



Joonktollie Tea  
& Industries Ltd.

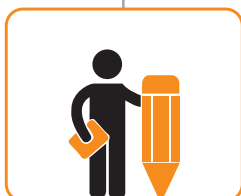


ANNUAL  
REPORT  
2012



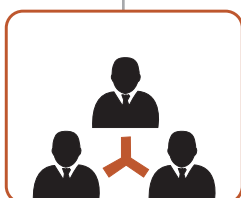
A glimpse of the Ganesh Temple  
at Goomankhan Tea Estate & Factory, Karnataka

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At Joonktolllee Tea & Industries Limited, we are deeply committed to take our business ahead even in the toughest of times.

The year 2011-12 was possibly one of the most challenging years for our Company due to global turmoil, rising raw material prices, substantial increase in wage rates, drought like conditions during some part of the year and yet we reported a healthy sales figure of ₹ 50.26 Crores (on standalone basis) and ₹ 74.38 Crores (on consolidated basis) and proposed a dividend of ₹ 2.50 per share. The performance was derived from the century old experience of our Company in the plantation industry.

We are successfully tapping newer growth opportunities through massive re-plantation programme in all most all of our estates and thus enhancing production. These strategic initiatives are expected to take us ahead and maximise our growth and constantly add value to our stakeholders even in the challenging times.

# Our strengths

## Integrity

Integrity is the foundation of all that we do. Integrity includes honesty, decency, consistency and courage.

## Corporate Governance

We believe in running the Company with fairness, transparency and accountability ensuring that the Company is governed while keeping every stakeholders interest in mind.

## Quality focus

Quality is the key to delivering value for money to our customers. We will make quality a driving value in our work, in our product and in our interactions with others.

## Benefit

We will use innovative science and thoughtful and effective stewardship to deliver high quality products that will be beneficial to our customers and to the environment.

## Dialogue

We will listen carefully to diverse points of view and engage in thoughtful dialogues. We will broaden our understanding of issues in order to better address the needs and concerns of the society and of each other.



## Vision

Install the core values of  
Excellence, Freedom, Integrity,  
Respect and Harmony.



## Philosophy

For us yesterday is an experience.  
Today is action.

Tomorrow is an opportunity.

At Joonktollee Tea & Industries  
Limited, we believe in leveraging  
our century old experience,  
addressing the realities of the day  
and building on the opportunities  
for the tomorrow.



## Mission

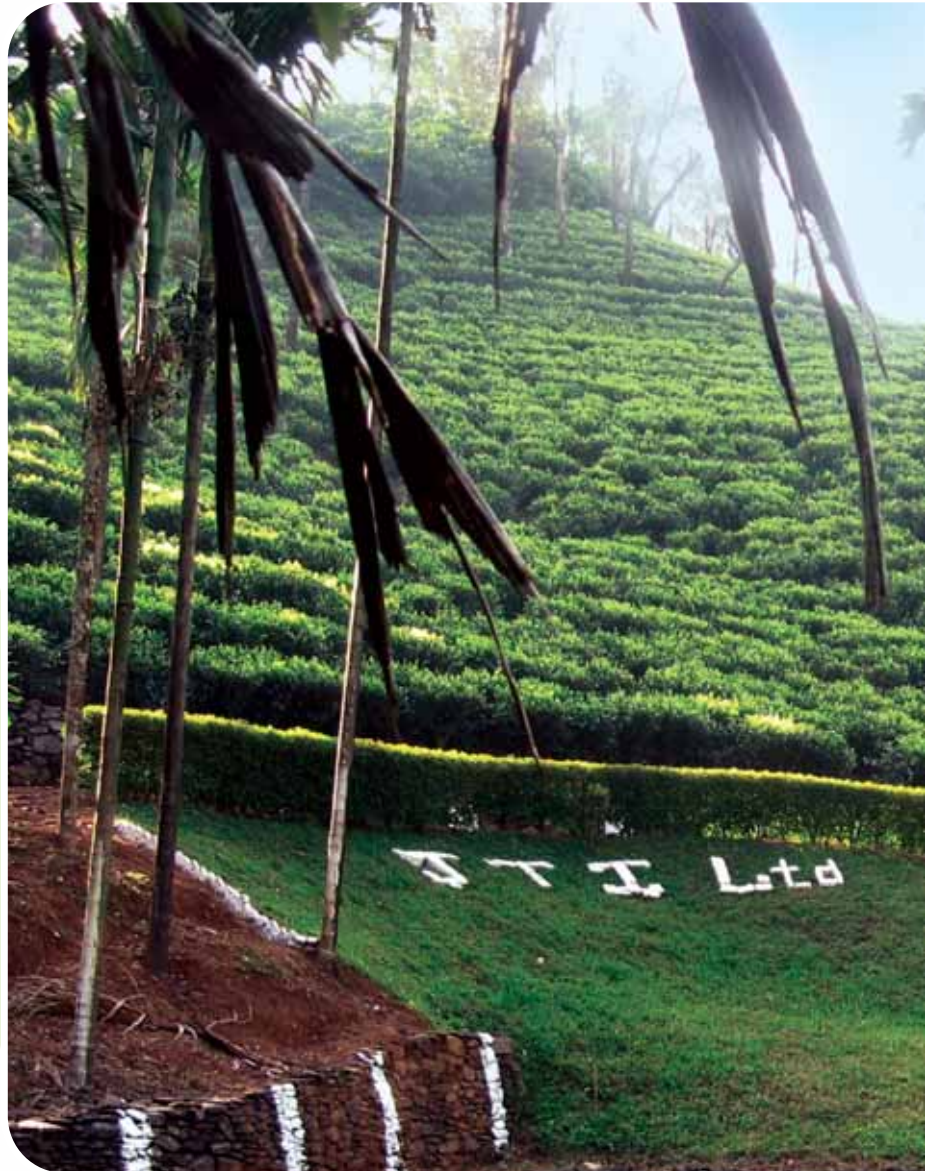
We believe that eco-friendly business practices are the key to the preservation and protection of our natural resources.

Contributing to the economic and social well being of our country and its people in general and communities around our locations in general.

Building efficiencies across our organisational culture.



# The Joonktollee portrait



## The Company

Founded by Late John Elliot Esq. in 1874 as Joonktollee Tea Co. Ltd. to manage the affairs of a small Tea Estate in Upper Assam. In 1920's the Elliot Clan handed over the management and control to the managing agency of Kettlewell Bullen & Co. Ltd. In the year 1954, the House of Bangurs acquired the managing agency and the Company and brought them under their fold. The name of the Company was subsequently changed to Joonktollee Tea & Industries Limited (JTIL).

The Company started its production as a leader of Premium Orthodox Tea and it is now regarded as one the leading producers of Assam CTC.





<b>BSE Ticker</b>	590079
<b>CSE Ticker</b>	10020009
<b>ISIN No.</b>	INE574G01013
<b>Market capitalization</b>	₹ 68 Crores (as on 31st March, 2012)

## Our Gardens, Estates and Factories

**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 & Factory**  
Kerala

**Kinalur Rubberwood Factory**  
Kerala

## 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*

**C. Chandran**

*Sr. General Manager - Pullikanam & Kolahalmedu Tea Estates*

**A. Chaturvedi**

*General Manager - Jamirah Tea Estate*

**K. M. Vineetha Kumar**

*General Manager (South)*

**A. Bhave**

*General Manager - Cowcoody Estate*

**S. Basu**

*Dy. General Manager - (Marketing)*

**V. K. Mohta**

*Dy. General Manager - Marketing (West)*

**A. Gogoi**

*Sr. Manager - Nilmoni Tea Estate*

## Key facts

- ISO 9001:2008 certified organisation.
- Consistent dividend paying record since the acquisition by the House of Bangurs.
- BBB stable credit rating from CRISIL.
- Headquartered at Kolkata and branch offices at Ahmedabad, Coimbatore, Hubli, Kolhapur and Mumbai.
- Product portfolio includes Tea, Coffee, Rubber, Pepper, Cardamom and Areca.

# Defining Numbers

Consolidated

	2011 - 12	2010 - 11	2009 - 10	2008 - 09
<b>A Our Earnings</b>				
Total Sales	₹ Lacs 7437.77	6975.54	7153.34	6726.84
Change in Stock in Trade	₹ Lacs 137.86	9.90	178.58	-33.52
Value of Production	₹ Lacs 7575.63	6985.44	7331.93	6693.32
Others Income	₹ Lacs 694.68	165.49	390.31	189.52
<b>Total</b>	<b>₹ Lacs 8270.30</b>	<b>7150.92</b>	<b>7722.24</b>	<b>6882.84</b>
<b>B Our Outgoings</b>				
Cost Of Materials	₹ Lacs 1566.29	1773.77	1916.85	2132.71
Emp. Rem. & benefits	₹ Lacs 3518.96	2785.74	2673.64	2566.54
Depreciation	₹ Lacs 243.69	242.39	236.70	231.40
Other Expenses	₹ Lacs 1404.99	1319.39	1553.75	1254.01
Interest	₹ Lacs 406.57	430.92	418.27	336.76
<b>Total</b>	<b>₹ Lacs 7140.50</b>	<b>6552.22</b>	<b>6799.21</b>	<b>6521.41</b>
<b>NET PROFIT</b>	<b>₹ Lacs 1129.80</b>	<b>598.70</b>	<b>923.03</b>	<b>361.42</b>
<b>C Our Savings</b>				
PBDIT	₹ Lacs 1780.06	1272.02	1578.00	929.58
PBIT	₹ Lacs 1536.37	1029.63	1341.30	698.18
PBT	₹ Lacs 1129.80	598.70	923.03	361.42
PAT	₹ Lacs 996.65	565.60	765.11	266.98
<b>D Own Capital</b>				
Equity	₹ Lacs 325.62	325.62	325.62	323.36
Reserve & Surplus	₹ Lacs 9702.63	9091.21	8884.47	6378.17
<b>E Loan Capital</b>				
Loan From Bank	₹ Lacs 1463.24	1282.33	1446.42	1914.81
Other Loans	₹ Lacs 206.59	2477.44	1517.33	1409.52
<b>F Financial Statistics</b>				
Net Worth	₹ Lacs 10028.26	9416.84	9210.10	6701.54
Gross Block	₹ Lacs 18540.79	18176.30	17631.53	14488.74
Depreciation	₹ Lacs 3525.62	3312.39	3088.20	2957.35
Inventories	₹ Lacs 1184.30	1000.21	983.49	764.65
Sundry Debtors	₹ Lacs 141.02	306.93	420.02	277.84
Capital Employed	₹ Lacs 11698.10	13176.61	12173.84	10025.87
Dividend - Excl-Tax	₹ Lacs 81.41	81.41	81.41	48.50
<b>G Financial Ratio</b>				
PBT to Sales	% 15.19	8.58	12.90	5.37
NET MARGIN	% 13.40	8.13	10.70	3.97
PBIT to Capital Employed/ROCE	% 13.13	7.81	11.02	6.96
PAT to Net Worth/ROE	% 9.94	6.01	8.31	3.98
Total Debt to Equity	0.17	0.42	0.34	0.53
EPS	₹ 18.41	9.39	20.38	4.42
CEPS	₹ 25.89	16.83	27.65	11.58
Book Value Per Share	₹ 307.97	289.19	282.84	205.81
Dividend	% 25	25	25	15

