

ANNUAL REPORT 2010



**GOODRICKE GROUP LIMITED**

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## **BOARD OF DIRECTORS**

P. J. Field – *Chairman*  
A. N. Singh – *Managing Director & C.E.O.*  
A. K. Mathur  
S. Kaul  
K. Sinha  
P. K. Sen

## **VICE PRESIDENT & SECRETARY**

D. P. Chakravarti

## **CHIEF ACCOUNTANT & C.F.O.**

A. Sengupta

## **BANKERS**

The Hongkong & Shanghai Banking Corporation Ltd.  
HDFC Bank Ltd.  
Axis Bank Ltd.

## **AUDITORS**

Lovelock & Lewes  
Plot No. Y-14, Block EP, Sector V, Salt Lake, Kolkata-700091

## **REGISTRARS & SHARE TRANSFER AGENTS**

C. B. Management Services Pvt. Ltd.  
P-22, Bondel Road, Kolkata 700 019

## **REGISTERED OFFICE**

“Camellia House”, 14 Gurusaday Road, Kolkata 700 019

## **NOTICE**

NOTICE is hereby given that the Thirty-fifth Annual General Meeting of the Members of Goodricke Group Limited will be held at Science City, Mini Auditorium, JBS Haldane Avenue, Kolkata 700 046 on Tuesday, the 12th April, 2011 at 10.00 a.m. to transact the following business:-

### **Ordinary Business**

1. To consider and adopt the Profit & Loss Account of the Company for the year ended 31st December 2010 and the Balance Sheet as at that date and the Reports of Directors and Auditors thereon.
2. To declare a Dividend for the year ended 31st December, 2010
3. To appoint a Director in place of Mr. A.K. Mathur who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. K. Sinha who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.

The Register of Members and Share Transfer books of the Company shall remain closed from Monday, the 4th April to Tuesday, the 12th April, 2011, both days inclusive.

By Order of the Board

Kolkata  
28th February, 2011

D. P. Chakravarti  
*Vice President & Secretary*



## NOTES & INFORMATION TO SHAREHOLDERS

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company. Proxies, in order to be effective, must be received at the Company's Registered Office not less than forty-eight hours before the Meeting.**
2. Dividend that may be declared by the Company will be paid on and from 18th April, 2011 to those members whose names appear on the Company's Register of Members on the date of the Annual General Meeting or to their mandatees, subject however, to the provisions of Section 206A of the Companies Act, 1956 (Act).
3. Members are requested to note the following:-

- (i) Quote their Registered Folio number in all correspondence with the Company or its Registrars.  
Notify the Company or its Registrars immediately of change, if any, in their registered address or of their mandatees. Members holding shares in dematerialised form to advise respective depository participants about change of address. Intimation of change of address must state the Pin Code for proper delivery.
- (ii) Members who have not so far encashed their Dividend Warrants for the Accounting years ended 31st December, 2004, 2005, 2006, 2007, 2008 and 2009 may immediately approach the Registrars for revalidation of unclaimed Dividend Warrants. The Company had skipped dividend for the year ended 31st December, 2003.

Members are hereby informed that pursuant to the provisions of the Act, the Company is obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the unpaid Dividend Account, to the credit of Investor Education and Protection Fund ("the Fund") established by the Central Government. Unpaid Dividend for the year ended 31st December 2002 has been deposited accordingly. In accordance with Section 205B of the Act, no claim shall lie against the Company or the Fund in respect of individual amounts of dividends remaining unclaimed and unpaid for a period of seven years from the dates they first became due for payment and no payment shall be made in respect of any such claims. Accordingly, the money lying in the unpaid Dividend Account for the year ended 31st December 2004, will fall due for deposit only in 7th May, 2012.

- (iii) The Reserve Bank of India has introduced National Electronic Clearing Service (NECS) in banking system to expedite electronic credit. NECS has wider coverage than ECS and has no limitations of location in India. NECS is operational for banks/bank branches leveraging on Core Banking System (CBS), which provide more than ten digit bank account number to its customers. In this process, bankers have changed the bank account numbers of customers replacing the old account numbers which were not NECS compatible. Further as per RBI instructions, with effect from 1.1.2010, for processing under NECS, CBS based account number is mandatory.

Members to check up with their bankers and ensure submission of correct and current bank details so that electronic credit takes place without any difficulty.

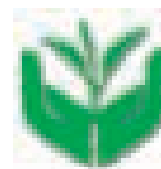
4. Pursuant to Section 205A of the Act, all unclaimed/unpaid Dividends upto the Dividend for the period 31st December, 1995 have been transferred to the General Revenue Account of the Central Government. Any claim for payment of such unpaid/unclaimed Dividend should be made by an application in the prescribed form to the Registrar of Companies, West Bengal, at the address given below :

Nizam Palace  
II M.S.O. Building  
234/4, Acharya Jagadish Chandra Bose Road  
Kolkata 700 020.

5. As per the provisions of the Act, facility for making nominations is available for shareholders in respect of Equity shares held by them. Nomination forms (Form 2B) can be obtained from the Registrars of the Company for physical shares. In respect of nomination for dematerialised shares, the concerned Depository Participant of the members should be approached.

**6. Details of Directors:-**

Particulars	Directors retiring by rotation and seeking reappointment	
Name	<b>Mr. A.K. Mathur</b>	<b>Mr. K. Sinha</b>
Designation	Non-Executive Director	Non-Executive Director
Date of Appointment	25th July, 1990	1st January, 2001
Date of Birth	2nd November, 1947	7th September, 1947
Qualification	F.C.A. (Fellow, Institute of Chartered Accountants of England & Wales).	M.A.
Experience	Executive Director (Finance), Camellia Plc. U.K.  Indepth experience in the field of Finance & Accounts of a wide range of Companies in diverse lines of activities ranging from Tea & other plantations, banking, engineering, warehousing and transport etc.	Retired as Head, Eastern India of Hongkong & Shanghai Banking Corporation Ltd.  He has indepth experience in areas of Finance & Banking.
Directorship of other Companies (Excluding foreign Companies and Private limited Companies).	Stewart Holl (India) Ltd. Angoorie India Ltd.	The Statesman Ltd.
Chairman/ Member of Committee of the Boards of Companies	Member, Audit Committee of Goodricke Group Ltd.	Chairman, Audit Committee; Chairman, Remuneration Committee; Member, Shareholders'/Investors' Grievance Committee of Goodricke Group Ltd.
Shareholding in the Company (Nos.)	Nil	Nil
Inter-se relationship	Not related to any Director on the Board.	Not related to any Director on the Board.



## DIRECTORS' REPORT

The Directors have pleasure in presenting their Thirty-fifth Annual Report and Accounts for the year ended 31st December 2010.

### FINANCIAL RESULTS

#### For the year ended 31st December

	2010	2009
	(Rs. in millions)	
GROSS SALES	<b>4,004.30</b>	3,721.59
PROFIT BEFORE TAXATION	<b>630.71</b>	530.67
Less: Provision for Taxation (net)	<b>180.75</b>	111.24
PROFIT AFTER TAX	<b>449.96</b>	419.43
Add: Profit brought forward from last year	<b>51.25</b>	32.91
	<b>501.21</b>	452.34
APPROPRIATIONS:		
Dividend	<b>108.00</b>	86.40
Tax on Dividend	<b>17.94</b>	14.69
Transfer to General Reserve	<b>320.00</b>	300.00
Balance carried forward	<b>55.27</b>	51.25

The turnover for the financial year 2010 has increased by 7.6% to Rs. 4,004 million from Rs.3,722 million in the previous year due to increase in saleable crop, improved quality and firmer prices. The profit before tax (PBT) has increased by 18.9% over last year.

### OPERATIONS

The total manufactured crop was higher at 20.58 million kgs. against 19.96 million kgs. in 2009. The increase was essentially due to relatively favourable weather conditions in Dooars and Assam. However, Darjeeling crop suffered from drought like conditions in the early part of the season.

The all India production in 2010 was lower at 966 million kgs. against 979 million kgs. in the previous year, resultant of adverse weather conditions and pest attack in upper Assam gardens. This is the second consecutive year of all India crop shortfall which has left the trade with low carryover stock for the current year.

Tea prices, which started firming up in 2009, saw a firmer trend in 2010. In the initial part of the year, prices were comparable to the previous season but with lower arrivals, market became buoyant although only for better teas. Teas from non quality areas were discounted and attracted lower prices compared to 2009.

Prices for Darjeeling and Assam Orthodox varieties were higher largely in tune with the global price upsurge. CTC prices improved wholly on domestic demand supply mismatch from crop shortfall. However, there was a wide price differential with quality teas attracting premium, while medium and plainer teas obtained much lower prices. Your Company's teas attracted a premium over the auction average. On the global front, there has been an increase in crop mainly due to substantial increase in Kenya and Sri Lanka, after recovery from severe droughts in the previous years.

All India exports suffered a setback with despatches lower than last year at 193 million kgs. The Company's exports of bulk teas also decreased but recorded improved prices especially from Darjeeling teas. The Instant Tea exports, however, did not fare satisfactorily during the year.



The Instant Tea Plant did not achieve any major improvement in its operations during the year. Higher domestic sales and the growth of instant premixed powder were, however, positive and indicate future growth potential. Packet Tea operations also played an important role in the overall profitability. New brand launches and fresh designs were well received by the market. Additional facilities for warehousing and new packeting set-up have been organized and the current year should witness further increase in quantum.

All the three Darjeeling gardens have been converted to organic with the elimination of chemical inputs. Barnesbeg Tea Garden has achieved full conversion and was certified by the Institute for Marketecology (IMO) with Thurbo and Badamtam tea gardens under process. There has been a distinct improvement in quality in Barnesbeg with discerning European buyers showing preference for such teas.

The two Assam gardens, Orangajuli & Nonaipara, have received certification under Rainforest Alliance (RA) which is part of the Global Sustainable Agriculture Network.

The Company has availed of the Tea Board's quality upgradation scheme for replanting/rejuvenation of the old tea bushes. This has been helpful to ensure sustained growth and should improve productivity in future years. Two newly introduced systems at the auction centres have now stabilized (i) electronic auctions (except Darjeeling) and (ii) payment settlement system. These have brought in a major transformation in price discovery and have also provided a safety-net against payment defaults to producers.

In terms of Corporate Governance disclosure, under clause 49 of the Stock Exchange Listing Agreement, the Management Discussion and Analysis Report is given in Annexure - 'E' forming part of the report.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Your Company is a major constituent of Camellia Plc., U.K. one of the largest global producers of tea with interests in other plantation crops, agriculture, engineering and banking. The Statement of Business Principles of the Principal as well as norms followed by global bodies like Rainforest Alliance (RA), Fair Trade Practices (FTP) and Ethical Tea Partnership (ETP) are being complied with for sustainability. The Company has adopted specific policies towards meeting the above requirements under the following groups:-

- Health & Safety
- Waste Management
- Social
- Environment

Some of the key activities covered under the above framework are:-

- Primary Hospitals at all gardens, with a Group Hospital in Dooars.
- Tracking of health status of every family at the gardens.
- Visit by garden Doctors to adjoining villages to review disease status as part of CSR.
- Functioning "Safety Committee" at all gardens.
- Camps for sterilization, eye surgery and child immunization.
- Primary schools at all gardens and transport arrangement to secondary schools.
- Mothers' Club at the gardens for spreading awareness on health & hygiene.
- Waste management through segregation of waste, effluent treatment etc.
- Self help centres for various vocational activities.
- Afforestation / vegetation on non-tea areas.
- Malaria prevention schemes for Garden and adjoining villages.
- Scholarship scheme for meritorious students
- Adoption of School in the vicinity of the estates
- Towards limiting environmental pollution and reduced carbon footprint, the Company has installed dual fired boilers at its two factories in North Bengal to operate on renewable woody biomass replacing fossil fuel. This will cut down harmful emissions and also be eligible for carbon credits.



- Towards extending vocational training, certain brands of Darjeeling tea packets are being packed by physically challenged students of The Indian Institute of Cerebral Palsy (IICP). This is also enabling them to contribute towards their family income.
- The Goodricke School for Special Education at Siliguri, North Bengal, continues to render specialized education to children with special needs. The second phase of the School building with a modern auditorium has become operational.
- Rainforest Alliance (RA) - The norms lay down strict compliance with the environmental and social aspects with emphasis on labour welfare measures.

## **DIVIDEND**

The Board recommends a higher dividend of Rs. 5.00 per share (50%) [Previous year Rs.4.00 per share (40%)]. Such dividend, on declaration, will be paid to those members recorded in the Registers of the Company at the close of business on the date of Annual General Meeting, subject, however to the provision of Section 206A of the Companies Act, 1956.

## **FINANCE AND ACCOUNTS**

The higher profitability has further strengthened the financial base of the Company. The process of modernization/upgradation of the tea factories is continuing and by end of next year all factories in Dooars and Assam will be covered. Borrowings have also been reduced resulting in lower interest outgoings. In course of the year, the tea factories at Danguajhar Phase II, Lakhipara and Aibheel in Dooars, North Bengal, were upgraded and are producing quality teas at a lower cost. The higher internal accruals have also enabled capital expenditure on supporting utilities, plantations, R&D and labour welfare activities. The cost of production has, however, increased significantly with higher personnel cost together with that of coal, electricity, diesel, chemicals and others.

Cost Audit is being conducted by Messrs Shome & Banerjee, Cost Accountants, appointed with the approval of the Ministry of Corporate Affairs.

## **PROSPECTS**

The shortfall in the global tea market for the last two years has eased considerably with large increases in crop by Kenya and Sri Lanka. Due to adverse weather conditions and pest attack in upper Assam, there has been a reduced crop in India in 2010 thereby adding to the domestic shortfall of the previous year. Although there is a decrease in exports, the lower carryover, steady domestic demand and lower imports have contributed to larger demand supply mismatch. The price trends at the auctions and private sales have consistently attracted premium prices for quality teas. This is evident from the price differentials between the prices commanded by the Company's teas as compared to the auction averages. The Company stands at a favourable point for enhanced profitability in the coming years with the upgraded factories producing quality teas. However, this should be viewed against the backdrop of steady increase in the cost of inputs and social costs which are to be reckoned with in the coming years.

## **CORPORATE GOVERNANCE & AUDIT COMMITTEE**

Clause 49 of the Listing Agreement on Corporate Governance has undergone revisions in course of the year which have been implemented. Your Company has been one of the pioneers in Corporate Governance with the set-up of the Audit Committee of the Board in 1997 well before it became mandatory. The Audit Committee has played an important role during the year. It has interacted with the Statutory Auditors, Internal Auditors and other key personnel of the Company and has rendered advice in the areas of internal audit, finance and accounts.

