



Joonktollee Tea  
& Industries Ltd.



ANNUAL  
REPORT  
2011



*A glimpse of the Hanuman Temple at Joonktollie Tea Estate, Assam*

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# Corporate Information

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## 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  
Indian Bank

## 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



Foresight.  
**PRODUCT EXCELLENCE.**  
Environment friendliness.



## Management Team

- 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
- C. Chandran**  
General Manager - Pullikanam &  
Kolahalmedu Tea Estates
- K. M. Vineetha Kumar**  
General Manager (South)
- A. K. Jain**  
Dy. General Manager (Kerala)
- S. Basu**  
Dy. General Manager - (Marketing)
- V. K. Mohta**  
Dy. General Manager - Marketing (West)
- A. Gogoi**  
Sr. Manager - Nilmoni Tea Estate
- A. Bhave**  
Sr. Manager - Cowcoody Estate



## Vision

To create enhanced value for the company's stakeholders.

To focus on the overall well being of the employees and society as a whole.

To nurture the talent of our employees and develop the habit of teamwork among them.



## Mission

We believe that eco-friendly business practices are the key to the preservation and protection of our natural resources.

We always try to focus on customers delight and try to give them value for money.

Our people are our biggest resources. We truly believe in them and put all our efforts for their development, so as to enable them to meet new challenges in an every changing environment.

## Pedigree

Incorporated during the year 1874.

Management control acquired by the House of Bangurs during 1955.

## Penetration

Headquartered at Kolkata.

Administrative offices at Coimbatore and Kochi.

Shares listed at The Calcutta Stock Exchange Limited and The Bombay Stock Exchange Limited.

## Products basket

Tea, Coffee, Rubber, Pepper, Cardamom and Areca.



## 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





# PERFORMANCE at a GLANCE

## Interesting fact ?

70% of the world consumes Arabica coffee, which is mild and aromatic. The remaining 30% drinks Robusta, which is more bitter-tasting but has 50% more caffeine than Arabica.



## Consolidated

Sl. No.	Particulars	Units	2010-11	2009-10	2008-09
<b>A. Our Earnings</b>					
	Total Sales	₹ Lacs	6959.42	7153.34	6726.84
	Change in Stock in Trade	₹ Lacs	9.90	178.58	(33.52)
	Value of Production	₹ Lacs	6969.32	7331.93	6693.32
<b>B. Our Outgoings</b>					
	Cost of Materials	₹ Lacs	1759.72	1916.85	2132.71
	Emp. Rem. & Benefits	₹ Lacs	2730.83	2673.64	2566.54
	Depreciation	₹ Lacs	242.39	236.70	231.40
	Other Expenses	₹ Lacs	1394.16	1553.75	1254.01
	Interest	₹ Lacs	420.14	418.27	336.76
<b>C. Our Savings</b>					
	PBDIT	₹ Lacs	1261.24	1578.00	929.58
	PBIT	₹ Lacs	1018.84	1341.30	698.18
	PBT	₹ Lacs	598.70	923.03	361.42
	PAT	₹ Lacs	565.60	765.11	266.98
<b>D. Own Capital</b>					
	Equity	₹ Lacs	325.62	325.62	323.36
	Reserve & Surplus	₹ Lacs	9185.82	8884.47	6378.17
<b>E. Loan Capital</b>					
	Loan from Bank	₹ Lacs	1464.77	1598.75	2045.03
	Other Loans	₹ Lacs	2295.00	1365.00	1279.30
<b>F. Financial Statistics</b>					
	Net Worth	₹ Lacs	9511.45	9210.10	6701.54
	Gross Block	₹ Lacs	18176.30	17631.53	14488.74
	Depreciation	₹ Lacs	3312.39	3088.20	2957.35
	Inventories	₹ Lacs	1000.21	983.49	764.65
	Sundry Debtors	₹ Lacs	306.93	420.02	277.84
	Working Capital	₹ Lacs	87.48	(1076.86)	(1344.23)
	Capital Employed	₹ Lacs	13271.22	12173.84	10025.87
	Dividend - Excl. Tax	₹ Lacs	81.41	81.41	48.50
<b>G. Financial Ratio</b>					
	PBT to Sales	%	8.60	12.90	5.37
	Net Margin	%	8.13	10.70	3.97
	PBIT to Capital Employed/ROCE	%	7.68	11.02	6.96
	PAT to Net Worth/ROE	%	5.95	8.31	3.98
	Total Debt to Equity		0.41	0.34	0.53
	EPS	₹	9.39	20.38	4.42
	CEPS	₹	16.83	27.65	11.58
	Book Value Per Share	₹	292.10	282.84	205.81
	Dividend	%	25	25	15





## Interesting fact ?

Tea is the second most consumed beverage in the world, playing second fiddle only to water.

## Standalone

Sl. No.	Particulars	Units	2010-11	2009-10	2008-09	2007-08	2006-07
<b>A.</b>	<b>Our Earnings</b>						
	Total Sales	₹ Lacs	4915.28	5295.71	3603.79	2896.08	2875.69
	Change in Stock in Trade	₹ Lacs	(51.32)	192.15	(33.13)	(62.53)	(144.12)
	Value of Production	₹ Lacs	4863.96	5487.86	3570.66	2833.55	2731.57
<b>B.</b>	<b>Our Outgoings</b>						
	Cost of Materials	₹ Lacs	1390.96	1477.38	1090.60	883.20	1075.78
	Emp. Rem. & Benefits	₹ Lacs	1780.94	1690.70	1164.48	1003.83	785.93
	Depreciation	₹ Lacs	170.29	169.22	164.74	169.79	168.28
	Other Expenses	₹ Lacs	1105.72	1135.25	821.01	692.51	721.91
	Interest	₹ Lacs	257.20	278.93	269.04	112.65	112.49
<b>C.</b>	<b>Our Savings</b>						
	PBDIT	₹ Lacs	654.48	1220.77	536.61	359.28	346.26
	PBIT	₹ Lacs	484.20	1051.55	371.87	189.49	177.98
	PBT	₹ Lacs	226.99	772.62	102.83	76.84	65.49
	PAT	₹ Lacs	206.17	622.00	80.48	68.33	70.25
<b>D.</b>	<b>Own Capital</b>						
	Equity	₹ Lacs	325.62	325.62	323.36	323.36	109.60
	Reserve & Surplus	₹ Lacs	9044.47	8838.30	6313.86	6290.13	1827.21
<b>E.</b>	<b>Loan Capital</b>						
	Loan from Bank	₹ Lacs	1460.57	1588.31	1909.11	1960.43	983.52
	Other Loans	₹ Lacs	640.00	300.00	250.00	805.10	0.00
<b>F.</b>	<b>Financial Statistics</b>						
	Net Worth	₹ Lacs	9370.10	9163.92	6637.22	6613.49	1936.81
	Gross Block	₹ Lacs	7639.40	7311.24	3667.26	3651.38	2922.05
	Depreciation	₹ Lacs	2210.48	2062.82	1650.63	1556.19	1354.8
	Inventories	₹ Lacs	678.48	710.64	441.46	432.17	511.90
	Sundry Debtors	₹ Lacs	190.14	357.68	247.33	207.79	269.20
	Working Capital	₹ Lacs	1439.22	1093.04	1022.48	2673.89	967.73
	Capital Employed	₹ Lacs	11470.67	11052.23	8796.33	9379.02	2920.33
	Dividend - Excl. Tax	₹ Lacs	81.41	81.41	48.50	64.54	16.44
<b>G.</b>	<b>Financial Ratio</b>						
	PBT to Sales	%	4.62	14.59	2.85	2.65	2.28
	Net margin	%	4.19	11.75	2.23	2.36	2.28
	PBIT to Capital Employed/ROCE	%	4.22	9.51	4.23	2.02	6.09
	PAT to Net Worth/ROE	%	2.20	6.79	1.21	1.03	3.63
	Total Debt to Equity		0.23	0.22	0.35	0.45	0.51
	EPS	₹	6.33	19.10	2.49	2.11	6.41
	CEPS	₹	11.56	24.30	7.58	7.36	21.76
	Book Value Per Share	₹	287.76	281.43	203.83	203.10	59.48
	Dividend	%	25	25	15	15	15

# Making a DIFFERENCE



We at Joonktollee have always believed in creating an environment where our employees are inspired to achieve excellence in their area of functioning and as such the culture of the Company is aligned with the desired goals, to help it achieve better performance over the long run. The Company constantly endeavours to provide a platform where people have opportunities to actualise 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.

The strength of the Company lies in its quality manpower who have been associated with the Company from years and have a more than 15-20 years of work experience in the Tea, Coffee and Rubber industry.





## Interesting fact ?

The first recorded reference to Tea in India was in the ancient epic 'Ramayana' when Hanuman was sent to the Himalayas to bring the 'Sanjeevani' tea plant for medicinal use.



**"Quality is the result of a carefully constructed cultural environment. It has to be the fabric of the organization, not part of the fabric."**

At Joonktollee Tea, the quality culture is all-pervasive – underlining every action which our Company undertakes. The quality management system continues to confirm to ISO 22000:2005 certification for planting, processing, marketing & distribution of tea, ISO 9001:2008 for marketing, processing & distribution of tea and HACCP Certification for Hazardous Analysis.

The Golden Leaf Awards for the leaf and dust categories, 2011 confirms to our quality of products across the board.

Joonktollee Tea views sustainability as a methodology that creates a positive impact within our arena of operations, beyond the value additions that our enterprise offers various stakeholders.

Our community development programmes focus on education and healthcare activities. The families of our employees get the benefits of free education through the schools at our estates premises, as well as free healthcare benefits through the hospitals run by our Company at our gardens.

It is our firm belief that businesses should voluntarily share the created value with the community they operate in, which inspires our enterprise for the social well-being of our employees and their families.





## Directors' Report

### Dear Shareholders

Your Directors have pleasure in presenting the Annual Report with Audited Accounts of the Company for the year ended 31st March, 2011.

#### FINANCIAL PERFORMANCE

(Amount in ₹)

	Unconsolidated		Consolidated	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Profit for the year before Depreciation	3,97,27,963	9,41,83,545	8,41,09,902	11,59,73,405
Deduct : Depreciation	1,70,28,621	1,69,21,960	2,42,39,407	2,36,70,404
<b>Profit before Tax</b>	<b>2,26,99,342</b>	<b>7,72,61,585</b>	<b>5,98,70,495</b>	<b>9,23,03,001</b>
Deduct : Provision for Corporate Taxation				
Current Year	25,00,000	1,00,00,000	36,85,000	1,07,29,677
Earlier Year	–	1,43,241	43,254	1,43,241
Excess Tax provision in respect of earlier years written back	–	(7,131)	–	(7,131)
Fringe Benefit Tax (including earlier years)	–	3,550	–	3,550
Deferred Tax	(4,17,699)	49,22,358	(4,17,699)	49,22,358
<b>Net Profit</b>	<b>2,06,17,041</b>	<b>6,21,99,567</b>	<b>5,65,59,940</b>	<b>7,65,11,306</b>
Add : Balance of Profit brought forward from previous year	2,50,60,484	23,53,692	3,40,34,642	71,57,462
Less : Minority Interest	–	–	(2,59,80,776)	(1,01,41,351)
<b>Profit available for Appropriations</b>	<b>4,56,77,525</b>	<b>6,45,53,259</b>	<b>6,46,13,806</b>	<b>7,35,27,417</b>
<b>Appropriations :</b>				
General Reserve	1,00,00,000	3,00,00,000	1,00,00,000	3,00,00,000
Proposed Dividend	81,40,618	81,40,618	81,40,618	81,40,618
Tax on Proposed Dividend	13,20,612	13,52,157	13,20,612	13,52,157
Balance Carried to Balance Sheet	2,62,16,295	2,50,60,484	4,51,52,576	3,40,34,642
	<b>4,56,77,525</b>	<b>6,45,53,259</b>	<b>6,46,13,806</b>	<b>7,35,27,417</b>

## DIVIDEND

Your Directors have recommended for your approval, a dividend of ₹ 2.50 per share for the year ended 31st March, 2011.

## TRANSFER TO RESERVES

The Company proposes to transfer ₹ 100.00 lacs to the General Reserve out of the amount available for appropriations and an amount of ₹ 262.16 lacs is proposed to be retained in the Profit & Loss Account.

## OPERATIONAL REVIEW

The turnover of your Company stood at ₹ 4,915.28 lacs which is marginally lower as compared to the previous year's turnover. The profit after tax has been reduced from ₹ 622.00 lacs to ₹ 206.17 lacs. Your Company produced 37,08,838 Kgs. of Tea and 1,61,356 Kgs. of Coffee during the year as against 44,51,704 Kgs. and 1,96,621 Kgs. produced during the year 2009-10 which was lower by 7,42,866 Kgs. and 35,265 Kgs. respectively. The decline in revenue and profit has been on account of the crop loss in the Northeast estates of the Company, increased cost of production due to increase in wages and other input costs.

The price realization of Tea in the North was ₹ 128.85 per Kg. in comparison to ₹ 122.80 per Kg. in the previous year, higher by ₹ 6/- per Kg. but price realized in the South was ₹ 83.36, lower by ₹ 15/- per Kg. as compared to the previous year.

## TEA DIVISION

### *Joonktollie Tea Factory in Assam*

The Estate produced 23,68,201 Kgs. of Teas as against 27,58,121 Kgs. produced during the year 2009-10.

### *Jamirah Tea Factory in Assam*

The Estate produced 6,25,504 Kgs. of Teas as against 8,54,553 Kgs. produced during the year 2009-10. Unfavourable weather and unprecedented pest attack resulted in a decrease in crop over last year.

### *Goomankhan Tea Factory in Karnataka*

The Estate produced 7,15,133 Kgs. of Teas as against 8,39,030 Kgs. produced during the year 2009-10.

## COFFEE DIVISION

### *Cowcoody Coffee Estate in Karnataka*

The Estate produced 1,61,356 Kgs. of Coffee as compared to 1,96,621 produced during the year 2009-10. The average sales realization was ₹ 138/- per Kg. as compared to ₹ 111/- per Kg. during the previous year.

## CREDIT RATING

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

## AWARDS/RECOGNITIONS

- Joonktollie Tea Factory has been accredited with ISO 9001:2008,

ISO 22000 & HACCP Certification by the D.A.R., Germany.

- Goomankhan Tea Estate in Karnataka has been accredited with ISO 9001 : 2000 and bagged The Golden Leaf Awards for the leaf and dust categories for 2011.

## 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. A report on the Corporate Governance forming part of the Directors' Report is attached. A certificate from a Practicing Company Secretary regarding compliance with the conditions of the Corporate Governance is given in the Annexure.

## MANAGEMENT DISCUSSION AND ANALYSIS

A report on the Management Discussion and Analysis forming part of the Directors' Report is attached.

## 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 & fair view of the state of affairs of the Company as at March 31, 2011 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.

## SUBSIDIARY COMPANIES

1. a) The Company as on 31st March, 2011 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) In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the individual accounts of each of the subsidiary companies are not being attached with the accounts of the Company. The Company will make available the Annual Accounts of the subsidiary companies to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept for inspection at the Registered Office of the Company and that of the respective subsidiary companies.





## 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, 2011.

### CONSERVATION OF ENERGY

(A) POWER & FUEL CONSUMPTION	2010-11	2009-10
<b>1. Electricity</b>		
(a) Purchased		
Units (KWH)	14,38,313	21,00,998
Total Amount (₹)	96,58,232	121,48,000
Rate/Unit (₹/KWH)	6.71	5.78
(b) Own General		
(i) Through Diesel		
Generator - Unit (KWH)	1,61,950	5,26,470
Unit per Ltr. H.S.D. Oil (KWH)	2.69	3.53
Fuel Cost/Unit (₹/KWH)	14.37	17.69
(ii) Through Natural Gas		
Generator - Unit (KWH)	11,47,250	8,02,710
Units per Scm. of Gas (KWH)	1.62	1.15
Fuel Cost/Unit (₹/KWH)	4.64	4.96
<b>2. Others : For Tea Processing in Withering &amp; Drying</b>		
(a) Furnace Oil, L.D./H.S.D. (Qty./Ltr.)	1,200	3,600
Total Cost (₹)	45,204	1,18,584
Average Rate (₹/Ltr.)	37.67	32.94
(b) Natural Gas (Scum)	12,51,066	15,43,210
Total Cost (₹)	103,91,332	90,32,534
Rate/Unit (₹/Scum)	8.31	5.85
(c) Firewood		
Quantity (Kgs.)	18,37,460	16,24,380
Total Cost (Rs.)	28,32,407	25,09,953
Average Cost per kg. (₹)	1.54	1.55
<b>3. Others : For Transport &amp; Material Handling etc.</b>		
(a) H.S.D. Oil		
Quantity (Kgs.)	25,962	26,121
Total Cost (₹)	10,15,416	9,26,043
Rate/Unit (₹/Ltr.)	39.11	35.45
(b) Petrol		
Quantity (Kgs.)	1,979	2,913
Total Cost (₹)	1,08,123	1,31,129
Rate/Unit (₹/Ltr.)	54.64	45.02
<b>4. Coffee Stumps used in Dryer</b>		
Quantity (Kgs.)	2,140	1,37,730
Total Cost (₹)	3,424	2,20,368
Average Cost per Kg. (₹)	1.60	1.60

(B) CONSUMPTION PER UNIT PRODUCTION	2010-11	2009-10
Products - Tea (Gross) (Kgs.)	36,93,930	44,44,503
Energy Used : Electricity (KWH/Kg.) (including own Generation)	0.74	0.77
<b>Other Fuels for processing of Tea :</b>		
Furnace/L.D./H.S.D. Oil (Ltr.)	0.0005	0.001
Gas (Scum/Kg.)	0.34	0.38
Solid Fuel/Firewood (Kg./Kg.)	0.38	0.48

#### 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.

#### 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.

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.

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)	₹ Nil Lacs
Used	₹ 5.08 Lacs

On behalf of the Board

Place : Kolkata  
Dated : 4th August, 2011

**K. C. Mohta**  
Executive Director

**Hemant Bangur**  
Executive Vice-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. The maximum time gap between any two Board Meetings was less than four months as stipulated under Clause 49.
- 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 four Board Meetings were held on 26th April, 2010, 7th August, 2010, 12th November, 2010 & 31st January, 2011 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 Directorships	No. of Chairmanship/ Membership of Board Committees		No. of Shares held in the Company
					Chairman	Member	
Shri G. D. Bangur	No	3	NEC	7	1	2	487538
Shri Hemant Bangur	Yes	4	EVC	11	1	1	140707
Shri M. K. Daga	Yes	4	ID/NED	2	2	2	–
Shri Amitabha Ghosh	Yes	3	ID/NED	13	5	10	–
Shri J. K. Surana	Yes	3	ID/NED	–	–	–	–
Shri M. M. Pyne	Yes	3	ID/NED	2	–	–	–
Shri K. C. Mohta	Yes	4	ED	2	–	1	–

NEC - Non-Executive Chairman      EVC - Executive Vice-Chairman  
 ID - Independent Director          NED - Non-Executive Director  
 ED - Executive Director

- 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 Minutes of the Audit Committee Meetings are circulated to the Board and discussed at the Board Meetings.

