

Warren Tea Limited

BOARD OF DIRECTORS

Chairman

C. K. Dhanuka

Jt. Managing Director

G. S. Sodhi

Vice-Chairman

P. K. Khaitan

Whole-time Director

Akhil Ruia
Ankit Ruia

Executive Chairman

Vinay K. Goenka

Directors

A. K. Ruia
S. Bhoopal
N. Dutta

Managing Director

S. K. Ghosh

**Executive Director (Legal)
& Company Secretary**

Siddhartha Roy

JOINT AUDITORS

B. M. Chatrath & Co.
Singhi & Co.

COST AUDITORS

Shome & Banerjee

BANKERS

State Bank of India
HDFC Bank Limited
Axis Bank Limited

Registered Office

Deohall Tea Estate, P.O. Hoogrijaan, Dist. Tinsukia, Assam 786 601

Corporate Office

Suvira House, 4B, Hungerford Street, Kolkata 700 017

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Notice

NOTICE is hereby given that the Thirty-fifth Annual General Meeting of Warren Tea Limited will be held at the Tingri Club, P.O.Hoogrijan, Dist. Tinsukia, Assam 786 601 on Monday, the 11th March, 2013 at 10 a.m. for the following purposes:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2012, the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of a Director retiring by rotation.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications the following Resolutions as Ordinary Resolutions:

4. "RESOLVED THAT Mr. Chandra Kumar Dhanuka be and is hereby appointed a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."
5. "RESOLVED THAT Mr. Pradip Kumar Khaitan be and he is hereby appointed a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."
6. "RESOLVED THAT Mr. Akhil Kumar Ruia be and he is hereby appointed a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."
7. "RESOLVED THAT Mr. Ankit Govind Ruia be and he is hereby appointed a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."
8. "RESOLVED THAT Mr. Gurinder Singh Sodhi be and he is hereby appointed a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."
9. "RESOLVED THAT the Company hereby approves the appointment and remuneration payable to Mr. Ravi Kidwai as Joint Managing Director of the Company on the terms and conditions set out in the Letter of Appointment dated 16th March, 2012 within the limits specified in Schedule XIII of the Companies Act, 1956 and as approved by the Remuneration Committee for the period from 16th March, 2012 to 30th November, 2012, a copy of which initialled by the Chairman is placed before the Meeting."
10. "RESOLVED THAT the Company hereby approves the appointment and remuneration payable to Mr Akhil Kumar Ruia as Whole-time Director of the Company for the period of one year from 7th August, 2012, on the terms and conditions set out in the Letter of Appointment dated 7th August, 2012 as approved by the Remuneration Committee, subject to approval of the Central Government, a copy of which initialled by the Chairman is placed before the Meeting."

Notice (Continued)

11. "RESOLVED THAT the Company hereby approves the appointment and remuneration payable to Mr Ankit Govind Ruia as Whole-time Director of the Company for the period of one year from 7th August, 2012, on the terms and conditions set out in the Letter of Appointment dated 7th August, 2012 as approved by the Remuneration Committee, subject to approval of the Central Government, a copy of which initialled by the Chairman is placed before the Meeting."
12. "RESOLVED THAT the Company hereby approves the appointment and remuneration payable to Mr. Gurinder Singh Sodhi as Joint Managing Director of the Company for a period of one year from 30th November, 2012 on the terms and conditions set out in the Letter of Appointment dated 1st December, 2012 within the limits specified in Schedule XIII of the Companies Act, 1956 and as approved by the Remuneration Committee a copy of which initialled by the Chairman is placed before the Meeting."

To consider and, if thought fit, to pass the following Resolutions as Special Resolutions:

13. "RESOLVED THAT Article 131 of the Articles of the Association of the Company be substituted by the following new Article :

131. The Board may resolve that any amount standing to the credit of the Capital Redemption Reserve Account or Securities Premium Account of the Company or any undivided profits of the Company standing to the credit of Company's other Reserve Accounts or to the credit of the Company's profit and loss account or otherwise available for dividend be capitalised ("capitalised fund") and distributed amongst such of the shareholders of the Company as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in issuing and paying up in full any unissued shares, debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum. Provided that any such capitalised fund appropriated out of any sum standing to the credit of the Securities Premium Account or Capital Redemption Reserve Account of the Company may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares. Provided further that with the approval of the Company in general meeting by special resolution any such capitalised fund may be applied in issuing fully paid up bonus shares only to the public shareholders to the exclusion of promoters who have waived/forgone their right to such bonus shares in terms of clause 40A(ii)(f) of the listing agreements with the Stock Exchanges."

14. "RESOLVED THAT (i) for the purpose of complying with Clause 40A of the Listing Agreements of the Company with the Stock Exchanges and pursuant to recommendations of the Board of Directors

Notice (Continued)

('The Board') in this behalf and applicable provisions of the Companies Act, 1956, and subject to the Guidelines issued by the Securities and Exchange Board of India (SEBI) in this behalf and subject to such approvals, consents, permissions and sanctions, as may be necessary from appropriate authorities, consent be and is hereby accorded for capitalization of such sum standing to the credit of the General Reserve/Securities Premium Account of the Company, as may be considered appropriate by the Board for the purpose of issue of Bonus Shares credited as fully paid-up Equity Shares of ₹ 10/- (Rupees Ten) each, to the Public Shareholders (to the exclusion of Promoter Shareholders) of the Company, whose names appear in the Register of Members or in the respective beneficiary account with their respective Depository Participants, on the 'Record Date' to be determined by the Board or if so authorized by the Board, by the Shareholders' Grievance and Share Transfer Committee, for the purpose, in the proportion of 7 (Seven) Equity Share(s) of ₹ 10/- (Rupees Ten) each for every 10 (Ten) Equity Share(s) of ₹ 10/- (Rupees Ten) each held by them;

- (ii) the bonus shares so allotted shall rank pari passu with the existing issued shares in all respects.
- (iii) no letter of allotment shall be issued in respect of the Bonus Shares. In the case of Members who hold Equity Shares in dematerialized form, the Bonus Shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participants and in the case of Members who hold Equity Shares in certificate form, the share certificates in respect of the Bonus Shares shall be dispatched, within the prescribed time ;
- (iv) no fractions, if any arising out of the issue and allotment of the Bonus Shares shall be allotted by the Company and the Company shall not issue any certificate or coupon in respect thereof but all such fractional entitlements, if any, shall be consolidated and the Bonus Shares, in lieu thereof, shall be allotted by the Board to nominee(s) to be appointed by the Board, who shall hold the same as trustee(s) for the members entitled thereto, and sell the said Shares so arising at the prevailing market rate and pay to the Company the net sale proceeds thereof, after adjusting therefrom the cost and expenses in respect of such sale, for distribution to Members in proportion to their fractional entitlements ;

Notice (Continued)

- (v) for the purpose of giving effect to this Resolution, the Board or if so authorized by the Board, the Shareholders' Grievance and Share Transfer Committee be and is hereby authorized to do all such acts/ deeds, matters and things including fixing the Record Date for the purpose and give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding."

'Suvira House'
4B, Hungerford Street,
Kolkata 700 017.
30th January, 2013

By Order of the Board
Siddhartha Roy
Executive Director (Legal)
& Company Secretary

Notice (Continued)

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A Proxy, in order to be effective, must be received at the Company's Registered Office at Deohall Tea Estate, P. O. Hoogrijan, Dist. Tinsukia, Assam 786 601 not less than forty-eight hours before the Meeting.

2. The Company is registered with National Securities Depository Ltd., and Central Depository Services (India) Ltd., for dematerialization of its Equity Shares which has been allotted the ISIN INE712A01012. EIH Limited, 4 Mangoe Lane, Kolkata 700 001 are the Interface Registrars of the Company. However, the manual part of share administration work is carried out at the Company's Office.
3. The Register of Members of the Company will remain closed on 8th February, 2013.
4. Members who are holding shares in physical form are requested to:
 - a. notify any change in their addresses ;
 - b. communicate on all matters pertaining to their shareholdings with the Company's Corporate Office at Kolkata, quoting their respective Ledger Folio Numbers ;
 - c. note that as per provisions of the Companies Act, 1956, facility for making nominations is available for shareholders in respect of Equity Shares held by them ;
 - d. bring their copies of the Resumé and Accounts to the Meeting.
5. i. Pursuant to Section 205A of the Companies Act, 1956 all dividends declared and relative dividend warrants posted upto and including the Dividend for the year 1993-94 paid on 8th November, 1994 and remaining unclaimed by members have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed their dividend warrants in respect of the said period are requested to prefer their claims to the Registrar of Companies, Assam, Tripura, Manipur, Nagaland, Meghalaya, Mizoram and Arunachal Pradesh at Morello Building, Shillong 793001, Meghalaya. In case any assistance is required, shareholders are requested to write to the Company's Corporate Office at Kolkata.
 - ii. Pursuant to Section 205A of the Companies Act, 1956 dividends declared from 1994-95 upto 2002-2003 and remaining unclaimed by the members have been transferred to the Investor Education and Protection Fund constituted by the Central Government under Section 205C of the Act on which no claim for Unpaid Dividend can be preferred.

Notice (Continued)

6. Relevant details in respect of Item no. 2 of the Notice pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges are given hereunder and details in respect of Item Nos. 4 to 12 of the Notice are included in the Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 which is given hereinafter.

DETAILS OF DIRECTOR RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT

(In pursuance of Clause 49 of the Listing Agreement)

Name of Director: Mr. S. K. Ghosh

Brief Resumé:

Mr. Ghosh is a Fellow Member of the Institute of Chartered Accountants of India and a Member of the Institute of Internal Auditors, U.S.A. He has been working in the Tea Industry for the last thirty five years and has considerable exposure to that Industry.

Expertise in Specific Functional Areas:

Accounts, Finance, Audit and Taxation

Directorships & Committee Memberships of Other Companies:

DPIIL Limited	Managing Director
ABC Tea Workers Welfare Services	Director
Audit Committee (DPIIL Limited)	Chairman
Shareholders' Grievance & Share Transfer Committee (DPIIL Limited)	Member

Mr. Ghosh holds five Equity Shares of Rs. 10 each in the Company. His appointment as Managing Director of the Company has already been approved by the Company for a period of three years from 1st April, 2011 in the last Annual General Meeting held on 9th September, 2011

Notice (Continued)

EXPLANATORY STATEMENT (Pursuant to Section 173(2) of the Companies Act, 1956)

Item Nos. 4 & 5

The Board of Directors of your Company('the Board') appointed Mr.C.K.Dhanuka ('Mr. Dhanuka') and Mr. P. K. Khaitan ('Mr. Khaitan') as Additional Directors of your Company with effect from 16th February, 2012.

Both of them vacate office at the forthcoming Annual General Meeting and necessary Notices have been received from certain members under section 257 of the Companies Act, 1956 signifying their intention to propose the appointments of Mr. C. K. Dhanuka and Mr. P. K. Khaitan as Directors of the Company.

Mr. Dhanuka and Mr. Khaitan are willing to act as Directors of your Company, if so appointed.

Mr. Dhanuka

Brief Resumé:

Mr. C. K. Dhanuka is a Commerce Graduate from St. Xavier's College, Kolkata. He is specialized in all branches of tea production and marketing including a stint in tea tasting with J. Thomas and Company. Mr. Dhanuka joined the Board of Dhunseri Tea Company Limited as a Director in 1973. He was appointed as Executive Director of that company in 1975, elevated as its Managing Director in 1980 and assumed the office of Chairman of Dhunseri Group in 2002. He was the Chairman, FICCI-Eastern Regional Council from 2004-2010 and is also a Member of the Executive Committee of FICCI, the apex Industry Chamber in India and was President of all India Organization of Employees (AIOE). Mr. Dhanuka has previously held the positions of President, Indian Chamber of Commerce, Chairman, Indian Tea Association, President, Tea Association of India and Vice Chairman of Tea Board.

Expertise in Specific Functional Areas:

Having over 35 years of experience in the Production, Plantation, Marketing of Tea as well as and Tasting, grading and blending.

Directorships & Committee Memberships of Other Companies:

Dhunseri Petrochem & Tea Ltd.	Director
Naga Dhunseri Group Ltd.	Director
Mint Investments Ltd.	Director
Plenty Valley Intra Ltd.	Director
Trimplex Investments Limited	Director
Dhunseri Investments Ltd.	Managing Director
Egyptian Indian Polyester Co. SAE	Director
Dhunseri Petrochem & Tea pte Ltd	Director
ABC Tea Workers Welfare Services	Chairman
Jatayu Estate Pvt. Ltd.	Director
CESC Ltd	Director

Mr. C. K. Dhanuka holds 8,32,985 nos. shares in the Company with Mr. Pradip Kumar Khaitan and Mr. Dharam Pal Jindal acting as Escrow Agents.

Notice (Continued)

Mr. Khaitan

Brief Resumé:

Mr. Khaitan is a Bachelor of Commerce, LLB and Attorney-at-Law (Bells Chamber, Gold Medalist). He is an Advocate and is the Senior Partner of Messrs. Khaitan & Co. a leading Indian law firm and also member of the Bar Council of India, the Bar Council of West Bengal and the Indian Council of Arbitration.

Expertise in Specific Functional Areas:

Commercial and corporate laws, tax laws, arbitration, foreign collaborations, mergers and acquisitions and corporate restructuring.

Directorships & Committee Memberships of Other Companies:

CESC Ltd	Director
Dalmia Bharat Enterprises Limited	Director
Dhunseri Petrochem & Tea Limited	Director
Electrosteel Castings Limited	Director
Gillanders Arbuthnot & Co. Limited	Director
Graphite India Limited	Director
Hindustan Motors Limited	Director
India Glycols Limited.	Director
OCL India Limited	Director
Pilani Investment & Industries Corporation Limited	Director
Saregama India Limited	Director
TCPL Packaging Limited	Director
VISA Steel Limited	Director
Woodlands Multispeciality Hospital Limited	Director
Egyptian Indian Polyester Co. SAE	Director

Mr. Khaitan holds 8,32,985 nos. shares in the Company along with Mr. C. K. Dhanuka and Mr. Dharam Pal Jindal acting as Escrow Agents.

The Resolutions set out in items 4 and 5 are to be considered accordingly and the Board recommends their acceptance. Mr Dhanuka and Mr Khaitan may be considered to be interested in the Resolutions set out in items 4 and 5 respectively, of the convening Notice.

Item Nos. 6 & 10

The Board of Directors of your Company appointed Mr. Akhil Kumar Ruia (Mr. Akhil Ruia) as Additional Director with effect from 16th February, 2012. He vacates office at the forthcoming Annual General Meeting. Your Company has received notice in writing from a member in terms of Section 257 of the Act signifying his intention to propose the appointment of Mr. Akhil Ruia as a Director of your Company.

The Board also appointed Mr. Akhil Ruia as Whole-time Director of the Company for a period of one year with effect from 7th August, 2012 in terms of his Letter of Appointment dated 7th August, 2012 subject to approval of the Central Government. Approval of the Members is being sought for the appointment and remuneration payable to Mr. Akhil Kumar Ruia as Whole-time Director of the Company.

Notice (Continued)

The principal terms and conditions of Mr. Akhil Ruia's appointment are as follows:

A. Salary ₹ 1, 00,000 per month

B. In addition to the above salary, Mr. Akhil Ruia will be entitled to perquisites like house rent allowance/rent free accommodation, Company cars, electricity/power facility, medical facility, leave travel allowance, club memberships, retirement benefits, bonus etc. in accordance with the Rules applicable to Mr. Akhil Ruia. Perquisites shall be valued as per Income Tax Rules, wherever applicable and in the absence of any such Rule, at actual cost.

The aggregate of salary and monetary value of all perquisites in accordance with the applicable Rules payable to Mr. Akhil Ruia and other Managing/Whole time Directors shall not exceed the limits specified in Sections 198 and 309 of the Act.

In the event of absence or inadequacy of profits of the Company in any financial year during the period of his appointment, Mr. Akhil Ruia shall be entitled to receive/enjoy his aforesaid salary and perquisites.

Brief Resumé:

Mr. Akhil Ruia holds an MBA from the University of California at Berkeley, U. S. A and also holds a Master Degree in Management from the London School of Economics, U. K. He worked as an Investment Banker at Barclays Capital in London, U. K.