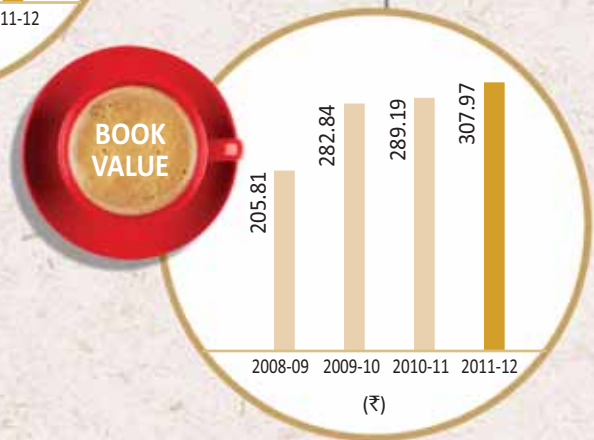
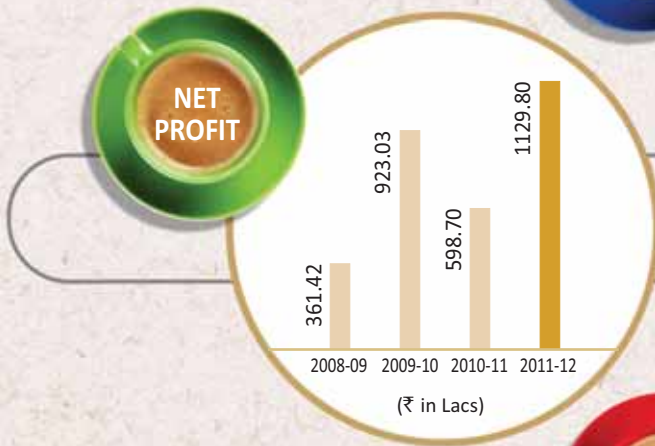
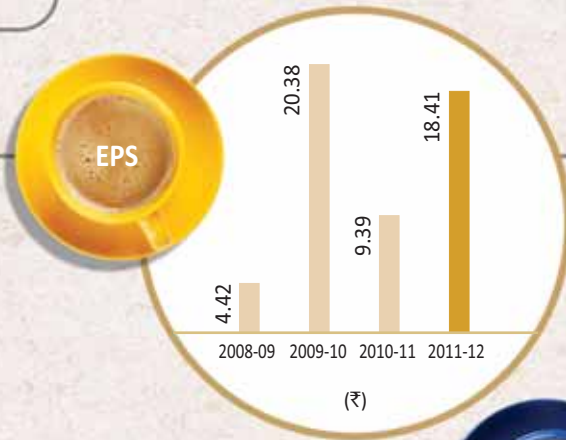


## Standalone

	2011 - 12	2010 - 11	2009 - 10	2008 - 09	2007 - 08
<b>A Our Earnings</b>					
Total Sales	₹ Lacs 5025.98	4921.40	5295.71	3603.79	2896.08
Change in Stock in Trade	₹ Lacs 1.69	(51.32)	192.15	(33.13)	(62.53)
Value of Production	₹ Lacs 5027.67	4870.08	5487.86	3570.66	2833.55
Other Income	₹ Lacs 535.55	70.17	36.23	42.04	105.26
<b>Total</b>	₹ Lacs <b>5563.22</b>	<b>4940.25</b>	<b>5524.09</b>	<b>3612.70</b>	<b>2938.81</b>
<b>B Our Outgoings</b>					
Cost Of Materials	₹ Lacs 1214.70	1390.96	1477.38	1090.60	883.20
Emp. Rem. & benefits	₹ Lacs 2212.75	1780.94	1690.70	1164.48	1003.83
Depreciation	₹ Lacs 175.60	170.29	169.22	164.74	169.79
Other Expenses	₹ Lacs 1147.99	1105.72	1135.25	821.01	692.51
Interest	₹ Lacs 271.81	265.35	278.93	269.04	112.65
<b>Total</b>	₹ Lacs <b>5022.85</b>	<b>4713.26</b>	<b>4751.48</b>	<b>3509.87</b>	<b>2861.97</b>
<b>NET PROFIT</b>	₹ Lacs <b>540.37</b>	<b>226.99</b>	<b>772.61</b>	<b>102.83</b>	<b>76.84</b>
<b>C Our Savings</b>					
PBDIT	₹ Lacs 987.78	662.63	1220.77	536.61	359.28
PBIT	₹ Lacs 812.18	492.34	1051.55	371.87	189.49
PBT	₹ Lacs 540.37	226.99	772.62	102.83	76.84
PAT	₹ Lacs 422.87	206.17	622.00	80.48	68.33
<b>D Own Capital</b>					
Equity	₹ Lacs 325.62	325.62	325.62	323.36	323.36
Reserve & Surplus	₹ Lacs 9388.76	8949.86	8838.30	6313.86	6290.13
<b>E Loan Capital</b>					
Loan From Bank	₹ Lacs 1425.19	1278.13	1435.98	1778.89	1857.80
Other Loans	₹ Lacs 182.44	822.44	452.33	380.22	907.73
<b>F Financial Statistics</b>					
Net Worth	₹ Lacs 9714.39	9275.49	9163.92	6637.22	6613.49
Gross Block	₹ Lacs 7797.92	7639.40	7311.24	3667.26	3651.38
Depreciation	₹ Lacs 2352.87	2210.48	2062.82	1650.63	1556.19
Inventories	₹ Lacs 735.29	678.48	710.64	441.46	432.17
Sundry Debtors	₹ Lacs 84.11	190.14	357.68	247.33	207.79
Capital Employed	₹ Lacs 11322.02	11376.05	11052.23	8796.33	9379.02
Dividend - Excl-Tax	₹ Lacs 81.41	81.41	81.41	48.50	64.54
<b>G Financial Ratio</b>					
PBT to Sales	% 10.75	4.61	14.59	2.85	2.65
NET MARGIN	% 8.41	4.19	11.75	2.23	2.36
PBIT to Capital Employed/ROCE	% 7.17	4.33	9.51	4.23	2.02
PAT to Net Worth/ROE	% 4.35	2.22	6.79	1.21	1.03
Total Debt to Equity	0.17	0.24	0.22	0.35	0.45
EPS	₹ 12.99	6.33	19.10	2.49	2.11
CEPS	₹ 18.38	11.56	24.30	7.58	7.36
Book Value Per Share	₹ 298.33	284.85	281.43	203.83	203.10
Dividend	% 25	25	25	15	15



# Sustainable Performance



# Quality, at the heart of all strategy

At Joonktolee Tea & Industries Limited, our objective is to be recognised as 'quality enablers'. We are committed to deliver products that are benchmarked with quality and at optimum cost. Our quality implementation efforts are all pervasive, beginning with a stated goal - customer satisfaction and continual quality improvements in all spheres of activity by involvement of every associate.

Every quality personnel are qualified and well trained. The guidelines and protocols laid down by our management ensure that every batch of the products delivered by us is of right quality.

Over the years these initiatives have made us earn several laurels and accolades.



## Accreditations

ISO 9001:2008 certification by SGS U.K. for the Company.

ISO 9001:2008 certification by Det Norske Veritas, Netherlands for Goomankhan Tea Estate.



## Accolades

Indian Coffee Quality Prize for "Espresso" by Illy Café during the years 2004, 2005, 2008.

The Golden Leaf India Awards during the years 2005, 2007, 2010, 2011, 2012.

Certificate of Merit at "Flavours of India - The Fine Cup Award" during the year 2004.



# Spreading smiles to the faces of many

At Joonktollee Tea & Industries Limited, we align our business priorities with social commitments as a part of our sustainability initiatives.

Our Company views its human resources as its most valuable asset. Nurturing an empowering organization culture, its people are inspired to deliver quality performance. The Company believes that the ability to deliver value to its customers depends essentially on its ability to attract and retain skilled & trained manpower. Our competitive advantage lies in our people, who have the spirit of commitment to the shared purpose of creating and enduring value of stakeholders. This Human Resource strategy has not only enabled us to attract, develop and retain talent pool but have also led to cordial relations with our employees.

Sustainability is the percept in everything we do and we focus on doing it safely, profitably and responsibly. At Joonktollee Tea, sustainability is more than just a catchphrase. It is sensible business. We feel proud to play some role in giving back some part of our earnings and prosperity to the society.

In consonance with the spirit of above commitments and following the guidelines as mentioned in the Plantation Act, various CSR activities has been undertaken by our Company which includes - availability of medical facilities with a dedicated health centre & ambulance at every estate, a team of dedicated professionals and doctors hired by the Company



ensures uninterrupted and free health assistance to the needy employees and their family members, staff quarters with free electricity and subsidized ration, temple at every estate, active celebration of "Hanuman Jayanti", Late P. D. Bangur Memorial Award (For Professional and Executive Programme Examination) and Late P. D. Bangur Memorial Scholarship (For pursuing studies for Professional Programme) to the needy students of the Institute of company Secretaries of India.



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1. "Raghavan Award" to Joonktolee Tea Estate.
2. Inauguration of "Water Supply Scheme" by Shri Pawan Singh Ghatowar, Hon'ble Central State Minister for Development of North-East Region.
3. Shree Bangur High School.

Our Company is fully committed towards its social responsibilities and is contributing effectively to facilitate value-creation in various arenas of its operation.

1. Shri Hemant Bangur, Executive Vice-Chairman of the Company on the election as President of Tea Association of India.
2. Shri Jyotiraditya M. Scindia, Hon'ble Union Minister for Commerce & Industry giving the Golden Leaf India Award, 2012 to Mr. R. K. Wilson, Sr. General Manager. Others seen are Mr. Ambalavanan, IAS, Executive Director, Tea Board and Mr. Shridhar, Convener, TGLIA.
3. Shri Pawan Singh Ghatowar, Hon'ble Central State Minister for Development of North-East Region visiting Tea Estate.
4. Goomankhan Tea Estate, Karnataka.

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# Corporate Information

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## BOARD OF DIRECTORS

**G. D. Bangur**  
*Chairman*

**Hemant Bangur**  
*Executive Vice-Chairman*

**Pushpa Devi Bangur**  
*Director*

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

**A. 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

Yes Bank

HDFC Bank

## AUDITORS

**Messrs. Singhi & Co.**

*Chartered Accountants*

1-B, Old Post Office Street

Kolkata - 700 001

## REGISTERED OFFICE

21, Strand Road

Kolkata - 700 001

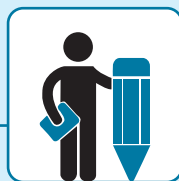
## REGISTRARS & SHARE TRANSFER AGENTS

Maheshwari Datamatics Pvt. Ltd.

6, Mangoe Lane, 2nd Floor

Kolkata - 700 001

# Directors' Report



*Dear members*

Your Directors have pleasure in presenting the Annual Report with Audited Accounts of the Company for the year ended 31st March, 2012.

## FINANCIAL PERFORMANCE

(Amount in ₹)

	UNCONSOLIDATED		CONSOLIDATED	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Profit for the year before Depreciation & Tax	71,596,561	39,727,963	137,349,212	84,109,902
Deduct : Depreciation	17,559,791	17,028,621	24,368,983	24,239,407
<b>Profit before Tax</b>	<b>54,036,770</b>	<b>22,699,342</b>	<b>112,980,229</b>	<b>59,870,495</b>
Deduct : Tax Expense				
- Current Year	10,500,000	2,500,000	12,157,775	3,685,000
- Earlier Year	409,222	-	389,926	43,254
- MAT Credit Entitlement	-	-	(28,550)	-
- Deferred Tax	840,963	(417,699)	796,253	(417,699)
<b>Net Profit</b>	<b>42,286,585</b>	<b>20,617,041</b>	<b>99,664,825</b>	<b>56,559,940</b>
Add : Balance of Profit brought forward from previous year	26,216,295	25,060,484	45,152,576	34,034,642
Less : Minority Interest	-	-	(39,714,360)	(25,980,776)
<b>Profit available for Appropriations</b>	<b>68,502,880</b>	<b>45,677,525</b>	<b>105,103,041</b>	<b>64,613,806</b>
Appropriations :				
- General Reserve	20,000,000	10,000,000	20,000,000	10,000,000
- Proposed Dividend	8,140,618	8,140,618	8,140,618	8,140,618
- Tax on Proposed Dividend	528,245	1,320,612	528,245	1,320,612
- Corporate Dividend Tax for				
- Earlier years written back	(1,603,661)	-	(1,603,661)	-
- Balance Carried to Balance Sheet	41,437,678	26,216,295	78,037,839	45,152,576
	<b>68,502,880</b>	<b>45,677,525</b>	<b>105,103,041</b>	<b>64,613,806</b>

## DIVIDEND

Your Directors have recommended for your approval, a dividend of ₹ 2.50 per share for the year ended 31st March, 2012.

## TRANSFER TO RESERVES

The Company proposes to transfer ₹ 200.00 Lacs to the General Reserve out of the amount available for appropriations and an amount of ₹ 414.38 Lacs is proposed to be retained in the Statement of Profit & Loss.

