust which has constructed 'Amit Agarwala Smrity Bhawan' to provide multipurpose facilities mainly for attendants of patients admitted at North Bengal Medical College & Hospital. All facilities provided thereat including Dormitory with 60 beds, 20 triple bedded rooms for attendant, dialysis facility with 4 dialysis machines, pathology laboratory, sonography and X-Ray are at economical rates just adequate to meet the maintenance cost. The said Bhawan is stretched in total built-up area of 25000 sq.ft. in 4 floors including a multipurpose hall of 5400 sq. ft. The Foundation was conceived, created & developed in memory of the illustrious visionary young and dynamic Shri Amit Agarwala, a man 'who saw tomorrow', who left for heavenly abode at young age of 30 years. It illuminate the memories of Shri Amit Agarwala by creating permanent institutions for use by the needy masses in the field of education, medical facilities and other public utilities and to provide quality services in all such institutions at affordable cost. The Company believes that the long term impact of these initiatives will be immeasurable and invaluable to the society. The said Amit Agarwala Foundation is also constructing a four storied building in the heart of the town of Siliguri under the name and style "Bang Bhawan" which shall have halls and rooms for various social functions, library and Adda zone for elderly people, a Table Tennis Academy and a Vocational Training Centre.

APPRECIATION

The Board of Directors take this opportunity to express their sincere appreciation for the excellent support and co-ordination received from Banks, Financial Institutions and Tea Board authorities for continued enthusiasm. The Board will also like to express deep gratitude towards the total commitment, dedication and efforts of the executives and employees of the Company at all levels, who contributed to the efficient operation and management of the Company. We are also grateful for the continued confidence and faith reposed on us by the shareholders.

Registered Office :

10, Government Place (East)
Kolkata-700 069
Dated, the 13th day of July, 2010

By order of the Board
For Terai Tea Company Limited

Ajit Kumar Agarwala
Chairman & Managing Director

**ANNEXURE 'A' TO THE DIRECTORS' REPORT**

Particulars of Conservation of energy and technology absorption in terms of Section 217(1)(e) of the Companies Act, 1956.

A) CONSERVATION OF ENERGY**Energy Conservation Measures Taken**

- (i) Stove Tubes of the Coal Fired Heaters are cleaned on regular basis,
- (ii) Nozzles and Fuel Injectors are cleaned regularly,
- (iii) Bearings of the Machines are checked and greased regularly,
- (iv) Fuel Filters and Mobil Filters are replaced regularly.

B) TECHNOLOGY ABSORPTION

Trials were carried out on pruning cycles, growth regulators, optimal fertilizer use etc. The company is adopting the general expert advices published by TRA.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Sales (FOB Value) : Rs.Nil (Rs. Nil)
- b) Expenditure(Others) : Rs. 3.98 Lacs (Rs.12.18 lacs)

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

POWER & FUEL CONSUMPTION	CURRENT YEAR	PREVIOUS YEAR
1. ELECTRICITY		
(a) Purchased (units KWH)	50,21,386	48,29,992
Total Amount (Rs.)	2,79,39,968	2,46,94,026
Rates/unit (Rs./KWH)	5.56	5.11
(b) Own Generation (Unit KWH)	37,960	16,090
2. COAL		
Quantity (Tonnes)	4,907.014	4,421.968
Total Amount (Rs.)	2,44,41,775	2,13,27,672
Average-rate (Rs./tonne)	4,980.99	4,823.12
3. FURNACE OIL/H.S.D.		
Quantity (Itrs)	2,23,541	3,59,860
Total Amount (Rs.)	71,90,276	1,18,03,668
Average rate (Rs./ltr)	32.17	32.80

**CONSUMPTION PER UNIT OF PRODUCTION
PRODUCT-TEA****Unit-Quintal**

Electricity (KWH/Qtls.)	79.26	77.57
Coal (Qtls./Qtls.)	0.77	0.71
Furnace Oil / HSD (Ltr/Qtls.)	3.53	5.78

**ANNEXURE "B" TO THE DIRECTORS' REPORT****REPORT ON CORPORATE GOVERNANCE****I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Corporate Governance is looked upon as a distinctive brand and benchmark in the profile of Corporate Excellence .It is the set of processes, customs, policies, laws, and institutions affecting the way a company is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the corporation is governed. Key elements of good corporate governance principles include honesty, trust and integrity, transparency and openness, performance orientation, responsibility and accountability, mutual respect, and commitment to the organization.

Sound Corporate Governance Practices are critical to retain and enhance shareholder's trust. Our company's corporate governance philosophy encompasses not only regulatory and legal requirements, such as the terms of Listing Agreements with Stock Exchanges, but also several voluntary practices aimed at a high level of business ethics, effective supervision and enhancement of value for all stakeholders.

The Company is committed to following best Corporate Governance Practices in all its pursuits and is constantly striving to better them and adopt emerging best practices. The Board understands and respects its fiduciary role and responsibility to shareholders and strives hard to meet their expectations. The Board also believes that best board practices, transparent disclosures and shareholder empowerment are necessary for creating shareholders' value. Thus at Terai Tea Company Limited, we always endeavour to create an environment of fairness, equity and transparency in transactions with the underlying objective of securing long term shareholder value creation and enhancement while, at the same time, respecting the rights of all stakeholders of the Company and the society at large.

The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming the most admired and trusted global tea producer, while upholding the core values of entrepreneurship, disclosure and transparency, equity, responsibility, sustainability and ethical behaviour which are fundamental to the Terai Family.

II. BOARD OF DIRECTORS

- a) The Composition of the Board of Directors of the Company is governed by the Companies Act, 1956, and the Listing requirements of the Stock Exchange where the securities issued by the Company are listed. The Board consists of eminent persons with considerable professional expertise and experience in Business Management, Finance, Technology, International Business, and other related fields.

As on March 31, 2010 the Board has strength of 6 Directors on its Board. The Managing Director is the Chairman of the Board and holds Executive position. There are five Non - Executive Directors of whom four are Independent Directors. The Non-Executive Directors bring independent judgment in the Board deliberations and decisions.



- b) In conformity with the Corporate Governance philosophy and as given in Annexure IA to Clause 49 of the Listing Agreement with the relevant Stock Exchange, all statutory and other significant material information are placed before the Board of Directors to enable it to discharge its responsibility of superintendence, control, direction and management of strategic and day-to-day affairs of the Company.

The agenda along with explanatory notes (for Board and other meetings) are sent in advance to all the Directors to get their input in the discussion. The Board reviews the compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify the instances of non-compliance, if any.

- c) During the year under review, 25 (Twenty Five) Board Meetings were held. The maximum time-gap between any two meetings did not exceed four months. The dates on which meetings were held are given below:

24.04.2009, 30.04.2009, 25.05.2009, 15.06.2009, 22.06.2009, 26.06.2009, 04.07.2009, 24.07.2009, 31.07.2009, 04.08.2009, 11.08.2009, 07.08.2009, 17.08.2009, 15.09.2009, 22.09.2009, 29.09.2009, 27.10.2009, 31.10.2009, 15.12.2009, 29.12.2009, 30.01.2010, 02.03.2010, 03.03.2010, 17.03.2010, 31.03.2010.

- d) The composition of the Board of Directors, their attendance at the Board meetings held during the year and at the last Annual General Meeting, number of directorships, membership/ chairmanship in other public companies are as follows :

Name of the Directors	Category Directors	No. of Board Meetings	Attendance of the Last AGM	No. of other Directorships Held		No. of other Committee memberships held#	
				As Chairman	As Member	As Chairman	As Member
Shri A. K. Agarwala (Chairman & Managing) Director	Promoter Executive Non-Independent	25	Yes	12	NIL	NIL	NIL
Smt. S.K.Agarwala	Promoter Non-Executive Non-Independent	24	Yes	9	NIL	NIL	NIL
Shri R. Kanodia	Non-Executive (Independent)	25	Yes	13	NIL	NIL	NIL
Shri S. R.Sharma	Non-Executive (Independent)	22	Yes	12	NIL	NIL	NIL
Shri K. K. Bihani	Non-Executive (Independent)	21	Yes	4	NIL	NIL	NIL
Shri R. Singhania	Non-Executive (Independent)	25	Yes	11	NIL	NIL	NIL

**Notes :-**

Represents membership/Chairmanship of Audit Committee, Investors' Grievance Committee and Remuneration Committee.

- e) None of the Directors on the Board is a Member of more than ten Committees or Chairman of more than five Committees across all the companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2010 have been made by the Directors.
- f) Code of Conduct: The Company's Code of Conduct is applicable to all Directors and Senior Management of the Company. All the Board members and senior management of the Company as on March 31, 2010 have affirmed their compliance with the Code of Conduct. A declaration to this effect, duly signed by the Managing Director (CEO) is annexed as a part of this report.

III. AUDIT COMMITTEE

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Company has an Audit Committee in accordance with Clause 49 of the Listing Agreement with Stock Exchange read with Section 292A of the Companies Act, 1956. It comprises of three Non-Executive, Independent Directors, all of whom are financially literate. Shri Rajendra Kanodia is the Chairman of the Committee. The Company Secretary acts as the Secretary of the Audit Committee.

The terms of reference / powers of the Audit committee are as under:

- a) To investigate any activity within its terms of reference.
- b) To seek information from any employee.
- c) To obtain outside legal or other professional advice.
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

The role of the audit committee includes:

- a) Overseeing of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Reviewing, with the management, the annual financial statements before submission to the board for approval.
- c) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- d) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems including the reporting structure coverage and frequency of internal audit.
- e) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors, if



any.

- f) Recommending the appointment and approval of external auditors, fixation of audit fee and approval for payment for any other services.
- g) Carrying out any other function as set out in the Listing Agreement.

During the year 4 (four) meetings of the Audit Committee were held on 29th June, 2009 , 30th September, 2009, 31st December, 2009, and 31st March, 2010.

The composition of the Audit Committee and attendance of members at its meeting are as follows:				
Name of the Directors	Position Held	Category	No of meetings	
			Held	Attended
Shri R. Kanodia	Chairman	Independent, Non-Executive	4	4
Shri K. K. Bihani	Member	Independent, Non-Executive	4	4
Shri S. R. Sharma	Member	Independent, Non-Executive	4	4

IV. REMUNERATION COMMITTEE

Composition: The Remuneration Committee of the Board comprises of three non-executive Directors namely, Shri K.K.Bihani (Chairman), Shri R.Kanodia and Shri S.R.Sharma as members.