The Audit Committee while reviewing the Annual Financial Statements also reviews 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, 2011.

**(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 26th April, 2010, 6th August, 2010, 12th November, 2010 and 29th January, 2011. 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 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 and also functioning as Chief Financial Officer of the Company 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.

**(c) Internal Audit**

The Company 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.

**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 Executive Vice-Chairman 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 three Independent Non-Executive Directors and one Promoter Non-Executive Director namely Shri J. K. Surana, Shri M. M. Pyne, Shri M. K. Daga and Shri G. D. Bangur respectively.

During the year under review, the Committee met once only on 24th April, 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
Shri M. K. Daga*	Member	–

\* Shri M. K. Daga was appointed as a Member w.e.f. 11.05.2011.

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 ₹ 5,000/- for attending each Board Meeting and ₹ 2,000/- for attending each Committee Meeting.

#### Details of Remuneration Paid/Payable to all the Directors for the year ended 31st March, 2011

(Figures in ₹)

Name of the Director	Salary	Perquisites and other benefits	Sitting Fees*	Total
Shri G. D. Bangur	-	-	53,000	53,000
Shri Hemant Bangur	30,00,000	16,74,585	-	46,74,585
Shri M. K. Daga	-	-	30,000	30,000
Shri Amitabha Ghosh	-	-	15,000	15,000
Shri J. K. Surana	-	-	17,000	17,000
Shri M. M. Pyne	-	-	57,000	57,000
Shri K. C. Mohta	16,08,000	10,09,886	-	26,17,886

\* 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 six months or six months' salary in lieu thereof.

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

##### (a) 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 oversees redressal of shareholder and investor grievances e.g. transfer or credit of shares, non-receipt of dividend/notice/annual reports, etc.

##### (b) 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.

##### (c) 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, 15 (Fifteen) 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	15
Shri M. M. Pyne	Member	15
Shri K. C. Mohta	Member	15

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/re-materialisation 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/re-materialisation 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	16	16	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, 2011. There were no share transfer applications pending for registration on 31st March, 2011.

– take up any other duties as determined by the Board from time to time.

(c) **Composition**

The Issue and Allotment Committee comprises of one Promoter Executive Vice-Chairman and two Independent Non-Executive Directors namely Shri Hemant Bangur, Shri M. M. Pyne and Shri M. K. Daga respectively.

During the year under review, the Committee met on 20th August, 2010 to consider issue and allotment of 22,600 equity shares to the shareholders of M/s. Jamirah Tea Company Limited, Transferor Company, which merged with the Company with effect from 1st April, 2009. The attendance of the Members at the Issue and Allotment Committee Meeting is as under :

Name of the Director	Status	No. of meetings attended
Shri Hemant Bangur	Chairman	1
Shri M. K. Daga	Member	1
Shri M. M. Pyne	Member	1

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

**6. ISSUE AND ALLOTMENT COMMITTEE**

(a) **Functions**

The Issue and Allotment Committee of the Board considers and approves issue and allotment of shares under agreed scheme e.g. Rights Issue, Bonus Issue, Capitalization or any other scheme as approved by the Board.

(b) **Terms of Reference**

The broad terms of Reference of the Issue & Allotment Committee are as under :

- notifying Registrar & Share Transfer Agents of the Company to issue share certificates for the shares to be allotted pursuant to any agreed scheme;
- notifying the stock exchange(s) for issue and allotment of shares;
- notifying the Registrar of Companies for issue and allotment of shares, through return of allotment;

**7. GENERAL BODY MEETINGS**

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

Financial Year	Date of Meeting	Time	Location
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
2009-2010	September 29, 2010	10.15 a.m.	Shripati Singhania Hall, Rotary Sadan 94/2, Chowringhee Road, Kolkata - 700 020

- 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.

- At the last Annual General Meeting held on 29th September, 2010 shareholders have considered appointment and remuneration of Shri Hemant Bangur as Executive Vice-Chairman with effect from 1st May, 2010 for three years.
- A special resolution pursuant to Section 309 of the Companies Act, 1956 was passed by the Shareholders at the last Annual General Meeting held on 29th September, 2010 for payment of commission to the Directors of the Company other than the Executive Vice-Chairman and the Executive Director for each year for a period of five years commencing from 1st April, 2010 as determined by the Board from time to time (to be divided equally among all the Non-Executive Directors) not exceeding 1% of the net profit of the Company in any financial year computed in the manner provided in Section 198(1) of the Companies Act, 1956.
- The last Annual General Meeting held on 29th September, 2010 was duly attended by the Chairman of the Audit Committee, Shri M. K. Daga.
- In the year under review no resolution was passed through Postal Ballot.

## 8. 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 its financial statements, the Company has followed the guidelines of Accounting Standards issued by the Institute of Chartered Accountants of India (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 would comprise Members of the management one level below the Executive Director, including all functional heads. 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 Chief Executive Officer & Executive Director 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, 2011 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 these 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. 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.

#### 9. 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 'The Economic Times' and 'Arthik Lipi', 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.

#### 10. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

#### 11. 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, 2010 to March, 2011.

For **JOONKTOLLEE TEA & INDUSTRIES LTD.**

Place : Kolkata  
Dated : 4th August, 2011

**K. C. Mohta**  
*Executive Director &  
Chief Executive Officer*

### CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To  
The Members of  
**Joonktollee Tea & Industries Ltd.**

I have examined the compliance of the conditions of Corporate Governance by Joonktollee Tea & Industries Ltd. for the financial year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. My examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In my opinion and based on the relevant records and documents maintained by the Company and furnished to me for the review and information and explanations given to me by the Company, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I 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.

Place : Kolkata  
Dated : 4th August, 2011

**Sweety Kapoor**  
*Practising Company Secretary*  
Membership No. FCS 6410, C. P. No. 5738



## CEO AND CFO CERTIFICATION

We, K. C. Mohta, Executive Director & Chief Executive Officer and S. Bagree, Chief Financial Officer of Joonktollee Tea & Industries Limited, to the best of our knowledge and belief, certify that :

- a) We have reviewed the Balance Sheet and Profit & 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, 2011.
- 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, 2011, 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, 2011 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 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 2010-11.
  - 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 JOONKTOLLEE TEA & INDUSTRIES LTD.

**S. Bagree**

*Chief Financial Officer*

**K. C. Mohta**

*Executive Director  
& Chief Executive Officer*

Kolkata  
4th August, 2011



## Shareholder Information

### a. 137th Annual General Meeting

Date	28th September, 2011
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, 2011 to March, 2012.  
Announcement of Audited/Unaudited Results

1st Quarter Ended 30th June, 2011	By 14th of August, 2011
2nd Quarter Ended 30th September, 2011	By 15th of November, 2011
3rd Quarter Ended 31st December, 2011	By 15th of February, 2012
4th Quarter Ended 31st March, 2012	By 15th of May, 2012

### c. Book Closure dates

The Register of Members and Share Transfer Books of the Company shall remain closed from 22nd September, 2011 to 28th September, 2011 (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 29th September, 2011 to those members whose names appear on the Company's Register of Members as holders of equity shares in physical form on 21st September, 2011. In respect of shares held in dematerialized form, the dividend will be paid on the basis of beneficial ownership details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose as on the closing hours of business on 21st September, 2011.

### 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 2011-12. Further, BSE has permitted the Equity Shares of the Company for trading under the "B" group with effect from 14th May, 2008.

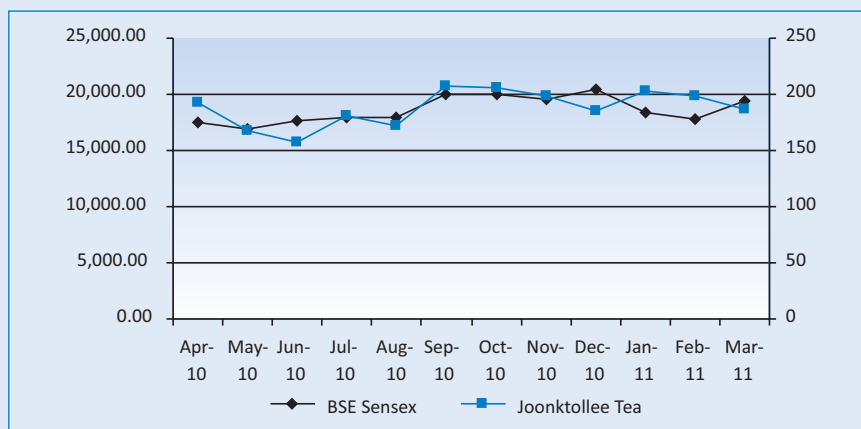
#### Stock Code

The Calcutta Stock Exchange 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 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 month-wise high, low of the market price of the Company's shares traded on Bombay Stock Exchange along with month-wise high, low of the BSE SENSEX are as under :

Months	Stock Price at BSE		BSE SENSEX	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2010	256.00	153.00	18,047.86	17,276.80
May, 2010	200.00	154.05	17,536.86	15,960.15
June, 2010	177.00	155.00	17,919.62	16,318.39
July, 2010	186.00	161.05	18,237.56	17,395.58
August, 2010	199.95	166.20	18,475.27	17,819.99
September, 2010	220.95	172.70	20,267.98	18,027.12
October, 2010	234.00	196.00	20,854.55	19,768.96
November, 2010	239.80	161.00	21,108.64	18,954.82
December, 2010	208.85	177.00	20,552.03	19,074.57
January, 2011	259.00	186.00	20,664.80	18,038.48
February, 2011	205.75	168.00	18,690.97	17,295.62
March, 2011	206.00	170.90	19,575.16	17,792.17



#### g. Registrar and Share Transfer Agent

The Company has appointed M/s. Maheshwari Datamatics Pvt. Ltd. as its Registrar & Share Transfer Agents (RTA) for handling 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 18,948 shares were transferred/transmitted/re-materialised during the year 2010-11. The dematerialized shares are credited directly to the respective Demat Account of beneficiaries by the Depositories.

i. Distribution of shareholdings as at 31st March, 2011 was as under

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
Upto 500	2,606	94.9017	1,89,550	5.8211
501 to 1000	70	2.5492	49,656	1.5249
1001 to 2000	31	1.1289	41,186	1.2648
2001 to 3000	7	0.2549	17,044	0.5234
3001 to 4000	3	0.1092	9,850	0.3025
4001 to 5000	3	0.1092	13,348	0.4099
5001 to 10000	5	0.1821	39,435	1.2111
10001 and above	21	0.7648	28,96,178	88.9423
<b>GRAND TOTAL</b>	<b>2,746</b>	<b>100.0000</b>	<b>32,56,247</b>	<b>100.0000</b>

j. Shareholding Pattern as on 31st March, 2011 was as under :

Category	No. of Shares Held	% of Share Capital
<b>A. PROMOTER'S HOLDING</b>		
1. Promoters		
- Indian Promoters	27,06,675	83.1225
- Foreign Promoters	-	-
<b>Sub-Total</b>	<b>27,06,675</b>	<b>83.1225</b>
<b>B. NON-PROMOTER'S HOLDING</b>		
2. Institutional Investors		
a. Mutual Funds	-	-
b. Banks, Financial Institutions, Insurance Companies	97,541	2.9955
c. FIIs	-	-
<b>Sub-Total</b>	<b>97,541</b>	<b>2.9955</b>
3. OTHERS		
a. Bodies Corporate	69,485	2.1339
b. Indian Public	3,51,223	10.7861
c. NRIs/OCBs	15,055	0.4624
d. Any Other	16,268	0.4996
<b>Sub-Total</b>	<b>4,52,031</b>	<b>13.8820</b>
<b>GRAND TOTAL</b>	<b>32,56,247</b>	<b>100.0000</b>

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, 2011 was as under :

Particulars	No. of Shares	% to Total Capital	No. of Accounts
National Securities Depository Limited	14,62,132	44.9024	907
Central Depository Services (India) Limited	15,48,358	47.5504	461
<b>Total Dematerialised</b>	<b>30,10,490</b>	<b>92.4528</b>	<b>1,368</b>
Physical	2,45,757	7.5472	1,378
<b>Grand Total</b>	<b>32,56,247</b>	<b>100.0000</b>	<b>2,746</b>



**I. 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, 2011.

**m. Reconciliation of Share Capital**

As stipulated by SEBI, a Qualified Practising Company Secretary carries out Reconciliation of Share Capital 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 (₹)
2010-11	2.50
2009-10	2.50
2008-09	1.50
2007-08	1.50
2006-07	1.50
2005-06	1.50
2004-05	1.50
2003-04	1.00
2002-03	1.00
2001-02	1.00

**o. Locations**

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

TEA

**Joonktollie Tea Estate & Factory**

P.O. Barbam - 786 624

Dist. Dibrugarh, Assam

**Nilmoni Tea Estate**

P.O. Tinkhong - 786 112

Rajgarh, Assam

**Jamirah Tea Estate & Factory**

P.O. Dibrugarh - 786 001

Dist. Dibrugarh, Assam

**Goomankhan Tea Estate & Factory**

P.O. Hirebile - 577121

Dist. Chikmagalur, Karnataka

**Shree Ganga Tea Estate**

P.O. Barbam - 786 624

Dist. Dibrugarh, Assam

COFFEE

**Cowcoody Estate & Factory**

Somwarpet - 571236

Dist. Coorg, Karnataka

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

**The Cochin Malabar Estates & Industries Ltd.**

TEA

**Kolahalmedu Tea Estate**

P.O. Pullikanam - 685 503

Vagamon Post

Dist. Idukki, Kerala

**Pullikanam Tea Estate & Factory**

P.O. Pullikanam - 685 503

Vagamon Post

Dist. Idukki, Kerala

RUBBER

**Chemoni, Pudukad & Ichipara Estate & Factory**

P.O. Palapilly - 680304

Dist. Trichur, Kerala

**Kinalur Estate & Rubber Wood Factory**

P.O. Balussery - 673 612,

Dist. Kozhildie, Kerala

C. Administrative Offices are located at :

**KOLKATA**

21, Strand Road,  
Kolkata - 700 001  
West Bengal

**KOCHI**

No.39/4946A, Gr. Floor,  
NGO Union Office Bldg.,  
Pallimukku, Kochi - 682 016, Kerala

D. Branches/Sales Depots are located at :

**AHMEDABAD**

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

**JAIPUR**

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

**COIMBATORE**

Post Box No.3837,  
234-A, Race Course Road  
Coimbatore - 641 018, Tamil Nadu

**HUBLI**

C.T.S. No.1730, House No.6938,  
"Hondonnavar Building", Chelinar Oni  
Veerapur Road, Hubli - 580 020  
Karnataka

**MUMBAI**

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) 22300780, Fax No. (033) 2230 2105, E-mail : cs@joonktoleetea.in.

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

Shri G. D. Bangur, Chairman and Shri Amitabha Ghosh, Independent Non-Executive Director, are due for retirement by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment.

i) Shri G. D. Bangur (64), the Chairman of the Company, is a Commerce Graduate from the St. Xavier's College, Kolkata. He has been exposed to business and industry at an early age and has developed his entrepreneurial skills in various group industries over four decades which include Tea, Coffee, Cement, Jute, Chemical, Rubber, Real Estates, Textile etc. He has taken the charge of **Joonktolee Tea & Industries Limited** in the year 2000 as the Managing Director and now functioning as the Chairman and Co-Promoter of the Company. As per Company records, he holds 4,87,538 shares of the Company.

a) Name of Companies in which Shri G. D. Bangur is a Director

Sl.No.	Names of the Company in which Directorships held
1.	Gloster Ltd.
2.	Kettlewell Bullen & Company Ltd.
3.	The Oriental Company Ltd.
4.	Laxmi Asbestos Products Ltd.
5.	Marwar Textile (Agency) Ltd.

b) Name of Companies in which Shri G. D. Bangur is a Chairman/Member of Board Committees.

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

ii) Shri Amitabha Ghosh, aged 80 years, is a Fellow Chartered Accountant and Fellow Member of Indian Institute of Bankers and has considerable experience in Finance, Banking and Administration by virtue of his association with important institutions and committees. He was on the Board of Import Institutions like IDBI, N.I.B.M., Exim Bank and also served as Chairman of Deposit Insurance Corporation Ltd. He is associated with the Company since 30th July, 2007.

a) Name of Companies in which Shri Amitabha Ghosh is a Director

Sl.No.	Names of the Company in which Directorships held
1.	Centenary Leasing Company Pvt. Ltd.
2.	Heidelberg Cement India Ltd.
3.	Kesoram Industries Ltd.
4.	Orient Paper & Industries Ltd.
5.	Palit Consultancy Pvt. Ltd.
6.	Peninsula Land Ltd.
7.	Sahara India Life Insurance Company Ltd.
8.	Sahara Prime City Ltd.
9.	Shreyas Shipping & Logistics Ltd.
10.	Shreyas Relay System Ltd.
11.	Sahara Hospitality Ltd.
12.	Xpro India Ltd.
13.	Zenith Fibres Ltd.
14.	Sahara Infrastructure & Housing Ltd.

b) Names of Companies in which Shri Amitabha Ghosh is a Chairman/Member of Board Committees

Sl.No.	Names of the Company	Name of Board Committee	Chairman/Member
1.	Kesoram Industries Ltd.	Audit Committee	Member
2.	Peninsula Land Ltd.	Audit Committee	Chairman & Member
		Remuneration Committee	Member
3.	Sahara India Life Insurance Co. Ltd.	Audit Committee	Member
		Investment Committee	Member
		Risk & Asset Liability Management Committee	Member
4.	Orient Paper & Industries Ltd.	Audit Committee	Chairman & Member
5.	Shreyas Shipping And Logistics Ltd.	Audit Committee	Chairman & Member
6.	Heidelberg Cement India Ltd.	Audit Committee	Chairman & Member
		Share Transfer And Shareholders'/ Investors' Grievances Committee	Member
7.	Sahara Infrastructure & Housing Ltd.	Audit Committee	Member
8.	Sahara Prime City Ltd.	Audit Committee	Chairman & Member
9.	Sahara Hospitality Ltd.	Audit Committee	Member
10.	Xpro India Ltd.	Remuneration Committee	Member



# Management Discussion and Analysis Report

## OVERVIEW

Though the world economy accelerated healing the global melt down and growing resilience which bodes well for an orderly retreat from the unconventional policies, the signs of faltering uneven global recovery is still visible. The world economy will remain unusually fluid in the coming years. While signs of moderation are also visible in the Indian economy, the overall growth is expected to remain 8% during the year.

## TEA

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. It is largely dependent on the vagaries of nature.

