



**JOONKTOLLEE TEA
& INDUSTRIES LTD.**



**REPORT
AND
ACCOUNTS
2010**



A glimpse of the Ganesh Mandir at Goomankhan Tea Estate, Karnataka

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Corporate Information

BOARD OF DIRECTORS

G. D. Bangur

Chairman

Hemant Bangur

Executive Vice-Chairman

M. K. Daga

Director

Amitabha Ghosh

Director

J. K. Surana

Director

M. M. Pyne

Director

K. C. Mohta

Executive Director & Chief Executive Officer

MANAGER (FINANCE) & COMPANY SECRETARY

S. Bagree

BANKERS

State Bank of Bikaner & Jaipur

Corporation Bank

United Bank of India

AUDITORS

Messrs. Singhi & Co.

Chartered Accountants

1-B, Old Post Office Street

Kolkata - 700 001

REGISTERED OFFICE

21, Strand Road, Kolkata - 700 001

REGISTRARS & SHARE TRANSFER AGENTS

Maheshwari Datamatics Pvt. Ltd.

6, Mangoe Lane, 2nd Floor

Kolkata - 700 001



Where we are?

Joonktollee Tea Estate & Factory, Assam

Jamirah Tea Estate & Factory, Assam

Nilmoni Tea Estate, Assam

Shree Ganga Tea Estate, Assam

Goomankhan Tea Estate & Factory, Karnataka

Cowcoody Coffee Estate & Factory, Karnataka

Pullikanam Tea Estate & Factory, Kerala

Kolahalmedu Tea Estate, Kerala

Chemoni, Pudukad & Ichipara Rubber Estate & Factory, Kerala

Kinalur Rubber Estate & Rubber Wood Factory, Kerala

What Drives Us?



- Started in 1874 by John Elliot Esq.
- Management control acquired by the House of Bangur's during 1955
- Shares listed at The Bombay Stock Exchange Ltd and The Calcutta Stock Exchange Association Ltd.
- Started with a production as a leader of Premium Orthodox Tea the Company is now regarded as one of the leading producers of Assam CTC Tea
- Producer of fine Green Tea



Joonktollee Tea & Industries Limited is engaged in the plantation and production of Tea,

Coffee and Rubber. Our portfolio diversity, expansive geographic footprint and classy products represent our core strengths.



- To contribute to the economic and social well being of our country and its people in general and communities around our locations in general.
- Focussing relentlessly on sustainable growth
- Building efficiencies across our organisational functions
- Investing in our human capital to build a high-performance culture
- Satisfaction to our customers
- Delivering increasing value to our stakeholders



- Passion for growth with integrity
- Spirited teamwork
- Courage to innovate
- Firm belief in corporate governance and accountability

Management Team

B. L. Dhanuka
Chief Financial Officer

N. K. Dhama
Group Sr. General Manager (North)

R. K. Wilson
Sr. General Manager – Goomankhan Estate

M. Pushkarakshan
Sr. General Manager – Chemoni, Pudukad & Ichipara Estates

A. Chaturvedi
General Manager – Jamirah Tea Estate

S. Udaya Kumar
General Manager – Cowcoody Estate

C. Chandran
General Manager – Pullikanam & Kolahalmedu Tea Estates

A. K. Jha
General Manager – Marketing

V. K. Mohta
Dy. General Manager – Marketing (West)

K. M. Vineetha Kumar
Dy. General Manager (South)

A. K. Jain
Dy. General Manager (Kerala)

A. Gogoi
Sr. Manager – Nilmoni Tea Estate



John F Kennedy once said that the human mind is a fundamental resource for any kind of work that needs to be achieved.

People

your company's
most precious
resource

We at Joonktollee Tea & Industries Ltd always try to abide by this statement with a strategic vision to build an organisation where our employees form the fulcrum of our corporate ethos. All this has helped us in building and nurturing our human talents. We always believes that as the organization would grow from its scope size and location it would need quality people and thus continuously enhancing the skill levels of the people and their competency level is one of the most prime focus of our organization.

Quality

our intellectual property

At Joonktollee Tea & Industries Ltd, quality is not just in the product, it is in the mindscape. The quality standard has been reinforced through a documented discipline across every organisational level, which has ensured process as well as product consistency and is reflected in the ISO 22000:2005 Certification, Quality Management ISO 9001:2008 and HACCP Certifications.

At Joonktollee Tea & Industries Ltd. we believe that success is not a destination but it's a journey fuelled by one's desire to improve each time. Over the years the Company has been accredited and awarded with some of the laudable awards. Some of the notable ones are :

- The Golden Leaf India Awards, 2010 (Dust, Leaf and Fanning)
- Ily Caffe, 2008
- The Golden Leaf Awards, 2007
- The Golden Leaf Awards, 2005
- Ily Caffe, 2005
- Flavour of India – The Fine Cup Award, 2004
- Ily Caffe, 2004

Quality is never an accident - it is always the result of high intention, sincere effort, intelligent direction and skillful execution – Anonymous



Financial Highlights



(Rs. in Lacs)

Year	Share Capital	Reserve	Net Worth	Sales	Profit Before Tax	Dividend
31.12.1955	1.56	17.19	18.75	15.57	3.76	100%
31.12.1960	6.36 *	17.56	23.92	28.89	7.45	40%
31.12.1965	12.36 *	12.64	25.00	21.68	2.63	10%
31.12.1970	15.36 *	14.48	29.84	41.04	9.43	15%
31.12.1975	20.36 *	20.26	40.62	93.34	18.08	20%
31.12.1980	30.36 *	21.96	52.32	248.84	4.63	5%
31.12.1985	30.36	45.41	75.77	286.46	37.01	20%
31.03.1990	30.00	120.87	150.87	398.33	98.44	40%
31.03.1995	30.00	217.20	247.20	500.54	52.10	40%
31.03.2000	45.00 *	555.12	600.12	1030.47	213.63	40%
31.03.2001	109.60	1574.26	1683.86	1642.72	123.11	30%
31.03.2002	109.60	1502.45	1612.05	1882.43	34.58	10%
31.03.2003	109.60	1522.64	1632.24	1600.76	50.55	10%
31.03.2004	109.60	1520.55	1630.15	1814.80	(39.81)	10%
31.03.2005	109.60	1680.12	1789.71	2509.21	192.67	15%
31.03.2006	109.60	1776.19	1885.79	2712.18	123.37	15%
31.03.2007	109.60	1827.21	1936.81	2875.69	65.49	15%
31.03.2008	323.36	6290.12	6613.49	2896.08	76.84	15%
31.03.2009	323.36	6313.86	6637.22	3603.79	102.83	15%
31.03.2010	325.62	8838.30	9163.92	5295.71	772.62	25%

* Increase due to issue of Bonus Shares.

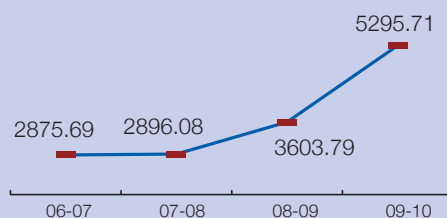
Note : Consistent Dividend paying record since inception

Net Worth
(Rs. in Lacs)

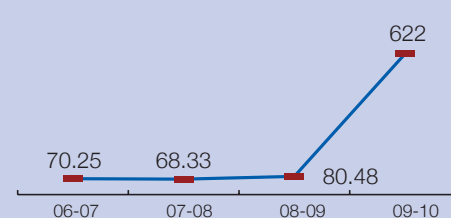


09-10 9163.92	08-09 6637.22
07-08 6613.49	06-07 1936.81

Sales
(Rs. in Lacs)



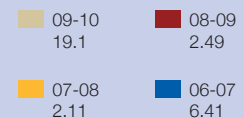
PAT
(Rs. in Lacs)



SI No.	Particulars	Units	2009-10	2008-09	2007-08	2006-07	2005-06
A	Our Earnings						
	Total Sales	Rs. Lacs	5295.71	3603.79	2896.08	2875.69	2717.45
	Change in Stock in Trade	Rs. Lacs	192.15	(33.13)	(62.53)	(144.12)	29.98
	Value of Production	Rs. Lacs	5487.86	3570.66	2833.55	2731.57	2747.43
B	Our Outgoings						
	Cost Of Materials	Rs. Lacs	1477.38	1090.60	883.20	1075.78	1088.35
	Emp. Rem. & Benefits	Rs. Lacs	1690.70	1164.48	1003.83	785.93	735.70
	Depreciation	Rs. Lacs	169.22	164.74	169.79	168.28	175.63
	Other Expenses	Rs. Lacs	1135.25	821.01	692.51	721.91	606.17
	Interest	Rs. Lacs	278.93	269.04	112.65	112.49	102.81
C	Our Savings						
	PBDIT	Rs. Lacs	1220.77	536.61	359.28	346.26	401.81
	PBIT	Rs. Lacs	1051.55	371.87	189.49	177.98	226.18
	PBT	Rs. Lacs	772.62	102.83	76.84	65.49	123.37
	PAT	Rs. Lacs	622.00	80.48	68.33	70.25	114.82
D	Own Capital						
	Equity	Rs. Lacs	325.62	323.36	323.36	109.60	109.60
	Reserves & Surplus	Rs. Lacs	8838.30	6313.86	6290.13	1827.21	1776.19
E	Loan Capital						
	Loan From Bank	Rs. Lacs	1588.31	1909.11	1960.43	983.52	919.76
	Other Loans	Rs. Lacs	300.00	250.00	805.10	—	—
F	Financial Statistics						
	Net Worth	Rs. Lacs	9163.92	6637.22	6613.49	1936.81	1885.79
	Gross Block	Rs. Lacs	7311.24	3667.26	3651.38	2922.05	2785.18
	Depreciation	Rs. Lacs	2062.82	1650.63	1556.19	1354.88	1198.08
	Inventories	Rs. Lacs	710.64	441.46	432.17	511.90	650.34
	Sundry Debtors	Rs. Lacs	357.68	247.33	207.79	269.20	250.04
	Working Capital	Rs. Lacs	1087.11	1022.48	2673.89	967.73	973.05
	Capital Employed	Rs. Lacs	11052.23	8796.33	9379.02	2920.33	2805.55
	Dividend - Excl-Tax	Rs. Lacs	81.41	48.50	64.54	16.44	16.44
G	Financial Ratio						
	PBT to Sales	%	14.59	2.85	2.65	2.28	4.54
	NET MARGIN	%	11.75	2.23	2.36	2.28	4.54
	PBIT to Capital Employed/ROCE	%	9.51	4.23	2.02	6.09	8.06
	PAT to Net Worth/ROE	%	6.79	1.21	1.03	3.63	6.09
	Total Debt to Equity		0.22	0.35	0.45	0.51	0.49
	EPS	Rs.	19.10	2.49	2.11	6.41	10.48
	CEPS	Rs.	24.30	7.58	7.36	21.76	26.50
	Book Value Per Share	Rs.	281.43	203.83	203.10	59.48	57.91
	Dividend	%	25	15	15	15	15



EPS (Rs.)



Directors' Report



Dear Shareholders

Your Directors have pleasure in presenting their 136th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2010.

FINANCIAL PERFORMANCE	(Amount in Rs.)	
	31.03.2010	31.03.2009
Profit for the year before Depreciation	9,41,83,545	2,67,57,015
Deduct : Depreciation	1,69,21,960	1,64,73,717
Profit before Tax	7,72,61,585	1,02,83,298
Deduct : Provision for Corporate Taxation		
- Current Year	1,00,00,000	42,00,000
Less : MAT Credit Entitlement	-	(18,00,000)
- Earlier year	1,43,241	11,79,903
- Excess Tax provision in respect of earlier years written back	(7,131)	(24,17,101)
- Fringe Benefit Tax (including earlier years)	3,550	5,65,150
- Deferred Tax	49,22,358	5,07,205
Net Profit	6,21,99,567	80,48,141
Add : Balance of Profit brought forward from previous year	23,53,692	4,80,359
Profit available for Appropriations	6,45,53,259	85,28,500
Appropriations :		
- General Reserve	3,00,00,000	5,00,000
- Proposed Dividend	81,40,618	48,50,471
- Tax on Dividend	13,52,157	8,24,337
- Balance Carried to Balance Sheet	2,50,60,484	23,53,692
	6,45,53,259	85,28,500

DIVIDEND

Your Directors have recommended for your approval, a dividend of Rs. 2.50 per share for the year ended 31st March, 2010.

SCHEME OF AMALGAMATION

The Shareholders of the Company passed the resolutions in the Extra Ordinary General Meeting held on 29th January, 2010 approving the Scheme of Amalgamation of M/s. Jamirah Tea Company Limited with the Company w.e.f. 1st April, 2009. The Hon'ble High Court of Judicature at Kolkata has vide its order dated 29th March, 2010 sanctioned the Scheme of Amalgamation as per the terms consented by the Shareholders.

The aforesaid results include financials of the amalgamating Company, M/s. Jamirah Tea Company Limited from 1st April, 2009 to 31st March, 2010, which stands amalgamated with your Company. The financial figures and the table above relating to 2009-10 are, therefore, not strictly comparable with those of the previous year.

The accounting for the Scheme of Amalgamation has been done in purchase method and the surplus arising on amalgamation has been credited to Capital Reserves.

SHARE CAPITAL

The Authorised Share Capital of the Company has gone up to Rs.1,165 Lacs from Rs.1,115 Lacs in terms of the approved Scheme of Amalgamation referred to earlier in the report.

The Paid-up Equity Share Capital of the Company increased to Rs.325.62 Lacs on issue of 22,600 Equity Shares of Rs.10/- each to the Shareholders of the amalgamating Company i.e. M/s. Jamirah Tea Company Limited in terms of the said Scheme of Amalgamation.

REVIEW OF OPERATIONS

Your Company produced 44,64,622 Kgs. of Tea and 1,96,621 Kgs. of Coffee during the year. The production of minor crops (comprising black pepper, areca & cardamom) was 12,091 Kgs.

The price realization of Tea was higher by Rs.22/- per kg. as compared to the previous year due to lower carry forward stocks, subdued global production and growing domestic demand.

TEA DIVISION

Joonktolee Tea Factory in Assam

The Estate produced 27,58,121 Kgs. of Teas as against 25,03,211 Kgs. produced during the year 2008-09. This Estate has been accredited with ISO 9001:2008, ISO 22000 & HACCP Certification by the renowned D.A.R., Germany.

Jamirah Tea Factory in Assam

The Estate produced 8,54,553 Kgs. of Teas as against 8,34,062 Kgs. produced during the year 2008-09.

Goomankhan Tea Factory in Karnataka

The Estate produced Tea crop of 8,39,030 Kgs. as against 8,50,107 Kgs. produced during the year 2008-09. This Estate has been accredited

with ISO 9001:2000 and bagged The Golden Leaf Awards for the brokens, fannings and dust categories in the minor districts category of South India at the final competition held at Dubai, coinciding with the third Global Dubai Tea Forum 2010.

COFFEE DIVISION

Cowcoody Coffee Estate in Karnataka

The Estate produced 1,96,621 Kgs. as compared to 1,73,006 produced during the year 2008-09. The average sales realization was Rs. 111/- per kg. as compared to Rs.122/- per kg. during the previous year.

PROSPECTS

The estimate for the current year of tea and coffee production is approximately 40 Lac Kgs. and 2 Lac Kgs. respectively. The Company expects increased realization for both Tea and Coffee during the current year.

SUBSIDIARY COMPANIES

- a) The Company as on 31st March, 2010 has four Subsidiary Companies namely, Gloster Real Estates Pvt. Ltd., Cowcoody Builders Pvt. Ltd., Pranav Infradev Co. Pvt. Ltd. and The Cochin Malabar Estates and Industries Ltd.
 - b) The Company has been granted exemption by the Central Government under Section 212(8) of the Companies Act, 1956 from attaching with its accounts, the individual accounts of each of its Subsidiary Companies.
 - c) As required under the Listing Agreement with the Stock Exchanges the Audited Consolidated Financial Statements of the Company together with all its Subsidiary Companies prepared in accordance with the applicable Accounting Standards are attached.
 - d) A statement containing brief financial details of the Subsidiary Companies is attached which forms part of the Annual Report.
2. The Cochin Malabar Estates and Industries Ltd. reported a Net Profit of Rs.131.60 Lacs for the year ended 31st March, 2010 as against Rs.108.68 Lacs for the same period last year. The total income for the year ended 31st March, 2010 is Rs.2,144.11 Lacs as against Rs.2,383.25 Lacs during the same period last year.

DISCLOSURE OF PARTICULARS

Information as per the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo is provided in Annexure 'A' forming part of this Report.

CORPORATE GOVERNANCE

The Company has adopted the Corporate Governance Policies and Code of Conduct which set out systems, processes and policies designed at ensuring transparency in all dealings and in the functioning of Board and Management. As per Clause 49 of the Listing Agreement, a report on the Corporate Governance forming part of the Directors' Report is attached.

A certificate from the Auditors of the Company regarding compliance with the conditions of the Corporate Governance is given in the Annexure.

SOCIAL WELFARE

Your Company continues its welfare activities by participating in various projects sponsored by TAI, ITA, ABITA, TOKLAI, UPASI, KPA in the State of Assam & Karnataka and also directly contributes to the area's social causes.

CREDIT RATING

The Company continues to have the domestic credit ratings of BBB stable from CRISIL.

CONSOLIDATED FINANCIAL STATEMENTS

As prescribed by Accounting Standard 21 issued by the Institute of Chartered Accountants of India, the audited consolidated financial statements of the Company together with Auditors' Report for the year ended 31st March, 2010 are annexed.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms :

- i) that in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there has been no material departure;
- ii) that the selected Accounting Policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and of the profits of the Company for the year ended on that date;
- iii) that proper and sufficient care has been taken 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;
- iv) that the annual accounts have been prepared on a going concern basis; and
- v) that the Company has adequate internal systems and controls in place to ensure compliance of laws applicable to the Company.

DIRECTORS

Shri M. K. Daga and Shri M. M. Pyne retire from the Board by rotation and are eligible for re-appointment at the forthcoming Annual General Meeting. The Notice convening the forthcoming Annual General Meeting includes the proposals for re-appointment of Directors.

SECRETARIAL AUDIT REPORT

As a measure of good corporate governance practice, the Board of Directors of the Company appointed Shri S. K. Jain, Practicing Company

Secretary, to conduct Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended March 31, 2010, is provided in the Annual Report.

The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 1956, Depositories Act, 1996, Listing Agreements with the Stock Exchanges, Securities Contracts (Regulation) Act, 1956 and all the Regulations and Guidelines of SEBI as applicable to the Company, including the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

AUDITORS' REPORT

The Auditors' Report to the Shareholders does not contain any qualification.

AUDITORS

The Auditors, M/s. Singhi & Co. Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. Certificate from the Auditors has been received to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

M/s. Singhi & Co. has submitted the Peer Review certificate dated 11th February, 2010 issued to them by Institute of Chartered Accountants of India (ICAI).

PERSONNEL

The information required under Section 217(2A) of the Companies Act, 1956 and the Rules made thereunder, is provided in Annexure forming part of this Report. In terms of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the Shareholders excluding the aforesaid Annexure. Any Shareholder interested in obtaining copy of the same may write to the Company Secretary.

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank the Banks, Central and State Government authorities, Regulatory authorities, Stock Exchanges and the stakeholders for their continued co-operation and support to the Company. Your Directors also wish to record their appreciation for the continued co-operation and support received from the employees of the Company.

On behalf of the Board

Place : Kolkata
Dated : 7th August, 2010

G. D. Bangur
Chairman

Annexure to the Directors' Report

INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010.

CONSERVATION OF ENERGY

(A) POWER & FUEL CONSUMPTION	2009-10	2008-09
1. Electricity		
(a) Purchased		
Units (KWH)	21,00,998	14,42,759
Total Amount (Rs.)	1,21,48,000	85,48,772
Rate/Unit (Rs./KWH)	5.78	5.93
(b) Own General		
(i) Through Diesel		
Generator – Unit (KWH)	5,26,470	4,70,248
Unit per Ltr. H.S.D. Oil (KWH)	3.53	1.73
Fuel Cost/Unit (Rs./KWH)	17.69	18.72
(ii) Through Natural Gas		
Generator – Unit (KWH)	8,02,710	12,83,840
Units per Scm. of Gas (KWH)	1.15	1.73
Fuel Cost/Unit (Rs./KWH)	4.96	3.28
2. Others : For Tea Processing in Withering & Drying		
(a) Furnace Oil, L.D./H.S.D. (Qty./Ltr.)	3,600	7,727
Total Cost (Rs.)	1,18,584	2,63,033
Average Rate (Rs./Ltr.)	32.94	34.04
(b) Natural Gas (Scum)	15,43,210	15,93,089
Total Cost (Rs.)	90,32,534	92,83,977
Rate/Unit (Rs./Scum)	5.85	5.83
(c) Solid Fuel		
Quantity (Kgs.)	–	91,870
Total Cost (Rs.)	–	3,16,095
Average Cost per Kg. (Rs.)	–	3.44

	2009-10	2008-09
(d) Firewood		
Quantity (Kgs.)	16,24,380	10,76,740
Total Cost (Rs.)	24,09,953	13,58,896
Average Cost per Kg. (Rs.)	1.55	1.26
3. Others : For Transport & Material Handling etc.		
(a) H.S.D. Oil		
Quantity (Kgs.)	26,121	22,496
Total Cost (Rs.)	9,26,043	7,94,521
Rate/Unit (Rs./Ltr.)	35.45	35.32
(b) Petrol		
Quantity (Kgs.)	2,913	3,506
Total Cost (Rs.)	1,31,129	1,74,501
Rate/Unit (Rs./Ltr.)	45.02	49.77
4. Coffee Stumps used in Dryer		
Quantity (Kgs.)	1,37,730	4,05,700
Total Cost (Rs.)	2,20,368	6,08,549
Average Cost per kg. (Rs.)	1.60	1.50
(B) CONSUMPTION PER UNIT PRODUCTION		
Products – Tea (Gross) (Kgs.)	44,44,503	41,87,380
Energy Used : Electricity (KWH/Kg.)	0.77	0.76
(including own Generation)		
Other Fuels for processing of Tea :		
Furnace/L.D./H.S.D. Oil (Ltr.)	0.001	0.003
Gas (Scum/Kg.)	0.38	0.43
Solid Fuel/Firewood (Kg./Kg.)	0.48	0.54

RESEARCH AND DEVELOPMENT (R &D)

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

The Company subscribed to Tea Research Association and TRI through United Planters' Association of Southern India which are registered under Section 35(1)(ii) of the Income Tax Act, 1961, to carry out R&D on Tea. Their recommendations are adopted wherever feasible, in addition to our own efforts for obtaining better results.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, in brief, made towards technology absorption, adaptation and innovation
2. Benefits derived as a result of the above efforts e.g.
Products improvement, cost reduction.
Products development, import substitution etc.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished :
 - (a) Technology imported
 - (b) Year of import
 - (c) Has technology been fully absorbed ?
 - (d) If not fully absorbed, areas where this has not taken place, reasons therefore, and future plans of action.

Not Applicable

FOREIGN EXCHANGE EARNINGS AND OUTGO

(i) Activities relating to exports, initiatives taken to increase exports	Not applicable
(ii) Development of new export markets for products and services, and export plan	Not Applicable
(iii) Total foreign exchange earned (Gross)	Rs. Nil
Used	Rs. 6.44 Lacs

On behalf of the Board

Place : Kolkata

Dated : 7th August, 2010

G. D. Bangur

Chairman

Report on Corporate Governance



Pursuant to Clause 49 of the Listing Agreement a report on Corporate Governance is given below :

1. COMPANY'S GOVERNANCE PHILOSOPHY

Corporate Governance is about commitment to values and integrity in directing the affairs of the Company. It is an integral part of strategic management. The Company believes and is committed to and always strives for excellence through adoptions of good corporate governance which are founded upon the core values of adherence to the ethical business practices, delegations, responsibilities and accountabilities, honesty and transparency, empowerment, independent monitoring and environmental consciousness in the functioning of the management and the Board; true, complete and timely disclosures and compliance of law, ultimately resulting in maximizing shareholders' value and protecting the interest of the other stakeholders.

The Company is committed to practice sound governance based on the following core principles :

- i) **Transparency**
To attain the highest level of transparency in all aspects of Company's business interactions and dealings.
- ii) **Empowerment & Accountability**
To attain the highest level of personal accountability and to ensure employees' excellence in the work.
- iii) **Compliances**
To comply with all the Laws and Regulations including the Companies Act 1956, Listing Agreement with the Stock Exchanges including inhouse legal audit and confirmation of such compliances before the Board at the end of every quarter.

iv) **Code of Conduct**

To conduct the affairs of the Company in the ethical business manner.

v) **Stakeholders' Interest**

To promote the interest of the customers, shareholders, employees, vendors, lenders, government and the community.

vi) **Insider Trading**

To prohibit trading in the Equity Shares of the Company by the Promoters, Management and the Executives based on the inside or privileged information.

vii) **Monitoring Subsidiaries**

The minutes of the meetings of the Board of the Subsidiary Companies are periodically placed before the Board of the Company.

viii) **Business Policies**

To cover the comprehensive range of fair market practices, inside information, financial records and accounting integrity, external communications, work ethics, personal conduct, health safety environment and quality.

ix) **Disclosures**

To ensure timely disclosure of sensitive information and matter of interest of the shareholders.