The Code of Conduct for the Directors and Senior management is being complied with and Risk Profile Analysis is being carried out from time to time. In terms of Clause 49 of the Listing Agreement, disclosures under Corporate Governance are given in Annexure - 'F' of the report.

#### **SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE**

The Committee has met regularly in course of the year. With the compulsory dematerialization of the Company's shares and electronic mode of transfers, postal despatches have been eliminated. At the year end there were no unresolved pending investor grievances.

#### **REMUNERATION COMMITTEE**

The Remuneration Committee met twice during the year essentially to review and recommend annual increment and payment of commission to Managing Director within the terms of appointment.

#### **PERSONNEL**

The majority of the Group's gardens are located in remote areas away from towns and cities. In spite of these isolated locations and disturbed political environment in some areas, high morale was maintained by garden executives and workers. There were no major disruptions of work at the gardens or at any other establishments of the Company during the year.

Garden managerial personnel were nominated for specialized training at the Tea Research Association (TRA), Administrative Staff College (ASC) and others.

Group activities were organized in course of the year like football, golf, tennis, flower show and cultural programmes for greater team work amongst the Company's managerial and other personnel.

Your Directors place on record the co-operation received and sense of duty shown by all employees at its gardens and other establishments of the Company.

#### **PARTICULARS IN TERMS OF SECTION 217 OF THE COMPANIES ACT, 1956**

The particulars of Conservation of Energy and Technology absorption in terms of Section 217(1)(e) are given in Annexures "A" and "B". The particulars of employees attracting the provisions of Section 217(2A) are given in Annexure "C". Directors' Responsibility Statement, in terms of Section 217(2AA), is given in Annexure 'D'. All the Annexures form part of the Report.

#### **DIRECTORS**

There has been no change in the Board of Directors of the Company during the year under report.

Mr. A.K. Mathur and Mr. K. Sinha, retire by rotation and being eligible offer themselves for re-appointment subject to approval of the General Body. Your Board of Directors commends the reappointments.

#### **AUDITORS**

The Auditors, Messrs Lovelock & Lewes, Chartered Accountants, retire and are eligible for reappointment.

On behalf of the Board

A. N. Singh

*Managing Director*

S. Kaul

K. Sinha

P.K. Sen

*Directors*

Kolkata  
28th February, 2011



## ANNEXURE TO THE DIRECTORS' REPORT – ANNEXURE 'A'

Particulars of Conservation of Energy and Technology absorption in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors), Rules 1988 forming part of Directors' Report for the year ended 31st December, 2010.

### CONSERVATION OF ENERGY

#### I. Energy conservation measures undertaken:

- a) Installation of capacitor banks on main panel boards of grid supply for improved Power Factor. Most gardens achieving power factor of 0.95 and above.
- b) Installation of capacitors on all motors (above 3 HP) in the factory processing areas and in irrigation pumps & water supply motors in the fields to improve motor efficiency and lowering current consumption (amps).
- c) Replacement of old electrical motors by new energy efficient motors in a phased manner. These energy efficient motors consume much less current compared to conventional motors.
- d) Regular monitoring of installed capacitors and replacing damaged capacitors wherever found.
- e) Complete replacement of incandescent lamps, halogen and sodium vapour lamps by energy saving lamps like CFLs and LEDs.
- f) Optimization of factory running hours and machinery usage to achieve a load factor greater than 45% to avail minimum tariff rates.
- g) Increase in throughput in the factories to reduce energy consumption. This is being done by replacing old machinery with new generation modern machinery.
- h) Steps initiated for phase-wise replacement of Genset operated irrigation sets and water supply units with electrically powered units to cut down on energy cost.
- i) Replacement of coal fired heaters by woody biomass based boilers to reduce carbon emission.
- j) Replacement of old inefficient tea driers and furnaces with more efficient high throughput equipment like VFBDs to reduce coal consumption and also to reduce factory running hours.

#### II. Additional investments and proposals:

- a) Replacement of damaged/ malfunctioning capacitors.
- b) Replacement of all boiler water heating systems in bungalows by geysers / solar heating panels.
- c) Replacement of old model Air Conditioners with new power efficient and star rated Air Conditioners.
- d) Replacement of old transport utilities with new fuel efficient vehicles.
- e) Provision of new generation D.G. sets to enhance captive power generation capacity and improve fuel conservation.
- f) Replacement of over/underrated transformers with optimum rated transformers for better power utilization.

#### III. Impact of measures undertaken:-

In spite of steep increases in grid tariff and diesel rates, the Group's power cost has stayed within permissible limits. This has been achieved by regular monitoring of power related components.

#### FORM 'A'

Form for disclosure of particulars with respect to Conservation of energy.

#### A. Power and Fuel Consumption

	Current Year	Previous Year
<b>1. Electricity*</b>		
(a) Purchased		
Units (Kwh)	21,183,821	19,329,357
Total Amount (Rs.'000)	135,540	101,764
Rate/Unit (Rs.)	6.40	5.26

## ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'A' (Contd.)

Particulars of Conservation of Energy and Technology absorption in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors), Rules 1988 forming part of Directors' Report for the year ended 31st December, 2010.

	<b>Current Year</b>	Previous Year
(b) Own Generation*		
i) Through Diesel Generator Unit/(Kwh)	<b>3,180,844</b>	2,452,820
Unit Per ltr. of Diesel Oil	<b>2.85</b>	2.57
Cost/Unit (Rs.)	<b>13.12</b>	12.99
(ii) Through Steam Turbine/Generator	—	—
<b>2. Coal*</b>		
Quantity (Tonnes)	<b>18,180</b>	21,100
Total Cost (Rs.'000)	<b>89,976</b>	94,920
Average Rate (Rs.)	<b>4,949</b>	4,498
<b>3. Furnace Oil*</b>		
Quantity (Ltrs.)	<b>7,510</b>	19,872
Total Amount (Rs.'000)	<b>219</b>	657
Average Rate (Rs.)	<b>29.21</b>	33.07
<b>4. Others/Internal Generation</b>	—	—
<b>B. Consumption per unit of production</b>	<b>Current Year</b>	Previous Year
	Standards (If any)	
Product - Tea	—	—
Units - Qtls.	—	—
Electricity	<b>117.23</b>	108.19
Furnace Oil	<b>0.04</b>	0.10
Coal	<b>87.48</b>	104.80
Others	—	—

\*Note : 1. Introduction of energy efficient techniques and appliances has reduced per unit power consumption in the tea factories. However, with increase in tariff rate and higher operations of irrigation pumps due to dry conditions, overall cost has increased.

2. The coal consumption has shown a reduction due to introduction of better, fuel efficient driers (replacing the old conventional machines). Steam coal is used for the driers.

3. Furnace oil usage is being gradually reduced as it is unviable.

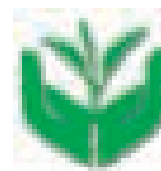
### FORM 'B'

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

- 1) Mass culture of mutant *Trichoderma viride* for the enhancement of the production of potent antagonist bio-control agent by using cheap source material like molasses and yeast.
- 2) Vermiculture biotechnology for soil enrichment, soil reclamation and nutrient mobilization through earthworms.
- 3) Role of phosphate solubilizing micro-organisms through solubilization of insoluble phosphate.
- 4) Mass production of Nitrogen fixing bacteria to increase the fertility of the soil.
- 5) Bio-control of the tea pests which includes:-
  - a) Preparation of different herbal concoction by utilizing locally available herbs and plants.
  - b) Study of natural predators of the tea pest and their preservation.
  - c) Isolation of bacterial or fungal strain which is effective against tea pests.
- 6) Effect of varying dosage of Nitrogen (N), Phosphorous (P), Potassium (K) and Sulphur (S) on yield and quality of tea.



## ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'A' (Contd.)

Particulars of Conservation of Energy and Technology absorption in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors), Rules 1988 forming part of Directors' Report for the year ended 31st December, 2010.

- 7) Experimentation is on to produce high quality nutrient rich organic compost by using Azolla (water fern).
- 8) Formulation of enriched bio-fertilizer i.e. vermicompost sourced from unadulterated pure cow dung and production of bio-pesticide from cow urine from captive source.
- 9) A full time Manager has been appointed to monitor different R&D activities.
- 10) A laboratory with state of the art equipment has been built to facilitate soil and compost analysis with greater accuracy.
- 11) Improvement of composting technique using a consortium of microbial strains through inoculation.
- 12) Establishment of model vermi composting unit to compare the quality of vermi compost and study the effect of vermi wash on nursery plants and young tea plants.
- 13) Soil health reclamation through population enhancement of beneficial microbes.
- 14) Process for tea concentrate using enzymes.
- 15) Process for Hot Water Soluble (HWS) and Cold Water Soluble (CWS) Instant teas.
- 16) Process for extraction and processing of green leaf solids.
- 17) Method for recovery of tea aroma.

### 2. Benefits derived as a result of the above R&D

- Trichoderma viride found to be very useful in post pruning application.
- Application of vermicompost in large scale is helping in soil reclamation and thus increasing the fertility level of the soil.
- Uses of certain in-house R&D products like Metabass, Bio-N, Bio-P, Trichoderma, Bio-inoculants have now become an integral part of agricultural practice.
- Encouraging results have been obtained from the bacterial isolate in controlling pest population.
- With the introduction of the dairy project large quantity of raw material is now available for the production of high quality vermicompost and different bio-pesticides using cow urine.
- Encouraging feed back being received from the different R&D trials which will benefit the group's agricultural operation in long run.
- Use of Bio-fertilizer helping in reduction of chemical fertilizer.
- Mass production of Azolla yielded high quality nutrient rich organic compost.
- Commercial application of biocide products which is a fungal pathogen for pest suppression
- Large scale application of locally prepared compost for extension and rejuvenation planting.
- Creation of eco-friendly plantation area development.
- Commercial application for readily soluble Instant tea in hot and cold water for convenience of end users/consumers.
- Patent obtained for HWS and CWS processes.
- Encouraging results obtained from vermi compost and vermi wash processing.

### 3. Future plan of action

- a) Enhancement of bio pesticide application and study of integration of biocide with chemical pesticides which exhibit synergistic effect.
- b) Soil health improvement and enhancement of fertilizer efficiency.
- c) To liaise with Tea Research Association and RRL like National Laboratories in similar fields of organic farming system.
- d) Reduced dependence on external sources for inorganic manure for plantation.
- e) Cost effective processes for Instant teas retaining the distinctive flavours/colours of Black teas.

### 4. Expenditure on R&D (Rs. in millions)

a) Capital	-	8.91
b) Recurring	-	6.08
c) Total	-	14.99
d) Total R&D expenditure as percentage of total turnover	-	0.37%

## ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'A' (Contd.)

Particulars of Conservation of Energy and Technology absorption in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors), Rules 1988 forming part of Directors' Report for the year ended 31st December, 2010.

### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

**1. Efforts, in brief, made towards technology absorption, adaptation and innovation.**

Mass production of biofertilizers / biocides / bio-inoculants together with value addition in terms of soil health, reclamation, nutrient mobilization based on reduced chemical use.

Independent process development and application capability.

**2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.**

Lowering of chemical input into the soil as well environment thereby minimising pollution and rejuvenation of atmosphere for healthy produce. Retention of flavour and other characteristics of black teas of separate regions.

**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:**

No technology was imported during the last 5 years.

On behalf of the Board

A. N. Singh

*Managing Director*

S. Kaul

K. Sinha

P.K. Sen

*Directors*

Kolkata

28th February, 2011

## ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'B'

Particulars of Foreign Exchange earnings and outgo in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 forming part of Directors' Report for the year ended 31st December 2010.

The Company has established Export Agents in Europe. The Export Agents are engaged in promotion of the Company's teas in the foreign markets, both for teas in bulk and value added forms. With greater emphasis on marketing value added products like packet tea and Instant tea, joint efforts are required and the export Agents perform an important role in this regard.

During the year, the foreign exchange outgoing on expenses was to the extent of Rs. 17.71 million which includes capital goods import of Rs. Nil and spare parts of Rs. Nil. Dividend remittance in foreign exchange was Rs. 63.94 million. The foreign exchange earned was Rs. 295.95 million.

On behalf of the Board

A. N. Singh

*Managing Director*

S. Kaul

K. Sinha

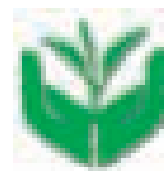
P.K. Sen

*Directors*

Kolkata

28th February, 2011





## ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'C'

Particulars of Employees in terms of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, forming part of Directors' Report for the year ended 31st December 2010.

Name	Age	Designation and Nature of Duties	Remuneration (Rs.'000)	Qualification and Experience (Years)	Date of Commencement of Employment	Last Employment held	Designation
Singh, A.N.	57	Managing Director & C.E.O	13,153	M.Sc (36)	1.01.78	Duncan Brothers & Co. Ltd.	Tea Garden Assistant.

Notes: The above remuneration includes salary, allowance, contribution to Provident Fund, Superannuation & Gratuity Funds and perquisites.

On behalf of the Board

A. N. Singh  
*Managing Director*  
S. Kaul  
K. Sinha  
P.K. Sen  
*Directors*

Kolkata  
28th February, 2011

## ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'D'

DIRECTORS' RESPONSIBILITY STATEMENT (DRS)

(As per section 217 (2AA) of the Companies Act, 1956)

The Directors hereby confirm :

- That in the preparation of the Annual Accounts for the year ended 31st December 2010, the applicable Accounting Standards have been followed and there are no material departures;
- That they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st December 2010 and the Profit of the Company for the financial year;
- That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That they have prepared the Annual Accounts for the year ended 31st December 2010, on a going concern basis.

On behalf of the Board

A. N. Singh  
*Managing Director*  
S. Kaul  
K. Sinha  
P.K. Sen  
*Directors*

Kolkata  
28th February, 2011



## **ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'E'**

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

The year 2010 has brought in mixed fortunes for the Indian tea Industry. In terms of crop, it was substantially lower than the previous year in Assam with only marginal improvement in Dooars and a stagnant production in Darjeeling and South India. However, the adverse impact of the shortfall has, to some extent, been made up through higher prices for quality teas. The price differentials between medium and quality teas have become significant thereby confirming the market's increasing preference for quality.

#### **Crop**

The Company's manufactured crop was higher at 20.58 million kgs. as compared to 19.96 million kgs. in the previous year. The higher crop was contributed by the Assam and Dooars gardens while Darjeeling witnessed a reduction due to drought like conditions in the early part of the season. During the year, the tea factories at Lakhipara, Aibheel and Danguajhar phase-II were modernised and upgraded which enabled production of quality teas at a lower cost. All India crop in 2010 was lower by approx 13 million kgs. at 966 million kgs, this being the second consecutive year of lower crop. On the global front, 2010 recorded a higher production by approx 100 million kgs. mainly due to substantial increases in Kenya and Sri Lanka.

