

Terai Tea Company Limited



42nd Annual Report
2014-15

Corporate Social Responsibility



Shree Shree Mahamaya Kalibari (Naat Mandir)
Deshbandhu Para, Siliguri (Opposite Amit Agarwala Bango Bhawan)

TERAI TEA COMPANY LIMITED

42nd Annual Report For The Year Ended 31st March, 2015.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr. Ajit Kumar Agarwala

Managing Director

Mrs. Shashikala Agarwala

Non-Independent Director

Mr. Milan Krisna Sarkar

Independent Director

Dr. Jayantakumar Natwarlal Raja

Independent Director

Mr. Rajendra Kanodia

Non-Independent Director & CFO

Mr. Hemant Kumar Agarwal

Independent Director

KEY MANAGERIAL PERSONNEL

Dr. Ajit Kumar Agarwala

Managing Director

Mr. Rajendra Kanodia

CFO

Mr. Roshan Dave

Company Secretary

COMPANY SECRETARY &

COMPLIANCE OFFICER

Mr. Roshan Dave

BOARD COMMITTEE :-

AUDIT COMMITTEE

Mr. Hemant Kumar Agarwal (*Chairman*)

Dr. Jayantakumar Natwarlal Raja

Mr. Milan Krisna Sarkar

NOMINATION &

REMUNERATION COMMITTEE

Mr. Milan Krisna Sarkar (*Chairman*)

Dr. Jayantakumar Natwarlal Raja

Mr. Hemant Kumar Agarwal

STAKEHOLDERS

RELATIONSHIP COMMITTEE

Dr. Jayantakumar Natwarlal Raja (*Chairman*)

Mr. Milan Krisna Sarkar

Mr. Hemant Kumar Agarwal

AUDITORS

P.K.Shah & Co.

Chartered Accountants.

Hill Cart Road,

Siliguri - 734001

BANKERS

Central Bank of India

Bank of India

Corporation Bank

Yes Bank

IndusInd Bank

SOLICITORS & LEGAL ADVISORS

Jhunjhunwala & Co.

Solicitors & Advocates

7C, K.S.Roy Road,

Kolkata - 700001

SHARE TRANSFER AGENT

Maheshwari Datamatics Pvt. Ltd.

6, Mangoe Lane, Kolkata - 700001

Ph.: (033) 2243-5029/5809

Fax: (033) 2248-4787

Email - mdpl@vsnl.net.in

REGISTERED OFFICE

10, Government Place (East),

1st Floor, Kolkata - 700069

Phone : (033) 40214411-44 (34 Lines)

Fax : (033) 2248-9182

Email : teraitea@gmail.com

Website : www.teragroup.com

CORPORATE OFFICE

"Agarwala House"

Sevoke Road, 2nd Mile

Siliguri - 734 001

Phone : (0353) 2543-857/8

Fax : (0353) 2542-656

Email : slg_teraitea@sancharnet.in

Contents

	Page
Notice	2
Directors' Report	9
Corporate Governance Report	29
Management Discussion and Analysis Report	43
Financial Highlights : Balance Sheet & Profit & Loss Account	45
Auditors' Report	47
Balance Sheet	51
Profit & Loss Statement	52
Cash Flow Statement	53
Notes to Financial Statements	54



TERAI TEA COMPANY LIMITED

REGD. OFFICE : EZRA MANSION, 10, GOVERNMENT PLACE (EAST), 1ST FLOOR, KOLKATA- 700069

Phone : (033) 40214444 • E-mail : teraitea@gmail.com • Website : www.teragroup.com

CIN : L51226WB1973PLC029009

Notice

To the Shareholders,

NOTICE is hereby given that the 42nd Annual General Meeting of the members of “**TERAI TEA COMPANY LIMITED**” will be held on **Tuesday, the 29th September, 2015** at 10.30 A.M. at its Registered Office : 10, Government Place (East), 1st Floor, Kolkata – 700069 to transact the following business:

ORDINARY BUSINESS:

- 1) To consider and adopt the audited financial statement of the Company for the financial year ended as on 31st March 2015, the reports of the Board of Directors and Auditors thereon;
- 2) To appoint a Director in place of Dr. Ajit Kumar Agarwala (DIN: 00265775), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
- 3) To ratify the appointment of auditors of the Company, and to fix their remuneration and to pass, with or without modification, the following resolution as an **Ordinary Resolution thereof**:

“**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the Audit Committee of the Board of Directors and pursuant to the resolution passed by the members at the Annual General Meeting held on 27th September, 2014, the appointment of M/s. P.K.Shah & Co., Chartered Accountants [Firm Registration No. 308150E] as Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of next Annual General Meeting of the Company be and is hereby ratified and that the Board of Directors of the Company be and is hereby authorized to fix the remuneration payable to them for the financial year ending 31st March, 2016 as may be determined by the Audit Committee in consultation with the Statutory Auditors.”

SPECIAL BUSINESS:

- 4) **Approval of the Remuneration of the Cost Auditors of the Company for the year 2015-16:**
To consider and, if thought fit, to pass with or without modification(s) the following resolutions as **Ordinary Resolutions** :

“**RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof and as amended from time to time) the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31st 2016 be paid the remuneration as set out in the statement annexed to the notice convening this meeting.

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

- 5) **Recommendation for Revision of Remuneration payable to Dr. Ajit Kumar Agarwala, Managing Director:**

To consider and, if thought fit, to pass with or without modification(s) the following resolutions as **Special Resolutions** :

“**RESOLVED THAT** in partial modification to Resolution No. 5 passed by the members at 41st Annual General Meeting of the Company, approving the terms of remuneration of Dr. Ajit Kumar Agarwala (DIN: 00265775), as the Managing Director, the company here by approved in accordance with the provisions of 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The increase in remuneration of Dr. Ajit Kumar Agarwala, (DIN: 00265775), for the remaining period of his tenure of the office, w.e.f. October 1, 2014 as set out in the statement pursuant to sec 102 of the Companies Act, 2013, annexed to the notice convening this meeting.

“**RESOLVED FURTHER THAT** all other terms and conditions of re-appointment of Dr. Ajit Kumar Agarwala as approved by the Members, shall remain unchanged.”

“**RESOLVED FURTHER THAT** the board be and is hereby authorized to do all such acts, deeds and things and as may be required and to delegate all or any of its power herein conferred to any committee of directors to give effect to the aforesaid resolution.”

Registered Office:

10, Government Place (East)

Kolkata – 700 069

Dated, 14th August, 2015

By order of the Board
For Terai Tea Company Limited
Sd/-

Roshan Dave
Company Secretary



Notice (Contd.)

NOTES:

- 1) ***A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The instrument of proxy in order to be effective, should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting and duly completed and signed.***

In terms of Rules 19 of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint single persons as proxy and such persons cannot act a proxy for any other person or shareholder.

- 2) A Statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
- 3) The Equity Share Transfer Registers of the Company will remain closed from September 21st, 2015 to September 29th, 2015 (both days inclusive) for the purpose of Annual General Meeting.
- 4) Members desiring any information as regard accounts are requested to intimate the company at least seven days before the meeting to enable the management to keep the information required readily available at the meeting.
- 5) 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 Electronic Form and the security bears Code ISIN INE 390D1011.
- 6) 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.
- 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) Members are requested to update their e-mail address to teraitea@gmail.com or mdpl@cal.vsnl.net.in to do so to support the "Green Initiative" in the Corporate Governance.
- 9) To comply with the provision of Section 88 of the Companies Act, 2013 read with Rule 3 of the

Companies (Management and Administration) Rules 2014, the Company shall be required to update its database by incorporating members' designated e-mail ID in its records.