## SCHEME OF ARRANGEMENT

Members are aware that the Company is in the process of implementing the Scheme of Arrangement by which the Cochin Plantation Division of The Cochin Malabar Estates And Industries Ltd. comprising of Chemoni, Pudukad, Echipara and the legal proceedings of Sampaji Rubber Estates and Pullikanam & Kolahalmedu Tea Estates would demerge from The Cochin Malabar Estates and Industries Ltd. and merge with the Company w.e.f. 1st April, 2011. The Scheme will enable the Company to finance the capital investment needed for developing business activities of The Cochin Plantation Division besides achieving greater efficiency and synergy in the division and its better management.

The final order for confirmation of the Scheme of Arrangement from the Hon'ble High Court of Calcutta is expected to be received shortly.

The Company has obtained necessary extension of time for holding the Annual General Meeting of the Company for the year.

## OPERATIONAL REVIEW

The turnover of your Company stood at ₹ 5,026.98 Lacs which is marginally higher as compared to the previous year's turnover of ₹ 4,921.40 Lacs. The profit after tax has been increased from ₹ 206.17 Lacs to ₹ 422.86 Lacs, which includes profit from sale of shares. Your Company produced 3,854,362 Kgs. of Tea and 259,185 Kgs. of Coffee during the year as against 3,708,838 Kgs. and 161,356 Kgs. produced during the year 2010-11 which was higher by 145,524 Kgs. and 97,829 Kgs. respectively. Loss of crop in Nilmoni Tea Estate and Goomankhan Tea Estate coupled with the poor realization in comparison to the last year and high cost of production due

to the overall increase in all the expenditures including substantial increase in the wages has adversely affected the profitability of the Company.

## EXPANSION/DIVERSIFICATION

The Company has entered into an agreement with M/s. Dhunseri Petrochem & Tea Ltd. for purchase of 'SHREEMONI TEA FACTORY', Assam having a capacity of 12 lac Kgs. of Made Tea p.a. The process of acquisition of the aforesaid factory will be completed by the end of this calendar year.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Overview

The year 2011 has begun in an air of uncertainties on the global macro economic front with many imponderables currently weighing on the minds of everyone. The global economic environment, which was fragile throughout the year, turned sharply adverse since September, 2011 owing to the turmoil in the euro-zone, worsening worries of the debt ridden, growth slowdown, geo-political instabilities, high inflation, wide current account fiscal gaps and falling investments all compounded have weakened the economy. The significant part of the current uncertainty is, of course, a spillover from the last year. However, the Indian economy until recently spared from crisis is now increasingly gauging the pressure of downtrend and the impact of the ongoing global slowdown coupled with the local governance issues and policies paralysis. Though, the plantation sector so far had shown resilience from the global crisis, the emerging trends in certain sector like Natural Rubber and Coffee suggest that prices are getting increasingly influenced by these developments.

### TEA

India happens to be the world's second largest producer of Tea next only to China, it is only fourth largest exporter of the beverages in the world after Kenya, China and Sri Lanka. This is more on account of increase in the domestic consumption then on account of decrease in the global demand for Indian Tea. The world Tea production stood at 4,217 m. kgs. in 2011 as compared to 4,162 m. kgs. in 2010. India produced 988 m. kgs. during the year 2011. Though it reversed the declining trend in the crop since 2009, the movements in the world Tea prices across major auction centre give a mixed pattern.

## Review

The Company including its subsidiaries produced 4,190,222 kgs. of Tea during the year ended 31st March, 2012 against 4,008,888 kgs. for the same period last year. The average price of Tea realized during the year ended 31st March, 2012 was ₹ 127/- per kg. in the North and ₹ 78/- per kg. in the South. The cost of production of Tea has escalated due to the substantial increase in the wages, higher cost of power & fuel, fertilizers and other inputs which have adversely affected the profitability of the Company.

## Outlook

The prospect of Tea production is discouraging due to fall in output during the current year both in North India as well as in South India. Assam produces around 50% of the country's total production of Tea and the production was somewhat less in 2011-12 at 485 m. kgs. as on September, 2012. A feared loss of Tea crops is wholly attributed due to the drought like conditions prevailing during the 1st half of the current financial year and then torrential rain especially in the Assam valley in the latter part of the year.

## COFFEE

The global Coffee production during 2011 season was estimated at 131.90 m. bags compared to 134.25 m. bags in the previous year, a decline of 2.35 m. bags. Decline of the crops was owing to off year in the biennial cycle characterizing the Arabica production. The global Coffee export, which is the second most traded commodity in the world have crossed 100.00 m. bags and was higher by 6.80 m. bags at 103.70 m. bags. Better price realization during the year has encouraged higher exports leading to reduction of stocks in many exporting countries.

The world Coffee consumption during 2011 was estimated at 137.90 m. bags as compared to 135.70 m. bags in 2010. The increase in the consumption can be attributed to the growing demand in emerging markets, rising domestic consumption in exporting countries and the resilience of Coffee consumption to the current economic crisis.

The production of Coffee in India for season 2011 was estimated at around 314 thousand tonnes which represent an increase of 12 thousand tonnes as compared to the previous year comprising of 101.50 thousand tonnes (32%) of Arabica and 212.50 thousand tonnes (68%) of Robusta. The post blossom crop forecast for the season 2012-13 was estimated at 325.30 thousand tonnes over the previous year. The higher

crop production for the season was possible since there was a well distributed rainfall in the previous year that helped in moisture retention for a longer period thereby enabling production of more bearing wood for the crops.

## Review

The Coffee production of the Company during the year ended 31st March, 2012 was 2.59 lac kgs. as compared to 1.61 lac kgs. harvested during the previous year. The average price for Coffee realized during the year ended 31st March, 2012 was ₹ 182/- as compared to ₹ 128/- last year. The Company had taken massive re-plantation programme during the last 5 years to replace the old, unproductive and passenger Coffee bushes into high yielding varieties. The crops from the replanted fields would augment the crop in the next 3 to 4 years.

## Outlook

The Coffee production prospects for 2012 season are somewhat mixed, the changes in the weather pattern across major exporting countries may have an adverse effect on the final crop. The international annual consumption of Coffee has grown 1.6% p.a. as compared to previous year and the domestic annual consumption is up by 3%. In India, the growth in consumption in the last few years has been very impressive and encouraging. The increasing popularity of Coffee in the emerging nation like China and Russia is anticipated to keep the buoyancy in consumption intact in the years ahead. Impressive exports during 2011, lead a drastic reduction in stock position in many exporting countries. The latest trends in the price suggest fall in Arabica prices, while Robusta prices surged. Higher anticipated world crop and the plausible slackening of exports to Europe had caused the decline in Arabica prices. Coffee will continue to grow in popularity with the young generation in particular. The outlook of the Coffee production and its price vis-à-vis demand appears to be promising.

## RUBBER

The global Natural Rubber (NR) in 2011 was estimated at 109.74 lac tonnes as against 103.99 lac tonnes in the previous year, an increase of 5.75 lac tonnes. Increase in production was a result of well growing conditions coupled with better NR prices prevailed in the producing countries. The global NR consumption was estimated at 109.24 lac tonnes as against

107.78 lac tonnes in the previous year, an increase of 1.46 lac tonnes. The average international prices for RSS-3 were ₹ 225.20 per kg. as compared to ₹ 166.94 per kg. during the previous year.

NR production of India during 2011 was 9.04 lac tonnes as against 8.62 lac tonnes during the previous year. The absence of rain related disturbance in tapping, conducive weather and better prices were reasons for growth in production. As a result, productivity increased to 1,841 kgs. per hectare during 2011 from 1,806 kgs. per hectare in the previous year. Consumption of the NR in 2011 increased to 9.64 lac tonnes compared to 9.48 lac tonnes in the previous year due to increased consumption in the tyre sector. The average domestic prices for RSS-4 were ₹ 216.68 per kg. as against ₹ 169.08 per kg. in the previous year.

#### Review

Company's subsidiary, The Cochin Malabar Estates & Industries Ltd., produced 9.56 lac kgs. of rubber during 2011-12 as against 9.30 lac kgs. during the previous year, an increase of 26,000 kgs. compared to the previous year. The Company continues to focus on quality which enabled the subsidiary Company to fetch premium in the market for its product comprises of latex and skim rubber. The average price realization of rubber for 2011-12 was ₹ 206/- per DRC kg. as against ₹ 191/- per DRC kg. last year, which was higher by ₹ 15/- per DRC kg.

#### Outlook

The global NR production during 2012 is anticipated to be marginally higher than the last year and the production is estimated in the region of 113.20 lac tonnes, an increase of 3.48 lac tonnes compared to the previous year. Higher crops are anticipated from Vietnam, Indonesia and Malaysia. The global NR consumption for 2012 is also estimated at 112.90 lac tonnes, higher by 3.70 lac tonnes. The prospect for the NR sector being dependent on the global developments and with the pace of economic recovery projected to be weak in advanced countries and moderate to high in most emerging and developing economies, a modest NR consumption growth is anticipated. The international prices for NR declined significantly during April to September, 2012 due to the sluggish demand outlook, decline in crude oil prices and unfavourable trends. With global economic recovery losing its momentum, demand is anticipated to slow down, but the

resulting negative market sentiments are expected to be absorbed by the shortfall in supply.

### OPPORTUNITIES AND THREATS

#### TEA

Indian Tea production will have very insignificant growth in next few years since there is no addition to the land under Tea cultivation in the organized sector for last two decades. During last two years significant area under Tea plantation has been added in the unorganized sector which will both be an opportunity and threat to non-quality producers. Threat of rising labour shortage especially in South India exists to the Tea growers.

#### COFFEE

Prospect of a continuing demand for coffee remain promising, particularly in emerging markets and exporting countries. In addition to the growth in niche markets, buoyant world consumption will help to maintain a fair balance between supply and demand. Relatively better coffee prices have prompted the growers to follow better agronomic practices and thereby higher crop production. However, threat of acute labour shortage still exists to the Indian Coffee growers. Weather conditions 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

India is producing Natural Rubber at a very competitive rate and good quality. There has been unprecedented capacity creation in tyre sector in the last 4-5 years in view of the rise in demand from the automobile sector. India is the fourth largest commercial vehicles market and the second largest two-wheeler market globally and is poised to become a global automobile hub. The Government has included branded Indian Natural Rubber in Market Linked Focus Product Scheme. As per the scheme, export of branded natural rubber will be entitled to a duty credited of 2 per cent.

In NR, the supply imbalance is anticipated to get further worsened since most of the producing countries would be entering the winter season of low productivity. The rising oil price and speculative activities in the marketplace would additionally exert short term influence on the price. 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**

A note on the Risk and Concerns forming part of the Management Discussion and Analysis Report is attached.

### **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**

Joonkolllee 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.

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

### **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.

### **HIGHLIGHTS OF FINANCIAL PERFORMANCE**

A note on the Highlights of Financial Performance forming

part of the Management Discussion and Analysis Report is attached.

### **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.

### **SUBSIDIARY COMPANIES**

1. a) The Company as on 31st March, 2012 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.

- c) A statement containing brief financial details of the Subsidiary Companies is attached which forms part of the Annual Report.
2. The Cochin Malabar Estates and Industries Ltd. reported a net profit of ₹ 529.10 Lacs for the year ended 31st March, 2012 as against ₹ 339.45 Lacs for the same period last year. The total income for the year ended 31st March, 2012 is ₹ 2,466.76 Lacs as against ₹ 2,069.78 Lacs during the same period last year.

#### CREDIT RATING

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

#### AWARDS/RECOGNITIONS

- The Company has been accredited with ISO 9001:2008 certification by SGS, U.K.
- Goomankhan Tea Estate in Karnataka has been accredited with ISO 9001:2008 certification by Det Norske Veritas, Netherlands.
- Goomankhan Tea Estate has bagged The Golden Leaf Awards for the leaf and fannings categories for 2012.

#### 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 Practising Company Secretary regarding compliance of the Corporate Governance is given in the Annexure.

#### CONSOLIDATED FINANCIAL STATEMENTS

As prescribed by Accounting Standard 21 issued by the Institute of Chartered Accountants of India, the audited consolidated financial statements of the Company together with Auditors' Report for the year ended 31st March, 2012 are annexed.

#### FIXED DEPOSITS

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

#### DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms :

- i) that in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there has been no material departure;
- ii) that the selected Accounting Policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 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 to ensure compliance of laws applicable to the Company.