2. **BOARD OF DIRECTORS**

The Board of Directors of the Company is headed by Shri G. D. Bangur, Chairman. The Board consists of eminent persons with considerable professional experience in industry and fields e.g. tea industry, finance, banking, law and marketing. The present strength of the Board of Directors is seven, of which, five are Non-Executive Directors and two

are the Executive Directors. The Board has four Independent Non-Executive Directors, one Promoter Non-Executive Director, one Promoter Executive Vice-Chairman and one Non-Promoter Professional Executive Director.

- i. None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees across all companies in which they are Directors.
- ii. The Company holds a minimum of four Board Meetings in each year.
- iii. All the divisions/departments of the Company are encouraged to plan their functions well in advance with regard to the matters requiring directions/approvals/decisions in the Board/ Committee Meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda of the Board Meeting.
- iv. The Chairman, the Executive Vice-Chairman, the Executive Director and the Company Secretary in consultation with the other concerned persons in the Senior Management finalise the Agenda Papers for the Board Meeting.

- v. The Board papers, comprising of Agenda backed by comprehensive documents, information, are circulated to the Directors in advance and, in the exceptional cases, the same is tabled at the Board Meeting. All the material information is included in the Agenda Papers for facilitating meaningful and focused discussions at the meeting. The Board is also free to recommend the inclusion of any matters for discussion in consultation with the Chairman.
- vi. In special and exceptional circumstances, additional or supplementary item/(s) on the Agenda are permitted. Sensitive subject matters may be discussed at the meeting without written material being circulated in advance or at the meeting.

During the year under review five Board Meetings were held on 28th April, 2009, 28th July, 2009, 2nd September, 2009, 28th October, 2009 & 28th January, 2010 to deliberate on various matters. The composition of the Board of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting as also the number of other directorships in Indian public limited companies are as follows :

Name of Director	Attendance at last AGM	No. of Board meetings attended	Category of Director	Other Director-ships	No. of Chairmanship/ Membership of Board Committees		No. of Shares held in the Company
					Chairman	Member	
Shri Gopal Das Bangur	Yes	4	NEC	8	Nil	1	487538
Shri Hemant Bangur*	Yes	5	EVC	6	1	2	140707
Shri M. K. Daga	Yes	5	I/NED	2	2	2	-
Shri Amitabha Ghosh	Yes	4	I/NED	13	5	10	-
Shri J. K. Surana	Yes	4	I/NED	Nil	Nil	Nil	-
Shri M. M. Pyne	Yes	5	I/NED	3	Nil	Nil	-
Shri K. C. Mohta	Yes	5	ED	1	Nil	1	-

NEC – Non-Executive Chairman

EVC – Executive Vice-Chairman

ED – Executive Director

I – Independent

NED – Non-Executive Director

- * Shri Hemant Bangur was Managing Director upto 30.04.2010 and he was appointed as Executive Vice-Chairman w.e.f. 01.05.2010
- In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, membership/chairmanship of only the Audit Committee and Shareholders'/Investors' Grievance Committee of all the public limited companies has been considered.

3. AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company, inter-alia, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

(a) Terms of Reference

The broad terms of Reference of the Audit Committee are as under :

- Reviewing the Company's financial reporting process and disclosure of financial information.
- Recommending the appointment and removal of statutory auditors, fixation of audit and other fees.
- Reviewing the quarterly and annual financial statements with primary focus on accounting policies and practices, compliance with accounting standards and legal requirements concerning financial statements.

- Reviewing the adequacy of internal control systems and internal audit function, ensuring compliance of internal control systems and reviewing the Company's financial and risk management policies.
- Reviewing the reports furnished by the internal auditors and statutory auditors and ensure suitable follow-up thereon.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to - Matters required to be included in the Directors' Responsibility Statement in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Approving the appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

The Audit Committee while reviewing the Annual Financial Statements also reviewed the applicability of various Accounting Standards (AS) issued by The Institute of Chartered Accountants of India during the year. Compliance of the AS as applicable to the Company has been ensured in the Financial Statements for the year ended March 31, 2010.

(b) Composition

The Audit Committee comprises of two Independent Non-Executive Directors and one Promoter Non-Executive Director namely, Shri M. K. Daga, Shri M. M. Pyne and Shri G. D. Bangur respectively.

The Committee met 4 times during the year on April 28, 2009, July 28, 2009, October 28, 2009 and January 28, 2010. The attendance of the Members at the Audit Committee Meetings is as under :

Name of the Director	Status	No. of meetings attended
Shri M. K. Daga	Chairman	4
Shri Amitabha Ghosh*	Member	2
Shri M. M. Pyne	Member	4
Shri G. D. Bangur	Member	3

The Secretary of the Company who is also acting as Secretary of the Committee attended the meetings. The Chief Financial Officer of the Company has also attended the meetings. At the invitation of the Committee, the Statutory Auditors of the Company also attended the meetings to answer and clarify the queries raised at the meetings.

* Shri Amitabha Ghosh resigned as member from the Committee w.e.f. 01.09.2009.

(c) INTERNAL AUDIT

Company's has an internal audit system which is conducted by an independent Chartered Accountant who submits its report to the Chairman / Executive Vice Chairman of the Company. Company's system of internal control covering financial, operational, compliances, IT applications are reviewed time to time by the experts and the findings of such review are reported to the Chief Executive Officer & Executive Director of the Company. The Minutes of the Audit Committee Meetings are circulated to the Board and discussed at the Board Meetings.

4. REMUNERATION COMMITTEE

Though constitution of the Remuneration Committee is not mandatory, the Company has constituted the Remuneration Committee to recommend/ review remuneration of Directors / Wholetime Directors and such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend/approve.

(a) Terms of Reference

The broad terms of Reference of the Remuneration Committee are as under :

- Reviewing the overall compensation policy, service agreements and other employment conditions of Executive Vice-Chairman and Wholetime Director.
- Reviewing the performance of the Managing Director and Wholetime Director and recommending to the Board, the quantum of annual increments and annual commission.

- Approving and recommending to the Board, the remuneration and commission payable to the Directors.

(b) **COMPOSITION**

The Remuneration Committee comprises of two Independent Non-Executive Directors and one Promoter Non-Executive Director namely Shri J. K. Surana, Shri M. M. Pyne and Shri G. D. Bangur respectively.

During the year under review, the Committee met once only on 27th January, 2010. The attendance of the Members at the Remuneration Committee Meeting is as under :

Name of the Director	Status	No. of meetings attended
Shri J. K. Surana	Chairman	1
Shri M. M. Pyne	Member	1
Shri G. D. Bangur	Member	1

The Secretary of the Company who is also acting as Secretary of the Committee attended the meeting.

(c) **Remuneration Policy**

The remuneration policy of the Company is directed towards

rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing Industry practice.

The Executive Vice-Chairman and the Wholetime Director are paid remuneration as per their agreements with the Company. These agreements are placed for approval before the Board and the shareholders and such other authorities as may be necessary. The remuneration structure of the Executive Vice-Chairman and the Wholetime Director comprises of salary, commission, perquisites and other benefits. There are no stock option benefits to any of the Directors.

The Executive Vice-Chairman and the Wholetime Director are not paid sitting fee for attending meetings of the Board or Committees thereof. Other Directors are being paid a sitting fee of Rs. 5,000/- for attending each Board Meeting and Rs. 2,000/- for attending each Committee Meeting. 1% of the Net Profit of the Company by way of Commission is paid each to the Executive Vice-Chairman, the Executive Director and to all the Non-Executive Directors of the Company put together.

Details of Remuneration paid/payable to all the Directors for the year ended 31st March, 2010

(Figures in Rupees)

Name of the Director	Salary	Perquisites and other benefits	Commission	Sitting Fees*	Total
Shri Gopal Das Bangur	-	-	1,75,000	68,000	2,43,000
Shri Hemant Bangur	30,00,000	10,99,218	8,50,000	-	49,49,218
Shri M. K. Daga	-	-	1,75,000	33,000	2,08,000
Shri Amitabha Ghosh	-	-	1,75,000	24,000	1,99,000
Shri J. K. Surana	-	-	1,75,000	22,000	1,97,000
Shri M. M. Pyne	-	-	1,75,000	75,000	2,50,000
Shri K. C. Mohta	16,08,000	14,13,361	8,04,000	-	38,25,361

* Includes Sitting Fee paid for Committee Meetings.

Details of Agreement

Name	From	To	Tenure	Capacity
Shri Hemant Bangur *	01.05.2005	30.04.2010	5 years	As Managing Director
	01.05.2010	30.04.2013	3 years	As Executive Vice-Chairman
Shri K.C. Mohta *	04.05.2007	03.05.2012	5 years	As Executive Director

* For termination of agreement, the Company and the Executive Vice-Chairman and the Wholetime Director are required to give a notice of three months or three months' salary in lieu thereof.

5. SHARE TRANSFER AND SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

Functions

The Investors' Grievance Committee of the Board, under the nomenclature 'Share Transfer and Shareholders'/Investors' Grievance Committee', approves transfer/transmission/rematerialisation of shares; consolidation/splitting of folios; issue of duplicate share certificates etc. and overseas redressal of shareholder and investor grievances e.g. transfer or credit of shares, non-receipt of dividend/notice/annual reports, etc.

(a) Terms of Reference

The broad terms of Reference of the Share Transfer and Shareholders'/Investors' Grievance Committee are as under :

- transfer/transmission/transposition of shares;
- consolidation/splitting of folios;
- issue of share certificates for lost, sub-divided, consolidated, rematerialized, defaced, etc.;
- review of shares dematerialized and all other related matters;
- investors' grievances and redressal mechanism and recommend measures to improve the level of investor services.

(b) Composition

The Share Transfer and Shareholders'/Investors' Grievance Committee comprises of one Promoter Non-Executive Director, one Independent Non-Executive Director and one Professional Non-Promoter Executive Director namely Shri G. D. Bangur, Shri M. M. Pyne and Shri K. C. Mohta respectively.

During the year under review, 20 (Twenty) Share Transfer and Shareholders'/Investors' Grievance Committee Meetings were held. The attendance of the Members at the Share

Transfer and Shareholders'/Investors' Grievance Committee Meeting is as under :

Name of the Director	Status	No. of meetings attended
Shri G. D. Bangur	Chairman	20
Shri M. M. Pyne	Member	20
Shri K. C. Mohta	Member	20

The Secretary of the Company who is also acting as Secretary of the Committee attended the meetings.

The Board of Directors have authorized the Secretary to approve the transfer/transmission/rematerialisation of shares which are properly processed and related formalities are done by the Registrar & Share Transfer Agent, M/s. Maheshwari Datamatics Pvt. Ltd., Kolkata. A statement is prepared showing such transfer/transmission/rematerialisation and also sub-division, consolidation of share certificates, issue of duplicate share certificates etc. by the Company Secretary, who is also acting as Compliance Officer, in consultation with the Registrar & Share Transfer Agent and the same is placed generally fortnightly before the Committee. On approval of the Committee, necessary effects to such transfer/transmission/rematerialisation etc., are given. The Committee also keeps a close watch on all the complaints /grievances from the shareholders which were duly attended. Details of Complaints received, redressed and pending during the financial year are as under :

Pending at the beginning of the year	Received during the year	Redressed/ Replied during the year	Pending at the year end
Nil	29	29	Nil

The average period of redressal of grievance is two weeks from the date of receipt of letters/complaints. There was no unresolved complaint as on 31st March, 2010. There were no share transfer applications pending for registration on 31st March, 2010.

6. GENERAL BODY MEETINGS

Last three Annual General Meetings of the Company were held as under :

Financial Year	Date of Meeting	Time	Location
2006-2007	December 22, 2007	10.30 a.m.	Shripati Singhania Hall, Rotary Sadan 94/2, Chowringhee Road, Kolkata - 700 020
2007-2008	November 29, 2008	10.30 a.m.	Shripati Singhania Hall, Rotary Sadan 94/2, Chowringhee Road, Kolkata - 700 020
2008-2009	September 2, 2009	11.00 a.m.	Shripati Singhania Hall, Rotary Sadan 94/2, Chowringhee Road, Kolkata - 700 020

- At the Annual General Meeting held on 22nd December, 2007, Shareholders have considered appointment and remuneration of Shri K.C. Mohta as Executive Director w.e.f. 4th May, 2007 for the next five years.
- An Extra Ordinary General Meeting was held on 8th June, 2007 as per the order and under supervision of the Hon'ble High Court, Kolkata to consider the Scheme of Arrangement of the Company which was approved by the Shareholders of the Company and the Company has since given the effect to the Scheme of Arrangement.
- A special resolution was passed by the Shareholders at the Annual General Meeting held on 29th November, 2008 for the increase of remuneration of the Managing Director and the Executive Director w.e.f. 1st April, 2008.
- An Extra Ordinary General Meeting was held on 29th January, 2010 as per the order and under the supervision of the Hon'ble High Court, Kolkata to consider the Scheme of amalgamation of M/s. Jamirah Tea Co. Limited with the Company.
- The last Annual General Meeting held on 2nd September, 2009 was duly attended by the Chairman of the Audit Committee, Shri M. K. Daga.
- A special resolution in terms of the provisions of the Companies Act, 1956 and all other applicable rules, regulations, guidelines and laws, was passed by Postal Ballot in accordance with the provisions of Section 192A of the Companies Act, 1956, during the Financial Year ended 31st March, 2010 as per the procedures prescribed in the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001. The Result of Postal Ballot was as under :

Particulars of Resolution	Resolution passed on	Application Section of the Companies Act, 1956	No. and % of Votes in favour		No. and % of Votes against	
Authorising giving of loan	17.09.2009	Section 372A and all other applicable provisions, if any, of the Companies Act, 1956	2457052	99.96%	959	0.04%
Authorising investment in shares & securities	17.09.2009	Section 372A and all other applicable provisions, if any, of the Companies Act, 1956	2457520	99.98%	491	0.02%
Authorising corporate guarantee	17.09.2009	Section 372A and all other applicable provisions, if any, of the Companies Act, 1956	2457327	99.97%	684	0.03%
Authorising purchase of secured debts	17.09.2009	Section 372A and all other applicable provisions, if any, of the Companies Act, 1956	2457447	99.98%	564	0.02%

Person who conducted the Postal Ballot exercise

Mr. S. K. Jain, a Practising Company Secretary, appointed as the Scrutinizer conducted the Postal Ballot voting process.

Procedure for Postal Ballot

The procedures as prescribed in Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001 were followed for passing the Resolution by Postal Ballot during the year ended 31st March, 2010.

7. DISCLOSURES

(a) Related Party Transactions

There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

(b) Non-compliance/strictures/penalties imposed

No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets for non-compliance by the Company during the last three years.

(c) Accounting Treatment

In the preparation of financial statement, the Company has followed the Accounting Standards issued by ICAI.

(d) Risk Management

Risk evaluation and management is an ongoing process within the organization and the Board of Directors is informed time to time accordingly.

(e) Whistle Blower Policy and Affirmation that no personnel has been denied access to the Audit Committee

The Company, as such, does not have any Whistle Blower

Policy. However, no employee is denied access to the Audit Committee.

(f) **Code of Conduct**

The Board of Directors has adopted the Code of Conduct and Ethics for Directors and Senior Management. The said Code has been communicated to the Directors and the members of the Senior Management. For the purpose of this Code, Sr. Management Personnel have been considered a step below the working Directors. For the year under review, all the Directors and the Sr. Management Personnel of the Company have confirmed their adherence to the provisions of this Code on an annual basis. A declaration to this effect is given by the Executive Director & Chief Executive Officer and the Chief Financial Officer of the Company as per CEO & CFO Certification annexed alongwith this report. The Code has been posted on the website of the Company.

(g) **Insider Trading**

The Company has adopted the Code of Internal Procedures and Conduct as required under SEBI (Prohibition of Insider Trading) Regulations, 1992 for prevention of any unauthorized trading in the shares of the Company by insiders. Shri S. Bagree, Manager (Finance) & Company Secretary, is the Compliance Officer for the purpose of this regulation.

(h) **CEO/CFO Certifications**

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) certification, on financial statements has been issued pursuant to the provisions of Clause 49 of the Listing Agreement and is annexed to the Corporate Governance Report and forms part of the Annual Report.

(i) **Review of Directors' Responsibility Statement**

The Board in its report has confirmed that the Annual Accounts of the Company for the year ended 31st March, 2010 have been prepared as per the Accounting Standard and Policies.

(j) **Subsidiaries**

Non-listed Subsidiary

The Company has three Non-listed Subsidiary Companies. It has appointed Independent Directors of the Company in

each of such Subsidiary Companies. The Minutes of the meetings of the Board of Directors of the above Subsidiary Companies are periodically placed before the Board of Directors of the Company and attention of the Directors is drawn to the significant transactions and arrangements entered into by the Subsidiary Companies.

Listed Subsidiary

The Company has one Board controlled Listed Subsidiary Company. It has nominated Shri Hemant Bangur, Executive Vice-Chairman, Shri K. C. Mohta, Executive Director and Shri B. L. Dhanuka, Chief Financial Officer of the Company on the Board of the above Subsidiary Company. Shri Hemant Bangur, Executive Vice-Chairman of the Company is the Chairman of the above Subsidiary Company. The quarterly financials and performance and significant transactions and arrangements entered into by the above Subsidiary Company are regularly placed before the Board Meeting of the Company and the Board members are fully informed about the activities and working of the above Subsidiary Company.

8. MEANS OF COMMUNICATION

- (a) As the quarterly and annual audited financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board/Committee and published in 'Business Standard' and 'Kalantar', the same were not separately sent to each household of shareholders.
- (b) The results are being uploaded on the website at <http://www.joonktolleetea.in>. Distribution of shareholdings is also displayed on the website.
- (c) Company has not made any official news release and presentations to any institutional investors/analysts during the year.

9. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report is separately attached and forms a part of the Corporate Governance Report.

10. GENERAL SHAREHOLDER INFORMATION

The required information under Clause 49 of the Listing Agreement under this heading is given in the "Shareholder Information" separately in the annexure to this Corporate Governance Report.

DECLARATION BY THE EXECUTIVE DIRECTOR & CHIEF EXECUTIVE OFFICER ON CODE OF CONDUCT

This is to certify that all the Members of the Board of Directors and Senior Management (i.e. one level below the Executive Director) of the Company, have confirmed compliance with the Company's Code of Conduct during April, 2009 to March, 2010.

For **Joonktollee Tea & Industries Ltd.**

K. C. Mohta

*Executive Director &
Chief Executive Officer*

Place : Kolkata

Date : 6th August, 2010

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of

Joonktollee Tea & Industries Ltd.

We have examined the compliance of Corporate Governance by Joonktollee Tea & Industries Ltd. for the year ended on 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring to compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of the 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 the Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For **SINGHI & CO.**

Firm Registration No. 302049E

Chartered Accountants

Pradeep Kumar Singhi

Partner

Membership No. 50773

Place : Kolkata

Date : 7th August, 2010

CEO AND CFO CERTIFICATION

We, K. C. Mohta, Executive Director & Chief Executive Officer and B. L. Dhanuka, Chief Financial Officer of Joonktolllee Tea & Industries Limited, to the best of our knowledge and belief, certify that :

- a) We have reviewed the Balance Sheet and Profit and Loss Account (standalone and consolidated) and all the schedules and notes on accounts, as well as the Cash Flow Statements for the year ended 31st March, 2010.
- b) Based on our knowledge and information, these statements do not contain any materially untrue statement or omit to state any material fact necessary to make the statements.
- c) Based on our knowledge and information, these statements, and other financial information included in this report, present in all material respects, a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as of, and for the year ended 31st March, 2010, and are in compliance with the existing accounting standards and/or applicable laws and regulations.
- d) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2010 are fraudulent, illegal or violative of the Company's code of conduct.
- e) We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and we have :
 - i) Designed such disclosure controls and procedures to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared.
 - ii) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with existing accounting standards and/or applicable laws and regulations.
 - iii) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.
- f) We have disclosed based on our knowledge and information, wherever applicable, to the Company's auditors and the audit committee of the Company's Board of Directors (and persons performing the equivalent functions) :
 - i) There were no deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, and there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
 - ii) There were no significant changes in the internal controls during the year covered by this report.
 - iii) All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements for the year 2009-10.
 - iv) There were no instances of fraud of which we are aware, that involve the management or other employees who have significant role in the Company's internal control system.
- g) We affirm that we have not denied any personnel, access to the audit committee of the Company (in respect of matters involving alleged misconduct).

For **Joonktolllee Tea & Industries Ltd.**

K. C. Mohta
Executive Director &
Chief Executive Officer

B. L. Dhanuka
Chief Financial Officer

Place : Kolkata
Date : 6th August, 2010

Shareholder Information



a) 136th Annual General Meeting

Date	29th September, 2010
Time	10.15 A.M.
Venue	"Shripati Singhanian Hall", Rotary Sadan 94/2, Chowringhee Road, Kolkata - 700 020

b) Tentative Financial Calendar

The Financial Calendar year is based on twelve months commencing from April 2010 to March 2011. Announcement of Audited/Unaudited Results :

1st Quarter Ended 30th June, 2010	By 15th August, 2010
2nd Quarter Ended 30th September, 2010	By 15th November, 2010
3rd Quarter Ended 31st December, 2010	By 15th February, 2011
4th Quarter Ended 31st March, 2011	By 15th May, 2011

c) Book Closure dates

The Register of Members and Share Transfer Books of the Company shall remain closed from 23rd September, 2010 to 29th September, 2010 (both days inclusive).

d) Dividend Payment Date

The Dividend as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting will be paid at par on or after 30th September, 2010 to those members whose names appear on the Company's Register of Members as holders of equity shares in physical form on 22nd September, 2010. In respect of shares held in dematerialized form, the dividend will be paid on the basis of beneficial ownership details to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.

e) Listing of Equity Shares/Debentures on Stock Exchanges

The Equity Shares of the Company are listed on The Calcutta Stock Exchange (CSE). Annual Listing Fee as prescribed has been paid to the Calcutta Stock Exchange for the year 2010-11. Further, BSE has permitted the Equity Shares of the Company for trading under the "B" group with effect from 14th May, 2008. Listing of 22,600 Equity Shares of Rs.10/- each of the Company issued and allotted pursuant to the Scheme of Amalgamation is pending with the Calcutta Stock Exchange.

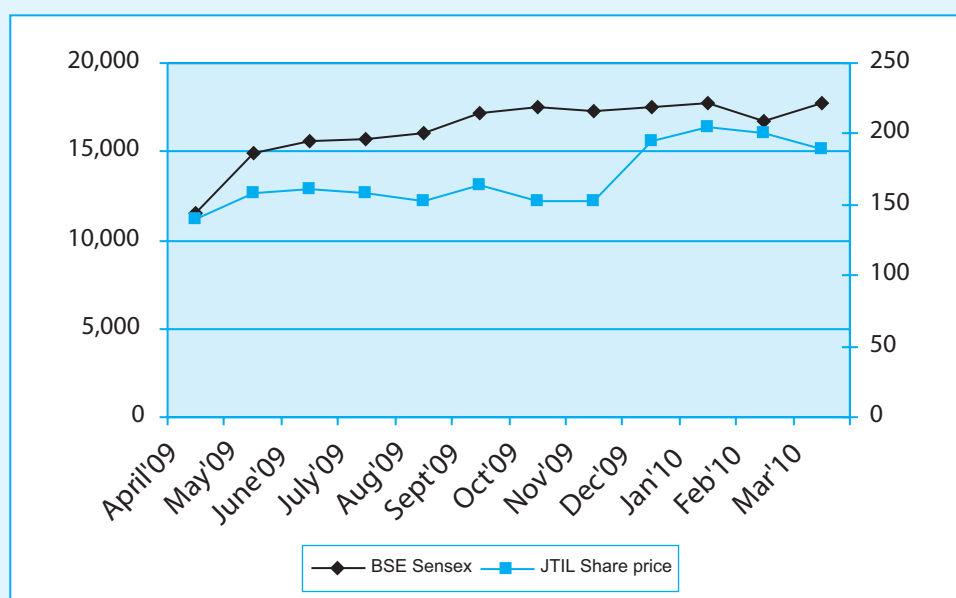
Stock Code

The Calcutta Stock Exchange Association Limited	10020009
The Bombay Stock Exchange Limited	590079
Demat ISIN No. for NSDL & CDSL	INE574G01013

f) Market Price Data

There were no transactions in the equity shares of the Company listed at The Calcutta Stock Exchange, hence there is no monthly high and low quotations and volume of shares traded on the Stock Exchange during the year. However, the particulars of transactions that took place on Bombay Stock Exchange are as under –

Months	Stock Price at BSE		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April, 2009	139.70	117.95	11,492.10	9,546.29
May, 2009	158.00	112.50	14,930.54	11,621.30
June, 2009	161.50	135.00	15,600.30	14,016.95
July, 2009	158.00	123.05	15,732.81	13,219.99
August, 2009	151.95	130.00	16,002.46	14,684.45
September, 2009	164.00	136.00	17,142.52	15,356.72
October, 2009	152.95	132.00	17,493.17	15,805.20
November, 2009	151.95	115.00	17,290.48	15,330.56
December, 2009	195.00	133.50	17,530.94	16,577.78
January, 2010	204.90	152.00	17,790.33	15,982.08
February, 2010	200.00	163.00	16,669.25	15,651.99
March, 2010	188.80	151.20	17,793.01	16,438.45



g) Registrar and Share Transfer Agent

The Company has appointed M/s. Maheshwari Datamatics Pvt. Ltd. as its Registrar & Share Transfer Agents (RTA) for holding work related to share registry in terms of both physical and electronic modes. Accordingly, all correspondence, shares for transfer, demat/remat requests and other communication in relation thereto should be mailed/hand delivered to the said RTA directly at the following address :

M/s. Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor, Kolkata - 700 001
Phone : (033) 2243-5029/5809, Fax No. : (033) 2248-4787
E-mail : mdpl@cal.vsnl.net.in

h) Share Transfer System

Requests for transfer/transmission of shares are registered by the Registrars and placed before the Share Transfer and Shareholders' / Investors' Grievance Committee and after approval certificates are returned to the respective transferee within a period of fifteen days normally, provided the documents lodged with the Registrars/Company are clear and complete in all respects. A total of 15,268 shares were transferred/transmitted/rematerialised during the year 2009-10. The dematerialized shares are credited directly to the respective Demat Account of beneficiaries by the Depositories.

i) Distribution of shareholdings as at March 31, 2010 was as under

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
Upto 500	2416	94.7823	183582	5.6772
501 to 1000	66	2.5893	46506	1.4382
1001 to 2000	33	1.2946	44753	1.3840
2001 to 3000	5	0.1962	12179	0.3766
3001 to 4000	3	0.1177	9848	0.3045
4001 to 5000	2	0.0785	9175	0.2837
5001 to 10000	3	0.1177	19106	0.5908
10001 and above	21	0.8239	2908498	89.9448
GRAND TOTAL	2549	100.0000	3233647	100.0000

j) Shareholding Pattern as on March 31, 2010 was as under :

Category	No. of Shares Held	% of Share Capital
A. PROMOTER'S HOLDING		
1. Promoters		
- Indian Promoters	2706675	83.7035
- Foreign Promoters	-	-
Sub-Total	2706675	83.7035
B. NON-PROMOTER'S HOLDING		
2. Institutional Investors		
a. Mutual Funds	-	-
b. Banks, Financial Institutions, Insurance Companies	118436	3.6626
c. FIIs	-	-
Sub-Total	118436	3.6626
3. OTHERS		
a. Bodies Corporate	42354	1.3098
b. Indian Public	334926	10.3576
c. NRIs/OCBs	926	0.286
d. Any Other	30330	0.938
Sub-Total	408536	12.634
GRAND TOTAL	3233647	100.0000

k) Dematerialisation of Shares and Liquidity

As per notifications issued by the Securities and Exchange Board of India (SEBI), the trading in Company's shares is permitted only in dematerialized form. In order to enable the shareholders to hold their share in electronic form and to facilitate scripless trading, the Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have the option to dematerialize their shares with either of the Depositories.