Expertise in Specific Functional Areas:

Finance, Administration and General Corporate Areas.

Directorships & Committee Memberships of Other Companies:

Botraco Limited	Director
Derrysel Holdings Ltd.	Director
James Warren Tea Private Limited	Director
JW Properties Private Limited	Director
JWR Properties Private Limited	Director

Mr. Akhil Ruia does not hold any share in the Company.

A copy of the Letter of Appointment referred to in the Resolution set out in Item 10 of the convening Notice will be available for inspection by the Members of the Company at its Registered Office on any working day prior to the date of the meeting between 9.00 a.m. and 11.00 a.m. and will also be available at the Meeting.

The Resolutions set out in Item 6 and 10 of the convening Notice have to be considered accordingly and the Board recommends their acceptance.

No Director of the Company except Mr. Akhil Kumar Ruia, Mr. Anil Kumar Ruia and Mr. Ankit Govind Ruia is concerned or interested in the Resolutions set out in Items 6 and 10 of the convening Notice.

Notice (Continued)

Item Nos. 7 & 11

The Board of Directors of your Company appointed Mr. Ankit Govind Ruia (Mr. Ankit Ruia) as an Additional Director with effect from 16th February, 2012. He vacates office at the forthcoming Annual General Meeting. Your Company has received notice in writing from a member in terms of Section 257 of the Act signifying his intention to propose the appointment of Mr. Ankit Ruia as a Director of your Company.

The Board also appointed Mr. Ankit Ruia as Whole-time Director of the Company for a period of one year with effect from 7th August, 2012 in terms of his Letter of Appointment dated 7th August, 2012 subject to approval of the Central Government. Approval of the Members is being sought for the appointment and remuneration payable to Mr. Ankit Ruia as Whole-time Director of the Company.

The principal terms and conditions of Mr. Ankit Ruia's appointment are as follows:

- A. Salary ₹ 1, 00,000 per month
- B. In addition to the above salary, Mr. Ankit Ruia will be entitled to perquisites like house rent allowance/rent free accommodation, Company cars, electricity/power facility, medical facility, leave travel allowance, club memberships, retirement benefits, bonus etc. in accordance with the Rules applicable to Mr. Ankit Ruia. Perquisites shall be valued as per Income Tax Rules, wherever applicable and in the absence of any such Rule, at actual cost.

The aggregate of salary and monetary value of all perquisites in accordance with the applicable Rules payable to Mr. Ankit Ruia and other Managing/Whole time Directors shall not exceed the limits specified in Sections 198 and 309 of the Act.

In the event of absence or inadequacy of profits of the Company in any financial year during the period of his appointment, Mr. Ankit Ruia shall be entitled to receive/enjoy his aforesaid salary and perquisites.

Brief Resumé:

Mr. Ankit Ruia holds a degree in Law from the University of Oxford, U. K. He is a qualified solicitor in the Courts of England and Wales and practised law at Linklaters LLP, in London and Singapore. He has also worked in the retail division of Future Group, Mumbai and has marketing experience.

Expertise in Specific Functional Areas:

Law, Marketing and Corporate Administration.

Directorships & Committee Memberships of Other Companies:

James Warren Tea Private Limited	Director
JW Properties Private Limited	Director
JWR Properties Private Limited	Director

Mr. Ankit Govind Ruia does not hold any share in the Company.

A copy of the Letter of Appointment referred to in the Resolution set out in Item 11 of the convening Notice will be available for inspection by the Members of the Company at its Registered Office on any working day prior to the date of the meeting between 9.00 a.m. and 11.00 a.m. and will also be available at the Meeting.

Notice (Continued)

The Resolutions set out in Items 7 and 11 of the convening Notice have to be considered accordingly and the Board recommends their acceptance.

No Director of the Company except Mr. Ankit Govind Ruia, Mr. Anil Kumar Ruia and Mr. Akhil Kumar Ruia is concerned or interested in the Resolutions set out in Items 7 and 11 of the convening Notice.

Item Nos. 8 & 12

The Board of Directors of your Company appointed Mr. Gurinder Singh Sodhi as an additional Director of the Company with effect from 30th November, 2012. He vacates office at the ensuing Annual General Meeting. Your Company has received notice in writing from a member in terms of Section 257 of the Act signifying his intention to propose the appointment of Mr. Gurinder Singh Sodhi as Director of your Company.

At the meeting of the Board of Directors of the Company held on 30th November, 2012, the Board appointed Mr. Gurinder Singh Sodhi as Joint Managing Director of the Company in terms of his Letter of Appointment dated 1st December, 2012 for a period of one year with effect from 30th November, 2012, subject to the approval of the members in General Meeting. Approval of the Members is being sought for the appointment of and remuneration payable to Mr. Gurinder Singh Sodhi

The principal terms and conditions of Mr. Gurinder Singh Sodhi, appointment are as follows:

- A. Salary ₹ 70,000 per month
- B. In addition to the above salary, Mr. Sodhi will be entitled to perquisites like house rent allowance, special /composite allowance, car/driver/ petrol reimbursement, leave travel allowance, medical reimbursement etc. in accordance with the Rules applicable to Mr. Sodhi. Perquisites shall be valued as per Income Tax Rules, wherever applicable, and in the absence of any such Rule, at actual cost.

The aggregate of salary and monetary value of all perquisites in accordance with the applicable Rules payable to Mr. Sodhi and other Managing/Whole-time Directors shall not exceed the limits specified in Sections 198 and 309 of the Act.

In the event of absence or inadequacy of profits of the Company in any financial year during the period of his appointment, Mr. Sodhi shall be entitled to receive/enjoy his aforesaid salary and perquisites.

Brief Resumé:

Mr. Sodhi holds a Degree in Science from Haryana University.

Expertise in Specific Functional Areas:

General Administration and Field & Factory Management

Directorships & Committee Memberships of Other Companies:

Pronaali Agro-Tech Private Limited Director

Mr. Sodhi does not hold any share in the Company.

A copy of the Letter of Appointment referred to in the Resolution set out in Item 12

Notice (Continued)

of the convening Notice will be available for inspection by the Members of the Company at its Registered Office on any working day prior to the date of the meeting between 9.00 a.m. and 11.00 a.m. and will also be available at the Meeting.

The Resolutions set out in Items 8 and 12 of the convening Notice have to be considered accordingly and the Board recommends their acceptance.

No Director of the Company other than Mr. Sodhi is concerned or interested in the Resolutions set out in Items 8 and 12 of the convening Notice.

Item No 9

Mr. Ravi Kidwai who was appointed as Joint Managing Director with effect from 16th March, 2012, resigned with effect from 30th November, 2012. Such appointment was however subject to the approval of the members in General Meeting.

The principal terms and conditions of Mr. Kidwai's appointment were as follows:

- A. Salary ₹ 1, 00,000 per month
- B. In addition to above salary, Mr. Kidwai was entitled to perquisites like house rent allowance, gas, electricity, furnishings, medical reimbursement for self and family, leave travel allowance, club fees, performance bonus etc. in accordance with the Rules applicable to Mr. Kidwai. Perquisites were to be valued as per Income Tax Rules, wherever applicable, and in the absence of any such Rule, at actual cost.

The aggregate of salary and monetary value of all perquisites in accordance with the applicable Rules payable to Mr. Kidwai and other Managing/Whole-time Directors was not to exceed the limits specified in Sections 198 and 309 of the Act.

In the event of absence or inadequacy of profits of the Company in any financial year during the period of his appointment, Mr. Kidwai was entitled to receive/enjoy his aforesaid salary and perquisites.

The terms and conditions of the appointment of Mr. Ravi Kidwai were in accordance with the provisions of Schedule XIII to the Act.

Brief Resumé:

Mr. Kidwai is a Bachelor of Arts, in Political Science.

Expertise in Specific Functional Areas: Tea Broking and Marketing

Directorships & Committee Memberships of Other Companies:

Parcon (India) Pvt. Ltd.	Director
Calcutta Cricket & Football Club	Director
Carritt Services Pvt. Ltd.	Director

Mr. Kidwai does not hold any share in the Company.

Notice (Continued)

A copy of the Letter of Appointment referred to in the Resolution set out in Item 9 of the convening Notice will be available for inspection by the Members of the Company at its Registered Office on any working day prior to the date of the meeting between 9.00 a.m. and 11.00 a.m. and will also be available at the Meeting.

The Resolution set out in Item 9 of the convening Notice have to be considered accordingly and the Board recommends its acceptance.

No Director of the Company is interested in the aforesaid appointment and remuneration.

Item Nos. 13 & 14

Clause 40A of the Listing Agreement with the Stock Exchanges require the Public Shareholding in the Company to be not less than 25%. At present the Promoters hold 8947799 Equity Shares representing 83.51% of the Shares of the Company, the balance 1766474 Equity Shares representing 16.49% of the Shares of the Company being held by the Public Shareholders. Clause 40A of the listing agreement was amended in terms of Circular No. CIR/CFD/DIL/11/2012 dated 29 August, 2012 issued by the Securities and Exchange Board of India (SEBI) to prescribe bonus issue to public shareholders to the exclusion of promoters as an additional method of increasing public shareholding.

The matter was considered by the Board at its Meeting held on 30th January, 2013 when it was decided that an increase in the Public Shareholding to the desired level could best be achieved pursuant to the said SEBI circular by issue of Bonus Shares only to the Public Shareholders, to the exclusion of Promoter Shareholders of the Company whose names shall appear in the Register of Members or in the respective beneficiary account with their respective Depository Participants, on the 'Record Date' to be determined by the Board or if so authorized by the Board, by the Shareholders' Grievance and Share Transfer Committee, for the purpose, in the proportion of 7 (Seven) Equity Share(s) of ₹ 10/- (Rupees Ten) each for every 10 (Ten) Equity Share(s) of ₹ 10/- (Rupees Ten) each held by them.

All the promoters holding Equity Shares in the Company have waived/forgone their right to the aforesaid bonus shares.

Existing Article 131 of the Articles of Association of the Company reads as follows:-

"131. Any general meeting may upon the recommendation of the Board, resolve that any undivided profits of the Company standing to the credit of the Reserves, or any Capital Redemption Reserve Account, or in the hands of the Company and available for dividend or representing premiums received on the issue of shares and standing to the credit of the Share Premium Account be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such shareholders in paying up in full any unissued shares, debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum. Provided that any sum standing to the credit of a Share Premium Account or a Capital Redemption Reserve Account may, for the purposes of this Article, only be applied in the paying up of unissued shares

Notice (Continued)

to be issued to members of this Company as fully paid bonus shares. Provided further that with the approval of the Company in general meeting by special resolution any such capitalised fund may be applied in issuing fully paid up bonus shares only to the public shareholders to the exclusion of promoters who have waived/forgone their right to such bonus shares in terms of clause 40A(ii)(f) of the listing agreements with the Stock Exchanges."

To enable the proposed issue of bonus shares to public shareholders to the exclusion of promoters and to provide for other methods of capitalisation of reserves/profits more conveniently in future, it is considered desirable and expedient to substitute the aforesaid existing Article 131 of the Articles of Association of the Company with the proposed new Article 131 as set out in the resolution .

The Special Resolutions set out in Item Nos. 13 and 14 of the convening Notice for the shareholders' approval to substitution of Article 131 and issuance of Bonus Shares in the manner proposed have to be considered accordingly and the Board recommends their acceptance.

The pre and post bonus issue shareholding pattern of the Company is summarised as under:

	Present		After Proposed Bonus	
	No.of Shares	%	No.of Shares	%
A. Promoters (*)	8,947,799	83.51	8,947,799	74.87
B. Public	1,766,474	16.49	3,003,006	25.13
Total	10,714,273	100.00	11,950,805	100.00

(*) Break up of promoters holding as on date:

Names	No. of shares
1 Ashdene Investments Limited	1,181,505
2 DPIL Limited	1,227,120
3 Enez Investments Limited	551,346
4 Isis Enterprises Limited	1,102,785
5 Maple Hotels & Resorts Private Limited	371,104
6 Maru Limited	525,318
7 Maygrove Investments Limited	630,106
8 Sectra Plaza Private Limited	79,531
9 Vinay Kumar Goenka	2,004,601
10 Vivek Goenka	738,438
11 Woodcutter Limited	535,945
Total	8,947,799

Notice (Continued)

A copy of the Articles of Association of the Company will be available for inspection by the Members of the Company at its Registered Office on any working day prior to the date of the Meeting between 9.00 a.m. and 11.00 a.m. and will also be available at the Meeting.

The Directors of the Company may be deemed to be concerned or interested in the Special Resolutions set out in Item Nos. 13 and 14 of the convening Notice to the extent of their shareholding in the Company.

'Suvira House'
4B, Hungerford Street,
Kolkata 700 017.
30th January, 2013

By Order of the Board
Siddhartha Roy
Executive Director (Legal)
& Company Secretary

Directors' Report

Your Directors have pleasure in presenting their Thirty-fifth Annual Report to the Members together with the Audited Accounts for the year ended 31st March, 2012 :

FINANCIAL RESULTS

	Current Year (₹ in lakhs)	Previous Year (₹ in lakhs)
Profit before Depreciation and Taxation	1875.99	4110.48
Less: Depreciation and Amortisation	<u>954.13</u>	<u>933.27</u>
Profit before Taxation	921.86	3177.21
Provision/(Credit) for Corporate Taxation		
Current Tax	625.52	1150.64
Deferred Tax	<u>(332.24)</u>	<u>(35.18)</u>
Profit for the period from Continuing Operations	628.58	2061.75
Loss from Discontinuing Operations	(47.84)	(1.98)
Tax Expense of Discontinuing Operations	<u>(15.52)</u>	<u>(0.64)</u>
Loss from Discontinuing Operations (After Tax)	<u>(32.32)</u>	<u>(1.34)</u>
Profit for the Year	596.26	2060.41
Balance brought forward from Previous Year	6553.28	4492.87
Balance carried to Balance Sheet	<u>7149.54</u>	<u>6553.28</u>

AUDITORS' REPORT

During the year under review, Messrs B. M. Chatrath & Co. along with Messrs Singhi & Co. have been appointed by the Members of the Company as Joint Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of Messrs Price Waterhouse in respect of the financial year 2011-12. The Joint Statutory Auditors have submitted their Report under Section 227 of the Companies Act, 1956 and the comments made by them in their Report have been adequately dealt with in the relative Notes to the Financial Statements which are self explanatory.

For the year ended 31st March, 2011 the Cost Audit in respect of the Company's Tea operations had been completed by Messrs Shome and Banerjee, Cost Accountants. The Cost Audit Report had been submitted by the Cost Auditors to the appropriate Authorities on 26.09.2011, the due date of submission of which had been 27.09.2011.

ACCOUNTING POLICIES AND PROCEDURES

The major accounting policies as narrated in the Notes to the Financial Statements in Note 25 in conformity with the Accounting Standards which have been specified in the Companies Act, 1956 and the Rules framed thereunder as applicable to the Company have been followed as usual in course of preparing and presenting these Accounts.

Your Company continues to have an adequate internal audit system carried out by external firms of Chartered Accountants who submit their Reports upon completion of Audit for consideration by the Directors.

Directors' Report (Continued)**RESUMÉ OF PERFORMANCE**

Your Company achieved total income of ₹ 21566.68 Lakhs this financial year as against ₹ 21236.87 Lakhs for the previous year ended on 31st March, 2011. The profits of your Company before providing for tax was ₹ 921.86 Lakhs as compared to the ₹ 3177.21 Lakhs in the last financial year ended on 31st March, 2011.

The Company's operating businesses are organized and managed separately according to the nature of products and services. The Company had a separate smaller business segment denoted as Warren Travels, which has been closed down for commercial considerations with effect from close of business hours of 31st March, 2012, earned an income of ₹ 63.43 Lakhs during the year.

Crop

Your Company's saleable crop was recorded at 14.71 Million Kgs. as compared to the previous year's production of 14.27 Million Kgs.

Comparative Crop figures during the past five years are given below :

Year Ended on	Saleable Crop In Million Kgs.
31.3.2012	14.71
31.3.2011	14.27
31.3.2010	14.10
31.3.2009	14.70
31.3.2008	14.32

Sales

Proceeds from sale of tea amounted to ₹ 20927.80 Lakhs for the year under review as against ₹ 20837.01 Lakhs in the previous year.