The climate changes brought about by deforestation and pollution are affecting the normal rainfall and distribution pattern in the tea growing areas. The average rainfall over Darjeeling and Dooars has been decreasing over the years while very heavy and unprecedented rainfall had taken place over Assam in the months of August and September. Further, the frequency and coverage of helopeltis pest attacks have increased in Assam gardens in the last three years.

#### **Market Scenario**

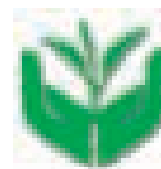
The Company has 17 tea estates - 3 in Darjeeling, 12 in Dooars and 2 in Assam. This geographical spread, along one of the main tea growing regions of the country, has enabled production of a wide range and also served as an effective defense against regional climatic variations. The production of a full range of Darjeeling, Assam and Dooars teas has enabled blending and to a large extent strengthened the packet tea operations. The all India average tea price which peaked in September softened at year end for Assam and Dooars with Cachar and South Indian prices going below the previous year's prices. Orthodox leaf price has gained new heights in 2010 and continues to be firmer. The favourable ratio of orthodox to total production will improve export realizations. The year 2010 started with a low carryover stock and on account of deficit crop during the year, the carryover for the year 2011 is practically nil.

The North Indian average price in 2010 was Rs. 118.20 per kg. as compared to Rs. 114.87 per kg. in 2009. In the previous year, the average prices had crossed the 1998 peak with overall prices in the current year improving further. This has contributed to increased profitability and cash flow. The substantial increases in input cost of coal, fertilizer, chemicals and staff costs, however, are important concerns for future profitability. The Government has not yet acceded to the Industry's demand to share a part of the increasing social costs. The movement of average auction prices over the last four years is given below:-

(Rs/Kg)

<b>Auction Centres</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Kolkata	130.38	124.63	105.12	82.38
Guwahati	112.93	110.42	91.71	69.63
Siliguri	104.43	104.65	85.27	65.92

While the prices of Assam and Darjeeling improved, that of Dooars was very selective being wholly based on quality. Darjeeling tea gardens traditionally have lower yields which result in higher cost of production. Hence, the improved prices have compensated the crop loss only to some extent.



## ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'E' (Contd.)

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

The average prices at the global auction centres have shown a positive trend as follows:-

(US\$/Kg)

Country	Average Auction Price	
	2010	2009
India (Kolkata)	2.85	2.58
Kenya (Mombasa)	2.76	2.71
Sri Lanka (Colombo)	3.28	3.17
Malawi (Limbe)	1.58	1.58
Bangladesh (Chittagong)	2.63	1.98

A comparative chart is given below which shows how the Company's teas command premium in the market:-

(Average prices - Rs./Kg.)

Tea Areas	Company's Teas	Other Quality Tea Companies	Consolidated Auction
Darjeeling	345.62	295.48	282.96
Dooars	142.29	135.77	113.19
Assam	169.01	139.94	135.59

Note: Company's teas exclude sale of teas produced from bought leaf.

The year 2010 witnessed greater price differential between the poor/medium/good quality teas. The above chart highlights the premium commanded by the Company's quality teas compared to the auction average.

### Exports

The exports in 2010 from India further decreased from the 2009 level. Similar to last year, no major breakthrough was achieved either in price or in volume, this being the second consecutive year of reduction. The Company's exports were marginally lower but with improved unit price realizations.

Export orders and trade enquiries hold out encouraging forecast for the current year.

### Packet Tea

Packet tea witnessed a volume of 5.75 million kgs. with improved profit margins. Due to lower tea prices at the bottom end of quality, regional packeteers were active leading to severe competition at lower end packets. This prompted the Company to launch various consumer schemes to push sales leading to higher expenses. The Company now has its own warehouse and distribution set up in the states of Madhya Pradesh and Rajasthan. The Company has recently tied up with an established Company for packeting teas with modern/efficient machineries under hygienic conditions. All packing units of the Company performed well and are covered under HACCP and ISO 22000 quality norms. New brand launches were made while some more are ready for launch in the current year.

### Instant Tea

There has been a reduction in the total volume of production at the plant with lower exports and higher domestic sales. The Instant Tea Plant in-house R&D continues to play an important role and has further refined the premix powder developed from instant tea. It is a convenience drink and would appeal to the consumers and test marketing of the product has since commenced.

### Corporate Governance & Internal Control System

The Company is complying with the norms laid down in Clause 49 of the Stock Exchange Listing agreement on Corporate Governance. Some of the key mandatory compliances in place are:-

- The Audit Committee consists of only non-executive Directors, 2/3rd of whom are independent Directors, the Chairman being one. The Chairman has the requisite financial expertise. The other members are well versed in financial aspects of a tea producer.

## ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'E' (Contd.)

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

- The Board of Directors meets the 1/3rd minimum criterion for independent non-Executive Directors. In fact it is now 50%.
- A Code of Conduct has been adopted by the Board. This has been accepted by all Directors and Senior Executives and posted on the Company's website. Declaration of compliance thereof from the C.E.O. has been incorporated in the Annual Report.
- The Audit Committee had met formally during the committee meetings as well as separately with the Chief internal auditor, statutory auditors and external Auditors. It reviewed the quarterly and annual financial statements, analyzed internal control systems and other activities as per the terms of reference.

In respect of non-mandatory clauses, the Company has a Remuneration Committee since 2001. No formal whistle blower policy is in place, yet it is ensured that employees highlighting issues in the interest of the Company, are not discriminated against or victimised.

#### Risk Analysis

- The Risk Analysis Report was reviewed from time to time. The analysis includes the gardens, operations, hail/rainfall, marketing, financial, regulatory, locational risk and others. Based on this analysis, necessary corrective actions were suggested by the Audit Committee. Risk Management procedures have also been laid down therein. These are being evaluated to ensure that all identified risks are provided for adequately and unidentified risks guarded against.
- The Company is in compliance with the Risk Management framework of Camellia Plc. for its global operation with country-wise risk analysis.

#### Human Resource Development

The Company deals with its employees with a human face. Tea plantations are labour intensive and hence the human factor in this relationship is important. The Company employs about 25,000 persons and the 2010 garden operations did not suffer any major disruptions. It is complying with the policies adopted on Health & Safety, Waste Management, Environment and Social. The guidelines under Statement of Business Principles of its U.K. principal on these aspects are also followed. Corporate Social Responsibility (CSR) activities in the areas of education and environment are being pursued. Regular afforestation and community welfare schemes have provided healthy environment at the gardens. The Human Resources Department organized various training courses to enhance the expertise and knowledge of all employees.

#### Financials

The internal funds available from better prices and improved profitability are being fully utilized to upgrade and modernize the tea factories and enhance irrigation facilities. This started a couple of years back and is being given priority to cover all the tea factories. The favourable impact on quality and cost of production from the recently upgraded factories have started giving encouraging returns on investment. There were no borrowings at the year end, the Company being debt free.

#### General

Tea industry historically is cyclic in nature in terms of crop and price. Having regard to the overall crop shortfall, modern factories and quality teas, the premium prices for the Company's teas are expected to continue.

On behalf of the Board  
 A. N. Singh  
*Managing Director*  
 S. Kaul  
 K. Sinha  
 P.K. Sen  
*Directors*

Kolkata  
 28th February, 2011



## ANNEXURE TO THE DIRECTORS' REPORT – ANNEXURE 'F'

### REPORT ON CORPORATE GOVERNANCE

The Stock Exchange Listing Agreement in clause 49 has laid down a Code of Corporate Governance which the Company has complied with as follows:

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

The Company's core business is the cultivation and production of tea and it is among the top three producers in India.

The Company strives to produce teas of premium quality, which are acceptable to the discerning world market. This particularly applies to production from the Darjeeling and Assam gardens.

Likewise, the Company endeavours to care for all its employees by providing medical, educational and welfare facilities way beyond the basic requirements.

The Company's overall philosophy is excellence in all spheres of its operations.

#### 2. Board of Directors — Composition:

The Board is headed by the Non-Executive Chairman, Mr. P.J. Field and comprises of persons with considerable professional experience in their respective fields. The Board consists of five Non-Executive Directors, three of whom are Independent Directors. Thus, 50% of the Board consists of Non-Executive Independent Directors. Particulars as at 31st December 2010, are given below:

Director*	Category	OTHER COMPANIES*		
		Member of Board	Board Committees	
			Chairman	Member
Mr. P.J. Field	Chairman - Non-Executive	4	—	—
Mr. A.N.Singh	Managing Director & CEO	4	—	—
Mr. A.K.Mathur	Non-Executive	2	—	—
Dr. S.Kaul	Non-Executive - Independent	—	—	—
Mr. K.Sinha	Non-Executive - Independent	1	—	—
Mr. P.K.Sen	Non-Executive -Independent	—	—	—

\* Excludes Directorships in Private Limited Companies, Foreign Companies and Companies under section 25 of the Companies Act, 1956.

## **ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'F' (Contd.)**

### REPORT ON CORPORATE GOVERNANCE

#### **Board Meetings & Annual General Meeting (AGM):**

During the year under review, eight Board Meetings were held, the dates being 25th February, 13th April, 14th May, 29th July, 14th September, 29th October, 22nd November and 20th December, 2010.

The last AGM was held on 13th April 2010.

Details of attendance:

<b>Director</b>	<b>No. of Board Meetings Attended</b>	<b>Whether attended last AGM</b>
Mr. A.N.Singh	8	Yes
Mr. P.J. Field	3	Yes
Mr. A.K.Mathur	2	No
Dr. S.Kaul	5	Yes
Mr. K.Sinha	8	Yes
Mr. P.K.Sen	8	Yes

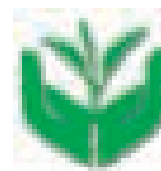
### **3. Audit Committee:**

The Audit committee comprises of three non-executive Directors of whom the Chairman and one member are independent Directors. The Committee was first constituted in April 1997. The committee has been meeting at regular intervals. The Chairman of the Audit committee has in-depth knowledge in the areas of Finance and Accounts.

A brief description of the terms of reference of the Audit committee, which covers the areas mentioned under clause 49 of the Listing agreement and Section 292A of the Companies Act 1956, is as follows:

- To review with the management, statutory Auditors and internal Auditors on the adequacy of the internal control systems.
- To review the adequacy of the internal audit function, including the nature and scope of internal audit and approve the internal audit plan for the year.
- To review the internal audit reports, to discuss with the internal auditors and management about their findings and suggest corrective action wherever necessary.
- To recommend appointment and removal of statutory Auditors, fixation of audit fees and approval for payment for any other services.
- To consider the nature and scope of statutory audit and review significant audit observations, if any.
- To review the financial reporting process and disclosure of financial information.
- To review the quarterly, half yearly and annual financials before submission to the Board.
- To review the Company's financial and risk management policies.
- To analyse substantial defaults in respect of payments to stakeholders, if any.
- To investigate into any other matters covered by Section 292A of the Companies Act, 1956.

During the year under review, five meetings of the Audit committee were held, the dates being 25th February, 14th May, 29th July, 29th October and 22nd November, 2010.



## ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'F' (Contd.)

### REPORT ON CORPORATE GOVERNANCE

The composition and attendance at the Audit committee meetings are as follows:

Name	No. of Audit Committee Meetings Attended
Mr. K. Sinha, Chairman	5
Mr. A.K. Mathur, Member	2
Mr. P.K. Sen, Member	5

The Vice President & Company Secretary acts as the Secretary to the Committee. The Managing Director and Statutory Auditors are invited for the meetings. The Head of internal Audit also attends the meetings.

#### 4. Remuneration Committee:

The Committee is responsible for recommending to the Board the remuneration package of Managing Director including annual increment and commission, if any, after reviewing performance. The committee consists of:-

Mr. K.Sinha	Chairman
Mr. P.J. Field	Member
Dr. S.Kaul	Member
Mr. P.K.Sen	Member

The Committee had met twice on 25th February and 22nd November, 2010. At both the meetings all members, except Mr. Field on 25th February, were present.

The remuneration policy takes into account the Company's performance and that of the Managing Director.

Remuneration paid to Directors during the year 2010:

Rs. in '000						
a.	Name	Salary	Commission	Value of Perquisites	Retiral Benefits	Total
	Mr. A.N.Singh	3,600	4,800	3,092	1,661	13,153

Service contract : 1st January, 2009 to 31st December, 2011 as Managing Director & CEO.

Notice period : Six (6) months.

Severance Fees : Not applicable.

Rs. in '000				
b.	Non-Executive Directors	Board Fees	Committee Fees	Total
	Dr. S.Kaul	40	26	66
	Mr. K.Sinha	64	51	115
	Mr. P.K.Sen	64	25	89

There are no stock option plans of the Company.

## **ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'F' (Contd.)**

### REPORT ON CORPORATE GOVERNANCE

#### **5. Shareholders' / Investors' Grievance Committee:**

The Committee comprises of the following Directors:-

Dr. Sudha Kaul	Chairperson (Non-Executive)
Mr. K. Sinha	Member (Non-Executive)
Mr. A.N. Singh	Member (Managing Director)

The Committee, which generally meets once a month, met thirteen times during the year.

a)	No. of complaints received from Stock Exchange/SEBI/ Shareholders	Eight
b)	No. of complaints not resolved/no action taken	NIL
c)	No. of pending complaints	NIL

Name and designation of Compliance Officer:

Mr. D.P. Chakravarti, Vice President & Company Secretary.

#### **6. General Body Meetings:**

Location and time where last three AGMs were held:

<b>Date</b>	<b>Location</b>	<b>Time</b>
5th April, 2008	Science City Auditorium, JBS Haldane Avenue, Kolkata - 700 046	10.00 AM
7th April, 2009	-do-	10.00 AM
13th April, 2010	-do-	10.00 AM

No special resolution was passed at the AGM held in 2008. One special Resolution was passed at the Annual General Meeting in 2009 and none in 2010. The resolutions did not come under the purview of postal ballot in terms of Section 192A of the Companies Act 1956.

No special resolution is proposed to be conducted at the forthcoming Annual General Meeting. No resolution proposed through postal ballot.

No other General meetings were held in course of the last three years.

#### **7. Other Disclosures:**

##### **A. Related party transactions:**

Disclosures on materially significant related party transactions:

Details of related party transactions as specified in Accounting Standard 18 of the Companies (Accounting Standards) Rules, 2006 have been reported in the Notes to the Accounts.

The Company has not entered into any transactions of material nature with any of its related parties that may have potential conflict with the interest of the Company.



## ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'F' (Contd.)

### REPORT ON CORPORATE GOVERNANCE

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- B. No penalties/strictures have been imposed on the Company by Stock Exchange, SEBI or any regulatory authority for non-compliance of any laws on any matter related to capital markets, during the last three years.
- C. The revised Clause 49 of the Listing agreement consists of mandatory and non-mandatory requirements. The Company is compliant with the mandatory clauses.