Status of Dematerialisation as on 31st March, 2010 was as under :

Particulars	No. of Shares	% to Total Capital	No. of Accounts
National Securities Depository Limited	1443028	44.6254	759
Central Depository Services (India) Limited	1539955	47.6229	319
Total Dematerialised	2982983	92.2483	1078
Physical	250664	7.7517	1471
Grand Total	3233647	100.0000	2549

l) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on equity :

The Company did not have any outstanding GDRs / ADRs / Warrants or Convertible Instrument as on 31st March, 2010.

m) Secretarial Audit

As stipulated by SEBI, a Qualified Practising Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit confirms that the total Listed and Paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form.

n) Dividend History (Last 10 Years)

Financial Year	Dividend per Share (Rs.)	Total Dividend (Rs. in Lacs)
2009-10	2.50	81.41
2008-09	1.50	48.50
2007-08	1.50	64.54
2006-07	1.50	16.44
2005-06	1.50	16.44
2004-05	1.50	16.44
2003-04	1.00	10.96
2002-03	1.00	10.96
2001-02	1.00	10.96
2000-01	3.00	32.88

o) Plant Locations

A. The Company's Tea/Coffee Estates and Factories are located at –

TEA

Joonktollee Tea Estate & Factory

P. O. - Barbam - 786 624
Dist. Dibrugarh, Assam

Nilmoni Tea Estate

P. O. - Tinkhong - 786 112
Rajgarh, Assam

Shree Ganga Tea Estate

P. O. Barbam - 786 624
Dist. Dibrugarh, Assam

Goomankhan Tea Estate & Factory

Hirebile, P. O. - 577 121
Dist. Chikmagalur, Karnataka

Jamirah Tea Estate & Factory

P. O. - Dibrugarh - 786 001
Dist. Dibrugarh, Assam.

COFFEE

Cowcoody Estate & Factory

Somwarpet - 571 236
Dist. Coorg, Karnataka

B. Subsidiary Company's Tea/Rubber Estates and Factories are located at –

The Cochin Malabar Estates & Industries Ltd.

TEA

Pullikanam Tea Estate & Factory

P. O. - Pullikanam - 685 503
Vagamon Post
Dist. Idukki - 685 503, Kerala

Kolahalmedu Tea Estate

P. O. - Pullikanam - 685 503
Vagamon Post
Dist. Idukki - 685 503, Kerala

RUBBER

Chemoni, Pudukad & Ichipara Estate & Factory

P. O. - Palapilly - 680 304
Dist. Trichur, Kerala

Kinalur Estate & Rubber Wood Factory

Balussery
P. O. - 673 612
Dist. Kozhildie, Kerala

C. Administrative Offices are located at -

21, Strand Road
Kolkata - 700 001
WEST BENGAL

Post Box No. 3837
234-A, Race Course Road
Coimbatore - 641 018, TAMIL NADU

No.39/4946A, Ground Floor,
NGO Union Office Building
Pallimukku, Kochi - 682 016
KERALA

D. Branches / Sales Depots are located at -

C-303-306, Supath II
Near Usmanpura, Ashram Road
Ahmedabad - 380 013
GUJARAT

C.T.S. No.1730, House No. 6938
"Hondonnabar Building", Chelinarvar Oni
Veerapur Road, Hubli - 580 020
KARNATAKA

"KHETAN BHAVAN", M.I. Road
Jaipur - 302 001
RAJASTHAN

45/46, Ali Chambers
N. M. Road, Mumbai - 400 023
MAHARASHTRA

p) Address for correspondence :

Physical Shares

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor
Kolkata - 700 001.
Tel : 033-2243-5029/5809
Fax : 033-2248-4787
E-mail : mdpl@cal.vsnl.net.in

Demat Shares

Respective Depository Participants of the shareholders.

Investors may also write to or contact Mr. S. Bagree, Manager (Finance) & Company Secretary at the Registered Office for any assistance that they may need. Telephone No. (033) 2230 0780, Fax No. (033) 2230 2105 E-mail : cs@joonktolleetea.in.

q) Brief Resume of Directors seeking appointment/re-appointment

Two Non-Executive Directors namely Shri M. K. Daga and Shri M. M. Pyne are due for retirement by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment.

i) Shri M. K. Daga, aged about 47 years, is a Commerce Graduate and has more than 20 years of wide and varied experience in Tea Industry. He is associated with the Company since 28th November, 1992. Shri Daga is on the Board of several other Companies.

(a) Names of Companies in which Shri M. K. Daga is a Director

Sl. No.	Names of the Company in which Directorships held
1.	Norben Tea & Industries Ltd.
2.	Tongani Tea Company Ltd.
3.	Daga & Company Pvt. Ltd.
4.	Cowcoody Builders Pvt. Ltd.

(b) Names of Companies in which Shri M. K. Daga is a Chairman/Member of Board Committees

Sl. No.	Name of the Company	Name of Board Committee	Chairman/Member
1.	Norben Tea & Exports Ltd.	Share Transfer Committee Review Committee	Chairman Chairman
2.	Joonktollee Tea & Ind. Ltd.	Audit Committee	Chairman

ii) Shri M. M. Pyne, aged about 63 years, is a Science Graduate and has more than 20 years experience in Stock Broking. He is associated with the Company since 10th November, 1997. Shri Pyne is also on the Board of some other Companies.

a) Names of Companies in which Shri M. M. Pyne is a Director

Sl.No.	Names of the Company in which Directorships held
1.	Bloomfield Tea Co. Ltd.
2.	Rungmook & Cedars Tea Ltd.
3.	The Camperdown Pressing Co. Ltd.
4.	Pyne Properties Pvt. Ltd.
5.	GMP Consultants Pvt. Ltd.
6.	Gloster Real Estates Pvt. Ltd.

b) Names of Companies in which Shri M.M. Pyne is a Chairman / Member of Board Committees.

Sl. No.	Names of the Company	Name of Board Committee	Chairman/Member
1.	Joonktollee Tea & Ind. Ltd.	Share Transfer & Shareholders' / Investors' Grievance Committee	Member
		Audit Committee	Member
		Remuneration Committee	Member



Management Discussion and Analysis Report

Overview

The year 2009-10 commenced with Indian economy showing an admirable resilience and displayed great strength after global meltdown, in October, 2008. But still there is a considerable uncertainty and volatility in the market. Whether the growth will sustain after the stimulus provided is recalled or after its effect wanes and whether high inflation and interest rates once again hurt the economy, are to be assessed. The Indian economy staged a remarkable recovery to grow at 7.2% during the year. Various policies stimulous, increased government spending, higher rural infrastructure creation acted as powerful catalysts to induce the consumption led recovery.



The Tea industry in India operates in a complex environment. It is both, agriculture and industry. Each region, State and District has its own characteristics in the Tea, it produces. The complex nature of the Tea industry in India and the various environment it operates, throws up a multitude of problems, it has many regional issues which are peculiar to a particular region while many of the problems arise out of the agro-climatic conditions, many are due to the socio-economic and some due to political causes. The large social cost for plantation labour in India - provisions for housing, electricity and water is higher than the other competing Tea producing countries.

The world Tea production stood at 1865 m. Kgs. in 2009-10 as compared to 1908 m. Kgs. in 2008-09. India being the second largest black tea producer produced approx. 980 m.kgs. during the year 2009 representing 41% of global black tea production, maintaining last year's crop level. Strong

consumption growth and lower carry forward stocks had positive impact on prices of tea. Shortfall of production in Kenya and Sri Lanka which experienced drought like situation during 1st half of 2009 also impacted global tea prices which went up by 20% to record levels.

Review

Company including its subsidiaries produced 48,80,470 kgs. of Tea during the year ended 31st March, 2010 against 43,15,456 kgs. for the same period last year. The average price of Tea realized during the year ended 31st March, 2010 was Rs.119/- per kg. in the North which was higher by Rs.17/- per kg. and Rs.98/- per kg. in the South which was higher by Rs.18/- per kg. The domestic consumption in India is likely to have an annual growth of 3 to 4%. The low uprooting and re-plantation coupled with no additional land which could be converted into Tea production by the organized sector, the production for the next few years appears to be stagnant. The climate and rainfall have its own impact on the Tea

plantation and the crop may increase or decrease causing thereby rise or fall in Tea prices or maintaining Tea prices at the current level.

Outlook

With improved crop situation in Kenya and Sri Lanka the supply of Tea should improve in the current year. Domestic consumption is estimated at 860 m. kgs. during the year 2010, increasing by 2%. The worldwide demand is expected to remain at higher levels.

Tea estates in upper Assam have come under the worst ever helopeltis attack, adverse weather condition and excessive rains in the past few months of the current financial year which has resulted in huge crop loss. A fall in production has resulted in reduced arrivals at auction centres and pushed up the prices of quality teas by Rs.15/- to Rs.20/- per kg. The significant loss of crop will result in higher cost of production which may not be compensated by higher prices.



Business Review

COFFEE

The global Coffee production is expected to be around 7,500 m. kgs. during the year 2009-10 comprising of 62% Arabica and 38% Robusta. The production is likely to be lower by 2% over previous year. The global consumption is expected at 7,800 m. kgs. - a shortfall of 4% on the supply. The Coffee consumption is growing steadily year-on-year basis mainly due to rise of consumption from "urban-middle class". The value of Coffee exports is estimated to be around 15.3 billion dollars in 2008, which had increased from 8.2 billion dollars during 2000.

The production in India for 2009-10 is estimated around 3.06 lac tons, which was up against the previous year's production of 2.62 lac tons. The country's exports had come down from 85% of its production in the last decade to 68% in the recent years. This was mainly due to increased domestic consumption, which had surpassed the 'plain-milk' consumption and moved to No.2 position after Tea.

Review

The Coffee production of the Company during the year ending March, 2010 was 1.97 lac kgs. when compared with 1.73 lac kgs. harvested during the previous year. The average price for Coffee realized during the year ended 31st March, 2010 was Rs.111/- as compared to Rs.122.06 last year. The estate is no exception from the problems faced by some of the Coffee growing zones of Karnataka like change in climate, rampages of pests and diseases, acute labour shortages, etc. Massive replanting works are being taken up during last five years to replace the old, unproductive and senile Coffee fields in to high yielding varieties. The normal weather conditions and commencement of crop from replanted fields would augment the crop in the 3 into 4 years.

Outlook

Global warming and change in the weather pattern has impact on the quality of specialty

Coffee. The Indian Coffee production comprises of 68% Robusta and 32% Arabica, which used to be 30% and 70% respectively two decades ago. Robusta is less prone to pest infestation and therefore its cost of production is lower than Arabica's - a factor that offsets its lower price realisation. The domestic market annual consumption is up about 6% p.a. on regular basis which was mainly due to Coffee CAFES, which started with just 9 CAFES between the years 1996-2000 and have grown to 1400 CAFES in 120 cities during 2005 and 2010. The CAFES are coming up in commercial locations, airports, hospitals, educational institutions, highways, tourist destinations, etc. The Coffee vending machines have also got its share in increasing the domestic consumption of common man. Coffee will continue to grow in popularity with the young generation in particular. The outlook of the Coffee production and its price vis-a-vis demand appears to be promising.

Business Review

RUBBER



The world Natural Rubber (NR) production decreased to 9.62 million tonnes in 2009-10, compared to 10.04 million tonnes in 2008-09, registering a negative growth of 4.2% mainly due to the effect of global warming.

NR production of India during 2009-10 was 8,31,400 tonnes compared to 8,64,500 tonnes during 2008-09 and recorded a negative growth of 3.8% compared to the previous year. The decline in production of NR in India was caused due to adverse weather conditions and intensive harvesting in 2008-09. As a result, during 2009-10, productivity declined to 1784 kg./ha from 1867 kg./ha during 2008-09. India has now overtaken USA and Japan in NR consumption emerging as the second largest consumer after China. During the year 2009-10, there was a significant increase in consumption of NR in the rubber goods manufacturing sector. The total consumption of NR in India in 2009-10 was 9,30,565 tonnes with a

growth rate of 6.8% as against 8,71,720 tonnes during 2008-09.

Review

Company's subsidiary, The Cochin Malabar Estates And Industries Ltd. produced 10,21,055 kgs. of rubber as against 10,88,870 kgs. for the same period last year. The average prices of rubber during the year ended 31st March, 2010 was Rs.121/- per kg. which was higher by Rs.8 per kg. as against Rs.113/- per kg. last year. Continued focus on quality enabled the subsidiary Company to fetch premium in the market for its products.

Outlook

World rubber consumption is expected to grow by 11.8% in 2010. Of late, natural rubber has become one of the hottest commodities in the global market with the prices touching dizzy heights. The spurt is apparently driven by the auto boom mainly in the fast growing

Asian markets like India and China and the encouraging economic recovery across the world. Moreover, exceedingly hot weather in Asia especially in the major rubber growing countries of Thailand, Malaysia and Indonesia accompanied by dry winter, reportedly slashed rubber output by 30% in the recent months. The shortfall in supply made the natural rubber prices to climb successively to all time high. The price rose from Rs.133/- per kg. for RSS-4 during February to Rs.180/- per kg. by the middle of July.

Currently rubber prices are improving due to stagnancy in growth of global rubber output. The prime reason attributed for the lower production is because of the low yield of old standing trees and also the weather conditions are seen less favourable in several rubber growing region of the world during the year.

Opportunities & Threats

TEA

Your Company is geared up to make best out of the opportunities available while facing the threats. Since there is no addition to the land put under Tea cultivation for last two decades and is likely not to be in the future and opportunity is available in Tea for rise in the prices due to stagnant production of Tea in the years to come. Besides, demand and supply mismatch will boost the Tea prices despite the fact that Tea being the agriculture industry is largely dependent on the vagaries of nature. The increasing impact of climate change is already generating unpredictable harvests, leaving many small-scale tea growers struggling to plan for the future. Tea bushes yield the best-quality tea between 18 and 32 degrees Celsius. Should global warming cause temperatures to rise by 2 degrees Celsius, as is widely predicted, and if these rises occur, then bushes in lower altitudes would be adversely affected.

COFFEE

Coffee stocks in producing countries are currently at the lowest levels in recorded history. However, Coffee prices have been significantly eroded by high oil prices and continued weakness of the US dollar.

Mid-sized traders found themselves too small to compete with larger ones. As a result, they either merged with others, or were taken over by larger traders. Speciality

coffees exhibit higher margins at the retail level, but supermarkets' own brands have not been able to enter the speciality segment in meaningful ways. The 'high quality' brands are dominating the high-end market in retail chains.

After suffering from the lowest real prices in recorded history in 2000-2004, international coffee prices have recovered healthily, especially since late 2006. Due to low levels of stocks, exports have been just sufficient to cover existing demand in importing countries in the past few years. Since the current crisis does not seem to have affected the volume of demand significantly, the current situation is likely to continue in the short-to-medium term.

RUBBER

Rubber plantation development in the country has registered tremendous growth in respect of area, production and productivity over the last 50 years.

The demand for rubber is ever increasing which could be met through synthetic or natural rubber. Adding synthetic rubber is more expensive, petroleum based and environmentally unfriendly. Natural rubber is technically acceptable and environment friendly.

India could produce natural rubber at a globally competitive rate and good quality. Cultivation of natural rubber was started in India since last 100 years or so, and that the

initial yields were small-500 kg per hectare, which has now increased to 1750 kg per hectare. The consumption is exceeding the production and supply and thus ensures an opportunity to enhance the rubber production for the reason that the prevailing prices of the rubber are expected to remain firm.

Rubber plantation in India could be affected by climate change in two ways, directly due to changes in temperature, precipitation and indirectly, through changes in soil health and frequency of infestation by insects, diseases of weeds.

Risks and Concerns

Risk is inherent in any activity, particularly in a business venture. There is a saying that 'when there is no risk, there is no gain'. Risk-assessment involves estimation of the likelihood that an event will occur and the impact of the event on the value or profit of the entity if it occurs. Risk and reward represent the obverse and reverse of the same coin. Unless the potential risks are properly managed, maximum rewards cannot be aggregated. We have risk management which inter alia provides for review of the risk assessment and mitigation procedure, laying down procedure to inform and report periodically to the Board of Directors and to ensure that the procedure is properly followed to mitigate the risks. Some of the key risks, its explanation and mitigation are illustrated below :

Nature of Risk	Risk Explanation	Risk Mitigation
Industry risk	▲ Tea, Coffee & Rubber are the agricultural products and its performance is dependent on the vagaries of nature. For Coffee, adequate rainfall for pre and post blossom is required for formation of fruits. Untimely rain during the harvest season results in crop loss and attack of berry borer. Similarly, for Tea & Rubber, timely rainfall is a pre-requisite.	<ul style="list-style-type: none"> ● Since timely information of weather plays a vital role for initiating steps towards application of fertilizers, chemicals and pesticides, steps are taken to get the weather information well in advance. ● Automatic weather prediction system has been installed at our Coffee Estate. ● Company is uprooting and replanting the uneconomical areas for the plantation of Tea, Coffee & Rubber in a phased manner.

Nature of Risk	Risk Explanation	Risk Mitigation
Industry risk	▲ Demand slowdown could dampen Company's profitability.	<ul style="list-style-type: none"> ● There is no additional land available which even otherwise could be converted into Tea production by the organized sectors and as such production of Tea for the next few years appears to be stagnant which may lead to demand & supply mismatch. Moreover, the domestic consumption of Tea in India is likely to have an annual growth of 3 to 4% and as such the Tea prices will remain firm and there will not be any demand slump. ● Similarly, Coffee prices will remain firm due to the low level of stocks and exports have been just sufficient to cover existing demand in importing countries in the past few years. Since the current crisis does not seem to have affected the volume of demand significantly, the current situation is likely to continue in the short-to-medium term. ● The consumption is exceeding the production and supply and thus ensures an opportunity to enhance the rubber production for the reason that the prevailing prices of the rubber are expected to remain firm.
Industrial relation risk	▲ The Company being labour intensive is faced with the threat of the labour unrest.	<ul style="list-style-type: none"> ● The Company has been maintaining exceptionally good relations with the labour since its inception and there have been no loss of man-days on this account. The Company expects that with the employee friendly approach being adopted by it the industrial relations will continue to remain cordial in the coming years also.
Intellectual capital risk	▲ The Company may not have competent people to run the business	<ul style="list-style-type: none"> ● Geared up recruitment process, focusing on prospective growth. ● Developed functional and behavioural skills through proactive training. ● Enjoys one of the lowest attrition rate in the industry.
Operating risk	▲ Operating risk refers to things that go wrong during the Company's everyday operations. Factory break down, or consignments of materials do not arrive on time, or careless workmen damage valuable technology etc.	<ul style="list-style-type: none"> ● Operating team is available to take corrective measures for such risks when it occurs.
Competition risk	▲ Owing to the opening of the world trade Company is faced with the menace of pressure on margins on its products more particularly, Coffee & Rubber. The prices of the finished goods are based on the movement of the international prices.	<ul style="list-style-type: none"> ● Your Company has stepped up its focus on the quality, structural cost optimization and cost control measures.
Cost risk	▲ Stringent labour laws are resulting to higher labour cost and higher social cost for the plantation of Tea, Coffee & Rubber.	<ul style="list-style-type: none"> ● Company has already made representation to the Government to simplify the labour laws. ● Your Company has introduced HAZARDOUS ANALYSIS CRITICAL CONTROL POINT (HACCP) at the Tea factory situated at Barbam, Dist. Dibrugarh, Assam to ensure better quality product to realize higher prices of Tea products.

Nature of Risk	Risk Explanation	Risk Mitigation
Cost risk		<ul style="list-style-type: none"> Joonktolee Tea Estate has been accredited with ISO 9001:2008, ISO 22000:2005 and HACCP Certification by the renowned D.A.R., Germany. Company's Goomankhan Estate has also been accredited with ISO 9001:2000 Certification by the renowned Det Norske Veritas, Netherlands.
Funding risk	<ul style="list-style-type: none"> ▲ The Company may not be able to source fund for capital expenditure. 	<ul style="list-style-type: none"> Your Company has large reserves and surplus to fund the capital expenditure. Maintains low debt-equity ratio to facilitate low-cost funds mobilization over the coming years. Rated 'BBB' for (long term) credit by CRISIL, providing ample scope for further fund raising.
Liquidity risk	<ul style="list-style-type: none"> ▲ The Company may not be able to procure fund to manage daily operations. 	<ul style="list-style-type: none"> Your Company has enough cash for meeting the operational cash requirements. Managed debtors' cycle at a comfortable level. Maintained a quick ratio of 4.08 Reduced average inventory days from 90 to 75 days.
Geopolitical and environmental risk	<ul style="list-style-type: none"> ▲ War and terrorism represent a threat to disruption of entire activities of the Company. Geopolitical risk includes changes of government that might result in new and unfavourable regulations or tax regimes. 	<ul style="list-style-type: none"> Such risks are analysed through the expert consultant and are to be understood once risks are stemming from the global issues. Once the range of possible future crises has been established, contingency plans can then be put in place to deal with them.

Safety, Health & Environment

The Company is dedicated to the safety and health of its employees. It constantly endeavors to keep the estates greener and cleaner. The management of the Company is committed to maintaining highest standard of safety, health and environment protection and is also committed to meet all applicable statutory requirements and prevention of pollution.

Corporate Social Responsibility

Business has an obligation to give something back to the society. One has to dissent with the proposition "business of business is business and adding to shareholder value" since social welfare is beyond its purview. For business to be sustainable in the long term they have to commit themselves to

social good. Joonktolee has an esteemed commitment to attend the needs of the society. The Company firmly believes that for any economic development to be meaningful, the benefits from the business must trickle down to the society at large. It is of the firm view that the corporate goals must be aligned with the larger social goals. The Company constantly endeavors for community welfare beyond the confines of its own employees. It has a tradition in supporting the larger communities that it connects with - from education, health, drinking water, development of employable skills, to assistance during natural calamities such as floods and cyclones. As part of its Corporate Social Responsibility, it undertakes a series of activities to improve living conditions of people in the neighbouring

villages which includes extending support to schools, free medical facilities and other village development initiatives like street lighting, development of roads etc. The Company is also philanthropically committed and that it has constructed temples for the benefit of the people in the neighbouring villages of the Estates / Gardens.

Information Technology

The Company believes that Information Technology has a vital role to play in supporting the business functions and drive innovation and competitiveness and facilitates faster decision making to gain the edge in a dynamic market situation. The Company has successfully implemented its ERP system.



