

ARCUTTIPORE TEA COMPANY LIMITED



**Annual Report & Accounts
For the year ended 31st March
2009**

ARCUTTIPORE TEA COMPANY LIMITED

BOARD OF DIRECTORS :

SHRI U. S. BAJORIA

- *Chairman*

SHRI HARSH KUMAR BAJORIA

- *Managing Director*

SHRI CHANDI PRASAD PODDAR

- *Director*

SHARE REGISTRARS :

MCS LIMITED

77/2A, HAZRA ROAD,

KOLKATA – 700 029

AUDITORS :

ARUNABHA GANGULY

CHARTERED ACCOUNTANTS

BANKERS :

CENTRAL BANK OF INDIA

KOLKATA MAIN BRANCH

KOLKATA – 700 001

REGISTERED OFFICE :

MMS CHAMBERS, 1ST FLOOR

4A, COUNCIL HOUSE STREET

KOLKATA – 700 001

PHONE : (033) 3259 1972

FAX : (033) 2231 1933

GARDEN :

ARCUTTIPORE TEA ESTATE

SILCHAR, CACHAR, ASSAM

ARCUTTIPORE TEA COMPANY LIMITED

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their 140 th Annual Report and the Audited Accounts of the Company for the year ended 31st March 2009.

	For the year ended 31 st March 2009	For the Year ended 31 st March 2008
	Rs.	Rs.
Profit/(Loss) before depreciation	8,87,657	(40,31,940)
Provision for depreciation	(12,33,989)	(12,33,989)
Profit/(Loss) after depreciation	(3,46,036)	(52,65,929)
Provision for Taxation	----	----
Profit /Loss after tax	(3,46,036)	(52,65,929)
(Loss)b/f from previous year	(11,38,27,061)	(10,85,61,132)
Transfer from investment	----	----
Allowance Reserve	----	----
Transfer to Balance Sheet	(11,41,73,097)	(11,38,27,061)
Profit available for appropriation	NIL =====	NIL =====

CROP

During the current year, your directors report that there has been no production of made tea for the last two years 2008-09 and 2007-08 and the reason for no production is that the company could not restore the supply of electricity from the Board till this date and could not make alternative fuel arrangements due to acute shortage of fund. Consequently, the company is bound to sell the entire production of 1916490 kgs green leaf during the year as compared to sale of 1762825 kgs green leaf in the previous year.

Due to shortage of fund, and non payment of statutory dues and liabilities over the years & no financial assistance from any corner as well as from financial institutions, the company could not re-commence production during the current year too, and is continuing selling green leaf during the present year at the reasonable rate for meeting the labour payments, amenities to staff and labour and other garden overheads payments.

PERFORMANCE

Your Directors report that the Company has incurred gross loss of Rs. 3,46,036/- for the year after receipts of Rs.1224274/- on insurance services during the year, as compared to a gross loss of Rs. 52,65,929/- for the previous year. The main reasons are due to acute shortage of funds causing non restoration of electricity and payments for fuel to re-start production even at higher cost of production against the net realizable amount coupled with unfavourable climate and undistributed rain causing fall in production of Tea from its estimations.

FUTURE PROSPECTS

Your Directors would like to specifically mention that there has been improvement in demand of tea in the domestic market as well as overseas market in the current year but due to huge losses and acute shortage of funds coupled with unfavourable climate, erratic and undistributed rain in the present year, the company has not been able to revive the situation and has been facing huge losses and abnormal damages to the garden and plant & machinery on account of poor maintenance and the loss of production. The company would not in a position to reap and maintain margins and would not show good results even in the present year. Moreover, the company's net worth has eroded and has been facing financial crisis continuously.

Your directors are turning up to take proceedings with the BIFR authority, seeking restructuring and revival package / scheme envisaging revival and several benefits for the interest of the company unless there is financial support from the banks & financial institutions.

DEPOSITORY SYSTEM

The Company's equity shares are listed on the Regional Stock Exchanges at Bombay and , Kolkata, for transaction of shares in demat form. The shares of the Company are tradable in demat form. However, due to non payment of listing fees for the year and for earlier years , the company 's shares are not being traded at the exchanges . Your Company also offers transfer-cum-demat facility to expedite the transfer process.

INDUSTRIAL RELATION

During the year under review, your Company has been maintaining cordial and mutually helpful relationship with its employees. The Board takes on the records its deep appreciation of the co-operation and support extended by employees at all levels and looks forward to their total involvement and in pertaining the over all improvement of the Company.

PARTICULARS OF EMPLOYEES

The Company had no employee drawing more than Rs.24,00,000/- per year or Rs. 2,00,000/- per month during the year and as such the particulars as required u/s 217(2A) of the Act are not required.

DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 217 of the Companies Act 1956, your Directors state that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed and there have been no material departure.
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year.
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the Company.
- (d) The Directors had prepared the annual accounts on a going concern basis.

DIRECTORS

Mr. Uma Shankar Bajoria retires at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

Mr. Harsh Bajoria, the Managing Director of the company, has informed that in view of huge losses and continuous financial crisis even in the current year, he has forgone his basic remuneration as so reported in the last General Meeting of the company, and he has decided to continue rendering his services as managing director as he has so been rending in earlier years even without remuneration. The company took on record the appreciation of services rendered Mr. Harsh Bajoria during the year and his continued support.

CORPORATE GOVERNANCE

The Company's Philosophy

The Company believes and its essence that the core values of the Company's Corporate Governance are transparency, Professionalism, Accountability, Fairness and social responsibility. It is continuous endeavor of the Company to fulfil these objectives and enhance the wealth generating capacity, keeping in mind long term interest of the shareholders.

Board of Directors: -

The Board consisted of 4 (Four) Directors as on 31.3.2009 with a Non-Executive Chairman, Executive Managing Director and 2 (two) non-Executive Directors. Their particulars and attendance at Board Meetings and AGM are given below:

Sl No	Name	Status	No. of Board Meetings Attended	Attendance at the Last EGM/ AGM	Other Company			
					Board of Directors		Board Committee	
					Chairman	Member	Chairman	Member
1	Mr. U.S.Bajoria	Non-Executive Chairman	Nil	No	-	Nil	-	-
2	Mr. H.K.Bajoria	Executive Managing Director/Promoter	11	Yes	-	19	-	-
3	Mr. C.P.Poddar	Non-Executive Independent Director	11	Yes	-	10	-	-
4	Mr. Manoranjan Pal	Director	7	yes	-	2	-	-

Board Meeting held during the year: -

Sl NO	Date of Meeting	Board Strength	No. of Directors Present
1	April 29, 2008	3	2
2	July 29, 2008	3	2
3	September 3, 2008	3	2
4	September 29, 2008	3	2
5	October 15, 2008	4	3
6	October 29, 2008	4	3
7	November 24, 2008	4	3
8	December 22, 2008	4	3
9	December 30, 2008	4	3
10	January 30, 2009	4	3
11	March , 25, 2009	4	3

AUDIT COMMITTEE**Terms of Reference & Composition**

The terms of reference of the committee cover the matters specified for Audit Committee under Clause 49 of the listing Agreement as well as in Section 292A of the Companies Act, 1956.

Name of Director	No of Meeting	No. of Meetings attended
Sri C.P.Poddar	4	4
Sri U.S.Bajoria	4	4

Remuneration of Directors

Name of Director	Sitting fee Paid		Salary & Perks	Total
	For Board Meeting	For Committee Meeting		
Mr.U.S.Bajoria	-	-	-	-
Mr.H.K.Bajora	-	-	-	-
Mr. C.P.Poddar	-	-	-	-
Mr.Manorajan Pal	-	-	-	-

* Includes perquisites

1. The Agreement with Mr. H.K.Bajoria, Managing Director is a period of 5 years which needs to renew .
2. The Company does not have any employee Stock Option scheme.

Shareholders/ Investor's Grievance Committee: -

The Committee consists two Directors viz Sri C.P.Poddar and Sri U.S.Bajoria and the grievances received were dealt with at its meetings. Sri **Naresh Shah** is the Compliance Officer of the Company. During the year, one complaint was received from the shareholders, all of which have been resolved to date. The Company has no transfer pending at the close of the financial year.

Annual General Meeting

The last 3 (Three) Annual General Meetings were held as follows. One Extra – Ordinary General Meeting was called on 29.12.2008 during the period.

Year ended	Date of meeting	Time	Venue
31.3.2008 (139 th AGM)	29.9.2009	3.00P.M.	HOTEL HAVELI 17, Balmukund Macker Road, Kolkata--700007
31.3.2007 (138 th AGM)	29.9.2008	3.00.P.M.	HOTEL HAVELI 17, Balmukund Macker Road, Kolkata--700007
31.3.2006 (137 th AGM)	28.9.2007	3.00 P.M.	HOTEL HAVELI 17, Balmukund Macker Road , Kolkata-700007

All the resolutions set out in the respective notices were passed by the shareholders.

One special resolution was passed during the year.

No postal ballots were used for voting at these meetings.

At the forthcoming Annual General Meeting, there is no item on the agenda that needs approval by postal ballot.