The world Tea production stood at 3,196.8 m. kgs. in 2010-11 as compared to 2,974.2 m. kgs. in 2009-10. India, being world's second largest Black Tea producer, produced around 966 m. kgs. during the year 2010-11 against 980 m. kgs. during the year 2009-10 representing 31% of the global Tea production. The excessive rain and pest attacks in the North-East India had crippled Indian tea output in 2010-11. There are huge downturns in the world supplies which are unlikely to be compensated by an increase in the production of other countries. The cost of production of tea has gone up by ₹ 12/- to ₹ 13/- per kg. on account of increase in wages and other input costs caused by spiraling inflation.

### Review

The Company including its subsidiaries produced 40,08,888 kgs. of Tea during the year ended 31st March, 2011 against 48,67,554 kgs.

for the same period last year. The average price of Tea realized during the year ended 31st March, 2011 was ₹ 128.82 per kg. in the North and ₹ 83.14 per kg. in the South. The huge crop loss suffered by the Company during the year ended 31st March, 2011 was due to the virulent pest attack, adverse weather conditions and excessive rains. The significant loss of crop resulted in higher cost of production added with inflationary pressure on all inputs which could not be fully compensated by higher prices.

### Outlook

The domestic consumption of Tea 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 put into Tea production by the organized sector, the production of Tea for the next few years appears to remain stagnant. Over the years, the world supply has been running ahead of the demand resulting in a fall in the real prices of Tea. This traditional scenario is now being reversed. During the last 4 years there has been resurgence of global Tea consumption which has led to demand outstripping supply which drove the Tea prices to higher levels and the Tea prices should continue to remain buoyant.





# COFFEE

The global Coffee production is estimated to be around 7 m. kgs during the year 2010-11 comprising of 58% Arabica and 42% Robusta. The production is likely to be lower by 7% over previous year. The global Coffee exports increased by more than 7% to 101 m. bags in between April, 2010 to March, 2011, the highest level ever recorded on the back of increased consumption and increased prices. The global Coffee consumption is expected at 7.8 m. kgs - a shortfall of 12% on the supply. Though the increase in world Coffee production will take time, the same can be achieved by using of Good Agriculture Practice (GAP) or Standard Operating Procedure (SOP) on Coffee agriculture.

The production of Coffee in India for 2010-11 is estimated around 3.02 lac tons comprising of 31% Arabica and 69% Robusta which showed a reduction of 6,000 tons over the post blossom estimate of 3.08 lac tons. The post blossom crop for the year 2011-12 is estimated at 3.22 lac tons, an increase of 20,000 tons over the post harvest crop of 2010-11. The favourable weather conditions like well distributed rainfall, helped in moisture retention for long period which in-turn helped in production of more bearing wood for the crop during the current season. Further, the blossom and backing showers are reported to be normal in almost all the Coffee growing zones. Good weather and crop condition and relatively stable prices encouraged better husbandry practices helping to invigorate production.

## Review

The Coffee production of the Company during the year ended 31st March, 2011 was 1.61 lac kgs as compared to 1.97 lac kgs harvested

during the previous year. The crop loss was due to inability to complete all cultural operations on account of massive exodus of labour from the plantation sector and the heavy infestation of white stem borer disease. The average price for Coffee realized during the year ended 31st March, 2011 was ₹ 138/- as compared to ₹ 111/- last year. The Company had taken massive re-plantation programme during the last 5 years to replace the old, unproductive and passenger Coffee bushes in to high yielding varieties. The crops from the replanted fields would augment the crop in the next 3 to 4 years.

## Outlook

Indian Coffee production comprises of 70% Robusta and 30% Arabica which used to be reverse i.e. 30% Rubusta and 70% Arabica respectively two decades ago. Robusta is less prone to pest infestation and therefore, its cost of production is lower than Arabica's, the factor that offsets its lower price realization. Moreover, labour requirement for Robusta in comparison to Arabica is much less and as such maintenance of Robusta fields is less costly. The international annual consumption of Coffee is growing 2.1% p.a. during last 10 years. The domestic annual consumption is up by about 6%. Carryover stocks of Coffee remain low in the current year due to the strong export. The Coffee prices surged to all time high on low stock and high demand and is expected to remain firm in the years to come. Similarly, high world Arabica prices fuelled by shortage of Arabica milds, are likely to remain firm. The outlook of Coffee appears to be promising.



# RUBBER

The world Natural Rubber (NR) production increased by 6.1% to 10.3 million tones in 2010-11, compared to 9.62 million tones in 2009-10 due to intensive tapping as an effect of attractive price. The global NR consumption increased to 10.62 m. tons in 2010-11 registering a growth of 14.4% compared to 9.33 m. tons in 2009-10 due to the strong demand for vehicles and tyres.

NR production of India during 2010-11 was 8,61,950 tonnes compared to 8,31,400 tonnes during 2009-10 and recorded a growth of 3.7% compared to the previous year. The factors attributed to the growth in production were favourable weather conditions except in October and November, 2010 and intensive harvesting due to attractive price. India continued to be *numero uno* in the world productivity during 2010-11 which increased to 1,807 kgs./hectare from 1,775 kgs./hectare during 2009-10. The Indian NR consumption increased to 9.48 lac tons as against 9.30 lac tons during 2009-10 registering a growth of 1.94%.

## Review

Company's subsidiary, The Cochin Malabar Estates and Industries Ltd., produced 9.30 lac kgs. of rubber during 2010-11 as against 10.20 lac kgs. during the previous year, a shortfall of 90,000 kgs. compared to the previous year. The production was lower primarily on account of poor yield from old standing trees and massive re-plantation policy the Company has adopted in order to ultimately increase the yield per hectare and reduce the average age of the trees. The Company continues to focus on quality which enabled the subsidiary Company to fetch premium in the market for its products comprises of latex and skim rubber. The average price realization of

rubber for 2010-11 was ₹ 191/- per DRC kg. as against ₹ 121/- per DRC kg. last year, which was higher by ₹ 70/- per DRC kg.

## Outlook

The domestic as well as global rubber prices increased to fresh historical high. Prices have also been supported by healthy demand from tyre industry and strong imports by China. The world's major rubber producers Thailand, Indonesia and Malaysia have been hit by heavy rains because of the La Nina phenomenon which caused drop in production. These have been supported by geopolitical tension in Korea and high crude oil prices. These all led to the increase in rubber prices. Despite rainfall, overall global output of rubber for 2011 is estimated at 9.502 m. tons. India, the world's 4th largest producer, is likely to produce around 8.50 lac tons of Natural Rubber in 2011-12. Global NR consumption is expected to grow by 10% in 2011-12. The demand and supply mismatch will continue to keep the rubber prices firm.

## OPPORTUNITIES & THREATS

### Tea

Since there is no addition to the land put under Tea cultivation in the estate sector for last two decades and is likely not to be in the near future, the opportunity is available in Tea for rise in the prices due to insignificant increase in production of Tea in the years to come. Due to increased rate of consumption in the major producing countries, demand and supply mismatch exists, which will further boost the Tea prices. Apart from the increasing impact of climate change already generating unpredictable harvests, threats towards round-the-year production in countries such as Sri Lanka, Vietnam, low cost of products of Teas from Vietnam and Indonesia, consistency in quality and high service quality perception of exporters of other countries, better developed packaging and bagging capacity of Sri Lanka etc. would come in the way and may pose threat to the Indian Tea growers.

### Coffee

Coffee stocks in producing countries are currently at the lowest level. As a result of which, Coffee prices soared to the highest ever level achieved in the past. Indian Coffee growers, of late, opted for producing more Robusta quality than Arabica quality with the obvious reasons of low cost of production and less prone to the infestation. Moreover, labour requirement for producing Robusta is less in comparison to Arabica which solves the problem of labour crisis the Indian Coffee growers are facing. These are the opportunities available to the Indian Coffee growers. However, threat of acute labour shortage still exists to the Indian Coffee growers. Weather condition like well distributed rainfall for bearing woods for the product, blossom and the backing showers also play a vital role and at times, posed threat to the Indian Coffee growers.

### Rubber

The demand for rubber is increasing which could be met through

synthetic or natural rubber. Synthetic rubber is more expensive as it is petroleum based and environmentally unfriendly. On the contrary, Natural rubber is technically acceptable and eco-friendly.

India is producing Natural Rubber at a very competitive rate and good quality. Cultivation of Natural Rubber was started in India as far back as 100 years. The consumption of Natural Rubber has increased tremendously and exceeded the production and supply and thus provides an opportunity to enhance the production. The global Natural Rubber stocks-to-use ratio has plunged to the lowest level ever as expanding demand shrinks inventories in China, potentially boosting prices. The global inventories are just enough to meet about a month's demand. This further provides an opportunity to the Indian Rubber producers to sale their products at higher prices in future.

Rubber plantation like all other plantation is subject to the vagaries of nature and 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. 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. The Company has 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	<ul style="list-style-type: none"> <li>▲ Tea, Coffee &amp; 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 &amp; Rubber, timely rainfall is a pre-requisite.</li> </ul>	<ul style="list-style-type: none"> <li>● 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.</li> <li>● Automatic weather prediction system has been installed at our Coffee Estate.</li> <li>● Company is uprooting and replanting the uneconomical areas for the plantation of Tea, Coffee &amp; Rubber in a phased manner.</li> </ul>

Nature of Risk	Risk Explanation	Risk Mitigation
	<ul style="list-style-type: none"> <li>▲ Demand slowdown could dampen Company's profitability.</li> </ul>	<ul style="list-style-type: none"> <li>● 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 &amp; 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.</li> <li>● 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.</li> <li>● 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.</li> </ul>
<b>Industrial relation risk</b>	<ul style="list-style-type: none"> <li>▲ The Company being labour intensive is faced with the threat of the labour unrest &amp; labour shortage.</li> </ul>	<ul style="list-style-type: none"> <li>● 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. The Company is attempting to attract workers from the non-traditional plantation districts of Orissa, Jharkhand and Assam.</li> </ul>
<b>Intellectual capital risk</b>	<ul style="list-style-type: none"> <li>▲ The Company may not have competent people to run the business</li> </ul>	<ul style="list-style-type: none"> <li>● Geared up recruitment process, focusing on prospective growth.</li> <li>● Developed functional and behavioural skills through proactive training.</li> <li>● Enjoys one of the lowest attrition rate in the industry.</li> </ul>
<b>Operating risk</b>	<ul style="list-style-type: none"> <li>▲ 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.</li> </ul>	<ul style="list-style-type: none"> <li>● Operating team is available to take corrective measures for such risks when it occurs.</li> </ul>
<b>Competition risk</b>	<ul style="list-style-type: none"> <li>▲ Owing to the opening of the world trade Company is faced with the menace of pressure on margins on its products more particularly, Coffee &amp; Rubber. The prices of the finished goods are based on the movement of the international prices.</li> </ul>	<ul style="list-style-type: none"> <li>● Your Company has stepped up its focus on the quality, structural cost optimization and cost control measures.</li> </ul>



Nature of Risk	Risk Explanation	Risk Mitigation
<b>Cost risk</b>	<ul style="list-style-type: none"> <li>▲ Stringent labour laws are resulting to higher labour cost and higher social cost for the plantation of Tea, Coffee &amp; Rubber.</li> </ul>	<ul style="list-style-type: none"> <li>● Company has already made representation to the Government to simplify the labour laws.</li> <li>● 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.</li> <li>● The Company has introduced mechanization wherever possible.</li> <li>● Joonktollee Tea Estate has been accredited with ISO 9001:2008, ISO 22000:2005 and HACCP Certification by the D.A.R., Germany.</li> <li>● Company's Goomankhan Estate has also been accredited with ISO 9001:2000 Certification by the Det Norske Veritas, Netherlands.</li> </ul>
<b>Funding risk</b>	<ul style="list-style-type: none"> <li>▲ The Company may not be able to source fund for capital expenditure.</li> </ul>	<ul style="list-style-type: none"> <li>● Your Company has large reserves and surplus to fund the capital expenditure.</li> <li>● Maintains low debt-equity ratio to facilitate low-cost funds mobilization over the coming years.</li> <li>● Rated 'BBB' for (long term) credit by CRISIL, providing ample scope for further fund raising.</li> </ul>
<b>Liquidity risk</b>	<ul style="list-style-type: none"> <li>▲ The Company may not be able to procure fund to manage daily operations.</li> </ul>	<ul style="list-style-type: none"> <li>● Your Company has enough cash for meeting the operational cash requirements.</li> <li>● Managed debtors' cycle at a comfortable level.</li> <li>● Maintained a quick ratio of 4.08</li> <li>● Reduced average inventory days from 90 to 75 days.</li> </ul>
<b>Geopolitical and environmental risk</b>	<ul style="list-style-type: none"> <li>▲ 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.</li> </ul>	<ul style="list-style-type: none"> <li>● 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.</li> </ul>

## 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

Joonktollee 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 undertook 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 already implemented its ERP system.



# FINANCIAL REVIEW

## HIGHLIGHTS OF FINANCIAL PERFORMANCE

(₹ in Lacs)

Particulars	Unconsolidated		Consolidated	
	2010-11	2009-10	2010-11	2009-10
1. Net Sales	4,915.28	5,295.71	6,959.42	7,153.34
2. Operating Profit before Interest, Dep. and Taxation	654.48	1,220.76	1,261.23	1,578.00
3. Less : Interest and Financial charges	257.20	278.93	420.14	418.27
4. Profit after Interest	397.28	941.83	841.09	1,159.73
5. Less : Depreciation	170.29	169.22	242.39	236.70
6. Profit after Depreciation	226.99	772.62	598.70	923.03
7. Less : Exceptional Items	—	—	—	—
8. Profit before Tax	226.99	772.62	598.70	923.03
9. Provision for Taxes	20.82	150.62	33.10	157.92
10. Net Profit after Tax	206.17	622.00	565.60	765.11

### Net Turnover

#### Unconsolidated

Net turnover decreased from ₹ 5,295.71 Lacs in the Financial Year 2009-10 to ₹ 4,915.28 Lacs in the Financial Year 2010-11.

#### Consolidated

Net turnover decreased from ₹ 7,153.34 Lacs in the Financial Year 2009-10 to ₹ 6,959.42 Lacs in the Financial Year 2010-11.

### Debt

#### Unconsolidated and Consolidated

The Group's long term borrowings/debts decreased to ₹ 450 lacs from ₹ 700 lacs as on 31st March, 2011.

### Capital Additions

#### Unconsolidated

Company has incurred capital expenditure amounting to ₹ 352.42 Lacs during the year ended 31st March, 2011 as compared to ₹ 134.16 Lacs for the same period last year.

#### Consolidated

The Group has incurred capital expenditure amounting to ₹ 574.85

Lacs during the year ended 31st March, 2011 as compared to ₹ 399.48 Lacs for the same period last year.

### Operating Profit (PBIDT)

#### Unconsolidated

PBIDT is decreased from ₹ 1,220.76 Lacs in the Financial Year 2009-10 to ₹ 654.48 Lacs in the Financial Year 2010-11.

#### Consolidated

PBIDT is decreased from ₹ 1,578.00 Lacs in the Financial Year 2009-10 to ₹ 1,261.23 Lacs in the Financial Year 2010-11.

### Net Profit

#### Unconsolidated

Net Profit is ₹ 206.17 Lacs in the Financial Year 2010-11 as against ₹ 622.00 Lacs in the Financial Year 2009-10.

#### Consolidated

Net Profit is ₹ 565.60 Lacs in the Financial Year 2010-11 as against ₹ 765.11 Lacs in the Financial Year 2009-10.

## **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 5,359. 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 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, 2011 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, 1997;
    - 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 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, 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 standing 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 136th Annual General Meeting held on 29th September, 2010;
  - h) Minutes of the proceedings of General Meeting and of Board and its Committee meetings;
  - i) Approvals of members, the Board of Directors, the Committee of Directors and government authorities wherever required;
  - j) Constitutions of the Board of Directors / Committees of Directors and appointment, retirement and re-appointment of Directors including the Executive Vice-Chairman and Whole Time Director;
  - k) Payment of remuneration to the Directors including the Executive Vice-Chairman and Whole Time Directors;
  - l) Appointment and remuneration of Cost Auditors. Since no Cost Audit was ordered by the Central Government there was no question of appointment of Cost Auditors;
  - m) Transfers and transmission of the Company's shares, issue and allotment of shares and issue and delivery of original and duplicate certificates of shares;
  - n) Declaration of and payment of Dividend;
  - o) Transfer of certain amounts as required under the Companies Act, 1956 to the Investor Education and Protection Fund;
  - p) Borrowings and registration, modification and satisfaction of charges;
  - q) Investment of the Company's funds including inter corporate loans and investments and loans to others;
  - r) Corporate guarantee was given in connection with loan taken by the Subsidiary Company, The Cochin Malabar Estates and Industries Ltd.;
  - s) 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;
  - t) Contracts, common seal, registered office and publication of name of the Company and
  - u) 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

## Secretarial Audit Report

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 complied with the provisions of the Depositories Act, 1996 and the Bye-Laws framed thereunder by the Depositories with regard to dematerialization/dematerialization of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
4. I further Report that -
- a) the Company has complied with the requirements under the Equity Listing Agreement entered into with the Calcutta Stock Exchange Ltd. and in terms of permitted trading in securities with Bombay Stock Exchange Ltd.;
  - b) the Company has 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 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.