Quality

Your Company continues in its focus in the production of its own crop to ensure Quality product. The manufacture of quality teas has been maintained through implementation of best suited agricultural practices.

Your Directors continue to recognise the attributes of Tea as a Health Drink. All fourteen Tea Estates of your Company continue to be HACCP (Hazard Analysis of Critical Control Points) certified as well as being participants of the ETP (Ethical Tea Partnership) Programme. Your Company also continues to lay emphasis on the critical issues of Maximum (Permissible Chemicals) Residue Limits (MRLs) and ensures compliance with stringent international as well as Indian standards at all its estates.

Directors' Report (Continued)

Exports

Your Directors are pleased to report that the exports for the year both in terms of quantity and value have been higher than that of the previous year.

Employees' Welfare

The Company continued in its efforts to maintain and promote various welfare measure especially at the plantations. The Company envisions human resource development as integral to its long term sustainability and success, to which end it continues its efforts for human resource development for employees at various levels. Welfare Week Programmes continued to be carried out in all the Company's tea estates as part of its efforts to improve the quality of life of the Company's most valuable assets i.e. its employees and their families.

Personnel

Your Directors record their appreciation for contribution and co-operation of all the employees.

Industrial relations with employees remained cordial and satisfactory during the year under review, in Assam and Kolkata. Your Directors are happy to place on record their sincere appreciation to all employees for their unstinted efforts and contribution.

Legal proceedings

During the year a suit had been filed by certain parties in the Hon'ble High Court at Calcutta against the Company and others claiming reliefs detailed therein. Some of these complainants as well as others also initiated proceedings before the Hon'ble Company Law Board, Kolkata Bench against the Company and/ or others. However, most of these proceedings have since been withdrawn.

Scheme of Arrangement

During the year the Board of Directors had approved in principle the demerger of Baliyan (H), Deamoolie, Dhoedaam, Rajah Alli, Tippuk, Thowra & Zalani tea estates of the Company to another company. Subsequent to the year end, the Board approved the draft Scheme of Arrangement for the aforesaid demerger between the Company and Dashabhooja Mercantile & Tourism Private Limited and their respective shareholders and necessary steps for the same have subsequently been underway.

Prospects

During the current year your Company's teas have received favourable prices but the substantial shortfall in the volume of green leaf cultivated would naturally affect performance adversely. Such shortfall, which is prevalent across most of the country, can only be attributed to vagaries of climatic conditions upon which the agro industry is essentially dependent.

SHAREHOLDERS

With a view to continuing investment in its estates for sustainable development and improvement and also with an eye to substantial reduced output in the current year, your Directors have considered it prudent not to declare any dividend for the year under review.

Directors' Report (Continued)

ISSUE OF BONUS SHARES AND ALLIED MATTERS

With a view to complying with the requirements of Clause 40A of the Listing Agreement with the Stock Exchanges to raise public shareholding of the Company to not less than 25%, your Directors have recommended issue of bonus shares only to the public shareholders in the ratio of Seven Equity Shares for every Ten Equity Shares of the Company. Necessary steps are being taken to give effect to the same, including obtaining approval of the Shareholders as also for amendment of the Articles of Association of the Company.

PARTICULARS OF EMPLOYEES

Particulars of employees as required to be disclosed under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, are annexed.

COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

Conservation of Energy

Information pertaining to conservation of energy as required under Section 217(1)(e) of the Companies Act, 1956, including Form A specified under the above Rules, is given in Annexure 'A'.

Technology Absorption

Information pertaining to technology absorption in Form B specified under the above Rules is also given in Annexure 'A'.

Foreign Exchange Earning & Outgo

Activities relating to exports : The Company continues to pursue its activities in exporting teas to UK, Germany, Netherlands, U.S.A, Pakistan and the Middle East.

Initiatives taken to increase exports : Your Company continues with its focus on quality in its endeavour to cater to quality conscious markets for CTC teas.

Your Company's Integrated Management Policy relating to pesticides, fertilizers and other agro inputs in conformity with both domestic and global norms continues as before.

All fourteen estates of your Company continue to be HACCP certified as well as being participants of the Ethical Tea Partnership Programme.

Development of new export markets for products and services: Your Company has initiated steps to explore new markets in addition to developing existing ones.

Export plans : Your Company continues in its efforts with a view to increasing its exports to existing buyer countries as well as to explore new countries where exports could be effected in future.

Total Foreign Exchange	—	Earned (Gross): ₹	1045.10	Lakhs
	—	Used	: ₹	21.64 Lakhs

Directors' Report (Continued)

CORPORATE GOVERNANCE

In compliance with the disclosures required under the said Clause 49 of the Listing Agreement with the Stock Exchanges, a Management Discussion and Analysis Report is provided in Annexure 'B'.

The Report on Corporate Governance as required under the aforesaid Clause is also provided in Annexure 'C' to this Report, together with the Declaration affirming compliance with the Code of Conduct of the Company and Auditors' Certificate on Compliance with the conditions of Corporate Governance.

DIRECTORS' RESPONSIBILITY STATEMENT (Pursuant to Section 217 (2AA) of the Companies Act, 1956)

Your Directors confirm that the items of Directors' Responsibility Statement given below have long been practised in course of running of the Company. However, as a means of adequate compliance of the statutory requirements the Directors re-assert that :

- (i) The Accounting Standards as applicable to your Company and corroborated by the Companies Act, 1956 have been followed in course of preparation of the Annual Accounts for the year ended 31st March, 2012 and there has been no material departure to warrant further explanation.
- (ii) In keeping with the Company's practices, accounting policies have been followed in course of the Annual Accounts for the year ended 31st March, 2012, so as to exhibit a true and fair view of the state of affairs of the Company and of the profit for that period as have also been certified by the Statutory Auditors of the Company.
- (iii) The Statutory Auditors' Report does confirm in regard to adequate controls and internal audit systems being followed by the Company in course of running its affairs as also for maintenance of its assets. Your Directors take every caution to relate such control measures to the benefit of the Company and with a view to prevent any fraud or irregularities to creep in.
- (iv) The Annual Accounts of the Company for the year ended 31st March, 2012 have been prepared on a going concern basis as hitherto.

DIRECTORATE

During the year under review Mr. S. Agarwalla, Mr. M. M. Burman, Mr. G. Goenka and Mr. N. K. Sharma were appointed as Additional Directors with effect from 9th September, 2011 all of whom resigned with effect from 16th February, 2012. Mr. R. Agarwalla who was appointed as Additional Director with effect from 16th February, 2012 resigned with effect from 16th March, 2012. Mr. R. Kidwai who was appointed as Joint Managing Director with effect from 16th March, 2012 resigned with effect from 30th November, 2012. Mr. P. K. Bose and Dr. S. Sarma also resigned as Directors of the Company with effect from 16th February, 2012. Your Directors place on record their appreciation for the services rendered by each of the aforesaid persons during their tenure as Directors of the Company.

Directors' Report (Continued)

Mr. C. K. Dhanuka, Mr. P. K. Khaitan, Mr. Akhil Kumar Ruia and Mr. Ankit Govind Ruia were appointed as Additional Directors with effect from 16th February, 2012. Mr. C. K. Dhanuka was appointed as Chairman and Mr. P. K. Khaitan was appointed as Vice Chairman pursuant to the Articles of Association of the Company. All of them vacate office at the forthcoming Annual General Meeting and necessary Notices have been received from certain members under Section 257 of the Companies Act, 1956 signifying their intention to propose the appointments of Mr. C. K. Dhanuka, Mr. P. K. Khaitan, Mr. Akhil Kumar Ruia and Mr. Ankit Govind Ruia as Directors of the Company.

Mr. G. S. Sodhi was appointed as an Additional Director of the Company with effect from 30th November, 2012. He vacates office at the forthcoming Annual General Meeting and necessary Notice has been received from a certain member under Section 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Mr. G. S. Sodhi as a Director of the Company.

In accordance with the Articles of Association of the Company Mr. S. K. Ghosh retires by rotation and being eligible has offered himself for reappointment.

The approval of the Members is being sought at the forthcoming Annual General Meeting for the appointment and remuneration payable to Mr. R. Kidwai as Joint Managing Director from 16th March, 2012 to 30th November, 2012.

Mr. Akhil Kumar Ruia and Mr. Ankit Govind Ruia were also appointed as Whole-time Directors of the Company for a period of one year with effect from 7th August, 2012 subject to approval of the Central Government. Approval of the Members is being sought at the forthcoming Annual General Meeting for the appointments and remuneration payable to Mr. Akhil Kumar Ruia and Mr. Ankit Govind Ruia.

Mr. G. S. Sodhi was appointed as Joint Managing Director of the Company for the period of one year with effect from 30th November, 2012. The approval of the Members is being sought at the forthcoming Annual General Meeting for the appointment and remuneration payable to Mr. G. S. Sodhi as Joint Managing Director.

Consequent on changes on the Board, membership of various Committees also underwent changes as follows :

With effect from 16th February, 2012 the Audit Committee was reconstituted with Mr. C. K. Dhanuka as Chairman and Mr. S. Bhoopal and Mr. R. Agarwalla as Members. Consequent on resignation of Mr. R. Agarwalla as a Director of the Company, his place was taken by Mr. R. Kidwai in the Audit Committee with effect from 16th March, 2012. Consequent on Mr. Kidwai's resignation as a Director of the Company, his place in the Audit Committee was taken by Mr G. S. Sodhi with effect from 30th November, 2012.

The Remuneration Committee was reconstituted with Mr. C. K. Dhanuka as Chairman and Mr. S. Bhoopal and Mr. Ankit Govind Ruia as Members with effect from 6th March, 2012.

Warren Tea Limited

The Shareholders' Grievance and Share Transfer Committee was reconstituted with Mr. C. K. Dhanuka as Chairman and Mr.S.Bhoopal and Mr. Akhil Kumar Ruia as Members with effect from 6th March, 2012.

AUDITORS

During the year under review, Messrs B. M. Chatrath & Co., Chartered Accountants and Messrs Singhi & Co., Chartered Accountants have been appointed as Joint Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of Messrs Price Waterhouse in respect of the financial year 2011-12 to hold office until the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

During the year under review Messrs Shome & Banerjee, Cost Accountants were re-appointed with the approval of the Central Government for audit of Cost Accounts maintained by the Company in respect of Plantation Products for the year ended 31st March, 2012.

Kolkata
30th January, 2013

S. K. Ghosh
Managing Director

G. S. Sodhi
Jt. Managing Director

Annexure to the Directors' Report

Particulars of Employees

Name	:	Goenka Vinay K.
Designation	:	Executive Chairman
Gross Remuneration (₹ in Lakhs)	:	56.61
Qualification	:	B.Sc. (Botany)
Experience (Years)	:	35
Age (Years)	:	54
Date of Commencement of Employment	:	19.04.83
Last Employment held before Joining the Company		
Organisation	:	The Eriabarie Tea Co. Pvt. Ltd.
Designation	:	Senior Executive

Notes : (1) The gross remuneration shown above is subject to tax and comprises salary, commission, allowance, monetary value of perquisites evaluated as per Income Tax Rules, Company's contributions to Provident Fund, Superannuation and Gratuity Funds subject to the relative Fund Rules.

(2) Mr. Goenka's appointment is contractual.

(3) Mr. Goenka holds more than 2% of the Equity Shares of the Company.

(4) Mr. Vinay K. Goenka is related to Mr. Anil Kumar Ruia. Mr. Akhil Kumar Ruia and Mr. Ankit Govind Ruia are both sons of Mr. Anil Kumar Ruia.

Kolkata
30th January, 2013

S. K. Ghosh
Managing Director

G. S. Sodhi
Jt. Managing Director

Annexure 'A' to the Directors' Report

Information as per Section 217 (1)(e) of the Companies Act, 1956

Conservation of Energy

Energy consumption in the Tea Industry has been a critical factor and major concern as it is one of the major components of the manufacturing cost. With the escalation of costs day by day proper monitoring of Energy consumption has become the need of the day. As a matter of requirement and good governance your Company has always had an eye on conservation of energy since avoidable use of energy also constitute a national waste. By reducing wastage of energy and using it more efficiently, there is a potential of saving energy substantially. Your Directors have always sought to conserve energy by different measures, further particulars of which are provided hereunder.

a) Energy conservation measures taken

Maintaining Optimum Power Factor has been one of the major thrust areas in all the estates of your Company. The power factor is monitored strictly thus leading to lesser losses during transmission of power. Power Transformers and Capacitors are regularly monitored strictly for their better performance thus reducing power consumption through Grid. Your Directors and your Company's Senior Management personnel continuously make efforts with a view to conserve energy. The domestic consumption of power is regulated with the use of proper metering devices in all the estates of your Company, to ensure measured use of the energy available whereby cost is minimized without affecting operations. Your Company has also taken necessary regulatory energy saving measures to ensure beneficial use of energy, like replacement of old engines with new fuel efficient ones for better fuel economy.

Your Company has taken additional measures such as re-layout of the CTC sorting systems in some of its Tea Estates for increasing the efficiency of the sorting systems. Layout designed so as to maximize the use of conveyors in sorting directly result in reducing running hours and also minimize idle time of the machines, thus increasing the output and subsequently lesser consumption of electrical power. Some of the older sorting machines have been replaced by newer efficient machines. The Company has replaced some conventional driers with energy efficient driers.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy

Additional investments and proposals include incorporation of new and efficient Vibro Bed Dryer and Continuous Fermenting Machine for enhancing the production output and to reduce longer operational hours thereby leading to savings in electrical power consumption. New energy efficient troughs in replacement of older ones are also under construction. Your Company has built new fermenting beds at some of its Tea Estates for better process control. New more energy efficient rolling tables have also been introduced which are with higher outputs. Keeping efficient energy consumption in mind, your Company works in tandem with the State Electricity Board for upgradation and maintenance of overhead power transmission lines for better availability of Grid Power.

Annexure 'A' to the Directors' Report (Continued)

c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods

Improvement of energy utilization results in economy in cost. Efforts of the technical and concerned personnel at the tea estates, to devise new systems and implement modernized methods have improved overall energy consumption at factories without affecting operations as well as performance of machinery and other equipment.

Annexure 'A' to the Directors' Report (Continued)
Form for disclosure of particulars with respect to Conservation of Energy
FORM A
(A) Power and Fuel consumption

		Current Year	Previous Year
1. Electricity			
(a) Purchased			
Units	('000KWH)	8347	8438
Total Amount	(₹ '000)	60972	56553
Rate/Unit	(₹/KWH)	7.31	6.70
(b) Own Generation			
i) Through Diesel Generator			
Units	('000KWH)	1754	1555
Units per ltr. of Diesel Oil	(KWH)	2.88	2.85
Fuel Cost/Unit	(₹/KWH)	12.82	13.29
ii) Through Natural Gas Generator			
Units	('000KWH)	3794	3819
Units per Scm of Gas	(KWH)	1.19	1.18
Fuel Cost/Unit	(₹/KWH)	6.52	5.04
2. Coal	(MT)	—	—
3. Furnace Oil for Tea Processing in Withering & Drying			
Quantity	(K.Ltrs)	10	34
Total Amount	(₹ '000)	390	1284
Average Rate	(₹/K.Ltr.)	40731	38035
4. Others/Internal Generation			
(a) Natural Gas : for Tea Processing in Withering & Drying			
Quantity	('000Scm)	10771	11234
Total Cost	(₹ '000)	69655	66934
Rate/Unit	(₹/Scm)	6.47	5.96
(b) H.S.D. Oil: for Transport & Material Handling, etc.			
Quantity	(K.Ltrs)	315	330
Total Cost	(₹ '000)	12987	12521
Rate/Unit	(₹/K.Ltr.)	41221	37895
(c) Petrol : for Transport & Material Handling, etc.			
Quantity	(K.Ltrs)	68	69
Total Cost	(₹ '000)	4601	3808
Rate/Unit	(₹/K.Ltr.)	67568	54816
(d) L.P.G. (for domestic use at Gardens)			
Quantity	(Cylinder)	10724	10970
Total Cost	(₹ '000)	4096	3726
Rate/Unit	(₹/Cylinder)	382	340

(B) Consumption per unit of production

(Including energy used for Domestic purposes at Gardens)

Standards
(Estimated)

Products - Tea (Gross Production)	('000 Kgs)	—	15045	14534
Electricity	(KWH/Kg)	0.90	0.87	0.95
Furnace Oil	(Ltr/Kg)	0.001	0.00064	0.00232
Others : Natural Gas	(Scm/Kg)	0.77	0.72	0.77
H.S.D. Oil	(Ltr/Kg)	0.018	0.021	0.023
Petrol	(Ltr/Kg)	0.003	0.005	0.005
L.P.G.	(Cylinder/Kg)	0.0008	0.0007	0.0008

Annexure 'A' to the Directors' Report (Continued)

FORM B

Form for disclosure of particulars with respect to absorption

RESEARCH AND DEVELOPMENT (R & D)

1. Specific Areas in which R & D carried out by the Company
2. Benefits derived as a result of the above R & D
3. Future plan of action
4. Expenditure on R & D
 - (a) Capital
 - (b) Recurring
 - (c) Total
 - (d) Total R & D expenditure as a percentage of total turnover

The Company subscribes to Tea Research Association which is registered under Section 35(1) (ii) of the Income Tax Act, 1961.