- 10) Members are requested to quote folio numbers in all their correspondence. Equity Share of the Company are under compulsory Demat trading by all investors. Considering the advantage of script less trading, members are encouraged to consider dematerialization of their shareholding so as to avoid inconvenience in future.

- 11) Voting through electronic means

e- voting to enable the shareholders to cast their vote electronically.

- I. Pursuant to section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members the facility to exercise their right to vote at the 42nd Annual General Meeting (AGM) by electronic means. The business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL). The Company has signed an agreement with CDSL for e-voting facility.

The instructions for e- voting are as under:

The voting period begins on 24th September, 2015 at 10.00 A.M and end on 28th September, 2015 at 5.00 P.M. During this period shareholders of the Company holding share either in physical form or in dematerialized form, as on the cut-off date 22nd Sept. 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The facility for voting through ballot paper shall be made available at the Annual General Meeting and the members as on the "cut off date" i.e. 22nd Sept. 2015, attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through ballot paper.

In case of members receiving e-mail:

- (i) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "Terai Tea Co Ltd" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

Notice (Contd.)

- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. – Sequence number is communicated in the Attendance Slip/ Covering Letter.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form

will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant "Terai Tea Co. Ltd". on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Institutional Shareholders
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to elpdesk.evoting@cdslindia.com.

Notice (Contd.)

- After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which the wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on Thursday, the 24th September, 2015 from 10.00 A.M (IST) and ends on Monday, 28th September, 2015 at 5.00 P.M (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd Sept. 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com

12. The shareholders shall have one vote per equity share held by them as on the cut-off date, i.e., 22nd Sept. 2015. The facility of e-voting would be provided once for every folio/client id, irrespective of the number of joint holders.
13. Shri Mohan Ram Goenka, Practicing Company Secretary, (FCS-4515) of MR Associates, Company Secretaries, Kolkata has been appointed as the Scrutinizer to scrutinize the e- voting process in a fair and transparent manner. The scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblocks the votes in the presence of at least two(2) witness not in the employment and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
14. The results shall be declared on or after the AGM, but not later than three days from the conclusion of

the date of the AGM. The results declared alongwith the Scrutinizer's Report shall be placed on the website of CDSL within and will be communicated to the Stock Exchange where the Company's Shares are listed.

15. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting i.e.29th September 2015.

I. STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 4

In pursuance of section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint an individual who is a Cost Accountant in practice on the recommendations of the Audit Committee, which shall also recommended remuneration for such Cost Auditors. The Remunerations recommended by Audit Committee shall be considered and approved by the Board of Directors and ratified by the shareholders.

On recommendation of Audit Committee in its meeting held on 30th day of May, 2015, the Board has considered and approved appointment of Mr. Debabroto Banerjee, Cost Accountants, for conducting the Cost Audit of the Company at a remuneration of ₹ 10,000/- plus service taxes applicable and reimbursement of actual travel and out of pocket expenses for the financial year ended March 31, 2016.

The Resolution at Items No. 4 of the notice is set out as an Ordinary Resolution for approval and ratification by the members in term of section 148 of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel or their relatives is concerned or interested in the Resolution mentioned at item No. 4 in the notice.

Item No. 5

In the shareholders meeting held on 27th September 2014, the shareholders had re-appointed Dr. Ajit Kumar Agarwala as the Managing Director for a period of 3 years effective from 1st April, 2015 to 31st March, 2018. The tenure of his appointment expires on 31st March, 2018.

Keeping in view the vast experience of Dr. Ajit Kumar Agarwala, the Board in its meeting held on 1st day of October, 2014, and subject to the approval of the members of the Company in the Annual General Meeting has decided to revision of remuneration payable to Managing Director of the Company for the remaining period of his tenure of the office on the following terms and conditions w.e.f. October 1st, 2014.

Notice (Contd.)