**S. K. Jain**

Place : Kolkata

*Practicing Company Secretary*

Dated : 4th day of August, 2011

C. P. No. 4077



## 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, 2011 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;
  - (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, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2011 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, 2011;
  - (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 and on behalf of  
**SINGHI & CO.**  
*Chartered Accountants*  
Firm Registration No. 302049E  
**Pradeep Kumar Singhi**  
*Partner*  
Membership No. - 50773

Place : Kolkata  
Dated : 4th August, 2011

## 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, 2011]

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 explanations given to us, based on a phased manner, the fixed assets of the Company have been physically verified by the management 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 explanations 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.  
(b) As per information and explanations given to us, the Company has taken unsecured loans from two bodies 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 ₹ 4,00,00,000/- and ₹ 4,00,00,000/- respectively. The year end balance of such loans was ₹ 2,00,00,000/-.
- (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, customs duty, excise duty, cess and other statutory dues

## Annexure to Auditors' Report

as applicable with the appropriate authorities and no such dues were in arrears, as at 31st March, 2011 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, 2011 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 ₹ lacs	Period	Forum where dispute is pending
Income Tax Act	Income tax Demand	92.77	A.Y 2003-04 to 2008-09	Commissioner of Income Tax Appeals
West Bengal Sales Tax	Sales Tax Demand	35.42	2008-09	Senior Joint Commissioner Appeals
Karnataka Sales Tax	Sales Tax Demand	17.83	2003-04 to 2008-09	Karnataka Sales Tax Appellate Tribunal

10. The Company has no accumulated losses as at 31st March, 2011 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, no funds raised on a short-term basis 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 and on behalf of  
**SINGHI & CO.**  
*Chartered Accountants*  
 Firm Registration No. 302049E  
**Pradeep Kumar Singhi**  
*Partner*  
 Membership No. - 50773

Place : Kolkata  
 Dated : 4th August, 2011

## Balance Sheet as at 31st March, 2011

(Amount in ₹)

	Schedule	As at 31.03.2011		As at 31.03.2010	
<b>I. SOURCES OF FUNDS</b>					
<b>(1) Shareholders' Funds :</b>					
(a) Share Capital	1	32,562,471		32,336,471	
(b) Share Suspense	1A	–		226,000	
(c) Reserves and Surplus	2	894,986,212	927,548,683	883,830,401	916,392,872
<b>(2) Loan Funds :</b>					
Secured Loan	3		146,056,703		158,830,941
Unsecured Loan	3A		64,000,000		30,000,000
<b>(3) Deferred Tax</b>					
			3,080,650		3,498,349
<b>TOTAL</b>			<b>1,140,686,036</b>		<b>1,108,722,162</b>
<b>II. APPLICATION OF FUNDS</b>					
<b>(1) Fixed Assets :</b>					
(a) Gross Block	4	763,939,617		731,124,470	
(b) Less : Depreciation		221,047,543		206,282,325	
(c) Net Block		542,892,074		524,842,145	
(d) Capital Work-in-Progress		4,485,620	547,377,694	16,951,373	541,793,518
<b>(2) Investments</b>					
	5		458,847,900		457,624,447
<b>(3) Current Assets, Loans &amp; Advances :</b>					
(a) Inventories	6	67,848,259		71,063,756	
(b) Sundry Debtors	7	19,013,998		35,768,463	
(c) Cash and Bank Balances	8	5,104,472		8,004,161	
(d) Loans and Advances	9	127,625,696		101,635,936	
		219,592,425		216,472,316	
<b>Less : Current Liabilities &amp; Provisions :</b>					
(a) Current Liabilities	10	49,263,101		56,624,458	
(b) Provisions	11	35,868,882		50,543,661	
		85,131,983		107,168,119	
Net Current Assets			134,460,442		109,304,197
<b>TOTAL</b>			<b>1,140,686,036</b>		<b>1,108,722,162</b>

### Notes on Accounts

16

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 : 4th August, 2011

S. Bagree  
Manager (Finance) &  
Company Secretary

H. Bangur Executive Vice-Chairman

M. K. Daga Director

Amitabha Ghosh Director

M. M. Pyne Director

K. C. Mohta Executive Director

## Profit & Loss Account for the year ended 31st March, 2011

(Amount in ₹)

Schedule	For the year ended 31.03.2011		For the year ended 31.03.2010	
<b>INCOME</b>				
Sales	12	491,527,808		529,571,285
Other Income	13	6,814,562	498,342,370	3,623,057
<b>EXPENDITURE</b>				
(Increase)/Decrease of Finished Goods	14	5,131,740		(19,215,440)
Cultivation, Manufacturing, Administration, and Selling Expenses	15	427,762,383		430,332,784
Interest (Refer Note No.25 of Schedule 16)		25,720,284		27,893,453
Depreciation		17,028,621	475,643,028	16,921,960
<b>Profit before Taxation</b>			22,699,342	77,261,585
<b>Provision for Taxation</b>				
Current Year			2,500,000	10,000,000
Earlier Year			–	143,241
(Excess)/Short Tax Provision of earlier year written back			–	(7,131)
Fringe Benefit Tax for Earlier Year			–	3,550
Deferred Tax			(417,699)	4,922,358
<b>Profit after Taxation</b>			20,617,041	62,199,567
Balance brought forward from last Account			25,060,484	2,353,692
			45,677,525	64,553,259
<b>APPROPRIATIONS</b>				
Proposed Dividend		8,140,618		8,140,618
Tax on Proposed Dividend		1,320,612	9,461,230	1,352,157
General Reserve			10,000,000	30,000,000
<b>Balance Carried Forward</b>			26,216,295	25,060,484
Earnings per Equity Share of ₹ 10/- each				
Basic & Diluted (₹) (Refer Note No.16 of Schedule 16)			6.33	19.10

### Notes on Accounts

16

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 : 4th August, 2011

S. Bagree  
Manager (Finance) &  
Company Secretary

H. Bangur Executive Vice-Chairman

M. K. Daga Director

Amitabha Ghosh Director

M. M. Pyne Director

K. C. Mohta Executive Director



## Cash Flow Statement for the year ended 31st March, 2011

(Amount in ₹)

	31.03.2011		31.03.2010	
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax and extra ordinary items		22,699,342		77,261,585
Adjustments for :				
Depreciation	17,028,621		16,921,960	
Loss/(Profit) on Sale/Discard of Fixed Assets (Net)	(585,913)		74,515	
Interest and Dividend Income	(1,744,038)		(1,003,169)	
Interest charged	24,905,998		28,109,882	
Interest Subsidy	(2,990,523)		–	
Sundry Credit balances no longer required written back	(66,079)		(823,173)	
Investment written off	–		8,400	
Bad Debts & Provision for Doubtful Debts/Advances	8,600	36,556,666	2,175,307	45,463,722
<b>Operating Profit before working capital changes</b>		<b>59,256,008</b>		<b>122,725,307</b>
Adjustments for :				
Trade and other Receivables	(297,585)		(11,049,337)	
Inventories	3,215,497		(19,374,443)	
Trade Payables	(20,683,823)	(17,765,911)	9,355,571	(21,068,209)
<b>Cash Generated from Operations</b>		<b>41,490,097</b>		<b>101,657,098</b>
Direct Taxes (Paid)/Refund received (Net)		(6,713,928)		(8,402,862)
<b>Net Cash from Operating Activities</b>		<b>34,776,169</b>		<b>93,254,236</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets/WIP	(22,775,752)		(21,231,733)	
Sale of Fixed Assets	748,869		302,600	
Purchase of Investments	(1,223,453)		–	
Advance to subsidiary (Net)	(5,500,000)		176,320	
Interest Received	814,286		216,429	
Dividend Received	929,752		786,740	
<b>Net cash used in Investing Activities</b>		<b>(27,006,298)</b>		<b>(19,749,644)</b>
		<b>7,769,871</b>		<b>73,504,592</b>

## Cash Flow Statement for the year ended 31st March, 2011

(Amount in ₹)

	31.03.2011	31.03.2010
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	67,011,500	5,000,000
Payments of Long Term Borrowings	(55,000,000)	(43,307,390)
Proceeds from Other Borrowings (Net)	9,332,645	(1,388,929)
Interest paid	(23,352,786)	(28,625,874)
Dividends Paid (including Tax on Dividend)	(8,669,432)	(5,674,808)
<b>Net Cash from/(used in) Financing Activities</b>	<b>(10,678,073)</b>	<b>(73,997,001)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(2,908,202)</b>	<b>(492,409)</b>
Cash and Cash Equivalents - Opening Balance	7,268,601	7,761,010
Cash and Cash Equivalents - Closing Balance	4,360,399	7,268,601

### Notes :

- 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.
- 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.
- Previous year's figures have been regrouped/rearranged wherever necessary.
- Cash and cash equivalents consists of :

Particulars	2010-11	2009-10
Cheques/Cash in hand	824,380	602,719
Bank Balance	3,503,519	6,633,382
Deposit	32,500	32,500
Total	4,360,399	7,268,601

This is the Cash Flow Statement 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 : 4th August, 2011

**S. Bagree**  
Manager (Finance) &  
Company Secretary

**H. Bangur** Executive Vice-Chairman

**M. K. Daga** Director

**Amitabha Ghosh** Director

**M. M. Pyne** Director

**K. C. Mohta** Executive Director

## Schedules to the Accounts

(Amount in ₹)

	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE 1 SHARE CAPITAL</b>		
<b>Authorised</b>		
1,12,49,000 Ordinary Shares of ₹ 10/- each	<b>112,490,000</b>	112,490,000
35,000 Ordinary Shares of ₹ 100/- each	<b>3,500,000</b>	3,500,000
50,000 Redeemable Cumulative Preference Shares of ₹ 10/- each	<b>500,000</b>	500,000
100 13.5% Redeemable Cumulative Preference Shares of ₹ 100/- each	<b>10,000</b>	10,000
	<b>116,500,000</b>	116,500,000
<b>Issued and Subscribed</b>		
32,56,247 Ordinary Shares of ₹ 10/- each fully paid up	<b>32,562,471</b>	32,336,471
	<b>32,562,471</b>	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 Limited 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 ₹ 10/- each have been allotted during the financial year 2006-07 pursuant to a scheme of arrangement/amalgamation effective from 01.10.2006
- 4) 22,600 fully paid up Equity Shares of ₹ 10/- each has been allotted during the year pursuant to scheme of amalgamation for consideration other than cash.

<b>SCHEDULE 1A SHARE SUSPENSE</b>			
22,600 fully paid-up Equity shares of ₹ 10/- each (Above shares have been allotted during the year)		-	226,000
		-	226,000

	Balance as on 31.03.2010	Additions during the year	Deductions / Adjustments during the year	Balance as on 31.03.2011
<b>SCHEDULE 2 RESERVES AND SURPLUS</b>				
Capital Reserve	597,728,411	-	-	<b>597,728,411</b>
Capital Redemption Reserve	41,600	-	-	<b>41,600</b>
Revaluation Reserve (Created on revaluation of land)	40,386,019	-	-	<b>40,386,019</b>
Securities Premium Account	24,701,440	-	-	<b>24,701,440</b>
General Reserve	195,912,447	10,000,000	-	<b>205,912,447</b>
Profit and Loss Account	25,060,484	26,216,295	25,060,484	<b>26,216,295</b>
	<b>883,830,401</b>	<b>36,216,295</b>	<b>25,060,484</b>	<b>894,986,212</b>

## Schedules to the Accounts

(Amount in ₹)

	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE 3 SECURED LOAN</b>		
<b>From Banks</b>		
<b>Over Draft/Cash Credit</b>		
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/chagre created by depositing title deeds of Joonktollee Tea Estate, Assam)	40,081,465	37,615,181
b) 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 a wholly owned subsidiary and further backed by their Corporate Guarantee)	19,851,201	18,288,023
c) 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/chagre created by depositing title deeds of Jamirah Tea Estate, Assam)	22,355,517	17,052,334
<b>Term Loan</b>		
<b>Corporate Loan (New)</b>		
d) 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/chagre created by depositing title deeds of Joonktollee Tea Estate, Assam) (Loan repayable within one year ₹ 3,00,00,000/-)	45,000,000	70,000,000
Interest Accrued and Due	524,520	642,903
Loan from Life Insurance Corporation of India (Against assignment of Key man insurance policy in favour of the lender)	18,244,000	15,232,500
	<b>146,056,703</b>	<b>158,830,941</b>

<b>SCHEDULE 3A UNSECURED LOAN</b>		
<b>Other Loans -</b>		
Inter Corporate Deposit - Long Term	64,000,000	30,000,000
	<b>64,000,000</b>	<b>30,000,000</b>

## Schedules to the Accounts

(Amount in ₹)

Particulars of Assets	COST						DEPRECIATION				NET BLOCK	
	Original Cost as on 31.03.2010	Adj. on a/c of scheme (Net)	Additions	Disposal/ Adjust-ments	Total as on 31.03.2011	Upto 31.03.2010	Adj. on a/c of scheme (Net)	For The Year	Disposal/ Adjust-ments	Total as on 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land-Freehold & Leasehold * #	367,586,357	-	2,613,027	-	<b>370,199,384</b>	-	-	-	-	-	<b>370,199,384</b>	367,586,357
Plantation/ Development	37,154,053	-	1,163,469	-	<b>38,317,522</b>	-	-	-	-	-	<b>38,317,522</b>	37,154,053
Buildings, Factory & Water Supply	111,313,526	-	14,803,672	-	<b>126,117,198</b>	49,019,295	-	4,753,678	-	<b>53,772,973</b>	<b>72,344,225</b>	63,048,300
Plant & Machinery & Electrical Installation	166,663,715	-	\$11,737,564	744,273	<b>177,657,006</b>	125,814,771	-	7,617,147	690,517	<b>132,741,401</b>	<b>44,915,605</b>	40,094,875
Furniture, Fittings & Office Equipments	15,436,973	-	490,188	20,250	<b>15,906,911</b>	9,740,499	-	1,094,994	19,569	<b>10,815,924</b>	<b>5,090,987</b>	5,696,474
Vehicles	30,180,503	-	4,169,915	1,661,835	<b>32,688,583</b>	20,238,450	-	2,987,579	1,553,317	<b>21,672,712</b>	<b>11,015,871</b>	9,942,053
Intangible Assets	2,789,343	-	263,670	-	<b>3,053,013</b>	1,469,310	-	575,223	-	<b>2,044,533</b>	<b>1,008,480</b>	1,320,033
<b>Total</b>	731,124,470	-	35,241,505	2,426,358	<b>763,939,617</b>	206,282,325	-	17,028,621	2,263,403	<b>221,047,543</b>	<b>542,892,074</b>	524,842,145
Previous Year	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	
Capital Work-in-Progress											<b>4,485,620</b>	16,951,373

\* Land- Freehold & Leasehold as on 31.03.2011 includes Freehold Land ₹ 1,46,27,118/- (Previous year - ₹ 1,20,14,091/-), Leasehold Land ₹ 35,45,05,100/- (Previous Year - ₹ 35,45,05,100/-) and the balance ₹ 10,67,166/- ( Previous Year - ₹ 10,67,166/-) 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 ₹ 2,25,320/- (Previous year - ₹ 2,25,320/-) 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.

\$ After adjusting ₹ 595,880/- towards capital subsidy against Fixed Assets.



## Schedules to the Accounts

(Amount in ₹)

### SCHEDULE 5 INVESTMENTS - LONG TERM (valued at cost unless otherwise stated)

Particulars	Normal Value	As at 31.03.2010		Additions during the year		Disposals during the year		As at 31.03.2011	
		No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
<b>TRADE INVESTMENT :</b>									
<b>In Subsidiary Company (Unquoted-Fully Paid) :</b>									
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
<b>In Subsidiary Company (Quoted-Fully Paid) :</b>									
The Cochin Malabar Estates & Industries Ltd.	10	406,420	48,987,087	–	\$ 1,223,453			406,420	50,210,540
<b>Non-Trade at Cost :</b>									
<b>Quoted-in fully paid Equity Shares of :</b>									
Camphor & Allied Products Ltd.	10	200	4,740					200	4,740
Duncan Industries Ltd.	10	100	1,665					100	1,665
Gloster Ltd.	10	154,232	2,077,110					154,232	2,077,110
The Phosphate Co. 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
<b>Government Securities :</b>									
12 Years National Defence Certificate, 1983		–	1,000					–	1,000
<b>Total</b>			457,624,447		1,223,453		–		458,847,900
Quoted Investments - Book Value			54,935,447						56,158,900
Quoted Investments - Market Value *			78,511,702						91,721,743
Aggregate Book Value of Un-quoted Investments			402,689,000						402,689,000

\* Based on last traded price/market price

\$ Represents additional acquisition cost as finalised by the arbitrator vide order dated 15.09.2010.

	As at 31.03.2011		As at 31.03.2010	
<b>SCHEDULE 6 INVENTORIES (At Lower of Cost or Net Realisable Value)</b>				
Stores and Spare Parts - At Cost	<b>22,870,578</b>		20,954,335	
Less : Provision - Non Moving Items	<b>279,413</b>	<b>22,591,165</b>	279,413	20,674,922
Stock				
- Tea	<b>19,543,346</b>		28,106,088	
- Coffee	<b>25,217,951</b>		21,859,970	
- Minor Produce	<b>495,797</b>	<b>45,257,094</b>	422,776	50,388,834
		<b>67,848,259</b>		71,063,756

## Schedules to the Accounts

(Amount in ₹)

	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE 7 SUNDRY DEBTORS (Unsecured)</b>		
Debts outstanding over six months :		
- Considered Good	6,631,178	8,503,299
- Considered Doubtful	2,638,760	2,638,760
Other Debts :		
- Considered Good	12,382,820	27,265,164
	21,652,758	38,407,223
Less : Provision for Doubtful Debts	2,638,760	2,638,760
	19,013,998	35,768,463

<b>SCHEDULE 8 CASH AND BANK BALANCES</b>		
Cheques/Cash in hand	824,380	602,719
With Scheduled Banks		
- Current Accounts	3,503,519	6,633,382
- Unpaid Dividend Accounts	660,705	657,457
- Deposit Accounts (under lien ₹ 83,368/-, Previous year - ₹ 78,103/- )	115,868	110,603
	5,104,472	8,004,161

<b>SCHEDULE 9 LOANS AND ADVANCES</b>		
(Unsecured - Considered Good unless otherwise stated)		
Dues from Subsidiary Companies		
Pranav Infradev Company Private Limited (Maximum Amount outstanding during the year ₹ 2,639,808/-, Previous year - ₹ 2,339,808/-)	2,639,808	2,239,808
Debt of a Subsidiary acquired - Secured	52,427,000	52,427,000
Advances recoverable in cash or in kind or for value to be received*	29,159,569	24,484,653
Fixed Assets held for disposal (net of provision) (at net book value or estimated net realisable value, whichever is lower)	26,346	28,467
Balance with Excise Authority	13,726	45,989
Deposit with NABARD under Tea Development Account	14,370,300	3,000,000
Deposit with Assam Financial Corporation	2,865,000	-
Income Tax Refundable	1,233,337	1,233,337
MAT Credit Entitlement	1,800,000	1,800,000
Advance Tax/Tax Deducted at Source	23,090,610	16,376,682
	127,625,696	101,635,936

\* Includes amount due from an officer of the Company ₹ Nil (Previous year - ₹ 1,59,000/-)  
Maximum amount outstanding at any point of time during the year ₹ 1,59,000/- (Previous year - ₹ 2,55,000/-)

## Schedules to the Accounts

(Amount in ₹)

	As at 31.03.2011		As at 31.03.2010	
<b>SCHEDULE 10 CURRENT LIABILITIES</b>				
Dues to Micro and Small Enterprises		–		–
Other Sundry Creditors		<b>44,551,739</b>		48,499,988
Due to Subsidiaries		–		5,100,000
Unclaimed Dividend (Interest due ₹ Nil) (No Amount is required to be transferred to Investor Education & Protection Fund as on 31.03.2011)		<b>627,006</b>		611,709
Interest accrued but not due on Loans		<b>4,084,356</b>		2,412,761
		<b>49,263,101</b>		56,624,458

	As at 31.03.2011		As at 31.03.2010	
<b>SCHEDULE 11 PROVISIONS</b>				
Proposed Dividend		<b>8,140,618</b>		8,140,618
Tax on Proposed Dividend		<b>2,131,906</b>		1,352,157
Leave		–		2,485,856
Gratuity		<b>5,981,486</b>		21,450,158
Taxation		<b>19,614,872</b>		17,114,872
		<b>35,868,882</b>		50,543,661

## Schedules to the Accounts

(Amount in ₹)

	For the year ended 31.03.2011		For the year ended 31.03.2010	
<b>SCHEDULE 12 SALES</b>				
Tea *		460,958,646		511,720,738
Coffee		24,948,568		11,853,875
Minor Produce/Timber		5,620,594		5,996,672
		491,527,808		529,571,285

\* Sale includes ₹ 1,046,360/- on account of insurance claim received/receivable on 7,105.30 Kgs. of Tea (Previous year - ₹ 463,189/- on 3914.90 Kgs.)