Apart from contributing to Tea Research Association, the Company also undertakes various kinds of its own Research and Developmental activities which at present are in the following ways:

- a) The Company treats Tea as a Health Drink and has already established its own Integrated Pest and Weed Management practices (WIPWM) with a view to make the tea available in accordance with the toughest norms of MRL.
- b) All factories of the Company are HACCP certified and have established new neat work culture for manufacture of tea which has also been recognized by the appropriate authorities.
- c) The Company has improvised further its tea drying system in manufacturing CTC teas for reduction in the energy consumption.
- d) The Company recognizes human resources as one of its important assets and continues with development of such resources at all levels.
- e) Soil preservation has been identified to be one of the important areas and the Company has undertaken necessary steps to improve the soil status not only by application of organic materials but also in the mode of utilization of chemical fertilizers.
- f) Clonal selection is in process at all gardens of the Company in order to specialize in uniform clonal planting materials which are regularly manufactured and tested in a miniature factory located at one of the properties of the Company.
- g) The Company has also taken in hand research activities for composite plants by way of grafting which could be used for future planting activities of the Company.
- h) The Company has also thrived in developing the process to bring up the younger teas to yield maximum benefits within a shorter period of time.
- i) The Company has undertaken infilling of mature tea in further improving the yield of the sections.

Annexure 'A' to the Directors' Report FORM B (Continued)

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- | | |
|---|------------------|
| <ol style="list-style-type: none">1. Efforts, in brief, made towards technology absorption, adaptation and innovation.2. Benefit derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished :<ol style="list-style-type: none">(a) Technology imported(b) Year of Import(c) Has technology been fully absorbed ?(d) If not fully absorbed, areas where this has not taken place, reasons therefor, and future plans of action. |] Not Applicable |
|---|------------------|

Annexure 'B' to the Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Clause 49 of the Listing Agreement with the Stock Exchanges stipulates disclosure under specific heads which are given in the following paragraphs and which continue to be followed in the usual course of the Company's business over the years in discussions amongst the Directors and other Senior Management Personnel.

(a) Industry Structure and Developments

Tea continues to be enjoyed by consumers in many countries around the world. Tea Industry in India is nearing the two century mark. It is the second largest tea producer in the world, providing employment opportunities, both direct and indirect to more than a million people, the vast majority of whom come from the less privileged sections of society. It is a sector of which the country can take a lot of pride in because of its pre-eminence as a foreign exchange earner and its contribution to the country's National Income. Your Company continues to follow the practice of marketing the product in bulk for subsequent trade channels to make tea available to the consumers.

(b) Opportunities and threats

The Tea Industry is largely dependent on the vagaries of nature. Volumes of tea cultivated across most of the country has been substantially lower in the current year. The Industry is highly labour intensive and is subject to stringent labour laws. Your Company maintains the standards of its produce both in the domestic as well as overseas markets, mainly on account of its consistent thrust on quality. Your Company has continued to drive its vision of a quality product and this year was no exception.

(c) Segment-wise or Product-wise Performance

The Company had a separate smaller business segment denoted as Warren Travels, the income of which contribute to the overall performance. During the year, the Board decided for commercial considerations to close down Warren Travels with effect from close of business hours of 31st March, 2012.

(d) Outlook

Tea continues to be the most popular beverage in the country and is growing in significance as a health drink. Your Directors continue in their emphasis on the "Quality" of tea.

(e) Risks & Concerns

Despite best efforts, the adverse climatic growing conditions and unpredictable domestic and export markets, continue to govern results. The Company continues with its emphasis on teas produced without losing sight of the value of its human resources.

Annexure 'B' to the Directors' Report (Continued)

(f) Internal Control Systems & their Adequacy

The Company has in place adequate systems of internal control procedures commensurate with the Company's size and nature of its operations. Internal Control system continues to be focus area for the Company. This aims to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding of assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies. All the Auditors periodically visit various units of the Company. Budgetary and other control measures continue to be observed for monitoring plantation and other activities with a view to improving performance.

(g) Financial & Operational Performances

Details relating to the Company's financial position are available in the Accounts for the year during which the total turnover increased to ₹ 21630.11 Lakhs which is attributable mainly to improved price realisations which again is the result of the Company's consistent efforts of good governance practices in production and manufacture of tea including its continued focus on quality. The Company looks forward to further improvements in the future thereby strengthening its sound financial base.

(h) Material Developments in Human Resources / Industrial Relations Front

Tea Industry is essentially labour intensive and the Company's employees are its most valuable assets. Despite an employee strength of around thirty thousand, industrial relations have remained cordial and satisfactory during the year under review.

Annexure 'C' to the Directors' Report

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Governance :-

The Company continues to lay utmost importance on continuous upliftment of human assets as well as economic assets like Plantations and also to improvements in the factories. The Governing codes consistently followed by the Company have made its product well acceptable to buyers, both in India and abroad. The labour and management practices are also followed rigorously within the limits of law so as to aim at the fullest economic utilisation of resources. The Company further believes that such practices are founded upon the core value of transparency, empowerment, accountability, independent monitoring and environmental consciousness. The Company observes ethical practices in all its operations.

2. Board of Directors :-

The Board of Directors at present comprises a Non-executive Chairman, five Executive Directors and four Non-executive Directors. The particulars of the Directors for the year ended on 31st March, 2012 are given hereunder :-

Name	Category	Attendance		Directorships in other companies	Committee Positions in other companies	
		At Board Meetings	At last AGM		As Chairman	As Member
Mr. C. K.Dhanuka (Joined with effect from 16.02.2012)	Chairman Non-Executive Independent Director	3	No	6	—	1
Mr. Vinay K.Goenka	Executive Chairman	7	Yes	1	1	1
Mr. P.K.Bose (Resigned with effect from 16.02.2012)	Vice -Chairman Non-Executive Independent Director	3	No	—	—	—
Mr. P.K.Khaitan (Joined with effect from 16.02.2012)	Vice-Chairman Non-Executive Independent Director	—	No	14	1	3
Mr. S. K. Ghosh	Managing Director	7	Yes	1	1	—
Mr. R. Kidwai (from 16.03,2012 to 30.11.2012)	Joint Managing Director	1	No	—	—	—
Mr. A. K. Ruia	Non- Executive Director	3	Yes	1	—	—
Mr.Akhil K Ruia (Joined with effect from 16.02.2012, Whole-time Director from 7.8.2012)	Whole-time Director	2	No	—	—	—

Annexure 'C' to the Directors' Report (Continued)

Name	Category	Attendance		Directorships in other companies	Committee Positions in other companies	
		At Board Meetings	At last AGM		As Chairman	As Member
Mr. Ankit G Ruia (Joined with effect from 16.02.2012, Whole-time Director from 7.8.2012)	Whole-time Director	2	No	—	—	—
Mr. S. Bhoopal	Non-Executive Independent Director	5	Yes	4	—	—
Mr. N. Dutta	Non-Executive Independent Director	4	Yes	—	—	—
Dr. S. Sarma (Resigned with effect from 16.02.2012)	Non-Executive Independent Director	3	Yes	—	—	—
Mr. Rajat Agarwalla (from 16.02.2012 to 16.03.2012)	Independent	—	—	—	—	—
Mr. Sunil Kumar Agarwalla (From 9.09.2011 to 16.02.2012)	Independent	—	—	—	—	—
Mr. Man Mohan Burman (From 9.09.2011 to 16.02.2012)	Independent	—	—	—	—	—
Mr. Govind Goenka (From 9.09.2011 to 16.02.2012)	Independent	—	—	—	—	—
Mr. Navneet Krishna Sharma (From 9.09.2011 to 16.02.2012)	Independent	—	—	—	—	—

Notes :

- Mr. G.S.Sodhi was appointed as Joint Managing Director with effect from 30th November, 2012.
- Mr. Vinay K Goenka is Mr. A. K. Ruia's sister's husband. Mr. A. K. Ruia is the father of Mr. Akhil Kumar Ruia and Mr. Ankit Govind Ruia. Other than that there is no inter-se relationship between any of the Directors of the Company.
- Directorships in other companies excludes Directorships in private limited companies, companies incorporated outside India and companies under Section 25 of the Companies Act, 1956.
- Committee Positions in other companies relate to Chairmanship /Membership of Audit and Investors'/ Shareholders' Grievance Committees only.

Annexure 'C' to the Directors' Report (Continued)

During the year under review, seven Board meetings were held on 30th May, 2011, 29th July, 2011, 29th August, 2011, 9th September, 2011, 16th February, 2012, 6th March, 2012, and 16th March, 2012.

3. Audit Committee :-

The Audit Committee consists of one executive and two non-executive Independent Directors who are persons of standing in the industry and have the requisite experience and expertise to carry out their obligations at meetings of the Committee at which the Whole-time Directors provide the necessary inputs.

The terms of reference of the Audit Committee include :-

- review internal control systems; nature and scope of audit as well as post audit discussions;
- review quarterly, half-yearly and annual financial statements with particular reference to matters to be included in the Directors' Responsibility Statement to be included in the Board's Report;
- ensure compliance with internal control systems;
- recommend to the Board on any matter relating to financial management, including audit report;
- oversee Company's financial reporting process and disclosure of financial information;
- review performance of statutory and internal auditors.

During 2011-2012 the Audit Committee met on 30th May, 2011, 29th July, 2011, 08th September, 2011, 12th December, 2011 and 6th March, 2012.

Composition of the Audit Committee during the year 2011-2012 :-

Name	Position held	No. of Meetings Held	Attended
Mr. C. K. Dhanuka (Joined w.e.f 16.02.2012)	Chairman	5	1
Mr. S. Bhoopal (Chairman till 16.02.2012)	Member	5	5
Mr. N. Dutta (till 16.02.2012)	Member	5	4
Dr. S. Sarma (till 16.02.2012)	Member	5	3
Mr. Rajat Agarwalla (from 16. 02. 2012 to 16.03.2012)	Member	5	—
Mr. Ravi Kidwai (from (from 16. 03. 2012 to 30.11.2012)	Member	—	—

Annexure 'C' to the Directors' Report (Continued)

Note: The Committee was reconstituted with effect from 16th February, 2012 with Mr. C. K. Dhanuka as Chairman, Mr. S. Bhoopal and Mr. Rajat Agarwalla as Members. Consequent on Mr. Rajat Agarwalla's resignation as a Director of the Company with effect from 16th March, 2012, Mr. Ravi Kidwai was inducted in his place as member of the Audit Committee with effect from 16th March, 2012.

Mr. S. Bhoopal attended the last Annual General Meeting held on 9th September, 2011 as Chairman of the Audit Committee.

Invitees : The Executive Chairman, Managing Director and the representatives of the Statutory, Cost and Internal Auditors were invited and generally remained present at the meetings of the Audit Committee during the year under review. The Executive Director (Legal) & Company Secretary acts as the Secretary to the Committee.

4. Remuneration Committee :-

No Remuneration Committee has been formed pursuant to Clause 49 of the Listing Agreement. However, a Remuneration Committee has been constituted in accordance with Schedule XIII to the Companies Act, 1956 to consider and approve the Managerial Remuneration consisting of the salary and perquisites to be paid to the Executive Directors in accordance with their respective terms of employment. During the year the Remuneration Committee was reconstituted on 6th March, 2012 with Mr. C. K. Dhanuka as Chairman and Mr. S. Bhoopal and Mr. Ankit Govind Ruia as members. The Committee met once during the year on 30th May, 2011 (attended by Mr. S. Bhoopal, Dr. S. Sarma and Mr. N. Dutta).

Details of remuneration paid to the Executive Directors during the year under review are given below:-

	(Rupees in Lacs)		
	Mr. Vinay K. Goenka (Executive Chairman)	Mr. S. K. Ghosh (Managing Director)	Mr. R. Kidwai (Joint Managing Director)
Salary	22.20	13.20	0.52
Contributions to Provident and Other Funds	4.87	2.90	—
Commission	—	13.20	—
Other Benefits	29.54	24.06	2.87
Total	56.61	53.36	3.39

The Service Agreement with Mr. Vinay K. Goenka, Executive Chairman of the Company for a period of 3 years with effect from 1st April, 2010 was approved by the shareholders at the Annual General Meeting held on 27th August, 2010. The Company also had a separate Service Agreement with Mr. S. K. Ghosh as Managing Director of the Company, for a period of 3 years with effect from 1st April, 2011 which was approved by the shareholders at the Annual General Meeting held on 9th September, 2011. During the year under review Mr. Ravi Kidwai was appointed as Joint Managing Director of the Company for a period of 1 year with effect from 16th March, 2012 subject to the approval of the shareholders in General Meeting; Mr. Kidwai resigned as Joint Managing Director with effect from 30th November, 2012.

Annexure 'C' to the Directors' Report (Continued)

There is no severance compensation other than six months' remuneration in absence of any notice, the notice period being six months in writing for the Executive Chairman, Managing Director and one month in the case of Joint Managing Director. The Executive Directors are not entitled to any Stock Option or Performance Linked Incentive.

Only sitting fees for attending the meetings of the Board and Committees thereof are paid to the Non-Executive Directors.

Particulars of sitting fees paid to the Non-Executive Directors during the year under review are given below:-

(Rupees in Lacs)			
Name	Board Meetings	Committee Meetings	Total
Mr. C. K. Dhanuka	3	1	0.08
Mr. A. K. Ruia	3	—	0.06
Mr. P. K. Bose	3	3	0.12
Mr. S. Bhoopal	5	9	0.28
Mr. N. Dutta	4	5	0.18
Dr. S. Sarma	3	6	0.18
Mr. Akhil K. Ruia	2	—	0.04
Mr. Ankit Govind Ruia	2	—	0.04

None of the Non-executive Directors hold any shares in the Company, except Mr. P. K. Bose, who holds 7 Equity Shares. Mr. C. K. Dhanuka and Mr. P. K. Khaitan together with Mr. D. P Jindal hold 832985 nos. Equity Shares in the Company jointly in their names.

The Company has not issued any convertible instruments.

5. Shareholders' Grievance and Share Transfer Committee :-

This Committee was reconstituted with effect from 6th March, 2012 with Mr. C. K. Dhanuka as Chairman and Mr. S. Bhoopal and Mr. Akhil Kumar Ruia as Members.

The Committee had met three times during the year i.e. on 24th June, 2011, 6th July, 2011 and 29th November, 2011.

Share Transfer formalities are complied with once a fortnight, the power to approve the same being delegated jointly and severally to Mr. Vinay K. Goenka and Mr. S. K. Ghosh.

Mr. Siddhartha Roy, Executive Director (Legal) & Company Secretary is the Compliance Officer.

E-mail ID pursuant to Clause 47(f) of the Listing Agreement with the Stock Exchanges:

investors@warrentea.com

Status of Investors' Complaints as on 31st March, 2012 :-

No. of complaints received during the year and dealt with :	60
No. of complaints pending	: Nil
No. of pending share transfers as on 31st March, 2012	: Nil

Annexure 'C' to the Directors' Report (Continued)

During the year under review 70 requests for transfer of shares in physical form and 275 requests for dematerialisation of shares were received and processed.