Financial Review

HIGHLIGHTS OF FINANCIAL PERFORMANCE

Particulars	Unconsolidated			Consolidated		
	2009-10	2008-09	% Change	2009-10	2008-09	% Change
1. Net Sales	5295.71	3603.79	46.95	7153.34	6726.84	6.34
2. Operating Profit before Interest, Depreciation and Taxation	1220.76	536.61	127.50	1578.00	929.58	69.75
3. Less : Interest and Financial charges	278.93	269.03	3.68	418.27	336.76	24.20
4. Profit after Interest	941.83	267.58	251.98	1159.73	592.82	95.63
5. Less : Depreciation	169.22	164.74	2.72	236.70	231.40	2.29
6. Profit after Depreciation	772.62	102.84	651.28	923.03	361.42	155.39
7. Less : Exceptional Items	-	-	-	-	-	-
8. Profit before Tax	772.62	102.84	651.28	923.03	361.42	155.39
9. Provision for Taxes	150.62	22.35	573.91	157.92	94.45	67.20
10. Net Profit after Tax	622.00	80.48	673.34	765.11	266.97	186.59

Net Turnover

Unconsolidated

Net turnover increased by 46.95% from Rs. 3,603.79 lacs in the Financial Year 2008-09 to Rs. 5,295.71 lacs in the Financial Year 2009-10.

Consolidated

Net turnover increased by 6.34% from Rs. 6,726.84 lacs in the Financial Year 2008-09 to Rs. 7,153.34 lacs in the Financial Year 2009-10.

Debt

Unconsolidated and Consolidated

The Company could reduce its long term borrowings / debts by Rs. 383.07 lacs from Rs. 1,389.50 lacs to Rs. 1,006.43 lacs as on 31st March, 2010. Internal resources have been utilized to reduce the net borrowings.

Capital Additions

Unconsolidated

Company has incurred capital expenditure amounting to Rs. 134.16 lacs during the year ended 31st March, 2010 as compared to Rs. 95.22 lacs for the same period last year.

Consolidated

Company has incurred capital expenditure amounting to Rs.399.48 lacs during the year ended 31st March, 2010 as compared to Rs. 386.57 lacs for the same period last year.

Operating Profit (PBIDT)

Unconsolidated

PBIDT is increased by 127.50% from Rs. 536.61 lacs in the Financial Year 2008-09 to Rs. 1,220.76 lacs in the Financial Year 2009-10.

Consolidated

PBIDT is increased by 69.75% from Rs.929.58 lacs in the Financial Year 2008-09 to Rs.1,578.00 lacs in the Financial Year 2009-10.

Net Profit

Unconsolidated

Net Profit is Rs.622.00 lacs in the Financial Year 2009-10 as against Rs.80.43 lacs in the Financial Year 2008-09.

Consolidated

Net Profit is Rs.765.11 lacs in the Financial Year 2009-10 as against Rs.266.97 lacs in the Financial Year 2008-09.

Internal Control Systems

Internal control is the set of security measures which contribute to the control of a Company. The Company is having the Internal Control System whereby each and every activities of the Company are self-controlled and checked - thus, it ensures on the one hand, the security and safeguard of assets and resources of the Company and on the other hand, encourages the improvement of the operational performance of the Company.

The Internal Audit of the Company is conducted by a Chartered Accountant Firm. The findings of the Internal Audit and the Action Taken Report on the Internal Audit is placed before the Audit Committee which reviews the audit findings, steps taken and the adequacy of Internal Control System.

Human Resource Development/Industrial Relations

The Company with its subsidiaries has built its workforce with a diverse background of individuals - essential for the kind of organization what it is. The Company's human resource policy is framed to meet the aspirations of the employees as well as the organization. The Company constantly endeavours to provide a platform where people have opportunities to actualize their maximum potential through work which helps to stretch their intellect. Continuous efforts are on for a work-culture which encourages innovation, transparency in communication, trust and amity. Adequate interactions with the employees, discussion

on various issues, providing training, encouraging them to attend seminars / conferences and announcing awards time to time for the best performers - all these facilitated the organization to attain greater efficiency and competency. The present workforce of the Company including its subsidiaries is 5,539.

Industrial relations in all the estates, factories and offices of the organization were cordial throughout the year under review.

Cautionary Statement

The statements in the Management's Discussion and Analysis Report towards Company's projections, estimates, objectives, outlook, expectations etc. may constitute 'Forward Looking Statements' within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied since the Company's operations are influenced by many external and internal factors beyond the control of the Company. Several factors could make a significant difference to the Company's operations which includes climatic conditions, economic conditions affecting demand and supply, Government regulations and taxation, natural calamity, currency rate changes etc. over which the Company does not have any direct control.

Secretarial Audit Report

To
The Board of Directors
M/S **JOONKTOLLEE TEA & INDUSTRIES LIMITED**

I have examined the registers, records and documents of Messrs. Joonktollee Tea & Industries Limited (the 'Company') for the financial year ended on 31st March, 2010 according to the provisions of -

- The Companies Act, 1956 and the Rules made thereunder;
 - The Depositories Act, 1996 and the Regulations and Bye-Laws framed under that Act;
 - The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (the 'SEBI Act')
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1992;
 - The Securities and Exchange Board of India (Prohibition of Insider trading) Regulations, 1992;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2000;
 - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - The Securities Contract Regulations act, 1956 (SCRA) and the Rules made thereunder;
 - The Equity Listing Agreement with Calcutta Stock Exchange Association Ltd. and the Permission to trade at the Bombay Stock Exchange Ltd.
1. Based on my examination and verification of the registers records and documents produced to me and according to the information and explanations given to me by the Company, I report that the Company has, in my opinion, generally complied with the provisions of the Companies Act, 1956 (the 'Act') and the Rules made under the Act and the Memorandum and Articles of Association of the Company, with regard to :
- a) Maintenance of various statutory registers and documents and making necessary entries therein;
 - b) Closure of the Register of Members. As there are no debentures pending in the books of the company there is no Debenture holders Register;
 - c) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies;
 - d) Service of documents by the Company on its Members, and the Registrar of Companies, West Bengal;
 - e) Notice of Board meetings and Committee meetings of directors;
 - f) The meeting of the Directors and Committees of directors including passing of resolutions by circulations;
 - g) The 135th the Annual General Meeting held on 2nd September, 2009,;
 - h) The Scheme of Amalgamation of Jamirah Tea Company Limited with the Company sanctioned by the Hon'ble High Court at Kolkata on 29th March, 2010 effective from 1st April, 2009;
 - i) Minutes of the proceedings of General Meetings including passing of Resolution by Postal ballot and of Board and its Committee meetings;
 - j) Approvals of members, the Board of Directors, the Committee of Directors and government authorities wherever required;
 - k) Constitutions of the Board of Directors / Committees of directors and appointment retirement and re-appointment of Directors including the Managing director and Whole Time Director;
 - l) Payment of remuneration to the Directors including the Managing Director and Whole Time Director;
 - m) Appointment and remuneration of Auditors. Since no Cost Audit was ordered by the Central Government there was no question of appointment of Cost Auditors;
 - n) Transfers and Transmission of the Company's shares, issue and allotment of shares and issue and delivery of original and duplicate certificates of shares;
 - o) Declaration of and payment of Dividend;
 - p) Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund;
 - q) Borrowing and registration, modification and satisfaction of charges;
 - r) Investment of the company's funds including inter corporate loans and investments and loans to others;
 - s) Giving guarantees in connection with loan taken by a subsidiary Company since amalgamated with the company pursuant to orders of the Hon'ble High Court at Kolkata dated 29th March, 2010 effective from 1st day of April, 2009;

- t) Form of Balance Sheet as prescribed under Part I of Schedule VI to the Act and requirements as to Profit & Loss Account as per Part II of the said Schedule;
 - u) Contracts, common seal, registered office and publication of name of the company; and
 - v) Generally all other applicable provisions of the Act and the Rules made under that Act.
2. I further report that :
- a) the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities;
 - b) the Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the code of Business Conduct & Ethics for Directors and Management Personnel.
 - c) The company has obtained all necessary approvals under the various provisions of the Act;
 - d) There was no prosecution initiated against the Company and no fines or penalties were imposed on the Company during the year under review under the Companies Act, SEBI Act, SCR Act, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against the Company, its Directors and Officers as per the written representation received from the Company.
3. I further report that the Company has generally complied with the provisions of the Depositories Act, 1996 and the Bye-Laws framed thereunder by the Depositories with regard to dematerialisation / rematerialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company.
4. I further Report that -
- a) the company has generally complied with the requirements under the Equity Listing Agreement entered into with the Calcutta Stock Exchange Association Ltd. and in terms of permitted Trading in securities with Bombay Stock Exchange Ltd.;
 - b) the company has generally complied with the provisions of The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 including the provisions with regard to disclosure and maintenance of records required under the regulations;
 - c) the company has generally complied with the provisions of The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosure and maintenance of records required under the regulations;
 - d) the Company has not issued any securities under The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 during the period under review and hence there is nothing to report.

Place : Kolkata
Dated : 7th August, 2010

S. K. Jain
Company Secretary
C. P.No. 4077

Financial Section

Auditors' Report

To
The Members of
JOONKTOLLEE TEA & INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of Joonktollee Tea & Industries Limited as at 31st March, 2010 and the related Profit and Loss Account and the 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 mis-statement. 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, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit and audited accounts of Jamirah Tea Company Limited has been considered for the purpose for this accounts;
 - (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, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Profit and Loss Account and the 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 31st March, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
5. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements and read together with the notes thereon and attached thereto given 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 March, 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.

For **SINGHI & CO.**
Chartered Accountants
Firm Registration No. 302049E
Pradeep Kumar Singhi
Partner
Membership No. - 50773

Place : Kolkata
Dated : 7th August, 2010

Annexure to Auditors' Report

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Joonktolllee Tea & Industries Limited on the financial statements for the year ended 31st March, 2010].

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) According to the information and explanation given to us, based on a phased manner, the fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
(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) According to the information and explanation given to us, the inventory (excluding stocks with 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) As per the information and explanations given to us, the Company has not granted any loans secured/unsecured to companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act 1956. Hence, clauses 3(b), (c) and (d) of the order are not applicable to the Company.
(e) As per information and explanations given to us, the Company has taken unsecured loans from three body corporate covered in the register maintained u/s 301 of the Companies Act 1956. The amount of loan taken during the year and the maximum amount outstanding during the year was Rs. 2,65,00,000/- and Rs. 3,75,00,000/- respectively. The year end balance of such loans was nil.
- (f) The aforesaid loans were payable on demand and there is no repayment schedule. In our opinion the terms and conditions of the loans are not prima facie prejudicial to the interest of the Company.
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 and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. (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 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 there under.
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 generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales-tax, wealth tax, service tax,

Annexure to Auditors' Report

customs duty, excise duty, cess and other statutory dues as applicable with the appropriate authorities and no such dues were in arrears, as at 31st March, 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 dues of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess as at 31st March, 2010 which have not been deposited on account of any dispute and the forum where the disputes are pending are as under.

Nature of Statute	Nature of dues	Amount in Rs.	Period	Forum where dispute is pending
Income Tax Act	Income tax demand	17,54,026	A.Y 2004-05	C.I.T (Appeal)
Income Tax Act	Income tax demand	6,80,965	A.Y 2007-08	C.I.T (Appeal)
Assam Central Sales Tax	Sales Tax	3,69,000	P.Y. 2003-04	Central Sales Tax (Appeals)

10. The Company has no accumulated losses as at 31st March, 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 explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank 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 and according to the information and explanations given to us, the Company is not a dealer or trader in securities. According to information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. All the investments have been held by the Company in its own name.
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 there is no debenture outstanding at the year-end.
20. The Company has not raised any money by public issue during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any 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.

For **SINGHI & CO.**
Chartered Accountants
 Firm Registration No. 302049E
Pradeep Kumar Singhi
Partner
 Membership No. - 50773

Place : Kolkata
 Dated : 7th August, 2010

Balance Sheet as at March 31, 2010

(Amount in Rs.)

	Schedule	As at 31.03.2010		As at 31.03.2009	
I. SOURCES OF FUNDS					
(1) Shareholders' Funds :					
(a) Share Capital	1	32,336,471		32,336,471	
(b) Share Suspense	1A	226,000		–	
(b) Reserves and Surplus	2	883,830,401	916,392,872	631,385,829	663,722,300
(2) Loan Funds :					
Secured Loan	3	158,830,941		190,910,583	
Unsecured Loan	3A	30,000,000		25,000,000	
(3) Deferred Tax					
		3,498,349		507,205	
TOTAL		1,108,722,162		880,140,088	
II. APPLICATION OF FUNDS					
(1) Fixed Assets :					
(a) Gross Block	4	731,124,470		366,726,054	
(b) Less : Depreciation		206,282,325		165,062,818	
(c) Net Block		524,842,145		201,663,236	
(d) Capital Work-in-Progress		16,951,373	541,793,518	8,902,060	210,565,296
(2) Investments					
	5	457,624,447		567,326,621	
(3) Current Assets, Loans & Advances :					
(a) Inventories	6	71,063,756		44,146,331	
(b) Sundry Debtors	7	35,768,463		24,732,518	
(c) Cash and Bank Balances	8	8,004,161		7,946,120	
(d) Loans and Advances	9	101,635,936		90,407,590	
		216,472,316		167,232,559	
Less : Current Liabilities & Provisions					
(a) Current Liabilities	10	56,624,458		42,227,863	
(b) Provisions	11	50,543,661		22,756,525	
		107,168,119		64,984,388	
Net Current Assets		109,304,197		102,248,171	
TOTAL		1,108,722,162		880,140,088	

Notes on Accounts

15

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.

for and on behalf of

SINGHI & CO.

Firm Registration No. 302049E

Chartered Accountants

Pradeep Kumar Singhi

Partner

Membership No. 50773

Place : Kolkata

Dated : 7th August, 2010

B. L. Dhanuka

Chief Financial Officer

S. Bagree

Manager (Finance) &
Company Secretary

G. D. Bangur Director

H. Bangur Executive Vice-Chairman

M. K. Daga Director

Amitabha Ghosh Director

J. K. Surana Director

K. C. Mohta Executive Director

Profit & Loss Account for the year ended March 31, 2010

(Amount in Rs.)

	Schedule	For the year ended 31.03.2010		For the year ended 31.03.2009	
INCOME					
Gross Sales	12	529,571,285		360,379,488	
Other Income	13	3,623,057	533,194,342	4,203,902	364,583,390
EXPENDITURE					
(Increase)/Decrease of Finished Goods	12A	(19,215,440)		3,313,317	
Cultivation, Manufacturing, Administration and Selling Expenses	14	430,332,784		307,609,460	
Interest (Refer Note No. 24 of Schedule 15)		27,893,453		26,903,598	
Depreciation		16,921,960	455,932,757	16,473,717	354,300,092
Profit before Taxation			77,261,585		10,283,298
Provision for Taxation					
Current Year		10,000,000		4,200,000	
Less : MAT Credit Entitlement		-	10,000,000	1,800,000	2,400,000
Earlier Year			143,241		1,179,903
Adjustment for (Excess)/Short Tax Provision in respect of earlier years written back			(7,131)		(2,417,101)
Fringe Benefit Tax for Earlier Year			3,550		565,150
Deferred Tax			4,922,358		507,205
Profit after Taxation			62,199,567		8,048,141
Balance brought forward from last Account			2,353,692		480,359
			64,553,259		8,528,500
APPROPRIATIONS					
Proposed Dividend		8,140,618		4,850,471	
Tax on Proposed Dividend		1,352,157	9,492,775	824,337	5,674,808
General Reserve			30,000,000		500,000
Balance Carried Forward			25,060,484		2,353,692
Earnings Per Equity Shares of Rs. 10/- each					
Basic & Diluted (Refer Note No. 15 of Schedule - 15)			19.10		2.49

Notes on Accounts

15

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.

for and on behalf of

SINGHI & CO.

Firm Registration No. 302049E

Chartered Accountants

Pradeep Kumar Singhi

Partner

Membership No. 50773

Place : Kolkata

Dated : 7th August, 2010

B. L. Dhanuka
Chief Financial Officer

S. Bagree
Manager (Finance) &
Company Secretary

G. D. Bangur Director

H. Bangur Executive Vice-Chairman

M. K. Daga Director

Amitabha Ghosh Director

J. K. Surana Director

K. C. Mohta Executive Director

Cash Flow Statement for the year ended March 31, 2010

(Amount in Rs.)

	31.03.2010	31.03.2009
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and extra ordinary items	77,261,585	10,283,298
Adjustments for :		
Depreciation	16,921,960	16,473,717
Loss/(Profit) on Sale/Discard of Fixed Assets (Net)	74,515	693,431
Interest and Dividend Income	(1,003,169)	(8,685,981)
Interest Charged	28,109,882	35,203,594
Sundry Credit Balance no longer required written back	(823,173)	(1,619,585)
Investment Written off	8,400	-
Bad Debts & Provision for Doubtful Debts/Advances	2,175,307	4,908,419
Operating Profit before Working Capital Changes	122,725,307	57,256,893
Adjustments for :		
Trade and Other Receivables	(27,855,061)	(14,156,743)
Inventories	(19,374,443)	(929,533)
Trade Payables	9,355,571	14,446,576
Cash Generated from Operations	84,851,374	56,617,193
Direct Taxes (Paid)/Refund received (Net)	(8,402,862)	(661,330)
Net Cash from Operating Activities	93,254,236	57,278,523
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets/WIP	(21,231,733)	(14,281,935)
Sale of Fixed Assets	302,600	129,679
Purchase of Investments in Subsidiary	-	(109,696,729)
Debt Acquisition of a Subsidiary Company	-	(52,427,000)
Advance to Subsidiary (Net)	176,320	(208,410)
Advances Received Back/(Paid)	-	80,060,241
Interest Received	216,429	12,312,702
Dividend Received	786,740	385,985
Net Cash used in Investing Activities	(19,749,644)	(83,725,467)
	73,504,592	(26,446,944)

Cash Flow Statement for the year ended March 31, 2010

(Amount in Rs.)

	31.03.2010	31.03.2009
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	5,000,000	(22,688,652)
Payments of Long Term Borrowings	(43,307,390)	–
Proceeds from Other Borrowings (Net)	(1,388,929)	(37,953,438)
Interest Paid	(28,625,874)	(36,284,942)
Dividends Paid (including Tax on Dividend)	(5,674,808)	(7,624,037)
Net Cash from/(used in) Financing Activities	(73,997,001)	(104,551,069)
Net Change in Cash and Cash Equivalents	(492,409)	(130,998,013)
Cash and Cash Equivalents - Opening Balance	7,761,010	138,275,329
Cash and Cash Equivalents - Closing Balance	7,268,601	7,277,316

Notes :

1. Cash and Cash Equivalents consists of cash, cheques-in-hand, balances with banks in current accounts and non mortgaged fixed deposit as per Schedule 8 and are available in ordinary course of business.
2. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement as notified under The Companies Accounting Standard Rules 2006.
3. Previous year's figures have been re-grouped/re-arranged wherever necessary and not comparable with previous year figure due to impact of scheme of amalgamation as given in not no 4 in Schedule 15.
4. The opening figure of cash and cash equivalent is inclusive of Rs. 483,694/- pertaining to amalgamating Company.

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

for and on behalf of

SINGHI & CO.

Firm Registration No. 302049E

Chartered Accountants

Pradeep Kumar Singhi

Partner

Membership No. 50773

Place : Kolkata

Dated : 7th August, 2010

B. L. Dhanuka
Chief Financial Officer

S. Bagree
Manager (Finance) &
Company Secretary

G. D. Bangur Director

H. Bangur Executive Vice-Chairman

M. K. Daga Director

Amitabha Ghosh Director

J. K. Surana Director

K. C. Mohta Executive Director

Schedules to the Accounts

(Amount in Rs.)

	As at 31.03.2010	As at 31.03.2009
Schedule - 1 SHARE CAPITAL		
Authorised		
1,12,49,000 (Previous year - 1,07,49,000*) Ordinary Shares of Rs. 10/- each	112,490,000	107,490,000
35,000 Ordinary Shares of Rs. 100/- each	3,500,000	3,500,000
50,000 Redeemable Cumulative Preference Shares of Rs. 10/- each	500,000	500,000
100 13.5% Redeemable Cumulative Preference Shares of Rs. 100/- each	10,000	10,000
* (Refer Note No. 4(d) of Schedule 15)	116,500,000	111,500,000
Issued and Subscribed		
32,33,647 Ordinary Shares of Rs. 10/- each fully paid up	32,336,471	32,336,471
	32,336,471	32,336,471
Of the above		
1) 4,42,000 shares have been allotted as fully paid up by way of bonus shares upon capitalisation of reserves.		
2) 3,51,825 shares have been allotted to the shareholders of the erstwhile The Kalasa Tea and Produce Company Ltd. and 2,94,163 shares have been allotted to the shareholders of the erstwhile Cowcoody Estate Limited as per a scheme of amalgamation.		
3) 21,37,659 fully paid up equity shares of Rs. 10/- each has been allotted during the financial year 2006-07 pursuant to scheme of arrangement/amalgamation effective from 01.10.2006		

Schedule - 1A SHARE SUSPENSE		
22,600 fully paid up Equity Shares of Rs. 10/- each to be issued pursuant to scheme of amalgamation for consideration other than cash (Refer Note No. 4(c) of Schedule 15)	226,000	-
	226,000	-

Schedule - 2 RESERVES AND SURPLUS	Balance as on 31.03.2009	Additions during the year	Deductions/Adjustments during the year	Balance as on 31.03.2010
Capital Reserve	397,990,631	199,737,780 #	-	597,728,411
Capital Redemption Reserve	41,600	-	-	41,600
Revaluation Reserve (Created on Revaluation of Land)	40,386,019	-	-	40,386,019
Securities Premium Account	24,701,440	-	-	24,701,440
General Reserve	165,912,447	30,000,000	-	195,912,447
Profit & Loss Account	2,353,692	25,060,484	2,353,692	25,060,484
Total	631,385,829	254,798,264	2,353,692	883,830,401

Refer Note No. 4(b) of Schedule 15

Schedules to the Accounts

(Amount in Rs.)

	As at 31.03.2010	As at 31.03.2009
Schedule - 3 SECURED LOAN		
From Banks		
Overdraft/Cash Credit		
a) Cash Credit from State Bank of Bikaner and Jaipur, Kolkata (Secured by hypothecation of all the tea manufactured including processed tea, green leaf, book debts both present and future, moveable plant & machinery, furniture and other equipments, moveable property of any kind and equitable mortgage/charge created by depositing title deeds of Joonktoollee Tea Estate at Assam)	37,615,181	41,917,750
b) Cash Credit from United Bank of India, Kolkata #	-	4,624,535
c) Cash Credit from Corporation Bank, Coimbatore (Secured by hypothecation of all standing crops, stocks, stores and spare parts, receivables and further secured by way of equitable mortgage of title Deeds of landed property at Coimbatore of Cowcoody Builders Pvt. Ltd. (a wholly owned subsidiary) and further backed by their Corporate Guarantee)	18,288,023	17,396,005
d) Cash Credit from Indian Bank, Kolkata (Secured by hypothecation of all tea manufactured including processed tea, green leaf, book debts both present and future moveable plant & machinery, furniture and other equipments, moveable property of any kind and equitable mortgage/charge created by depositing title deeds of Jamirah Tea Estate at Assam)	17,052,334	-
Term Loans		
e) Term Loan from State Bank of Bikaner & Jaipur, Kolkata	-	4,088,731
f) Term Loan from Corporation Bank, Coimbatore	-	4,288,000
g) Term Loan from United Bank of India, Kolkata #	-	5,848,165
Corporate Loan (Old)		
h) Corporate Loan from State Bank of Bikaner & Jaipur, Kolkata	-	5,000,000
Corporate Loan (New)		
i) Corporate Loan from State Bank of Bikaner & Jaipur, Kolkata (Secured by hypothecation of all tea manufactured including processed tea, green leaf, book debts both present and future moveable plant & machinery, furniture and other equipments, moveable property of any kind and equitable mortgage/charge created by depositing title deeds of Joonktoollee Tea Estate at Assam) (Loan repayable within one year Rs. 2,50,00,000/-)	70,642,903	94,725,397
# Securities created in favour of lenders are in process of release.		
Short Term Loan from Others (Against assignment of Key man insurance policy in favour of the lender)	15,232,500	13,022,000
	158,830,941	190,910,583
Schedule - 3A UNSECURED LOAN		
Other Loans - Long Term		
From Bodies Corporate	30,000,000	25,000,000
	30,000,000	25,000,000

Schedules to the Accounts

(Amount in Rs.)