#### DIRECTORS

Smt. Pushpa Devi Bangur was appointed by the Board of Directors as an additional director of the Company under Section 260 of the Companies Act, 1956 w.e.f. 14.11.2011. Smt. Bangur holds office up to the ensuing Annual General Meeting of the Company and being eligible offers herself for appointment as the Director of the Company. The Company has received a notice from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose the candidature of Smt. Pushpa Devi Bangur for the office of Director of the Company liable to retire by rotation.

Shri M. K. Daga and Shri J. K. Surana retire from the Board by rotation and are eligible for re-appointment at the forthcoming Annual General Meeting.

#### SECRETARIAL AUDIT REPORT

As a measure of good corporate governance practice, the

Board of Directors of the Company appointed Shri S. K. Jain, Practicing Company Secretary, to conduct Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended March 31, 2012, is provided in the Annual Report.

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

#### **COST AUDIT**

During the year under review the Company has appointed M/s. A. Basu & Co., Cost Accountants, Kolkata to conduct the audit of the cost accounting records of the Company relating to the plantation products for the year ended 31st March, 2012. The compliance report as submitted by M/s. A. Basu & Co., Cost Accountants, Kolkata confirms that proper cost records as per the Companies (Cost Accounting Records) Rules, 2011 prescribed in Section 209(1)(d) of the Companies Act, 1956 have been maintained by the Company and it gives a true and fair view of the cost of production/operation, cost of sales and margin of all products and activities of the Company. The Company has further appointed M/s. A. Basu & Co., Cost Accountants, Kolkata as the Cost Auditor for the Financial Year 2012-13.

#### **AUDITORS' REPORT**

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

Place : Kolkata  
Dated : 12th November, 2012

#### **AUDITORS**

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

#### **PARTICULARS OF EMPLOYEES**

The Company had no employee of the category specified under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars as prescribed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo is provided in Annexure forming part of this Report.

#### **ACKNOWLEDGEMENT**

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

On behalf of the Board

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

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



## Annexure to the Directors' Report

INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012.

### CONSERVATION OF ENERGY

	2011-12	2010-11
<b>(A) POWER &amp; FUEL CONSUMPTION</b>		
<b>1. Electricity</b>		
(a) Purchased		
Units (KWH)	1,278,961	1,438,313
Total Amount (₹)	9,623,870	9,658,232
Rate/Unit (₹/KWH)	7.52	6.71
(b) Own Generation		
(i) Through Diesel		
Generator - Unit (KWH)	176,628	161,950
Unit per Ltr. H.S.D. Oil (KWH)	2.66	2.69
Fuel Cost/Unit (₹/KWH)	16.89	14.37
(ii) Through Natural Gas		
Generator - Unit (KWH)	1,299,200	1,147,250
Units per Scm. of Gas (KWH)	2.09	1.62
Fuel Cost/Unit (₹/KWH)	4.07	4.64
<b>2. Others : For Tea Processing in Withering &amp; Drying</b>		
(a) Furnace Oil, L.D./H.S.D. (Qty./Ltr.)	1,100	1,200
Total Cost (₹)	45,386	45,204
Average Rate (₹/Ltr.)	41.26	37.67
(b) Natural Gas (Scum)	1,278,597	1,251,066
Total Cost (₹)	11,936,239	10,391,332
Rate/Unit (₹/Scum)	9.34	8.31
(c) Firewood		
Quantity (Kgs.)	1,623,250	1,837,460
Total Cost (Rs.)	2,926,057	2,832,407
Average Cost per Kg. (₹)	1.80	1.54
<b>3. Others : For Transport &amp; Material Handling etc.</b>		
(a) H.S.D. Oil		
Quantity (Kgs.)	31,305	26,735
Total Cost (₹)	1,340,869	1,048,218
Rate/Unit (₹/Ltr.)	42.83	39.21
(b) Petrol		
Quantity (Kgs.)	4,261	2,281
Total Cost (₹)	290,201	127,887
Rate/Unit (₹/Ltr.)	68.11	56.07

	2011-12	2010-11
<b>4. Coffee Stumps used in Dryer</b>		
Quantity (Kgs.)	–	2,140
Total Cost (₹)	–	3,424
Average Cost per Kg. (₹)	–	1.60
<b>(B) CONSUMPTION PER UNIT PRODUCTION</b>		<b>2010-11</b>
Products - Tea (Gross) (Kgs.)	<b>3,854,362</b>	3,693,930
Energy Used : Electricity (KWH/Kg.) (including own Generation)	<b>0.71</b>	0.74
<b>Other Fuels for processing of Tea :</b>		
Furnace/L.D./H.S.D. Oil (Ltr.)	<b>0.0005</b>	0.0005
Gas (Scum/Kg.)	<b>0.37</b>	0.34
Solid Fuel/Firewood (Kg./Kg.)	<b>0.41</b>	0.38

#### RESEARCH AND DEVELOPMENT (R&D)

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

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

#### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

Not Applicable

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

(i) Activities relating to exports, initiatives taken to increase exports	Not Applicable
(ii) Development of new export markets for products and services, and export plan	Not Applicable
(iii) Total foreign exchange earned (Gross)	₹ Nil Lacs
Used	₹ 6.01 Lacs

On behalf of the Board

**K. C. Mohta***Executive Director &  
Chief Executive Officer***H. Bangur***Executive Vice-Chairman*

Place : Kolkata

Dated : 12th November, 2012

# Risks and Concerns

(Forming part of the Management Discussion and Analysis Report)

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 :

## INDUSTRY RISK

### Risk Explanation

- i) Tea, Coffee & Rubber are the agricultural products and their performance is dependent on the vagaries of nature. For Coffee, adequate rainfall for pre and post blossom is required for formation of fruits. Untimely rain during the harvest season results in crop loss and attack of berry borer. Similarly, for Tea & Rubber, timely rainfall is a pre-requisite.
- ii) Demand slowdown could dampen Company's profitability.

### Risk Mitigation

- Since timely information of weather plays a vital role for initiating steps towards application of fertilizers, chemicals and pesticides, steps are taken to get the weather information well in advance.
- Automatic weather prediction system has been installed at our Coffee Estate.
- Company is uprooting and replanting the uneconomical areas for the plantation of Tea, Coffee & Rubber in a phased manner.
- There is no additional land available which even otherwise could be converted into Tea production by the organized sectors and as such production of Tea for the next few years appears to be stagnant which may lead to demand & supply mismatch. Moreover, the domestic consumption of Tea in India is likely to have an annual growth of 3% to 4% and as such the Tea prices will remain firm.

- Similarly, Coffee prices will remain firm due to the low level of stocks and exports have been just sufficient to cover existing demand in importing countries in the past few years. Since the current crisis does not seem to have affected the volume of demand significantly, the current situation is likely to continue in the short-to-medium term.
- The consumption is exceeding the production and supply and thus ensures an opportunity to enhance the Rubber production for the reason that the prevailing prices of the Rubber are expected to remain firm.

## INDUSTRIAL RELATION RISK

### Risk Explanation

The Company being labour intensive is faced with the threat of the labour unrest and labour shortage.

### Risk Mitigation

The Company has been maintaining exceptionally good relations with the labour since its inception and there have been no loss of mandays 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 Odisha, Jharkhand and Assam.

## INTELLECTUAL CAPITAL RISK

### Risk Explanation

The Company may not have competent people to run the business.

### Risk Mitigation

- Geared up recruitment process, focusing on prospective growth.
- Developed functional and behavioural skills through proactive training.
- Enjoys one of the lowest attrition rate in the industry.

## OPERATING RISK

### Risk Explanation

Operating Risk refers to things that go wrong during the

Company's everyday operations. Factory breakdown or consignments of materials do not arrive on time or careless workmen damage valuable technology etc.

#### Risk Mitigation

Operating team is available to take corrective measures for such risks when it occurs.

### COMPETITION RISK

#### Risk Explanation

Owing to the opening of the world trade Company is faced with the menace of pressure on margins on its products more particularly, Coffee & Rubber. The prices of the finished goods are based on the movement of the international prices.

#### Risk Mitigation

Your Company has stepped up its focus on the quality, structural cost optimization and cost control measures.

### COST RISK

#### Risk Explanation

Stringent labour laws are resulting to higher labour cost and higher social cost for the plantation of Tea, Coffee & Rubber.

#### Risk Mitigation

- Company has already made representation to the Government to simplify the labour laws.
- Your Company has introduced HAZARDOUS ANALYSIS CRITICAL CONTROL POINT (HACCP) at the Tea factory situated at Barbam, Dist. Dibrugarh, Assam to ensure better quality product to realize higher prices of Tea products.
- The Company has introduced mechanization wherever possible.
- Company's Goomankhan Estate has been accredited with ISO 9001:2008 Certification by the Det Norske Veritas, Netherlands.

### FUNDING RISK

#### Risk Explanation

The Company may not be able to source fund for capital expenditure.

#### Risk Mitigation

- Your Company has large reserves and surplus to fund the capital expenditure.
- Maintains low debt-equity ratio to facilitate low-cost funds mobilization over the coming years.
- Rated "BBB stable" by CRISIL, providing ample scope for further fund raising.

### LIQUIDITY RISK

#### Risk Explanation

The Company may not be able to procure fund to manage daily operations.

#### Risk Mitigation

- Your Company has enough cash for meeting the operational cash requirements.
- Managed debtors' cycle at a comfortable level.
- Maintained a quick ratio of 0.30.
- Reduced average inventory days from 90 to 75 days.

### GEOPOLITICAL AND ENVIRONMENTAL RISK

#### Risk Explanation

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.

#### Risk Mitigation

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 crisis has been established, contingency plans can then be put in place to deal with them.

On behalf of the Board

**K. C. Mohta**

Executive Director &  
Chief Executive Officer

**H. Bangur**

Executive Vice-Chairman

Place : Kolkata

Dated : 12th November, 2012

# Financial Review

(Forming part of the Management Discussion and Analysis Report)



## HIGHLIGHTS OF FINANCIAL PERFORMANCE

(₹ in Lacs)

	UNCONSOLIDATED		CONSOLIDATED	
	2011-12	2010-11	2011-12	2010-11
1. Net Sales	5,025.98	4,921.40	7,437.77	6,975.54
2. Operating Profit before Interest, Depreciation and Taxation	987.78	662.63	1,780.06	1,272.01
3. Less : Interest and Financial charges	271.81	265.35	406.57	430.92
4. Profit after Interest	715.97	397.28	1,373.49	841.09
5. Less : Depreciation	175.60	170.29	243.69	242.39
6. Profit after Depreciation	540.37	226.99	1,129.80	598.70
7. Less : Exceptional Items	-	-	-	-
8. Profit before Tax	540.37	226.99	1,129.80	598.70
9. Provision for Taxes	117.50	20.82	133.15	33.10
10. Net Profit after Tax	422.87	206.17	996.65	565.60

## NETWORTH

### Unconsolidated

Networth increased from ₹ 9,275.49 Lacs in the Financial Year 2010-11 to ₹ 9,627.70 Lacs in the Financial Year 2011-12.

### Consolidated

Networth increased from ₹ 9,416.83 Lacs in the Financial Year 2010-11 to ₹ 9,941.56 Lacs in the Financial Year 2011-12.

## LOAN FUNDS

### Unconsolidated

#### a. Short Term Borrowings :

Increased from ₹ 822.88 Lacs in the Financial Year 2010-11 to ₹ 1,425.19 Lacs in the Financial Year 2011-12.

#### b. Long Term Borrowings :

Decreased from ₹ 972.44 Lacs in the Financial Year 2010-11 to ₹ 182.44 Lacs in the Financial Year 2011-12.

### Consolidated

#### a. Short Term Borrowings :

Decreased from ₹ 2,477.88 Lacs in the Financial Year 2010-11 to ₹ 1,487.40 Lacs in the Financial Year 2011-12.

#### b. Long Term Borrowings :

Decreased from ₹ 973.24 Lacs in the Financial Year 2010-11 to ₹ 619.94 Lacs in the Financial Year 2011-12.

## CAPITAL ASSETS ADDITIONS

### Unconsolidated

Company has incurred capital expenditure amounting to ₹ 200 Lacs during the year ended 31st March, 2012 as compared to ₹ 352.42 Lacs for the same period last year.

### Consolidated

The Group has incurred capital expenditure amounting to ₹ 424.57 Lacs during the year ended 31st March, 2012 as compared to ₹ 574.85 Lacs for the same period last year.