<b>SCHEDULE 13 OTHER INCOME</b>				
Dividend from Long Term Non Trade Investment		929,752		786,740
Rent (TDS - ₹ Nil, Previous year - ₹ Nil)		18,541		9,631
Prior Period Income (Net)		520,472		–
Profit on Sale of Fixed Assets		585,913		59,483
Replantation Subsidy		612,033		604,760
Interest Subsidy		2,990,523		–
Sundry Credit Balances/Liability no longer required written back		66,079		823,173
Miscellaneous Receipts		1,091,249		1,339,270
		6,814,562		3,623,057

<b>SCHEDULE 14 (INCREASE)/DECREASE OF FINISHED GOODS</b>				
Opening Stock				
- Tea	28,106,088		19,249,942	
- Coffee	21,859,970		11,538,555	
- Minor Produce	422,776	50,388,834	384,897	31,173,394
Less : Closing Stock				
- Tea	19,543,346		28,106,088	
- Coffee	25,217,951		21,859,970	
- Minor Produce	495,797	45,257,094	422,776	50,388,834
(Increase) / Decrease of Finished Goods		5,131,740		(19,215,440)

## Schedules to the Accounts

(Amount in ₹)

	For the year ended 31.03.2011	For the year ended 31.03.2010
<b>SCHEDULE 15 CULTIVATION, MANUFACTURING, ADMINISTRATION &amp; SELLING EXPENSES</b>		
Cultivation	54,096,440	52,919,799
Consumption of Stores and Spare Parts	7,613,309	6,546,138
Purchase of Green Leaf	72,409,296	83,203,847
Cess on Green Leaf	3,877,332	3,759,394
Cess on Black Tea	1,099,208	1,308,800
Power & Fuel	34,077,704	36,389,257
Vehicles Maintenance Expenses	7,666,289	6,216,190
Salaries, Wages & Bonus	139,189,412	125,490,491
Contribution to Provident, Gratuity & Other Funds	20,913,658	23,325,257
Labour & Staff Welfare	17,991,230	20,253,983
Repairs - Buildings	7,804,395	5,632,490
- Machinery	7,910,380	9,277,413
- Others	323,458	152,914
Commission, Brokerage, Discount on Sales	7,073,737	7,813,827
Freight & Delivery Charges, Transport Charges	14,021,554	15,338,736
Insurance (including Key Man Insurance premium ₹ 50.00 lacs, Previous year - ₹ Nil)	8,739,981	3,627,366
Rent	689,800	699,800
Rates & Taxes	1,636,461	2,462,539
Directors Fees	172,000	222,000
Bad Debts/Advances/Investments written off	8,600	259,395
Provision for Doubtful Debts further created	-	1,915,912
Loss on Discard of Fixed Assets	-	133,998
Auditor's Remuneration :		
- Audit Fees	441,200	330,900
- Issuance of Certificates	501,865	433,325
- Out of Pocket Expenses	5,019	14,706
Travelling Expenses	3,116,040	3,154,576
Miscellaneous Expenses	16,384,015	19,449,731
	<b>427,762,383</b>	<b>430,332,784</b>



## Schedules to the Accounts

### SCHEDULE 16 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) Use of Estimates

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period in which the results are known/materialised.

##### c) 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.

##### d) 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.

##### e) 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.

##### f) 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) or net realizable value whichever is lower.
- iii) Cost comprises all direct and indirect expenses.
- iv) Net realizable value is the estimated selling price in ordinary course of business less estimated cost of completion and estimated cost necessary to make the sale.
- v) Materials and other items held for use in the production of Inventories are not written down below the cost of the finished products in which they will be incorporated are expected to be sold at or above cost.
- vi) Provision is made for obsolete and slow moving stocks where necessary.

## Schedules to the Accounts

### SCHEDULE 16 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

#### g) 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.

#### h) 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.

#### i) 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.

#### j) 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. Other borrowing costs are charged to profit & loss account in the period they are incurred.

#### k) 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.

#### l) 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.

## Schedules to the Accounts

(Amount in ₹)

### SCHEDULE 16 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

- 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.

#### m) 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.

#### n) 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, 2011 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 :

	2010-11	2009-10
i) Income Tax under appeal*	9,227,985	2,509,035
ii) Sales Tax under appeal	5,325,164	369,000

\* ₹ 74,044/- (Previous year - ₹ 74,044/-) paid under protest.

2. Estimated amount of contract remaining to be executed on capital account and not provided for ₹ 5,195,019/- (31.03.2010 - ₹ 6,435,309/-) (Net of Advances).
3. "Debts of a subsidiary acquired" of ₹ 524.27 lacs in Schedule '9' represents debts of The Cochin Malabar Estates & Industries Limited (CMEI) acquired in financial year 2008-09. 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. The Company is on revival path and parameters to trigger right of recompense are yet to be achieved.
4. 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.
5. As reported last year, the debtor, having an overdue outstanding of ₹52.39 lacs (Previous year - ₹78.36 lacs), has come forward and expressed his willingness to settle the outstanding amount. In terms of settlement the party has paid cheques along with overdue interest. However, the same could not be encashed. Steps are being taken to recover the amount and is considered good of recovery by the management.
6. 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 Hon'ble High Court since assessment year 2004-05. Pending disposal of appeal by the Hon'ble High Court, the Company continues to claim benefit under Section 80-IC which for the year amounts to ₹ 30.19 lacs (till date ₹ 83.59 lacs). The management of the Company does not foresee any additional liability of the income tax at this point.
7. The Company has paid dividend distribution tax to the extent of 40% of the applicable rates based on a similar judgment in case of another tea company. However the Company has continued to provide the dividend distribution tax at applicable rates in view of pendency of identical matter before Hon'ble Supreme Court. As the entire dividend distribution liability is provided, there is no impact on the profit & loss during the year and the management does not foresee any additional liability in this regard.
8. Miscellaneous Expenditure under Schedule - 14 includes revenue expenditure on research and development ₹ 175,206/- (Previous year - ₹ 209,084/-) incurred towards subscription to Tea Research Association.

## Schedules to the Accounts

(Amount in ₹)

### SCHEDULE 16 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

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, 2011	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. The amount of borrowing costs capitalized during the year is ₹ Nil.
11. The exposure of the Company in foreign currency at the end of the year is ₹ Nil (Previous year - ₹ Nil).
12. 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.
13. **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 contributed ₹ 11,644,976/- (Previous year - ₹ 10,276,795/-) for Provident Fund and Pension Fund and ₹ 2,559,300/- (Previous year - ₹ 2,209,555/-) for Superannuation Fund. 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 benefit obligation related to leave liability are funded with Life Insurance Corporation of India.
- 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

(₹ in Lacs)

### SCHEDULE 16 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

#### Disclosure as per Accounting Standard - 15 related to Employee Benefits

Particulars	2010 - 2011	2009 - 2010	
	Gratuity Funded	Funded	Unfunded
<b>Expenses recognised in the Statement of Profit and Loss Account for the year ended 31st March, 2011</b>			
A. Current Service Cost	31.97	21.87	9.04
Interest Cost	37.84	22.51	11.98
Expected return on Plan Assets	(27.12)	(19.13)	–
Expected return on any reimbursement rights recognised as an assets	–	–	–
Actuarial (Gain)/Losses	(0.55)	21.77	2.35
Past Service Cost	–	–	–
Effect of any Curtailment/Settlement	–	–	–
Actuarial (Losses)/Gains on Plan Assets	2.12	0.66	0.01
Unrecognised Defined Benefit Obligation	–	–	–
<b>Expenses recognised in Profit and Loss Account</b>	<b>40.02</b>	<b>47.68</b>	<b>23.38</b>
B. Net (Asset)/Liabilities recognised in Balance Sheet as at 31st March, 2011			
Present Value of the Defined Benefit Obligation	480.06	304.35	161.73
Fair Value of Plan Assets	420.25	251.58	–
Unrecognised Defined Obligation	–	–	–
<b>Net (Asset)/Liabilities recognised in Balance Sheet</b>	<b>59.81</b>	<b>52.77</b>	<b>161.73</b>
C. Changes in the Present Value of Defined Benefit Obligation during the year ended 31st March, 2011			
Present Value of Defined Benefit Obligations as at 1st April, 2010	466.08	258.48	137.87
Current Service Cost	31.97	21.87	9.04
Interest Cost	37.84	22.51	11.98
Actuarial (Gain)/Losses	(0.55)	21.77	2.84
Benefits Paid	(55.28)	(20.28)	–
<b>Present Value of Obligation as at 31st March, 2011</b>	<b>480.06</b>	<b>304.35</b>	<b>161.73</b>
D. Changes in Fair Value of Plan Assets during the year ended 31st March, 2011			
Fair Value of Plan Assets as at 1st April, 2010	251.58	226.83	–
Expected return on Plan Assets	27.12	19.13	–
Actuarial Gain/(Losses)	8.46	(0.66)	–
Past Service Cost	–	–	–
Losses/(Gains) on curtailments liabilities extinguished on settlements	–	–	–
Benefits Paid	(55.28)	(20.28)	–
Settlements	–	–	–
Contributions	188.37	26.56	–
<b>Fair Value of Plan Assets as at 31st March, 2011</b>	<b>420.25</b>	<b>251.58</b>	<b>–</b>
E. Principal Actuarial Assumptions used			
Discount rates as at 31st March, 2011	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%
Mortality Rates	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 & Government Securities	Fund with LIC of India & Government Securities	–



## Schedules to the Accounts

### SCHEDULE 16 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

- (a) Amount not recognised as an asset, because of the limit prescribed in Accounting Standard - 15 (Revised 2005) i.e. Employee Benefits is ₹ 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 ₹ 58.15 lacs to its Gratuity Fund in 2011-12.
- (g) The table below illustrates experience adjustment disclosure as per Para 120 (n) (ii) of Accounting Standard - 15 'Employee Benefits'.

(₹ in Lacs)

	2010-11	2009-10	2008-09	2007-08
Defined benefit obligation	480.06	466.08	309.27	248.72
Plan asset	420.25	251.58	226.83	216.22
Surplus/(Deficit)	59.81	214.50	82.44	32.50
Experience adjustments on plan liability	(0.55)	24.61	44.01	9.36
Experience adjustments on plan asset	2.12	(0.66)	(0.70)	1.25

- (h) Comparative values of defined benefit plans for the past three years instead of four financial years as required by Accounting Standard - 15 (Revised 2005) on Employee Benefits are provided, this being only the fourth year of adoption of the standard.
- (i) The disclosure as required by Para 120 of Accounting Standard -15 "Employee Benefit" have been made to the extent applicable to the Company.

14. The components of deferred tax are as follows :

(Amount in ₹)

	As at 31.03.2011	As at 31.03.2010
<b>Deferred Tax Liability</b>		
Depreciation	3,294,668	4,325,082
<b>Deferred Tax Assets</b>		
43B Items	214,018	826,733
<b>Net Deferred Tax Liability</b>	<b>3,080,650</b>	<b>3,498,349</b>

## Schedules to the Accounts

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### SCHEDULE 16 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

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15. 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)
- Cochin Estates Limited (sub subsidiary)

**(b) Enterprises/Individual having control over the Company**

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

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

- i) Gloster Ltd. (GL)
- ii) PDGD Investments & Trading Private Limited (PDGD)
- iii) Kherapati Vanijya Limited (KVL)

**(d) Key Management Personnel**

- i) Mr. Hemant Bangur - Executive Vice-Chairman
- ii) Mr. K. C. Mohta - Executive Director & C.E.O.

## Schedules to the Accounts

### SCHEDULE 16 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

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

SI.	PARTICULARS	TCCL	KVL	WPVPL	CHPL	MTCL	PDGD	GL	TOCL	KBCL	KMP	Relatives of KMP	CMEI	CBPL	GREPL	PICPL
1	Loans Given / (Received) during the year (Net) Previous Year	-	(8,500,000)	(15,000,000)	(26,500,000)	-	-	-	-	-	-	-	-	-	-	-
2	Loans Received / (Refunded) during the year (Net) Previous Year	-	(10,000,000)	(1,000,000)	30,000,000 (26,500,000)	-	(11,000,000)	-	-	10,000,000	-	-	-	-	-	-
3	Closing balance as on 31.03.2011 - (Loan including Interest Accrued) Previous Year	-	5,000,000 (Cr)	14,000,000 (Cr)	30,000,000 (Cr)	-	-	-	-	10,000,000 (Cr)	-	-	-	-	-	-
4	Advances Given / (Received) during the year (Net) Previous Year	-	-	-	-	-	-	-	-	-	-	-	-	5,100,000 (1,797,195)	-	400,000 1,900,000
5	Closing balance of advance receivable/ (payable) as at 31.03.2011 Previous Year	-	-	-	-	-	-	-	-	-	-	-	-	(5,100,000)	-	2,639,808 2,239,808
6	Interest Expenditure Previous Year	-	841,260 1,866,124	513,054 1,250,137	2,268,768 1,712,084	-	1,065,644	-	-	11,576	-	-	-	-	-	-
7	Rent Paid Previous Year	-	-	-	-	-	-	-	-	661,800 661,800	-	-	-	-	-	-
8	Rent Deposit as at 31.03.2011 Previous Year	-	-	-	-	-	-	-	-	7,500,000 7,500,000	-	-	-	-	-	-
9	Purchase Previous Year	-	-	-	-	-	-	3,890,800 2,962,284	-	-	-	-	-	-	-	-
10	Closing balance of Current Liability as on 31.03.2011 Previous Year	-	-	-	-	-	-	1,170,757	-	-	-	-	-	-	-	-
11	Directors Commission Previous Year	-	-	-	-	-	-	-	-	-	-	175,000	-	-	-	-
12	Dividend Income Previous Year	-	-	-	-	-	-	925,392 634,500	-	-	-	-	-	-	-	-
13	Dividend Paid ** Previous Year	626,798 626,798	-	67,498 67,498	246,310 246,310	135,255 135,255	-	-	938,243 938,243	1,223,423 1,223,423	351,768 351,768	2,620,390 2,620,390	1,800 1,800	-	-	-
14	Balance of Debt Acquired Previous Year	-	-	-	-	-	-	-	-	-	-	-	52,427,000 52,427,000	-	-	-

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

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

Remuneration/sitting fees ₹ 7,676,471/- (31.03.2010 - ₹ 8,774,579/-)

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

## Schedules to the Accounts

(Amount in ₹)

### SCHEDULE 16 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

#### 16. Earnings Per Share

	2010-11	2009-10
a) Profit/(Loss) after taxation as per Profit & Loss Account	20,617,041	62,199,567
b) Number of equity shares outstanding	3,256,247	3,256,247
c) Basic and diluted earnings per share (in ₹) (Face value ₹ 10/- per share)	6.33	19.10

	31.03.2011		31.03.2010	
	Quantity (Kg.)	Value (₹)	Quantity (Kg.)	Value (₹)
17. Turnover				
- Tea (excluding issued to Labour and Staff, Sales Promotion and Tea Waste etc. 28,672 kgs., 31.03.2010 - 20,119 kgs.)	3,850,237	460,958,646	4,301,181	511,720,738
- Coffee	194,530	24,948,568	106,803	11,853,875
- Minor Produce	12,321	1,560,552	10,145	1,205,408
- Timber	-	4,060,042	-	4,791,264
18. 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.	12,374,010	-	14,828,763	-
ii) Green Leaf purchased	4,760,939	72,409,296	5,460,623	83,203,847
19. Stock of Finished Goods				
a) Opening Stock :				
- Tea	417,894	28,106,088	287,490	19,249,942
- Coffee	198,727	21,859,970	109,891	11,538,555
- Minor Produce	12,010	422,776	10,064	384,897
b) Closing Stock :				
- Tea	247,823	19,543,346	417,894	28,106,088
- Coffee	162,838	25,217,951	198,727	21,859,970
- Minor Produce	15,907	495,797	12,010	422,776
20. 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. 28,672 kgs., 31.03.2010 – 20,119 kgs.)	3,680,166	-	4,431,585	-
For sale of Coffee	158,641	-	195,639	-
For sale of Minor Produce	16,218	-	12,091	-
21. CIF Value of Import	-	-	-	-
	Value (₹)	Percentage (%)	Value (₹)	Percentage (%)
22. Value of Stores and Spares parts consumed				
Indigenous	56,314,288	100	60,271,525	100
Imported	-	-	-	-

## Schedules to the Accounts

(Amount in ₹)

### SCHEDULE 16 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd.)

	31.03.2011	31.03.2010
23. a) Earning in Foreign Currency	–	–
b) Expenditure in Foreign Currency :		
- Travelling	442,499	576,740
- Others	65,058	67,354
24. Interest paid includes Interest on Fixed Loans ₹ 9,081,232/- (31.03.2010 – ₹ 11,981,701/-)		
25. Interest expense is net of Interest Income ₹ 814,286/- TDS - ₹ 73,142/- (31.03.2010 – ₹ 217,069/-, TDS – ₹ 9,750/-)		
26. Remuneration to Executive Vice-Chairman and Executive Director :		
i) Salary	4,608,000	4,608,000
ii) Company's Contribution of PF & other funds	1,244,160	1,244,160
iii) Monetary value of perquisites & other benefits	1,824,311	1,268,419
iv) Commission	–	1,654,000
	<b>7,676,471</b>	<b>8,774,579</b>

(Remuneration paid/payable to Executive Vice-Chairman 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.

The remuneration paid to Executive Vice-Chairman and Executive Director are within the limits prescribed under Part II of Schedule XIII of the Companies Act, 1956).