Particulars of Assets	FIXED ASSETS										NET BLOCK	
	COST					DEPRECIATION					As at 31.03.2010	As at 31.03.2009
	Original Cost as on 31.03.2009	Adj. on a/c of scheme (Net)	Additions	Disposal/ Adjust-ments	Total as on 31.03.2010	Upto 31.3.2009	Adj. on a/c of scheme (Net)	For The Year	Disposal/ Adjust-ments	Total as on 31.03.2010	As at 31.03.2010	As at 31.03.2009
Land-Freehold & Leasehold * #	53,587,257	314,000,000	-	900	367,586,357	-	-	-	-	-	367,586,357	53,587,257
Plantation/ Development	36,999,928	-	154,125	-	37,154,053	-	-	-	-	-	37,154,053	36,999,928
Buildings, Factory & Water Supply	97,752,107	9,915,122	4,400,366	-	112,067,595	40,762,490	4,220,846	4,035,959	-	49,019,295	63,048,300	56,989,617
Plant & Machinery & Electrical Installation	139,608,394	23,627,786	2,694,966	21,500	165,909,646	100,510,828	16,744,461	8,576,316	16,834	125,814,771	40,094,875	39,097,566
Furniture, Fittings & Office Equipments	13,487,967	1,184,086	887,570	122,650	15,436,973	7,634,093	1,001,570	1,184,272	79,436	9,740,499	5,696,474	5,853,874
Vehicles	23,390,401	3,611,474	4,390,015	1,211,387	30,180,503	15,225,709	3,443,989	2,585,802	1,017,050	20,238,450	9,942,053	8,164,692
Intangible Assets	1,900,000	-	889,343	-	2,789,343	929,699	-	539,611	-	1,469,310	1,320,033	970,301
Total	366,726,054	352,338,468	13,416,385	1,356,437	731,124,470	165,062,819	25,410,866	16,921,960	1,113,320	206,282,325	524,842,145	201,663,236
Previous Year	365,137,989	-	9,522,476	7,934,411	366,726,054	155,618,815	-	16,473,717	7,029,714	165,062,819	201,663,236	
Capital Work-in-Progress											16,951,373	8,902,060

* Land- Freehold & Leasehold as on 31.03.2010 includes freehold land Rs. 12,014,091/- (Previous year - Rs. 12,014,091/-), Lease hold land Rs. 354,505,100/- (Previous year - Rs. 40,506,000/-) and the balance Rs. 1,067,166/- (Previous year - Rs. 1,067,166/-) cannot be distinguished between freehold and leasehold.

Title deeds in respect of land purchased in Assam during the years 1985, 1986, 1998 and 1999 amounting to Rs. 225,320/- (Previous year - Rs. 225,320/-) are under registration. However, the Company is in the possession of the said land and is already under plantation. Such delay is on the part of relevant authorities.

Schedules to the Accounts

(Amount in Rs.)

Schedule - 5 INVESTMENTS - LONG TERM (valued at cost unless otherwise stated)											
Particulars	Nominal Value	As at 31.03.2009		Adjust. on A/c of Scheme		Additions during the year		Disposals during the year		As at 31.03.2010	
		No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
TRADE INVESTMENT :											
In Subsidiary Company (Unquoted-Fully Paid) :											
Gloster Real Estate Pvt. Ltd.	10	63,135	53,235,000			-	-	-	-	63,135	53,235,000
Cowcoody Builders Pvt. Ltd.	10	156,982	147,082,000			-	-	-	-	156,982	147,082,000
Pranav Infradev Co. Pvt. Ltd.	10	212,271	202,371,000			-	-	-	-	212,271	202,371,000
In Subsidiary Company (Quoted-Fully Paid) :											
Jamirah Tea Company Ltd.	10	188,700	109,696,729	(188,700)	(109,696,729) #	-	-	-	-	-	-
The Cochin Malabar Estates & Industries Ltd.	10	406,420	48,987,087			-	-	-	-	406,420	48,987,087
NON-TRADE AT COST :											
Quoted-in fully paid Equity Shares of :											
Camphor & Allied Products Ltd.	10	200	4,740			-	-	-	-	200	4,740
Duncan Industries Ltd.	10	100	1,665			-	-	-	-	100	1,665
Gloster Jute Mills Ltd.	10	154,232	2,077,110			-	-	-	-	154,232	2,077,110
The Phosphate Company Ltd.	10	138,680	3,859,645			-	-	-	-	138,680	3,859,645
Goodrick Group Ltd.	10	70	3,245			-	-	-	-	70	3,245
Warren Tea Co. Ltd.	10	-	-	60	425	-	-	-	-	60	425
Hindustan Lever Ltd.	1	-	-	1,260	500	-	-	-	-	1,260	500
Apeejay Tea Ltd.	10	-	-	200	1,030	-	-	-	-	200	1,030
Government Securities :											
National Saving Certificates (Deposited with Excise Authorities)		-	5,400			-	-	-	5,400	-	-
National Saving Certificates		-	3,000			-	-	-	3,000	-	-
12 Years National Defence Certificate, 1983		-	-	-	1,000	-	-	-	-	-	1,000
			567,326,621		(109,693,774)				8,400		457,624,447
Quoted Investments - Book Value											54,935,447
Quoted Investments - Market Value *											78,511,702
Aggregate Book Value of Un-quoted Investments											402,689,000

* Based on last traded price/market price

Refer Note No. 4 of Schedule 15

	As at 31.03.2010		As at 31.03.2009	
Schedule - 6 INVENTORIES (at Lower of Cost or Net Realisable Value)				
Stores and Spare Parts - At Cost	20,954,335		16,462,942	
Less : Provision - Non Moving Items	279,413	20,674,922	279,413	16,183,529
Stock				
- Tea	28,106,088		16,039,350	
- Coffee	21,859,970		11,538,555	
- Minor Produce	422,776	50,388,834	384,897	27,962,802
		71,063,756		44,146,331

Schedules to the Accounts

(Amount in Rs.)

	As at 31.03.2010	As at 31.03.2009
Schedule - 7 SUNDRY DEBTORS (Unsecured)		
Debts outstanding over six months :		
- Considered Good	8,503,299	9,818,340
- Considered Doubtful	2,638,760	822,848
Other Debts :		
- Considered Good	27,265,164	14,914,178
	38,407,223	25,555,366
Less : Provision for Doubtful Debts	2,638,760	822,848
	35,768,463	24,732,518

Schedule - 8 CASH AND BANK BALANCES		
Cheques/Cash-in-Hand	602,719	895,380
With Scheduled Banks :		
- Current Accounts	6,633,382	4,212,436
- Unpaid Dividend Accounts	657,457	585,090
- Preference Share Redemption Fund Account	-	11,013
- Deposit Accounts (Under Lien - Rs. 78,103/-, Previous year - Rs. 72,701/-)	110,603	2,242,201
	8,004,161	7,946,120

Schedule - 9 LOANS AND ADVANCES		
(Unsecured - Considered Good unless otherwise stated)		
Dues from Subsidiary Companies		
- Pranav Infradev Company Private Limited (Maximum amount outstanding during the year Rs. 2,239,808/- Previous year - Rs. 339,808/-)	2,239,808	339,808
- Gloster Real Estate Private Limited (Maximum amount outstanding during the year Rs. 310,000/- Previous year - Rs. 310,000/-)	-	310,000
- Cowcoody Builders Private Limited (Maximum amount outstanding during the year Rs. 110,000/- Previous year - Rs. 110,000/-)	-	110,000
- Jamirah Tea Company Limited (Maximum amount outstanding during the year Rs. 194,969/- Previous year - Rs. 194,969)	-	194,969

Schedules to the Accounts

(Amount in Rs.)

	As at 31.03.2010	As at 31.03.2009
Schedule - 9 LOANS AND ADVANCES (Contd.)		
Debt of a Subsidiary acquired - Secured (Refer Note No. 3 of Schedule - 15)	52,427,000	52,427,000
Advances recoverable in cash or in kind or for value to be received *	24,484,653	25,839,842
Fixed Assets held for Disposal (net of provision) (at net book value or estimated net realisable value, whichever is lower)	28,467	161,565
Balance with Excise Authority	45,989	3,048
Deposit with NABARD under Tea Development Account	3,000,000	-
Interest Accrued and Due on Loans	-	14,201
Income Tax Refundable	1,233,337	1,003,211
MAT Credit Entitlement	1,800,000	1,800,000
Advance Tax/Tax Deducted at Source	16,376,682	8,203,946
	101,635,936	90,407,590

* Includes amount due from an officer of the Company Rs. 159,000/- (Previous year - Rs. 255,000/-)
Maximum amount outstanding at any point of time during the year Rs. 255,000/- (Previous year - Rs. 351,000/-)

Schedule - 10 CURRENT LIABILITIES		
Dues to Micro and Small Enterprises	-	-
Other Sundry Creditors	48,499,988	35,111,217
Due to Subsidiaries	5,100,000	3,638,649
Unclaimed Dividend (Interest due - Rs. Nil) (No Amount is required to be transferred to Investor Education & Protection Fund as on 31.03.2010)	611,709	542,314
Unclaimed Redeemed Preference Shares	-	6,930
Interest accrued but not due on Loans	2,412,761	2,928,753
	56,624,458	42,227,863

Schedule - 11 PROVISIONS		
Proposed Dividend	8,140,618	4,850,471
Tax on Proposed Dividend	1,352,157	824,337
Leave	2,485,856	1,960,879
Gratuity	21,450,158	8,335,185
Taxation	17,114,872	6,785,653
	50,543,661	22,756,525

Schedules to the Accounts

(Amount in Rs.)

	For the year ended 31.03.2010	For the year ended 31.03.2009
Schedule - 12 SALES		
Tea *	511,720,738	321,857,318
Coffee	11,853,875	37,904,770
Minor Produce/Timber	5,996,672	617,400
	529,571,285	360,379,488

* Sale includes Rs. 649,936/- on account of insurance claim received/receivable on 4,924.90 Kgs. of Tea (Previous year - Rs. 216,715/- on 1843.43 Kgs.)

Schedule - 12A (INCREASE)/DECREASE OF FINISHED GOODS		
Opening Stock :		
- Tea	19,249,942 #	13,004,525
- Coffee	11,538,555	17,879,350
- Minor Produce	384,897	392,244
	31,173,394	31,276,119
Less : Closing Stock		
- Tea	28,106,088	16,039,350
- Coffee	21,859,970	11,538,555
- Minor Produce	422,776	384,897
	50,388,834	27,962,802
(Increase)/Decrease of Finished Goods	(19,215,440)	3,313,317

Inclusive of Rs. 3,210,592/- with respect to amalgamating Company.

Schedule - 13 OTHER INCOME		
Rent (TDS - Rs. Nil, Previous year - Rs. Nil)	9,631	9,631
Profit on Sale of Fixed Assets	59,483	59,850
Replantation Subsidy	604,760	-
Dividend from Long Term Non Trade Investment	786,740	385,985
Sundry Credit Balances/Liability no longer required written back	823,173	1,619,585
Miscellaneous Receipts	1,339,270	2,128,851
	3,623,057	4,203,902

Schedules to the Accounts

(Amount in Rs.)

	For the year ended 31.03.2010	For the year ended 31.03.2009	
Schedule - 14	CULTIVATION, MANUFACTURING, ADMINISTRATION & SELLING EXPENSES		
Cultivation	52,919,799	19,799,550	
Consumption of Stores and Spare Parts	6,546,138	5,488,677	
Purchase of Green Leaf	83,203,847	82,772,854	
Cess on Green Leaf	3,759,394	1,986,602	
Cess on Black Tea	1,308,800	987,303	
Power & Fuel	36,389,257	24,626,907	
Vehicles Maintenance Expenses	6,216,190	4,871,705	
Salaries, Wages & Bonus	125,490,491	83,254,899	
Contribution to Provident, Gratuity & Other Funds	23,325,257	19,814,125	
Labour & Staff welfare	20,253,983	13,378,821	
Repairs - Buildings	5,632,490	3,838,746	
- Machinery	9,277,413	3,743,118	
- Others	152,914	82,591	
Commission, Brokerage, Discount on Sales	7,813,827	5,067,437	
Freight & Delivery Charges, Transport Charges	15,194,334	10,107,694	
Insurance	3,627,366	3,220,210	
Rent	699,800	689,167	
Rates & Taxes	2,637,841	1,007,275	
Directors Fees	222,000	224,000	
Bad Debts/Advances/Investments written off	259,395	4,932,774	
Less : Provision	-	847,203	
Net	259,395	4,085,571	
Add : Provision for Doubtful Debts further created	1,915,912	822,848	4,908,419
Loss on Sale of Fixed Assets/Discard of Fixed Assets	133,998	503,281	
Add : Provision for Assets held for Disposal	-	250,000	753,281
Auditor's Remuneration :			
- For Audit Fees	300,000	300,000	
- For Tax Audit	88,240	55,150	
- For Review Certificates	215,085	218,278	
- For Miscellaneous Certificates	303,723	487,865	
- For Expenses	14,706	3,044	
Prior Period Expenses	-	180,210	
Travelling Expenses	3,154,576	2,399,996	
Miscellaneous Expenses	19,276,008	13,341,536	
	430,332,784	307,609,460	

Schedules to the Accounts

Schedule - 15 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

Accounting Policies

a) Accounting Convention

The financial statements have been prepared in accordance with historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles in India, the applicable mandatory Accounting Standards and the relevant provisions of Companies Act, 1956.

b) Fixed Assets and Depreciation

Fixed Assets

- i) Fixed Assets are stated at their original cost less depreciation. Cost includes incidental expenses. Profits or Losses on sale of fixed assets are included in the Profit & Loss Account and calculated as difference between the value realized and book value. Capital Work-in-Progress is stated at cost.
- ii) Items of machinery spares to be used in connection with an item of fixed assets are amortized over the useful life of the assets.

Depreciation

- iii) Depreciation on Fixed Assets other than Land and Tea Plantation is provided on written down value basis in accordance with the provisions of Schedule XIV of the Companies Act, 1956.
- iv) All expenses incurred for extension of new areas of cultivation are capitalized. Cost of upkeep and maintenance of areas till not matured for plucking and cost of replanting in existing areas are charged to revenue.
- v) Intangible Assets are being amortized over a period of 5 years.

c) Government Grants :

Government grants related to specific fixed assets are deducted from gross value of related assets in arriving at their book value.

Government grants related to revenue are recognized in the profit & loss account.

d) Investment

Long term and unquoted investments are considered at cost, unless there is a permanent decline in value thereof, in which case, adequate provision is made in the accounts. Current Investments are stated at lower of cost or market / fair value.

e) Inventories

- i) Stock of tea, coffee and minor produce (i.e. Pepper and Cardamom) are valued at cost (determined on weighted average basis) or net realizable value whichever is lower.
- ii) Stock of Stores and Spare parts are valued at cost using the Weighted Average Cost basis.
- iii) Cost comprises all direct and indirect expenses.
- iv) Provision is made for obsolete and slow moving stocks where necessary.

f) Foreign Currency Transactions

- i) Foreign Currency Transactions are recorded at the rate of exchange prevailing on the dates when the relevant transactions take place.
- ii) Year end balances of foreign currency transactions are translated at exchange rates prevailing at the end of the year.
- iii) Any income or expense on account of exchange difference either on settlement or translation is recognized in the profit and loss account.

Schedules to the Accounts

g) Revenue Recognition

Sales are recognized in the accounts on passing of titles of the goods, i.e. delivery as per terms of sales or completion of auction in case of auction sale. Other income with related tax credits and expenditure are accounted for on accrual basis.

h) Employee Benefits

Short Term Employee Benefits

The undiscounted amount of short term employee benefit expected to be paid in exchange for the services rendered by employee is recognized during the period when the employee rendered the service. This benefit includes salary, wages, short term compensatory absences and bonus.

Long Term Employee Benefits

Defined Contribution Scheme

This benefit includes contribution to Provident Fund Schemes and Superannuation Fund. The contribution is recognized during the period in which the employee renders service.

Defined Benefit Scheme

For defined benefit scheme the cost of providing benefit is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. The benefit obligation recognized in the Balance Sheet represents value of defined benefit obligation determined at the end of the year. Actuarial gains and losses are recognized in full during the period in which they occur.

Other Long Term Benefits

Long Term Compensation absence is provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method as at the date of Balance Sheet.

i) Borrowing Costs

Borrowing Costs, if attributable to qualifying assets (i.e. assets that necessarily take substantial period of time to get ready for its intended use or sale) are capitalized, otherwise charged to Profit & Loss Account.

j) Taxes on Income

Current Tax comprise of Income Tax and Wealth Tax that would be payable based on computation of tax as per taxation laws under the Income Tax Act, 1961 and under the respective state Agricultural Income Tax Acts. Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets are not recognised unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Tax credit for Minimum Alternate Tax (MAT) is recognized when there is convincing evidence of its realisability against future normal tax liability.

k) Leases

- i) For assets acquired under operating lease, rentals payable are charged to the Profit & Loss Account.
- ii) For assets acquired under finance lease/hire purchase agreement, the assets are capitalized at lower of their respective fair value and present value of minimum lease payments after discounting them at an appropriate discount rate.
- iii) Hire Purchase charges are being amortized based on a constant periodic rate of interest on the remaining balance of the liability of each period.

l) Impairment

An impairment loss is recognized where applicable when the carrying value of fixed assets exceeds its market value or value in use whichever is higher. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

m) Provisions and Contingent Liabilities

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made. Contingent assets are not provided for or disclosed.

Schedules to the Accounts

Notes on Accounts annexed to and forming part of the Balance Sheet as at 31st March, 2010 and Profit & Loss Account for the year ended on that date.

1. Contingent Liability not provided for –

Claims against the Company not acknowledged as debts :

(Amount in Rs.)

	2009-10	2008-09
i) Consent fee under Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control Board of Pollution) Act, 1981	–	312,000
ii) Income Tax under appeal		
A.Y. 2003-04*	74,044	74,044
A.Y. 2006-07	1,754,026	1,754,026
A.Y. 2007-08	680,965	–
* Rs. 74,044 paid under protest		
iii) Sales Tax under appeal		
P.Y. 2003-04	369,000	–

2. Estimated amount of contract remaining to be executed on Capital Account and not provided for Rs. 6,435,309/- (31.03.2009–Rs. 551,308/-) (Net of Advances).
3. "Debts of a subsidiary acquired" of Rs. 524.27 lacs in Schedule '9' represents debts of The Cochin Malabar Estates & Industries Limited (CMEI) acquired in previous year. As reported last year, the Company has entered into an revival agreement with The Cochin Malabar Estates & Industries Limited which inter alia provides the Company's right to recompense the benefits of debt acquisition and prescribes certain parameters for interest accrual on such debt. Considering the revival status of The Cochin Malabar Estates & Industries Limited and debt acquisition being strategic in nature no interest accrual has been deemed necessary in the current year by the management of the Company.
4. Pursuant to the scheme of amalgamation (the Scheme) between Jamirah Tea Company Limited (hereinafter referred as Jamirah) and the Company as approved by shareholders of the respective companies on 29th January, 2010 and sanctioned by the Hon'ble High Court at Kolkata on 29th March, 2010, under the provisions of The Companies Act, 1956, Jamirah has been merged with the Company w.e.f. appointed date i.e. 01.04.2009.

The Certified copy of the order of Hon'ble Court has been filed with the Registrar of the Companies on 21st May, 2010. The accounts for the year have been prepared by giving the effect of the scheme.

The Salient Features of the scheme are as under :

- a) All the assets and liabilities of Jamirah as on the appointed date have been incorporated in the books of the company at their respective books values on the basis of their audited books as on 31.03.2009 except the carrying value of Land and plantation has been considered at Rs. 31.40 crores as per approved scheme.

In terms of the Scheme, the following equity shares, ranking *pari passu*, are to be issued to the share holders of the Jamirah. The equity shares held by the Company in the capital of the Jamirah have been cancelled.

Name of the Transferor Company	Nature of Business	No. of the Shares issued by the Transferee Company
Jamirah Tea Company Limited	Tea Plantation	2 equity shares of Rs. 10 each for 1 shares held in Transferor Company

- b) The accounting treatment as set out in the aforesaid scheme has been done as per the purchase method of accounting as per Accounting Standard 14 "Accounting for Amalgamation". The difference of Rs. 19,97,37,780/- between the consideration and value of net assets as stated in note no (a) above has been treated as capital reserve. The Company will be issuing 0.69% of its post amalgamated equity base for entire share capital of Transferor Company after considering the elimination of its own holding in Jamirah.
- c) Shares Suspense represents 22,600 shares of Rs. 10/- each to be issued to the shareholders of the Transferor Company which will rank *pari passu* with the shareholders of the Company as per the scheme with effective from appointed date. The shares will be allotted on completion of necessary formalities under the Companies Act and Listing agreements. Such dividend shall be payable to them upon allotment of shares and provided in the accounts of the current year.
- d) Pursuant to the scheme, the authorized share capital of Transferor Companies shall be added to the authorized capital of the Company and the increase in the authorized share capital in the current year represents the same.

Schedules to the Accounts

- e) Pending completion of the relevant formalities of transfer of certain assets and liabilities of Transferor Company pursuant to scheme as mentioned in point (a) above, such assets and liabilities remain included in the books of the Company under the name of Transferor Company.
 - f) The financial statement of Jamirah has been audited by erstwhile auditors of Jamirah and approved by erstwhile board of Jamirah on 20th May, 2010. The same financial statements have been incorporated in the current year financial results of the Company after giving impact of amalgamation.
5. Transfer of certain assets/liabilities from/to Transferor Companies/demerged units under the scheme of arrangement/amalgamations carried out in earlier years are still in the process of completion.
 6. There are no outstanding dues to suppliers/service providers covered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'). The disclosures as required under the said Act are as under :

Particulars	Amount
a) Principal Amount due to Supplier under MSMED	NIL
b) Interest due to Supplier on above	NIL
c) Any payment made to Supplier beyond appointed date (under Section 16 of the Act)	NIL
d) Interest due and payable to Suppliers under MSMED	NIL
e) Interest accrued and remaining unpaid as at 31st March, 2010	NIL
f) Interest remaining due and payable under Section 23 of the Act	NIL

The above information has been determined to the extent such parties identified on the basis of information available with the Company.

7. The Company is mainly engaged in the production of Tea, Coffee and Minor Produces. In the opinion of the management the above product relate to plantation activities only and therefore do not form separate Segment for the purpose of Segment Reporting under Accounting Standard – 17 on Segment Reporting as notified under “The Companies Accounting Standard Rule 2006”. None of the income from other sources falls under the criteria of reportable segment as per the relevant provision of the Accounting Standard.
8. The amount of borrowing cost capitalized during the year is Rs. Nil.
9. The exposure of the Company in foreign currency at the end of the year is Rs. Nil (Previous year - Rs. Nil).
10. **Employee Benefits (Revised Accounting Standard - 15)**

a) Defined Contribution Plan

The Company makes contribution towards Provident Fund and Superannuation Fund to a defined contribution retirement plan for qualifying employees. The Provident Fund plan is operated by duly constituted and approved Independents Trustees/Governments. Under the said scheme the Company is required to contribute a specific percentage of pay roll costs in respect of eligible employees to the retirement benefit scheme to fund the benefits.

The Company operates a Superannuation Scheme for certain employees and contributions by the Company under the scheme, is charged against revenue every year.

During the year the Company has recognised Rs.10, 276,795/- (Previous Year Rs. 7,191,308/-) for Provident Fund contribution and Rs. 2,209,555/- (Previous Year Rs. 1,482,197/-) for superannuation fund contribution. The contributions payable to these plans by the Company are at the rates specified in the rules of the scheme.

b) Defined Benefit Plans

- i) The Company makes annual contribution of gratuity to gratuity funds duly constituted and administered by independent trustees and funded with LIC/independent trust for the qualifying employees. The scheme provides for a lump sum payment to vested employees upon retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of 5 years of continuous service.
- ii) The employees of the Company are also eligible for encashment of leave upon retirement up to 30 days for each year (maximum 120 days). The company does not maintain any fund to pay for compensated absences.
- iii) The present value of defined obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date.

Schedules to the Accounts

(Rs. in Lacs)

Disclosure as per Accounting Standard - 15 related to Employee Benefits

Particulars	2009-2010		2008-2009	
	Gratuity		Gratuity	
Expenses recognised in the Statement of Profit & Loss Account for the year ended 31st March, 2010	Funded	Unfunded	Funded	Unfunded
A) Current Service Cost	21.87	9.04	17.43	3.21
Interest Cost	22.51	11.98	18.70	3.61
Expected return on Plan Assets	(19.13)	-	(17.72)	-
Expected return on any reimbursement rights recognised as an assets	-	-	-	-
Actuarial (Gain)/Losses	21.77	2.35	39.55	4.46
Past Service Cost	-	-	-	-
Effect of any Curtailment/Settlement	-	-	-	-
Actuarial (Losses)/Gains on Plan Assets	0.66	0.01	0.70	-
Unrecognised Defined Benefit Obligation	-	-	-	-
Expenses recognised in Profit & Loss Account	47.68	23.38	58.66	11.28
B) Net (Asset)/Liabilities recognised in Balance Sheet as at 31st March, 2010				
Present Value of the Defined Benefit Obligation	304.35	161.73	258.47	50.80
Fair value of Plan Assets	251.58	-	226.83	-
Unrecognised Defined Obligation	-	-	-	-
Net (Asset)/Liabilities recognised in Balance Sheet	52.77	161.73	31.64	50.80
C) Changes in the Present Value of Defined Benefit Obligation during the year ended 31st March, 2010				
Present Value of Defined Benefit Obligations at 1st April, 2009	258.48	137.87	209.20	39.52
Current Service Cost	21.87	9.04	17.43	3.21
Interest Cost	22.51	11.98	18.70	3.61
Actuarial Gain/(Losses)	21.77	2.84	39.55	4.46
Benefits Paid	(20.28)	-	(26.41)	-
Present Value of Obligation as at 31st March, 2010	304.35	161.73	258.47	50.80
D) Changes in Fair Value of Plan Assets during the year ended 31st March, 2010				
Fair Value of Plan Assets as at 1st April, 2009	226.83	-	216.22	-
Expected return on Plan Assets	19.13	-	17.72	-
Actuarial Gain/(Losses)	(0.66)	-	(0.70)	-
Past Service Cost	-	-	-	-
Losses/(Gains) on curtailments Liabilities extinguished on settlement	-	-	-	-
Benefits Paid	(20.28)	-	(26.41)	-
Settlements	-	-	-	-
Contributions	26.56	-	20.00	-
Fair Value of Plan Assets as at 31st March, 2010	251.58	-	226.83	-
E) Principal Actuarial Assumptions used				
Discount rates as at 31st March, 2010	8.00%	8.00%	8.00%	8.00%
Expected return on Plan Assets	8.00%	-	8.00%	-
Expected salary increase rates	5.00%	5.00%	5.00%	5.00%
Mortality Rates	LIC (94-96) Ultimate Rate	LIC (94-96) Ultimate Rate	LIC (94-96) Ultimate Rate	LIC (94-96) Ultimate Rate
F) Withdrawal Rate	1% to 2% depending on age		1% to 2% depending on age	
G) Major categories of Plan Assets as a percentage of Fair Value of Plan Assets	Fund with LIC of India & Govt. Securities	-	Fund with LIC of India & Govt. Securities	-

Schedules to the Accounts

Disclosure as per Accounting Standard - 15 related to Employee Benefits (Contd.)