Terms of References: The Remuneration Committee has been constituted to recommend/ review remuneration of Managing Director and Whole Time Directors based on their performance on defined assessment criteria and agreed framework.

Meeting: One meeting of the Remuneration Committee was held in the year in which all the members were present.

Remuneration policy: The Remuneration Committee of the company is directed towards rewarding performance of the Executive Directors, the Non-Executive Directors and such other members of the executive management including salary, bonuses, incentive payments, share options, pension rights, terms of employment and any compensation payments, based on review of achievements on a periodical basis.

Remuneration:

- a. Managing Director and Executive Directors
- | | |
|------------------------|---------------|
| Dr.Ajit Kumar Agarwala | Rs.6 Lacs p.a |
|------------------------|---------------|

V. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

Composition: The Shareholders' / Investors' Grievance Committee of the Board, comprised three



Non-Executive Directors, namely Shri Rajendra Kanodia (Chairman), Shri Kamal Kishore Bihani and Shri Sitaram Sharma .

Terms of Reference: The Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with transfer of securities of the Company. The committee also looks into redressal of shareholders' / investors' complaints related to transfer of shares, non-receipt of Balance Sheet, non - receipt of declared dividend, etc. The Committee oversees performance of the Registrar and Transfer Agents of the Company, and recommends measures for overall improvement in the quality of investor services. The Committee also monitors implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) regulations, 1992.

Meetings: Two meetings of the Shareholders' / Investors' Grievance Committee (SIGC) were held during the year ended March 31, 2010 in which all the member were present.

Compliance Officer: Ms. Isha Saraf Company Secretary, is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges in India.

Investors' Grievance Redressal : The Company attends the Complaints/Grievances received from the Investors/Stock Exchange/SEBI (if any) and reviews the same with the Registrar and Transfer Agents M/s Maheshwari Datamatics Pvt.Ltd. on periodical basis. All the Complaints/Grievances were resolved by STA immediately to the satisfaction of investors during the year under review. There were no outstanding complaints /queries as on March 31, 2010.

VI. SHARE TRANSFER COMMITTEE

The Share Transfer Committee was formed to expedite the process of Share Transfer and to approve applications regarding transfer/ transmission of shares according to law. The Board has delegated the powers of share transfer to a committee comprising of Chairman cum Managing director and a Director. The Share Transfer Committee attends to the share transfer formalities at least once in the fortnight. All the valid share transfer applications received during the year under review have been acted upon and there were no share transfers pending as on March 31,2010.

VII. GENERAL BODY MEETINGS

a) Annual General Meeting :

Annual General Meeting of the Company during the preceding 3 years were held at the registered office of the company at 11, Government Place (East) Kolkata-700069.

Date and time of Annual General Meetings held during the preceding 3 years and Special Resolution(s) passed thereat are as follows:

2008-09

Date and Time: September 30, 2009 at 10.30 A.M.

Special Resolution passed:

For re-appointment and remuneration of Managing Director.

2007-08

Date and Time: September 26, 2008 at 11 A.M.

Special Resolution passed : NIL

**2006-07**

Date and Time: September 26, 2007 at 11 A.M.

Special Resolution passed : NIL

b) Special Resolution passed through Postal Ballot:

No Special resolution was passed through postal ballot during 2009-10. None of the businesses proposed to be transacted in the ensuing Annual General Meeting requires passing a Special Resolution through postal ballot.

VIII. OTHER DISCLOSURES:

a) None of the transactions with any of the related parties were in conflict with the interests of the Company at large. The particulars of transactions between the Company and its related parties as per Accounting Standard (AS-18) are disclosed in Notes on Accounts (Note No.10) of Schedule XVI to accounts in the Annual Report.

b) The Company has duly complied with the requirements of the regulatory authorities on Capital Market. No penalties, strictures have been imposed on the Company by Stock Exchange or SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.

c) The Secretarial Audit under regulation 55A of the SEBI (Depositories & Participants) Regulation, 1996 and Share Transfer Audit under Clause 47 of the Listing Agreement are carried out by a qualified Practicing Company Secretary. The audited and certified reports are submitted to the Stock Exchanges on quarterly and bi-annually basis.

d) The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India in the preparation of financial statements. The Company has not adopted a treatment different from that prescribed in an Accounting Standard.

e) A Management Discussion and Analysis Report, given in a separate section forms part of this Annual Report and is attached herewith.

f) There was no pecuniary relationship or transactions between the Company and Non-Executive Directors.

g) The Board has received disclosures from senior management personnel relating to material financial and commercial transaction in which they and/or their relatives have personal interest.

h) The Company has fully complied with the mandatory requirements of the Listing Agreement and with regard to Non-Mandatory requirements; the Company has set up a remuneration committee.

i) The Company does not have a Whistle Blower Policy at present.

j) The Company does not have any subsidiary.



k) Details of Directors seeking appointment /reappointment at the ensuing Annual General Meeting as required under Clause 49 of the Listing Agreement is annexed to the Notice convening the Annual General Meeting.

IX. MEANS OF COMMUNICATION:

Half-yearly /Quarterly report sent to each household of shareholders	: No, as the results of the Company are published in Newspapers.
Any website, where displayed	: Yes, at www.teraignroup.com
Whether, it also displays official news releases	: No
The presentations made to institutional investors or the analysts	: No
Newspapers in which results are normally published in	: "Eco of India" in English and "Arthik Lipi" in Bengali.

Whether Management Discussion & Analysis Report is a part of Annual Report : Yes

X. GENERAL SHAREHOLDER INFORMATION :

a) Annual General Meeting :

Date August 28,2010

Time 10.30 A.M

Venue10, Government Place (East) 1st Floor, Kolkata - 700 069.

b) Financial Calendar : Board Meeting for approval of

(tentative and subject to change) Annual Accounts 2009-10 : May 31, 2010

Financial results for the First Quarter : 2nd week of August,2010

Financial results for the Second Quarter : 2nd week of November, 2010

Financial results for the Third Quarter : 2nd week of February, 2011

Financial results for the year ending : Last week of May, 2011

c) Book Closure period : From August 21, 2010 to August 28,2010 (both days inclusive)

d) Listing on Stock Exchanges :

i. Equity

- 1) Calcutta Stock Exchange Association Ltd.
7, Lyons Range, Kolkata-700 001



- 2) Bombay Stock Exchange Limited.
Phiroza Jeejeebhoy Towers, 25th Floor,
Dalal Street, Mumbai 400 001.
- 3) Ahmedabad Stock Exchange Limited
Kamdhenu Complex
Opp : Sahjanand College
Panjaraple, Ahmedabad - 380 015
- 4) Jaipur Stock Exchange Limited
Indra Place, J.L.N. Marg.
Malviya Nagar
Jaipur-302 017.

The Company has paid Annual listing fees to the Bombay Stock Exchange for the year 2010-11

ii. Depositories :

- 1) National Securities Depository Ltd.
Trade World, 4th Floor,
Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013.
- 2) Central Depository Service (India) Limited
Phiroza Jeejeebhoy Towers, 28th Floor
Dalal Street, Mumbai 400 023.

e) Stock Code-Physical :	Calcutta Stock Exchange Association Ltd.	30105
	Bombay Stock Exchange Limited.	530533
	Ahmedabad Stock Exchange Limited.	60857
	Jaipur Stock Exchange Limited.	596

- f) Demat ISIN Numbers :** National Securities Depository Ltd. -ISIN INE 390D1011
Central Depository Service (India) Limited- ISIN INE 390D1011

The Company has paid custodian fees to the Depositories for the year 2010-11.

- g) Registrar and Transfer Agents :** Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor
Surendra Mohan Ghosh Sarani, Kolkata - 700 001
Tel : (033)2243-5809; 2243-5029
Fax : (033) 2248-4787
E-mail : mdpl@cal.vsnl.net.in

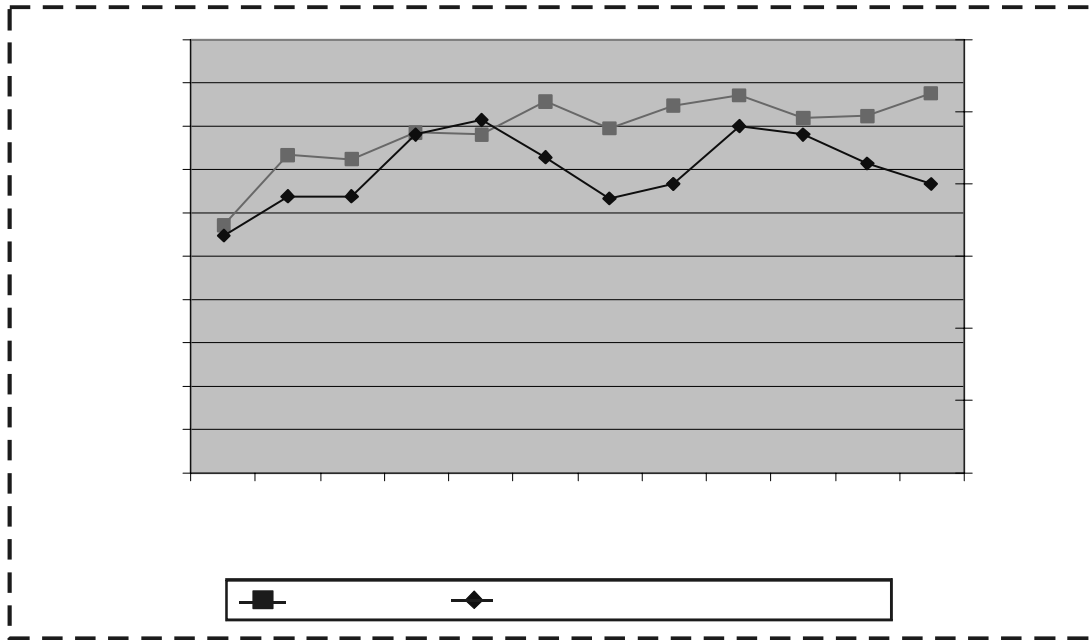
- h) Share Transfer System :** The requests for transfer of shares held in physical mode should be lodged at the office of the Company's Registrar & Share Transfer Agents, Maheshwari Datamatics Private Limited


**Share Transfer System
(Cont. from last page)**

(Registered with SEBI), 6 Mangoe Lane, 2nd Floor, Surendra Mohan Ghosh Sarani, Kolkata 700001 or at the Registered Office of the Company. The Board of Directors has unanimously delegated the powers of share transfer, transmission, sub-division and consolidation to a Share Transfer Committee in order to expedite transfer, transmission etc. in the physical form. The Committee meets once "in every fortnight for approving Share Transfers and for other related activities. Share Transfers are registered and returned in the nonnal course within an average period of 21 days, if the transfer documents are found technically in order and complete in all respects.