## SALES

### Unconsolidated

Revenue from operations increased from ₹ 4,921.40 Lacs in the Financial Year 2010-11 to ₹ 5,025.98 Lacs in the Financial Year 2011-12.

### Consolidated

Revenue from operations increased from ₹ 6,975.54 Lacs in the Financial Year 2010-11 to ₹ 7,437.77 Lacs in the Financial Year 2011-12.

## DEPRECIATION & AMORTISATION EXPENSES

### Unconsolidated

Increase from ₹ 170.29 Lacs in the Financial Year 2010-11 to ₹ 175.60 Lacs in the Financial Year 2011-12.

### Consolidated

Increase from ₹ 242.39 Lacs in the Financial Year 2010-11 to ₹ 243.69 Lacs in the Financial Year 2011-12.

## PROFIT BEFORE DEPRECIATION, INTEREST AND TAX

### Unconsolidated

Increase from ₹ 662.13 Lacs in the Financial Year 2010-11 to

₹ 987.78 Lacs in the Financial Year 2011-12.

### Consolidated

Increase from ₹ 1,578.00 Lacs in the Financial Year 2010-11 to ₹ 1,780.01 Lacs in the Financial Year 2011-12.

## CASH PROFIT AFTER TAX

### Unconsolidated

Increase from ₹ 376.46 Lacs in the Financial Year 2010-11 to ₹ 598.47 Lacs in the Financial Year 2011-12.

### Consolidated

Increase from ₹ 808.00 Lacs in the Financial Year 2010-11 to ₹ 1,240.34 Lacs in the Financial Year 2011-12.

## NET PROFIT AFTER TAX

### Unconsolidated

Increase from ₹ 206.17 Lacs in the Financial Year 2010-11 to ₹ 422.87 Lacs in the Financial Year 2011-12.

### Consolidated

Increase from ₹ 565.60 Lacs in the Financial Year 2010-11 to ₹ 996.65 Lacs in the Financial Year 2011-12.

On behalf of the Board

Place : Kolkata

Dated : 12th November, 2012

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

**H. 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 an overarching principle of running a Company with fairness, transparency and accountability. It ensures that the Company is governed in keeping all stakeholders in mind, not just the shareholders. Over and above the prime goal of protecting shareholders' interest, the nuts and bolts of running an ethically committed business involve adequate disclosure and effective decision-making, transparency in business transactions, and statutory and legal compliances. The Corporate Governance is about commitment to values and integrity in directing the affairs of the Company and it is a collective responsibility of each of the three pillars of an enterprise - the board of directors, shareholders and 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.

## 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 eight, of which, six are Non-Executive Directors and two are the Executive Directors. The Board has four Independent Non-Executive Directors, two Promoter Non-Executive Directors, 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 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 11th May, 2011, 4th August, 2011, 14th November, 2011 & 8th February, 2012 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	2	NEC	5	1	2	487,538
Smt. P. D. Bangur *	NA	2	NED	1	-	-	436,666
Shri H. Bangur	Yes	4	EVC	14	1	2	140,707
Shri M. K. Daga	Yes	4	ID/NED	4	1	1	-
Shri A. Ghosh	Yes	4	ID/NED	14	5	10	-
Shri J. K. Surana	Yes	3	ID/NED	1	-	-	-
Shri M. M. Pyne	Yes	4	ID/NED	5	-	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

\* appointed on 14th November, 2011.

\*\* In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, chairmanship/membership of only the Audit Committee and Shareholders'/Investors' Grievance Committee of all the public limited companies have been considered.

#### Relationship amongst Directors :

Shri G. D. Bangur, Chairman, Smt. P. D. Bangur, Director and Shri H. Bangur, Executive Vice-Chairman are related to each other.

### 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 Wholtime 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, 2012.

**(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 11th May, 2011, 4th August, 2011, 14th November, 2011 and 7th February, 2012. 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	2

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 firm which 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 Executive Vice-Chairman/Wholtime Director/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 Wholtime Director.
- Reviewing the performance of the Executive Vice-Chairman and Wholtime 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 6th February, 2012. 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	-

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, 2012 :**

(Amount in ₹)

Name of the Director	Salary	Perquisites and other benefits	Sitting Fees*	Total
Shri G. D. Bangur	-	-	40,000	40,000
Smt. P. D. Bangur	-	-	10,000	10,000
Shri H. Bangur	3,000,000	1,856,017	-	4,856,017
Shri M. K. Daga	-	-	28,000	28,000
Shri A. Ghosh	-	-	20,000	20,000
Shri J. K. Surana	-	-	17,000	17,000
Shri M. M. Pyne	-	-	54,000	54,000
Shri K. C. Mohta	2,100,000	1,819,987	-	3,919,987

\* Includes Sitting Fee paid for Committee Meetings.

**Details of Agreement**

Name	From	To	Tenure	Capacity
Shri H. Bangur *	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.

\* Shri K. C. Mohta has been re-appointed as Executive Director and Chief Executive Officer of the Company by the Board of Directors in its meeting held on 8th February, 2012 w.e.f. 4th May, 2012 for a period of 5 years.

Shri H. Bangur has been re-appointed as Managing Director to be designated as Executive Vice-Chairman by the Board of Directors in its meeting held on 8th August, 2012 w.e.f. 1st May, 2012 for a period of 5 years.

The Shareholders have approved the re-appointment of Shri K. C. Mohta as Executive Director and Chief Executive Officer and Shri Hemant Bangur as Managing Director to be designated as Executive Vice-Chairman of the Company by the requisite majority vide postal ballot process conducted by the Company.

## 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, 12 (Twelve) 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	12
Shri M. M. Pyne	Member	12
Shri K. C. Mohta	Member	12

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

Pending at the beginning of the year	Received during the year	Redressed/Replied during the year	Pending at the year end
Nil	9	9	Nil

The normal 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, 2012. There were no share transfer applications pending for registration on 31st March, 2012.

## 6. ISSUE & ALLOTMENT COMMITTEE

### (a) Functions

The Issue & 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;
- taking 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 Director and two Independent Non-Executive Directors namely Shri H. Bangur, Shri M. M. Pyne and Shri M. K. Daga respectively.

No meeting was held during the year.

## 7. GENERAL BODY MEETINGS

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

Financial Year	Date of Meeting	Time	Location
2008-2009	2nd September, 2009	11.00 a.m.	Shripati Singhanian Hall, Rotary Sadan 94/2, Chowringhee Road, Kolkata - 700 020
2009-2010	29th September, 2010	10.15 a.m.	Shripati Singhanian Hall, Rotary Sadan 94/2, Chowringhee Road, Kolkata - 700 020
2010-2011	28th September, 2011	10.15 a.m.	Shripati Singhanian Hall, Rotary Sadan 94/2, Chowringhee Road, Kolkata - 700 020

- At the Annual General Meeting held on 29th September, 2010 shareholders have considered appointment and remuneration of Shri H. 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 Company at the 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.
- A special resolution was passed by the Company at the last Annual General Meeting held on 28th September, 2011 amending the articles of association, pursuant to Section 31 of the Companies Act, 1956, for increasing the number of Directors from seven to twelve until otherwise determined by the Company in General Meeting.
- The last Annual General Meeting held on 28th September, 2011 was duly attended by the Chairman of the Audit Committee, Shri M. K. Daga.
- Special resolutions in terms of the provisions of the Companies Act, 1956 and all other applicable rules, regulations, guidelines and laws, were passed by Postal Ballot in accordance with the provisions of Section 192A of the Companies Act, 1956, during the financial year ended 31st March, 2012 as the procedures prescribed in the Companies (Passing of

Resolutions by Postal Ballot) Rules, 2001. The Result of Postal Ballot was as under :

Particulars of Resolution	Resolution passed on	Application Section of the Companies Act, 1956	No. and % of Votes in favour	No. and % of Votes against
Authorising the Board for borrowings	05.01.2012	Section 293(1)(d) and all other applicable provisions, if any, of the Companies Act, 1956	2,699,925 99.41 %	16,016 0.59%
Authorising the Board for Investment of its funds	05.01.2012	Section 372A and all other applicable Provisions, if any, of the Companies Act,1956	2,699,379 99.40%	16,352 0.60%

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

The procedures as prescribed in Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolutions by Postal Ballot) Rules, 2001 were followed for passing the Resolution by Postal Ballot during the year ended 31st March, 2012.

## 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, 2012 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 H. 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. NON-MANDATORY REQUIREMENTS**

- (a) Company has a Non-Executive Chairman on its Board.
- (b) The tenure of the independent directors is not being restricted to the period of 9 years in aggregate since the Board of Directors is unanimously of the opinion

that the length of the tenure on the Board would not have any material negative impact of the performance of the independent directors and discharge of their duties towards the Company.

- (c) The Remuneration Committee is constituted by the Board, the details of which are provided in the heading 'Remuneration Committee'.
- (d) The quarterly/half yearly financial results are published in the leading English newspapers and also in the Bengali newspaper circulated in the district where the Registered Office of the Company is situated and also accessible on the Company's website. The results are, therefore, not separately circulated to the members.
- (e) There are no qualifications in the Audit Report for the year 2011-12.
- (f) The Directors are kept informed of the latest developments in laws, rules and regulations and are also informed day-to-day activities of the Company. The business model of the Company as well as risk profile of the business parameters of the Company and their responsibility as a director are also informed to them and they are fully aware of the same. The need for the formal training on this issue therefore, is not felt necessary at present.
- (g) Company has not adopted any Whistle Blower Policy. Company however, recognizes the importance of reporting to the management by any employee at any level about the unethical behavior or suspected fraud in violation of Company's Code of Conduct or any other point of concern.
- (h) Company has not adopted other non-mandatory requirements as specified in Annexure-1D of Clause 49 of the Listing Agreement.

**11. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report has been discussed in the Directors' Report.

**12. 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.

On behalf of the Board

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

**H. Bangur**  
 Executive Vice-Chairman

### 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, 2011 to March, 2012.

For **JOONKTOLLEE TEA & INDUSTRIES LTD.**

Place : Kolkata  
Dated : 12th November, 2012

**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, 2012 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 : 12th November, 2012

**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 the Statement of Profit & Loss (standalone and consolidated) and all the notes on accounts, as well as the Cash Flow statements for the year ended 31st March, 2012.
- 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, 2012, 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, 2012 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 2011-12.
  - 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.**

Place : Kolkata  
Date : 12th November, 2012

**S. Bagree**  
Chief Financial Officer

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

# Shareholder Information



## A. 138TH ANNUAL GENERAL MEETING

Date	21st December, 2012
Time	11.15 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, 2012	By 8th of August, 2012
2nd Quarter Ended 30th September, 2012	By 12th of November, 2012
3rd Quarter Ended 31st December, 2012	By 15th of February, 2013
4th Quarter Ended 31st March, 2013	By 15th of May, 2013

## C. BOOK CLOSURE DATES

The Register of Members and Share Transfer Books of the Company shall remain closed from 15th December, 2012 to 21st December, 2012 (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 22nd December, 2012 to those members whose names appear on the Company's Register of Members as holders of equity shares in physical form on 15th December, 2012. 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 15th December, 2012.

## 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 2012-13. Further, BSE has permitted the Equity Shares of the Company for trading under the "B" group.