- (a) Amount not recognised as an asset, because of the limit prescribed to Accounting Standard - 15 (Revised 2005) i.e. Employees Benefits is Rs. Nil.
- (b) There is no reimbursement right at the balance sheet date.
- (c) Fair value of plan assets does not include any amount for Companies own financial instruments or any property occupied by, or other assets used by, the Company.
- (d) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (e) The Gratuity Scheme is invested in a Group Gratuity - Cum- Life Assurance Cum Accumulation Policy offered by Life Insurance Corporation of India and the Independent Administered Gratuity Fund. The information on the allocations of fund managed by LIC into major assets classes and expected return on each major classes are not readily available. In case of Company's administered trust, 100% allocation of fund has been made towards government securities. The expected rate of return on plan assets is based on the assumed rate of return provided by Company's actuary.
- (f) The Company expects to contribute Rs. 178.81 lacs to its gratuity fund in 2010-11.
- (g) The disclosure as required by Para 120 (b) of Accounting Standard - 15 have been made to the extent applicable to the Company.

11. The components of deferred tax as on are as follows :

	31.03.2010	31.03.2009
Deferred Tax Liability		
Depreciation	4,325,082	4,410,106
Deferred Tax Assets		
Brought Forward Loss	-	3,072,486
Items deductible on payments	826,733	830,415
Deferred Tax Liability (Net)	3,498,349	507,205

12. As reported last year, the Company has realised Rs. 25.97 lacs out of overdue outstanding of Rs. 78.36 lacs due from a debtors. The management is hopeful of recovering the balance amount also and considering the positive outcome of talks with the debtor, the balance amount has been considered good for recovery.
13. The Company's entitlement to deduction under section 80-IC of the Income Tax Act, 1961 in respect of income generated from facilities situated in North East states is pending before Appellate tribunal since assessment year 04-05. Pending disposal of appeal by the Appellate tribunal, the Company continues to claim benefit under section 80-IC which for the year amounts to Rs. 58.06 lacs. The management of the Company does not foresee any additional liability of the income tax at this point.
14. Related Party Disclosures as required by AS – 18 "Related Party Disclosures" are given below :

Relationships

(a) Subsidiaries of the Company

Gloster Real Estate Private Limited (GREPL)

Cowcoody Builders Private Limited (CBPL)

Pranav Infradev Company Private Limited (PICPL)

The Cochin Malabar Estate & Industries Limited (CMEI)

Schedules to the Accounts

(b) Enterprises/Individual having control over the Company

- i) Purushottam Das Bangur
- ii) Purushottam Das Bangur (HUF)
- iii) Gopal Das Bangur
- iv) Gopal Das Bangur (HUF)
- v) Mungneeram Bangur & Company
- vi) Pushpa Devi Bangur
- vii) Hemant Bangur
- viii) Hemant Bangur (HUF)
- ix) Vinita Bangur
- x) The Cochin Malabar Estate & Industries Limited (CMEI)
- xi) Kettlewell Bullen & Company Limited (KBCL)
- xii) The Oriental Company Limited (TOCL)
- xiii) Madhav Trading Corporation Limited (MTCL)
- xiv) The Cambay Investment Corporation Limited (TCICL)
- xv) Credwyn Holdings (I) Private Limited (CHPL)
- xvi) Wind Power Vinimay Private Limited (WPVPL)

(c) Other Companies over which the Key Management Personnel are able to exercise a significant influence

- Gloster Jute Mills Ltd. (GJML)
- The Phosphate Company Limited*
- Port Shipping Company Limited*
- The Kamala Company Limited*
- Laxmi Asbestos Products Limited*
- Marwar Textile (Agency) Limited*
- PD GD Investments & Trading Private Limited (PDGD)
- Jagdishpur Company Limited*
- Bombay Agency Company Private Limited*
- Kherapati Vanijya Limited (KVL)

* No transactions during the year

(d) Key Management Personnel

- Mr. Hemant Bangur – Executive Vice-Chairman
 - Mr. K. C. Mohta - Executive Director & C.E.O.
-

Schedules to the Accounts

The following transactions were carried out with the related parties in the ordinary course of business :
(i) Relating to Companies referred to in 1 (a), (b), (c) and (d) above.

SI.	PARTICULARS	TCICL	KVL	WPVPL	CHPL	MTCL	PDGD	GJML	TOCL	KBCL	KMP	Relatives of KMP	CMEI	CBPL	GREPL	PICPL
1	Loans Given / (Received) during the year (Net) Previous Year	(13,584,241)	(8,500,000)	(15,000,000)	(26,500,000)	-	-	-	-	-	-	-	(10,573,000)	-	-	-
2	Loans Received / (Refunded) during the year (Net) Previous Year	-	(14,190,000)	(10,386,000)	(26,500,000)	(8,480,000)	(11,000,000)	-	-	-	-	-	-	-	-	-
3	Closing balance as on 31.03.2010 - (Loan including Interest Accrued) Previous Year	-	15,000,000 (Cr)	15,000,000 (Cr)	-	-	11,000,000 (Cr)	-	-	-	-	-	-	-	-	-
4	Advances Given/(Received) during the year Previous Year	-	-	-	-	-	-	-	-	-	-	-	-	(1,797,195)	(84,156)	1,900,000
5	Closing balance of advance receivable/ (payable) as at 31.03.2010 Previous Year	-	-	-	-	-	-	-	-	-	-	-	-	(701,179)	405,752	308,869
6	Interest Income Previous Year	321,551	292,603	17,122	-	-	-	-	-	-	-	-	7,004,133	-	-	-
7	Interest Expenditure Previous Year	-	1,866,124	1,250,137	1,712,084	781,973	1,065,644	-	-	-	-	-	-	(5,100,000)	(84,156)	2,239,808
8	Rent Paid Previous Year	-	1,994,877	1,188,842	1,808,104	-	38,466	-	-	661,800	-	-	-	(3,302,805)	84,156	339,808
9	Rent Deposit as at 31.03.2010 Previous Year	-	-	-	-	-	-	-	-	643,167	-	-	-	-	-	-
10	Purchase Previous Year	-	-	-	-	-	-	-	-	7,500,000	-	-	-	-	-	-
11	Closing balance of Current Liability as on 31.03.2010 Previous Year	-	-	-	-	-	-	2,962,284	-	-	-	-	-	-	-	-
13	Directors Commission Previous Year	-	-	-	-	-	-	3,679,961	-	-	-	-	-	-	-	-
14	Dividend Paid * Previous Year	858,972	-	94,997	369,465	174,318	-	597,384	-	-	-	175,000	-	-	-	-
15	Debt Acquired Previous Year	515,383	-	56,998	221,679	104,591	-	-	-	797,005	514,578	5,293,740	1,800	-	-	-
		-	-	-	-	-	-	-	-	814,213	308,747	3,176,244	1,080	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	52,427,000	-	-	-

* Also includes dividend paid to party mentioned in (b) (ii), (iv), (v) & (viii).

(ii) Relating to persons referred to in 1 (d) above :

Remuneration/sitting fees Rs. 8,774,579/- (31.03.2009 - Rs.4,284,964/-)

The management certifies that there are no other payments to any relatives of Key Management Personnel.

Schedules to the Accounts

15. Earnings Per Share

	2009-10	2008-09
a) Profit/(Loss) after taxation as per Profit & Loss Account (Rs.)	62,199,567	80,48,141
b) Number of equity shares outstanding *	32,56,247	32,33,647
c) Basic and diluted earnings per share (in Rs.) (Face Value Rs. 10/- per share)	19.10	2.49

* Includes 22,600 equity shares to be issued by the Company pursuant to the scheme of amalgamation referred to in Note No. 4 (c) of Schedule 15.

	31.03.2010		31.03.2009	
	Quantity (Kg.)	Value (Rs.)	Quantity (Kg.)	Value (Rs.)
16. Turnover				
- Tea (Excluding issued to Labour and Staff, Sales Promotion and Tea Waste etc. 20,119 kgs. 31.03.2009 - 13,495 kgs.)	4301,181	511,720,738	3,320,222	321,857,318
- Coffee	106,803	118,53,875	311,425	37,904,770
- Minor Produce	10,145	1,205,408	5,251	617,400
- Timber	-	4,791,264	-	-
17. Raw Materials Consumed				
i) Being raw materials harvested in the Company's own gardens as agricultural produce involving integrated activities of Nursery, Cultivation, Growth etc. and utilized in the manufacture of tea, its value at the intermediate stage could not be ascertained.	14,828,763	-	9,239,605	-
ii) Green Leaf purchased	5,460,623	83,203,847	6,078,897	82,772,854
18. Stock of Finished Goods				
a) Opening Stock :				
- Tea	287,490	19,249,942	223,667	13,004,525
- Coffee	109,891	11,538,555	248,310	17,879,350
- Minor Produce	10,064	384,897	5,277	392,244
b) Closing Stock :				
- Tea	417,894	28,106,088	243,268	16,039,350
- Coffee	198,727	21,859,970	109,891	11,538,555
- Minor Produce	12,010	422,776	10,064	384,897
19. a) Licensed Capacity – Tea	Not applicable		Not applicable	
b) Installed Capacity (in terms of made tea)	Not ascertainable		Not ascertainable	
c) Actual Production during the year – For sale of Tea (excluding issued to Labour and Staff, Sales Promotion and Tea Waste etc. 20,119 kgs. 31.03.2009 – 13,495 kgs.)	4,431,585	-	3,339,823	-
For sale of Coffee	195,639	-	173,006	-
For sale of Minor Produce	12,091	-	10,038	-
20. CIF Value of Import	-	-	-	-
	Value (Rs.)	Percentage (%)	Value (Rs.)	Percentage (%)
21. Value of Stores and Spares parts consumed				
Indigenous	39,157,498	100	33,397,716	100
Imported	-	-	-	-

Schedules to the Accounts

(Amount in Rs.)

	31.03.2010	31.03.2009
22. a) Earning in Foreign Currency	-	-
b) Expenditure in Foreign Currency :		
- Travelling	576,740	200,834
- Others	67,354	56,134
23. Interest paid includes Interest on Fixed Loans Rs. 11,981,701/- (31.03.2009 – Rs. 14,559,119/-)		
24. Interest expense is net of Interest Income Rs. 217,069/- TDS - Rs. 9,750/- (31.03.2009 – Rs. 8,299,996/-, TDS – Rs. 1,763,934/-)		
25. Computation of Managerial Remuneration in accordance with Section 198/309 of the Companies Act :		
Profit before Taxation	77,261,585	10,283,298
Add :		
Managerial Remuneration including Commission	8,774,579	4,284,964
Commission to Non Executive Director	875,000	149,417
Directors Fees	222,000	224,000
Provision for Doubtful Debts	1,915,912	-
Net Profit as per section 349 of the Companies Act	89,049,076	14,941,679
Maximum remuneration including commission @10% of net profit which can be paid to Managing and Executive Directors under section 309 of the Act	8,904,908	1,494,168
Remuneration paid to Managing and Executive Directors	8,774,579	4,284,964
Maximum commission payable to Non Executive Directors @ 1% of the Net Profit	890,491	149,417
Commission paid/payable to Non Executive Directors	875,000	149,417
Remuneration to Managing Director and Executive Director -		
i) Salary	4,608,000	2,700,000
ii) Company's Contribution of PF & other funds	1,726,560	1,539,000
iii) Monetary value of perquisites & other benefits	786,019	45,964
iv) Commission	1,654,000	-
	8,774,579	4,284,964

(Remuneration paid/payable to Managing and Executive Director does not include gratuity as the amount applicable to individual employee is not ascertainable and hence not considered as above computations. Further the above includes leave encashment amount pertaining to the leave accrual for the current year only. Previous year remuneration has been paid considering the limits specified in the Schedule XIII of the Companies Act.)

26. Due effect of scheme of amalgamation during the year, the current year's figures are not comparable with previous year figures. Previous year figures have been arranged/regrouped wherever necessary.

for and on behalf of

SINGHI & CO.

Firm Registration No. 302049E

Chartered Accountants

Pradeep Kumar Singhi

Partner

Membership No. 50773

Place : Kolkata

Dated : 7th August, 2010

B. L. Dhanuka
Chief Financial Officer

S. Bagree
Manager (Finance) &
Company Secretary

G. D. Bangur Director

H. Bangur Executive Vice-Chairman

M. K. Daga Director

Amitabha Ghosh Director

J. K. Surana Director

K. C. Mohta Executive Director

Schedules to the Accounts

Balance Sheet Abstract and Company's Business Profile

(AS PER SCHEDULE VI PART (IV) OF THE COMPANIES ACT, 1956)

I. REGISTRATION DETAILS

Registration No.	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 2 9 2	State Code	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 2 1
Balance Sheet Date	<input type="text"/> 3 <input type="text"/> 1 <input type="text"/> 0 <input type="text"/> 3 <input type="text"/> 2 <input type="text"/> 0 <input type="text"/> 1 <input type="text"/> 0		

II. CAPITAL RASIED DURING THE YEAR (Amount in Rs. Thousand)

Public Issue	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L	Bonus Issue	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L
Right Issue	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L	Private Placement	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 2 2 6

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousand)

Total Liabilities	<input type="text"/> <input type="text"/> 1 <input type="text"/> <input type="text"/> 1 <input type="text"/> <input type="text"/> 0 <input type="text"/> <input type="text"/> 8 <input type="text"/> <input type="text"/> 7 <input type="text"/> <input type="text"/> 2 <input type="text"/> <input type="text"/> 2	Total Assets	<input type="text"/> <input type="text"/> 1 <input type="text"/> <input type="text"/> 1 <input type="text"/> <input type="text"/> 0 <input type="text"/> <input type="text"/> 8 <input type="text"/> <input type="text"/> 7 <input type="text"/> <input type="text"/> 2 <input type="text"/> <input type="text"/> 2
Sources of Funds		Application of Funds	
Paid-up Capital	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 3 <input type="text"/> <input type="text"/> 2 <input type="text"/> <input type="text"/> 5 <input type="text"/> <input type="text"/> 6 <input type="text"/> <input type="text"/> 2	Net Fixed Assets	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 5 <input type="text"/> <input type="text"/> 4 <input type="text"/> <input type="text"/> 1 <input type="text"/> <input type="text"/> 7 <input type="text"/> <input type="text"/> 9 <input type="text"/> <input type="text"/> 4
Reserves & Surplus	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 8 <input type="text"/> <input type="text"/> 8 <input type="text"/> <input type="text"/> 3 <input type="text"/> <input type="text"/> 8 <input type="text"/> <input type="text"/> 3 <input type="text"/> <input type="text"/> 1	Investments	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 4 <input type="text"/> <input type="text"/> 5 <input type="text"/> <input type="text"/> 7 <input type="text"/> <input type="text"/> 6 <input type="text"/> <input type="text"/> 2 <input type="text"/> <input type="text"/> 4
Secured Loan	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 1 <input type="text"/> <input type="text"/> 5 <input type="text"/> <input type="text"/> 8 <input type="text"/> <input type="text"/> 8 <input type="text"/> <input type="text"/> 3 <input type="text"/> <input type="text"/> 1	Net Current Assets	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 1 <input type="text"/> <input type="text"/> 0 <input type="text"/> <input type="text"/> 9 <input type="text"/> <input type="text"/> 3 <input type="text"/> <input type="text"/> 0 <input type="text"/> <input type="text"/> 4
Unsecured Loans	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 3 <input type="text"/> <input type="text"/> 0 <input type="text"/> <input type="text"/> 0 <input type="text"/> <input type="text"/> 0 <input type="text"/> <input type="text"/> 0	Miscellaneous Expenditure	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L
Deferred Tax Liability	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 3 <input type="text"/> <input type="text"/> 4 <input type="text"/> <input type="text"/> 9 <input type="text"/> <input type="text"/> 8	Accumulated Losses	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L

IV. PERFORMANCE OF COMPANY (Amount in Rs. Thousand)

Turnover	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 5 <input type="text"/> <input type="text"/> 3 <input type="text"/> <input type="text"/> 3 <input type="text"/> <input type="text"/> 1 <input type="text"/> <input type="text"/> 9 <input type="text"/> <input type="text"/> 4	Total Expenditure	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 4 <input type="text"/> <input type="text"/> 5 <input type="text"/> <input type="text"/> 5 <input type="text"/> <input type="text"/> 9 <input type="text"/> <input type="text"/> 3 <input type="text"/> <input type="text"/> 2
Profit/Loss before Tax	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 7 <input type="text"/> <input type="text"/> 7 <input type="text"/> <input type="text"/> 2 <input type="text"/> <input type="text"/> 6 <input type="text"/> <input type="text"/> 2	Profit/Loss after Tax	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 6 <input type="text"/> <input type="text"/> 4 <input type="text"/> <input type="text"/> 5 <input type="text"/> <input type="text"/> 5 <input type="text"/> <input type="text"/> 3
Earnings Per Share (in Rs.)	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 1 <input type="text"/> <input type="text"/> 9	Dividend (%)	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 2 <input type="text"/> <input type="text"/> 5

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY

Item Code No. (ITC Code)	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 9 <input type="text"/> <input type="text"/> 0 <input type="text"/> <input type="text"/> 2 <input type="text"/> <input type="text"/> 3 <input type="text"/> <input type="text"/> 0
Product Description	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> T E A

B. L. Dhanuka
Chief Financial Officer

S. Bagree
Manager (Finance) &
Company Secretary

G. D. Bangur Director

H. Bangur Executive Vice-Chairman

M. K. Daga Director

Amitabha Ghosh Director

J. K. Surana Director

K. C. Mohta Executive Director

Place : Kolkata
Dated : 7th August, 2010

Statement Regarding Subsidiary Companies Pursuant to Section 212 of the Companies Act, 1956

	Financial Year ended	Holding Company's Interest
SECTION 212 (1) (e)		
Name of the Subsidiary Companies		
Gloster Real Estates Pvt. Ltd.	31st March, 2010	100.00%
Pranav Infradev Company Pvt. Ltd.	31st March, 2010	100.00%
Cowcoody Builders Pvt. Ltd.	31st March, 2010	100.00%
The Cochin Malabar Estates & Industries Ltd.	31st March, 2010	22.94%
SECTION 212 (3) (b)		
Net aggregate amount of Subsidiaries Profit which concern the members of the Holding Company and not dealt with in the Company's Accounts	For the Financial year ended 31st March, 2010 (Rs.)	For the previous Financial Years (Rs.)
Gloster Real Estates Pvt. Ltd.	(166,955)	(558,996)
Pranav Infradev Company Pvt. Ltd.	(11,316)	(70,641)
Cowcoody Builders Pvt. Ltd.	1,349,356	440,805
Jamirah Tea Company Limited *	Nil	7,970,055
The Cochin Malabar Estates & Industries Ltd.	13,160,331	10,948,138
SECTION 212 (3) (c)		
Net aggregate amount of Subsidiaries Profit dealt with in the Company's Account		
Gloster Real Estates Pvt. Ltd.	Nil	Nil
Pranav Infradev Company Pvt. Ltd.	Nil	Nil
Cowcoody Builders Pvt. Ltd.	Nil	Nil
Jamirah Tea Company Limited *	Nil	Nil
The Cochin Malabar Estates & Industries Ltd.	Nil	Nil

SECTION 212 (5)

The Financial Year of the Subsidiaries coincides the financial year of the Holding Company and as such Section 212 (5) of the Act is not applicable.

* Amalgamated with the Company with effect from 01.04.2009

B. L. Dhanuka
Chief Financial Officer

S. Bagree
Manager (Finance) &
Company Secretary

G. D. Bangur Director

H. Bangur Executive Vice-Chairman

M. K. Daga Director

Amitabha Ghosh Director

J. K. Surana Director

K. C. Mohta Executive Director

Place : Kolkata
Dated : 7th August, 2010

Consolidated Auditors' Report

AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF JOONKTOLLEE TEA & INDUSTRIES LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF JOONKTOLLEE TEA & INDUSTRIES LIMITED AND ITS SUBSIDIARIES

1. We have audited the attached consolidated Balance Sheet of JOONKTOLLEE TEA & INDUSTRIES LIMITED and its subsidiaries as at 31st March, 2010 and the consolidated Profit and Loss Account and consolidated Cash Flow Statement for the year ended on that date and annexed thereto. 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 generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. 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. We did not audit the financial statements of the subsidiaries whose financial statements reflect total assets of Rs. 407,527,332/- as at 31st March, 2010, total revenues of Rs. 5,442,974/- and net cash inflow of Rs. 1,586,526/- for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries is based solely on the report of the other auditors.
4. *The statutory auditors of a Subsidiary has drawn the following qualifications in their audit report dated 5th August 2010 for the year ended 31st March 2010.*
 - i) *Depreciation to the tune of Rs. 13.84 lacs in respect of Aqua culture and rubber wood divisions and Kinalur Estate of Rubber division has not been provided during the year. (Refer point no 4 in schedule 14)*
 - ii) *The auditors are unable to express an opinion about the profitability of the Kinalur Estate and also the physical conditions of the assets of the estate.*
 - iii) *Note No.13 of Schedule 14 regarding valuation of closing stock of Finished Goods at the lower of Cost and net realizable value, which was hitherto being valued at net realizable value. Due to this*

change in the method of valuation the Profit for the year as well as the closing Inventories is stated lower to the tune of Rs. 57.52 Lacs.

5. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements", as notified under "The Company Accounting Standard Rules 2006" and on the basis of the separate audited financial statements of Joonktollee Tea & Industries Limited, its subsidiaries included in the consolidated financial statements.
6. On the basis of the information and explanation given to us and on consideration of the separate audit reports on individual audited financial statements of JOONKTOLLEE TEA & INDUSTRIES LIMITED and its subsidiaries, we are of the opinion, subject to Para 4 above, the consolidated financial statements read with notes to account, give a true and fair view in conformity with the accounting principles generally accepted in India :
 - a) In the case of the consolidated Balance Sheet, of the consolidated state of affairs of Joonktollee Tea & Industries Limited and its subsidiaries as at 31st March, 2010;
 - b) In the case of the consolidated Profit and Loss Account, of the consolidated profit of Joonktollee Tea & Industries Limited and its subsidiaries for the year ended on that date and
 - c) In the case of the consolidated Cash Flow Statement, of the consolidated cash flow of Joonktollee Tea & Industries Limited and its subsidiaries for the year ended on that date.

For **SINGHI & CO.**

Chartered Accountants
Firm Registration No. 302049E

(Pradeep Kumar Singhi)

Partner

Membership Number - 50773

Place : Kolkata

Dated : 7th August, 2010

Consolidated Balance Sheet as at March 31, 2010

(Amount in Rs.)

	Schedule	As at 31.03.2010		As at 31.03.2009	
I. SOURCES OF FUNDS					
(1) Shareholders' Funds :					
(a) Share Capital	1	32,336,471		32,336,471	
(b) Share Suspense	1A	226,000		–	
(c) Reserves and Surplus	2	888,447,095	921,009,566	637,817,121	670,153,592
Minority Interest			160,641,520		151,204,923
(2) Loan Funds :					
Secured Loan	3		159,874,891		204,503,184
Unsecured Loan	3A		136,500,000		127,930,485
(3) Deferred Tax Liability					
			3,498,349		–
TOTAL			1,381,524,326		1,153,792,184
II. APPLICATION OF FUNDS					
Goodwill on Consolidation			7,977,277		111,413,020
Fixed Assets :					
(a) Gross Block	4		1,763,152,849		1,448,873,762
(b) Less : Depreciation			308,819,551		295,734,585
(c) Net Block			1,454,333,298		1,153,139,177
(d) Capital Work-in-Progress			20,700,997	1,475,034,295	16,030,008
					1,169,169,185
Investments					
			6,199,001		6,209,201
Deferred Tax Asset					
			–		1,423,932
Current Assets, Loans & Advances :					
(a) Inventories	5		98,348,717		76,464,945
(b) Sundry Debtors	6		42,001,999		27,784,432
(c) Cash and Bank Balances	7		17,620,466		13,733,229
(d) Loans and Advances	8		64,389,879		61,226,391
			222,361,061		179,208,997
Less : Current Liabilities & Provisions					
(a) Current Liabilities	9		234,856,511		231,897,727
(b) Provisions	10		95,190,797		81,734,424
			330,047,308		313,632,151
Net Current Assets			(107,686,247)		(134,423,154)
Miscellaneous Expenditure			–		–
TOTAL			1,381,524,326		1,153,792,184

Notes on Accounts

14

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.

for and on behalf of

SINGHI & CO.