6. General Body Meetings :-

Location and time where last three Annual General Meetings were held :-

Date	Location	Time
4th September, 2009	G. S. Ruia Memorial Complex at Deohall Tea Estate, P.O. Hoogrija, Dist. Tinsukia, Assam 786 601	11.30 A M
27th August, 2010	Same as above	11.30 A M
9th September, 2011	Same as above	11.30 A M

A Special Resolution was passed in the Annual General Meeting held on 9.09.2011 for approval in terms of Section 314 of the Companies Act, 1956 to the remuneration payable to Mr. Vivek Goenka as a Member of the Company's Management Staff.

No Special Resolution was passed at the Annual General Meetings held on 4th September, 2009 and 27th August, 2010.

No Special Resolution was passed last year through postal ballot . During the year under review approval of Members was sought through Postal Ballot process for an Ordinary Resolution relating to appointment of Joint Statutory Auditors which was completed subsequent to the year end.

Resumé and other information on the Directors appointed or re-appointed as required under Clause 49IV(G) (i) of the Listing Agreement is given in the Notice of the Annual General Meeting annexed to the Annual Report for the year under review.

7. Disclosures :-

- Materially significant related party transactions : The Company has not entered into any transactions of material nature with its Promoters, Directors, the management, subsidiary companies or relatives, etc. that may have potential conflict with its interest during the year under review. However, the list of related party relationships or transactions as required to be disclosed in accordance with Accounting Standard 18 as provided in the Companies (Accounting Standards) Rules, 2006 has been given in Notes on Accounts in Schedule 18 to the Annual Accounts for the year ended 31st March, 2012.
- No penalties/strictures were imposed on the Company by any regulatory authority for non-compliance of any laws or any matter relating to capital markets during the last three years.
- The Company has complied with all the mandatory requirements of Sub-clauses I to VII of Clause 49 of the Listing Agreement. The Company continues in its efforts on improvement, consolidation and documentation of methods of internal control for financial reporting and its effectiveness. Insofar as the non-mandatory requirements are

Annexure 'C' to the Directors' Report (Continued)

concerned, some of such requirements such as Constitution of the Remuneration Committee, presence of all members of that Committee at its Meeting, attendance of Chairman of that Committee at the Company's Annual General Meeting as well as administrative norms with regard to inter-personnel relationships are already being followed by the Company.

8. Means of Communication :-

- a) In compliance with Clause 41 of the Listing Agreement the Company intimates unaudited half yearly and quarterly results after Limited Review by the Statutory Auditors as well as the audited annual results to the Stock Exchanges after they are taken on record by the Board of Directors.
- b) Such results are also published in newspapers namely, Sentinel and Ajir Asom, having wide circulation in Assam, where the Registered Office of the Company is situate and Business Standard.
- c) Company's website: www.warrentea.com.
Results are also sent to the Stock Exchanges for display on their website.
- d) No presentations have been made to institutional investors or to the analysts.
- e) The document on Management Discussion and Analysis Report forms a part of the Annual Report.

9. General Shareholder Information :-

- a) AGM date, time and venue : 11th March, 2013, at the Tingri Club, P.O.Hoogrijan Dist.- Tinsukia, Assam 786 601 at 10 a.m.
- b) Financial Year : 1st April to 31st March.
- c) Book closure : 8th February, 2013
- d) Dividend payment date : No dividend has been recommended for the year ended 31st March, 2012.
- e) Listing on Stock Exchanges and Stock Codes : The shares of the Company are listed with the Stock Codes at the Stock Exchanges given hereinbelow :

	Stock Exchange	Stock Code
(i)	The Gauhati Stock Exchange Limited 2nd Floor, Shine Tower, Sati Jaymati Road Arya Chowk, Rehabari, Guwahati 781 008.	L/575
(ii)	The Calcutta Stock Exchange Association Limited 7, Lyons Range, Kolkata 700 001	33002
(iii)	Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 023.	508494

Listing Fees as prescribed have been paid to all the aforesaid Stock Exchanges upto 31st March, 2013.
Demat Code No. allotted by NSDL & CDSL : INE712A01012

Annexure 'C' to the Directors' Report (Continued)
f) Stock Price Data :

Year 2011-2012

(Rupees)

Month	Bombay Stock Exchange Limited		The Gauhati Stock Exchange Limited		The Calcutta Stock Exchange Association Limited	
	High	Low	High	Low	High	Low
April, 2011	328.50	249.00	No Trade	No Trade	No Trade	No Trade
May, 2011	375.10	324.45				
June, 2011	368.30	300.00				
July, 2011	364.95	304.15				
August, 2011	671.10	370.80				
September, 2011	476.75	436.00				
October, 2011	489.00	432.00				
November, 2011	431.00	332.60				
December, 2011	354.00	273.60				
January, 2012	395.00	304.00				
February, 2012	375.80	344.60				
March, 2012	468.15	341.05				

g) Stock Performance:

Share Price Performance in comparison to BSE SENSEX : (April, 2011 to March, 2012) -

Company's Share Price on : 01.04.2011 — ₹ 249.05 (Open) (BSE)

on : 31.03.2012 — ₹ 468.15 (Close) (BSE)

Change : 87.97%

Indices on : 01.04.2011 — 19,463.11 (Open)

on : 31.03.2012 — 17,404.20 (Close)

Change : -10.58%

h) Share Transfer System :

Share transfers are registered within a maximum period of 30 days from the date of receipt, provided, the documents are complete in all respects. The shares of the Company are compulsorily traded in dematerialised form for all shareholders with effect from 28th August, 2000.

Annexure 'C' to the Directors' Report (Continued)

i) Dematerialisation of shares & liquidity :

EIH Ltd. at 4 Mangoe Lane, Kolkata 700 001 acts as the Interface Registrars for electronic part of the processing relating to dematerialisation of shares. Physical verification of share certificates surrendered for dematerialisation is carried out in-house. As on 31st March, 2012, 55.02% of the total number of shares stand dematerialised. With regard to SEBI's requirement of appointment of Common Agency for Share Registry Work, the Company had repeatedly referred the matter to SEBI stating that in its opinion such compliances could result in violation of provisions of the Companies Act, 1956, to which no reply has been received from SEBI.

j) Outstanding GDR/ADR/Warrants or any convertible instruments : Not Applicable.

k) (A) Distribution of Shareholding as on 31st March, 2012 :

Break-up of Equity shares held	No. of Shareholders	Percentage of Shareholders	No. of Equity shares held	Percentage of Equity shares
1-500	11528	99.04	607109	5.67
501-1000	44	0.38	32726	0.31
1001-2000	26	0.22	38868	0.36
2001-3000	10	0.09	27523	0.26
3001-4000	2	0.02	6423	0.06
4001-5000	3	0.03	14085	0.13
5001-10000	9	0.08	59008	0.55
10001-20000	5	0.04	90150	0.84
20001-30000	1	0.01	26015	0.24
30001-40000	1	0.01	31582	0.29
40001-50000	0	0.00	0	0.00
50001-100000	2	0.02	145251	1.36
100000 and above	9	0.06	9635533	89.93
Total	11640	100.00	10714273	100.00

Annexure 'C' to the Directors' Report (Continued)

(B) Shareholding Pattern as on 31st March, 2012 :

	Category	No. of Shares held	Percentage of Shareholding
A	Promoters' Holding		
	1. Promoters		
	- Indian Promoters	4420794	41.26
	- Foreign Promoters	4527005	42.25
	2. Persons acting in concert	—	—
	Total (A)	8947799	83.51
B	Non-Promoters' Holding		
	1. Institutional Investors		
	a) Mutual Funds and UTI	25	—
	b) Banks, Financial Institutions, Insurance Companies, (Central/State Government Institutions/Non-Government Institutions)	1257	0.01
	c) FIIs	—	—
	Sub-Total	1282	0.01
	2. Others		
	a) Private Corporate Bodies	82612	0.77
	b) Individuals	1682580	15.71
	Sub-Total	1765192	16.48
	Total (B)	1766474	16.49
	Grand Total (A+B)	10714273	100.00

- l) Plant locations : The Company owns fourteen Tea Estates, all in Assam, details of which are given elsewhere in the Annual Report. It also had a Division, Warren Travels, located at 31 Chowringhee Road, Kolkata 700 071.

Annexure 'C' to the Directors' Report (Continued)

m) Address for Correspondence :

Corporate Office : Suvira House
4B, Hungerford Street,
Kolkata 700 0 17.
Tel No. : 2287 2287
Fax No. : 2289 0302
E-mail ID : investors@warrentea.com

Signatures to Annexures A to C

Kolkata
30th January, 2013

S. K. Ghosh
Managing Director

G. S. Sodhi
Jt. Managing Director

**DECLARATION BY THE CEO ON AFFIRMATION OF COMPLIANCE
WITH THE CODE OF CONDUCT OF THE COMPANY**

To the Members of

Warren Tea Limited

Pursuant to Clause 49(I)(D)(ii) of the Listing Agreement with the Stock Exchanges, I hereby declare that all Directors of the Company and Members of the Management Staff (other than those who have retired or resigned from the services of the Company) have affirmed compliance with the Code of Conduct of the Company, for the year ended 31st March, 2012.

Vinay K. Goenka
Executive Chairman

Annexure 'C' to the Directors' Report (Continued)

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of

Warren Tea Limited

We have examined the compliance of conditions of *Corporate Governance* by Warren Tea Limited, for the year ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of *Corporate Governance* is the responsibility of the Company's management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the *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, we certify that the Company has complied with the conditions of *Corporate Governance* as stipulated in the above mentioned Listing Agreement.

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

	For Singhi & Co. Firm Registration Number: 302049E Chartered Accountants Pradeep Kumar Singhi Partner Kolkata, 30th January, 2013	For B.M. Chatrath & Co. Firm Registration Number: 301011E Chartered Accountants A. Chatrath Partner Membership Number: 52975
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Auditors' Report

To the Members of

Warren Tea Limited

- 1) We have audited the attached Balance Sheet of Warren Tea Limited ("the Company"), as at 31st March 2012, and the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto, 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 the 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 from 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 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 (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, (together the "Order"), 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 considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) The Board of Directors have approved a scheme of Arrangement for demerger of seven of its tea estates with effect from 1st April, 2011. Pending necessary approval the working results of the seven gardens, proposed to be demerged, are included in the attached financial statement.
- 5) Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - 5.1) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - 5.2) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - 5.3) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - 5.4) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;

Auditors' Report (Continued)

- 5.5) On the basis of written representations received from the directors as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of Section 274 (1) (g) of the Act;
- 5.6) In our opinion and to the best of our information and according to the explanations given to us the said accounts read together with the notes thereon and attached thereto give, the information required by the Act in the manner except for the non-ascertainment and non-disclosure of value of green leaf consumed as indicated in Note no. 25 of the financial statements and read with para 4 above and also give a true and fair view in conformity with the accounting principles generally accepted in India.
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012
- (ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

	For Singhi & Co. Firm Registration Number: 302049E Chartered Accountants Pradeep Kumar Singhi Partner	For B.M. Chatrath & Co. Firm Registration Number: 301011E Chartered Accountants A. Chatrath Partner
Kolkata, 30th January, 2013	Membership Number: 50773	Membership Number: 52975

Auditors' Report (Continued)

ANNEXURE TO THE AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Warren Tea Limited on the financial statements for the year ended 31st March 2012]

1. In respect of fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the management which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. In respect of its inventories:
 - (a) As explained to us, the inventory of the Company (excluding stocks with third parties) has been physically verified during the year by the management. In respect of stock lying with third parties, those have substantially been confirmed by them. In our opinion the frequency of such verification is reasonable.
 - (b) In our opinion, and according to information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion, and according to information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
3.
 - (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act.
 - (b) The Company has not taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory, fixed assets and for the sale of the goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Act, to the best of our knowledge and belief and according to the information and explanations given to us:

Auditors' Report (Continued)

- (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where transaction exceeds the value of Rs. 5 Lacs in respect of each party during the year, the transactions have been made at prices which appear reasonable as per information available with the Company.
- 6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- 7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- 8. We have broadly reviewed the cost records maintained by the Company relating to Tea pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Act, and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- 9. According to the information and explanations given to us and the records of the Company examined by us:
 - (a) The Company has been *generally* regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues as applicable, with the appropriate authorities *except for payment of provident fund liability on enhanced food concession amounting to Rs. 41.07 lacs, which has since been paid.* [Refer note No.25(18)].
 - (b) There were no arrears in respect of the aforesaid dues for a period of more than six months from the date they became payable *except as mentioned in above para, provident fund liability on enhanced food concession amounting to Rs.39.75 lacs which is due for more than six months.*
 - (c) The particulars of dues of Income-tax, Sales-tax, Wealth tax, Service tax, Customs duty, Excise duty and Cess as applicable as at 31st March 2012 which have not been deposited on account of a dispute are as follows:

Auditors' Report (Continued)

Name of the Statute	Nature of Dues	Amount Involved (in Lacs)	Period to which the amount relates	Forum where Dispute is Pending
Income Tax Act 1961	Income Tax	96.34	2002-03	Commissioner of Income Tax (Appeals)
		25.58	2007-08	
	Income Tax	3.13	1987-88	Income Tax Appellate Tribunal
		2.06	1984-85	
Assam Agricultural Income Tax Act, 1939	Agricultural Income Tax	623.63	1990-91 to 1993-94	Deputy Commissioner of Taxes (Appeals)
	Agricultural Income Tax (Including the impact of Rs. 623.63 as above)	4169.32 (Net of payment under protest Rs.685)	1986-87 to 1998-99, 2000-01	Gauhati High Court
Sales Tax Act 1965	Assam General Sales Tax & Central Sales Tax	108.57 (Net of payment under protest Rs. 10.57)	1990-91 to 1994-95, 1996-97 to 1998-99	Deputy Commissioner of Taxes-Assam
		149.17 (Net of payment under protest Rs. 2.51)	1997-98 to 1998-99, 2004-05 to 2006-07	Commissioner of Taxes-Assam
		46.79 (Net of payment under protest Rs.17.61)	1990-91, 1997-98 to 1998-99, 2004-05	Gauhati High Court
Assam Land Revenue Reassessment Act, 1936	Land Revenue Tax	55.60	2003-04 to 2007-08	Additional Deputy Commissioner

10. The Company does not have accumulated losses as at 31st March 2012 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any banks at the Balance Sheet date. The Company had neither any outstanding debenture nor loan from any financial institution nor has it issued any debenture during the year.

Auditors' Report (Continued)

12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the provisions of any special statute applicable to chit fund/ nidhi / mutual benefit fund/societies are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause (xv) of Paragraph 4 of the Order are not applicable to the Company.
16. The Company has not taken any term loan during the year.
17. On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. 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 during the year.
19. The Company has not issued any debentures and accordingly the question of creation of securities in this regard does not arise.
20. The Company has not raised any money from public issue during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

	For Singhi & Co. Firm Registration Number: 302049E Chartered Accountants Pradeep Kumar Singhi Partner	For B.M. Chatrath & Co. Firm Registration Number: 301011E Chartered Accountants A. Chatrath Partner
Kolkata, 30th January, 2013	Membership Number: 50773	Membership Number: 52975

WarrenTea Limited

BALANCE SHEET as at 31st March, 2012

	Notes	As at 31st March, 2012 ₹ in Lakhs	As at 31st March, 2011 ₹ in Lakhs
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	1071.42	1071.42
Reserves and Surplus	2	<u>15479.49</u>	<u>14883.23</u>
		<u>16550.91</u>	<u>15954.65</u>
Non-current Liabilities			
Deferred Tax Liabilities (Net)	3	—	119.74
Long-term Provisions	4	<u>2755.98</u>	<u>3067.02</u>
		<u>2755.98</u>	<u>3186.76</u>
Current Liabilities			
Short-term Borrowings	5	14.08	1082.66
Trade Payables (Refer Note No. 25(13))		1034.02	956.04
Other Current Liabilities	6	1771.20	1642.89
Short-term Provisions	7	<u>435.58</u>	<u>487.71</u>
		<u>3254.88</u>	<u>4169.30</u>
		<u>22561.77</u>	<u>23310.71</u>
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	8	14346.30	14075.07
Intangible Assets	9	22.86	41.34
Capital Work-in-Progress		61.88	77.51
Non-current Investments	10	319.25	319.25
Deferred Tax Assets (Net)	11	212.50	—
Long-term Loans and Advances	12	<u>1992.81</u>	<u>924.99</u>
		<u>16955.60</u>	<u>15438.16</u>
Current Assets			
Inventories	13	1140.19	1526.12
Trade Receivables	14	1990.56	1363.75
Cash and Bank Balances	15	1876.68	4389.30
Short-term Loans and Advances	16	455.45	537.04
Other Current Assets	17	<u>143.29</u>	<u>56.34</u>
		<u>5606.17</u>	<u>7872.55</u>
		<u>22561.77</u>	<u>23310.71</u>

Notes to Accounts 25

The Notes referred to above form an integral part of the Financial Statements.