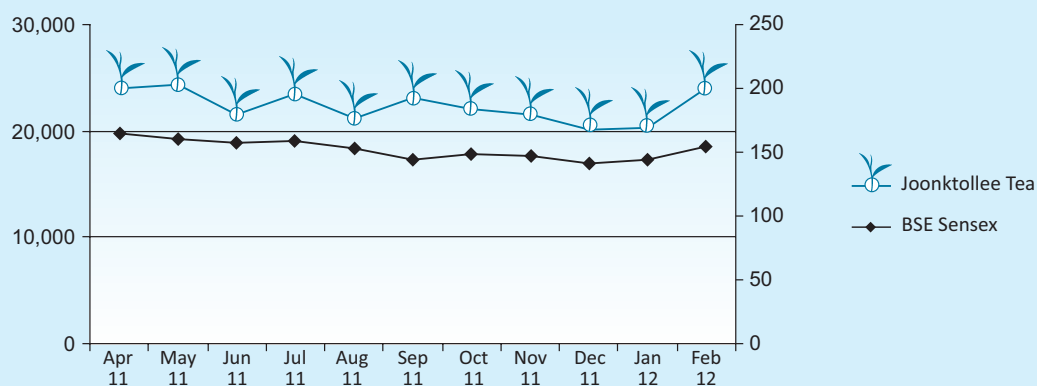
### Stock Code

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, 2011	200.45	181.05	19811.14	18976.19
May, 2011	203.00	161.00	19253.87	17786.13
June, 2011	180.00	143.25	18873.39	17314.38
July, 2011	195.00	150.00	19131.70	18131.86
August, 2011	176.25	136.00	18440.07	15765.53
September, 2011	193.00	149.00	17211.80	15801.01
October, 2011	183.90	160.25	17908.13	15745.43
November, 2011	178.85	141.00	17702.26	15478.69
December, 2011	167.00	132.55	17003.71	15135.86
January, 2012	168.80	151.20	17258.97	15358.02
February, 2012	200.30	148.00	18523.78	17061.55
March, 2012	208.80	160.30	18040.69	16920.61



## 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 4,216 shares were transferred/transmitted/rematerialised during the year 2011-12. The dematerialized shares are credited directly to the respective Demat Account of beneficiaries by the Depositories.

## I. DISTRIBUTION OF SHAREHOLDINGS AS AT 31ST MARCH, 2012 WAS AS UNDER

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
Upto 500	2,760	95.2052	189,120	5.8079
501 to 1000	68	2.3456	48,238	1.4814
1001 to 2000	31	1.0693	39,869	1.2244
2001 to 3000	6	0.2070	14,378	0.4416
3001 to 4000	4	0.1380	14,457	0.4440
4001 to 5000	3	0.1035	13,348	0.4099
5001 to 10000	6	0.2070	43,274	1.3290
10001 and above	21	0.7244	2,893,563	88.8618
<b>GRAND TOTAL</b>	<b>2,899</b>	<b>100.0000</b>	<b>3,256,247</b>	<b>100.0000</b>

## J. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2012 WAS AS UNDER

Category	No. of Shares Held	% of Share Capital
<b>A. PROMOTER'S HOLDING</b>		
1. Promoters		
a. Indian Promoters	27,06,675	83.1225
b. Foreign Promoters	–	–
<b>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	94,865	2.9133
c. FIIs	–	–
<b>TOTAL</b>	<b>94,865</b>	<b>2.9133</b>
3. Others		
a. Bodies Corporate	71,877	2.2074
b. Indian Public	3,51,600	10.7977
c. NRIs/OCBs	14,755	0.4532
d. Any Other	16,475	0.5059
<b>TOTAL</b>	<b>4,54,707</b>	<b>13.9642</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 on the Stock Exchange 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, 2012 was as under :**

Particulars	No. of Shares	% to Total Capital	No. of Accounts
National Securities Depository Limited	14,63,725	44.9513	1038
Central Depository Services (India) Limited	15,67,924	48.1513	520
<b>Total Dematerialised</b>	<b>30,31,649</b>	<b>93.1026</b>	<b>1558</b>
Physical	2,24,598	6.8974	1341
<b>GRAND TOTAL</b>	<b>32,56,247</b>	<b>100.0000</b>	<b>2899</b>

#### L. OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

The Company did not have any outstanding GDRs/ADRs/Warrants or Convertible Instrument as on 31st March, 2012.

#### 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 (₹)
2011-12	2.50
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

#### O. LOCATIONS

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

##### TEA

##### Joonktolee Tea Estate & Factory

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

##### Shree Ganga Tea Estate

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

##### Jamirah Tea Estate & Factory

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

##### Goomankhan Tea Estate & Factory

P.O. Hirebile - 577121  
 Dist. Chikmagalur, Karnataka

##### Nilmoni Tea Estate

P.O. Tinkhong - 786 112  
 Rajgarh, 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 - 680 304

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

#### **COIMBATORE**

Post Box No. 3837

234-A, Race Course Road

Coimbatore - 641 018, Tamil Nadu

- D. Branches/Sales Depots are located at :

#### **AHMEDABAD**

C-303-306, Supath II

Near Usmanpura, Ashram Road

Ahmedabad - 380 013

Gujarat

#### **HUBLI**

C.T.S. No.1730, House No.6938,

"Hondonnavar Building", Chelinarvar Oni

Veerapur Road, Hubli - 580 020

Karnataka

#### **JAIPUR**

"KHETAN BHAVAN", M.I. Road

Jaipur - 302 001

Rajasthan

#### **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

Phone : (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 Shri S. Bagree, Manager (Finance) & Company Secretary at the Registered Office for any assistance that they may need.

Phone : (033) 2230-0780

Fax : (033) 2230-2105

E-mail : cs@joonktolleetea.in

**Q. BRIEF RESUME OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT**

The resume and other details of the Directors seeking appointment/re-appointment as required to be disclosed under clause 49 of the Listing Agreement is provided in the AGM Notice attached with this Annual Report.

For **JOONKTOLLEE TEA & INDUSTRIES LIMITED**

Place : Kolkata

Dated : 12th November, 2012

**K. C. Mohta**

*Executive Director &  
Chief Executive Officer*

**H. Bangur**

*Executive Vice-Chairman*

# Secretarial Audit Report

To  
The Board of Directors,  
**M/s. Joonktollee Tea & Industries Limited**  
21, Strand Road, Kolkata - 700 001

I have examined the registers, records and documents of Messrs. Joonktollee Tea & Industries Limited (the 'Company') for the financial year ended on 31st March, 2012 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, 2011;
  - 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, 2009;
  - 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 for the years under review 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 there under 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 137th Annual General Meeting held on 28th September, 2011;
- 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/ Committee(s) of Directors and appointment, retirement and re-appointment of Directors including the Executive Vice-Chairman and Wholetime Director;
- k) Payment of remuneration to the Directors including the Executive Vice-Chairman and Wholetime Director;
- 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) No guarantees were given in connection with loan taken by third party;
- s) Form of Balance Sheet as prescribed under Part I, form of statement of profit & loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
- t) Contracts, common seal, registered office and publication of name of the Company; and
- u) Generally all other applicable provisions of the Act and the Rules made under that Act.
2. I further report that :
- a) the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities;
- b) the Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the code of Business Conduct & Ethics for Directors and Management Personnel;
- c) the Company has obtained all necessary approvals under the various provisions of the Act;
- d) there was no prosecution initiated against the Company and no fines or penalties were imposed on the Company during the year under review under the Companies Act, SEBI Act, SCR Act, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against the Company, its Directors and Officers as per the written representation received from the Company.
3. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye-Laws framed thereunder by the Depositories with regard to dematerialization/rematerialization 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, 1997/2011 including the provisions with regard to disclosures 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  
Date : 12th November, 2012

*Practicing Company Secretary*  
C. P. No. 4077

# Auditors' Report

## TO THE MEMBERS OF JONKTOLLEE TEA & INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of JONKTOLLEE TEA & INDUSTRIES LIMITED as at 31st March, 2012 and the related Statement of Profit & Loss 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 Statement of Profit & Loss 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 Statement of Profit & Loss 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, 2012 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2012 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, 2012;
  - (ii) in the case of the Statement of Profit & Loss, 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  
**Gopal Jain**  
*Partner*  
Membership No. 059147

Place : Kolkata  
Date : 12th November, 2012

## Annexure to Auditors' Report

### [REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF JOONKTOLLEE TEA & INDUSTRIES LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012]

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) According to the information and explanation given to us, based on a phased manner, the fixed assets of the Company have been physically verified by the management and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.  
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (a) According to the information and explanation given to us, the inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have 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 under Section 301 of the Act. 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 under Section 301 of the Act. The amount of loan taken during the year and the maximum amount outstanding during the year was ₹ 25,000,000/- and ₹ 42,500,000/- respectively. The year end balance of such loans was ₹ Nil.  
(c) 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

## Annexure to Auditors' Report

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 as applicable with the appropriate authorities and no such dues were in arrears, as at 31st March, 2012 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, 2012 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	128.65	A.Y. 2003-04 to 2009-10	Commissioner of Income Tax Appeals
Karnataka Sales Tax	Sales Tax Demand	17.83	A.Y. 2003-04 to 2008-09	Karnataka Sales Tax Appellate Tribunal

10. The Company has no accumulated losses as at 31st March, 2012 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any 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.

## Annexure to Auditors' Report

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

**Gopal Jain**

*Partner*

Place : Kolkata

Date : 12th November, 2012

Membership No. 059147

# Balance Sheet

As at 31st March, 2012

(Amount in ₹)

	Notes	As at 31st March, 2012		As at 31st March, 2011	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	2.1	32,562,471		32,562,471	
Reserves and Surplus	2.2	930,207,595	962,770,066	894,986,212	927,548,683
<b>Non-Current Liabilities</b>					
Long-Term Borrowings	2.3	18,244,000		97,244,000	
Deferred Tax Liabilities (Net)	2.4	3,921,613	22,165,613	3,080,650	100,324,650
<b>Current Liabilities</b>					
Short-Term Borrowings	2.5	142,519,255		82,288,183	
Trade Payables	2.6	23,501,414		27,979,102	
Other Current Liabilities	2.7	10,706,862		42,126,656	
Short-Term Provisions	2.8	45,751,787	222,479,318	32,998,567	185,392,508
<b>TOTAL</b>			<b>1,207,414,997</b>		<b>1,213,265,841</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Fixed Assets :	2.9				
- Tangible Assets		543,937,022		541,883,594	
- Intangible Assets		567,578		1,008,480	
- Capital Work-in-Progress		2,577,578	547,082,178	1,763,620	544,655,694
Non-Current Investments	2.10	456,770,790		458,847,900	
Long-Term Loans and Advances	2.11	67,291,562	524,062,352	68,331,988	527,179,888
<b>Current Assets</b>					
Inventories	2.12	73,528,670		67,848,259	
Trade Receivables	2.13	8,411,074		19,013,998	
Cash and Bank Balances	2.14	9,876,856		5,104,472	
Short-Term Loans and Advances	2.11	31,500,353		43,147,837	
Other Current Assets	2.15	12,953,514	136,270,467	6,315,693	141,430,259
<b>TOTAL</b>			<b>1,207,414,997</b>		<b>1,213,265,841</b>
Significant Accounting Policies	1				

The accompanying notes 2.1 to 2.24 are an integral part of the Financial Statements.

As per our report of even date annexed.

For and on behalf of  
**SINGHI & CO.**  
Chartered Accountants  
Firm Registration No. 302049E  
**Gopal Jain**  
Partner  
Membership No. 059147  
Place : Kolkata  
Dated : 12th November, 2012

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

**G. D. Bangur** Director  
**H. Bangur** Executive Vice-Chairman  
**P. D. Bangur** Director  
**A. Ghosh** Director  
**M. K. Daga** Director  
**J. K. Surana** Director  
**M. M. Pyne** Director  
**K. C. Mohta** Executive Director

# Statement of Profit & Loss

For the year ended 31st March, 2012

(Amount in ₹)

	Notes	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>INCOME</b>			
Revenue from Operations	2.16	502,597,794	492,139,841
Other Income	2.17	53,555,338	7,016,815
<b>TOTAL</b>		<b>556,153,132</b>	499,156,656
<b>EXPENSES</b>			
Cost of Raw Materials Consumed	2.18	64,169,788	72,409,296
(Increase)/Decrease in Inventories of Finished Goods	2.19	(168,672)	5,131,740
Employee Benefits Expense	2.20	221,275,138	178,094,300
Finance Costs	2.21	27,180,840	26,534,570
Other Expenses	2.22	172,099,477	177,258,787
<b>TOTAL</b>		<b>484,556,571</b>	459,428,693
<b>Profit before Tax, Depreciation and Amortization</b>		<b>71,596,561</b>	39,727,963
Depreciation and Amortization Expense	2.23	17,559,791	17,028,621
<b>Profit before Tax</b>		<b>54,036,770</b>	22,699,342
<b>Tax Expense :</b>			
Current Tax		10,500,000	2,500,000
Earlier Year		409,222	–
Deferred Tax		840,963	(417,699)
<b>Profit for the year</b>		<b>42,286,585</b>	20,617,041
Basic & Diluted Earnings Per Share [Nominal value ₹ 10/-] (Refer Note No. 2.24.M)		12.99	6.33
Significant Accounting Policies	1		

The accompanying notes 2.1 to 2.24 are an integral part of the Financial Statements.