The Company conducts a weekly review of the functions of the Registrar and Share Transfer Agents for upgrading the level of service to the Shareholders. Weekly review is also conducted on the response to the shareholders pertaining to their communication and grievances, if any.

(i) Market Price Data :						
High/low	(based on the closing prices) during each month in the financial year 2009-10 on the Bombay Stock Exchange Limited.					
MONTH	Bombay Stock Exchange			CSE		
	Sensex (Closing)	High Rs.	Low Rs.	Share price (Closing) Rs.	High Rs.	Low Rs.
April-09	11,403	35.55	28.60	32.90	-	-
May-09	14,625	38.85	31.00	38.20	-	-
June-09	14,493	42.50	36.20	38.35	-	-
July-09	15,670	50.95	35.75	46.80	-	-
August-09	15,666	52.20	42.71	48.75	-	-
September-09	17,126	51.15	40.40	43.60	-	-
October-09	15,896	44.50	37.00	37.95	-	-
November-09	16,926	44.50	33.40	40.00	-	-
December-09	17,464	50.40	39.20	47.95	-	-
January-10	16,357	52.55	44.10	46.75	-	-
February-10	16,429	49.30	41.55	43.00	-	-
March-10	17,527	50.90	35.00	39.90	-	-



Notes :

During the year there was no trading in the shares of the Company in the CSE
 BSE : Bombay Stock Exchange Limited;
 CSE : Calcuatta Stock Exchange Association Limited.

(j) Distribution of Share Holdings as on March 31, 2010.

Range of Ordinary Shares	No. of Holders	% of Holders	No. of Shares	%of Capital
Upto 500	1,063	92.84	1,54,767	2.25
501 - 1000	49	4.28	38,559	0.56
1001 - 2000	9	0.79	13,289	0.19
2001 - 3000	4	0.35	9,976	0.15
3001 - 4000	2	0.17	7,340	0.11
4001 - 5000	NIL	NIL	NIL	NIL


Terai Tea Company limited

5001 - 10000	3	0.26	22,398	0.32
10001 and above	15	1.31	6,63,2971	96.42
Total	1,145	100	68,79,300	100

(k) Performance of the Company in comparison to Sensex:

Particulars	Terai Tea Co.Ltd. stock price V/S BSE Sensex	
	Terai Tea Co. Ltd. Share Price	BSE Sensex
On 1st April, 2009	28.80	9,745.77

On 31st March, 2010 **39.90** **17,527.77**

% change	(+) 38.54	(+) 79.85
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(i) Categories of Shareholders as on March 31, 2010.

Category	No. of Shareholders	% of Shareholders	No. of shares held	% of shareholding
Promoters & Promoters Group	8	0.7	51,03,100	74.18
Financial Institutions, Banks & Mutual Funds	NIL	NIL	NIL	NIL
Body Corporates	46	4.02	15,41,697	22.41
NRI / OCB	NIL	NIL	NIL	NIL
Individuals	1,091	95.28	2,34,503	3.41

Total	1,145	100	68,79,300	100
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(m) Dematerialization of Shares and Liquidity :

Particulars of Shares	Equity Shares of Rs. 10 each	
	Number	% of Total
Dematerialized Form		
a) NSDL	1,14,953	1.67
b) CDSL	66,067	0.96



Sub Total	1,81,020	2.63
Physical Form	66,98,280	97.37
Total	68,79,300	100

The Shares of the company are compulsorily traded in dematerialized form on Bombay Stock Exchange Limited; hence the shares enjoy enough liquidity in the market

(n) Outstanding GDRs

/ ADRs/Warrants or any

Convertible Instruments :

The company, has not issued any such instruments.

Details of public funding obtained

in the last three years :

No capital has been raised in the last three years.

(o) Plant Locations :

- i) Bagdogra Tea Estate, P.O. Bagdogra, Dist. Darjeeling, West Bengal.
- ii) Adhikari Tea Factory, P.O. Adhikari, Dist. Darjeeling.
- iii) Terai Tea Factory, Sevoke Road, Siliguri.
- iv) Sevoke Tea Factory, P.O. Chandani Danga, Dist. Uttar Dinajpur.
- v) Karjeepara Tea Factory, P.O. Das Darga, Dist. Jalpaiguri.

(p) Address for correspondence :

Any assistance regarding Share transfers and transmission, change of address, non-receipt of share certificate/duplicate share certificate, demat and other matters and for redressal of all share-related complaints and grievances, the Members are requested to write to or contact the Registrar & Share Transfer Agents or the Share Department of the Company for all their queries or any other matter relating to their shareholding in the Company at the addresses given below:

(i) The Company's Registered Office at: **TERAITEA COMPANY LIMITED.**

10, Government Place (East)
1st Floor, Kolkata - 700 069
Tele : (033)4021 4411-44 (34 Lines)
Fax:(033)2248-9182
E-mail: teraitea@gmail.com
Website: www.teraigroup.com

(ii) Registrar and Share Transfer Agent : **MAHESHWARI DATAMATICS PVT LTD.**

6, Mangoe Lane, 2nd Floor
Surendra Mohan Ghosh Sarani, Kolkata - 700001.
Tel. : (033) 2243-5809, 2243-5029
Fax : (033) 2248-4787
E-mail : mdpl@cal.vsnl.net.in

Registered Office :

10, Government Place (East)
Kolkata-700 069

Dated, the 13th day of July, 2010

By order of the Board
For Terai Tea Company Limited
Ajit Kumar Agarwala
Chairman & Managing Director



Auditors' Certificate on compliance of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

We have examined the compliance of conditions of Corporate Governance by **Terai Tea Company Limited** for the year ended 31st March, 2010 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 has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said clause. 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, the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of 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 no investor grievance is pending for a period exceeding one month as at 31st March, 2010 against the Company as per records maintained by the Shareholders/Investor Grievance Committee.

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

For P.K.Shah & Co.
Firm Registration No. 308150E
Chartered Accountants

Place : Kolkata
Dated : The 13th day of July, 2010

(P.K.Shah)
Partner Membership 14740

Declaration on compliance of the Company's code of conduct :

The company has framed a specific Code of Conduct to be followed by the members of the Board of Directors and the Senior Management Personnel of the company pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges where the shares of the Company are listed to further strengthen corporate governance practices in the company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no non compliance thereof during the year ended 31st March, 2010. Based on the above, it is hereby declared that the code has been complied with by all.

For and on behalf of the Board

Place : Kolkata
Dated : The 13th day of July, 2010

Ajit Kumar Agarwala
Chairman & Managing Director

**CEO CERTIFICATION TO THE BOARD****(Under Clause 49(V) of Listing Agreement)**

I, Ajit Kumar Agarwala, Mananging Director & C.E.O. certify that :-

- a) I have reviewed the financial statements and the cash flow statement for the year 2009-10 and that to the best of my knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b) To the best of my knowledge and belief, no transactions entered into by the Company during the year 2009-10 which are fraudulent, illegal or violative of the Company's code of conduct;
- c) I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the internal control systems of the Company and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which I was aware of and the steps I have taken or propose to take to rectify these deficiencies.
- d) I have indicated to the Auditors and the Audit Committee that -
- There has not been any significant changes in internal control over the financial reporting during the year under review;
 - There has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - There were no instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

Registered Office:

10, Government Place (East)

Kolkata - 700 069

Dated : The 13th day of July, 2010

Ajit Kumar Agarwala
Managing Director & CEO



ANNEXURE "C" TO THE DIRECTOR'S REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**1. Overview**

The Company's total production for the year was 63.35 lakh kgs. tea as against 62.26 lakh kgs. last year. The primary reason for higher production is the favourable weather condition and our continued focus on quality without affecting quantity. Our disciplined quality approach reconciles traditional techniques with modern methods enhancing product quality. The average price realisation was higher at Rs. 86/- per Kg. against the realization of Rs. 74/- per kg. previous year.

2. Industry Structure and development

India, World's largest black tea producer, produced approximately 980 million kgs. during the calendar year 2009 representing 41% of global black tea production. Black tea production by other main tea producers during 2009 was Kenya (315 million kgs.), Sri Lanka (280 million kgs.), other African countries (165 million kgs.), Vietnam (145 million kgs.), Indonesia (80 million kgs.) and Bangladesh (59 million kgs.).

Kenya and Sri Lanka experienced drought like situation during first half of 2009 losing approximately 31 million kgs. and 38 million kgs. respectively as compared to previous year. India, however maintained last year's crop level. Export from India during 2009 was lower by 10 million kgs. as compared to last year. Strong consumption growth and negative carried forward stocks had positive impact on prices of tea which went up by Rs. 20/- per kg. over and above an increase of Rs. 22/- per kg. last year. Production short fall in Kenya and Sri Lanka also impacted global tea prices which went up by 20% to the record levels. Costs in India had gone up by Rs. 6/- per kg. due to increase in wages and other input costs. Tea industry in Assam had signed the labour agreement for wages for 45 months effective from 1st January 2010.

3. Market Scenario

The average price realization of North Indian Tea has increased to Rs. 112.90/- per kg. compared to Rs. 94.40/- per kg in the previous year. The prices at the three auction centers are given below to analyse the trend :

(Amount in Rs.)

Auction Centers	2009	2008	2007
Kolkata	116.59	97.82	74.79
Silliguri	105.30	85.31	65.96
Guwahati	103.00	91.67	69.79



Domestic consumption in India continues to grow at a steady rate of 3.3% CAGR. Higher domestic consumption coupled with increase in export will lead to eventually no carry forward stock in current year. Seeing this trend the tea industry can look forward to a stable market in the current year.