In respect of the non-mandatory provisions, the Remuneration Committee has been in operation since 29th November, 2001. There is no audit qualification pertaining to the financial statements of the Company. The Board and the Audit Committee review adoption of other non-mandatory requirements and will have the same in place at an appropriate time. There is no formal whistle blower policy but no employee is denied access to the Audit Committee or to make any reference.

#### 8. Means of Communication:

- a) No half-yearly report is sent to the shareholders directly.
- b) Quarterly results and the Half-yearly results are published in newspapers such as Business Standard/Economic Times and Aajkal (Bengali). Such financials are covered by limited review by the statutory Auditors. The annual audited results are also published within sixty days of the close of the financial year.
- c) Financial results are posted on the Company's website: **www.goodricke.com**. Also results are sent to the Stock exchange for incorporation in their Website.

Company's e-mail address: **goodricke@goodricke.com**

The Company is also making electronic filing of shareholding pattern, quarterly and annual financial results under corporate filing system of Bombay Stock Exchange.

- d) Management Discussion and Analysis Report forms part of the Directors' Report.
- e) No formal presentation has been made to Institutional investors or analysts during the year.

#### 9. Shareholder Information:

**(a) AGM date, time and venue:**

Tuesday, the 12th April 2011, at 10.00 AM.

Science City Mini Auditorium, JBS Haldane Avenue, Kolkata - 700 046.



**ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'F' (Contd.)**

REPORT ON CORPORATE GOVERNANCE

**(b) Financial calendar & Publication of Results:**

The financial year of the Company is January to December.

Publications of Results will be as follows:

<b>Period</b>	<b>Approval by the Board of Directors</b>
1st quarter ending March 31, 2011	Second week of May 2011
2nd quarter and 1st half ending June 30, 2011	Last week of July 2011
3rd quarter ending September 30, 2011	Last week of October 2011
Final Audited results of December 31, 2011 including 4th quarter	February 2012
AGM for the year ending December 31, 2011	April 2012

**(c) Book closure and Dividend payment date:**

Monday, the 4th April 2011 to Tuesday, the 12th April 2011, both days inclusive.

Dividend payment date : On & from 18th April 2011

**(d) Listing on Stock Exchanges:**

The Company's securities are listed at:

The Bombay Stock Exchange Ltd (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001.
-------------------------------------------------------------------------------------------------------------

Note : 1) Listing fees, as prescribed, have been paid to the aforesaid Stock Exchange upto 31st March, 2011.

2) The securities of the Company have been de-listed from The Calcutta Stock Exchange Association Ltd. with effect from 10th August, 2007.

**Stock Code:**

<b>Stock Exchange</b>	<b>Stock Code</b>
The Bombay Stock Exchange Ltd.	500166



## ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'F' (Contd.)

### REPORT ON CORPORATE GOVERNANCE

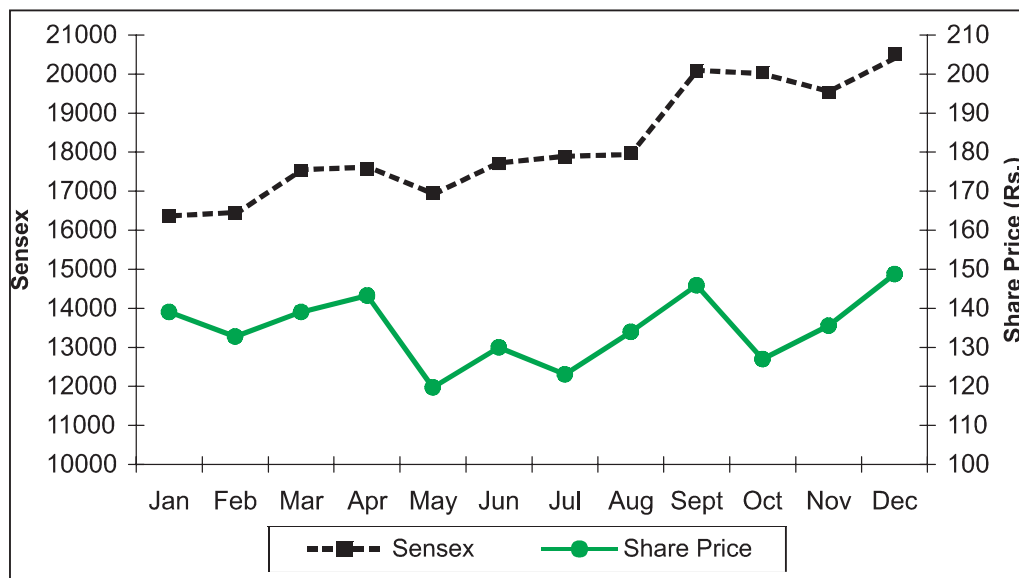
**(e) Stock Price Data:  
Year 2010**

(Rs.)

Month	The Bombay Stock Exchange Ltd. (BSE)	
	High	Low
January	189.95	134.10
February	156.00	126.70
March	154.00	132.00
April	153.00	134.25
May	144.25	111.55
June	137.30	111.00
July	136.55	121.00
August	145.50	121.00
September	163.00	133.10
October	148.00	123.00
November	162.95	130.00
December	153.00	123.70

**(f) Stock Performance:**

Company's Share Price in relation to BSE SENSEX:  
(January to December 2010)



## ANNEXURE TO THE DIRECTORS' REPORT - ANNEXURE 'F' (Contd.)

### REPORT ON CORPORATE GOVERNANCE

**(g) Share Transfer System:**

The Company's shares are compulsorily traded in the demat form with effect from 21st March 2000 for all categories of shareholders. All transfers are debited/credited through the respective Accounts maintained with the Depository Participants (DPs) of the Investor.

SEBI vide its circular dated 16th December 2010 has amended clause 5A of the Listing agreement by laying down a uniform procedure for dealing with unclaimed shares in physical mode and getting the same dematerialized after completing the said procedure. The Company's Registrar & Share Transfer Agent is in the process of complying with the said amendment.

Code No. allotted by NSDL/CDSL:

(ISIN) INE 300A01016.

**(h)** In accordance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992, as amended, the Company has formulated an Internal Code in terms of the above regulations.

**(i) Dematerialisation of Shares:**

As on 31st December 2010, 23.43% of total holdings has been dematerialised.

**(j) (i) Distribution of shareholding as on 31st December 2010**

Group of Shares	No. of Shareholders	%	No. of Shares held	% to Total Shares
1 to 500	13,368	93.39	1,553,611	7.19
501 to 1000	474	3.31	365,472	1.69
1001 to 2000	232	1.62	356,155	1.65
2001 to 3000	69	0.48	175,807	0.82
3001 to 4000	44	0.31	157,204	0.73
4001 to 5000	32	0.22	153,644	0.71
5001 to 10000	54	0.38	393,565	1.82
10001 & higher	42	0.29	18,444,542	85.39
Total	14,315	100.00	21,600,000	100.00

**(ii) Shareholding pattern as at 31st December 2010**

Category	No. of Shareholders	No. of Shares held	% of Shareholding
Foreign Companies	2	15,984,000	74.00
Non-Resident Individuals	81	50,112	0.23
Foreign Institutional Investors/ Foreign Banks	2	6,720	0.03
Banks & Insurance Companies	12	3,189	0.02
Mutual Funds	10	2,671	0.01
Resident individuals	13,821	3,832,122	17.74
Other Bodies Corporate & Trust	319	1,673,685	7.75
Clearing Members	68	47,501	0.22
Total	14,315	21,600,000	100.00



**(k) Outstanding GDR/Warrants and Convertible Bonds, Conversion dates and likely impact on Equity:**

Not Applicable.

**(l) Plant Locations:**

The Company owns seventeen Tea Gardens each having its own processing factory, one Instant Tea Plant and a Tea Blending Unit.

**DOOARS (NORTH BENGAL) – IN JALPAIGURI DISTRICT**

Aibheel  
Chalouni  
Chulsa  
Danguajhar  
Gandrapara  
Hope  
Jiti  
Kumargram  
Lakhipara  
Leesh River  
Meenglas  
Sankos

**ASSAM – IN DARRANG DISTRICT**

Nonaipara  
Orangajuli

**DARJEELING DISTRICT**

Badamtam  
Barnesbeg  
Thurbo

**Note:** Particulars of area under Tea, Crop & others given later in the Report.

**INSTANT TEA PLANT – IN JALPAIGURI DISTRICT**

At Aibheel, Dooars

**DIAMONDPORE TEA BLENDING UNIT – IN JALPAIGURI DISTRICT**

At Aibheel, Dooars

**(m) Address for correspondence:**

**(Registrars & Share Transfer Agents & Depository Registrar)**

C.B. Management Services Pvt. Ltd.  
P-22, Bondel Road, Kolkata - 700 019  
Tel: 4011 6700/715/724/729  
E-Mail: rta@cbmsl.com

Note: In case of continuing difficulty, the Compliance Officer at the Registered Office to be intimated at **email: investor@goodricke.com**

On behalf of the Board  
A. N. Singh  
*Managing Director*  
S. Kaul  
K. Sinha  
P.K. Sen  
*Directors*

Kolkata  
28th February, 2011

## **CEO AND CFO CERTIFICATION**

We, A.N. Singh, Managing Director & C.E.O. and A. Sengupta, Chief Accountant & C.F.O. certify that:-

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st December, 2010 and to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st December, 2010 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
  - i) There has not been any significant change in internal control over financial reporting during the year under reference;
  - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Kolkata  
28th February, 2011

A.N. Singh  
Managing Director & CEO

A. Sengupta  
Chief Accountant & CFO

### **Declaration regarding compliance with the Company's Code of Conduct.**

The Board of Directors of Goodricke Group Limited has adopted two separate Code of Conducts; one to be followed by all members of the Board and the other for Senior Management personnel of the Company in compliance with the revised Clause 49 of the Listing Agreement with the Stock Exchanges. Both these Codes are available on the Company's website [www.goodricke.com](http://www.goodricke.com).

This is to confirm that the Company has received from each member of the Board and Senior Management personnel a Declaration of Compliance with the Code of Conduct as applicable.

Kolkata  
28th February, 2011

**A. N. Singh**  
Managing Director & CEO



## **AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE**

**To  
The Members of Goodricke Group Limited**

We have examined the compliance of conditions of Corporate Governance by Goodricke Group Limited, for the year ended 31 December, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us,

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.

Plot No. Y-14, Block EP, Sector V, Salt Lake  
Kolkata-700091  
28th February, 2011

Prabal Sarkar  
*Partner*  
Membership No. 52340  
For and on behalf of  
LOVELOCK & LEWES  
Firm Registration Number:301056E  
*Chartered Accountants*

## AUDITORS' REPORT TO THE MEMBERS OF GOODRICKE GROUP LIMITED

1. We have audited the attached Balance Sheet of Goodricke Group Limited (the "Company") as at 31st December, 2010, and the related Profit and Loss Account 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by 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 Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Profit and Loss Account 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;
  - (e) On the basis of written representations received from the directors, as on [balance sheet date] and taken on record by the Board of Directors, none of the directors is disqualified as on [balance sheet date] from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and 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 December, 2010;
    - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Prabal Sarkar  
*Partner*

Membership No. 52340

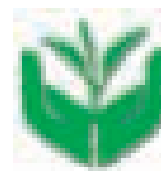
For and on behalf of

LOVELOCK & LEWES

Firm Registration Number:301056E

*Chartered Accountants*

Plot No. Y-14, Block EP, Sector V, Salt Lake  
Kolkata-700091  
28th February, 2011



## ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Goodricke Group Limited on the financial statements for the year ended 31st December, 2010.

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.  
(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.  
(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. (a) The inventory (excluding stocks with certain third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.  
(b) In our opinion, 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) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
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 taken unsecured loan, from a company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregates to Rs.10,115,068 and Rs. Nil respectively.  
(c) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.  
(d) In respect of the aforesaid loans, the Company is regular in repaying the principal amounts as stipulated and is also regular in payment of interest, where applicable.
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 for the purchase of inventory, fixed assets and for the sale of goods. 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. The Company does not sell services.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.  
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
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 thereunder.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed



examination of the records with a view to determine whether they are accurate or complete.

9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is 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 delay in few cases. There is no amount outstanding as at 31st December, 2010 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax and sales-tax as at 31st December, 2010 which have not been deposited on account of a dispute are given in Appendix 1. There are no dues of wealth-tax, service-tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.  
Further since the Central Government has till date not prescribed the amount of cess payable under Section 441A of the Act, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.
10. The Company has no accumulated losses as at 31st December, 2010 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 explanation given to us, the Company has not defaulted in repayment of dues to any bank . There are no dues to any financial institution or debenture holders as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. 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, 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 during the year.
16. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
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 debenture and hence no securities have been created.
20. The Company has not raised any money by public issues 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 instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.
22. The other clauses, (iii)(b) to (iii)(d) of paragraph 4 of the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable in the case of the Company for the year, since in our opinion there is no matter which arises to be reported in the aforesaid Order.