As per our Report of even date.

Singhi & Co.

Firm Registration

Number-302049E

Chartered Accountants

Pradeep Kumar Singhi

Partner

Membership Number-50773

Kolkata, 30th January, 2013

B.M. Chatrath & Co.

Firm Registration

Number-301011E

Chartered Accountants

A. Chatrath

Partner

Membership Number-52975

S. Roy

Company Secretary

S. K. Ghosh
Managing Director

G. S. Sodhi
Jt. Managing Director

STATEMENT OF PROFIT AND LOSS
for the year ended 31st March, 2012

	Notes	Current Year ₹ in Lakhs	Previous Year ₹ in Lakhs
Revenue			
Revenue from Operations	18	21274.50	21084.28
Other Income	19	292.18	152.59
Total Revenue		<u>21566.68</u>	<u>21236.87</u>
Expenses			
Changes in Inventories of Finished Goods	20	578.80	(286.21)
Employee Benefits Expense	21	10943.17	9375.97
Finance Costs	22	89.40	34.22
Depreciation and Amortisation Expense	23	954.13	933.27
Other Expenses	24	8079.32	8002.41
Total Expenses		<u>20644.82</u>	<u>18059.66</u>
Profit before Tax		921.86	3177.21
Tax Expense			
Current Tax		625.52	1150.64
Deferred Tax		(332.24)	(35.18)
Profit for the Period from Continuing Operations		<u>628.58</u>	<u>2061.75</u>
Loss from Discontinuing Operations		(47.84)	(1.98)
Tax Expense of Discontinuing Operations		(15.52)	(0.64)
Loss from Discontinuing Operations (After Tax)		<u>(32.32)</u>	<u>(1.34)</u>
Profit for the Year		<u>596.26</u>	<u>2060.41</u>
Earnings per Equity Share			
Basic and Diluted Earnings per Share			
of ₹ 10 each (₹)		5.57	19.23
(Refer to Note No. 25(20))			

Notes to Accounts 25

The Notes referred to above form an integral part of the Financial Statements.

As per our Report of even date.

Singhi & Co.
Firm Registration
Number-302049E
Chartered Accountants
Pradeep Kumar Singhi
Partner
Membership Number-50773
Kolkata, 30th January, 2013

B.M. Chatrath & Co.
Firm Registration
Number-301011E
Chartered Accountants
A. Chatrath
Partner
Membership Number-52975

S. Roy
Company Secretary

S. K. Ghosh
Managing Director

G. S. Sodhi
Jt. Managing Director

Warren Tea Limited

Notes to the Financial Statements

	As at 31st March, 2012 ₹ in Lakhs	As at 31st March, 2011 ₹ in Lakhs
Note 1		
SHARE CAPITAL		
Authorised		
2,00,00,000 Equity Shares of ₹ 10/- each	<u>2000.00</u>	<u>2000.00</u>
Issued, Subscribed and fully Paid-up		
1,07,14,273 Equity Shares of ₹ 10/- each (including Bonus Shares — 45,50,070)	<u>1071.42</u> <u>1071.42</u>	<u>1071.42</u> <u>1071.42</u>

	No. of Shares		No. of Shares	
Reconciliation of the number of Equity Shares Outstanding at the beginning and at the end of the year	<u>10714273</u>	<u>1071.42</u>	<u>10714273</u>	<u>1071.42</u>

Shareholders holding more than 5% shares of the Company

Name	No. of Shares	%	No. of Shares	%
Warren Tea Holdings Ltd.	4527005	42.25	—	—
Vinay K. Goenka	2004601	18.71	1148361	10.72
DPIL Limited	1227120	11.45	1227120	11.45
C. K. Dhanuka, P. K. Khaitan and D. P. Jindal (Jointly)	832985	7.77	—	—
Vivek Goenka	636546	5.94	—	—
Rhondra Finance Corporation	—	—	1203381	11.23
Ashdene Investments Ltd.	—	—	1181505	11.03
Isis Enterprises Ltd.	—	—	1102785	10.29
Maygrove Investments Ltd.	—	—	630106	5.88
Enez Investments Ltd.	—	—	551346	5.15
Woodcutter Limited	—	—	535945	5.00

Rights, preferences and restrictions attached to shares

The Company has only one class of shares being Equity Shares having a par value of ₹ 10/- each. All equity shares rank pari passu in all respects including voting rights, entitlement to dividend and repayment of capital.

1014153 Equity Shares of ₹ 10/- each allotted as fully paid-up for consideration otherwise than in cash at par in terms of the Schemes of Arrangements for Amalgamation in Financial Year 2007-08.

Notes to the Financial Statements

	As at 31st March, 2012 ₹ in Lakhs	As at 31st March, 2011 ₹ in Lakhs
Note 2		
RESERVES AND SURPLUS		
Securities Premium Account	810.00	810.00
Revaluation Reserve	3627.43	3627.43
General Reserve (Free Reserve and for general purpose)	3892.52	3892.52
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	6553.28	4492.87
Add : Profit for the Year	596.26	2060.41
Balance as at the end of the year	7149.54	6553.28
	<u>15479.49</u>	<u>14883.23</u>
Note 3		
DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability		
Timing difference on account of Depreciation	—	398.14
Less :		
Deferred Tax Assets		
Timing difference on account of :		
Expenses allowable on payment	—	276.31
Provision for Doubtful Debts	—	2.09
	<u>—</u>	<u>119.74</u>
Note 4		
LONG-TERM PROVISIONS		
Provision for Employee Benefits	1528.96	1412.99
Provision for Taxation (Net)	1227.02	1654.03
(including Fringe Benefit Tax - ₹10.00; Previous Year - ₹10.00)	<u>2755.98</u>	<u>3067.02</u>

Notes to the Financial Statements

As at 31st March, 2012 ₹ in Lakhs	As at 31st March, 2011 ₹ in Lakhs
--	--

Note 5
SHORT-TERM BORROWINGS
SECURED

Working Capital Facilities from Banks	14.08	1082.66
[Secured by joint equitable mortgage/charge on the current assets and fixed assets (movable and immovable) ranking pari passu first charge amongst the Banks severally]	<u>14.08</u>	<u>1082.66</u>

Note 6
OTHER CURRENT LIABILITIES

Current Maturity of Long-term Debt (Secured)	—	125.00
Interest Accrued but not due on Loans	—	4.45
Advances from Customers	3.45	3.33
Other Payables -		
Employee Benefits Payable	1640.82	1338.40
Statutory Dues	114.25	159.28
Retention Money	12.68	12.43
	<u>1771.20</u>	<u>1642.89</u>

Note 7
SHORT-TERM PROVISIONS

Provision for Employee Benefits	435.58	239.24
Provision for Taxation (Net)	—	248.47
	<u>435.58</u>	<u>487.71</u>

Notes to the Financial Statements

₹ in Lakhs

PARTICULARS	GROSS BLOCK - AT COST/VALUATION				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 1st April, 2011	Additions	Disposals/ Adjustments	As at 31st March, 2012	upto 1st April, 2011	For the Year	Disposals/ Adjustments	upto 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Note 8										
FIXED ASSETS -TANGIBLE										
Land (Freehold)	589.01	—	—	589.01	—	—	—	—	589.01	589.01
Estates and Development (Leasehold)	5283.20	—	—	5283.20	—	—	—	—	5283.20	5283.20
Buildings,Roads and Bridges	13372.70	1010.98	—	14383.68	6808.50	617.49	—	7425.99	6957.69	6564.20
Plant and Machinery	5718.28	160.75	0.78	5878.25	4405.07	247.53	0.49	4652.11	1226.14	1313.21
Airconditioners, Refrigerators and Other Equipments	130.77	1.68	2.13	130.32	83.81	5.71	2.00	87.52	42.80	46.96
Furniture and Fixtures	338.61	0.94	—	339.55	240.07	15.18	—	255.25	84.30	98.54
Vehicles	903.70	35.25	19.94*	919.01	723.75	50.34	18.24	755.85	163.16	179.95
Total	26336.27	1209.60	22.85	27523.02	12261.20	936.25**	20.73	13176.72	14346.30	14075.07
Previous Year	24702.44	1641.81	7.98	26336.27	11371.46	897.72	7.98	12261.20	14075.07	

* Includes ₹ 1.70 (Previous Year - Nil) on account of Capital Subsidy Received.

** Includes ₹ 0.60 on (Previous Year - ₹ 1.48) account of Assets of Discontinuing Operations.

Notes to the Financial Statements

₹ in Lakhs

PARTICULARS	GROSS BLOCK - AT COST/VALUATION				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at	Additions	Disposals/ Adjustments	As at	upto	For the Year	Disposals/ Adjustments	upto	As at	As at
	1st April, 2011			31st March, 2012	1st April, 2011			31st March, 2012	31st March, 2012	31st March, 2011
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Note 9										
FIXED ASSETS-INTANGIBLE										
Computer Software	217.15	—	—	217.15	182.11	17.43	—	199.54	17.61	35.04
Tenancy Right	21.00	—	—	21.00	14.70	1.05	—	15.75	5.25	6.30
Excise Duty Relief Right	100.00	—	100.00	—	100.00	—	100.00	—	—	—
Total	338.15	—	100.00	238.15	296.81	18.48	100.00	215.29	22.86	41.34
Previous Year	337.91	0.24	—	338.15	259.78	37.03	—	296.81	41.34	

Warren Tea Limited

Notes to the Financial Statements

	As at 31st March, 2012 ₹ in Lakhs	As at 31st March, 2011 ₹ in Lakhs
Note 10		
NON-CURRENT INVESTMENTS		
Long Term-at or under cost		
Trade Investments		
Unquoted - Equity Instruments		
20000 (Previous Year - 20000) Equity Shares of ₹ 10/- each fully paid-up in ABC Tea Workers Welfare Services (Net of Provision for diminution in the value of Investments - ₹ 2.00)	—	—
Other than Trade Investments		
Quoted - Equity Instruments		
30300 (Previous Year - 30300) Equity Shares of ₹ 10/- each fully paid-up in Pal Peugeot Limited (Net of Provision for diminution in the value of Investments - ₹ 3.03)	—	—
6994 (Previous Year - 6994) Equity Shares of ₹ 10/- each fully paid-up in Malanpur Steel Limited (Net of Provision for diminution in the value of Investments - ₹ 0.70)	—	—
450 (Previous Year - 450) Equity Shares of ₹ 5/- each fully paid-up in Mcleod Russel India Limited	0.11	0.11
1728 (Previous Year - 1728) Equity Shares of ₹ 10/- each fully paid-up in Syndicate Bank	0.87	0.87
Unquoted		
Government Securities		
* ₹17600/- (Previous Year - ₹17600/-) 3% Government of India Conversion Loan	0.01	0.01
Equity Instruments		
335000 (Previous Year - 335000) Equity Shares of ₹ 10/- each fully paid-up in Warren Steels Private Limited (Net of Provision for diminution in the value of Investments - ₹ 100.50)	318.25	318.25
Carried forward	319.24	319.24

Notes to the Financial Statements

	As at 31st March, 2012 ₹ in Lakhs	As at 31st March, 2011 ₹ in Lakhs
Note 10 (Continued)		
Brought forward	319.24	319.24
Debentures and Bonds		
145 (Previous Year - 145) 5% Ten Year Debentures of ₹100/- each fully paid-up of Shillong Club Limited	- +	- +
₹64500/- (Previous Year - ₹64500/-) 5% Debentures Stock of The East India Clinic Limited	0.01	0.01
29 (Previous Year - 29) 1.5% Debentures of ₹100/- each in The East India Clinic Limited	- +	- +
	<u>319.25</u>	<u>319.25</u>
Notes :		
1 Market Value of Quoted Investments	3.20	3.26
2 Aggregate Book Value of Quoted Investments	0.98	0.98
3 Aggregate Book Value of Unquoted Investments	318.27	318.27
4 Aggregate Provision for diminution in the value of Non-Current Investments	106.23	106.23
*5 Deposited with Excise Authorities		
+6 Amount is below the rounding off norm adopted by the Company.		

Note 11
DEFERRED TAX ASSETS (NET)

Deferred Tax Assets		
Timing difference on account of :		
Expenses allowable on payment	573.57	—
Provision for Doubtful Debts	2.09	—
Less :		
Deferred Tax Liability		
Timing difference on account of Depreciation	363.16	—
	<u>212.50</u>	<u>—</u>

Notes to the Financial Statements

	As at 31st March, 2012 ₹ in Lakhs	As at 31st March, 2011 ₹ in Lakhs
--	--	--

Note 12
LONG-TERM LOANS AND ADVANCES

(Unsecured - Considered Good)

Capital Advances	47.16	7.36
Security Deposits	264.65	258.08
Security Deposits with Related Parties (Refer Note No. 25(21))	442.80	445.20
Deposits with National Bank for Agriculture and Rural Development	1000.02	0.02
Other Loans and Advances		
Loans and Advances to Employees (Refer Note No. 25(12))	201.11	164.27
Advances to Suppliers, Service Providers, etc.	37.07	50.06
	<u>1992.81</u>	<u>924.99</u>

Note 13
INVENTORIES

(At lower of cost or net realisable value)

Stock of Tea	300.77	879.57
Stock of Stores and Spares	839.42	646.55
	<u>1140.19</u>	<u>1526.12</u>

Note 14
TRADE RECEIVABLES

(Unsecured)

Trade Receivable outstanding for a period exceeding
six months from the date due for payment

Considered Good	30.14	3.68
Considered Doubtful	34.85	34.85
Less: Provision for Doubtful Debts	<u>34.85</u>	<u>34.85</u>
	—	—

Other Trade Receivable

Considered Good	1960.42	1360.07
	<u>1990.56</u>	<u>1363.75</u>

Notes to the Financial Statements

As at	As at
31st March,	31st March,
2012	2011
₹ in Lakhs	₹ in Lakhs

Note 15
CASH AND BANK BALANCES

Cash and Cash Equivalents		
Balances with Banks		
Current Accounts	458.87	744.48
Deposit Accounts with less than three months maturity	1389.10	3605.50
Cash on hand	4.22	2.57
Cash with Garden Kayahs	0.10	36.75
Other Bank Balances		
Deposit Accounts (Margin against Guarantee)	24.39	—
	<u>1876.68</u>	<u>4389.30</u>

Note 16
SHORT-TERM LOANS AND ADVANCES

(Unsecured - Considered Good)

Loans and Advances to Related Parties (Refer Note No. 25(21))	—	81.98
Deposits with Government Authorities and Others	67.15	63.18
Loans to Employees (Refer Note No. 25(12))	12.81	13.37
Advance Tax (Net)	53.56	—
Advances to Suppliers, Service Providers, etc.	230.79	288.27
Prepaid Expenses	91.14	90.24
	<u>455.45</u>	<u>537.04</u>

Note 17
OTHER CURRENT ASSETS

(Unsecured - Considered Good)

Interest Accrued on Deposits	54.07	49.10
Subsidy Receivable from Tea Board	89.22	7.24
	<u>143.29</u>	<u>56.34</u>

Notes to the Financial Statements

Current Year Previous Year
₹ in Lakhs ₹ in Lakhs

Note 18
REVENUE FROM OPERATIONS

Sale of Products - Tea	20927.80	20837.01
Other Operating Revenues		
Sale of Tea Waste	22.74	15.19
Tea Board Subsidy	235.19	149.03
Sale of Scrap	3.32	1.21
Export Incentive	85.45	81.84
	<u>21274.50</u>	<u>21084.28</u>

Note 19
OTHER INCOME

Interest Income	130.05	69.84
Dividend Income from Long-term Investments	0.09	0.07
Dividend Income from Current Investments	—	25.08
Other Non-operating Income		
Profit on Disposal of Fixed Assets (Net)	3.41	0.88
Insurance Claims	55.25	38.44
Miscellaneous Receipts	56.76	14.53
Liabilities no longer required written back	1.75	3.75
Net Gain on Foreign Currency Transactions and Translation	44.87	—
	<u>292.18</u>	<u>152.59</u>

Note 20
CHANGES IN INVENTORIES OF FINISHED GOODS

Opening Inventories	879.57	593.36
Less : Closing Inventories	300.77	879.57
	<u>578.80</u>	<u>(286.21)</u>

Note 21
EMPLOYEE BENEFITS EXPENSE

Salaries and Wages	8213.33	7208.01
Contributions to Provident and Other Funds	937.34	745.17
Contribution to Gratuity Fund	548.22	272.57
Staff Welfare Expenses	1244.28	1150.22
	<u>10943.17</u>	<u>9375.97</u>

Notes to the Financial Statements

	Current Year ₹ in Lakhs	Previous Year ₹ in Lakhs
Note 22		
FINANCE COSTS		
Interest Expense	73.45	20.76
Other Borrowing Costs	15.95	13.46
	<u>89.40</u>	<u>34.22</u>
Note 23		
DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on Tangible Assets	935.65	896.24
Amortisation on Intangible Assets	18.48	37.03
	<u>954.13</u>	<u>933.27</u>
Note 24		
OTHER EXPENSES		
Consumption of Stores and Spare Parts		
Packing Materials	259.13	230.17
Others	2691.08	2799.23
Power and Fuel	1782.78	1725.86
Rent	11.48	12.00
Repairs to Buildings	558.13	496.71
Repairs to Machinery	56.87	394.73
Insurance	31.62	28.65
Rates and Taxes	182.66	54.07
Land Rent and Taxes	310.66	305.62
Tea Board Cess	72.08	44.69
Administrative Overheads	878.36	704.14
Selling		
Freight	614.31	484.48
Insurance	49.24	47.50
Brokerage	126.64	138.06
Commission	82.53	80.22
Warehousing, Shipment and Other Charges	371.75	346.95
Net Loss on Foreign Currency Transactions and Translation	—	8.83
Provision for diminution in the value of Investments	—	100.50
	<u>8079.32</u>	<u>8002.41</u>

Notes to the Financial Statements

Note 25

1. Significant Accounting Policies

- (a) The financial statements have been prepared in accordance with the Companies Act, 1956 of India and the rules framed thereunder.