Management Discussions and Analysis Report

Pursuant to Clause 49 of the Listing Agreement, a Management Discussion and Analysis Report is given below:

(a) Industry Structure and Developments

The tea industry is improving situation of supply exceeding demand. With the sale volume remaining almost moderate and with lower realisation, the margins are under pressure. The Company has not producing made tea to sell due to shortage of fund and has been selling green leaf but at lower margins. The step taken for cost control, quality up gradation as well as marketing policy are expected to improve the margins in future.

(b) Opportunities and Threats

As your company's produce is presently not exported, it is not exposed to the vagaries of the export market.

(c) Segment-wise or product-wise performance

In spite of the industry continuing to operate under favourable conditions, the performance of your company has somewhat sustained due to its producing and selling green leaf only..

(d) Outlook

It is hoped that the industry has been improving, with the demand for exports picking-up in due course.

(e) Risks and concerns

The availability of new land for cultivation continues to be a constraint. The steps taken for increasing the yield as well as the replantation programme being pursued by the Company will enable the company to revive and sustain its manufacturing capacities provided the company gets financial support from the concerned institutions.

(f) Internal control systems and their adequacy

The system of internal control is commensurate with the size and nature of the business of the Company. The systems are regularly reviewed to ensure its effectiveness.

(g) Discussion on financial performance with respect to operational performance

These have been covered in the Director's Report specifically under the section on Financial Results and operations. The statement of accounts shows that the net worth of the company has eroded due to operational activities.

(h) Material developments in Human Resources / Industrial Relations front, including number of people employed

The Company continues to lay emphasis on training and development of its human resources. The requirement of professionally qualified and trained personnel is regularly reviewed to obtain optimum results in all spheres of its activity.

The Company continued to maintain healthy and cordial Industrial relations at all its production facilities. It also strives to maintain the best of relations with its employees and ensure providing all mandatory facilities to them.

General Shareholder's information.

Annual General meeting – Date, Time, Venue.

140th Annual general Meeting of the Members of the Company would be held on Tuesday, the September 29, 2009 at 3.00 P.M at Hotel Haveli, 17 Balmukund Macker Road, Kolkata 700007.

Date of Book closure.

The Register of Members of the Company will remain closed from September 25, 2009 to September 29, 2009 (both days inclusive) for the purpose of Annual General meeting of the Company.

No dividends declared during the year.

Registered Office of the Company: 4A, Council House Street, Dewar's Garage, 1st Floor
Kolkata – 700 001

Registrar and Transfer Agents.

M/s. MCS Ltd. of 77/2A, Hazra Road, Kolkata – 700 029 are the Company's RTA, including dematerialized segment.

Share Transfer System

The Company shares are compulsorily traded in the demat form for all category of shareholders. All transfers are debited/credited through the respective Accounts maintained with the Depository participants (DPs) of the investor.

Listing on Stock Exchanges: -

Shares are presently listed on four Stock Exchange viz. The Kolkata Stock Exchange Association Ltd. (Regional), and The Bombay Stock Exchange, Mumbai.

Company's stock code: -

Kolkata Stock Exchange

011062

Mumbai Stock Exchange

530261

Demat ISIN number for NSDL & CDSL

INE674C01010

Financial Calendar:

The Company's financial year is from April 01 to March 31 of the following year. The calendar for 2007-2008 has been as follows: -

Un-audited results for the Quarter Ended	Approved by the Board of Directors
30.06.2008	29.07.2008
30.09.2008	29.10.2008
31.12.2008	30.01.2009
31.03.2009	30.04.2009

Financial Audited Results approved by the Board of Directors on 03.09.2009

Annual General Meeting for the year-ended 31.3.2009 held on 29.9.2009.

Distribution of Shareholding 2008– 2009

Block of Shares	No of Shareholders	Percentage (%)	No of Shares	Percentage (%)
1- 500	2033	92.2413	247089	4.9256
501-1000	62	2.8131	50864	1.0140
1001-2000	38	1.7241	56451	1.1253
2001-3000	9	0.4084	22106	0.4407
3001-4000	8	0.3630	30303	0.6041
4001-5000	6	0.2723	27102	0.5403
5001-10000	7	0.3176	53439	1.0653
10001- above	41	1.8602	4529026	90.2847
Total	2204	100.0000	5016380	100.00

Shareholding Pattern: -The Shareholding pattern of the equity share capital of the Company as on March 31, 2009 was as follows:

Category	No. of Shareholders	Shares held	% of Share
Promoters	20	1408729	28.08
Foreign Institutional investors	Nil	Nil	Nil
Non – resident Indians	Nil	Nil	Nil
Overseas Corporate Bodies	Nil	Nil	Nil
Domestic Companies	62	2778115	55.38
Foreign Direct Investment	Nil	Nil	Nil
Mutual funds	Nil	Nil	Nil
Banks	2	100333	02.00
Indian Public	2120	729203	14.54
Financial Institutions	Nil	Nil	Nil
Total	2204	5016380	100.00

Address for Correspondence :

MCS Limited

77/2A, Hazra Road, Kolkata – 700 029

Plant Location

Arccutipore Tea Estate

Po. Silchar, Dist. Cachar, Assam.