Firm Registration No. 302049E

Chartered Accountants

Pradeep Kumar Singhi

Partner

Membership No. 50773

Place : Kolkata

Dated : 7th August, 2010

B. L. Dhanuka

Chief Financial Officer

S. Bagree

Manager (Finance) &
Company Secretary

G. D. Bangur Director

H. Bangur Executive Vice-Chairman

M. K. Daga Director

Amitabha Ghosh Director

J. K. Surana Director

K. C. Mohta Executive Director

Consolidated Profit & Loss Account for the year ended March 31, 2010

(Amount in Rs.)

	Schedule	For the year ended 31.03.2010		For the year ended 31.03.2009	
INCOME					
Sales	11	715,334,218		672,683,878	
Other Income	12	39,031,458	754,365,676	18,951,745	691,635,623
EXPENDITURE					
(Increase)/Decrease of Finished Goods	11A	(17,858,498)		3,352,016	
Cultivation, Manufacturing, Administration and Selling Expenses	13	614,424,198		595,325,664	
Interest		41,826,571		33,675,900	
Depreciation (Net of Rs.477,203/- transferred to Revaluation Reserve)		23,670,404	662,062,675	23,139,639	655,493,219
Profit before Taxation			92,303,001		36,142,404
Provision for Taxation					
Current Year (includes reversal for earlier year)		10,729,677		5,320,240	
Less : MAT Credit Entitlement		-	10,729,677	1,800,000	3,520,240
Earlier Year			143,241		1,179,903
Adjustment for (Excess)/Short Tax Provision in respect of earlier years written back			(7,131)		(2,417,101)
Fringe Benefit Tax			3,550		669,345
Deferred Tax			4,922,358		6,492,515
Profit after Taxation			76,511,306		26,697,502
Balance brought forward from last Account		7,157,462		(966,058)	
Less : Minority Interest		(10,141,351)		(8,825,295)	
Add : Share of Profit/(Loss) in Associate					
For the Year		-		(1,561,915)	
For Earlier Years		-	(2,983,889)	(2,011,964)	(13,365,232)
			73,527,417		13,332,270
APPROPRIATIONS					
Proposed Dividend		8,140,618		4,850,471	
Tax on Proposed Dividend		1,352,157	9,492,775	824,337	5,674,808
General Reserve			30,000,000		500,000
Balance Carried Forward			34,034,642		7,157,462
Earnings Per Equity Shares of Rs. 10/- each					
Basic & Diluted (Rs.) (Refer Note No. 24 of Schedule 14)			20.38		4.42

Notes on Accounts

14

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.

for and on behalf of

SINGHI & CO.

Firm Registration No. 302049E

Chartered Accountants

Pradeep Kumar Singhi

Partner

Membership No. 50773

Place : Kolkata

Dated : 7th August, 2010

B. L. Dhanuka

Chief Financial Officer

S. Bagree

Manager (Finance) &
Company Secretary

G. D. Bangur Director

H. Bangur Executive Vice-Chairman

M. K. Daga Director

Amitabha Ghosh Director

J. K. Surana Director

K. C. Mohta Executive Director

Consolidated Cash Flow Statement for the year ended March 31, 2010

(Amount in Rs.)

	31.03.2010		31.03.2009	
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax and and extra ordinary items		92,303,001		36,142,404
Adjustments for :				
Depreciation		23,670,404		23,139,639
Loss/(Profit) on Sale/Discard of Fixed Assets (Net)		11,390,938		691,932
Interest and Dividend Income		(1,085,182)		(15,885,593)
Interest Charged		41,826,571		49,151,795
Investment Written off		10,200		-
Sundry Credit balance no longer required written back		(30,004,845)		(10,600,283)
Bad Debts & Provision for Doubtful Debts/Advances		3,150,979	48,959,065	5,048,125
Operating Profit before Working Capital Changes		141,262,066		87,688,018
Adjustments for :				
Trade and Other Receivables		(29,043,472)		(13,601,602)
Inventories		(21,883,772)		(1,666,402)
Trade Payables		32,248,690	(18,678,554)	39,114,418
Cash generated from Operations		122,583,512		111,534,433
Direct Taxes (Paid)/Refund Received (Net)		(8,425,003)		(620,399)
Net Cash from Operating Activities		131,008,515		112,154,832
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets/WIP		(44,618,811)		(43,190,623)
Sale of Fixed Assets		401,578		129,679
Purchase of Investments in Subsidiary		-		(109,696,729)
Debt Acquisition of a Subsidiary Company		-		(52,427,000)
Advanced Received/(Paid)		-		80,060,241
Interest Received		296,771		19,488,601
Dividend Received		802,612	(43,117,850)	409,698
Net Cash used in Investing Activities		87,890,665		6,928,699

Consolidated Cash Flow Statement

For the year ended March 31, 2009

(Amount in Rs.)

	31.03.2010	31.03.2009
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings (Net)	8,569,515	(42,335,500)
Payments of Long Term Borrowings	(43,307,390)	-
Proceeds from/(payments) to Other Borrowings (Net)	(1,320,903)	(38,750,407)
Interest Paid	(42,342,563)	(48,070,447)
Dividends Paid (including Tax on Dividend)	(5,674,808)	(7,624,037)
Net Cash from/(used in) Financing Activities	(84,076,149)	(136,780,391)
Net Change in Cash and Cash Equivalents	3,814,516	(129,851,692)
Cash and Cash Equivalents - Opening Balance	13,070,390	142,922,082
Cash and Cash Equivalents - Closing Balance	16,884,906	13,070,390

Notes :

1. Cash and Cash Equivalents consists of cash, cheques in hand and balances with banks in current accounts and non mortgaged fixed deposits as per schedule 8 and are available in ordinary course of business.
2. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement as notified under The Companies Accounting Standard Rules, 2006.
3. Previous year's figures have been regrouped/rearranged wherever necessary.

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

for and on behalf of

SINGHI & CO.

Firm Registration No. 302049E

Chartered Accountants

Pradeep Kumar Singhi

Partner

Membership No. 50773

Place : Kolkata

Dated : 7th August, 2010

B. L. Dhanuka
Chief Financial Officer

S. Bagree
Manager (Finance) &
Company Secretary

G. D. Bangur Director

H. Bangur Executive Vice-Chairman

M. K. Daga Director

Amitabha Ghosh Director

J. K. Surana Director

K. C. Mohta Executive Director

Consolidated Schedules to the Accounts

(Amount in Rs.)

	As at 31.03.2010	As at 31.03.2009
Schedule - 1 SHARE CAPITAL		
Authorised		
1,12,49,000 (Previous year -1,07,49,000*) Ordinary Shares of Rs. 10/- each	112,490,000	107,490,000
35,000 Ordinary Shares of Rs. 100/- each	3,500,000	3,500,000
50,000 Redeemable Cumulative Preference Shares of Rs. 10/- each	500,000	500,000
100 13.5% Redeemable Cumulative Preference Shares of Rs. 100/- each	10,000	10,000
* (Refer Note No. 7 (d) of Schedule 14)		
	116,500,000	111,500,000
Issued and Subscribed		
32,33,647 Ordinary Shares of Rs. 10/- each fully paid up	32,336,471	32,336,471
	32,336,471	32,336,471
Of the above		
1) 4,42,000 shares have been allotted as fully paid up by way of bonus shares upon capitalisation of reserves.		
2) 3,51,825 shares have been allotted to the shareholders of the erstwhile The Kalasa Tea and Produce Company Ltd. and 2,94,163 shares have been allotted to the shareholders of the erstwhile Cowcoody Estate Limited as per a scheme of amalgamation.		
3) 2,137,659 fully paid up equity shares of Rs. 10/- each have been allotted during the financial year 2006-07 pursuant to a scheme of arrangement/amalgamation effective from 01.10.2006		

Schedule - 1A SHARE SUSPENSE		
22,600 fully paid up Equity shares of Rs. 10/- each to be issued pursuant to scheme of amalgamation for consideration other than cash (Refer Note No. 7 (c) of Schedule 14)	226,000	-
	226,000	-

Schedule - 2 RESERVES AND SURPLUS	Balance as on 31.03.2009	Additions during the year	Deductions/Adjustments during the year	Balance as on 31.03.2010
Capital Reserve	399,618,153	297,665,740 #	103,435,743 \$	593,848,150
Capital Redemption Reserve	41,600	-	-	41,600
Revaluation Reserve (Created on Revaluation of Land)	40,386,019	-	477,203	39,908,816
Securities Premium Account	24,701,440	-	-	24,701,440
General Reserve	165,912,447	30,000,000	-	195,912,447
Profit & Loss Account	7,157,462	34,034,642	7,157,462	34,034,642
Total	637,817,121	361,700,382	111,070,408	888,447,095

Represents adjustment due to increase in value of Fixed Asset and minority share of erstwhile subsidiary Company being merged with the Company w.e.f. 01/04/09 as per the scheme of amalgamation (Refer Note No.7 of Schedule 14).

\$ Represents adjustment of goodwill created in earlier years w.r.t. erstwhile subsidiary Company being merged with the Company w.e.f. 01/04/09 (Refer Note No.7 of Schedule 14).

Schedules to the Accounts

(Amount in Rs.)

	As at 31.03.2010	As at 31.03.2009
Schedule - 3 SECURED LOAN		
From Banks		
Overdraft/Cash Credit		
a) Cash Credit from State Bank of Bikaner and Jaipur, Kolkata (Secured by hypothecation of all tea manufactured including processed tea, green leaf, book debts both present and future moveable plant & machinery, furniture and other equipments, moveable property of any kind and equitable mortgage/charge created by depositing title deeds of Joonktolee Tea Estate at Assam)	37,615,181	41,917,750
b) Cash Credit from United Bank of India, Kolkata #	–	4,624,535
c) Cash Credit from Corporation Bank, Coimbatore (Secured by hypothecation of all standing crops, stocks, stores and spare parts, receivables and further secured by way of equitable mortgage of title deeds of landed property at Coimbatore of Cowcoody Builders Pvt. Ltd. (a wholly owned subsidiary) and further backed by their Corporate Guarantee)	18,288,023	17,396,005
d) Cash Credit from Indian Bank, Kolkata (Secured by hypothecation of all tea manufactured including processed tea, green leaf, book debts both present and future moveable plant & machinery, furniture and other equipments, moveable property of any kind and equitable mortgage/charge created by depositing title deeds of Jamirah Tea Estate at Assam)	17,052,334	–
e) Overdraft from Indian Bank, Kolkata (Secured against manufactured tea green leaves in process book debts, other moveables & fixed assets)	–	12,616,677
Term Loans		
f) Term Loan from State Bank of Bikaner & Jaipur, Kolkata	–	4,088,731
g) Term Loan from Corporation Bank, Coimbatore	–	4,288,000
h) Term Loan from United Bank of India, Kolkata #	–	5,848,165
Corporate Loan (Old)		
i) Corporate Loan from State Bank of Bikaner & Jaipur, Kolkata	–	5,000,000
Corporate Loan (New)		
j) Corporate Loan from State Bank of Bikaner & Jaipur, Kolkata (Secured by hypothecation of all tea manufactured including processed tea, green leaf, book debts both present and future moveable plant & machinery, furniture and other equipments, moveable property of any kind and equitable mortgage/charge created by depositing title deeds of Joonktolee Tea Estate at Assam) (Loan repayable within one year Rs. 2,50,00,000/-)	70,642,903	94,725,397
# Securities created in favour of lenders are in process of release.		
Vehicle Loan from ICICI Bank (Secured by hypothecation of Vehicle purchase)	1,043,950	975,924
Short Term Loan from Others (Against assignment of Key man insurance policy in favour of the lender)	15,232,500	13,022,000
	159,874,891	204,503,184
Schedule - 3A UNSECURED LOAN		
Other Loans - Long Term		
From Bodies Corporate	136,500,000	127,930,485
	136,500,000	127,930,485

Consolidated Schedules to the Accounts

(Amount in Rs.)

Schedule - 4 FIXED ASSETS										
Particulars of Assets	COST				DEPRECIATION				NET BLOCK	
	Original Cost as on 31.03.2009	Additions	Disposal/ Adjust-ments	Total as on 31.03.2010	Upto 31.3.2009	For The Year	Disposal/ Adjust-ments	Total as on 31.03.2010	As at 31.03.2010	As at 31.03.2009
Land-Freehold & Leasehold *	819,594,432	298,941,120	900	1,118,534,652	-	-	-	-	1,118,534,652	819,594,432
Land & Building	53,162,230	-	-	53,162,230	5,639,971	-	-	5,639,971	47,522,259	47,522,259
Plantation/ Development	45,389,286	10,112,329	415,014	55,086,601	-	-	-	-	55,086,601	45,389,286
Seeding Ponds	19,680,593	-	19,680,593	-	8,716,955	-	8,716,955	-	-	10,963,638
Buildings, Roads, Factory & Water Supply	247,114,509	5,675,563	-	252,790,072	98,591,253	7,414,858	-	106,006,111	146,783,961	148,523,256
Plant & Machinery & Electrical Installation	209,009,295	13,841,383	710,147	222,140,531	146,275,541	11,220,349	663,989	156,831,901	65,308,630	62,733,754
Furniture, Fittings & Office Equipments	18,582,362	1,019,072	122,650	19,478,784	11,705,275	1,322,386	79,436	12,948,225	6,530,559	6,877,087
Vehicles	34,441,055	6,656,154	1,926,573	39,170,636	23,875,891	3,650,403	1,602,261	25,924,033	13,246,603	10,565,164
Intangible Assets	1,900,000	889,343	-	2,789,343	929,699	539,611	-	1,469,310	1,320,033	970,301
Total	1,448,873,762	337,134,964	22,855,877	1,763,152,849	295,734,585	24,147,607	11,062,641	308,819,551	1,454,333,298	1,153,139,177
Previous Year	771,863,686	688,324,216	11,314,140	1,448,873,762	165,040,489	137,731,608	7,037,512	295,734,585	1,153,139,177	

* Land-Freehold & Leasehold as on 31.03.2010 includes Freehold Land Rs. 342,761,596/- (Previous Year - Rs. 341,008,518/-), Leasehold Land Rs. 774,602,113/- (Previous Year - Rs. 477,414,971/-) and the balance Rs. 1,067,166/- (Previous Year - Rs. 1,067,166/-) cannot be distinguished between Freehold and Leasehold. Also includes land worth Rs. 103,777/- (Previous Year - Rs. 103,777/-) being acquired by land acquisition collector.

Title deeds in respect of land purchased in Assam during the years 1985, 1986, 1998 and 1999 amounting to Rs. 225,320/- (Previous Year - Rs. 225,320/-) are under registration. However, the Company is in the possession of the said land and is already under plantation. Such delay is on the part of relevant authorities.

	As at 31.03.2010		As at 31.03.2009	
Schedule - 5 INVENTORIES (At Lower of Cost or Net Realisable Value)				
Stores and Spare Parts - At Cost	30,670,692		26,365,763	
Less : Provision - Non Moving Items	279,413	30,391,279	-	26,365,763
Stock -				
- Tea	34,370,613		22,220,566	
- Coffee	21,859,970		11,538,555	
- Minor Produce	422,776		384,897	
- Rubber	11,304,079		15,870,408	
- Rubberwood	-	67,957,438	84,756	50,099,182
	98,348,717		76,464,945	

Consolidated Schedules to the Accounts

(Amount in Rs.)

	As at 31.03.2010	As at 31.03.2009
Schedule - 6 SUNDRY DEBTORS (Unsecured)		
Debts outstanding over six months :		
- Considered Good	8,666,171	9,900,018
- Considered Doubtful	2,638,760	822,848
Other Debts :		
- Considered Good	33,335,828	17,884,414
	44,640,759	28,607,280
Less : Provision for Doubtful Debts	2,638,760	822,848
	42,001,999	27,784,432

Schedule - 7 CASH AND BANK BALANCES		
Cheques/Cash-in-Hand	1,023,642	1,229,879
With Scheduled Banks		
- Current Accounts	15,798,764	9,580,046
- Unpaid Dividend Accounts	657,457	585,090
- Preference Share Redemption Fund Account	-	11,013
- Deposit Accounts (under lien Rs. 78,103/-, Previous Year Rs. 72,701/-)	140,603	2,327,201
	17,620,466	13,733,229

Schedule - 8 LOANS AND ADVANCES		
(Unsecured -Considered Good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received *	38,948,164	46,357,557
Fixed Assets Held for Disposal (at net book value or estimated net realisable value, whichever is lower)	69,959	161,565
Balance with Excise Authority	45,989	3,048
Deposit with NABARD under Tea Development Account	3,000,000	-
Interest Accrued and Due on Loans	-	14,201
Income Tax Refundable	1,233,337	1,003,211
Mat Credit Entitlement	1,800,000	1,800,000
Advance Tax/ Tax Deducted at Source	19,292,430	11,886,809
	64,389,879	61,226,391

* Includes amount due from an officer of the Company Rs. 159,000/- (Previous Year - Rs. 255,000/-)

Maximum amount outstanding at any point of time during the year Rs. 255,000/- (Previous Year - Rs. 351,000/-)

Consolidated Schedules to the Accounts

(Amount in Rs.)

	As at 31.03.2010	As at 31.03.2009
Schedule - 9		
CURRENT LIABILITIES		
Dues to Micro and Small Enterprises	-	-
Other Sundry Creditors	231,832,041	68,922,478
Unclaimed Dividend (Interest due Rs. Nil) (No Amount is required to be transferred to Investor Education & Protection Fund as on 31.03.2010)	611,709	542,314
Unclaimed Redeemed Preference Shares	-	6,930
Interest accrued but not due on Loans	2,412,761	2,928,753
Advance against sale of undertaking	-	159,497,252
	234,856,511	231,897,727

Schedule - 10		
PROVISIONS		
Proposed Dividend	8,140,618	4,850,471
Tax on Proposed Dividend	1,352,157	824,337
Leave	2,485,856	1,960,879
Gratuity	48,173,022	40,970,078
Taxation	24,802,777	14,722,696
Others	10,236,367	18,405,963
	95,190,797	81,734,424

Consolidated Schedules to the Accounts

(Amount in Rs.)

	For the year ended 31.03.2010	For the year ended 31.03.2009
Schedule - 11 SALES		
Tea *	539,325,373	445,254,956
Coffee	161,683,694	37,904,770
Rubber	5,996,672	173,701,566
Minor Produce/Trees	8,328,479	15,822,586
	715,334,218	672,683,878

* Sale includes Rs.649,936/- on account of insurance claim received/receivable on 4,924.90 Kgs. of Tea (Previous year - Rs. 216,715/- on 1843.43 Kgs.)

Schedule - 11A (INCREASE)/DECREASE OF FINISHED GOODS		
Opening Stock		
- Tea	22,220,324	21,221,329
- Coffee	11,538,555	17,879,350
- Rubber	15,870,408	13,852,330
- Minor Produce	384,897	392,244
- Treated - Rubberwood	84,756	105,945
Less : Closing Stock		
- Tea	34,370,613	22,220,566
- Coffee	21,859,970	11,538,555
- Rubber	11,304,079	15,870,408
- Minor Produce	422,776	384,897
- Treated - Rubberwood	- 67,957,438	84,756
(Increase)/Decrease of Finished Goods	(17,858,498)	3,352,016

Schedule - 12 OTHER INCOME		
Rent (TDS Rs. 757,824/-, Previous year - Rs. 794,203/-)	5,274,153	3,962,480
Replantation Subsidy/Subsidy from Tea Board	604,760	833,993
Dividend from Long Term Non Trade Investment	802,612	409,698
Profit on Sale of Fixed Assets	121,087	61,349
Sundry Credit Balances no longer required written back	30,004,845	10,600,283
Miscellaneous Receipts	2,224,001	3,083,942
	39,031,458	18,951,745

Consolidated Schedules to the Accounts

(Amount in Rs.)

	For the year ended 31.03.2010	For the year ended 31.03.2009
Schedule - 13	CULTIVATION, MANUFACTURING, ADMINISTRATION & SELLING EXPENSES	
Cultivation	52,972,089	32,037,002
Consumption of Stores and Spare Parts	27,582,027	28,367,292
Purchase of Green Leaf	106,062,809	149,623,009
Cess on Green Leaf	3,759,394	1,986,602
Cess on Black Tea	1,308,800	1,256,829
Power & Fuel	42,293,105	39,267,196
Vehicles Maintenance Expenses	8,207,021	6,379,480
Salaries, Wages & Bonus	205,242,028	188,351,039
Contribution to Provident, Gratuity & Other Funds	36,640,121	46,484,605
Labour & Staff Welfare	25,482,011	21,818,246
Repairs - Buildings	10,423,590	9,400,325
- Machinery	10,980,027	7,762,877
- Others	154,896	82,591
Commission, Brokerage, Discount on Sales	8,148,175	6,905,761
Freight & Delivery Charges, Transport Charges	16,013,597	14,288,941
Insurance	3,986,571	4,037,118
Rent	994,402	1,196,565
Rates & Taxes	4,161,563	3,849,729
Directors Fees	312,000	272,300
Bad Debts/Advances/Investments written off	1,235,067	5,072,480
Less : Provision	-	847,203
Net	1,235,067	4,225,277
Add : Provision for Doubtful Debts further created	1,915,912	3,150,979
		822,848
		5,048,125
Loss on Sale of Fixed Assets/Discard of Fixed Assets	11,512,745	503,281
Add : Provision for Assets held for Disposal	-	11,512,745
		250,000
		753,281
Auditor's Remuneration :		
- For Audit Fees	413,515	491,417
- For Tax Audit	123,240	90,150
- For Review Certificates	215,085	218,278
- For Miscellaneous Certificates	338,723	522,865
- For Expenses	125,841	41,130
Prior Period Expenses	3,768,163	388,042
Travelling Expenses	3,969,071	3,341,865
Miscellaneous Expenses	26,082,610	21,063,004
	614,424,198	595,325,664

Consolidated Schedules to the Accounts

Schedule - 14 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS

Accounting Policies

a) Accounting Convention

The financial statements have been prepared in accordance with historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles in India, the applicable mandatory Accounting Standards and the relevant provisions of Companies Act, 1956.

b) Fixed Assets and Depreciation

Fixed Assets

- i) Fixed Assets are stated at their original cost less depreciation. Cost includes incidental expenses. Profits or Losses on sale of fixed assets are included in the profit and loss account and calculated as difference between the value realized and book value. Capital work-in-progress is stated at cost.
- ii) Items of machinery spares to be used in connection with an item of fixed assets are amortized over the useful life of the assets.

Depreciation

- iii) Depreciation on fixed assets other than land and tea plantation is provided on written down value basis in accordance with the provisions of Schedule XIV of the Companies Act, 1956.
- iv) All expenses incurred for extension of new areas of cultivation are capitalized. Cost of upkeep and maintenance of areas till not matured for plucking and cost of replanting in existing areas are charged to revenue.
- v) Intangible assets are being amortized over a period of 5 years.

c) Government Grants

Government grants related to specific fixed assets are deducted from gross value of related assets in arriving at their book value.

Government grants related to revenue are recognized in the profit & loss account.

d) Investment

Long term and unquoted investments are considered at cost, unless there is a permanent decline in value thereof, in which case, adequate provision is made in the accounts. Current investments are stated at lower of cost or market/fair value.

e) Inventories

- i) Stock of tea, coffee and minor produce (i.e. pepper and cardamom) are valued at cost (determined on weighted average basis) or net realizable value whichever is lower.
- ii) Stock of stores and spare parts are valued at cost using the weighted average cost basis.
- iii) Cost comprises all direct and indirect expenses.
- iv) Provision is made for obsolete and slow moving stocks where necessary.
- v) Stock of finished rubber, tea and other minor produce are valued at the lower of cost (determined on weighted average method) and net realizable value.

f) Foreign Currency Transactions

- i) Foreign currency transactions are recorded at the rate of exchange prevailing on the dates when the relevant transactions take place.
- ii) Year end balances of foreign currency transactions are translated at exchange rates prevailing at the end of the year.

Consolidated Schedules to the Accounts

iii) Any income or expense on account of exchange difference either on settlement or translation is recognized in the profit and loss account.

g) Revenue Recognition

Sales are recognized in the accounts on passing of titles of the goods, i.e. delivery as per terms of sales or completion of auction in case of auction sale. Other income with related tax credits and expenditure are accounted for on accrual basis.

h) Employee Benefits

Short Term Employee Benefits

The undiscounted amount of short term employee benefit expected to be paid in exchange for the services rendered by employee is recognized during the period when the employee rendered the service. This benefit includes salary, wages, short term compensatory absences and bonus.

Long Term Employee Benefits

Defined Contribution Scheme

This benefit includes contribution to provident fund schemes and superannuation fund. The contribution is recognized during the period in which the employee renders service.

Defined Benefit Scheme

For defined benefit scheme the cost of providing benefit is determined using the projected unit credit method with actuarial valuation being carried out at each balance sheet date. The benefit obligation recognized in the balance sheet represents value of defined benefit obligation determined at the end of the year. Actuarial gains and losses are recognized in full during the period in which they occur.