4. Risks & Concerns

In the normal course of business, the Company is exposed to certain financial risks, principally foreign exchange risk, interest rate risk, liquidity risk and credit risk, risks associated with the economy, regulations, competition, etc. These risks are managed through risk management policies that are designed to minimize the potential adverse effects of these risks on financial performance. The policies are reviewed and approved by the Board. In the normal course of business, derivatives have been used to hedge future non-functional currency cash flows arising from trading transactions relating to the sale and purchase of goods and services.

The Risk Management framework of the Company ensures, amongst others, compliance with the requirements of Clause 49 of the Listing Agreement. The framework establishes risk management across all service areas and functions of the Company, and has in place procedures to inform the Board Members about the risk assessment and minimization process. These processes are periodically reviewed to ensure that the management of the Company controls risks through a defined framework.

5. Opportunities And Threats

World tea prices in 2010 seem poised between rise and fall, although prices fell in the first three months of the year. Given normal weather, and a return to more normal output, (the Tea Board of Kenya, forecasts, for example, that Kenya's production will rise by more than 15% in 2010) prices could be a shade lower than in 2009. With demand rising, however, some predictions are for a possible 10-15% price rise.

The health benefits of tea could be highlighted in order to encourage increased consumption. The tea industry is likely to publicise research that shows, for example that substances found in green tea could help fight diseases giving impetus to the Tea business.

Tea will also be put to new uses: 'Trendy tea - tea will come to reflect our life-style choices and values. But there are threats to tea prices and revenues. Should the current high prices encourage more tea to be planted than the market demands, then prices would fall back keeping in view that it takes at least three years after planting before the effects of increased output are seen on prices.

Higher-yielding varieties of tea are being developed which may be technologically sound, but which could lead to lower prices. The Tea Research Foundation of Kenya recently added two new clones to enhance production, saying that it expects to see a sustained growth in quality and production. These clones have the ability to withstand the vagaries of weather and post good returns if managed properly.



A wider factor concerns climate change. The increasing impact of climate change is already generating unpredictable harvests, leaving many small-scale tea growers struggling to plan for the future. Tea bushes yield the best-quality tea between 18 and 32 degrees Celsius. Should global warming cause temperatures to rise by 2 degrees Celsius, as is widely predicted, and if these rises occur in ACP tea-producing countries, then bushes in lower altitudes would yield less. Indian Tea Companies without strong R&D facilities shall be in disadvantageous position. Pricing and unhealthy competition from large number of small scale manufacturers not capable of producing quality tea continues to be threat to tea industry in India.

6. Outlook

Weather condition in Kenya and Sri Lanka during the first four months of the current year was conducive for tea production and helped in reviving the production which is estimated to be higher by 75 million kgs. upto April 2010 as compared to drought hit period last year. The global shortfall is approximately 140 million kgs. at the beginning of the year and strong consumption growth with revival of production in Kenya and Sri Lanka should stabilize the prices at the last year's level. However, stagnant production and strong consumption growth in India should lead to firmer prices post July 2010. The tea prices are currently ruling at the same level as last year. Due to the revision of wages and normal increase in other costs, cost of production is also likely to increase.

7. Financial review & Analysis

The Company's financial position is strong enough which has helped Company to pass through in turbulent times. The development work in garden is always given top priority for improvement in quality as well as quantity. The surplus fund of the Company is deployed in such a way that reasonable returns are derived.

8. Internal Control System And Their Adequacy

The company has established suitable internal control system and has laid down policies, guidelines and procedures which form part of its internal control system. The company's internal control systems are periodically tested and supplemented by an extensive programme of internal audit by independent firms of Chartered Accountants. Audits are finalized and conducted based on internal risk assessment. Reports of the internal auditor are reviewed by senior management and also placed before the audit committee which provides reasonable assurance with regard to safeguarding the Company's assets, operational efficiency and ensuring compliances with legal and regulatory framework.

9. Material Development In Human Resources And Industrial Relations

The industrial relation in the tea estate and other units continued to be cordial. The Company carried out various programmes for development of its executives at all levels. During the year the company carried out restructuring exercise at key level for improvement in plantation activities and overall corporate performance. The Company focuses on our consumer - and we expect our people to be the same. Our people strategy, launched this year has delivered a redesigned and restructured organisation that is consumer focused. Manufacturing operations are all now managed centrally so as to deliver global economies of scale, tight product and



process standards. The Support functions have been integrated and globalised to allow them to develop standard and more efficient process, to strengthen governance and share expertise. A new and distinctive one Company culture that aims to engage our people not only in our strategy but also excite them about the beverage business, stimulate innovation and drive growth. A performance and reward architecture that reflects our strategic focus. This architecture is global and focuses on individual contributions as well as overall Company results.

10. **Cautionary Statement**

The statements in the report of the Board of Directors and the Management's Discussion and Analysis report describing the company's projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied since the company's operations are influenced by many external and internal factors beyond the control of the company. Further tea industry depends upon the vagaries of nature and any adverse favorable situation can reverse the whole situation.

Registered Office :

10, Government Place (East)

Kolkata-700 069

Dated : The 13th day of July, 2010

For and on behalf of the Board
For Terai Tea Company Limited

Ajit Kumar Agarwala
Chairman & Managing Director


Terai Tea Company limited
FINANCIAL HIGHLIGHTS

(For the last three years)

(Amount in Rs.)

	2009-10	2008-09	2007-08
A. Assets Owned by the Company			
1. Fixed Assets:			
Gross Block			
(Incl. Capital Work in Progress)	49,72,20,219	47,57,62,771	46,06,93,950
Less: Accumulated Depreciation	24,66,28,555	22,69,83,342	20,45,00,767
Net Block	25,05,91,664	24,87,79,429	25,61,93,183
2. Investments (at cost)			
a. Long Term, Trade (Unquoted) Equity Shares	4,72,40,593	4,72,40,593	4,82,38,024
b. In Subsidiary Co. (Unquoted)	—	—	3,20,15,775
c. Short Term, Non-trade (Quoted)	39,576	39,576	39,576
d. Others (Unquoted)	2,75,72,500	2,75,72,500	2,75,72,500
	7,48,52,669	7,48,52,669	10,78,65,875
3. Current Assets, Loans & Advances	42,35,12,082	36,16,79,632	36,30,63,559
4. Pre-operative Expenditure	9,39,470	9,39,470	9,39,470
Total Assets	74,98,95,885	68,62,51,200	72,80,62,087
B. Dues to be Paid by the Company			
1. Secured Loan	21,85,15,961	16,84,20,146	21,86,46,874
2. Unsecured Loan	8,11,75,000	7,95,04,000	5,62,66,741
3. Current Liabilities & Provisions	7,10,49,989	6,60,90,902	8,57,52,802
Total Outside Liabilities	37,07,40,950	31,40,15,048	36,06,66,417
C. Net Worth of the Company	37,91,54,935	37,22,36,152	36,73,95,670
D. Equity Shareholder's Fund			
Represented by:			
a. Share Capital	6,90,29,250	6,90,07,796	6,89,01,025
b. Reserves & Surplus	31,01,25,685	30,32,28,356	29,84,94,645
	37,91,54,935	37,22,36,152	36,73,95,670
E. Net Profit as disclosed in the P/L A/C	72,45,794	56,06,348	40,29,912
F. Weighted No. of Equity Shares	69,02,925	69,00,780	68,90,103
Net Worth per Equity Share of Rs. 10/- each	55	54	53
Earnings per Equity Share of Rs. 10/- each	1.05	0.81	0.58

* Figures for previous years have been rounded \ .

**FINANCIAL HIGHLIGHTS**

(For the last three years)

(Amount in Rs.)

	2009-10	2008-09	2007-08
A. Income			
1. Sales	52,58,31,754	44,26,01,562	30,39,45,005
2. Other Income	31,24,494	42,83,215	3,62,10,405
Total Income	52,89,56,248	44,68,84,777	34,01,55,410
B. Expenditure			
1. Increase / Decrease in stock	(1,47,92,564)	(3,42,30,987)	(30,91,258)
2. Raw Materials Consumed	34,71,08,920	29,44,37,396	17,16,97,793
3. Personnel Expenses	3,62,89,575	3,28,60,886	3,04,30,910
4. Power & Fuel	6,12,01,668	5,79,46,301	4,93,39,434
5. Consumption of Stores & Spare Parts	1,89,37,065	1,53,37,453	1,41,15,338
6. Manufacturing & Other Misc. Expenses	52,47,832	49,33,108	42,65,740
7. Selling & Packing Expenses	88,55,384	92,78,968	68,26,042
8. Administrative Expenses	1,61,52,834	1,53,83,972	1,25,88,184
9. Interest (Net of Subsidy)	2,35,63,844	2,36,94,402	2,67,45,889
10. Depreciation	1,91,45,896	2,16,36,930	2,32,07,426
Total Expenditure	52,17,10,454	44,12,78,429	33,61,25,498
Profit Before Taxation	72,45,794	56,06,348	40,29,912
Provision For Income Tax-Current Tax	10,70,000	–	4,15,000
Fringe Benefit Tax	–	4,50,000	3,50,000
Provision For Deferred Tax	7,50,000	7,00,000	7,00,000
Income Tax For Earlier Years	1,36,127	3,91,678	–
Profit After Taxation	52,89,667	40,64,670	25,64,912
Balance b/f From Earlier Years	10,17,69,462	9,77,04,792	9,51,39,880
Balance Carried To Balance Sheet	10,70,59,129	10,17,69,462	9,77,04,79

* Figures for previous years have been regrouped / rearranged.