Prabal Sarkar  
*Partner*

Membership No. 52340

For and on behalf of

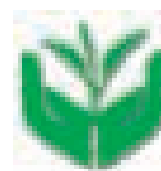
LOVELOCK & LEWES

Firm Registration Number:301056E

*Chartered Accountants*

Plot No. Y-14, Block EP, Sector V, Salt Lake  
Kolkata-700091

28th February, 2011



## Appendix – 1

### Statement of Disputed Dues as at 31st December 2010

Name of the Statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Central Income Tax	1,051,656	1996-97	The Commissioner of Income Tax (Appeals), Kolkata
	Central Income Tax	4,318,753	2001-02	The Commissioner of Income Tax (Appeals), Kolkata
	Central Income Tax	3,162,478	2002-03	The Commissioner of Income Tax (Appeals), Kolkata
	Central Income Tax	2,995,905	2006-07	The Commissioner of Income Tax (Appeals), Kolkata
The Bengal Agricultural Income Tax Act, 1944	Bengal Agricultural Income Tax	5,533,624	1984-85	The West Bengal Commercial Taxes Appellate and Revisional Board
	Bengal Agricultural Income Tax	10,874,512	1989-90	The West Bengal Commercial Taxes Appellate and Revisional Board
	Bengal Agricultural Income Tax	13,333,356	1990-91	The West Bengal Commercial Taxes Appellate and Revisional Board
	Bengal Agricultural Income Tax	5,202,053	2001-02	Agricultural Income Tax Officer- West Bengal
	Bengal Agricultural Income Tax	4,265,589	2002-03	Agricultural Income Tax Officer-West Bengal
W.B.VAT Act, 2003	Sales Tax Authorities	318,851	2008-09	Dy.Commissioner, Commercial Tax
CST Act, 1956	Sales Tax Authorities	1,183,654	2008-09	Dy.Commissioner, Commercial Tax

## BALANCE SHEET as at 31st December 2010

	Schedule	2010 Rs.('000)	2009 Rs.('000)
<b>1. SOURCES OF FUNDS</b>			
(1) <b>Shareholders' Funds</b>			
(a) Capital	1	216,000	216,000
(b) Reserves & Surplus	2	<u>1,217,041</u>	<u>893,012</u>
		<b>1,433,041</b>	1,109,012
(2) <b>Loan Funds</b>			
Secured Loans	3	—	92,555
(3) <b>Deferred Taxation Liability (net)</b>	4	<u>14,099</u>	<u>8,352</u>
<b>Total</b>		<b><u>1,447,140</u></b>	<u>1,209,919</u>
<b>2. APPLICATION OF FUNDS</b>			
(1) <b>Fixed Assets</b>			
(a) Gross Block	5	1,889,020	1,651,721
(b) Less: Depreciation		1,096,468	1,007,751
(c) Less: Impairment		<u>15,537</u>	<u>—</u>
(d) Net Block		<u>777,015</u>	643,970
(e) Capital Work in Progress		<u>35,745</u>	<u>42,174</u>
		<b>812,760</b>	686,144
(2) <b>Investments</b>	6	18	18
(3) <b>Current Assets, Loans &amp; Advances</b>			
(a) Inventories	7	<b>870,781</b>	629,790
(b) Sundry Debtors	8	<b>403,461</b>	420,372
(c) Cash and Bank Balances	9	<b>199,364</b>	111,542
(d) Interest accrued on Deposits		<b>4,025</b>	1,036
(e) Loans and Advances	10	<b>202,746</b>	217,138
		<b>1,680,377</b>	1,379,878
Less: Current Liabilities & Provisions			
(a) Liabilities	11	<b>920,077</b>	755,037
(b) Provisions	12	<b>125,938</b>	101,084
		<b>1,046,015</b>	856,121
Net Current Assets		<u><b>634,362</b></u>	<u>523,757</u>
<b>Total</b>		<b><u>1,447,140</u></b>	<u>1,209,919</u>
Notes on Accounts	18		

The schedules referred to above form an integral part of the Balance Sheet  
This is the Balance Sheet referred to in our report of even date

On behalf of the Board

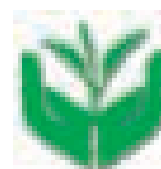
Prabal Sarkar  
*Partner*  
Membership No. 52340  
For and on behalf of  
LOVELOCK & LEWES  
*Chartered Accountants*

D.P. Chakravarti  
*Vice President & Secretary*

A. N. Singh  
*Managing Director*  
S. Kaul  
K. Sinha  
P. K. Sen  
*Directors*

Kolkata  
28th February, 2011

## PROFIT & LOSS ACCOUNT for the year ended 31st December 2010



	Schedule	2010 Rs.('000)	2009 Rs.('000)
<b>INCOME</b>			
Sales		<b>4,004,302</b>	3,721,590
Less: Excise Duty		<b>11,182</b>	3,865
		<b>3,993,120</b>	3,717,725
Other Income	13	<b>85,183</b>	131,942
		<b>4,078,303</b>	3,849,667
<b>EXPENDITURE</b>			
(Accretion) / Decretion to Stock	14	<b>(220,224)</b>	(31,865)
Tea Purchase		<b>864,831</b>	680,428
Raw Material Consumed	15	<b>280,651</b>	325,164
Expenses	16	<b>2,396,504</b>	2,230,467
Depreciation		<b>94,854</b>	73,454
Interest		<b>15,436</b>	41,353
(On fixed loan Rs.4,683; 2009: Rs. 8,210)			
		<b>3,432,052</b>	3,319,001
<b>PROFIT BEFORE IMPAIRMENT LOSS &amp; TAXATION</b>		<b>646,251</b>	530,666
Impairment Loss (Refer Note 16 in Schedule 18)		<b>15,537</b>	—
<b>PROFIT BEFORE TAXATION</b>		<b>630,714</b>	530,666
Provision for Taxation	17	<b>180,747</b>	111,240
<b>PROFIT AFTER TAXATION</b>		<b>449,967</b>	419,426
Add : Profit brought forward from Last Account		<b>51,247</b>	32,905
		<b>501,214</b>	452,331
<b>APPROPRIATIONS</b>			
Proposed Dividend		<b>108,000</b>	86,400
Tax on Dividend (for current year)		<b>17,938</b>	14,684
Transfer to General Reserve		<b>320,000</b>	300,000
Balance Carried Forward		<b>55,276</b>	51,247
Earnings Per Share (Basic & Diluted) (Rs.)		<b>20.83</b>	19.42
Notes on Accounts	18		

The schedules referred to above form an integral part of the Profit & Loss Account  
This is the Profit & Loss Account referred to in our report of even date

On behalf of the Board

Prabal Sarkar  
*Partner*  
Membership No. 52340  
For and on behalf of  
LOVELOCK & LEWES  
*Chartered Accountants*

Kolkata  
28th February, 2011

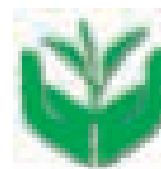
D.P. Chakravarti  
*Vice President & Secretary*

A. N. Singh  
*Managing Director*  
S. Kaul  
K. Sinha  
P. K. Sen  
*Directors*

**Schedules forming part of the Balance Sheet  
as at 31st December 2010**

	2010 Rs.('000)	2009 Rs.('000)
<b>(1) SHARE CAPITAL</b>		
<b>Authorised:</b>		
22,000,000 Equity Shares of Rs. 10/- each	<u>220,000</u>	<u>220,000</u>
<b>Issued &amp; Subscribed:</b>		
21,600,000 Equity Shares of Rs. 10/- each, fully paid	<u>216,000</u>	<u>216,000</u>
<b>Of the above:</b>		
1. 2,220,000 Equity Shares of Rs.10/- each fully paid were issued for consideration other than in cash, pursuant to a scheme of Arrangement for Amalgamation.		
2. 18,600,000 Equity Shares of Rs.10/- each were issued as fully paid Bonus Shares by way of Capitalisation of General Reserve.		
3. 5,594,400 and 10,389,600 Equity Shares of Rs.10/- each are held by Western Dooars Investment Limited and Assam Dooars Investment Limited respectively, the subsidiaries of Camellia Plc, the ultimate holding company.		
<b>(2) RESERVES AND SURPLUS</b>		
<b>Capital Reserves:</b>		
As per last Account (including Rs.3,884 representing pre-acquisition profit)	<b>13,558</b>	13,558
<b>Other Reserves:</b>		
<b>Transferred from pre-merger Reserves</b>		
Development Rebate Reserve	<b>992</b>	992
Development Allowance Reserve	<b>979</b>	979
Investment Allowance (Utilised) Reserve	<b>896</b>	896
	<u>2,867</u>	<u>2,867</u>
<b>General Reserve:</b>		
As per Last Account	<b>825,340</b>	525,340
Add : Transfer from Profit and Loss Account	<b>320,000</b>	300,000
	<u>1,145,340</u>	<u>825,340</u>
Profit and Loss Account	<b>55,276</b>	51,247
	<u>1,217,041</u>	<u>893,012</u>

**Schedules forming part of the Balance Sheet  
as at 31st December 2010 (Contd.)**



	<b>2010</b>	2009
	<b>Rs.('000)</b>	Rs.('000)
<b>(3) SECURED LOANS</b>		
From Banks		
Term Loan from HDFC Bank Limited (Secured by equitable mortgage by deposit of title deeds of the Company's Tea estates and immovable properties thereon ranking pari passu with the charge created for working capital facilities.)	—	37,500
Term Loan from HSBC Ltd. (Secured by hypothecation on entire stocks and book debts including standing crops, stocks of tea and sale proceeds and mortgage of movable plant and machinery situated anywhere in India and movable and immovable properties of the company's tea estates.)	—	4,609
Term Loan from Axis Bank Ltd. (Secured by hypothecation charge on entire movable plant & machinery and other movable fixed assets of the company ranking pari passu with other consortium banks .)	—	50,000
Interest Accrued & Due	—	446
	—	92,555
 <b>(4) DEFERRED TAXATION</b>		
Deferred Tax Liabilities	<b>34,633</b>	36,744
Deferred Tax Assets	<b>(20,534)</b>	(28,392)
	<b>14,099</b>	8,352

## Schedules forming part of the Balance Sheet as at 31st December 2010 (Contd.)

(5) Fixed Assets												Rs. ('000)	
Fixed Assets	TANGIBLE										INTANGIBLE	Total as at 31.12.2010	Total as at 31.12.2009
	Estate & Development	Bridges & Roads	Buildings	Plant & Machinery	Water Supply & Tubewell	Furniture & Fixture	Equipment	Motor Vehicles	Livestock	Computer Software			
Gross Block as at 1.1.2010	67,345	9,479	596,984	756,891	37,705	47,203	29,611	89,886	—	16,617	1,651,721	1,497,658	
Additions	907	1,725	98,399	112,408	373	1,253	2,983	22,825	2,610	641	244,124	168,628	
Disposals/Adjustments	—	—	—	1,357	—	—	—	5,373	95	—	6,825	14,565	
Gross Block as at 31.12.2010 (A)	68,252	11,204	695,383	867,942	38,078	48,456	32,594	107,338	2,515	17,258	1,889,020	1,651,721	
Accumulated Depreciation as at 1.1.2010	—	4,877	290,148	556,300	26,236	33,715	27,125	62,611	—	6,739	1,007,751	948,134	
Depreciation for the Year	—	279	27,512	50,154	953	2,321	1,166	9,567	30	2,872	94,854	73,454	
Depreciation on Disposals/Adjustments	—	—	—	1,346	—	—	—	4,791	—	—	6,137	13,837	
Accumulated Depreciation as at 31.12.2010 (B)	—	5,156	317,660	605,108	27,189	36,036	28,291	67,387	30	9,611	1,096,468	1,007,751	
Impaired Assets as at 1.1.2010	—	—	—	—	—	—	—	—	—	—	—	—	
Impairment during the year	—	—	—	15,537	—	—	—	—	—	—	15,537	—	
Impairment reversed during the year	—	—	—	—	—	—	—	—	—	—	—	—	
Impairment as at 31.12.2010 (C)	—	—	—	15,537	—	—	—	—	—	—	15,537	—	
Net Block as at 31.12.2010 (A-B-C)	68,252	6,048	377,723	247,297	10,889	12,420	4,303	39,951	2,485	7,647	777,015	643,970	
Net Block as at 31.12.2009	67,345	4,603	306,835	200,590	11,469	13,489	2,486	27,275	—	9,878	643,970	—	

NOTE : (i) Buildings include land which cannot be segregated  
(ii) Estate & Development includes certain leasehold lands value of which are not ascertainable. Renewal of lease agreements of certain estates are pending.  
(iii) Additions to Plant & Machinery during the year is net of Capital Subsidy of Rs. Nil (2009- Rs.8,490)  
(iv) Intangible Assets mentioned above are other than self generated.

**Schedules forming part of the Balance Sheet  
as at 31st December 2010 (Contd.)**



	2010 Rs.('000)	2009 Rs.('000)
<b>(6) INVESTMENTS (Long Term)</b>		
<b>Trade - Fully paid</b>		
<b>(A) Quoted</b>		
1,107 Equity Shares of Rs. 10/- each in Duncan Industries Limited	<b>665</b>	665
<b>(B) Unquoted</b>		
20,000 Equity Shares of Rs. 10/- each in ABC Tea Workers' Welfare Services	<b>200</b>	200
	<b>865</b>	865
Less: Provision	<b>847</b>	847
	<b>18</b>	18
<b>Quoted Investments</b>		
Book Value	<b>7</b>	7
Market Value	<b>24</b>	13
Unquoted Investments		
Book value	<b>10</b>	10
<b>(7) INVENTORIES</b>		
Stores and Spare Parts	<b>118,813</b>	106,102
Raw Materials	<b>10,605</b>	2,549
Finished Goods - Tea ( including Goods in Transit )	<b>741,363</b>	521,139
	<b>870,781</b>	629,790
<b>(8) SUNDRY DEBTORS - Unsecured</b>		
Debts outstanding for a period exceeding six months		
Considered Good	<b>3,060</b>	6,641
Considered Doubtful	<b>8,584</b>	7,170
	<b>11,644</b>	13,811
Other Debts -		
Considered Good	<b>400,401</b>	413,731
Considered Doubtful	<b>—</b>	—
	<b>400,401</b>	413,731
Less: Provision for Doubtful debts	<b>8,584</b>	7,170
	<b>403,461</b>	420,372
<b>(9) CASH AND BANK BALANCES</b>		
Cash, Cheques in hand (including cheques in hand Rs.13,113; 2009: Rs.3,197)	<b>18,205</b>	9,484
With Scheduled Banks on		
Current Account	<b>83,247</b>	77,788
Deposit Account	<b>95,917</b>	22,892
Dividend Account	<b>1,995</b>	1,378
	<b>199,364</b>	111,542



**Schedules forming part of the Balance Sheet  
as at 31st December 2010 (Contd.)**

	2010 Rs.('000)	2009 Rs.('000)
<b>(10) LOANS AND ADVANCES</b>		
(Unsecured - considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received*	<b>138,663</b>	120,849
Considered Doubtful	<b>7,420</b>	3,764
Less: Provision	<b>7,420</b>	3,764
Deposit With		
NABARD	<b>24,041</b>	44,320
Others	<b>14,682</b>	12,454
Balance with Customs and Excise Authorities	<b>1,018</b>	439
Advance payment of Taxes net of Provision of Rs.1,293,888; (2009: Rs. 1,118,888)	<b>24,342</b>	39,076
	<b>202,746</b>	217,138
* Note: i) Includes due by: the Directors of the Company (including Rs.Nil; (2009: Rs. 130) made before appointment as Director.)	—	130
ii) Maximum amount due at any time during the year by the Directors of the company (including Rs.130 (2009: Rs. 254) made before appointment as Director.	<b>130</b>	254
<b>(11) LIABILITIES</b>		
Sundry Creditors( Refer Schedule 18 Note 14)	<b>441,143</b>	331,007
Unclaimed Dividend *	<b>1,995</b>	1,378
Other Liabilities	<b>476,939</b>	422,334
Interest Accrued but not due on Loans	—	318
	<b>920,077</b>	755,037
** There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31st December, 2010.		
<b>(12) PROVISIONS</b>		
Proposed Dividend	<b>108,000</b>	86,400
Tax on Dividend	<b>17,938</b>	14,684
	<b>125,938</b>	101,084