As per our report of even date annexed.

For and on behalf of  
**SINGHI & CO.**  
 Chartered Accountants  
 Firm Registration No. 302049E  
**Gopal Jain**  
 Partner  
 Membership No. 059147  
 Place : Kolkata  
 Dated : 12th November, 2012

**S. Bagree**  
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**J. K. Surana** Director  
**M. M. Pyne** Director  
**K. C. Mohta** Executive Director

# Cash Flow Statement

for the year ended 31st March, 2012

(Amount in ₹)

	2011 - 2012		2010 - 2011	
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax and extraordinary items		<b>54,036,770</b>		22,699,342
<b>Adjustments for :</b>				
Depreciation	<b>17,559,791</b>		17,028,621	
Loss/(Profit) on sale/discard of Fixed Assets (Net)	<b>(1,173,706)</b>		(585,913)	
Profit on Sale of Investment	<b>(40,069,355)</b>		–	
Interest and Dividend Income	<b>(2,012,135)</b>		(1,744,038)	
Finance Cost	<b>27,180,840</b>		26,534,570	
Interest Subsidy	<b>(7,046,842)</b>		(2,990,523)	
Sundry Credit balance no longer required written back	<b>(290,651)</b>		(66,079)	
Bad Debts & Provision for doubtful debts/advances (Net)	<b>22,076</b>	<b>(5,829,982)</b>	8,600	38,185,238
<b>Operating Profit before Working Capital Changes</b>		<b>48,206,788</b>		60,884,580
<b>Adjustments for :</b>				
Trade Receivables, Current Assets and Loans & Advances	<b>26,158,390</b>		(330,085)	
Inventories	<b>(5,680,411)</b>		3,215,497	
Trade Payables, Current Liabilities and Provisions	<b>9,229,705</b>	<b>29,707,684</b>	(20,683,823)	(17,798,411)
<b>Cash generated from Operations</b>		<b>77,914,472</b>		43,086,169
Direct Taxes (Paid)/Refund received (Net)		<b>(17,186,602)</b>		(6,713,928)
<b>Net Cash from Operating Activities</b>		<b>60,727,870</b>		36,372,241
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets/WIP	<b>(19,831,758)</b>		(22,775,752)	
Sale of Fixed Assets	<b>2,000,281</b>		748,869	
(Purchase)/Sale of Investments	<b>42,146,465</b>		(1,223,453)	
Advance to/from subsidiary (Net)	<b>2,639,808</b>		(5,500,000)	
Interest Received	<b>814,071</b>		814,286	
Dividend Received	<b>1,089,094</b>		929,752	
<b>Net cash used in Investing Activities</b>		<b>28,857,961</b>		(27,006,298)
		<b>89,585,831</b>		9,365,943



# Cash Flow Statement

For the year ended 31st March, 2012

(Amount in ₹)

	2011 - 2012		2010 - 2011	
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Long-Term Borrowings		-	67,011,500	
Payments of Long-Term Borrowings	(109,000,000)		(55,000,000)	
Proceeds from Other Borrowings (Net)	60,231,072		9,332,645	
Interest Paid	(27,560,494)		(24,981,358)	
Dividends Paid (including Tax on Dividend)	(8,668,863)		(8,669,432)	
<b>Net Cash from/(used in) Financing Activities</b>		<b>(84,998,285)</b>		<b>(12,306,645)</b>
<b>Net Change in Cash and Cash Equivalents</b>		<b>4,587,546</b>		<b>(2,940,702)</b>
Cash and Cash Equivalents - Opening Balance		<b>4,327,899</b>		7,268,601
Cash and Cash Equivalents - Closing Balance		<b>8,915,445</b>		4,327,899

## Notes :

- Cash and Cash Equivalents consists of Cash-on-Hand and balances with banks in Current/Cash Credit accounts as per note 2.14.
- 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 :

	2011 - 2012		2010 - 2011	
Cash-on-Hand		<b>781,923</b>		824,380
Bank Balance		<b>8,133,522</b>		3,503,519
<b>TOTAL</b>		<b>8,915,445</b>		4,327,899

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

For and on behalf of  
**SINGHI & CO.**  
 Chartered Accountants  
 Firm Registration No. 302049E  
**Gopal Jain**  
 Partner  
 Membership No. 059147  
 Place : Kolkata  
 Dated : 12th November, 2012

**S. Bagree**  
 Manager (Finance) &  
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**J. K. Surana** Director  
**M. M. Pyne** Director  
**K. C. Mohta** Executive Director

# Notes to Financial Statements

As at and for the year ended 31st March, 2012

## 1. SIGNIFICANT 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.

The financial statements has been prepared and presented as per the requirement of Revised Schedule VI as notified under the Companies Act, 1956 with effect from current year. The adoption of Revised Schedule VI does not have any impact on recognition and measurement principles as consistently followed by the Company.

### 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) Tangible Fixed Assets are stated at their original cost less depreciation. Cost includes incidental expenses. Profits or Losses on sale of tangible fixed assets are included in the Statement of Profit & Loss 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 tangible fixed assets are amortized over the useful life of the assets.

Depreciation :

- iii) Depreciation on tangible 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

Grants and subsidies from the Government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Government grants related to specific tangible 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 Statement of Profit & Loss.

### 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 which ever 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.

### 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.

# Notes to Financial Statements

As at and for the year ended 31st March, 2012

- iii) Any income or expense on account of exchange difference either on settlement or translation is recognized in the Statement of Profit & Loss.
- 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 Statement of Profit & Loss 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 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 Statement of Profit & Loss.  
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.
- 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 to Financial Statements

As at and for the year ended 31st March, 2012

(Amount in ₹)

	As at 31st March, 2012	As at 31st March, 2011
<b>2.1 : SHARE CAPITAL</b>		
<b>Authorized :</b>		
Equity Shares :		
112,49,000 Ordinary Shares of ₹ 10/- each	112,490,000	112,490,000
35,000 Ordinary Shares of ₹ 100/- each	3,500,000	3,500,000
Preference Shares :		
50,000 Redeemable Cumulative Shares of ₹ 10/- each	500,000	500,000
100 13.5% Redeemable Cumulative Shares of ₹ 100/- each	10,000	10,000
	<b>116,500,000</b>	<b>116,500,000</b>
<b>Issued :</b>		
3,256,247 Ordinary Shares of ₹ 10/- each (Previous year 3,256,247 Ordinary Shares of ₹ 10/- each)	32,562,471	32,562,471
	<b>32,562,471</b>	<b>32,562,471</b>
<b>Subscribed and Paid-up :</b>		
3,256,247 Ordinary Shares of ₹ 10/- each fully paid-up (Previous year 3,256,247 Ordinary Shares of ₹ 10/- each fully paid-up)	32,562,471	32,562,471
	<b>32,562,471</b>	<b>32,562,471</b>

a) **Reconciliation of Shares outstanding at the beginning and at the end of year :**

	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	3,256,247	3,233,647
Shares Issued during the year pursuant to scheme of Amalgamation and Arrangement	-	22,600
Shares outstanding at the end of the year	<b>3,256,247</b>	<b>3,256,247</b>

b) The Company has only one class of issued shares i.e. Ordinary Shares having par value of ₹ 10/- per share. Each holder of Ordinary Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the ordinary shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

c) The Company does not have any holding company or ultimate holding Company.

d) **Details of shareholders holding more than 5% shares in the Company :**

	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	%	No. of Shares	%
<b>Ordinary Shares of ₹ 10/- each fully paid up</b>				
1) Gopal Das Bangur	500,038	15.36	500,038	15.36
2) Kettlewell Bullen & Company Limited	489,369	15.03	489,369	15.03
3) Pushpa Devi Bangur	436,666	13.41	436,666	13.41
4) The Oriental Company Limited	375,297	11.53	375,297	11.53
5) The Cambay Investment Corporation Limited	250,719	7.70	250,719	7.70

# Notes to Financial Statements

As at and for the year ended 31st March, 2012

- e) No Ordinary Shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment as at the Balance Sheet date.
- f) No Ordinary Shares have been bought back by the Company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.
- g) 2,160,259 (Previous year 2,160,259) Ordinary shares of ₹ 10/- each fully paid-up have been issued pursuant to scheme of amalgamation and arrangement for consideration other than cash in immediately preceding five years.
- h) No securities convertible into Ordinary/Preference Shares have been issued by the Company during the year.
- i) No calls are unpaid by any Director or Officer of the Company during the year.

(Amount in ₹)

	As at 31st March, 2012	As at 31st March, 2011
<b>2.2 : RESERVES AND SURPLUS</b>		
<b>Capital Reserves</b>		
As per the last Financial Statements	597,728,411	597,728,411
<b>Capital Redemption Reserve</b>		
As per the last Financial Statements	41,600	41,600
<b>Securities Premium</b>		
As per the last Financial Statements	24,701,440	24,701,440
<b>Revaluation Reserve (created on revaluation of land)</b>		
As per the last Financial Statements	40,386,019	40,386,019
<b>General Reserve</b>		
As per the last Financial Statements	205,912,447	195,912,447
Add : Transferred from Surplus	20,000,000	10,000,000
	225,912,447	205,912,447
<b>Surplus</b>		
As per the last Financial Statements	26,216,295	25,060,484
Add : Profit for the year	42,286,585	20,617,041
	68,502,880	45,677,525
Less : Appropriations		
Proposed Dividend	8,140,618	8,140,618
Corporate Dividend Tax	528,245	1,320,612
Corporate Dividend Tax for earlier years written back (Refer note 2.8 ##)	(1,603,661)	-
Transferred to General Reserve	20,000,000	10,000,000
<b>Net Surplus</b>	41,437,678	26,216,295
<b>TOTAL</b>	930,207,595	894,986,212

# Notes to Financial Statements

As at and for the year ended 31st March, 2012

(Amount in ₹)

	Non-Current portion		Current Maturities	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
<b>2.3 : LONG-TERM BORROWINGS</b>				
<b>Secured</b>				
Term Loan from banks	–	15,000,000	–	30,000,000
Loan from Life Insurance Corporation of India #	<b>18,244,000</b>	18,244,000	–	–
<b>Total Secured Borrowings</b>	<b>18,244,000</b>	33,244,000	–	30,000,000
<b>Unsecured</b>				
Inter Corporate Deposits from Related Parties	–	59,000,000	–	–
Other Inter Corporate Deposits	–	5,000,000	–	–
<b>Total Unsecured Borrowings</b>	–	64,000,000	–	–
Amount disclosed under the head "Other Current Liabilities" (Note 2.7)	–	–	–	30,000,000
<b>TOTAL</b>	<b>18,244,000</b>	97,244,000	–	–

## Security and Repayment Terms :

# Secured against assignment of key man insurance policy in favour of lender and carrying an interest rate of 9% p.a. The loan is repayable upon maturity of insurance policy in 2016.

	As at 31st March, 2012	As at 31st March, 2011
<b>2.4 : DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred Tax Liabilities</b>		
Arising on account of :		
- Accumulated Depreciation	<b>4,257,159</b>	3,294,668
<b>Less : Deferred Tax Assets</b>		
Arising on account of :		
- Section 43B of Income Tax Act	<b>335,546</b>	214,018
<b>DEFERRED TAX LIABILITIES (NET)</b>	<b>3,921,613</b>	3,080,650

Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation law.

	As at 31st March, 2012	As at 31st March, 2011
<b>2.5 : SHORT-TERM BORROWINGS</b>		
<b>Working Capital Borrowings</b>		
From Banks (Secured)	<b>92,519,255</b>	82,288,183
From Banks (Unsecured)	<b>50,000,000</b>	–
<b>TOTAL</b>	<b>142,519,255</b>	82,288,183

# Notes to Financial Statements

As at and for the year ended 31st March, 2012

## Security and Charge :

- i) State Bank of Bikaner & Jaipur, Kolkata - ₹ 42,519,255/-

Secured by hypothecation of all the tea manufactured including processed tea, green leaf, book debts both present and future, moveable plant & machinery, furniture & other depositing title deeds of Joonktolee Tea Estate at Assam.

- ii) Yes Bank Limited, Kolkata - ₹ 50,000,000/-

Exclusive charge on all the Current Assets of the South India Division (Goomankhan Estate and Cowcoody Estate) of both present and future.