AUDITORS' REPORT

TO THE SHAREHOLDERS OF TERAITEA COMPANY LIMITED

1. We have audited the attached Balance Sheet of **TERAI TEA COMPANY LIMITED** as at 31st March 2010, the Profit and Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date both annexed thereto, both of which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, 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 Companies Act, 1956, of India (the Act) and on the basis of such checks of the books and records of the company as we consider appropriate and according to the information and explanations given to us we enclose in the Annexure a statement on the matters specified in Paragraphs 4 & 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to in Paragraph (3) above 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, the company has kept proper books of account as required by Law so far it appears from our examination of those books.
 - c) The Balance Sheet and Profit and Loss account and Cash Flow Statement dealt with by the report are in agreement with the books of account.
 - d) In our opinion, Balance sheet and Profit and Loss account and Cash Flow Statement dealt with by this Report comply with accounting standards referred to in sub-section 3C of Section 211 of the Companies Act, 1956 excepting those reported in Schedule XVII - "Significant Accounting Policies".
 - e) On the basis of written representations received from the directors, as on 31st March 2010 and taken on, record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.



- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to the Note 7 regarding non-provision of Agricultural Income Tax liability, the impact of which on the company's profit / reserves has been indicated in the said Note and read together with the Notes appearing thereon, give the information required by the Companies Act. 1956, in the manner so required and give true and fair view-
- a. In the case of the Balance Sheet of the State of affairs of the company as at 31st March, 2010
 - b. In the case of Profit and Loss account of the Profit for the year ended 31st March, 2010
 - c. In the case of the Cash Flow Statement of the cash flows for the year ended on that date.

For P. K. SHAH & CO.
Chartered Accountants
Firm Registration No. : 308150E

P. K. Shah
Partner
(Membership No. 014740)

Place : Kolkata
Dated, the 31st day of May, 2010



Annexure to the Auditors' Report

(Referred to in paragraph (3) of our Report of even date)

- i. In respect of its fixed assets-
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. Some of the fixed assets have been physically verified by the management in accordance with a program of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us no material discrepancies have been noticed on such verification.
 - c. No fixed assets were disposed off during the year.
- ii. In respect of its inventories:
 - a. As explained to us, the stock of finished products and stores materials of the company have been physically verified by the management during the year except for stock of tea lying at warehouse or consignment agents which has been verified by subsequent sales.
 - b. In our opinion, the procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. On the basis of our examination of the inventory records, in our opinion the Company is maintaining proper records of inventory. The discrepancies between the physical stocks and the book stocks have been dealt with properly and were not material.
- iii. In respect of unsecured loans granted by the Company to the parties covered in Register under Section 301 of the Companies Act, 1956 and according to the information and explanations given to us:
 - a. The company has granted interest free unsecured loans / advances against contracts to 13 parties. The maximum amount involved during the year and the year-end outstanding balance of such loans/ advances aggregates to Rs.25.02 Crores and Rs.21.27 Crores respectively.
 - b. The company has taken interest free unsecured loans / advances against contracts from two parties. The maximum amount involved during the year and the year-end outstanding balance of such loans/ advances aggregates to Rs.2.31 Crores and Rs.2.11 Crores respectively.
 - c. In our opinion, considering the nature of transactions, the terms and conditions on which such loans/advances have been granted to and taken from such parties are not, prima facie, prejudicial to the interest of the company.
 - d. In respect of the loans/advances granted and taken as aforesaid there is no stipulation for repayment on fixed intervals.



- iv. In our opinion and in accordance with the information and explanation given to us, the internal control procedures for the purchase of inventory, raw materials, stores and fixed assets and for the sale of goods & services are adequate and commensurate with the size of the company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system.
- v. In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956 and to the best of our knowledge & belief and according to information and explanations given to us:
- a. The particulars of the contracts/ transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered.
- b. In our opinion and having regards to our comments in paragraph (iv) above, the transactions (excluding loans/ advances reported in paragraph (iii) above) exceeding the value of Rs. 5 lakhs in respect of any party during the period, have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the explanations given to us, the company has not accepted Deposits from the public during the year. Therefore, the provisions of clause 4(vi) of CARO are not applicable to the Company.
- vii. In our opinion the company has internal audit system commensurate with the size and nature of its business.
- viii. The Central Government has not prescribed maintenance of the cost records under Section 209(1)(d) of the Companies Act, 1956 for the product of the company.
- ix. According to the information and explanations given to us in respect of statutory dues:
- a. The Company has generally been regular in depositing undisputed statutory dues including provident fund, income tax, sales tax, service tax, excise duty, cess and other material statutory dues applicable to it with the appropriate authorities during the year.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, custom duty, excise duty, cess and other material statutory dues applicable to it were in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.
- c. According to the information and explanations given to us and in our opinion, there are no dues of customs duty, Wealth Tax, Service Tax, Excise Duty, Cess and Income Tax which have not been deposited as on 31st March, 2010 on account of any dispute, excepting Agricultural Income Tax liability of Rs. 54.39 lakhs for the accounting year 1994-95, 1995-96 and 1996-97 which is pending at West Bengal Tax Tribunal. (Refer Note No. 7 of Notes on Accounts)
- x. The Company does not have any accumulated losses and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.



- xi. In our opinion and according to the explanations given to us, the company has not defaulted in repayment of dues to financial institution, bank or debenture holders.
- xii. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The company is not a chit fund or a nidhi/ mutual benefit fund/society.
- xiv. The company has not entered into transactions of dealing or trading in shares, securities, debentures and other investments.
- xv. The company has given guarantees of Rs.581.51Lakhs for loans taken by others from banks or financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interests of the company.
- xvi. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the Company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
- xviii. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix. The company has not issued any debentures.
- xx. The Company has not raised any money by way of public issue during the year.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For P. K. SHAH & CO.
Chartered Accountants
Firm Registration No. : 308150E

P. K. Shah

Partner

(Membership No. 014740)

Place : Kolkata

Dated, the 31st day of May, 2010

**BALANCE SHEET AS AT 31ST MARCH 2010**

	SCHEDULE	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	I	6,90,29,250	6,90,07,796
Reserves and Surplus	II	31,01,25,685	30,32,28,357
Loan Funds			
Secured Loans	III	218,515,961	16,84,20,146
Unsecured Loans		8,11,75,000	7,95,04,000
TOTAL		67,88,45,896	62,01,60,299
APPLICATION OF FUNDS			
Fixed Assets	IV	25,05,91,664	24,87,79,429
Investments	V	7,48,52,669	7,48,52,669
Current Assets, Loans and Advances			
Inventories	VI	11,58,65,644	10,32,07,766
Sundry Debtors	VII	4,41,15,750	4,79,81,184
Cash & Bank Balances	VIII	97,32,534	42,32,471
Loans and Advances	IX	25,37,98,154	20,62,58,211
		<u>42,35,12,082</u>	<u>36,16,79,632</u>
Less : Current Liabilities & Provisions	X		
Liabilities		5,79,31,976	5,46,11,902
Provisions		1,31,18,013	1,14,79,000
		<u>7,10,49,989</u>	<u>6,60,90,902</u>
Net Current Assets		35,24,62,093	29,55,88,730
Miscellaneous Expenditure (To the extent not written off or adjusted)			
Pre-operative expenditure		9,39,470	9,39,470
TOTAL		67,88,45,896	62,01,60,298
Notes on Accounts	XVI		
Significant Accounting Policies	XVII		

Schedules "I" to "X" and "XVI" to "XVII" annexed hereto form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date

Sd/-

P. K. Shah

Partner

Membership No. 14740

For and on behalf of

P. K. SHAH & CO.

Chartered Accountants

Firm Reg. No. 308150E

Place : Kolkata

Dated , the 31st day of May, 2010

For and on behalf of the Board of Directors

Sd/-

Ajit Kumar Agarwala

Chairman and

Managing Director

Sd/-

Shashikala Agarwala

Director

Sd/-

Isha Saraf

Company Secretary



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

	SCHEDULE	For the year Ended 31-03-2010 Rs.	For the Year Ended 31-03-2009 Rs.
INCOME			
Sales		52,58,31,754	44,26,01,562
Other Income	XI	31,24,494	42,83,215
Closing Stock		10,97,63,891	9,49,71,327
TOTAL		63,87,20,139	54,18,56,104
EXPENDITURE			
Opening Stock		9,49,71,327	6,07,40,340
Raw Materials Consumed		34,71,08,920	29,44,37,396
Personnel Expenses	XII	3,62,89,575	3,28,60,886
Power & Fuel		6,12,01,668	5,79,46,301
Stores & Spareparts Consumed		1,89,37,065	1,53,37,453
Excise Duty		19,37,029	18,67,752
Packing & Selling Expenses	XIII	88,55,384	92,78,968
Repairs & Maintenance	XIV	33,10,803	30,65,356
Administrative Expenses	XV	1,61,52,832	1,53,83,972
Interest (Net of Subsidy)		2,35,63,844	2,36,94,402
Depreciation		1,91,45,896	2,16,36,930
TOTAL		63,14,74,343	53,62,49,756
PROFIT BEFORE TAXATION		72,45,796	56,06,348
Less: Provision for Income Tax		10,70,000	-
Less: Fringe Benefit Tax		-	4,50,000
Less : Provision for Deferred Tax		7,50,000	7,00,000
Less : Income Tax for earlier years		1,36,127	3,91,678
PROFIT AFTER TAXATION		52,89,669	40,64,670
Add : Balance Brought Forward		10,17,69,462	9,77,04,792
BALANCE CARRIED TO BALANCE SHEET		10,70,59,131	10,17,69,462
Notes on Accounts	XVI		
Significant Accounting Policies	XVII		

Schedules "XI" to "XV" annexed hereto form an integral part of the Profit and Loss Account.