27. Previous year figures have been re-arranged/re-grouped 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 : 4th August, 2011

**S. Bagree**  
Manager (Finance) &  
Company Secretary

**H. Bangur** Executive Vice-Chairman

**M. K. Daga** Director

**Amitabha Ghosh** Director

**M. M. Pyne** Director

**K. C. Mohta** Executive Director



## Balance Sheet Abstract and Company's Business Profile

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

### I. REGISTRATION DETAILS

Registration No.        State Code

Balance Sheet Date

### II. CAPITAL RAISED DURING THE YEAR (Amount in ₹ Thousand)

Public Issue         Bonus Issue

Right Issue         Private Placement

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

Total Liabilities         Total Assets

**Sources of Funds** **Application of Funds**

Paid-up Capital         Net Fixed Assets

Reserves & Surplus         Investments

Secured Loan         Net Current Assets

Unsecured Loans        Miscellaneous Expenditure

Deferred Tax Liability        Accumulated Losses

### IV. PERFORMANCE OF COMPANY (Amount in ₹ Thousand)

Turnover         Total Expenditure

Profit/Loss before Tax        Profit/Loss after Tax

Earnings Per Share (in ₹)       Dividend (%)

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

Item Code No. (ITC Code)

Product Description

**H. Bangur** Executive Vice-Chairman

**M. K. Daga** Director

**Amitabha Ghosh** Director

**M. M. Pyne** Director

**K. C. Mohta** Executive Director

Place : Kolkata  
Dated : 4th August, 2011

**S. Bagree**  
Manager (Finance) &  
Company Secretary

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

	Financial Year ended	Holding Company's Interest
<b>SECTION 212 (1) (e)</b>		
Name of the Subsidiary Companies		
Gloster Real Estates Pvt. Ltd.	31st March, 2011	100.00%
Pranav Infradev Company Pvt. Ltd	31st March, 2011	100.00%
Cowcoody Builders Pvt. Ltd.	31st March, 2011	100.00%
The Cochin Malabar Estates & Industries Ltd.	31st March, 2011	22.94%

<b>SECTION 212 (3) (b)</b>		
Net aggregate amount of Subsidiaries Profit which concern the members of the Holding Company and not dealt with in the Company Accounts	For the Financial year ended 31st March, 2011 (₹)	For the previous Financial Years (₹)
Gloster Real Estates Pvt. Ltd.	(185,890)	(186,632)
Pranav Infradev Company Pvt. Ltd.	(101,828)	(11,316)
Cowcoody Builders Pvt. Ltd.	2,515,621	1,349,356
The Cochin Malabar Estates & Industries Ltd.	33,945,174	13,160,331

<b>SECTION 212 (3) (c)</b>		
Net aggregate amount of Subsidiaries Profit dealt with in the Company Account		
Gloster Real Estates Pvt. Ltd.	Nil	Nil
Pranav Infradev Company Pvt. Ltd.	Nil	Nil
Cowcoody Builders Pvt. Ltd.	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.

**H. Bangur** *Executive Vice-Chairman*

**M. K. Daga** *Director*

**Amitabha Ghosh** *Director*

**M. M. Pyne** *Director*

**K. C. Mohta** *Executive Director*

Place : Kolkata  
Dated : 4th August, 2011

**S. Bagree**  
*Manager (Finance) &  
Company Secretary*

## 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, 2011 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 ₹ 41,19,90,826/- as at 31st March, 2011, total revenues of ₹ 84,05,996/- and net cash inflow of ₹ 16,07,482/- 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 3rd August, 2011 for the year ended 31st March, 2011.*
  - i) *Depreciation to the tune of ₹ 13.19 lacs in respect of Rubber Wood divisions and Kinalur Estate of Rubber division has not been provided during the year. (Refer point no 3 in schedule 15)*
  - ii) *The auditors are unable to express an opinion about the profitability of the Kinalur Estate, the physical conditions of the assets of the estate and adjustment arising out of cancellation of contract as detailed in Note No.14 of Schedule 15.*
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, 2011;
  - 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 and on behalf of  
**SINGHI & CO.**  
*Chartered Accountants*  
Firm Registration No. 302049E  
**Pradeep Kumar Singhi**  
*Partner*  
Membership No. - 50773

Place : Kolkata  
Dated : 4th August, 2011

## Consolidated Balance Sheet as at 31st March, 2011

(Amount in ₹)

	Schedule	As at 31.03.2011		As at 31.03.2010	
<b>I. SOURCES OF FUNDS</b>					
<b>(1) Shareholders' Funds :</b>					
(a) Share Capital	1	32,562,471		32,336,471	
(b) Share Suspense	1A	–		226,000	
(c) Reserves and Surplus	2	909,121,145	941,683,616	888,447,095	921,009,566
Minority Interest			186,622,296		160,641,520
<b>(2) Loan Funds :</b>					
Secured Loan	3		146,477,055		159,874,891
Unsecured Loan	3A		229,500,000		136,500,000
<b>(3) Deffered Tax Liability</b>					
			3,080,650		3,498,349
<b>TOTAL</b>			<b>1,507,363,617</b>		<b>1,381,524,326</b>
<b>II. APPLICATION OF FUNDS</b>					
Goodwill on Consolidation			9,200,730		7,977,277
<b>(1) Fixed Asset :</b>					
(a) Gross Block	4	1,817,630,208		1,763,152,849	
(b) Less : Depreciation		331,239,440		308,819,551	
(c) Net Block		1,486,390,768		1,454,333,298	
(d) Capital Work-in-Progress		6,286,097	1,492,676,865	20,700,997	1,475,034,295
<b>(2) Investments</b>					
			6,199,001		6,199,001
<b>(3) Current Assets, Loans &amp; Advances :</b>					
(a) Inventories	5	100,021,155		98,348,717	
(b) Sundry Debtors	6	30,692,972		42,001,999	
(c) Cash and Bank Balances	7	13,165,988		17,620,466	
(d) Loans and Advances	8	163,471,791		64,389,879	
		307,351,906		222,361,061	
<b>Less : Current Liabilities &amp; Provisions :</b>					
(a) Current Liabilities	9	227,144,950		234,856,511	
(b) Provisions	10	80,919,935		95,190,797	
		308,064,885		330,047,308	
Net Current Assets			(712,979)		(107,686,247)
<b>TOTAL</b>			<b>1,507,363,617</b>		<b>1,381,524,326</b>

### 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 : 4th August, 2011

H. Bangur Executive Vice-Chairman

M. K. Daga Director

Amitabha Ghosh Director

M. M. Pyne Director

K. C. Mohta Executive Director

S. Bagree  
Manager (Finance) &  
Company Secretary

## Consolidated Profit & Loss Account for the year ended 31st March, 2011

(Amount in ₹)

	Schedule	For the year ended 31.03.2011		For the year ended 31.03.2010	
<b>INCOME</b>					
Sales	11	695,942,181		715,334,218	
Other Income	12	17,662,778	713,604,959	39,031,458	754,365,676
<b>EXPENDITURE</b>					
(Increase)/Decrease of Finished Goods	13	(990,062)		(17,858,498)	
Cultivation, Manufacturing, Administration, and Selling Expenses	14	588,471,503		614,424,198	
Interest		42,013,616		41,826,571	
Depreciation (Net of ₹ 443,884/- transferred to Revaluation Reserve)		24,239,407	653,734,464	23,670,404	662,062,675
<b>Profit before Taxation</b>			59,870,495		92,303,001
<b>Provision for Taxation</b>					
Current Year			3,685,000		10,729,677
Earlier Year			43,254		143,241
(Excess)/Short Tax Provision of earlier year written back			-		(7,131)
Fringe Benefit Tax			-		3,550
Deferred Tax			(417,699)		4,922,358
<b>Profit after Taxation</b>			56,559,940		76,511,306
Balance brought forward from last Account		34,034,642		7,157,462	
Less : Minority Interest		(25,980,776)	8,053,866	(10,141,351)	(2,983,889)
			64,613,806		73,527,417
<b>APPROPRIATIONS</b>					
Proposed Dividend		8,140,618		8,140,618	
Tax on Proposed Dividend		1,320,612	9,461,230	1,352,157	9,492,775
General Reserve			10,000,000		30,000,000
<b>Balance Carried Forward</b>			45,152,576		34,034,642
Earnings per Equity Share of ₹ 10/- each					
Basic & Diluted (₹) (Refer Note No. 24 of Schedule - 15)			9.39		20.38

### 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 : 4th August, 2011

H. Bangur Executive Vice-Chairman

M. K. Daga Director

Amitabha Ghosh Director

M. M. Pyne Director

K. C. Mohta Executive Director

S. Bagree  
Manager (Finance) &  
Company Secretary



## Consolidated Cash Flow Statement for the year ended 31st March, 2011

(Amount in ₹)

	As at 31.03.2011		As at 31.03.2010	
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax and extra ordinary items		<b>59,870,495</b>		92,303,001
Adjustments for :				
Depreciation	<b>24,239,407</b>		23,670,404	
Loss/( Profit) on Sale/Discard of Fixed Assets (Net)	<b>(4,893)</b>		11,390,938	
Interest and Dividend Income	<b>(1,770,877)</b>		(1,085,182)	
Interest charged	<b>42,013,616</b>		41,826,571	
Interest Subsidy	<b>(2,990,523)</b>		–	
Investment written off	–		10,200	
Sundry Credit Balances no longer required written back	<b>(659,734)</b>		(30,004,845)	
Bad Debts & Provision for Doubtful Debts/Advances	<b>19,461</b>	<b>60,846,457</b>	3,150,979	48,959,065
<b>Operating Profit before working capital changes</b>		<b>120,716,952</b>		141,262,066
Adjustments for :				
Trade and other Receivables	<b>(7,845,173)</b>		(12,193,466)	
Inventories	<b>(1,672,438)</b>		(21,883,772)	
Trade Payables	<b>(27,517,584)</b>	<b>(37,035,195)</b>	32,248,690	(1,828,548)
<b>Cash Generated from Operations</b>		<b>83,681,757</b>		139,433,518
Direct Taxes (Paid)/Refund received (Net)		<b>(7,888,773)</b>		(8,425,003)
<b>Net Cash from Operating Activities</b>		<b>75,792,984</b>		131,008,515
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets/WIP	<b>(43,069,837)</b>		(44,618,811)	
Sale of Fixed Assets	<b>748,869</b>		401,578	
Purchase of Investments in subsidiary Company	<b>(1,223,453)</b>		–	
Advance received/(paid)	<b>(60,000,000)</b>		–	
Interest Received	<b>741,144</b>		296,771	
Dividend Received	<b>956,591</b>		802,612	
<b>Net cash used in Investing Activities</b>		<b>(101,846,686)</b>		(43,117,850)
		<b>(26,053,702)</b>		87,890,665

## Consolidated Cash Flow Statement for the year ended 31st March, 2011

(Amount in ₹)

	As at 31.03.2011	As at 31.03.2010
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	67,011,500	8,569,515
Payments of Long Term Borrowings	(55,623,598)	(43,307,390)
Proceeds from/(payments) to Other Borrowings (Net)	59,332,645	(1,320,903)
Interest paid	(40,460,404)	(42,342,563)
Dividends Paid (including Tax on Dividend)	(8,669,432)	(5,674,808)
<b>Net Cash from/(used in) Financing Activities</b>	<b>21,590,711</b>	<b>(84,076,149)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(4,462,991)</b>	<b>3,814,516</b>
Cash and Cash Equivalents - Opening Balance	16,884,906	13,070,390
Cash and Cash Equivalents - Closing Balance	12,421,915	16,884,906

### Notes :

- 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.
- 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.
- Previous year's figures have been re-grouped/re-arranged wherever necessary
- Cash and cash equivalents consists of :

Particulars	2010-11	2009-10
Cheques/Cash in hand	1,209,197	1,023,642
Bank Balance	8,650,218	15,798,764
Deposit	2,562,500	62,500
Total	12,421,915	16,884,906

This is the Cash Flow Statement 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 : 4th August, 2011

**H. Bangur** Executive Vice-Chairman

**M. K. Daga** Director

**Amitabha Ghosh** Director

**M. M. Pyne** Director

**K. C. Mohta** Executive Director

**S. Bagree**  
Manager (Finance) &  
Company Secretary

## Consolidated Schedules to the Accounts

(Amount in ₹)

	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE 1 SHARE CAPITAL</b>		
<b>Authorised</b>		
1,12,49,000 Ordinary Shares of ₹ 10/- each	112,490,000	112,490,000
35,000 Ordinary Shares of ₹ 100/- each	3,500,000	3,500,000
50,000 Redeemable Cumulative Preference Shares of ₹ 10/- each	500,000	500,000
100 13.5% Redeemable Cumulative Preference Shares of ₹ 100/- each	10,000	10,000
	<b>116,500,000</b>	<b>116,500,000</b>
<b>Issued and Subscribed</b>		
32,56,247 Ordinary Shares of ₹ 10/- each fully paid-up	32,562,471	32,336,471
	<b>32,562,471</b>	<b>32,336,471</b>

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 Limited 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 ₹ 10/- each have been allotted during the financial year 2006-07 pursuant to a scheme of arrangement/amalgamation effective from 01.10.2006.
- 4) 22,600 fully paid up Equity Shares of ₹ 10/-each has been allotted during the year pursuant to scheme of amalgamation for consideration other than cash.

<b>SCHEDULE 1A SHARE SUSPENSE</b>		
22,600 fully paid-up Equity shares of ₹ 10/- each (Above shares have been allotted during the year)	-	226,000
	-	226,000

	Balance as on 31.03.2010	Additions during the year	Deductions/ Adjustments during the year	Balance as on 31.03.2011
<b>SCHEDULE 2 RESERVES AND SURPLUS</b>				
Capital Reserve	593,848,150	-	-	593,848,150
Capital Redemption Reserve	41,600	-	-	41,600
Revaluation Reserve (Created on Revaluation of Land)	39,908,816	-	443,884	39,464,932
Securities Premium Account	24,701,440	-	-	24,701,440
General Reserve	195,912,447	10,000,000	-	205,912,447
Profit and Loss Account	34,034,642	45,152,576	34,034,642	45,152,576
	888,447,095	55,152,576	34,478,526	909,121,145

## Consolidated Schedules to the Accounts

(Amount in ₹)

	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE 3 SECURED LOAN</b>		
<b>From Banks</b>		
<b>Over Draft/Cash Credit</b>		
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 present and future moveable plant & machinery, furniture and other equipments, moveable property of any kind and equitable mortgage/chagre created by depositing title deeds of Joonktollee Tea Esate, Assam)	40,081,465	37,615,181
b) 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 a wholly owned subsidiary and further backed by their Corporate Guarantee)	19,851,201	18,288,023
c) 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, Assam)	22,355,517	17,052,334
<b>Corporate Loan (New)</b>		
d) 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/chagre created by depositing title deeds of Joonktollee Tea Esate, Assam) (Loan repayable within one year ₹ 3,00,00,000/-)	45,000,000	70,000,000
Interest Accrued and Due	524,520	642,903
Vehicle Loan from ICICI Bank (Secured by hypothication of Vehicle purchase)	420,352	1,043,950
Loan from Life Insurance Corporation of India (Against assignment of Key man insurance policy in favour of the lender)	18,244,000	15,232,500
	<b>146,477,055</b>	<b>159,874,891</b>

<b>SCHEDULE 3A UNSECURED LOAN</b>		
<b>Other Loans</b>		
Inter Corporate Deposit - Long Term	64,000,000	30,000,000
Short Term	165,500,000	106,500,000
	<b>229,500,000</b>	<b>136,500,000</b>

## Consolidated Schedules to the Accounts

(Amount in ₹)

### SCHEDULE 4 FIXED ASSETS

Particulars of Assets	COST				DEPRECIATION				NET BLOCK	
	Original Cost as on 31.03.2010	Additions	Disposal/ Adjustments	Total as on 31.03.2011	Upto 31.03.2010	For The Year	Disposal/ Adjustments	Total as on 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land-Freehold & Leasehold * #	1,118,534,652	2,613,027	-	1,121,147,679	-	-	-	-	1,121,147,679	1,118,534,652
Land & Building	53,162,230	-	-	53,162,230	5,639,971	-	-	5,639,971	47,522,259	47,522,259
Plantation/ Development	55,086,601	17,944,623	581,020	72,450,204	-	-	-	-	72,450,204	55,086,601
Seeding Ponds	-	-	-	-	-	-	-	-	-	-
Buildings, Roads, Factory & Water Supply	252,790,072	15,815,053	-	268,605,125	106,006,111	7,985,760	-	113,991,871	154,613,254	146,783,961
Plant & Machinery & Electrical Installation	222,140,531	\$14,359,839	744,273	235,756,097	156,831,901	10,774,444	690,516	166,915,829	68,840,268	65,308,630
Furniture, Fittings & Office Equipments	19,478,784	517,221	20,250	19,975,755	12,948,225	1,269,857	19,569	14,198,513	5,777,242	6,530,559
Vehicles	39,170,636	4,173,915	1,661,835	41,682,716	25,924,033	3,899,745	1,553,317	28,270,461	13,412,255	13,246,603
Intangible Assets	2,789,343	2,061,059	-	4,850,402	1,469,310	753,485	-	2,222,795	2,627,607	1,320,033
<b>Total</b>	1,763,152,849	57,484,737	3,007,378	1,817,630,208	308,819,551	24,683,291	2,263,402	331,239,440	1,486,390,768	1,454,333,298
Previous Year	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	

\* Land-Freehold & Leasehold as on 31.03.2011 includes Freehold Land ₹ 342,761,596/- (Previous year - ₹ 341,008,518/-), Leasehold Land ₹ 774,602,113/- (Previous year - ₹ 477,414,971/-) and the balance ₹ 10,67,166/- (Previous Year - ₹ 10,67,166/-) cannot be distinguished between freehold and leasehold. Also includes land worth ₹103,777/- (Previous year - ₹ 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 ₹ 2,25,320/- (Previous year - ₹ 2,25,320/-) 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.

§ After adjusting ₹ 595,880/- towards capital subsidy against Fixed Assets.