**Schedules forming part of the Profit & Loss Account  
for the year ended 31st December 2010(Contd.)**



	<b>2010</b>	2009
	<b>Rs.('000)</b>	Rs.('000)
<b>(13) OTHER INCOME</b>		
Interest on Nabard & Other Deposits (Gross) (Tax Deducted at Source Rs.304; 2009: Rs.126)	<b>5,612</b>	1,493
Interest on Overdue Bills (Gross) (Tax Deducted at Source Rs.344; 2009: Rs.187)	<b>5,487</b>	1,529
Interest on Income Tax	—	17,842
Replanting & Other Subsidies	<b>17,856</b>	14,530
Profit on Sale/Discard of Fixed Assets (Net)	<b>1,358</b>	5,516
Liabilities no longer required written back	<b>11,091</b>	3,778
Provision for doubtful debts & advances no longer required written back	—	52,895
Miscellaneous Receipts	<b>41,413</b>	30,075
Gain in Foreign Exchange	<b>2,366</b>	4,284
	<b><u>85,183</u></b>	<u>131,942</u>
<b>(14) (ACCRETION) / DECRETION TO STOCK</b>		
Opening Stock of Tea	<b>521,139</b>	489,274
Less : Closing Stock of Tea	<b>741,363</b>	521,139
	<b><u>(220,224)</u></b>	<u>(31,865)</u>
<b>(15) RAW MATERIAL CONSUMED</b>		
Opening Stock	<b>2,549</b>	1,855
Add : Purchase	<b>288,707</b>	325,858
	<b><u>291,256</u></b>	<u>327,713</u>
Less : Closing Stock	<b>10,605</b>	2,549
	<b><u>280,651</u></b>	<u>325,164</u>

**Schedules forming part of the Profit & Loss Account  
for the year ended 31st December 2010 (Contd.)**

	2010 Rs.('000)	2009 Rs.('000)
<b>(16) EXPENSES</b>		
Salaries, Wages, Bonus etc.	<b>971,321</b>	878,444
Contribution to Provident, Gratuity and other funds	<b>108,777</b>	137,538
Directors' Fees	<b>270</b>	238
Workmen and Staff Welfare Expenses	<b>167,354</b>	139,277
Consumption of Stores and Spare Parts	<b>291,700</b>	288,491
Power and Fuel	<b>296,449</b>	245,971
Excise Duty and Cess	<b>6,377</b>	5,916
Insurance	<b>7,435</b>	5,783
Rent	<b>9,602</b>	8,669
Rates and Taxes	<b>8,753</b>	8,961
Repairs to Buildings	<b>29,589</b>	18,180
Repairs to Machinery	<b>35,055</b>	29,294
Advertisement	<b>6,465</b>	15,913
Selling Expenses	<b>291,203</b>	253,756
(Refer Note 15 of schedule 18)		
Miscellaneous Expenses	<b>161,085</b>	137,228
Debts / Loans and advances Written Off	<b>—</b>	52,895
Provision for Doubtful Debts & Advances	<b>5,069</b>	3,913
	<b><u>2,396,504</u></b>	<u>2,230,467</u>
<b>(17) PROVISION FOR TAXATION</b>		
Current Tax	<b>175,000</b>	131,000
Fringe Benefit Tax	<b>—</b>	1,400
Deferred Tax	<b>5,747</b>	(21,160)
	<b><u>180,747</u></b>	<u>111,240</u>

**(18) NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED  
31ST DECEMBER 2010**



**(All currency values are in '000)**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**a) CONVENTION**

The financial statements have been prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards, notified u/s 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956. A summary of important accounting policies which have been applied consistently, are set out below. Financial Statements have also been prepared in accordance with relevant presentational requirements of the Companies Act, 1956 of India.

**b) BASIS OF ACCOUNTING**

The financial statements have been prepared in accordance with the historical cost convention.

**c) FIXED ASSETS**

**I) TANGIBLE**

- i) Fixed assets are stated at cost of acquisition together with any incidental expenses of acquisition.
- ii) Depreciation on fixed assets other than Livestock and Estate & Development has been provided on Written Down value method in accordance with Schedule XIV of the Companies Act, 1956. Estate & Development is not depreciated. Livestock is expensed over its useful life.
- iii) All expenditure incurred for extension of new areas of cultivation are capitalised. However, cost of upkeep and maintenance and cost of replanting in existing areas are charged to revenue.
- iv) Subsidies from Government in respect of fixed assets are deducted from the cost of respective assets.
- v) Profit or Loss on disposal of Fixed Assets is recognised in the Profit and Loss Account.

**II) INTANGIBLE**

- i) Cost of software is capitalised where it is expected to provide future enduring economic benefits. Capitalisation costs include licence fees and cost of implementation / system integration services. The costs are capitalised in the year in which the relevant software is implemented for use. Expenses incurred on upgradation / enhancements is charged off as revenue expenditure unless they bring similar significant additional benefits
- ii) Capitalised software costs is amortised on a straight line basis over a period of five years.

**III) IMPAIRMENT OF FIXED ASSETS**

An impairment loss is recognised where applicable, when the carrying value of the fixed assets of a cash generating unit exceeds its net selling price or value in use, whichever is higher.

**d) INVESTMENTS**

Long Term Investments are stated at cost and where applicable, provision is made in case of permanent diminution in value of investments.

**(18) NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED  
31ST DECEMBER 2010 (Contd.)**

**e) INVENTORIES**

Inventories are valued at lower of cost (net of input VAT) and net realisable value. Cost is determined on weighted average basis. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to their location and condition and includes appropriate overheads. Provision is made for obsolete and slow moving stocks where necessary.

**f) RESEARCH AND DEVELOPMENT**

Research and Development Expenditure of revenue nature is charged to the Profit and Loss Account and capital expenditure is treated as fixed assets.

**g) RETIREMENT BENEFITS**

- (i) The Company operates defined contribution schemes like Provident Fund and defined Contribution Pension Schemes.

The Company makes regular contribution to provident funds which are fully funded and administered by Trustees/Government and are independent of Company's finance. Contributions are recognized in Profit & Loss Account on an accrual basis. The Company operates a non contributory defined contribution pension scheme for certain employees. The Company contributes 15% of the employees' current salary to the above contribution fund which is recognised in the Profit & Loss Account.

- (ii) Defined Benefit Gratuity Plan is maintained by the company for all its eligible employees. The Company also operates a Non Contributory Defined Benefit Pension Scheme for certain employees. The Company contributes to such funds on the basis of actuarial valuation at the end of each year after setting off any net asset in respect of either fund with effect from 31st December,2010. Both the Pension Fund and gratuity fund are administered by the Trustees and is independent of the Company's finance.

- (iii) For Schemes where recognized funds have been set up annual contributions determined as payable in the actuarial valuation report are contributed. Actuarial gains & losses are recognized in the Profit & Loss Account. The Company recognizes in the Profit & Loss Account gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs.

- (iv) Post retirement medical benefits are provided by the Company for certain category of employees. Liability is determined through independent year end actuarial valuation and is recognized in the Profit & Loss Account.

- (v) Provision is made for retirement leave encashment benefit payable to employees on the basis of independent actuarial valuation, at the end of each year and charge is recognized in the Profit and Loss Account.

**h) SALES**

Sales represent the invoiced value of goods supplied less Sales Tax / Value Added Tax.

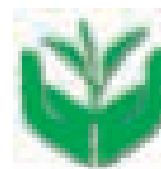
**i) INCOME FROM INVESTMENTS**

Income from investments is included together with the related tax credit in the Profit and Loss Account.

**j) REPLANTING AND OTHER SUBSIDIES**

Replanting and other subsidies of revenue nature are recognised as income in the Profit and Loss Account.

**(18) NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED  
31ST DECEMBER 2010 (Contd.)**



**k) FOREIGN CURRENCY TRANSACTIONS**

Transactions in foreign currencies are recorded in rupees by applying the exchange rate prevailing on the date of transaction. Transactions remaining unsettled are translated at the rate of exchange ruling at the end of the year. Exchange gain or loss arising on settlement/translation is recognised in the Profit and Loss Account.

Premium or discount on forward contracts are amortised as expense or income over the life of the contract. Foreign exchange forward contracts are revalued at the balance sheet date and the exchange difference is recognised as gain/loss in the Profit & Loss Account. Profit or Loss on cancellations/renewals of forward contracts is recognised in the Profit and Loss Account.

**l) TAXES ON INCOME**

Current tax represents the amount computed as per prevailing taxation laws under the Income Tax Act, 1961. Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets are recognized where there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**m) BORROWING COSTS**

Borrowing cost attributable to acquisition and/or construction of qualifying assets are capitalised as a part of the cost of such assets up to the date when such assets are ready for intended use. Other borrowing costs are charged to Profit and Loss Account.

**n) LEASES**

Lease Payments under the Operating Lease are recognised as an expense in the Profit & Loss Account, on a straight line basis over the lease term.

2. Contingent liabilities not provided for in respect of:

	<b>2010</b>	2009
	<b>Rs.('000)</b>	Rs.('000)
a) Income Tax matters under appeal (without considering concomitant liability in respect of Agricultural Income Tax)	<b>64,727</b>	68,990
b) Disputed Claims	<b>2,556</b>	2,556
c) Sales Tax Matters	<b>1,502</b>	—

Future cash outflow if any, in respect of above cannot be determined at this stage.

3. Estimated amount of contracts to be executed on Capital Account and not provided for Rs. 22,379 (2009 - Rs.41,220).

4. Consequent upon the vesting of the Indian undertakings on 1st January, 1978 of the eight Sterling Companies under the scheme of amalgamation the title in respect of certain tea estates, acquired under such scheme, are to be transferred in the name of the company. The company has been legally advised that the notification issued by the Government of West Bengal in 1994 for payment of salami does not apply to the company.

**(18) NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED  
31ST DECEMBER 2010 (Contd.)**

5. Provision for taxation has been made as per the Income Tax Act, 1961 and the rules framed thereunder with reference to the profit for the year ended 31st December, 2010 which extends over two assessment years, Assessment Year 2010-2011 and Assessment Year 2011-2012. The ultimate tax liability for the Assessment Year 2011-2012 will be determined on the total income for the period from 1st April, 2010 to 31st March, 2011.
6. Research & Development expenses charged to revenue Rs.6,079 ( 2009 - Rs. 2,657).
7. The Company has taken various premises under operating lease having tenure of 11 months/3 years. There is no specific obligation for renewal of these agreements. Lease rent for the year amounts to Rs.2,799 (2009 - Rs.1,670) This includes a lease arrangement with an escalation clause of 7% p.a. at the end of each year.
8. Auditors' Remuneration (Included in Miscellaneous expenses)

	<b>2010</b>	2009
	<b>Rs.('000)</b>	Rs.('000)
Audit Fees	<b>920</b>	800
Tax Audit Fees	<b>230</b>	200
Other	<b>1,415</b>	1,300
Reimbursement of Expenses	<b>264</b>	327
	<b><u>2,829</u></b>	<u>2,627</u>

9. Directors' Remuneration

	<b>2010</b>	2009
	<b>Rs.('000)</b>	Rs.('000)
Salaries	<b>3,600</b>	3,000
Commission	<b>4,800</b>	4,200
Gratuity, Pensions etc.	<b>540</b>	450
Other benefits	<b>4,213</b>	4,416
Directors' Fees	<b>270</b>	238
	<b><u>13,423</u></b>	<u>12,304</u>

**(18) NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED  
31ST DECEMBER 2010 (Contd.)**



Computation of Profit in accordance with Section 198/349 of the Companies Act, 1956

	<b>2010</b>	2009
	<b>Rs.('000)</b>	Rs.('000)
Profit before taxation as per Profit & Loss Account	<b>630,714</b>	530,666
Add:		
Directors' Remuneration	<b>13,423</b>	12,304
Provision for Bad Debt	<b>5,069</b>	3,913
Depreciation	<b>94,854</b>	73,454
Wealth Tax	<b>500</b>	500
	<b>744,560</b>	620,837
Less:		
Capital Profit on sale of Fixed Assets	<b>422</b>	1,900
Depreciation under Section 350 of the Companies Act, 1956	<b>91,982</b>	70,757
Amortisation of Intangibles	<b>2,872</b>	2,697
Bad Debts written off	<b>—</b>	52,895
	<b>649,284</b>	492,588
Commission to Managing Director restricted to	<b>4,800</b>	4,200

10. Deferred Taxation

The major components of the Deferred Tax Assets/Liabilities based on the tax effect of the timing differences, as at 31st December, 2010 are as under:-

	<b>2010</b>	2009
	<b>Rs.('000)</b>	Rs.('000)
Deferred Tax Liability		
Depreciation	<b>34,633</b>	36,744
	<b>34,633</b>	36,744
Deferred Tax Assets		
Expenditure u/s 43B of the Income Tax Act, 1961	<b>4,032</b>	2,465
Employee Benefits	<b>14,915</b>	25,927
Others	<b>1,587</b>	—
	<b>20,534</b>	28,392
Deferred Tax Liability (Net)	<b>14,099</b>	8,352



**(18) NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED  
31ST DECEMBER 2010 (Contd.)**

11. a) Licensed and installed capacity and actual production:

	Licensed capacity	Installed capacity	Actual production 2010 Kgs.	2009 Kgs.
i) Tea	Not applicable	Not ascertainable	<b>20,581,208*</b>	19,956,618*
ii) Instant tea	6 Lacs Kgs. p.a.	6 Lacs Kgs. p.a.	<b>180,280</b>	187,025

\* Represents saleable production i.e. excluding trade samples, statutory free issue to the workers, etc. - 351,192 Kgs. (2009 – 391,390 Kgs.) and 22823 Kgs. (2009 – 400 Kgs.) of made tea valued at Rs.7,576 (2009 – Rs. 100) used as raw material for the production of Instant Tea.

	2010		2009	
	Kg.	Rs.(‘000)	Kg.	Rs.(‘000)
b) Raw Materials Consumed				
i) Green Leaf Plucked**	<b>75,793,346</b>	<b>Not Ascertainable</b>	71,337,116	Not Ascertainable
ii) Green Leaf Purchased	<b>18,086,124</b>	<b>260,805</b>	18,787,044	292,953
iii) Tea including Tea Waste	<b>700,192</b>	<b>19,846</b>	684,528	32,211

\*\* Being raw materials harvested in the Company’s own estates as agricultural produce involving integrated activities of nursery, cultivation, growth etc. and utilised in the manufacture of tea and their values at the intermediate stage could not be ascertained.