This is the Profit and Loss Account referred to in our report of even date

Sd/-

P. K. Shah

Partner

Membership No. 14740

For and on behalf of

P. K. SHAH & CO.

Chartered Accountants

Firm Reg. No. 308150E

Place : Kolkata

Dated , the 31st day of May, 2010

For and on behalf of the Board of Directors

Sd/-

Ajit Kumar Agarwala

Chairman and

Managing Director

Sd/-

Shashikala Agarwala

Director

Sd/-

Isha Saraf

Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010**

	For the Year Ended	
	31.03.2010	31.03.2009
	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	72,45,794	56,06,347
Adjusted for		
Depreciation	1,91,45,896	2,16,36,930
Investment Income	(3,88,464)	(5,39,191)
Financial Expenses	2,35,63,844	2,36,94,402
Profit on sale of Fixed Assets	—	(1,00,742)
Miscellaneous Expenditure Adjusted	—	—
Operating profit before working capital changes	4,95,67,070	5,02,97,746
Adjustments-Add/(Less)		
Trade & Other Receivables	38,65,434	3,33,30,607
Inventories	(1,26,57,878)	(3,68,51,758)
Trades payable	35,99,087	(2,08,11,900)
Loans & Advances	(4,82,01,542)	55,76,619
Pre-operative Expenses	—	—
Cash generated from operations	(38,27,829)	3,15,41,314
Interest paid	(2,35,63,844)	(2,36,94,402)
Direct Taxes paid	65,472	(12,24,536)
NET CASH FROM OPERATING ACTIVITIES	(2,73,26,201)	66,22,376
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,14,57,448)	(1,50,68,821)
Capital Investment & Development Subsidy	20,18,656	10,87,607
Interest & Dividend Received	3,88,464	5,39,191
Profit on Sale of Fixed Assets	—	1,00,742
Increase in Investments	—	3,30,13,206
NET CASH USED FOR INVESTING ACTIVITIES	(1,90,50,328)	1,96,71,925

**C. CASH FLOW FROM FINANCING ACTIVITIES**

Receipts from issue of shares	1,09,774	5,33,850
Increase in borrowings	5,17,66,815	(2,69,89,469)
NET CASH FLOW FROM FINANCING ACTIVITIES	5,18,76,589	(2,64,55,619)
D. NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	55,00,063	(1,61,318)
E. CASH & CASH EQUIVALENTS-OPENING BALANCE	42,32,471	43,93,789
F. CASH & CASH EQUIVALENTS-CLOSING BALANCE	97,32,534	42,32,471

Note :

- (i) The aforesaid Cash Flow Statement has been prepared in consonance with the "Indirect Method" as set out in the Accounting Standard (AS-3) on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- (ii) Figures in brackets represent cash outflows.
- (iii) Previous period figures have been regrouped/recast, wherever necessary, to conform to the current year's classification.

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

Sd/-

P. K. Shah

Partner

Membership No. 14740

For and on behalf of

P. K. SHAH & CO.

Chartered Accountants

Firm Reg. No. 308150E

For and on behalf of the Board of Directors

Sd/-

Ajit Kumar Agarwala

Chairman and

Managing Director

Sd/-

Shashikala Agarwala

Director

Sd/-

Isha Saraf

Company Secretary

Place : Kolkata

Dated , the 31st day of May, 2010

**SCHEDULES FORMING PART OF BALANCE SHEET : 31ST MARCH 2010**

	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
SCHEDULE I		
SHARE CAPITAL		
Authorised 1,00,00,000 Equity Shares of Rs.10/- Each	10,00,00,000	10,00,00,000
	10,00,00,000	10,00,00,000
Issued, Subscribed & Paid Up 68,79,300(69,73,800) Equity Shares of Rs.10/- Each Fully Paid up in Cash	6,87,93,000	6,97,38,000
 (Notes:Of the above shares,4862200 Equity Shares of Rs.10/-each are issued as fully paid Bonus shares by way of Capitalisation of Reserve) Less : Allotment Money in Arrears		
	-	7,30,204
Add : Forfeited Shares (Pending reissue of 94,500 Forfeited Equity Shares on which Rs. 2.50 per share is paid up)	2,36,250	-
	6,90,29,250	6,90,07,796
SCHEDULE II		
RESERVES & SURPLUS		
i) General Reserve As per last Balance Sheet	1,11,17,148	1,11,17,148
	1,11,17,148	1,11,17,148
ii) Revaluation Reserve Original Reserve Created Less: Depreciation on revaluation : Upto last year During the year	6,47,21,896 2,49,15,574 4,99,317	6,47,21,896 2,40,69,928 8,45,645
	3,93,07,007	3,98,06,323
iii) Share Premium Account Against Public Issue Less : Allotment Money in arrears Less : Arrear Allotment money against shares forfeited Less : Share premium against shares forfeited transferred to Capital Reserve	8,02,36,000 - 28,35,000 9,45,000	8,02,36,000 29,23,320 - -
	7,64,56,000	7,73,12,680
iv) Profit & Loss Account Balance	10,70,59,131	10,17,69,462
v) Capital Reserve-Share forfeited Account	9,45,000	-
vi) Capital investment Subsidy	7,52,41,400	7,32,22,744
TOTAL	31,01,25,685	30,32,28,357


Terai Tea Company limited
SCHEDULES FORMING PART OF BALANCE SHEET : 31ST MARCH 2010

	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
SCHEDULE III		
SECURED LOANS		
Working Capital Loans		
Central Bank of India	11,51,35,046	10,18,52,960
Bank of India	1,97,50,424	1,55,07,983
Allahabad Bank	-	1,25,01,778
Term Loans		
Central Bank of India	1,55,00,371	2,60,57,425
Bank of India	75,00,000	1,25,00,000
UCO Bank	6,06,30,120	-
	21,85,15,961	16,84,20,146

**SCHEDULE IV
FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Opening	Additions	Adjusted/ Sold	Closing	Upto last year	For the year	Adjusted/ Sold	Total to date	This year	Upto last year
LAND & PLANTATION	7,02,05,482	-	-	7,02,05,482	-	-	-	-	7,02,05,482	7,02,05,482
FACTORY BUILDING	14,35,63,660	-	-	14,35,63,660	7,77,77,697	57,21,977	-	8,34,99,674	6,00,63,986	6,57,85,963
BUILDING & STRUCTURE	1,02,35,083	-	-	1,02,35,083	44,87,663	2,87,371	-	47,75,034	54,60,049	57,47,420
PLANT & MACHINERY	19,69,59,911	59,18,892	-	20,28,78,803	116609884	1,07,79,835	-	12,73,89,719	7,54,89,084	8,03,50,027
FURNITURE & FIXTURE	33,60,424	75,06,441	-	1,08,66,865	26,08,914	2,47,850	-	28,56,764	80,10,101	7,51,510
AIR CONDITIONER	413,611	91,000	-	5,04,611	3,68,345	17,749	-	3,86,094	1,18,517	45,266
DATA PROCESSING UNIT	8,00,560	60,060	-	8,60,620	6,71,088	58,198	-	7,29,286	1,31,334	1,29,472
VEHICLES	85,09,667	25,45,912	-	1,10,55,579	73,12,929	5,53,266	-	78,66,195	31,89,384	11,96,738
ELECTRIC INSTALLATION	1,63,80,103	-	-	1,63,80,103	1,03,88,123	8,08,786	-	1,11,96,909	51,83,194	59,91,980
IRRIGATION EQUIPMENT	1,34,30,803	-	-	1,34,30,803	55,62,410	10,94,493	-	66,56,903	67,73,900	78,68,393
OFFICE EQUIPMENT	16,86,923	25,647	-	17,12,570	11,96,289	75,688	-	12,71,977	4,40,593	4,90,634
GOLD & SILVER	38,05,824	28,15,840	-	66,21,664	-	-	-	-	66,21,664	38,05,824
DHARANIPUR TEA ESTATE	36,24,302	1,57,110	-	37,81,412	-	-	-	-	37,81,412	36,24,302
LAND AT BANGALORE	3,00,611	50,000	-	3,50,611	-	-	-	-	3,50,611	3,00,611
TOTAL	47,32,76,964	1,91,70,902	-	49,24,47,866	22,69,83,342	1,96,45,213	-	24,66,28,555	24,58,19,311	24,62,93,622
CAPITAL WORK IN PROGRESS	24,85,807	22,86,546	-	47,72,353	-	-	-	-	47,72,353	24,85,807
TOTAL	47,57,62,771	2,14,57,448	-	49,72,20,219	22,69,83,342	1,96,45,213	-	24,66,28,555	25,05,91,664	24,87,79,429
PREVIOUS YEAR FIGURES'	46,06,93,950	1,51,02,880	34,059	47,57,62,771	20,45,00,767	2,24,82,575	-	22,69,83,342	24,87,79,429	



SCHEDULES FORMING PART OF BALANCE SHEET : 31ST MARCH 2010

			As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
SCHEDULE V				
INVESTMENTS (at cost) (Non Trade)				
	FACE VALUE	NOS./ UNITS		
Long Term, Trade (Unquoted)	Rs.			
Equity Shares				
East Indian Produce Ltd.	10	28,680	40,74,863	40,74,863
Techno Steel (India) (P) Ltd.	50	2,500	1,25,000	1,25,000
Jaldacca Tea Plantations (P) Ltd.	1,000	475	42,75,000	42,75,000
East Indian Fats & Edibles Ltd.	10	9,050	90,500	90,500
Terai Ispat and Trading Ltd.	10	20,000	2,00,000	2,00,000
Abhijit Tea Co. (P) Ltd.	100	3,738	3,30,78,230	3,30,78,230
The Kharibari Tea Company Ltd.	10	48,937	39,42,000	39,42,000
Terai Dooars Tea Co. (P) Ltd.	10	1,44,000	14,40,000	14,40,000
Sayedabad Tea Co. Ltd.	100	1,500	15,000	15,000
(Short Term, Non Trade (Quoted))				
Central Bank of India		388	39,576	39,576
Others :				
Prudential ICICI Floating Fund		4,24,000.718	50,00,000	50,00,000
HSBC Liquid Plus Regular Fund		7,22,759.898	75,72,500	75,72,500
JM Agri & Infrastructure Fund		2,50,000.000	25,00,000	25,00,000
Kotak Indo World Infra Fund		2,50,000.000	25,00,000	25,00,000
HSBC Liquid Plus Fund		9,65,773.005	1,00,00,000	1,00,00,000
			<u>7,48,52,669</u>	<u>7,48,52,669</u>
			<u>As at 31.03.2010</u>	<u>As at 31.03.2009</u>
	<u>Book Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Market Value</u>
Quoted Investments	39,576	59,849	39,576	13,192
SCHEDULE VI				
INVENTORIES				
(As taken, valued & certified by the Management)				
Stock of Stores & Spare Parts (at cost)			36,58,531	42,14,669
Stock of Raw Materials (At Cost)			24,43,222	40,21,770
Tea (at prices since sold and/or estimated realisable value)			10,97,63,891	9,49,71,327
			<u>11,58,65,644</u>	<u>10,32,07,766</u>