	As at 31.03.2011		As at 31.03.2010	
<b>SCHEDULE 5 INVENTORIES</b> (At Lower of Cost or Net Realisable Value)				
Stores and Spare Parts - At Cost	<b>31,353,068</b>		30,670,692	
Less : Provision - Non Moving Items	<b>279,413</b>	<b>31,073,655</b>	279,413	30,391,279
Stock				
- Tea	<b>23,670,202</b>		34,370,613	
- Coffee	<b>25,621,655</b>		21,859,970	
- Rubber	<b>19,159,846</b>		11,304,079	
- Minor Produce	<b>495,797</b>	<b>68,947,500</b>	422,776	67,957,438
		<b>100,021,155</b>		98,348,717

## Consolidated Schedules to the Accounts

(Amount in ₹)

	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE 6 SUNDRY DEBTORS (Unsecured)</b>		
Debts outstanding over six months :		
- Considered Good	6,784,050	8,666,171
- Considered Doubtful	2,638,760	2,638,760
Other Debts		
- Considered Good	23,908,922	33,335,828
	33,331,732	44,640,759
Less : Provision for Doubtful Debts	2,638,760	2,638,760
	30,692,972	42,001,999

	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE 7 CASH AND BANK BALANCES</b>		
Cheques/Cash in Hand	1,209,197	1,023,642
With Scheduled Banks		
- Current Accounts	8,650,218	15,798,764
- Unpaid Dividend Accounts	660,705	657,457
- Deposit Accounts (under lien ₹ 83,368/-, Previous year - ₹ 78,103/-)	2,645,868	140,603
	13,165,988	17,620,466

	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE 8 LOANS AND ADVANCES</b>		
(Unsecured - Considered Good unless otherwise stated)		
Loans to Body Corporates	9,000,000	-
Advance against purchase of Land	60,000,000	-
Advances recoverable in cash or in kind or for value to be received*	46,940,387	38,948,164
Fixed Assets held for disposal (at net book value or estimated net realisable value, whichever is lower)	67,838	69,959
Balance with Excise Authority	13,726	45,989
Deposit with NABARD under Tea Development Account	14,370,300	3,000,000
Deposit with Assam Financial Corporation	2,865,000	-
Income Tax Refundable	1,233,337	1,233,337
MAT Credit Entitlement	1,800,000	1,800,000
Advance Tax/Tax Deducted at Source	27,181,203	19,292,430
	163,471,791	64,389,879

\* Includes amount due from an officer of the Company ₹ Nil (Previous year - ₹ 1,59,000/-)

Maximum amount outstanding at any point of time during the year ₹ 1,59,000/- (Previous year - ₹ 2,55,000/-)



## Consolidated Schedules to the Accounts

(Amount in ₹)

	As at 31.03.2011		As at 31.03.2010	
<b>SCHEDULE 9 CURRENT LIABILITIES</b>				
Dues to Micro and Small Enterprises		-		-
Other Sundry Creditors		<b>222,433,588</b>		231,832,041
Unclaimed Dividend (Interest due ₹ Nil) (No Amount is required to be transferred to Investor Education & Protection Fund as on 31.03.2011 )		<b>627,006</b>		611,709
Interest accrued but not due on Loans		<b>4,084,356</b>		2,412,761
		<b>227,144,950</b>		234,856,511

	As at 31.03.2011		As at 31.03.2010	
<b>SCHEDULE 10 PROVISIONS</b>				
Proposed Dividend		<b>8,140,618</b>		8,140,618
Tax on Proposed Dividend		<b>2,131,906</b>		1,352,157
Leave		-		2,485,856
Gratuity		<b>33,270,486</b>		48,173,022
Taxation		<b>28,454,800</b>		24,802,777
Others		<b>8,922,125</b>		10,236,367
		<b>80,919,935</b>		95,190,797

## Consolidated Schedules to the Accounts

(Amount in ₹)

	For the year ended 31.03.2011		For the year ended 31.03.2010	
<b>SCHEDULE 11 SALES</b>				
Tea *		482,452,719		539,325,373
Coffee		24,948,568		11,853,875
Rubber		172,693,262		149,829,819
Minor Produce/Trees		15,847,632		14,325,151
		<b>695,942,181</b>		<b>715,334,218</b>

\* Sale includes ₹ 1,046,360/- on account of insurance claim received/receivable on 7,105.30 Kgs. of Tea (Previous year - ₹ 463,189/- on 3914.90 Kgs.)

<b>SCHEDULE 12 OTHER INCOME</b>				
Rent (TDS ₹ 7,03,220/- Previous year - ₹ 7,57,824/-)		7,424,216		5,274,153
Replantation Subsidy/Subsidy from Tea Board		612,033		604,760
Prior Period Income		520,472		-
Dividend from Long Term Non Trade Investment		956,591		802,612
Profit on Sale of Fixed Assets		585,913		121,087
Interest Subsidy		2,990,523		-
Sundry Credit Balances no longer required written back		659,734		30,004,845
Miscellaneous Receipts		3,913,296		2,224,001
		<b>17,662,778</b>		<b>39,031,458</b>

<b>SCHEDULE 13 (INCREASE)/DECREASE OF FINISHED GOODS</b>				
Opening Stock				
- Tea	34,370,613		22,220,324	
- 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	50,098,940
Less : Closing Stock				
- Tea	23,670,202		34,370,613	
- Coffee	25,621,655		21,859,970	
- Rubber	19,159,846		11,304,079	
- Minor Produce	495,797		422,776	
- Treated - Rubberwood	-	68,947,500	-	67,957,438
(Increase)/Decrease of Finished Goods		<b>(990,062)</b>		<b>(17,858,498)</b>

## Consolidated Schedules to the Accounts

(Amount in ₹)

	For the year ended 31.03.2011		For the year ended 31.03.2010	
<b>SCHEDULE 14 CULTIVATION, MANUFACTURING, ADMINISTRATION &amp; SELLING EXPENSES</b>				
Cultivation		54,166,107		52,972,089
Consumption of Stores and Spare Parts		27,316,457		27,582,027
Purchase of Green Leaf		89,513,383		106,062,809
Cess on Green Leaf		3,877,332		3,759,394
Cess on Black Tea		1,099,208		1,308,800
Power & Fuel		39,568,486		42,293,105
Vehicles Maintenance Expenses		9,735,006		8,207,021
Salaries, Wages & Bonus		217,258,163		205,242,028
Contribution to Provident, Gratuity & Other Funds		31,782,691		36,640,121
Labour & Staff Welfare		24,042,581		25,482,011
Repairs - Buildings		14,449,269		10,423,590
- Machinery		9,748,866		10,980,027
- Others		329,513		154,896
Commission, Brokerage, Discount on Sales		7,262,821		8,148,175
Freight & Delivery Charges, Transport Charges		14,952,622		16,013,597
Insurance (including Key Man Insurance premium ₹ 50.00 lacs, Previous year - ₹ Nil)		9,232,037		3,986,571
Rent		1,102,505		994,402
Rates & Taxes		2,967,607		4,161,563
Director's Fees		248,000		312,000
Bad Debts/Advances/Excise Duty written off		19,461		1,235,067
Provision for Doubtful Debts further created		-		1,915,912
Loss on Sale of Fixed Assets/Discard of Fixed Assets		581,020		11,512,745
Auditor's Remuneration :				
- Audit Fees		595,230		413,515
- Tax Audit		35,000		123,240
- Issuance of Certificate		581,865		553,808
- Out of Pocket Expenses		26,546		125,841
Prior Period Expenses		822,678		3,768,163
Travelling Expenses		3,807,620		3,969,071
Miscellaneous Expenses		23,349,429		26,082,610
		<b>588,471,503</b>		<b>614,424,198</b>

## Consolidated Schedules to the Accounts

### SCHEDULE 15 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) Use of Estimates

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period in which the results are known/materialized.

##### c) 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. Subsidies received in respect of fixed assets are deducted from the cost of respective assets.
- 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.
- iii) Fixed Asset taken on lease (other than land taken on perpetual lease) is not capitalized and the annual lease rentals are absorbed in the Profit & Loss Account. The excess of lease rentals paid over the amount accrued in respect thereof is treated as prepaid lease rental.

###### Depreciation

- iv) 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. No depreciation has been provided in respect of Rubber Wood Division and Kinalur Estate of Rubber Division during the year since these divisions are not in operation.
- v) 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.
- vi) Intangible assets are being amortized over a period of 5 years.

##### d) 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.

##### e) 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.

##### f) Inventories

- i) Stock of finished rubber, tea, coffee and other 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) or net realizable value whichever is lower.
- iii) Cost comprises all direct and indirect expenses.
- iv) Net realizable value is the estimated selling price in ordinary course of business less estimated cost of Completion and estimated cost necessary to make the sale.
- v) Materials and other items held for use in the production of Inventories are not written down below the Costs of the finished products in which they will be incorporated are expected to be sold at or above cost.
- vi) Provision is made for obsolete and slow moving stocks where necessary.

## Consolidated Schedules to the Accounts

### SCHEDULE 15 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS (Contd.)

#### g) 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.

#### h) 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. Dividend from Companies is accounted as income in the year in which they are received.

#### i) 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.

#### j) 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. Other borrowing costs are charged to profit & loss account in the period they are incurred.

#### k) 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 recognized, 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 recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Tax credit for Minimum Alternate Tax (MAT) is recognized when there is convincing evidence of its realisability against future normal tax liability.

#### l) 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.

## Consolidated Schedules to the Accounts

(Amount in ₹)

### SCHEDULE 15 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS (Contd.)

#### m) 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.

#### n) 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, 2011 and Profit & Loss Account for the year ended on that date.

- 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 subsidiaries as detailed below :-

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, 2011
Cowcoody Builders Pvt. Ltd. (CBPL)	India	100.00%	year ended 31st March, 2011
Pranav Infradev Co. Pvt. Ltd. (PICPL)	India	100.00%	year ended 31st March, 2011
The Cochin Malabar Estates & Ind. Ltd. (CMEI)*	India	22.94%	year ended 31st March, 2011

\* CMEI is subsidiary by virtue of control of the board of directors.

- Goodwill amounting to ₹ 92,00,730/- 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. The addition in goodwill during the year is on account of additional payment towards purchase price of shares of a subsidiary.
- 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 ₹ 13.19 lacs (cumulative amount not provided till 31.03.2011 ₹ 65.73 lacs) which has not been provided in the books in view of no operation in the divisions.

- Contingent Liability not provided for -

Claims against the Company not acknowledged as debts :

	2010-11	2009-10
i) Income Tax under appeal*	9,227,985	2,509,035
ii) Sales Tax under appeal	5,518,728	369,000
iii) Claims of Creditors & workers	2,525,057	942,740
iv) Central Sales Tax	213,331	213,331
v) Commitment towards future lease rentals	464,733	552,233
vi) Seigniorage Charges (Kerala Forest Dept.)	8,402,033	5,362,033
vii) P. F. Damages	6,241,601	6,032,813
viii) Lease Rent	1,886,975	-

\* ₹ 74,044/- paid under protest.



## Consolidated Schedules to the Accounts

(Amount in ₹)

### SCHEDULE 15 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS (Contd.)

5. Estimated amount of contract remaining to be executed on capital account and not provided for ₹ 5,195,019/- (31.03.2010 - ₹ 6,435,309/-) (Net of Advances).
6. 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.
7. 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, 2011	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.

8. As reported last year, the debtor, having an overdue outstanding of ₹ 52.39 lacs (Previous year - ₹ 78.36 lacs), has come forward and expressed his willingness to settle the outstanding amount. In terms of settlement the party has paid cheques along with overdue interest. However, the same could not be encashed. Steps are being taken to recover the amount and are considered good of recovery by the management.
9. 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 Hon'ble High Court since assessment year 2004-05. Pending disposal of appeal by the Hon'ble High Court, the Company continues to claim benefit under Section 80-IC which for the year amounts to ₹ 30.19 lacs (till date ₹ 83.59 lacs). The management of the Company does not foresee any additional liability of the income tax at this point.
10. The Company has paid dividend distribution tax to the extent of 40% of the applicable rates based on a similar judgment in case of another tea company. However the Company has continued to provide the dividend distribution tax at applicable rates in view of pendency of identical matter before Hon'ble Supreme Court. As the entire dividend distribution liability is provided, there is no impact on the profit & loss during the year and the management does not foresee any additional liability in this regard.
11. Miscellaneous Expenditure under Schedule - 14 includes revenue expenditure on research and development ₹ 175,206/- (Previous year - ₹ 209,084/-) incurred towards subscription to Tea Research Association.
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. From 2009-2010 CMEI had 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. The expenditure incurred for replanting as per the said plan has been capitalized as the benefit of the same shall accrue over a very long period of time.
14. The Memorandum of Understanding for sale of Kinalur Estate to Mr. P. K. C. Ahammed Kutty has been terminated by the Company and other statutory bodies in earlier years due to non-fulfillment of obligations on his part. As mentioned in previous year, the Hon'ble High Court of Kerala vide its Order and Judgment both dated 25th November, 2009 dismissed the suit and closed all interlocutory applications in respect of Kinalur Estate of the Company and accordingly the Receiver appointed was also released. Aggrieved by the

## Consolidated Schedules to the Accounts

### SCHEDULE 15 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS (Contd.)

High Court Order, some of the Applicants have filed Appeal before the Division Bench of the High Court. Also some other Applicants have filed suit before the Sub-Court, Koyilandy and Kozhikode against Mr. P. K. C. Ahammed Kutty in respect of Kinalur Estates impleading the Company.

Pending finalization of the matter the amount so received continues to be shown under 'Current Liabilities'.

15. The Rubber Wood Factory of CMEI has not been in operation for nearly 13 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.
16. CMEI has received notice from the Directorate of Revenue Intelligence prohibiting any alteration / disposal of certain assets of CIF value approximately ₹ 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 ₹ 30, 29,925/- by the Department.
17. The amount of borrowing costs capitalized during the year is ₹ Nil.
18. The exposure of the Company in foreign currency at the end of the year is ₹ Nil (Previous year - ₹ Nil).
19. **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 recognized ₹ 17,521,239/- (Previous year - ₹ 15,961,356/-) for Provident Fund contribution and ₹ 2,730,084/- (Previous year - ₹ 2,209,555/-) 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 benefit obligation related to leave liability is funded with Life Insurance Corporation of India of holding Company however the leave liability of CMEI is unfunded.
- 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

(₹ in Lacs)

### SCHEDULE 15 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS (Contd.)

#### Disclosure as per Accounting Standard - 15 related to Employee Benefits

Particulars	2010-2011		2009-2010	
	Gratuity		Gratuity	
Expenses recognised in the Statement of Profit & Loss Account for the year ended 31st March, 2011	Funded	Unfunded	Funded	Unfunded
A. Current Service Cost	51.39	–	39.85	9.04
Interest Cost	62.68	–	48.87	11.98
Expected return on Plan Assets	(32.74)	–	(24.44)	–
Expected return on any reimbursement rights recognised as an assets	–	–	–	–
Actuarial (Gain)/Losses	4.75	–	24.20	2.35
Past Service Cost	–	–	27.23	7.61
Effect of any Curtailment/Settlement	–	–	–	–
Actuarial (Losses)/Gains on Plan Assets	(2.12)	–	0.66	0.01
Unrecognised Defined Benefit Obligation	–	–	–	–
<b>Expenses recognised in Profit and Loss Account</b>	<b>83.96</b>	<b>4.28</b>	<b>116.37</b>	<b>30.99</b>
B. Net (Asset)/Liabilities recognised in Balance Sheet as at 31st March, 2011				
Present Value of the Defined Benefit Obligation	810.27	–	644.53	161.73
Fair value of Plan Assets	477.57	–	324.53	–
Unrecognised Defined Obligation	–	–	–	–
<b>Net (Asset)/Liabilities recognised in Balance Sheet</b>	<b>332.70</b>	<b>–</b>	<b>320.00</b>	<b>161.73</b>
C. Changes in the Present Value of Defined Benefit Obligation during the year ended 31st March, 2011				
Present Value of Defined Benefit Obligations as at 1st April, 2010	806.26	–	560.71	137.87
Current Service Cost	51.39	–	39.85	9.04
Past Service Cost	–	–	27.23	–
Interest Cost	62.68	–	48.87	11.98
Actuarial Gain/(Losses)	4.51	–	21.72	2.84
Benefits Paid	(114.57)	–	(53.85)	–
<b>Present Value of Obligation as at 31st March, 2011</b>	<b>810.27</b>	<b>–</b>	<b>644.53</b>	<b>161.73</b>
D. Changes in Fair Value of Plan Assets during the year ended 31st March, 2011				
Fair Value of Plan Assets as at 1st April, 2010	324.53	–	303.23	–
Expected return on Plan Assets	32.74	–	24.44	–
Actuarial Gain/(Losses)	8.22	–	(3.14)	–
Past Service Cost	–	–	–	–
Losses/(Gains) on curtailments liabilities extinguished on settlements	–	–	–	–
Benefits Paid	(114.57)	–	(53.85)	–
Settlements	–	–	–	–
Contributions	226.65	–	53.85	–
<b>Fair Value of Plan Assets as at 31st March, 2011</b>	<b>477.57</b>	<b>–</b>	<b>324.53</b>	<b>–</b>
E. Principal Actuarial Assumptions used				
Discount rates as at 31st March, 2011	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

### SCHEDULE 15 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS (Contd.)

- (a) Amount not recognized as an asset, because of the limit prescribed in Accounting Standard 15 (Revised 2005) i.e. Employee Benefits is ₹ 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 ₹ 58.15 lacs to its gratuity fund in 2011-12.
- (g) The table below illustrates experience adjustment disclosure as per Para 120 (n) (ii) of Accounting Standard 15 - Employee Benefits.

	2010-11	2009-10	2008-09	2007-08
Defined benefit obligation	810.27	806.26	309.27	248.72
Plan assets	477.57	324.53	226.83	216.22
Surplus/(Deficit)	332.70	481.73	82.44	32.50
Experience adjustments on plan liabilities	(5.61)	24.56	44.01	9.36
Experience adjustments on plan assets	8.22	(3.14)	(0.70)	1.25

(₹ in Lacs)

- (h) Comparative values of defined benefit plans for the past three years instead of four financial years as required by Accounting Standard - 15 (Revised 2005) on Employee Benefits are provided, this being only the fourth year of adoption of the Standard.
- (i) The disclosure as required by Para 120 of Accounting Standard -15 "Employee Benefits" has been made to the extent applicable to the Company.

20. The components of deferred tax are as follows :

(Amount in ₹)

	As at 31.03.2011	As at 31.03.2010
<b>Deferred Tax Liability</b>		
Depreciation	3,294,668	4,325,082
<b>Deferred Tax Assets</b>		
43B Items	214,018	826,733
Net Deferred Tax Liability	3,080,650	3,498,349

## Consolidated Schedules to the Accounts

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### SCHEDULE 15 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS (Contd.)

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21. Related party disclosures as required by AS - 18 "Related Party Disclosures" are given below :

**Relationships**

**(a) Enterprises/Individual having control over the Company**

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

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

- i) Gloster Ltd. (GL)
- ii) PDGD Investments & Trading Private Limited (PDGD)
- iii) Kherapati Vanijya Limited (KVL)

**(c) Key Management Personnel**

- i) Mr. Hemant Bangur - Executive Vice-Chairman
- ii) Mr. K. C. Mohta - Executive Director & C.E.O.