Green Leaf used as raw materials for the production of Instant Tea – 366,077 Kgs. (2009 – 276,183 Kgs.)

c) Purchases and Sales of Tea:

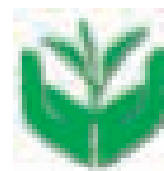
	2010		2009	
	Kg.	Rs.(‘000)	Kg.	Rs.(‘000)
i) Purchases				
Tea	<b>6,717,271</b>	<b>864,831</b>	5,732,788	680,428
ii) Sales				
Tea including Packet Tea***	<b>26,058,838</b>	<b>3,930,967</b>	26,166,895	3,629,369
Instant Tea	<b>165,651</b>	<b>73,335</b>	196,425	92,220

\*\*\* Including samples, etc. but does not include blend gain, free tea on account sales promotion, etc. for tea and instant tea 109,731 Kgs. (2009 – 206,003 Kgs.)

d) Opening and closing stock in trade:

	2010		2009	
	Kg.	Rs.(‘000)	Kg.	Rs.(‘000)
i) Tea including Packet Tea				
Opening Stock	<b>5,081,228</b>	<b>505,002</b>	5,764,720	473,135
Closing Stock	<b>6,211,426</b>	<b>714,996</b>	5,081,228	505,002
ii) Instant Tea				
Opening Stock	<b>39,172</b>	<b>16,137</b>	50,637	16,139
Closing Stock	<b>53,513</b>	<b>26,367</b>	39,172	16,137

**(18) NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED  
31ST DECEMBER 2010 (Contd.)**



	<b>2010</b>	2009
	<b>Rs.('000)</b>	Rs.('000)
12. (i) C.I.F. Value of Imports		
Raw Materials	<b>11,085</b>	30,208
(ii) Expenditure in Foreign Currency		
Pension	<b>380</b>	414
Commission	<b>1,795</b>	2,251
Bank Charges	<b>187</b>	203
Consultancy	<b>797</b>	—
Others	<b>3,464</b>	1,867
(iii) Earnings in Foreign Currency		
F.O.B. Value of Export Sale	<b>295,953</b>	286,181
(iv) Dividend remitted to non-resident shareholders in Foreign Currency		
No. of non-resident shareholders	<b>2</b>	2
No. of equity shares held by them on which dividend was due	<b>15,984,000</b>	15,984,000
Year to which dividend relates	<b>31.12.09</b>	31.12.08
Amount remitted	<b>63,936</b>	47,952

13. (a) Total Stores & spares consumed included in the Profit & Loss Account under various heads including the amount shown in Schedule 16 is Rs. 538,922 (2009 – Rs. 518,474)

(b) Value of Stores & Spare parts consumed:	<b>2010</b>	2009
	<b>Value</b>	Value
	<b>Rs.('000)</b>	Rs.('000)
	<b>%</b>	<b>%</b>
Imported	<b>117</b>	129
Indigenous	<b>538,805</b>	518,345
	<b>538,922</b>	518,474
	<b>100</b>	100

(c) Value of Raw Materials Consumed:

	<b>2010</b>	2009
	<b>Value</b>	Value
	<b>Rs.('000)</b>	Rs.('000)
	<b>%</b>	<b>%</b>
Imported	<b>9,805</b>	29,734
Indigenous	<b>270,846</b>	295,429
	<b>280,651</b>	325,163
	<b>100</b>	100

**(18) NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED  
31ST DECEMBER 2010 (Contd.)**

14. There are no Micro, Small and Medium Enterprises, as required to be disclosed under "The Micro, Small and Medium Enterprises Development Act, 2006" identified by the company on the basis of information available with the company.
15. Selling Expenses in schedule 16 include Brokerage Rs. 43,918 (2009 - Rs.48,383), Commission Rs. 15,641 (2009 - Rs. 16,420), Insurance Rs. 3,430 (2009 - Rs.1,784), Shipping and other Charges Rs. 23,895 (2009 - Rs. 20,830), Sales Promotion Rs.134,341 (2009 - Rs. 80,880) and Freight Rs.69,978 (2009 - Rs. 73,832).
16. Impairment Loss of Rs.15,537 is on account of plant & machinery installed at Instant Tea Plant. The unit has been running well below its rated capacity and has been making losses for a number of years due to high cost of production. In view of the above, and expected losses coupled with negative cash flow in future years, the company decided to impair the plant & Machinery based on its net realisable value ascertained by a technical valuer. The Instant Tea plant being an Export Oriented Unit, the impairment loss has been included in the results of the export segment as mentioned in Note 18 to Schedule 18.
17. Earning Per Equity Share (Basic and Diluted)  
The calculation of earning per share is based on the Profit after taxation of Rs. 449,967 (2009 - Rs.419,426) and Equity Shares outstanding (Nominal value Rs. 10/- each) during the year aggregating to 21,600,000 (2009 - 21,600,000).
18. Segment Information :- (Rs.'000)

	Export		Domestic		Total	
	2010	2009	2010	2009	2010	2009
Total Segment Revenue from sales	341,031	305,839	3,808,184	3,506,365	4,149,215	3,812,204
Less: Inter Segment Revenue from sales	37,045	15,860	107,868	74,754	144,913	90,614
	303,986	289,979	3,700,316	3,431,611	4,004,302	3,721,590
Less Excise Duty	—	—	11,182	3,865	11,182	3,865
Total Revenue from Sales to External Customers	303,986	289,979	3,689,134	3,427,746	3,993,120	3,717,725
Segment Result	4,770	28,539	784,499	665,126	789,269	693,665
Less : Unallocable expense net of income					143,120	121,646
Less : Interest					15,436	41,353
Profit before Taxation					630,713	530,666
Provision for Taxation					180,747	111,240
Profit after Taxation					449,966	419,426
Segment Assets	173,038	120,239	1,964,967	1,667,967	2,138,005	1,788,206
Unallocated Corporate Assets					363,694	277,834
Total Assets					2,501,699	2,066,040
Segment Liabilities	61,695	50,279	869,112	594,963	930,807	645,243
Unallocated Corporate Liabilities					137,851	311,785
Total Liabilities					1,068,658	957,028
Capital Expenditure	2,649	1,395	223,358	197,850		
Depreciation	7,998	8,310	74,607	53,344		
Impairment	15,537	—	—	—		
Non Cash - Expenditure	—	—	5,069	3,912		

**(18) NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED  
31ST DECEMBER 2010 (Contd.)**



Notes :

- i) The Company is engaged in the business of cultivation, manufacture and sale of Tea. The products and their applications are homogeneous in nature. The segments are classified as Exports and Domestic.
- ii) The Segmentwise Revenue, results, assets and liabilities figures relate to the respective amounts directly identifiable to each of the segments. Unallocable income / expenditure relate to the Company as a whole and are earned / incurred at the corporate level.
- iii) Pricing of inter segment transfers is based on benchmark market price.

19. Related Party Disclosures

1. Shareholders of the Company:—

Western Dooars Investment Ltd. and Assam Dooars Investment Ltd. together hold 74% of the Equity Share Capital of the Company. Camellia Plc is the ultimate holding Company which is indirectly holding Western Dooars Investment Ltd. and Assam Dooars Investment Ltd.

2. Other related parties with whom transactions have taken place during the year:—

Fellow Subsidiary Companies:—

Stewart Holl (India) Limited, Amgoorie India Limited, Koomber Properties & Leasing Company Private Limited, Goodricke Technical & Management Services Limited, Borbam Investments Limited, Koomber Tea Company Private Limited, Lebong Investments Private Limited, Eastern Produce Malawi Ltd, Linton Park Plc.

3. Key Management Personnel:—

A. N. Singh — Managing Director & CEO

**(18) NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED  
31ST DECEMBER 2010 (Contd.)**

**Related Party Disclosures (Contd.)**

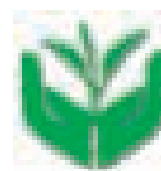
**Particulars of transactions during the year ended 31st December, 2010**

Rs. in ('000)

Nature of Transactions	Shareholders	Fellow Subsidiary Companies	Key Management Personnel	Total
Sale of Goods :				
To two fellow Subsidiaries :	—	577	—	577
Rs.75 (Rs.Nil), Rs 502 (Rs 9,236)	—	(9,236)	—	(9,236)
Sale of Fixed Assets :	—	—	—	—
To a Fellow Subsidiary	—	(2)	—	(2)
Purchase of Fixed Assets	—	—	—	—
From a Fellow Subsidiary :	—	(3,731)	—	(3,731)
Purchase of Goods & Services :				
From four fellow Subsidiaries : Rs. 135,007 (Rs.144,736),	—	253,416	—	253,416
Rs.95,222 (Rs.46,243),Rs22,898 (Rs.11,388) Rs.289 (Rs.Nil)	—	(202,367)	—	(202,367)
Remuneration Paid :	—	—	13,153	13,153
To Managing Director	—	—	(12,066)	(12,066)
Dividends Paid :				
To Two Shareholders : Rs.41,558	63,936	5,280	—	69,216
(Rs.31,169),Rs.22,378 (Rs.16,783)	(47,952)	(4,067)	—	(52,019)
To four fellow Subsidiaries : Rs.3,176 (Rs.2,488),				
Rs. 953 (Rs.715),Rs.844 (Rs.633),Rs.307 (Rs.Nil)				
Interest paid to three Fellow Subsidiaries	—	753	—	753
Rs.115(Rs. 108), Rs.Nil, (Rs161),Rs.638(Rs.Nil)	—	(269)	—	(269)
Reimbursement of Expenses				
From three Fellow Subsidiaries :	—	2,943	—	2,943
Rs 3,653 (Rs 3,679), Rs 878 ( Rs 644),	—	(334)	—	(334)
Rs 797 (Rs Nil)				
To a Fellow Subsidiary : Rs. 2,385 (Rs.4,657)				
Rent paid to fellow subsidiary	—	5,052	—	5,052
	—	(4,134)	—	(4,134)
Loan taken:				
From three Fellow Subsidiaries : Rs 10,000 (Rs.20,000)	—	32,500	—	32,500
Rs.22,500(Rs. Nil),Rs.Nil (Rs.10,000)	—	(30,000)	—	(30,000)
Repayment of loan:				
To three Fellow Subsidiaries : Rs 10,000 (Rs.20,000)	—	32,500	—	32,500
Rs.22,500(Rs. Nil),Rs.Nil (Rs.10,000)	—	(30,000)	—	(30,000)
Loans & Advances given :				
To one of the managing director	—	—	—	—
	—	—	(18)	(18)
Recovery of Loans & Advances				
From a Fellow Subsidiary :	—	—	—	—
	—	(16,425)	—	(16,425)
From Managing Director :	—	—	130	130
	—	—	(133)	(133)
Outstanding as at year end :				
Debit	—	149	—	149
	—	—	(139)	(139)
Credit	—	69,247	4,800	74,047
	—	(-30,633)	(4,200)	(-26,433)

Note: Previous year's figures are in brackets.

**(18) NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED  
31ST DECEMBER 2010 (Contd.)**



20. As at 31st December, 2010 the Company had net outstanding foreign currency exposures of Rs.54,316 (USD equivalent 1,205) (2009 – Rs. 31,455 ; USD equivalent 686) of which Rs.44,729 (USD equivalent 992 (2009 – Rs.Nil USD equivalent Nil) has been covered by forward contracts.

21. Previous year's figures have been re-grouped and / or re-arranged wherever necessary.

**22. Post Retirement Employee Benefits:**

The Company operates defined contribution schemes like provident fund and defined contribution pension schemes. For these schemes, contributions are made by the Company, based on current salaries, to recognized funds maintained by the Company and for certain employees contributions are made to State Plans. In case of Provident fund schemes, contributions are also made by the employees. An amount of Rs.103,328 (2009 - Rs.131,190) has been charged to the Profit & Loss Account on account of defined contribution schemes.

The Company also operates defined benefit gratuity scheme, leave encashment, defined benefit pension scheme and post retirement medical scheme. The pension benefits, medical benefits and leave encashment benefits are restricted to certain categories of employees. These schemes offer specified benefits to the employees on retirement. Annual actuarial valuations are carried out by an independent actuary in compliance with Accounting Standard 15 (revised 2005) on Employee Benefits. Wherever recognized funds have been set up, annual contributions are made by the Company, as required. Employees are not required to make any contribution.

**Net Asset/Liability as per Actuarial Valuation at year end :**

	Rs.('000)															
	Pension				Gratuity				Medical				Leave Encashment			
	2010	2009	2008	2007	2010	2009	2008	2007	2010	2009	2008	2007	2010	2009	2008	2007
Present value of funded obligation	206,291	165,641	154,811	149,082	602,761	420,714	448,531	341,146	—	—	—	—	—	—	—	—
Fair Value of Plan Assets	181,573	148,467	138,878	149,143	629,030	613,321	603,413	585,453	—	—	—	—	—	—	—	—
	24,718	17,174	15,933	(61)	(26,269)	(192,607)	(154,882)	(244,307)	—	—	—	—	—	—	—	—
Present Value of Unfunded Obligation	—	—	—	—	—	—	—	—	59,160	55,532	57,428	55,124	12,887	7,801	7,696	4,866
Unrecognized past service cost	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Net Liability/(Asset)	24,718	17,174	15,933	(61)	(26,269)	(192,607)	(154,882)	(244,307)	59,160	55,532	57,428	55,124	12,887	7,801	7,696	4,866

During the year the Company has set off the net asset of Gratuity Fund against the net liability of Pension Fund in accordance with relevant approvals from statutory authorities.

**Amounts recognized in "Contribution to Provident, Gratuity and other funds", "Salaries, Wages, Bonus etc" and "Workmen and Staff Welfare Expenses" under Schedule 16 are follows:**

	Rs.('000)						
	Pension		Gratuity	Medical		Leave Encashment	
	2010	2009	2010	2010	2009	2010	2009
Current Service Cost	29,287	28,722	71,896	4,905	3,193	4,175	461
Interest cost	13,320	12,136	110,795	4,450	4,558	624	605
Expected Return on plan assets	(11,877)	(11,110)	(182,472)	—	—	—	—
Past Service Cost	—	—	11,297	—	—	—	—
Net actuarial loss/(gain) recognized during the year	(392)	(23,400)	(37,785)	(4,545)	(8,751)	471	(702)
Total	30,338	6,348	(26,269)	4,810	(1,000)	5,270	364

**(18) NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED  
31ST DECEMBER 2010 (Contd.)**

**Reconciliation of opening and closing balances of the present value of the obligations:**

Rs.('000)

	Funded				Unfunded			
	Pension		Gratuity		Medical		Leave Encashment	
	2010	2009	2010	2009	2010	2009	2010	2009
Opening defined benefit obligation	165,641	154,811	420,714	448,531	55,531	57,428	7,801	7,696
Current service cost	29,287	28,722	30,721	22,166	4,905	3,193	4,175	461
Interest Cost	13,321	12,136	32,274	27,971	4,450	4,558	624	605
Actuarial loss/(gain)	435	(23,798)	153,630	(41,532)	(4,545)	(8,751)	471	(702)
Benefit Paid	(2,393)	(6,230)	(34,578)	(36,422)	(1,181)	(896)	(184)	(259)
Closing Defined Benefit Obligation	206,291	165,641	602,761	420,714	59,160	55,532	12,887	7,801

**Reconciliation of opening and closing balances of the fair value of plan assets:**

Rs.('000)

	Pension		Gratuity	
	2010	2009	2010	2009
Opening fair value of plan Assets	148,467	138,878	613,321	603,413
Expected Return on Plan Assets	11,877	11,110	46,359	47,343
Actuarial gain/(loss)	827	(398)	3,928	(1,013)
Contribution by employer	22,794	5,107	—	—
Benefits Paid	(2,393)	(6,229)	(34,577)	(36,422)
Closing Fair value of Plan Assets	181,572	148,468	629,031	613,321
Actual Return on Plan Assets	12,704	10,712	50,287	46,330

**Major Categories of Plan Assets as a percentage of fair value of the total plan assets:**

	2010	2009
Equities	2.43%	2.31%
Fixed Income Debt /Securities/Bonds	88.06%	91.49%
Other Assets	9.51%	6.20%
Total	100.00%	100.00%

Experience Gain/(Loss) adjustments on plan assets related to Gratuity Scheme for 2010 and the preceding three years are Rs.3,928; Rs.(1,013); Rs.1,824 and Rs.3,590 respectively

Experience Gain/(Loss) adjustments on plan liabilities related to Gratuity Scheme for 2010 and the preceding three years are Rs.(14,726); Rs(17,011); Rs.39,940 and Rs.6,846 respectively

**(18) NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED  
31ST DECEMBER 2010 (Contd.)**



**Effect of increase/ decrease of one percentage point in the assumed medical cost trend rates:**

As per Actuary, the cost trend in rates in case of medical benefits have no effect on the amount recognised since the benefit is in the form of a fixed amount.