All asset and liabilities have been classified as Current or Non-current as per the Company's normal operating cycle and other criteria set out in the revised schedule VI to the Companies Act, 1956.

- (b) Fixed Assets and Depreciation / Amortisation

Written down value of Fixed Assets (both Tangible and Intangible) represents cost of acquisition/valuation of such assets after deduction of depreciation (including amortisation) on Straight Line Method at rates indicated in Note 25(6a). Rights are carried at cost of acquisition less amortisation, basis of which is indicated in Note 24(6).

Although Tea Plantation is an item of wasting asset, no depreciation is charged on such assets as it is customary in the Tea Industry and also because the Infilling costs of Tea Bushes, Replanting of Tea and other long term developmental expenditure in the plantation areas are charged to Revenue Expenditure upon completion of the composite activities which are allowed by the Indian Taxation Authorities. Thus, no depreciation has been charged on New Planting.

For additions to Assets during the course of the year depreciation/amortisation is being charged on a full year basis. In case of acquisition of any undertaking, depreciation is charged from the effective date of such acquisition.

Assets costing upto ₹ 5000/- each are fully depreciated in the same year.

Compensation received for acquisition of Assets of the Company is accounted for upon acceptance of the Company's claim by the appropriate authorities.

- (c) Impairment of Assets

Loss on account of Impairment of Assets is to be recognised if and when the carrying amount of the Fixed Assets exceeds the recoverable amount i.e higher of net selling price and value in use.

- (d) Investments

Long term Investments made by the Company have been stated at cost, except in certain cases where these have been brought down upon commercial considerations and in keeping with the applicable Accounting Standard. Current Investments are stated at lower of cost and fair value.

Notes to the Financial Statements

Note 25 (Continued)

(e) Inventories

Inventories of Stores, as existing at the year-end, represent weighted average cost of procurements. Obsolete and slow moving inventories are fully depreciated in the Accounts.

Unsold but saleable Stock of Tea are valued at weighted average cost of production including attributable charges and levies or net realisable value, whichever is lower.

(f) Sales and Revenue Recognition

Disposal of Company's produce is accounted for as Sales whenever appropriate documents are received even when the proceeds are received after the accounting period.

Items of income including Export Benefits are recognised on accrual and conservative basis.

(g) Government Grants

Government Grants related to specific depreciable fixed asset are deducted from gross values of the related fixed asset in arriving at their book value.

Government Grants related to revenue are recognised in the Accounts on prudent basis.

(h) Foreign Currencies Transactions

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year-end exchange rates.

Gains/Losses arising out of fluctuations in the exchange rates are recognised in the Accounts in the period in which they arise. Differences between the forward exchange rates and the exchange rates at the date of transactions are accounted for as income/expense over the life of the contracts.

(i) Employee Benefits

a) Short Term Employee Benefits

The amount of Short Term Employee Benefits payable in terms of employment for the services rendered by such employees is recognised during the period when the employee renders services.

b) Post Employment Benefits

(i) The Company operates defined Contribution Schemes of Provident Funds and makes regular contributions to Provident Funds which are fully funded and administered by the Trustees/Government and are independent of the Company's finance. Such contributions are recognised in the Accounts on accrual basis. Interest accruing to

Notes to the Financial Statements

Note 25 (Continued)

the Fund administered by the Trustees are credited to respective members' accounts based on the rates stipulated by the Government and shortfall if any, recognised on the basis of actuarial valuation report in this regard, is borne by the Company.

(ii) The Company operates defined benefit Superannuation and Gratuity Schemes administered by the Trustees, which are independent of the Company's finance. Such obligations are recognised in the Accounts on the basis of actuarial valuation applying Projected Unit Credit Method including gains and losses at the year-end.

(iii) The Company operates a defined benefit Pension Scheme and Additional Retiral Benefit for certain categories of employees for which obligations are recognised in the Accounts based on actuarial valuation applying Projected Unit Credit Method including gains and losses at the year-end.

c) Other Long Term Employee Benefits

Other Long Term Employee Benefits are recognised in the Accounts based on actuarial valuation applying Projected Unit Credit Method including gains and losses at the year-end.

(j) Expenditure

As is customary in the Tea Industry, maintenance expenditure incurred at Gardens, for which accruing benefits may not be relatable in terms of periods, are charged off to Revenue Expenditure in the year these are incurred.

Operational Borrowing Costs are recognised as Revenue Expenditure in the year in which these are incurred.

(k) Corporate Taxation

Current Tax is determined as the amount of income-tax payable/recoverable in respect of the taxable income for the current period.

Deferred Tax is recognised as the tax effect of timing differences being the differences between taxable income and accounting income that originated in one period and is capable of reversal in one or more subsequent periods.

Deferred Tax Assets are recognised subject to the consideration of prudence only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(l) Contingent Liabilities

Contingent Liabilities are disclosed when there is a possible obligation which may arise from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or reliable estimate of the amount cannot be made.

Notes to the Financial Statements
Note 25 (Continued)

(₹ in Lakhs)

- 2 The Company's Board of Directors has approved a Scheme of Arrangement for demerger of seven of its tea estates in Assam with effect from 1st April, 2011. Necessary applications have since been filed with the stock exchanges. Further procedural steps are underway and appropriate effect thereof will be incorporated in the Accounts upon approval of regulatory authorities and completion of requisite formalities pending which, the effect of operations of such seven tea estates have been included in these financial statements.

- 3 (a) The Board of Directors decided on 16th February, 2012 to close with effect from the close of business hours of 31st March, 2012 its Travel Division reported as a separate segment as per Accounting Standard 17

(b) Statement of Revenue and Expenses in respect of Discontinuing Operations

	Current Year ₹	Previous Year ₹
Revenue from Operations	<u>63.43</u>	<u>65.85</u>
Expenses		
Depreciation and Amortisation Expense	0.60	1.48
Employee Benefits Expense	85.29	37.07
Other Expenses		
Rent	4.09	4.08
Insurance	0.09	0.03
Administrative Overheads	<u>21.20</u>	<u>25.17</u>
	<u>111.27</u>	<u>67.83</u>
Loss from Operating Activities	<u>(47.84)</u>	<u>(1.98)</u>

- 4 Revaluation of all Plantation Assets excluding depreciable Assets was conducted in 2001-02 by approved Valuers appointed by the Company. In evaluating such Assets, the Valuers carried out physical inspection, verification and analysis of plantation areas and valued the same on a conservative basis. The resultant incremental amount of ₹ 3627.43 was incorporated in the Accounts as on 31st March, 2002 and credited to the Revaluation Reserve Account.

- 5 Pursuant to an Agreement dated 8th October, 2002, Tippuk Tea Estate located in Doom Dooma sub-district in Assam was acquired by the Company as a going concern with effect from 1st October, 2002 and possession and operations have been taken over by the Company effective from the same date. Conclusion of the Deed of Conveyance is in process.

- 6 Depreciation/Amortisation is provided on Straight Line Method at the following rates:

	%
Buildings, Roads and Bridges (including Tenancy Right)	5.0
Plant and Machinery : Computers including Software	20.0
Others	7.5
Airconditioners, Refrigerators and Other Equipments	7.5
Furniture and Fixtures	7.5
Vehicles	15.0

Notes to the Financial Statements
Note 25 (Continued)

(₹ in Lakhs)

- 7 Under the Assam Fixation of Ceiling of Land Holding Act, 1956, undeveloped lands, approximately 3745 hectares (Previous Year - 3745 hectares) have been vested in the State Government. Necessary adjustments in respect of land compensation will be made in the accounts on settlement of the same.

	Current Year ₹	Previous Year ₹
8 Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advance)	7.37	40.49
9 Contingent Liabilities		
(a) Claims not acknowledged as debts	20.50	20.50
(b) Sales Tax Demands in dispute (under Appeals)	335.22	249.06
(c) Agricultural Income Tax Demands in dispute (under Appeals/pending before Gauhati High Court)	2838.72	2838.72
10 Bank Guarantees	124.39	88.09
11 Unpaid Disputed Statutory Dues in respect of		
(a) Income-tax		
Forum : Commissioner of Income-tax (Appeals)	121.92	121.92
Income-tax Appellate Tribunal	5.19	5.19
For Agricultural Income-tax (Assam) :		
Deputy Commissioner of Taxes (Appeals)	623.63	623.63
Gauhati High Court (Including the impact of ₹ 623.63 as above)	4169.32	4854.32
(b) Sales tax		
Forum : Deputy Commissioner of Taxes (Appeals)	108.57	108.57
Commissioner of Taxes	149.17	63.01
Gauhati High Court	46.79	46.79
(c) Land Revenue		
Forum : Additional Deputy Commissioner	55.60	—
12 Loans and Advances to Employees include amounts due by a Director of the Company		
a) On Long-Term	14.92	15.86
b) On Short-Term	0.94	0.79
(Advanced to an employee since elevated as a Director)		

Notes to the Financial Statements
Note 25 (Continued)

(₹ in Lakhs)

	Current Year ₹	Previous Year ₹
13 There are no outstanding dues of micro and small enterprises based on information available with the Company.		
14 Amounts paid/payable to Auditors		
Statutory Auditors		
(a) Audit Fees (including for Branch Auditors - Nil; Previous Year - ₹ 0.15)	17.98	8.99
(b) For Tax Audit (including for Branch Auditors - Nil; Previous Year - ₹ 0.03)	2.25	2.23
(c) For Limited Review & Other Matters (including for Branch Auditors ₹ 0.10; Previous Year - ₹ 0.15)	4.55	6.49
(d) Out of Pocket Expenses	0.30	0.32
Cost Auditors	1.40	1.10
15 Consumption of Stores and Spares		
	₹ %	₹ %
All Indigenous only	2950.21 100	3029.40 100
16 Earnings in Foreign Exchange Exports on F.O.B. basis	1035.92	889.53
17 Expenditure in Foreign Currency		
(a) Commission, Subscription and Other Charges	12.46	12.10
(b) Pension	6.01	5.45
(c) Travelling	3.16	5.53
18 Provident fund contribution of ₹ 41.07 Lakhs on enhanced value of food grain concession provided to plantation workers in tea estates in Assam pursuant to circular of the Assam Tea Plantation Provident Fund and Pension Fund Scheme & D.L.I. Scheme had not been deducted and paid in view of a stay granted by the Hon'ble Gauhati High Court on same grounds which has since been deducted and paid fully.		
19 Post Employment Defined Benefit Plans		
The Company operates defined Benefit Schemes like Gratuity, Superannuation, Pension and Additional Retiral Benefit Plans based on current salaries in accordance with the Rules of the Funds/Plans.		
In terms of Accounting Policies enumerated in Note 25 the following Table sets forth the particulars in respect of Defined Benefit Plans of the Company for the year ended 31st March, 2012 arising out of actuarial valuations:		

Notes to the Financial Statements
Note 25 (Continued)

(₹ in Lakhs)

A) Funded and Unfunded Plans

I. Reconciliation of opening and closing balances of the present value of the Defined Benefit Obligation

	Funded Plans				Unfunded Plans			
	Gratuity		Superannuation		Pension		Additional Retiral Benefit	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Present Value of Obligation at the beginning of the year	2335.77	2011.46	679.11	626.64	1379.30	1283.03	57.28	45.57
Current Service Cost	140.86	118.30	66.26	58.53	83.40	67.84	4.20	3.18
Past Service Cost	—	21.23	—	—	—	—	—	6.22
Interest Cost	186.09	166.03	56.97	52.25	115.76	107.67	4.60	3.80
Actuarial (Gains)/Losses	363.65	135.19	8.31	(32.42)	(57.72)	(46.71)	18.68	0.26
Benefits paid	(292.87)	(116.44)	(19.40)	(25.89)	(34.87)	(32.53)	(6.40)	(1.75)
Present Value of Obligation at the end of the year	<u>2733.50</u>	<u>2335.77</u>	<u>791.25</u>	<u>679.11</u>	<u>1485.87</u>	<u>1379.30</u>	<u>78.36</u>	<u>57.28</u>

II. Reconciliation of opening and closing balances of the fair value of Plan Assets

Fair value of Plan Assets at the beginning of the year	2184.86	2133.12	747.44	687.49
Expected Return on Plan Asset	174.79	170.65	59.80	55.00
Actuarial Gains/(Losses)	(32.41)	(2.47)	0.62	0.57
Contributions	374.92	—	42.15	30.27
Benefits paid	(292.87)	(116.44)	(19.40)	(25.89)
Fair value of Plan Assets at the end of the year	<u>2409.29</u>	<u>2184.86</u>	<u>830.61</u>	<u>747.44</u>

III. Reconciliation of the present value of the Defined Benefit Obligation and the fair value of Plan Assets

Present Value of the Obligation at the end of the year	2733.50	2335.77	791.25	679.11	1485.87	1379.30	78.36	57.28
Fair value of Plan Assets at the end of the year	2409.29	2184.86	830.61	747.44	—	—	—	—
(Asset)/Liabilities recognised in the Balance Sheet	<u>324.21</u>	<u>150.91</u>	<u>(39.36)</u>	<u>(68.33)</u>	<u>1485.87</u>	<u>1379.30</u>	<u>78.36</u>	<u>57.28</u>

IV. Expenses recognised in the Profit and Loss Account

Current Service Cost	140.86	118.30	66.26	58.53	83.40	67.84	4.20	3.18
Past Service Cost	—	21.23	—	—	—	—	—	6.22
Interest Cost	186.09	166.03	56.97	52.25	115.76	107.67	4.60	3.80
Expected Return on Plan Asset	(174.79)	(170.65)	(59.80)	(55.00)	—	—	—	—
Actuarial (Gains)/Losses	396.06	137.66	7.69	(32.99)	(57.72)	(46.71)	18.68	0.26
Total Expenses Recognised and Disclosed under Contributions to Provident and Other Funds and Contribution to Gratuity Fund (For Funded Plans) and to Staff Welfare Expenses (For Unfunded Plans) in Note No. 21	<u>548.22</u>	<u>272.57</u>	<u>71.12</u>	<u>22.79</u>	<u>141.44</u>	<u>128.80</u>	<u>27.48</u>	<u>13.46</u>

Notes to the Financial Statements
Note 25 (Continued)

(₹ in Lakhs)

V. Category of Plan Assets

	Funded Plans				Unfunded Plans			
	Gratuity		Superannuation		Pension		Additional Retiral Benefit	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Fund with Insurance Companies	844.00	604.11	182.59	44.57				
Central Government Securities	351.67	411.11	101.83	86.77				
State Government Securities	209.57	208.93	127.16	42.09				
Bond/Term Deposits	774.98	433.03	309.37	287.42				
Special Deposits	195.77	440.12	83.32	213.60				
Others (incl. Bank Balances)	33.30	87.56	26.34	72.99				
	<u>2409.29</u>	<u>2184.86</u>	<u>830.61</u>	<u>747.44</u>				

VI. Actual Return on Plan Asset	142.38	168.18	60.42	55.57
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B) Principal Actuarial Assumptions of funded and unfunded Plans, as applicable

	2011-12	2010-11
	%	%
Discount Rate	8.50	8.50
Salary Escalation	5.00	5.00
Inflation Rate	5.00	5.00
Expected Return on Asset	8.00	8.00

Actuarial valuation considered estimates of future salary increases taking into account inflation and other relevant factors.