Disclosures

1. There are related party transactions made by the Company with its promoters, the Directors or management or relatives that may not have potential conflict with the interest of the Company at large.
Transactions with the relative parties are disclosed in note no B 27 of schedule D to the Accounts in the Annual report. Compliances in this regard, wherever necessary, in terms of the Companies Act, 1956 are being carried out.
2. During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchange or any statutory for non-compliance of any matter related with the capital markets. **Annual List fees of the respective Exchanges are pending for payment.**
3. The Company has not adopted Non –mandatory requirements.

Auditors Certificate on Corporate Governance

The Company has obtained a certificate from its statutory auditors regarding compliance of requirements of Corporate Governance as stipulated in Clause 49 of the Listing agreement with Stock exchanges and the same is annexed. The Certificate will also be sent to the Stock exchange alongwith the Annual report by the Company.

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

The information required under Section 217(1) (e) of the Companies Act read with Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988 are set out in an annexure hereto forming part of the report.

AUDITORS

M/s Arunabha Ganguly, Chartered accountant and the Statutory Auditors, retires at the ensuing Annual General Meeting of the company, and being eligible, has expressed his willingness to be re-appointed.

APPRECIATION

Your Directors wish to place on record their appreciation of the support, which the Company continues to receive from the Government, Bankers and business associates. Your Directors also place on record their appreciation of the wholehearted support extended by the shareholders and the employees & workers of the company.

Kolkata

The 3rd September, 2009

For and on behalf of the Board

H. K. Bajoria

Managing Director

Arcuttipore Tea Company Limited

Annexure to the Director's Reports

Statement of Particular under the Companies (Disclosure of Particulars in the Reports of Board of Director) Rules, 1988.

1) CONSERVATION OF ENERGY:

- a) Energy Conservation Measures Taken :
All Possible measures and precautions are being taken to reduce the consumption of energy.
- b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy : Nil
- c) Impacts of measures taken at (a) and (b) for reduction of energy consumption and consequent impact on the cost Production of Goods : Not Ascertainable.
- d) The relevant figures are given below:

	2008-09	2007-08
A Power & Fuel Consumption :	-----	-----
i) Electricity :		
a) Purchased – Units	-	-
Total Amount	-	-
Rate / Unit	-	-
b) Own Generation :	-	-
From DG sets – Units	-	-
Units / Ltr. of Diesel	-	-
Cost / Unit	-	-
ii) Furnace Oil for Tea Processing		
In withering and Drying		
Quantity (K. Ltrs)	-	-
Total Cost	-	-
Average Rate (Per K. Ltr)	-	-
iii) Coal :		
Quantity (M.T.)	-	-
Total Cost (Rs)	-	-
Average Rate (Rs. Per M.T.)	-	-
iv) H.S.D. Oil for Transport and		
Material Handling		
Quantity (K. Ltrs.)	3.96	3.96
Total Cost (Rs.)	132502	132502
Average Rate (Rs. Per K. Ltrs.)	33460	33460
v) Petrol for Transport and		
Material handling		
Quantity (K. Ltrs.)	1.5	1.5
Total Cost (Rs.)	76522	76522
Average Rate (Rs. Per K. Ltrs.)	51015	51015
B) Consumption per unit of production :		
a) Electricity Consumed – Units	Nil	Nil
Total Production – Tea (Kg)	Nil	Nil
Consumption per kg – Units	Nil	Nil
b) Furnace Oil for Tea Processing :		
Quantity Consumed (K. Ltrs.)	Nil	Nil
Total Production – Tea (Kg.)	Nil	Nil

2) RESEARCH AND DEVELOPMENT :

- 1) Specific area in which R&D is carried out by the Company
- 2) Benefits derived as a result of the above R & D
- 3) Future Plans of Action
- 4) Expenditure on R & D

The company subscribes to Tea Research Association which is Registered U/S 35(1) (ii) of the Income Tax Act – 1961.

3) TECHNOLOGY ABSORPTION ADAPTATION AND INNOVATION

- 1) Efforts made
- 2) Benefits derived as a result of above effort
- 3) Imported technology in the last five years.

Not Applicable

4) FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Expenditure in Foreign Currency

Kolkata
Dated :

By Order of the Board
H. K. Bajoria
(Managing Director)