**Principal Actuarial assumptions used:**

	2010	2009	2008	2007
Discount rates	8.10%	8.00%	6.50%	8 % & 8.50%
Expected rate of return on plan assets	8.12% & 8%	8% & 7.79 %	8% & 8.09%	8% & 8.32%
Expected Salary Increase Rates	5% to 9.5%	5%	5%	5%
Mortality rates	LIC(1994-96) mortality tables	LIC(1994-96) mortality tables	LIC(1994-96) mortality tables	LIC(1994-96) mortality tables

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the Funds during the estimated term of the obligations.

The contribution expected to be made by the Company for the year ended 31st December 2011 has not been ascertained

On behalf of the Board  
A. N. Singh  
*Managing Director*  
S. Kaul  
K. Sinha  
P. K. Sen  
*Directors*

Kolkata  
28th February, 2011

D. P. Chakravarti  
*Vice President & Secretary*



**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**IN TERMS OF SCHEDULE VI, PART IV OF THE COMPANIES ACT, 1956.**

I. Registration Details

CIN 

L	0	1	1	3	2	W	B	1	9	7	7	P	L	C	0	3	1	0	5	4
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Balance Sheet Date 

3	1
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1	2
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2	0	1	0
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Date Month Year

II. Capital Raised during the Year (Amount in Rs. Thousands)

NIL

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

<p align="center">Total Liabilities</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td> </td><td> </td><td>2</td><td>4</td><td>9</td><td>3</td><td>1</td><td>5</td><td>5</td></tr></table> <p>Sources of Funds</p> <p align="center">Paid-Up Capital</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td> </td><td> </td><td>2</td><td>1</td><td>6</td><td>0</td><td>0</td><td>0</td></tr></table> <p align="center">Secured Loan</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table> <p align="center">Deferred Taxation</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td>1</td><td>4</td><td>0</td><td>9</td><td>9</td></tr></table> <p>Application of Funds</p> <p align="center">Net Fixed Assets</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>8</td><td>1</td><td>2</td><td>7</td><td>6</td><td>0</td></tr></table> <p align="center">Current Assets</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>1</td><td>6</td><td>8</td><td>0</td><td>3</td><td>7</td><td>7</td></tr></table>			2	4	9	3	1	5	5			2	1	6	0	0	0							N	I	L					1	4	0	9	9				8	1	2	7	6	0				1	6	8	0	3	7	7	<p align="center">Total Assets</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td> </td><td> </td><td>2</td><td>4</td><td>9</td><td>3</td><td>1</td><td>5</td><td>5</td></tr></table> <p align="center">Reserves &amp; Surplus</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td> </td><td> </td><td>1</td><td>2</td><td>1</td><td>7</td><td>0</td><td>4</td><td>1</td></tr></table> <p align="center">Unsecured Loan</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table> <p align="center">Current Liabilities</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>1</td><td>0</td><td>4</td><td>6</td><td>0</td><td>1</td><td>5</td></tr></table> <p align="center">Investments</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>1</td><td>8</td></tr></table> <p align="center">Misc. Expenditure</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>			2	4	9	3	1	5	5			1	2	1	7	0	4	1							N	I	L				1	0	4	6	0	1	5										1	8								N	I	L
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IV. Performance of the Company (Amount in Rs. Thousands)

<p align="center">Turnover &amp; Other Income</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td> </td><td> </td><td>4</td><td>0</td><td>7</td><td>8</td><td>3</td><td>0</td><td>3</td></tr></table> <p align="center">Profit/Loss Before Tax</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>+</td><td>-</td><td> </td><td> </td><td>6</td><td>3</td><td>0</td><td>7</td><td>1</td><td>4</td></tr></table> <p align="center">Earning Per Share in Rs.</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td> </td><td> </td><td>2</td><td>0</td><td>.</td><td>8</td><td>3</td></tr></table>			4	0	7	8	3	0	3	+	-			6	3	0	7	1	4			2	0	.	8	3	<p align="center">Total Expenditure</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td> </td><td> </td><td>3</td><td>4</td><td>4</td><td>7</td><td>5</td><td>8</td><td>9</td></tr></table> <p align="center">Profit/Loss After Tax</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>+</td><td>-</td><td> </td><td> </td><td>4</td><td>4</td><td>9</td><td>9</td><td>6</td><td>7</td></tr></table> <p align="center">Dividend rate %</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td>5</td><td>0</td></tr></table>			3	4	4	7	5	8	9	+	-			4	4	9	9	6	7					5	0
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V. Generic Names of Principal Products / Services of the Company (as per monetary terms)

Item Code No. (ITC) 

				0	9	0	2	3	0
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Product Description 

I	N	D	I	A	N		B	L	A	C	K		T	E	A				
I	N	S	T	A	N	T		T	E	A		P	O	W	D	E	R		

On behalf of the Board  
A. N. Singh  
*Managing Director*  
S. Kaul  
K. Sinha  
P. K. Sen  
*Directors*

Kolkata  
28th February, 2011

D. P. Chakravarti  
*Vice President & Secretary*

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st DECEMBER 2010



	Year ended 31.12. 2010 (Rs. in '000)	Year ended 31.12.2009 (Rs. in '000)
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before taxation	630,714	530,666
Adjustments for:		
Depreciation	94,854	73,454
Impairment	15,537	
Interest expense	15,436	41,353
Interest Income	(11,099)	(20,864)
Profit on sale/Discard of Fixed Assets(net)	(1,358)	(5,516)
Provision for doubtful debts and loans & advances no longer required written back		(52,895)
Liabilities no longer required written back	(11,091)	(3,778)
Debts , Loans & Advances Written off		52,895
Provision for doubtful debts,Loans & advances.	5,069	3,912
Unrealised (gain) /loss on exchange	861	288
	<b>108,209</b>	88,850
Operating Profit before Working capital changes	<b>738,923</b>	619,516
Adjustment for :		
Trade and other Receivables	11,496	(58,333)
Inventories	(240,991)	(16,715)
Trade Payables	174,976	126,524
	<b>(54,519)</b>	51,476
Cash generated from operations	<b>684,404</b>	670,992
Direct Taxes Paid	(160,267)	(103,440)
Net cash from operating activities	<b>524,137</b>	567,552
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Capital Subsidy Received	—	8,490
Purchase of Fixed Assets	(237,696)	(212,659)
Sale of Fixed Assets	2,047	6,244
Interest received	8,110	20,080
Net Cash used in Investing Activities	<b>(227,539)</b>	(177,845)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
(Decrease)/Increase in Working capital facilities from Bank	—	(233,900)
Repayment of long term borrowings	(92,109)	(26,667)
Proceeds from long term borrowings	—	54,609
Dividend paid	(85,783)	(64,403)
Income Tax on dividend paid	(14,684)	(11,013)
Interest paid	(16,200)	(41,336)
Net Cash used in Financing Activities	<b>(208,776)</b>	(322,708)
Net increase in Cash and Cash equivalents	<b>87,822</b>	66,999
(D) CASH AND CASH EQUIVALENTS		
Opening Balance	111,542	44,544
Closing Balance	<b>199,364</b>	111,542

- Note: 1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by The Companies (Accounting Standards) Rules, 2006
2. Cash and cash equivalents represent cash and bank balances only.
3. Previous year's figures have been rearranged/regrouped wherever necessary.

On behalf of the Board  
A. N. Singh  
Managing Director  
S. Kaul  
K. Sinha  
P.K. Sen  
Directors

Kolkata  
28th February, 2011

D. P. Chakravarti  
Vice President & Secretary

This is the Cash Flow statement referred to in our Report of even date.

Prabal Sarkar  
Partner

Membership No. 052340  
For LOVELOCK & LEWES  
Chartered Accountants

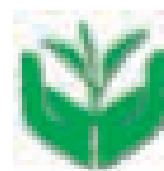
Kolkata  
28th February, 2011

## Financial, Production and Other Statistics

(Rs. in millions)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Fixed Assets (at cost less depreciation)	476.34	451.84	494.58	556.16	686.14	812.76
Investments	0.47	0.47	0.08	0.02	0.02	0.02
Current Assets (Less current liabilities)	622.00	599.87	567.96	562.10	523.76	634.36
Deferred Tax Assets / (Liabilities)	(43.91)	(40.25)	(30.59)	(29.51)	(8.35)	(14.10)
<b>TOTAL ASSETS EMPLOYED IN BUSINESS</b>	<b>1,054.90</b>	<b>1,011.93</b>	<b>1,032.03</b>	<b>1,088.77</b>	<b>1,201.57</b>	<b>1,433.04</b>
Equity shares	216.00	216.00	216.00	216.00	216.00	216.00
Reserves and Surplus	454.16	478.35	474.61	574.67	893.01	1,217.04
<b>SHAREHOLDERS' FUND (NET WORTH)</b>	<b>670.16</b>	<b>694.35</b>	<b>690.61</b>	<b>790.67</b>	<b>1,109.01</b>	<b>1,433.04</b>
Secured and Unsecured loans	384.74	317.58	341.42	298.10	92.56	—
<b>TOTAL FUNDS</b>	<b>1,054.90</b>	<b>1,011.93</b>	<b>1,032.03</b>	<b>1,088.77</b>	<b>1,201.57</b>	<b>1,433.04</b>
Sales	2,100.55	2,213.82	2,374.33	2,940.50	3,721.59	4,004.30
Profit before tax	45.30	76.43	104.71	235.19	530.67	630.71
Provision for tax	7.72	21.45	27.34	59.32	111.24	180.75
Profit after tax	37.58	54.98	77.37	175.87	419.43	449.96
Earning per share (Rs.)	1.74	2.55	3.58	8.14	19.42	20.83
Net worth per Equity Share (Rs.)	31.03	32.15	31.97	36.61	51.34	66.34
<b>DIVIDEND</b>						
Percentage	7.50	12.50	15.00	30.00	40.00	50.00
Amount	16.20	27.00	32.40	64.80	86.40	108.00
<b>TOTAL NO. OF SHAREHOLDERS</b>	<b>15,023</b>	<b>14,379</b>	<b>13,581</b>	<b>13,497</b>	<b>13,057</b>	<b>14,315</b>
<b>PLANTED AREA &amp; PRODUCTION:</b>						
Area under Mature Tea (hectares)	8,883.93	8,865.61	8,772.45	8,662.49	8,615.93	8,582.11
Area under Young Tea (hectares)	812.13	775.79	885.13	996.73	1,053.56	1,127.84
Total planted area (hectares)	9,696.06	9,641.40	9,657.58	9,659.22	9,669.49	9,709.95
Production-Kgs. (millions) (own crop)	16.34	17.50	18.88	18.44	16.16	17.00
<b>NUMBER OF EMPLOYEES</b>	<b>25,439</b>	<b>25,112</b>	<b>25,093</b>	<b>25,205</b>	<b>25,357</b>	<b>24,931</b>

## STATISTICS—Area and Crop (2010)



GARDENS	Mature Tea Area (in Hectares)	Young Tea Area (in Hectares)	Total Planted Area (in Hectares)	Own Crop (Gross) (Kgs)	Yield per Hectare (Kgs)
<b>DOOARS</b>					
Danguajhar	588.76	77.01	665.77	1,205,556	2,048
Leesh River	564.32	42.81	607.13	1,197,697	2,122
Meenglas	544.92	73.00	617.92	1,299,614	2,385
Aibheel	754.96	72.88	827.84	1,735,437	2,299
Chulsa	362.88	79.03	441.91	765,841	2,110
Chalouni	429.74	102.48	532.22	723,262	1,683
Hope	356.25	56.67	412.92	705,854	1,981
Jiti	449.39	97.47	546.86	862,440	1,919
Gandrapara	722.04	96.34	818.38	1,758,955	2,436
Lakhipara	554.72	55.28	610.00	1,386,930	2,500
Kumargram	529.16	83.27	612.43	1,096,274	2,072
Sankos	585.99	107.74	693.73	1,294,663	2,209
Total	<b>6,443.13</b>	<b>943.98</b>	<b>7,387.11</b>	<b>14,032,523</b>	<b>2,178</b>
Previous year	6,478.02	870.72	7,348.74	13,250,053	2,045
<b>ASSAM</b>					
Orangajuli	658.87	64.50	723.37	1,256,165	1,907
Nonaipara	593.29	60.69	653.98	1,277,560	2,153
Total	<b>1,252.16</b>	<b>125.19</b>	<b>1,377.35</b>	<b>2,533,725</b>	<b>2,023</b>
Previous year	1,254.03	121.23	1,375.26	2,416,684	1,927
<b>DARJEELING</b>					
Thurbo	468.88	25.06	493.94	209,740	447
Badamtam	293.44	26.11	319.55	157,132	535
Barnesbeg	124.50	7.50	132.00	64,587	519
Total	<b>886.82</b>	<b>58.67</b>	<b>945.49</b>	<b>431,459</b>	<b>487</b>
Previous year	883.88	61.61	945.49	496,198	561
<b>GRAND TOTAL</b>					
	<b>8,582.11</b>	<b>1,127.84</b>	<b>9,709.95</b>	<b>16,997,707</b>	<b>1,981</b>
Previous year	8,615.93	1,053.56	9,669.49	16,162,935	1,876

**Notes**



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