Terai Tea Company limited
SCHEDULES FORMING PART OF BALANCE SHEET : 31ST MARCH 2010

	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
SCHEDULE VII		
SUNDRY DEBTORS		
<i>(Unsecured, Considered Good)</i>		
Above Six Months	3,62,71,976	2,61,83,594
Other Debts	78,43,774	2,17,97,590
	<u>4,41,15,750</u>	<u>4,79,81,184</u>
SCHEDULE VIII		
CASH & BANK BALANCES		
Balance with Scheduled Banks		
In Current Accounts	1,85,353	6,70,869
In Fixed Deposit Account	46,93,325	22,93,700
Interest Accrued on Fixed Deposits	9,34,472	6,87,507
Cash in hand	39,19,384	5,80,395
	<u>97,32,534</u>	<u>42,32,471</u>
SCHEDULE IX		
LOANS AND ADVANCES		
<i>(Unsecured, Considered Good)</i>		
Advance Recoverable in cash or in kind or for value to be received or adjusted		
i) Income Tax Advance (incl. TDS)	11,41,874	18,03,473
ii) Other Advances	25,20,48,190	20,38,35,278
iii) Central Excise Balances	1,11,503	94,431
iv) Prepaid Expenses	4,24,818	4,53,260
v) Security Deposits	71,769	71,769
	<u>25,37,98,154</u>	<u>20,62,58,211</u>
SCHEDULE X		
CURRENT LIABILITIES & PROVISIONS		
A. CURRENT LIABILITIES		
Sundry Creditors	2,88,24,552	3,65,40,631
Temporary Bank Overdraft	2,33,66,424	12,00,341
Advances from customers	57,41,000	1,68,70,930
B. PROVISIONS:		
i) for Income Tax	10,70,000	14,10,000
ii) for Deferred Tax	35,05,000	27,55,000
iii) for Fringe Benefit Tax	21,00,000	11,50,000
iv) for Bonus	19,25,000	20,25,000
v) for Gratuity	45,18,013	41,39,000
	<u>7,10,49,989</u>	<u>6,60,90,902</u>

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT : 31ST MARCH 2010**

	For the year Ended 31-03-2010 RS.	For the year Ended 31-03-2009 RS.
SCHEDULE XI		
OTHER INCOME		
Liability no longer required W/off	23,53,889	28,37,913
Miscellaneous Income	1,164	10,552
Interest Received	3,88,464	2,89,997
Tea Board orthodox Subsidy	-	4,56,827
Tea Board Rejuvenation Subsidy	19,712	-
Sale of Scrap	-	3,37,990
Profit on sale of fixed Assets	-	1,00,742
Tea Board Replantation Subsidy	2,21,190	-
Insurance claim	1,40,075	-
Income from Mutual Funds	-	2,49,194
	<u>31,24,494</u>	<u>42,83,215</u>
SCHEDULE XII		
PERSONNEL EXPENSES		
Salaries,Wages,Bonus,Gratuity,etc.	3,06,14,625	2,79,35,742
Staff & Labour Welfare Expenses	8,35,840	8,11,738
Contribution to Provident and other Funds	9,64,935	8,67,763
Plantation Maintenance	38,74,175	32,45,643
	<u>3,62,89,575</u>	<u>3,28,60,886</u>
SCHEDULE XIII		
PACKING & SELLING EXPENSES		
Freight & Transport Charges	1,65,315	1,89,182
Warehousing & Packing Expenses	35,88,158	25,77,210
Brokerage & Other Sale Charges	51,01,911	65,12,576
	<u>88,55,384</u>	<u>92,78,968</u>
SCHEDULE XIV		
REPAIRS & MAINTENANCE		
Repairs to :		
Plant & Machinery	17,12,183	17,49,945
Buildings & Roads	8,07,886	4,03,214
Others	7,90,734	9,12,197
	<u>33,10,803</u>	<u>30,65,356</u>

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT : 31ST MARCH 2010**

	For the year Ended 31-03-2010 Rs.	For the year Ended 31-03-2009 Rs.
SCHEDULE XV		
Administrative Expenses		
Bank Charges	25,20,888	5,87,356
Rent Rates & Taxes	13,86,144	2,70,599
Insurance	6,02,107	5,66,063
Miscellaneous Expenses	19,47,236	21,83,965
Travelling Expenses	39,69,728	51,10,540
Postage, Telegram & Telephone	5,40,849	5,24,278
Printing & Stationery	5,88,670	4,47,403
Legal & Professional Charges	7,72,197	12,96,393
Directors' Remuneration	6,00,000	6,00,000
Advertisement	4,30,983	2,86,982
Auditors' Remuneration :		
As Audit Fees	70,000	70,000
As Tax Audit Fees	12,500	12,500
For Other Matters	57,800	29,860
Subscription & Donation	5,06,230	5,90,533
Listing Fees	-	6,60,000
Keyman Insurance Premium	21,47,500	21,47,500
	<u>1,61,52,832</u>	<u>1,53,83,972</u>



SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

**SCHEDULE XVI
NOTES ON ACCOUNT**

1. Gratuity:

The Company has provided for gratuity on the basis of actuarial valuation .

2. Earnings and Expenditure in Foreign Exchange- (Rs. Lakhs)

i. Earnings: Sales (FOB Value): Rs. NIL (Rs. NIL)

ii. Expenditure (Others): Rs. 9.74 (Rs. 12.18)

3. Quantitative information :

Manufactured Item: Tea

Licensed Capacity: Not Applicable

Installed Capacity: (In kg): 1,00,00,000 (1,00,00,000)

(Rs. in lakhs)

PARTICULARS	OPENING STOCK		PRODUCTION	SALES		CLOSING STOCK	
	QTY (Kgs.)	RS.	QTY (Kgs.)	QTY (Kgs.)	RS.	QTY (Kgs)	RS.
TEA							
CURRENT YEAR	11,03,751	922.15	63,35,110	60,82,352	5211.04	13,56,509	1097.64
PREVIOUS YEARS	(7,61,265)	(607.40)	(62,26,402)	(58,95,746)	(4345.55)	(11,71,644)	(949.71)

□ Sales quantity includes complimentary, sample, tea waste and shortage etc.

b) Quantitative Information of Tea Traded :

(Rs. in lakhs)

PARTICULARS	OPENING STOCK		PURCHASES		SALES		CLOSING STOCK	
	Kgs.	Rs.	Kgs.	Rs.	Kgs.	Rs.	Kgs.	Rs.
CURRENT YEAR	67,893	27.56	Nil	Nil	1,125	1.44	66,768	26.71
PREVIOUS YEARS	Nil	Nil	(79,723)	(32.28)	(11,830)	(4.73)	(67,893)	(27.56)

c) Quantitative Information of Other Items :

(Rs. in lakhs)

Items	Current year			Previous Year Sales		
	Quantity	Unit	Value	Quantity	Unit	Value
Green Leaves	7,065	Kgs.	0.83	39,175	Kgs.	5.55
Clonal Cuttings	21,07,500	Pcs.	27.50	31,50,000	Pcs.	64.06
Shade Tree Saplings	3,50,000	Pcs.	17.50	2,25,000	Pcs.	10.85

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT
4. Consumption of Raw Materials:

PARTICULARS	QUANTITY (KGS.)		VALUE (Rs. LAKHS)	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
GREEN LEAF				
– from own tea garden	17,73,553	20,56,281	NA	NA
– Purchase from outside	2,47,33,463	2,21,89,190	3,302.83	2,623.28
TEA	4,30,944	8,26,214	168.26	288.8

5. Consumption of Stores & Spares-

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	AMT (Rs. in Lacs)	% OF TOTAL	AMT (Rs. in Lacs)	% OF TOTAL
Imported	Nil	Nil	Nil	Nil
Indigenous	189.37	100%	153.37	100%

6. No provision for contingent liability in respect of the following has been made in the accounts-
 - i. Outstanding Bank Guarantees amounting to Rs.74.76 Lakhs (Rs. 82.11 lakhs).
 - ii. Guarantees to Banks/ other institutions for limits in favour of associate companies Rs.581.51 lakhs (Rs. 653.91 lakhs).
 - iii. In respect of Capital Contracts net of advances Rs. 49.90 Lakhs (Rs.18.88 Lakhs).
7. The company has accounted for Agricultural Income Tax on cash basis. Total Agricultural Income Tax liability including interest payable thereon not accounted for aggregate Rs. 54.39 lakhs. However, total demand is disputed and case is pending at West Bengal Tax Tribunal.
8. The Company acquired by way of purchase of Dharnipur Tea Estate as a going concern from its owner Sri Dharendra Nath Bhowmick (since deceased) and Dharnipur Tea Industries (P) Ltd. as confirming party. The Deed of conveyance was duly executed and registered in the name of the Company. The said Deed of Conveyance was cancelled in view of pending dispute between the seller and another party. However the agreement for purchase of the said Tea Estate subsists and is subject matter of a specific performance suit pending before Hon'ble Calcutta High Court. The Company is not in possession of the said Tea estate and has accordingly not accounted for the profit and/or loss on account of the operation or ownership of the said Tea Estate. The value of Dharnipur Tea estate represents the costs paid at the time of purchase and the legal expenses incurred therefore.
9. The Company acquired certain interest in a plot of land at Bangalore for which registration in the name of the company has not been done. All expenses of litigation in respect of the said land are considered as deemed cost of land.



SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

10. As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

i) List of related parties with whom transactions have taken place and relationships :

SI No.	Name of related party	Nature of relationship
1	East Indian Produce Limited	Associate Companies
2	Jaldacca Tea Plantations Private Limited	
3	Abhijit Tea Company Private Limited	
4	Terai Infrastructures Limited	
5	Terai Ispat & Trading Limited	
6	Terai Dooars Tea Company Private Limited	
7	Sayedabad Tea Company Limited	
8	Terai Jute Pvt. Limited	
9	Terai Financial Services (P) Ltd.	
10	The Kharibari Tea Company Limited	
11	Terai Overseas Limited	
12	Terai Resorts & Country Club (P) Ltd.	
13	Kanchaanview Tea Estate	
14	Ajit Kumar Agarwala & Others (HUF)	
15	Sri Ajit Kumar Agarwala	Key Management Persons
16	Smt. Shashikala Agarwala	

ii) During the year the following transactions were carried out with related parties in the ordinary course of business : (Rs. In lakhs)

Nature of Transaction	Associates		Key managerial Personnel		Enterp./ Relatives of K.M.P	
	31.03.10	31.03.09	31.03.10	31.03.09	31.03.10	31.03.09
Name of Party						
Sales Services & other income	3.16	8.37	-	-	-	-
Purchase of goods & services	17.37	83.36	-	-	-	0.24
Managerial remuneration	-	-	6.00	6.00	-	-
Advances Given	1,818.64	1,646.17	-	0.50	113.00	27.10
Advances recovered	1,418.66	1,534.42	-	10.00	15.50	26.45
Year End Balances of Advances	1,915.89	1,530.91	-	0.50	210.89	113.39
Max. Amt. O/S During the Year	2,290.80	2,202.46	0.50	1.50	211.29	115.84


SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

11. As the Company's business activity falls within a single primary business segment viz. Tea plantation and production, disclosure requirement of Accounting Standards (AS-17) "Segment Reporting" issued by the Institute of Chartered Accountants of India are not applicable.

12. Managerial Remuneration :

Calculation of Managerial Remuneration under Section 198 of the Companies Act, 1956-

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Profit before Taxation as per Profit & Loss Account	72,45,794	56,06,350
Less: Profit on sale of fixed assets	-	-
Net Profit/ (Loss) u/s 349 of the Companies Act, 1956	72,45,794	56,06,350
Add: Director's Remuneration	6,00,000	6,00,000
Net Profit u/s 198 of the Companies Act, 1956	78,45,794	62,06,350
Maximum Remuneration allowable	6,00,000	6,00,000

13. Earnings per share-

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
NUMERATOR		
Net Profit as disclosed in Profit & Loss Account	72.46	56.06
DENOMINATOR		
Weighted average no. of Equity Shares	69,02,925	69,00,780
BASIC EARNING PER SHARE (Face value of Rs. 10/- each)	1.05	0.81

**SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT**

14. During the period the Company acquired and sold units of mutual fund on various dates as follows-

SCHEME	OPENING		PURCHASES		SOLD		CLOSING		
	UNITS	VALUE	UNITS	VALUE	UNITS	VALUE	UNITS	VALUE	MARKET VALUE
HSBC LIQUID PLUS -INST GROWTH	965773.005	10000000	-	-	-	-	965773.005	10000000	-
PRUDENTIAL ICICI FLOATING RATE FUND-GROWTH	424000.718	5000000	-	-	-	-	424000.718	5000000	-
HSBC LIQUID PLUS-REGULAR GROWTH	722759.898	7572500	-	-	-	-	722759.898	7572500	-
KOTAK INDO WORLD INFRA.FUND - DIVIDED	250000.000	2500000	-	-	-	-	250000.000	2500000	-
J.M AGRI & INFRASTRUCTURE FUND GROWTH	250000.000	2500000	-	-	-	-	250000.000	2500000	-
Total	2612533.621	27572500	-	-	-	-	2612533.621	27572500	-

15. The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amounts unpaid as at the year end together with interest paid / payable under this Act have not been given.

**SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT****SCHEDULE XVII****SIGNIFICANT ACCOUNTING POLICIES****(A) GENERAL**

The financial statements are prepared on accrual basis and under the historical cost convention and in accordance with the generally accepted accounting principles in India and the provisions of Companies Act, 1956.

(B) USE OF ESTIMATES

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of assets & liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and the estimates are recognized in the period in which results are known/ materialized.

(C) FIXED ASSETS

Fixed assets are stated at cost net of modvat/ cenvat/ value added tax and include amounts added on revaluation, less accumulated depreciation. In the case of acquisition of Dharnipur Tea Estate and Land at Bangalore, all expenses incurred on litigations are capitalized.

(D) DEPRECIATION

- a. Depreciation on fixed assets is provided on written down value method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.
- b. Freehold land and plantation is not depreciated.
- c. Depreciation on the revalued portion is debited to Revaluation Reserve.

(E) INVESTMENTS

Investments are classified into current and long-term investments. Current investments are stated at the lower of cost and fair value. Long-term investments are valued at their acquisition cost. Any decline in the value of the said investment, other than a temporary decline is recognised and charged to profit and loss account.

(F) INVENTORY

- a. Stock of stores, spare parts and food stuff have been taken on the basis of physical verification conducted by the management at the year end and valued at cost which is arrived at on FIFO method.
- b. Stock of tea produced is valued on since sold &/or estimated sales realization basis.

(G) TURNOVER

Turnover includes sale of goods, services, service tax, and excise duty, adjusted for discounts (net).

**(H) RETIREMENT BENEFITS**

Company's contributions to Provident Fund are charged to Profit & Loss Account on accrual basis. In respect of Gratuity, liability has been provided for on the basis of actuarial valuation and in respect of leave encashment benefits, the Company accounts for the same on cash basis and neither the liability is actuarially determined at the end of accounting period nor any provision made for accrued liability.

(I) BORROWING COSTS

Borrowing costs are expensed in the accounting period in which it is incurred except where the cost is incurred during the construction of an asset that takes a substantial period to get ready for its intended use in which case it is capitalised. Borrowing cost is net of subsidy on interest received/receivable as per the Incentive Scheme of the Government.

(J) PROVISION FOR CURRENT & DEFERRED TAX

Tax expense comprises of both current tax and deferred tax. Deferred tax reflects the effect of temporary timing differences between the assets and liabilities recognised for financial reporting purposes and the amounts that are recognised for current tax purposes. As a matter of prudence deferred tax assets are recognised and carried forward only to the extent, there is certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(K) SUBSIDIES AND INCENTIVES

Subsidies receivable on account of capital assets or of revenue nature are accounted for on the basis of claims made with the concerned authorities.

Sd/-
P. K. Shah
Partner
Membership No. 14740

For and on behalf of
P. K. SHAH & CO.
Chartered Accountants
Firm Reg. No. 308150E

Place : Kolkata
Dated , the 31st day of May, 2010

For and on behalf of the Board of Directors

Sd/-
Ajit Kumar Agarwala
Chairman and
Managing Director

Sd/-
Shashikala Agarwala
Director

Sd/-
Isha Saraf
Company Secretary



BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE
(As Per Schedule VI Part (iv) of the Companies Act, 1956)

I. Registration Details

Registration No.	29009	State Code	21
Balance Sheet Date	31/03/2010		

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Issue	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	6,78,846	Total Assets	6,78,846
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Sources of Funds

Paid up Capital	69,029	Reserves & Surplus	3,10,126
Secured Loan	2,18,516	Unsecured Loan	81,175

Application of Funds

Net Fixed Assets	2,50,592	Investments	74,853
Net Current Assets	3,52,462	Misc. Expenditure	939
Accumulated Losses	NIL		

IV. Performance of the company (Amount in Rs. Thousands)

Turnover	5,28,956	Total Expenditure	5,21,710
Profit / Loss Before Tax	7,246	Profit after Tax	5,290
Earning per Share in Rs.	1.05	Dividend Rate %	NIL

V. Generic Names of three Principal products / services of Company (as per monetary terms)

Items Code No. (ITC Code)	090240.02
Product Description	BLACK TEA



TERAI TEA COMPANY LIMITED
Regd. Office : 10, Government Place (East)
Kolkata – 700 069

PROXY

I/we.....of
.....being a member/
members of TERA I TEA COMPANY LIMITED hereby appoint.....
.....of.....
or failing him.....of.....

as my/our proxy to attend and vote for me/us on my/our behalf at the 37th Annual General Meeting of the members of TERA I TEA COMPANY LIMITED to be held at Registered office of the Company at 10, Govt, Place (East), 1st Floor Kolkata-700 069 on Saturday, the 28th August, 2010 at 10.30 A.M. and at any adjournment thereof :

Signed at.....this.....day of.....2010

Note : If a member is unable to attend the meeting, he may sign this form and send it to the Company at its Registered Office so as to reach the Company not less than 48 hours before the time of holding meeting.

Affix Re. 1/-
Revenue
Stamp



TERAI TEA COMPANY LIMITED
Regd. Office : 10, Government Place (East)
Kolkata – 700 069

ATTENDANCE SLIP

Name of the shareholoder/proxy*	Folio No. No. of Shares held
---------------------------------	-------------------------------------

I hereby record my presence at the 37th Annual General Meeting held at Registered office of the Company at 10, Govt. Place (East) 1st Floor, Kolkata- 700 069 on Saturday, the 28th August, 2010 at 10.30 A.M.

SIGNATURE OF THE SHAREHOLDER/ PROXY*

*Stricke out whichever is not applicable.

Note. : Please handover the slip at the entrance of the meeting venue.



TERAI TEA COMPANY LIMITED
37TH ANNUAL REPORT YEAR ENDED MARCH 31, 2010

Board of Directors

Dr. Ajit Kumar Agarwala
Chairman & Managing Director
 Smt. Shashikala Agarwala
 Shri Sitaram Sharma
 Shri Rajendra Kanodia
 Shri Kamal Kishore Bihani
 Shri Rajesh Singhania

Company Secretary

Ms. Isha Saraf

Bankers

Central Bank of India
 Bank of India
 UCO Bank

Auditors

P. K. Shah & Co.
Chartered Accountants
 Hill Cart Road, Siliguri-734 001

Solicitors & Legal Advisors

Jhunjhunwala & Co.
 7C, K. S. Roy Road, Kolkata - 700 001

Share Transfer Agent

Maheshwari Datamatics Pvt. Ltd.
 6, Mangoe Lane, Kolkata - 700 001
 Ph: (91)(33)2243-5029/5809
 Fax: (033) 2248-4787
 E-mail: mdpl@cal.vsnl.net.in

Registered Office

10, Government Place (East)
 1st Floor, Kolkata - 700 069
 Tele : (033)4021 4411-44 (34 Lines)
 Fax:(033)2248-9182
 E-mail: teraitea@gmail.com
 Website: www.teraigroup.com

Corporate Office

“Agarwala House”
 Sevoke Road
 Siliguri-734 001
 Tele: (0353) 2543-857/ 8
 Fax. (0353) 2542-656
 E-mail: slg_teraitea@sancharnet.in

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