Other Long Term Benefits

Long term compensation absence is provided for on the basis of an actuarial valuation, using the projected unit credit method as at the date of balance sheet.

i) Borrowing Costs

Borrowing costs, if attributable to qualifying assets (i.e. assets that necessarily take substantial period of time to get ready for its intended use or sale) are capitalized, otherwise charged to profit & loss account.

j) Taxes on Income

Current tax comprise of Income Tax and Wealth Tax that would be payable based on computation of tax as per taxation laws under the Income Tax Act, 1961 and under the respective state Agricultural Income Tax Acts. Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets are not recognised unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Tax credit for Minimum Alternate Tax (MAT) is recognized when there is convincing evidence of its realisability against future normal tax liability.

k) Leases

- i) For assets acquired under operating lease, rentals payable are charged to the profit & loss account.
- ii) For assets acquired under finance lease/ hire purchase agreement, the assets are capitalized at lower of their respective fair value and present value of minimum lease payments after discounting them at an appropriate discount rate.
- iii) Hire purchase charges are being amortized based on a constant periodic rate of interest on the remaining balance of the liability of each period.

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l) Impairment

An impairment loss is recognized where applicable when the carrying value of fixed assets exceeds its market value or value in use whichever is higher. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

m) Provisions and Contingent Liabilities

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made. Contingent assets are not provided for or disclosed.

Notes on Accounts annexed to and forming part of the Balance Sheet as at 31st March, 2010 and Profit & Loss Account for the year ended on that date.

- 1 The consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 on 'Consolidated Financial Statements' as notified under The Companies Accounting Standard Rule 2006 and represents consolidation of accounts of Joonktollee Tea & Industries Limited and its subsidiary as detailed below :

(Amount in Rs.)

Name of the Company	Country of Incorporation	Proportion of Ownership Interest	Reporting Period and Date
Gloster Real Estate Pvt. Ltd. (GREPL)	India	100.00%	year ended 31st March 2010
Cowcoody Builders Pvt. Ltd. (CBPL)	India	100.00%	year ended 31st March 2010
Pranav Infradev Co. Pvt. Ltd. (PICPL)	India	100.00%	year ended 31st March 2010
The Cochin Malabar Estates & Ind. Ltd.(CMEI)*	India	22.94%	year ended 31st March 2010

* CMEI has been subsidiary by virtue of control of the board of directors.

2. Goodwill amounting to Rs. 7,977,277/- has arisen on consolidation of accounts between Joonktollee Tea & Industries Limited and its subsidiaries. Such goodwill represents excess of cost to Joonktollee Tea & Industries Limited of its investments over shares of equity in its subsidiaries.
3. During the year Jamirah Tea Company Ltd., which was subsidiary of the Company in earlier year, has been merged with the Company w.e.f. 01/04/2009. Due to above the minority share of Rs. 704,754/- as on 31/03/2009 has been incorporated in the standalone financial results of the Company.
4. The consolidated financial statements have been prepared using the same accounting policies as that of Joonktollee Tea & Industries Limited.

Further in case of CMEI, depreciation of rubber wood division and Kinalur Estate of rubber divisions is to the tune of Rs. 13.84 lacs has not been provided in the books in view of no operation in the divisions.

Consolidated Schedules to the Accounts

(Amount in Rs.)

5. Contingent Liability not provided for -

Claims against the Company not acknowledged as debts :

	2009-10	2008-09
i) Consent fee under Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control Board of Pollution) Act, 1981	-	312,000
ii) Income Tax under Appeal		
A.Y. 2003 - 04*	74,044	74,044
A.Y. 2006 - 07	1,754,026	1,754,026
A.Y. 2007 - 08	6, 80,965	-
* Rs. 74,044/- paid under protest.		
iii) Sales Tax under appeal		
P.Y. 2003 - 04	3, 69,000	-
iv) Sales Tax / CST / Interest	213,331	213,331
v) Claims of Creditors & workers	942,740	1,457,492
vi) Seignior age payable to Kerala Forest Dept.	5,362,033	3,365,035
v) Commitment towards future lease rentals	552,233	552,233

6. Estimated amount of contract remaining to be executed on capital account and not provided for Rs. 6,435,309/- (31.03.2009 - Rs. 551,308/-) (Net of Advances).

7. Pursuant to the scheme of amalgamation (the Scheme) between Jamirah Tea Company Limited (hereinafter referred as Jamirah) and the Company as approved by shareholders of the respective Companies on 29th January, 2010 and sanctioned by the Hon'ble High Court at Kolkata on 29th March, 2010, under the provisions of The Companies Act, 1956, Jamirah has been merged with the Company w.e.f. appointed date i.e. 01.04.2009. The Jamirah was subsidiary of the Company till 31.03.2009.

The Certified copy of the order of Hon'ble Court has been filed with the Registrar of the Companies on 21st May, 2010. The accounts for the year have been prepared by giving the effect of the scheme.

The Salient Features of the scheme are as under :

a) All the assets and liabilities of Jamirah as on the appointed date have been incorporated in the books of the Company at their respective book values on the basis of their audited books as on 31.03.2009 except the carrying value of Land and Plantation has been considered at Rs. 31.40 crores as per approved scheme.

In terms of the Scheme, the following equity shares, ranking *pari passu*, are to be issued to the shareholders of the Jamirah. The equity shares held by the Company in the capital of the Jamirah have been cancelled.

Name of the Transferor Company	Nature of Business	No. of the Shares issued by the Transferee Company
Jamirah Tea Company Limited	Tea Plantation	2 equity shares of Rs. 10 each for 1 shares held in Transferor Company

b) The accounting treatment as set out in the aforesaid scheme has been done as per the purchase method of accounting as per Accounting Standard 14 "Accounting for Amalgamation". The difference of Rs. 199,737,780/- between the consideration and value of net assets as stated in note no (a) above has been treated as capital reserve. The Company will be issuing 0.69% of its post amalgamated equity base for entire share capital of Transferor Company after considering the elimination of its own holding in Jamirah.

c) Shares Suspense represents 22,600 Shares of Rs. 10/- each to be issued to the shareholders of the Transferor Company which will rank *pari passu* with the shareholders of the Company as per the scheme with effective from appointed date. The shares will be allotted on completion of necessary formalities under the Companies Act and Listing agreements. Such dividend shall be payable to them upon allotment of shares and provided in the accounts of the current year.

Consolidated Schedules to the Accounts

- d) Pursuant to the scheme, the authorized share capital of Transferor Companies shall be added to the authorized capital of the Company and the increase in the authorized share capital in the current year represents the same.
- e) Pending completion of the relevant formalities of transfer of certain assets and liabilities of Transferor Company pursuant to scheme as mentioned in point (a) above, such assets and liabilities remain included in the books of the Company under the name of Transferor Company.
- f) The financial statement of Jamirah has been audited by erstwhile auditors of Jamirah and approved by erstwhile board of Jamirah on 20th May, 2010. The same financial statements have been incorporated in the current year financial results of the Company after giving impact of scheme of amalgamation.
- 8 Transfer of title of certain assets/liabilities from/to transferor companies/demerged units under the scheme of arrangement/amalgamations carried out in earlier years are still in the process of completion.
9. There are no outstanding dues to suppliers/service providers covered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'). The disclosures as required under the said Act are as under :

Particulars	Amount
a) Principal Amount due to Supplier under MSMED	NIL
b) Interest due to Supplier on above	NIL
c) Any payment made to Supplier beyond appointed date (under Section 16 of the Act)	NIL
d) Interest due and payable to Suppliers under MSMED	NIL
e) Interest accrued and remaining unpaid as at 31st March, 2010	NIL
f) Interest remaining due and payable under Section 23 of the Act	NIL

The above information has been determined to the extent such parties identified on the basis of information available with the Company.

10. As reported last year, the Company has realised Rs. 25.97 lacs out of overdue outstanding of Rs. 78.36 lacs due from a debtor. The management is hopeful of recovering the balance amount also and considering the positive outcome of talks with the debtor, the balance amount has considered good for recovery.
11. The Company's entitlement to deduction under section 80-IC of the Income Tax Act, 1961 in respect of income generated from facilities situated in North East states is pending before Appellate Tribunal since assessment year 04-05. Pending disposal of appeal by the Appellate Tribunal, the Company continues to claim benefit under section 80-IC which for the year amounts to Rs.58.06 lacs. The management of the Company does not foresee any additional liability of the income tax at this point.
12. The Group is mainly engaged in the production of tea, coffee, rubber and minor produces. In the opinion of the management the above product relate to plantation activities only and therefore do not form separate segment for the purpose of segment reporting under Accounting Standard - 17 on segment reporting as notified under "The Companies Accounting Standard Rule 2006". None of the income from other sources falls under the criteria of reportable segment as per the relevant provision of the Accounting Standard.
13. In CMEI the closing stock of finished goods as at 31st March, 2010 was valued at the lower of cost and net realizable value. These were hitherto being valued at since realizable value. Due to change in the method of valuation, the closing stock of finished goods disclosed in these accounts is lower by Rs. 57.52 lacs.
14. Replantation expenditure incurred on area under cultivation is considered as revenue expenditure as per the policy of CMEI consistently followed. During the year CMEI has taken up a plan to replant over the next seven years, a substantial part of the tea estate abandoned in earlier years as the existing tea plants could not be revived. Expenditure of Rs. 96.17 lacs incurred during the year as per the said plan has been capitalized as the benefit of the same shall accrue over a very long period of time.
15. CMEI has written back liabilities and credit balances no longer required amounting to Rs. 29,181,672/- during the year. CMEI has also written off bad debts/advances no longer required amounting to Rs. 974,766/- and also written off fixed assets amounting to Rs. 10,963,638/- during the year. In the opinion of the management the amounts are not payable/receivable/realizable and hence treated as income/expenses of the current year.

Consolidated Schedules to the Accounts

16. The Hon'ble High Court of Kerala vide its order and judgement both dated 25th November, 2009 dismissed the suit and closed all Interlocutory Applications in respect of Kinalur Estate of the CMEI and accordingly the receiver appointed was also revoked.

The Memorandum of Understanding for sale of Kinalur Estate to Mr. P.K.C. Ahammed Kutty has been terminated by CMEI and other statutory bodies in earlier years due to non-fulfilment of obligations on his part. Pending finalization of the matter the amount so received continues to be shown under current liabilities.

17. The Rubber wood factory of CMEI has not been in operation for nearly 12 years pursuant to notice received from the Deputy Conservator of Forests (Protection), Trivandrum. The representation made earlier to the Chief Divisional Officer is still pending. CMEI is making fresh representation to the Forest Officials concerned for withdrawal of ban imposed, as the same is not applicable to it.
18. CMEI has received notice from the Directorate of Revenue Intelligence prohibiting any alteration / disposal of certain assets of CIF value approximately Rs.1.10 crores imported for Rubber wood project, consequent to non- fulfillment of export obligation. Demand for payment of balance Customs Duty has been fully paid. CMEI has filed a writ petition before the Hon'ble High Court of Madras against the levy of interest of Rs. 3,029,925/- by the Department.
19. The amount of borrowing cost capitalized during the year is Rs. Nil.
20. The exposure of the Company in foreign currency at the end of the year is Rs. Nil (Previous year - Rs. Nil).
21. **Employee Benefits (Revised Accounting Standard 15)**

a) Defined Contribution Plan :

The Company makes contribution towards Provident Fund and Superannuation Fund to a defined contribution retirement plan for qualifying employees. The Provident fund plan is operated by duly constituted and approved independent Trustees /Governments. Under the said scheme the Company is required to contribute a specific percentage of pay roll costs in respect of eligible employees to the retirement benefit scheme to fund the benefits.

The Company operates a Superannuation Scheme for certain employees and contributions by the Company under the scheme, is charged against revenue every year.

During the year the Company has recognised Rs. 15,961,356/- (Previous Year - Rs. 7,191,308/-) for Provident Fund contribution and Rs. 2,209,555/- (Previous Year Rs.1, 482,197/-) for Superannuation Fund contribution. The contributions payable to these plans by the Company are at the rates specified in the rules of the scheme.

b) Defined Benefit Plans :

- i) The Company makes annual contribution of gratuity to gratuity funds duly constituted and administered by independent trustees and funded with LIC/independent trust for the qualifying employees. The scheme provides for a lump sum payment to vested employees upon retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of 5 years of continuous service.
- ii) The employees of the Company are also eligible for encashment of leave upon retirement up to 30 days for each year (maximum 120 days). The Company does not maintain any fund to pay for long term compensated absences.
- iii) The present value of defined obligation and related current cost are measured using the projected unit credit method with actuarial valuation being carried out at each balance sheet date.

Consolidated Schedules to the Accounts

(Rs. in Lacs)

Disclosure as per Accounting Standard - 15 related to Employee Benefits

Particulars	2009-2010		2008-2009	
	Gratuity		Gratuity	
	Funded	Unfunded	Funded	Unfunded
Expenses recognised in the Statement of Profit & Loss Account for the year ended 31st March, 2010				
A Current Service Cost	39.85	9.04	17.43	3.21
Interest Cost	48.87	11.98	18.70	3.61
Expected return on Plan Assets	(24.44)	-	(17.72)	-
Expected return on any reimbursement rights recognised as an assets	-	-	-	-
Actuarial (Gain) / Losses	24.20	2.35	39.55	4.46
Past Service Cost	27.23	7.61	7.61	-
Effect of any Curtailment / Settlement	-	-	-	-
Actuarial (Losses) / Gains on Plan Assets	0.66	0.01	0.70	-
Unrecognised Defined Benefit Obligation	-	-	-	-
Expenses recognised in Profit and Loss Account	116.37	30.99	66.27	11.28
B. Net (Asset) / Liabilities recognised in Balance Sheet as at 31st March, 2010				
Present Value of the Defined Benefit Obligation	644.53	161.73	258.48	50.80
Fair value of Plan Assets	324.53	-	226.83	-
Unrecognised Defined Obligation	-	-	-	-
Net (Asset) / Liabilities recognised in Balance Sheet	320.00	161.73	31.65	50.80
C. Changes in the Present Value of Defined Benefit Obligation during the year ended 31st March, 2010				
Present Value of Defined Benefit Obligations at 1st April 2009	560.71	137.87	209.20	39.52
Current Service Cost	39.85	9.04	17.43	3.21
Past Service Cost	27.23	-	-	-
Interest Cost	48.87	11.98	18.70	3.61
Actuarial Gain / (Losses)	21.72	2.84	39.55	4.46
Benefits Paid	(53.85)	-	(26.41)	-
Present Value of Obligation as at 31st March, 2010	644.53	161.73	258.47	50.80
D. Changes in Fair Value of Plan Assets during the year ended 31st March, 2010				
Fair Value of Plan Assets as at 1st April, 2009	303.23	-	216.22	-
Expected return on Plan Assets	24.44	-	17.72	-
Actuarial Gain/(Losses)	(3.14)	-	(0.70)	-
Past Service Cost	-	-	-	-
Losses/(Gains) on curtailments liabilities extinguished on settlements	-	-	-	-
Benefits Paid	(53.85)	-	(26.41)	-
Settlements	-	-	-	-
Contributions	53.85	-	20.00	-
Fair Value of Plan Assets as at 31st March, 2010	324.53	-	226.83	-
E. Principal Actuarial Assumptions used				
Discount rates as at 31st March, 2010	8.00%	8.00%	8.00%	8.00%
Expected return on Plan Assets	8.00%	-	8.00%	-
Expected salary increase rates	5.00%	5.00%	5.00%	5.00%
Mortality Rates	LIC (94-96) Ultimate Rate	LIC (94-96) Ultimate Rate	LIC (94-96) Ultimate Rate	LIC (94-96) Ultimate Rate
F) Withdrawal Rate	1% to 2% depending on age		1% to 2% depending on age	
G) Major categories of Plan Assets as a percentage of Fair Value of Plan Assets	Fund with LIC of India & Govt. Securities	-	Fund with LIC of India & Govt. Securities	-

Consolidated Schedules to the Accounts

Disclosure as per Accounting Standard - 15 related to Employee Benefits (Contd.)

- (a) Amount not recognised as an asset, because of the limit prescribed in Accounting Standard 15 (Revised 2005) i.e. Employees Benefits is Rs. Nil.
- (b) There is no reimbursement right at the balance sheet date.
- (c) Fair value of plan assets does not include any amount for companies own financial instruments or any property occupied by, or other assets used by, the Company.
- (d) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (e) The Gratuity Scheme is invested in a Group Gratuity - Cum- Life Assurance Cum Accumulation Policy offered by Life Insurance Corporation of India and the Independent Administered Gratuity Fund. The information on the allocations of fund managed by LIC into major assets classes and expected return on each major classes are not readily available. In case of Company's administered trust, 100% allocation of fund has been made towards government securities. The expected rate of return on plan assets is based on the assumed rate of return provided by Company's actuary.
- (f) The Group expects to contribute Rs. 178.81 lacs to its gratuity fund in 2010-11.
- (g) The disclosure as required by para 120 (b) of Accounting Standard -15 has been made to the extent applicable to the Company.

22. The components of deferred tax as on are as follows :

	31.03.2010	31.03.2009
Deferred Tax Liability		
Depreciation	4,325,082	4,410,106
Deferred Tax Assets		
Brought Forward Loss	-	3,072,486
Items deductible on payments	826,733	830,415
Deferred Tax Liability (Net)	3,498,349	507,205

23. Related Party Disclosures as required by AS – 18 "Related Party Disclosures" are given below :

Relationships

(a) Enterprises/Individual having control over the Company

- i) Purushottam Das Bangur
- ii) Purushottam Das Bangur (HUF)
- iii) Gopal Das Bangur
- iv) Gopal Das Bangur (HUF)
- v) Mungneeram Bangur & Company
- vi) Pushpa Devi Bangur
- vii) Hemant Bangur
- viii) Hemant Bangur (HUF)
- ix) Vinita Bangur
- x) Kettlewell Bullen & Company Limited (KBCL)
- xi) The Oriental Company Limited (TOCL)
- xii) Madhav Trading Corporation Limited (MTCL)
- xiii) The Cambay Investment Corporation Limited (TCICL)
- xiv) Credwyn Holdings (I) Private Limited (CHPL)
- xv) Wind Power Vinimay Private Limited (WPVPL)

Consolidated Schedules to the Accounts

(b) Other Companies over which the Key Management Personnel are able to exercise a significant influence

Gloster Jute Mills Ltd. (GJML)

The Phosphate Company Limited*

Port Shipping Company Limited*

The Kamala Company Limited*

Laxmi Asbestos Products Limited*

Marwar Textile (Agency) Limited*

PD GD Investments & Trading Private Limited (PDGD)

Jagdishpur Company Limited*

Bombay Agency Company Private Limited*

Kherapati Vanijya Limited (KVL)

* No transactions during the year.

(c) Key Management Personnel

Mr. Hemant Bangur – Executive Vice-Chairman

Mr. K. C. Mohta - Executive Director & C.E.O.

The following transactions were carried out with the related parties in the ordinary course of business :

(i) Relating to companies referred to in 1 (a), (b) and (c) above.

SI.	Particulars	TCICL	KVL	WPVPL	CHPL	MTCL	PDGD	GJML	TOCL	KBCL	KMP	Relatives of KMP	TMPL
1	Loans Given / (Received) during the year (Net)	-	(8,500,000)	(15,000,000)	(26,500,000)	-	-	-	-	-	-	-	-
	Previous Year *	(13,584,241)	-	-	-	-	-	-	-	-	-	-	-
2	Loans Received / (Refunded) during the year (Net)	-	-	20,000,000	6,500,000	-	(6,000,000)	-	-	-	-	-	-
	Previous Year *	-	(14,190,000)	12,500,000	41,104,000	(8,480,000)	11,000,000	-	-	(840,000)	-	-	-
3	Closing balance as on 31.03.2010 - (Loan including Interest Accrued)	-	15,000,000 (Cr)	57,500,000 (Cr)	59,000,000 (Cr)	-	5,000,000 (Cr)	-	-	-	-	-	-
	Previous Year *	-	6,500,000 (Cr)	22,886,000 (Cr)	55,534,000 (Cr)	-	11,000,000 (Cr)	-	-	-	-	-	-
4	Advances Given/(Received) during the year	-	-	-	-	-	-	-	-	-	-	-	-
	Previous Year	-	-	-	-	-	-	-	-	-	-	-	-
5	Closing balance of advance receivable/(payable) as at 31.03.10	-	-	-	-	-	-	-	-	-	-	-	-
	Previous Year	-	-	-	-	-	-	-	-	-	-	-	-
6	Interest Income	321,551	292,603	17,122	-	-	-	-	-	-	-	-	-
	Previous Year	-	-	-	-	-	-	-	-	-	-	-	-
7	Interest Expenditure	-	1,866,124	5,723,137	9,982,084	-	1,164,644	-	-	-	-	-	-
	Previous Year	-	1,994,877	1,188,842	1,808,104	781,973	38,466	-	-	-	-	-	-
8	Rent Paid	-	-	-	-	-	-	-	-	661,800	-	-	-
	Previous Year	-	-	-	-	-	-	-	-	643,167	-	-	-
9	Rent Deposit as at 31.03.2010	-	-	-	-	-	-	-	-	7,500,000	-	-	-
	Previous Year	-	-	-	-	-	-	-	-	7,500,000	-	-	-
10	Purchase	-	-	-	-	-	-	2,962,284	-	-	-	-	-
	Previous Year	-	-	-	-	-	-	3,679,961	-	-	-	-	-
11	Sales	-	-	-	-	-	-	-	-	-	-	-	-
	Previous Year	-	-	-	-	-	-	-	-	-	-	-	15,728,000
12	Closing balance of Current Liability as on 31.03.2010	-	-	-	-	-	-	-	-	-	-	-	-
	Previous Year	-	-	-	-	-	-	597,384	-	-	-	-	-
13	Directors Commission	-	-	-	-	-	-	-	-	-	-	175,000	-
	Previous Year	-	-	-	-	-	-	-	-	-	-	12,189	-
14	Dividend Paid **	858,972	-	94,997	369,465	174,318	-	-	1,328,342	1,357,022	514,578	5,293,740	-
	Previous Year	515,383	-	56,998	221,679	104,591	-	-	797,005	814,213	308,747	3,176,244	-

* Relates to transactions held in Transferor Companies.

** Also includes dividend paid to party mentioned in (a) (ii), (iv), (v) & (viii).

(ii) Relating to persons referred to in 1 (c) above :

Remuneration/sitting fees Rs. 8,774,579/- (31.03.2009 - Rs.4,284,964/-)

The management certifies that there are no other payments to any relatives of Key Management Personnel.

Consolidated Schedules to the Accounts

24. Earnings per share	2009-10	2008-09
a) Profit/(Loss) after taxation as per Profit and Loss Account (Rs.)	66,369,955	14,298,328
b) Number of equity shares outstanding *	3,256,247	3,233,647
c) Basic and Diluted earnings per share (in Rs.) (Face value Rs.10/- per share)	20.38	4.42

*Includes 22,600 equity shares to be issued by the Company pursuant to the scheme of amalgamation referred to in Note No. 7 (c) of Schedule 14.

25. Interest expense is net of interest income Rs. 282,570/- (31.03.2009 - Rs. 15,594,576/-), TDS - Rs17, 534/- (31.03.2009 - Rs. 1,763,934/-).
26. Due to effect of scheme of amalgamation during the year, the current year's figures are not comparable with previous year figures. Previous year figures have been arranged/regrouped wherever necessary.

for and on behalf of

SINGHI & CO.

Firm Registration No. 302049E

Chartered Accountants

Pradeep Kumar Singhi

Partner

Membership No. 50773

Place : Kolkata

Dated : 7th August, 2010

B. L. Dhanuka
Chief Financial Officer

S. Bagree
Manager (Finance) &
Company Secretary

G. D. Bangur Director

H. Bangur Executive Vice-Chairman

M. K. Daga Director

Amitabha Ghosh Director

J. K. Surana Director

K. C. Mohta Executive Director

Statement containing brief financial details of Subsidiaries of the Company

The Company has obtained exemption from the Ministry of Corporate Affairs, Government of India pursuant to Section 212(8) of the Companies Act, 1956 vide its letter No.47/354/2010 - CL - III dated 21.04.2010 from attaching to its Balance Sheet, the Annual Report and Accounts of its subsidiaries in respect of the financial year ended 31st March, 2010. In term of the letter of exemption issued by the Ministry of Corporate Affairs, a Statement containing brief financial details of the Subsidiaries for the year ended 31st March, 2010 is given hereunder :

(Amount in Rs.)

Item	Gloster Real Estate Pvt. Ltd.	Cowcoody Builders Pvt. Ltd.	Pranav Infradev Co. Pvt. Ltd.	The Cochin Malabar Estates & Ind. Ltd.
1. Capital	631,350	1,569,820	2,122,710	17,719,080
2. Reserves	47,112,668	148,725,846	201,017,415	190,266,629
3. Total Assets	47,852,384	154,521,308	205,384,933	591,596,839
4. Total Liabilities	108,366	4,225,642	2,244,808	383,611,130
5. Investments	-	-	-	249,641
6. Turnover	556,276	4,734,097	178,452	214,411,068
7. Profit before Taxation	(166,955)	2,059,356	(11,316)	13,160,331
8. Provision for Taxation	19,677	710,000	-	-
9. Profit after Taxation	(186,632)	1,349,356	(11,316)	13,160,331
10. Proposed Dividend	-	-	-	-
Reporting Currency	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees

The Annual Accounts of the Subsidiaries and the related detailed information will be made available to any member of the Company seeking such information at any point of time and are also available for inspection by any member of the Company at the Registered Office of the Company. The Annual Accounts of the said subsidiaries will also be available for inspection as above, at the Registered Office of the Subsidiaries.



JOONKTOLLEE TEA & INDUSTRIES LTD.

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