TERMS & CONDITIONS

- A. **Salary:** Not exceeding ₹ 300,000/- per month with the authority granted to the Board of Directors (hereinafter referred to as "the Board" which terms shall include a Committee of Directors) to determine the salary and grant increases from time to time within the aforesaid limit.
- B. **Commission:** Not exceeding 0.50% of net profit in an accounting year as may be decided by the Board from time to time.
- C. **Allowance & Perquisites:** In addition to salary and commission, he will be entitled to allowance, perquisites, benefits, facilities and amenities (collectively "allowances and perquisites") such as furnished residential accommodation or House Rent Allowance in lieu thereof, maintenance of such accommodation, Gas, Electricity & Power, Water, Furnishings, Utility Allowance, Medical Reimbursement, Foreign Travel, Leave Travel Assistance / Allowances, Membership fees for clubs, Hospitalization and Accident Insurance, Security at residence and any other "Allowance and Perquisites" as per the policy / rules of the company in force and / or as may be approved by the Board from time to time provided that aggregate value of such Allowances & Perquisites shall not exceed ₹ 12 lacs per annum. "Allowances & Perquisites" to be valued as per the income Tax Rules, wherever applicable and at actual cost of the company in other cases.
- In addition to the above, he will also be entitled to the following benefits as per policy/rules of the company in force or as may be approved by the Board from time to time.
- (i) Company maintained car(s) with drivers(s);
 - (ii) Telephone(s) and fax at residence;
 - (iii) company's contribution to Provident Fund and Super – Annuation Fund;
 - (iv) Payment of Gratuity and other retail benefit;
 - (v) Encashment of Leave and

(vi) Long service award,

(vii) Key Man Insurance Premium. The Board is authorized to fix actual remuneration and revise it from time to time within the aforesaid ceilings.

- D. The total Remuneration including allowances and perquisites shall not exceed the limits specified in Schedule V to the companies Act, 2013.
- E. **Minimum Remuneration:** Notwithstanding anything to the contrary herein where in any financial year, during the currency of the tenure of the appointees, the company has no profits or its profits are inadequate, the Company will pay remuneration as above shall be paid to him as minimum remuneration subject to the limit as set out in section 196 and 197 and any other applicable provisions of Companies Act, 2013 read with schedule V of the Companies Act, 2013 to the appointees by way of salary, perquisites, allowances and incentives remuneration as specified above.

OTHER TERMS:

Apart from the above term & conditions governing remuneration, the terms of appointment provide for the term of office, the reimbursement of expenses incurred for the business of the Company, provision of earlier determination of the appointment by either party by giving not less three months notice in writing. The agreement also provides for variation in the terms of appointment / agreement in accordance with the Companies Act, 2013 (corresponding to Companies Act, 1956), in force from time to time.

The directors recommend the resolution set out in item No. 5 in the notice.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives except Dr. Ajit Kumar Agarwala and Mrs. Shashikala Agarwala wife of Dr. Ajit Kumar Agarwala are concerned or interested in the said Resolution mentioned at item No. 5 in the notice.

Registered Office:

10, Government Place (East)
Kolkata – 700 069
Dated, 14th August, 2015

By order of the Board
For Terai Tea Company Limited

Sd/-

Roshan Dave
Company Secretary

Notice (Contd.)

PARTICULARS RELATING TO DIRECTORS PROPOSED TO BE APPOINTED/ RE-APPOINTED (Pursuant to clause 49 of Listing Agreement)

Name of The Director	Dr. Ajit Kumar Agarwala
Date of Birth	January 29, 1955
Expertise in Specific functional areas	Overall Management
Qualification	Arts Graduate & Doctor of Philosophy in Business Management by Burkes University, U.K
Details of share held in the Company	25,76,800
Chairman/ Member of the Committee of the Companies on which he is a Director	NIL
List of Companies in which outside Directorship held other than private limited Company	Terai Infrastructures Ltd. The Kharibari Tea Co. Ltd. East Indian Produce Ltd. Terai Distilleries Ltd. New Darjeeling Union Tea Co. Ltd Sayedabad Tea Co. Ltd.



FINANCIAL INFORMATION