## Consolidated Schedules to the Accounts

### SCHEDULE 15 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS (Contd.)

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

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

SI.	PARTICULARS	TCICL	KVL	WPVPL	CHPL	MTCL	PDGD	GL	TOCL	KBCL	KMP	Relatives of KMP
1	Loans Given/(Received) during the year (Net) Previous Year	-	(8,500,000)	(15,000,000)	(26,500,000)	-	-	-	-	-	-	-
2	Loans Received/(Refunded) during the year (Net) Previous Year	-	12,500,000	(1,000,000) 20,000,000	14,000,000 6,500,000	-	5,000,000 (6,000,000)	-	-	40,000,000	-	-
3	Closing balance as on 31.03.2011 - (Loan including Interest Accrued) Previous Year	-	27,500,000 (Cr) 15,000,000 (Cr)	56,500,000 (Cr) 57,500,000 (Cr)	73,000,000 (Cr) 59,000,000 (Cr)	-	10,000,000 (Cr) 5,000,000 (Cr)	-	-	40,000,000 (Cr)	-	-
4	Advances Given/(Received) during the year Previous Year	-	-	-	-	-	-	-	-	-	-	-
5	Closing balance of advance receivable/(payable) as at 31.03.2011 Previous Year	-	-	-	-	-	-	-	-	-	-	-
6	Interest Income Previous Year	-	-	-	-	-	-	-	-	-	-	-
7	Interest Expenditure Previous Year	-	1,604,260 1,866,124	6,038,054 5,723,137	9,444,768 9,982,084	-	1,038,000 1,164,644	-	-	1,435,576	-	-
8	Rent Paid Previous Year	-	-	-	-	-	-	-	-	661,800 661,800	-	-
9	Rent Deposit as at 31.03.2011 Previous Year	-	-	-	-	-	-	-	-	7,500,000 7,500,000	-	-
10	Purchase Previous Year	-	-	-	-	-	3,890,800 2,962,284	-	-	-	-	-
11	Sales Previous Year	-	-	-	-	-	-	-	-	-	-	-
12	Closing balance of Current Liability as on 31.03.2011 Previous Year	-	-	-	-	-	1,170,757	-	-	-	-	-
13	Directors Commission Previous Year	-	-	-	-	-	-	-	-	-	-	175,000
14	Dividend Paid * Previous Year	626,798	-	67,498	246,310	135,255	-	-	938,243	1,223,423	351,768	2,620,390
		626,798	-	67,498	246,310	135,255	-	-	938,243	1,223,423	351,768	2,620,390

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

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

Remuneration/sitting fees ₹ 7,676,471/- (31.03.2010 - ₹ 8,774,579/-)

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



## Consolidated Schedules to the Accounts

### SCHEDULE 15 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS (Contd.)

#### 22. Remuneration to Executive Vice-Chairman and Executive Director

(Amount in ₹)

	31.03.2011	31.03.2010
i) Salary	4,608,000	4,608,000
ii) Company's Contribution of PF & other funds	1,244,160	1,244,160
iii) Monetary value of perquisites & other benefits	1,824,311	1,268,419
iv) Commission	–	1,654,000
<b>Total</b>	<b>7,676,471</b>	<b>8,774,579</b>

(Remuneration paid/payable to Executive Vice-Chairman 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.

The remuneration paid to Executive Vice-Chairman and Executive Director are within the limits prescribed under Part II of Schedule XIII of the Companies Act, 1956.)

#### 23. Earnings Per Share

	31.03.2011	31.03.2010
a) Profit/(Loss) after taxation as per Profit & Loss Account (in ₹)	30579164	66,369,955
b) Number of equity shares outstanding	3,256,247	3,256,247
c) Basic and diluted earnings per share in (in ₹) (Face value ₹ 10/- per share)	9.39	20.38

24. Interest expense is net of interest income ₹ 1,078,396/- TDS - ₹ 93,322/- (31.03.2010 - ₹ 282,570/- TDS - ₹ 17,534/-)

25. Previous year figures have been re-arranged/re-grouped 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 : 4th August, 2011

**H. Bangur** Executive Vice-Chairman

**M. K. Daga** Director

**Amitabha Ghosh** Director

**M. M. Pyne** Director

**K. C. Mohta** Executive Director

**S. Bagree**  
Manager (Finance) &  
Company Secretary

## Statement containing brief financial details of Subsidiaries of the Company

In terms of General Circular No: 02/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs, a statement containing brief details of the subsidiaries for the year ended 31st March, 2011 is given hereunder :

(Amount in ₹)

Item	Gloster Real Estates 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	46,926,778	151,241,467	201,017,415	519,705,700
3. Total Assets	47,691,733	158,825,481	205,462,412	675,852,813
4. Total Liabilities	133,605	6,014,194	2,644,808	435,115,455
5. Investments	–	–	–	749,641
6. Turnover	519,341	7,029,115	999,568	21,300,477
7. Profit before Taxation	(115,636)	3,673,621	(101,828)	33,945,174
8. Provision For Taxation	27,000	1,158,000	–	–
9. Profit After Taxation	(185,890)	2,515,621	(101,828)	33,945,174
10. Proposed Dividend	–	–	–	–
<b>Reporting Currency</b>	<b>INDIAN RUPEES</b>	<b>INDIAN RUPEES</b>	<b>INDIAN RUPEES</b>	<b>INDIAN RUPEES</b>

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.**

[www.joonktolleetea.in](http://www.joonktolleetea.in)





# Joonktollee Tea & Industries Ltd.

Registered Office : 21, Strand Road, Kolkata - 700 001

## ATTENDANCE SLIP

I/We hereby record my/our presence at the One Hundred Thirty Seventh Annual General Meeting of the Company to be held at Shripati Singhanian Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700 020 on Wednesday, the 28th September, 2011 at 10.15 A.M. and at any adjournment thereof.

Date : \_\_\_\_\_

Signature \_\_\_\_\_

IMPORTANT : This attendance slip should be signed and handed over at the entrance of the Meeting Hall.



# Joonktollee Tea & Industries Ltd.

Registered Office : 21, Strand Road, Kolkata - 700 001

## PROXY FORM

Ledger Folio No./D.P. ID\*/Client ID\* \_\_\_\_\_

No. of Shares held \_\_\_\_\_

I/We \_\_\_\_\_ of

\_\_\_\_\_ being a member of JOONKTOLLEE TEA & INDUSTRIES LTD.

hereby appoint Mr./Mrs./Miss \_\_\_\_\_ of

\_\_\_\_\_ (or failing him/her,

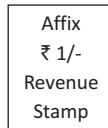
Mr./Mrs./Miss \_\_\_\_\_ of

\_\_\_\_\_ ) as my/our proxy to vote for

me/us and on my/our behalf at the One Hundred Thirty Seventh Annual General Meeting of the Company to be held at Shripati Singhanian Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700 020 on Wednesday, the 28th September, 2011 at 10.15 A.M. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2011

Signature of Member \_\_\_\_\_



Note : This proxy must be deposited at the Registered Office of the Company at 21, Strand Road, Kolkata - 700 001 not less than forty eight hours before the time for holding the meeting.

\* Applicable for Members holding shares in dematerialised form.



## Joonktollee Tea & Industries Ltd.

Registered Office : 21, Strand Road, Kolkata - 700 001

### NOTICE

NOTICE is hereby given that the One Hundred and Thirty Seventh Annual General Meeting of the Members of the Company will be held at Shripati Singhanian Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700 020 on **Wednesday, the 28th September, 2011 at 10.15 A.M.** for transacting the following Business :

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2011, the Balance Sheet as on that date and the Reports of the Auditors' and the Directors' thereon.
2. To declare Dividend.
3. To appoint a Director in place of Shri G.D. Bangur who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Amitabha Ghosh who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and fix their remuneration.

#### SPECIAL BUSINESS

6. To amend Article 105 of the Articles of Association of the Company and for the purpose to consider and if deemed fit to pass, with or without modification, the following Resolution as Special Resolution :

"RESOLVED THAT pursuant to the provisions of Section 31 and any other applicable provisions of the Companies Act, 1956 the existing Article 105 of the Articles of Association of the Company be deleted and substituted by the following new Article -

105. The number of Directors of the Company shall not be less than three nor more than twelve until otherwise determined by the Company in General Meeting."

By Order of the Board

#### Registered Office :

21, Strand Road,  
Kolkata - 700 001  
Dated : 4th August, 2011

**S. Bagree**  
*Manager (Finance)*  
& *Company Secretary*

#### NOTES :

1. An Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 relating to Special Business is annexed hereto and forms part of this Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING MAY APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS/HER/ITS BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies, in order to be effective, must be received by the Company/Registrar & Share Transfer Agent (the "RTA") not less than 48 hours before commencement of the Annual General Meeting.
3. The relevant details pursuant to Clause 49 of the Listing Agreement relating to Item Nos. 3 & 4 of this Notice are annexed to this Notice.
4. Corporate Members are requested to send to the Company/RTA, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting and send the same to the Company or RTA so as to reach the Company preferably before 48 hours of the time of the Meeting for making necessary arrangements.
5. The Register of Members and Share Transfer Books in respect of Ordinary Shares of the Company will remain closed from Thursday, the 22nd September, 2011 to Wednesday, the 28th September, 2011 (both days inclusive).
6. Members are requested to produce the attendance slip duly signed as per the specimen signature recorded with the Company for admission to the Meeting hall.
7. Members who hold shares in dematerialized form are requested to furnish their Client ID and DP ID Nos. for easy identification of members, at the Meeting.
8. Members holding shares in physical form are requested to inform the Company or the RTA, the changes, if any, in their address or Bank particulars so that the same can be incorporated in the Dividend Warrant and in case their shares are held in dematerialized form, this information should be furnished to their respective Depository Participants immediately.

9. Shareholders who wish to avail the facility of Electronic Credit of Dividend or desire a change in the mandate are requested to fill up the ECS Form being sent herewith.
10. Shareholders, who have not dematerialized their shares as yet, are advised to have their shares dematerialized to avail the benefits of paperless trading as well as easy liquidity, as the trading in shares of the Company is under compulsory dematerialized form.
11. In all correspondence with the Company or the RTA, Members are requested to quote their Folio Number and in case their shares are held in the dematerialized form, they must quote their DP ID and Client ID Number.
12. Dividend on Ordinary Shares as recommended by the Board, if declared at the Meeting, will be paid :
  - a. to those Members whose names appear in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company on or before 21st September, 2011; and
  - b. in respect of shares held in electronic form, to those "deemed members" whose names appear on the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the end of business hours on 21st September, 2011.
13. In accordance with the provisions of Section 205A read with Section 205C of the Companies Act, 1956, the unclaimed/unpaid dividends relating to year ended 31st March, 2003 has been transferred to Investor Education and Protection Fund. Unpaid and unclaimed dividend for the year ended 31st March, 2004, 2005, 2006, 2007, 2008, 2009 & 2010 will be transferred to Investor Education and Protection Fund on 25th September, 2011, 5th September 2012, 23rd September, 2013, 22nd December, 2014, 29th November, 2015, 2nd September, 2016 & 29th September, 2017 respectively. Members who have a valid claim on any of the unclaimed/unpaid dividends, for these years are requested to lodge their claim before the amount is transferred to the said fund on the respective dates as aforesaid with the Company's RTA, M/s. Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, Kolkata - 700 001.
14. In terms of Circular No.MRD/DoP/Cir - 05/2009 dated 20th May, 2009 issued by the Securities and Exchange Board of India (SEBI), it is now mandatory for the transferee of the physical shares to furnish copy of PAN card to the Company or the RTA for registration of transfer of shares. Shareholders are requested to furnish copy of PAN card at the time of transferring physical shares.
15. Members who wish to obtain any information on the Company or the Accounts for the financial year ended 31st March, 2011 may send their queries to the Company Secretary at the Registered Office of the Company at least 10 days before the Annual General Meeting.
16. Pursuant to Section 109A of the Companies Act, 1956, Shareholders can make nomination in respect of shares held by them in Physical form in the prescribed Form 2B (in duplicate) and send the same to the Company or the RTA for necessary recording.
17. The Company's Ordinary Shares are listed on The Calcutta Stock Exchange Ltd. at 7, Lyons Range, Kolkata - 700 001 and upto date listing fees have been paid in time. Further, the Company has got permission from the Bombay Stock Exchange for trading of its securities.
18. Members who are holding Shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the Share Certificates for consolidating their holding into one folio. The Share Certificates will be returned to the Members after incorporating requisite changes thereon.
19. The Ministry of Corporate Affairs (MCA) has undertaken a "Green Initiative in the Corporate Governance" vide its Circular Nos.17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively and allowed companies to share documents with its shareholders through electronic mode. In line with the above Circulars, the Company now proposes to send to its members, notices, annual reports and accounts and other communication through electronic mode. Members are requested to register/update their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with Maheshwari Datamatics Private Limited, the Registrar and Share Transfer Agent of the Company.
20. **MEMBERS ARE REQUESTED TO BRING THEIR COPY OF THE ANNUAL REPORT TO THE MEETING.**

## EXPLANATORY STATEMENT

(PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956)

### Item No.6

In view of expanding business activities of the Company, the Board may require to appoint Additional Director/s as and when necessary which may have the effect of increasing the present number of Directors from seven to twelve. The existing Article 105 of the Articles of Association provides the maximum number of Directors as seven and hence the existing Article 105 of the Articles of Association needs amendment.

The Special Resolution set out as Item No.6 of the Notice is placed before the Meeting for the approval of the members.

None of the Directors of the Company is in any way concerned or interested in the aforesaid Resolution.

The Directors commend the Resolution for your consideration and adoption.

A copy of Memorandum & Articles of Association of the Company is available for inspection at the Registered Office of the Company on all working days between 11.00 A.M. to 1.00 P.M. upto the date of Annual General Meeting.

## DETAILS OF DIRECTORS RETIRING BY ROTATION & SEEKING RE-APPOINTMENT

(In Pursuance of Clause 49 of the Listing Agreement)

Name	Shri G.D. Bangur		
Date of Birth	14.11.1946		
Date of Appointment	12.04.2000		
Qualifications	B. Com		
Expertise in specific functional areas	Shri G.D. Bangur (64), the Chairman of the Company, is a Commerce Graduate from the St. Xavier's College, Kolkata. He has been exposed to business and industry at an early age and has developed his entrepreneurial skills in various group industries over four decades which include Tea, Coffee, Cement, Jute, Chemical, Rubber, Real Estates, Textile etc. He has taken the charge of Joonktollee Tea & Industries Limited in the year 2000 as the Managing Director and now functioning as the Chairman and Co-Promoter of the Company.		
	<b>COMPANY</b>		<b>POSITION</b>
Directorship in other Companies	Gloster Ltd. Kettlewell Bullen & Company Ltd. The Oriental Company Ltd. Laxmi Asbestos Products Ltd. Marwar Textile (Agency) Ltd.		Executive Chairman Director Director Director
	<b>COMPANY</b>	<b>COMMITTEE</b>	<b>POSITION</b>
Chairman / Member of Committees of the Board of other Companies of which he is a Director	Nil	Nil	Nil
Shareholding in the Company	487538		

**DETAILS OF DIRECTORS RETIRING BY ROTATION & SEEKING RE-APPOINTMENT (Contd.)**

Name	<b>Shri Amitabha Ghosh</b>		
Date of Birth	30.08.1930		
Date of Appointment	30.07.2007		
Qualifications	F.C.A.		
Expertise in specific functional areas	Shri Amitabha Ghosh (80), is a Fellow Chartered Accountant and Fellow Member of Indian Institute of Bankers and has considerable experience in Finance, Banking and Administration by virtue of his association with important institutions and committees. He was on the Board of import institutions like IDBI, N.I.B.M., Exim Bank and also served as Chairman of Deposit Insurance Corporation Ltd. He is associated with the Company since 30th July, 2007.		
	<b>COMPANY</b>		<b>POSITION</b>
Directorship in other Companies	Centenary Leasing Company Pvt. Ltd. Heidelberg Cement India Ltd. Kesoram Industries Ltd. Orient Paper & Industries Ltd. Palit Consultancy Pvt. Ltd. Peninsula Land Ltd. Sahara India Life Insurance Co. Ltd. Sahara Prime City Ltd. Shreyas Shipping & Logistics Ltd. Shreyas Relay System Ltd. Sahara Hospitality Ltd. Xpro India Ltd. Zenith Fibres Ltd. Sahara Infrastructure & Housing Ltd.		Director Director Director Director Director Director Director Director Director Director Director Director Director Director
	<b>COMPANY</b>	<b>COMMITTEE</b>	<b>POSITION</b>
Chairman / Member of Committees of the Board of other Companies of which he is a Director	Kesoram Industries Ltd.	Audit Committee	Member
	Peninsula Land Ltd.	Audit Committee	Chairman & Member
		Remuneration Committee	Member
	Sahara India Life Insurance Co. Ltd.	Audit Committee	Member
		Investment Committee	Member
		Risk & Asset Liability Management Committee	Member
	Orient Paper & Industries Ltd.	Audit Committee	Chairman & Member
	Shreyas Shipping & Logistics Ltd.	Audit Committee	Chairman & Member
	Heidelberg Cement India Ltd.	Audit Committee	Chairman & Member
		Share Transfer and Shareholders'/ Investors' Grievances Committee	Member
	Sahara Infrastructure & Housing Ltd.	Audit Committee	Member
Sahara Prime City Ltd.	Audit Committee	Chairman & Member	
Sahara Hospitality Ltd.	Audit Committee	Member	
Xpro India Ltd.	Remuneration Committee	Member	
Shareholding in the Company	Nil		

Dear Shareholder,

Sub : **Green Initiative**

Ministry of Corporate Affairs (MCA) has recently issued Circulars regarding 'Green Initiative' in Corporate Governance' by allowing paperless compliances by serving documents through electronic mode. Accordingly, we propose to send all future shareholders' communications like Notices, Company's Annual Report etc through electronic mode. This will ensure prompt receipt of communication, avoid loss in postal transit and most importantly, will enable your Company to help in conservation of forest resources.

If you are holding shares in electronic form , we would request you to register your e-mail address with your Depository Participant only in case you have not already done so. You are also requested to intimate to the Depository Participant on or before that date, changes, if any, in your registered addresses, e-mail id and/or changes in your bank account details. You are not required to re-register unless there is a change in your e-mail address etc.

If you are holding shares in Physical form, you may provide your e-mail address by filling the below printed form and send it to our Registrar & Share Transfer Agent at following address and also intimate whether going forward you desire to receive documents in electronic mode or not.

**Maheshwari Datamatics Pvt. Ltd.**

6, Mangoe Lane (Surendra Mohan Ghosh Sarani)

2nd Floor, Kolkata - 700 001

Phone : +91 33 22482248, Fax No : +91 33 22484787,

E-mail : mdpldc@yahoo.com

You may note that documents sent through e-mail will also be available on the Company's website [www.joonktolleetea.in](http://www.joonktolleetea.in). As a Member of the Company, you will continue to be entitled to be furnished, free of cost, with printed copy of Annual Report and all other documents, upon receipt of a request from you for the same.

We appreciate the 'Green Initiative' taken by MCA and trust you would help in implementing the e-governance initiative of the Government.

With best wishes,

Thanking you,

Yours faithfully

For **JOONKTOLLEE TEA & INDUSTRIES LTD.**

**S. Bagree**

*Company Secretary*

Place : Kolkata

The Director

**Maheshwari Datamatics Private Limited**

6, Mangoe Lane, 2nd Floor

Surendra Mohan Ghosh Sarani

Kolkata - 700 001

**Sub : E-mail updation for Shareholders holding shares in Physical Format**

Dear Sir,

In view of the MCA Circulars bearing no.17/2011 dated 21st April 2011 and No.18/2011 dated 29th April 2011 I, \_\_\_\_\_  
\_\_\_\_\_, Son of/Daughter of/Wife of \_\_\_\_\_ holding \_\_\_\_\_ shares of \_\_\_\_\_ ("the  
Company") bearing Folio No. \_\_\_\_\_ / do hereby wish to receive all future communications/requisite documents of the  
Company at the following E-mail id :

E-mail Id : \_\_\_\_\_

You are requested to please update the same in your Book of Records.

Signature :

Name of Sole/First holder

Name of second holder

Name of Third holder

**Note :** The above Form duly filled in and signed by the Member(s) may please be sent to the Company/Maheshwari Datamatics Private Limited, Registrar :By hand/Post/Courier.