C) Other Disclosure :

I. Funded Plans

	2011-12	2010-11	2009-10	2008-09	2007-08
Gratuity Fund					
Present Value of the Obligation at the end of the year	2733.50	2335.77	2011.46	1712.43	1647.50
Fair value of Plan Assets at the end of the year	2409.29	2184.86	2133.12	1678.11	1640.76
(Surplus)/Deficit at the end of the year	324.21	150.91	(121.66)	34.32	6.74
Experience Adjustments on Obligation - [(Gain)/Loss]	158.21	320.25	0.66	(69.88)	(67.23)
Experience Adjustments on Plan Assets - [Gain/(Loss)]	(2.72)	60.04	61.04	16.26	15.90
Superannuation Fund					
Present Value of the Obligation at the end of the year	791.25	679.11	626.64	546.17	540.02
Fair value of Plan Assets at the end of the year	830.61	747.44	687.49	591.11	592.33
(Surplus)/Deficit at the end of the year	(39.36)	(68.33)	(60.85)	(44.94)	(52.31)
Experience Adjustments on Obligation - [(Gain)/Loss]	(50.42)	19.78	(22.45)	(72.48)	(71.88)
Experience Adjustments on Plan Assets - [Gain/(Loss)]	0.70	7.63	(49.72)	7.35	7.34

Notes to the Financial Statements
Note 25 (Continued)

(₹ in Lakhs)

II. Unfunded Plans

Pension	2011-12	2010-11	2009-10	2008-09	2007-08
Present Value of the Obligation at the end of the year	1485.87	1379.30	1283.03	1178.29	1101.17
(Surplus)/Deficit at the end of the year	1485.87	1379.30	1283.03	1178.29	1101.17
Experience Adjustments on Obligation - [(Gain)/Loss]	(50.32)	(20.66)	(29.85)	9.90	1027.46
Additional Retiral Benefit	2011-12	2010-11	2009-10	2008-09	2007-08
Present Value of the Obligation at the end of the year	78.36	57.28	45.57	—	—
(Surplus)/Deficit at the end of the year	78.36	57.28	45.57	—	—
Experience Adjustments on Obligation - [(Gain)/Loss]	0.36	52.71	41.93	—	—

Post Employment Contribution Plan

During the year an aggregate amount of ₹ 757.34 (Previous Year - ₹ 694.79) has been recognised as expenditure towards Provident Fund, defined contribution plan of the Company.

20. Basic and Diluted Earnings Per Share	Current Year	Previous Year
Number of Equity Shares at the beginning of the year	10714273	10714273
Number of Equity Shares at the end of the year	10714273	10714273
Weighted average number of Equity Shares outstanding during the year	10714273	10714273
Face value of each Equity Share (₹)	10	10
Profit after tax available for distribution to the Equity Shareholders	596.26	2060.41
Basic and Diluted Earnings per Share (₹)	5.57	19.23
Dilutive Potential Equity Shares	Not Applicable	Not Applicable

21 Related Party Disclosures
(i) Names and Relationship

Relationship	Name
Significant Influence by Key Management Personnel	Warren Industrial Limited DPIL Limited Sectra Plaza Private Limited Suvira Properties Private Limited Warren Steels Private Limited
Key Management Personnel	Mr. Vinay K. Goenka (Executive Chairman) Mr. S. K. Ghosh (Managing Director) Mr. Ravi Kidwai (Joint Managing Director — Since Resigned with effect from 30.11.2012)
Relative of a Key Management Personnel	Mr. Vivek Goenka

Notes to the Financial Statements
Note 25 (Continued)

	Current Year ₹	(₹ in Lakhs) Previous Year ₹
(ii) Particulars of Transactions and year-end balances		
Names and Relationship		
Significant Influence by Key Management Personnel		
Receiving of Services		
Warren Industrial Limited	6.84	7.41
Suvira Properties Private Limited	2.12	3.00
Sectra Plaza Private Limited	7.28	4.80
	<u>16.24</u>	<u>15.21</u>
Rendering of Services		
Warren Steels Private Limited	1.05	2.95
DPIL Limited	0.12	0.12
Others	0.11	0.11
	<u>1.28</u>	<u>3.18</u>
Key Management Personnel & Relative		
Directors' Remuneration		
Mr. Vinay K. Goenka	56.61	71.45
Mr. S. K. Ghosh	53.36	38.83
Mr. Ravi Kidwai	3.39	—
	<u>113.36</u>	<u>110.28</u>
Remuneration		
Mr. Vivek Goenka	14.75	9.36
Balance at the year-end		
Significant Influence by Key Management Personnel		
Warren Steels Private Limited		
Investments	318.25	318.25
Sundry Debtors	—	1.20
Sectra Plaza Private Limited		
Security Deposit	442.80	445.20
Suvira Properties Private Limited		
Advances	—	81.98
Warren Industrial Limited		
Current Liabilities	0.28	0.24
Key Management Personnel		
Mr. Vinay K. Goenka		
Current Liabilities	—	20.40
Mr. S. K. Ghosh		
Advances	15.86	16.65
Current Liabilities	13.20	9.60
Mr. Ravi Kidwai		
Current Liabilities	2.34	—

Notes to the Financial Statements
Note 25 (Continued)

(₹ in Lakhs)

22. Segment Reporting

- (i) Business Segments have been considered as Primary Segment for disclosure. The integrated process of growing, harvesting, manufacturing and sale of Black Tea and Travel related activities are denoted as "Tea" and "Travels" respectively which comprise Reportable Business Segments in accordance with the Accounting Standard – 17.
- (ii) Geographical Segments have been considered for disclosure as the Secondary Reporting Segment based on Sales in domestic markets and Exports.

(iii) Primary Segment Information	Tea	Travels (Discontinuing Operations)	Total
Segment Revenue - External Sales	20927.80 [20837.01]	63.43 [65.85]	20991.23 [20902.86]
Segment Results	864.62 [3202.93]	(47.84) [(1.98)]	816.78 [3200.95]
Unallocated Corporate Income / (Expenses) - Net *	—	—	130.69 [(4.96)]
Interest Expenses	—	—	(73.45) [(20.76)]
Corporate Taxation	—	—	(277.76) [(1114.82)]
Profit after Taxation	—	—	596.26 [2060.41]
Segment Assets	19004.20 [18797.67]	61.18 [93.97]	19065.38 [18891.64]
Unallocated Corporate Assets	—	—	3496.39 [4419.07]
Total Assets			22561.77 [23310.71]
Segment Liabilities	4730.75 [4104.73]	39.01 [21.43]	4769.76 [4126.16]
Loan Funds	—	—	14.08 [1207.66]
Unallocated Corporate Liabilities	—	—	1227.02 [2022.24]
Total Liabilities			6010.86 [7356.06]

Notes to the Financial Statements
Note 25 (Continued)

(₹ in Lakhs)

	Tea	Travels (Discontinuing Operations)	Total
Capital Expenditure	1193.84 <i>[1625.00]</i>	0.13 <i>[1.28]</i>	1193.97 <i>[1626.28]</i>
Depreciation and Amortisation	954.13 <i>[933.27]</i>	0.60 <i>[1.48]</i>	954.73 <i>[934.75]</i>
(iv) Secondary Segment Information			
	Domestic	Export	Total
Segment Revenue - External Sales	19991.00 <i>[19987.92]</i>	1000.23 <i>[914.94]</i>	20991.23 <i>[20902.86]</i>
Segment Assets	19065.38 <i>[18891.64]</i>	— <i>—</i>	19065.38 <i>[18891.64]</i>
Capital Expenditure	1193.97 <i>[1626.28]</i>	— <i>—</i>	1193.97 <i>[1626.28]</i>

* after adjusting provision for diminution in the value of investments - Nil
(Previous Year - ₹100.50)

Figures of Previous Year are indicated in Italics within brackets "[]"

23. Previous year's figures have been regrouped or rearranged, wherever necessary.

Singhi & Co.
Firm Registration
Number-302049E
Chartered Accountants
Pradeep Kumar Singhi
Partner
Membership Number-50773
Kolkata, 30th January, 2013

B.M. Chatrath & Co.
Firm Registration
Number-301011E
Chartered Accountants
A. Chatrath
Partner
Membership Number-52975

S. Roy
Company Secretary

S. K. Ghosh
Managing Director

G. S. Sodhi
Jt. Managing Director

CASH FLOW STATEMENT
for the year ended 31st March, 2012

	Current Year ₹ in Lakhs			Previous Year ₹ in Lakhs		
	Tea	Travels (Discontinuing Operations)	Total	Tea	Travels (Discontinuing Operations)	Total
A. Cash Flow from operating activities						
Profit / (Loss) before Taxation	921.86	(47.84)	874.02	3177.21	(1.98)	3175.23
Adjustments for						
Depreciation and Amortisation	954.13	0.60	954.73	933.27	1.48	934.75
Finance Costs	89.40	—	89.40	34.22	—	34.22
Income from Interest and Dividends	(130.14)	—	(130.14)	(94.99)	—	(94.99)
Provisions no longer required written back	(1.75)	—	(1.75)	(3.75)	—	(3.75)
(Profit) on Disposal of Fixed Assets (Net)	(3.41)	—	(3.41)	(0.88)	—	(0.88)
Provision for diminution in the value of Investments	—	—	—	100.50	—	100.50
Operating Profit before working capital changes	1830.09	(47.24)	1782.85	4145.58	(0.50)	4145.08
Adjustments for changes in						
Trade and Other Receivables	(1701.26)	59.80	(1641.46)	(235.44)	3.68	(231.76)
Inventories	385.93	—	385.93	(356.99)	—	(356.99)
Trade Payables and Other Liabilities	634.76	15.04	649.80	239.05	10.17	249.22
Cash generated from operations	1149.52	27.60	1177.12	3792.20	13.35	3805.55
Direct Taxes Paid	(1339.04)	—	(1339.04)	(903.39)	—	(903.39)
Net Cash from operating activities (A)	(189.52)	27.60	(161.92)	2888.81	13.35	2902.16
B. Cash Flow from investing activities						
Purchase of Fixed Assets	(1193.84)	(0.13)	(1193.97)	(1625.00)	(1.28)	(1626.28)
Sale of Fixed Assets	3.83	—	3.83	0.88	—	0.88
Capital Subsidy Received	1.70	—	1.70	—	—	—
Purchase of Current Investments	—	—	—	(2415.08)	—	(2415.08)
Proceeds from Sale of Current Investments	—	—	—	4549.87	—	4549.87
Interest and Dividend Received	125.17	—	125.17	46.71	—	46.71
Net Cash from / (used) in investing activities (B)	(1063.14)	(0.13)	(1063.27)	557.38	(1.28)	556.10

CASH FLOW STATEMENT (Continued)

	Current Year ₹ in Lakhs			Previous Year ₹ in Lakhs		
	Tea	Travels (Discontinuing Operations)	Total	Tea	Travels (Discontinuing Operations)	Total
C. Cash Flow from financing activities						
Proceeds from Short Term Borrowings	—	—	—	1082.66	—	1082.66
Repayment of Current Maturity of Long-Term Debt	(125.00)	—	(125.00)	(275.00)	—	(275.00)
Repayment of Short Term Borrowings	(1068.58)	—	(1068.58)	—	—	—
Finance Costs Paid	(93.85)	—	(93.85)	(39.48)	—	(39.48)
Dividends Paid (Transferred to Investor Education and Protection Fund)	—	—	—	(1.03)	—	(1.03)
Net Cash from / (used) in financing activities	(C) (1287.43)	—	(1287.43)	767.15	—	767.15
Net increase / (decrease) in Cash and Cash Equivalents	(2540.09)	27.47	(2512.62)	4213.34	12.07	4225.41
Cash and Bank Balances						
Opening Balance						
Cash and Bank Balances [Note 15]	4366.36	22.94	4389.30	153.02	10.87	163.89
Closing Balance						
Cash and Bank Balances [Note 15]	1826.27	50.41	1876.68	4366.36	22.94	4389.30

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 on Cash Flow Statement prescribed under the Companies Act , 1956.
- The Notes referred to above form an integral part of the Cash Flow Statement.
- Closing Cash and Bank Balances include Deposits of ₹ 24.39 (Previous Year - Nil) as Margin against Guarantee.
- Previous year's figures have been regrouped or rearranged, wherever necessary.

As per our Report of even date.

Singhi & Co.
Firm Registration
Number-302049E
Chartered Accountants
Pradeep Kumar Singhi
Partner
Membership Number-50773
Kolkata, 30th January, 2013

B.M. Chatrath & Co.
Firm Registration
Number-301011E
Chartered Accountants
A. Chatrath
Partner
Membership Number-52975

S. K. Ghosh
Managing Director
S. Roy
Company Secretary
G. S. Sodhi
Jt. Managing Director

Statistical Information

GARDENS	Mature Tea Area (Hectares)		Own Production (Kgs. in 000's)		Own Production (Kgs./ Hectare)	
	As on					
	31.03.12	31.03.11	2011/2012	2010/2011	2011/2012	2010/2011
Baliyan(H)	439.12	440.65	1004	974	2286	2210
Deohall	443.04	451.73	937	854	2115	1891
Hatimara	261.30	268.62	573	515	2193	1917
Rajah Alli	273.41	272.81	547	500	2001	1833
Zaloni	411.57	409.59	1032	1102	2507	2690
Deamoolie	743.68	749.00	1546	1427	2079	1905
Dhoedaam	821.03	828.55	1657	1745	2018	2106
Duamara	555.36	549.73	1205	1225	2170	2228
Rupai	717.65	713.75	1264	1192	1761	1670
Tara	795.19	792.19	1761	1461	2215	1844
Tippuk	503.74	496.36	953	1059	1892	2134
Baliyan North	729.88	727.61	1350	1230	1850	1690
Sealkotee	416.00	426.25	655	694	1575	1628
Thowra	457.32	460.70	561	556	1227	1207
<i>Company</i>	<i>7568.29</i>	<i>7587.54</i>	<i>15045</i>	<i>14534</i>	<i>1988</i>	<i>1916</i>

PLEASE CUT FROM THIS LINE



Warren Tea Limited

Registered Office :
Deohall Tea Estate
P.O. Hoogrijan
Dist. Tinsukia, Assam 786 601

PROXY

I/ We _____

of _____

being a Member/ Members of Warren Tea Limited hereby

appoint _____

of _____

or failing him/her _____

of _____

or failing him/her _____

of _____

as my/our proxy to attend and vote for me/us and on my/our behalf at the
Thirty fifth Annual General Meeting of the Company to be held on Monday,
the 11th March, 2013 and at any adjournment thereof.

As witness my hand/ our hands this _____ day of _____ 2013

Signature by the said _____

FOLIO NO. _____

DP ID. /Client ID. _____

Revenue
Stamp

NOTE : The proxy must be deposited at the Registered Office of the
Company not less than 48 hours before the time for holding
the Meeting.