(Amount in ₹)

	As at 31st March, 2012	As at 31st March, 2011
<b>2.6 : TRADE PAYABLES</b>		
For Goods and Services (Refer Note 2.24.F for details of dues to Micro, Small & Medium Enterprises)	<b>14,654,303</b>	23,910,237
For Salary & Wages	<b>8,847,111</b>	4,068,865
<b>TOTAL</b>	<b>23,501,414</b>	27,979,102

	As at 31st March, 2012	As at 31st March, 2011
<b>2.7 : OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long-Term Debt (See Note 2.3)	–	30,000,000
Interest accrued but not due on Borrowings	<b>4,229,222</b>	4,084,356
Interest accrued and due on Borrowings	–	524,520
Unpaid and Unclaimed Dividends #	<b>810,163</b>	627,006
Short-Term Deposits	<b>428,063</b>	392,018
Statutory Dues Payable	<b>3,043,992</b>	3,114,464
Amount payable for Capital Goods	<b>588,497</b>	516,271
Advances Received from Customers	<b>1,596,925</b>	2,858,021
Others	<b>10,000</b>	10,000
<b>TOTAL</b>	<b>10,706,862</b>	42,126,656

# There are no amounts due for payment for the Investor Education and Protection Fund under Section 205 C of the Companies Act, 1956 as at the end of the year.

# Notes to Financial Statements

As at and for the year ended 31st March, 2012

(Amount in ₹)

	As at 31st March, 2012	As at 31st March, 2011
<b>2.8 : SHORT-TERM PROVISIONS</b>		
<b>Provision for Employee Benefits</b>		
Gratuity	18,185,000	5,981,486
Bonus	10,833,619	9,681,863
Leave	1,101,611	–
<b>Other Provisions</b>		
Provisions for Taxation (Net of Advance) **	6,962,694	7,062,694
Proposed Dividend	8,140,618	8,140,618
Corporate Dividend Tax ##	528,245	2,131,906
<b>TOTAL</b>	<b>45,751,787</b>	<b>32,998,567</b>

\*\* 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 ₹ Nil (till date ₹ 87.63 Lacs). The management of the Company does not foresee any additional liability of the income tax at this point.

## In view of favourable order from Hon'ble Supreme Court in case of other Tea Company, the liability for dividend distribution tax has been provided to the extent of 40% of the proposed dividend. Furthermore, provision for dividend distribution tax amounting to ₹ 1,603,661/-, in excess of 40% of proposed dividend made in earlier years, has been reversed during the year.



# Notes to Financial Statements

As at and for the year ended 31st March, 2012

	(Amount in ₹)											
	GROSS BLOCK						DEPRECIATION				NET BLOCK	
	Balance as at 31.03.2011	Additions	Disposals	Balance as at 31.03.2012	Balance as at 31.03.2011	Depreciation charge for the year	On Disposals	Balance as at 31.03.2012	Balance as at 31.03.2012	Balance as at 31.03.2011	Balance as at 31.03.2012	
<b>2.9 : FIXED ASSETS</b>												
(i) <b>Tangible Assets</b>												
Land * #												
- Freehold	15,694,284	-	8,905	15,685,379	-	-	-	-	15,685,379	15,694,284		
- Leasehold	354,505,100	-	-	354,505,100	-	-	-	-	354,505,100	354,505,100		
Buildings	126,117,198	9,192,410	136,453	135,173,155	53,772,973	4,631,855	104,580	58,300,248	76,872,907	72,344,225		
Plant and Equipment	177,657,006	3,815,196	1,981,646	179,490,556	132,741,401	7,720,511	1,312,439	139,149,473	40,341,083	44,915,605		
Furniture and Fixtures	12,638,126	475,216	35,634	13,077,708	8,361,778	786,600	34,505	9,113,873	3,963,835	4,276,348		
Vehicles	32,688,583	5,990,298	1,984,202	36,694,679	21,672,712	3,798,478	1,868,741	23,602,449	13,092,230	11,015,871		
Office Equipment	3,268,785	132,416	-	3,401,201	2,454,146	181,445	-	2,635,591	765,610	814,639		
Plantation/Development	38,317,522	393,356	-	38,710,878	-	-	-	-	38,710,878	38,317,522		
<b>TOTAL</b>	760,886,604	19,998,892	4,146,840	776,738,656	219,003,010	17,118,889	3,320,265	232,801,634	543,937,022	541,883,594		
(ii) <b>Intangible Assets</b>												
Computer Software	3,053,013	-	-	3,053,013	2,044,533	440,902	-	2,485,435	567,578	1,008,480		
<b>TOTAL</b>	3,053,013	-	-	3,053,013	2,044,533	440,902	-	2,485,435	567,578	1,008,480		
(iii) <b>Capital Work-in-Progress</b>												
<b>TOTAL</b>									2,577,578	1,763,620		
<b>GRAND TOTAL</b>	763,939,617	19,998,892	4,146,840	779,791,669	221,047,543	17,559,791	3,320,265	235,287,069	547,082,178	544,655,694		
Corresponding figures for previous year	731,124,470	35,241,505	2,426,358	763,939,617	206,282,325	17,028,621	2,263,403	221,047,543	542,892,074			
Capital Work-in-Progress										1,763,620		
<b>TOTAL</b>										544,655,694		

\* Land amounting to ₹ 1,067,166/- cannot be distinguished between freehold & leasehold. The same has been included under Freehold Land .

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

# Notes to Financial Statements

As at and for the year ended 31st March, 2012

As at 31st March, 2012	As at 31st March, 2011	Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>No. of Shares</b>		<b>2.10 : NON-CURRENT INVESTMENTS</b>	<b>Amount in ₹</b>	
		<b>(Fully Paid up Equity Shares of ₹ 10/- each, unless otherwise stated)</b>		
		<b>Long-Term (Valued at Cost)</b>		
		<b>Trade Investment</b>		
		In Subsidiary Company - Unquoted :		
63,135	63,135	- Gloster Real Estate Pvt. Ltd.	53,235,000	53,235,000
156,982	156,982	- Cowcoody Builders Pvt. Ltd.	147,082,000	147,082,000
212,271	212,271	- Pranav Infradev Co. Pvt. Ltd.	202,371,000	202,371,000
		In Subsidiary Company - Quoted :		
406,420	406,420	- The Cochin Malabar Estates & Industries Ltd. (Trade Investment)	50,210,540	50,210,540
		<b>Other Investment</b>		
		In other Companies - Quoted :		
200	200	- Camphor & Allied Products Ltd.	4,740	4,740
100	100	- Duncan Industries Ltd.	1,665	1,665
-	154,232	- Gloster Ltd.	-	2,077,110
138,680	138,680	- The Phosphate Co. Ltd.	3,859,645	3,859,645
70	70	- Goodrick Group Ltd.	3,245	3,245
60	60	- Warren Tea Co. Ltd.	425	425
1,260	1,260	- Hindustan Lever Ltd. (Face Value of ₹ 1/- per share)	500	500
200	200	- Apeejay Tea Ltd.	1,030	1,030
400	-	- Essar Ports Ltd.**	-	-
200	-	- Essar Shipping Ltd.**	-	-
		<b>Investment in Government &amp; Trusted Securities - Unquoted :</b>		
-	-	- 12 Years National Defence Certificate, 1983	1,000	1,000
		<b>TOTAL NON-CURRENT INVESTMENT</b>	<b>456,770,790</b>	<b>458,847,900</b>
		Aggregate Book Value of Non-Current Quoted Investments	<b>54,081,790</b>	56,158,900
		Aggregate Book Value of Non-Current Unquoted Investments	<b>402,689,000</b>	402,689,000
		Aggregate Market Value of Non-Current Quoted Investments*	<b>25,047,409</b>	91,721,743
		* Based on last traded price/market price		
		** Received under scheme of arrangement		

# Notes to Financial Statements

As at and for the year ended 31st March, 2012

(Amount in ₹)

	Long-Term		Short-Term	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
<b>2.11 : LOANS AND ADVANCES</b>				
(Unsecured & Considered good unless mentioned)				
Capital Advances	<b>1,940,908</b>	2,922,000	–	–
	<b>1,940,908</b>	2,922,000	–	–
Security Deposits	<b>11,683,689</b>	11,600,773	–	–
	<b>11,683,689</b>	11,600,773	–	–
Loan and Advances to Related Parties				
Debts of a Subsidiary acquired - Secured *	<b>52,427,000</b>	52,427,000	–	–
(Maximum amount outstanding during the year ₹ 524.27 Lacs, Previous Year ₹ 524.27 Lacs)				
Advance to a subsidiary	–	–	–	2,639,808
	<b>52,427,000</b>	52,427,000	–	2,639,808

\* “Debts of a subsidiary acquired” represents financial investments made by the Company in its subsidiary “The Cochin Malabar Estates & Industries Limited” in earlier years. Such financial investments of the Company in its subsidiary do not form part of “Cochin Plantation Division” of the said subsidiary which is proposed to be demerged by the said subsidiary to the Company. At the request of the Company, the said subsidiary has entered into a fresh revival agreement granting the management rights of Kinalur Estate, forming part of its retained undertaking, to the Company for a period of ten years with effect from 1st April, 2011, so as to enable the Company to secure/recover its investments.

## Other Loans and Advances (Unsecured, Considered good unless otherwise mention) :

	Long-Term		Short-Term	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Deposit with NABARD	–	–	<b>4,400</b>	14,370,300
Deposit with Assam Financial Corporation	–	–	<b>10,000</b>	2,865,000
Advance Tax and TDS (Net of Provisions)	–	–	<b>16,715,812</b>	10,538,432
Advance against supply of Goods and Services	–	–	<b>6,237,388</b>	4,709,372
Prepaid Expenses	–	–	<b>1,745,779</b>	1,223,196
Loan/Advance to Employees	<b>1,239,965</b>	1,382,215	<b>2,418,002</b>	2,423,402
Balances with Government & Statutory Authorities	–	–	<b>2,335,635</b>	2,344,990
Income Tax Refundable	–	–	<b>1,233,337</b>	1,233,337
Others	–	–	<b>800,000</b>	800,000
	<b>1,239,965</b>	1,382,215	<b>31,500,353</b>	40,508,029
<b>TOTAL</b>	<b>67,291,562</b>	68,331,988	<b>31,500,353</b>	43,147,837

# Notes to Financial Statements

As at and for the year ended 31st March, 2012

(Amount in ₹)

	As at 31st March, 2012	As at 31st March, 2011
<b>2.12 : INVENTORIES</b>		
(As valued and certified by the Management)		
Finished Goods	45,425,766	45,257,094
Stores and Spares (Net of Obsolesce)	28,102,904	22,591,165
<b>TOTAL</b>	<b>73,528,670</b>	<b>67,848,259</b>
<b>Details of Inventories :</b>	<b>Finished Goods</b>	
Tea	15,645,989	19,543,346
Coffee	29,222,014	25,217,951
Minor Produce	557,763	495,797
<b>TOTAL</b>	<b>45,425,766</b>	<b>45,257,094</b>

	As at 31st March, 2012	As at 31st March, 2011
<b>2.13 : TRADE RECEIVABLES</b>		
<b>Outstanding for a period exceeding six months :</b>		
Unsecured, considered good	484,055	5,403,354
Doubtful	622,848	2,638,760
	<b>1,106,903</b>	<b>8,042,114</b>
Less : Provision for doubtful receivables	622,848	2,638,760
	<b>484,055</b>	<b>5,403,354</b>
<b>Other Receivables</b>		
Unsecured, considered good	7,927,019	13,610,644
	<b>7,927,019</b>	<b>13,610,644</b>
<b>TOTAL</b>	<b>8,411,074</b>	<b>19,013,998</b>

	As at 31st March, 2012	As at 31st March, 2011
<b>2.14 : CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
Balances with Banks :		
- In Current Account	8,133,522	3,503,519
- Cash-on-Hand	781,923	824,380
	<b>8,915,445</b>	<b>4,327,899</b>
<b>Other Bank Balances</b>		
Unpaid Dividend Account	838,128	660,705
Fixed Deposit with Banks	123,283	115,868
(Kept under lien ₹ 90,783/-, Previous Year - ₹ 83,368/-)	961,411	776,573
<b>TOTAL</b>	<b>9,876,856</b>	<b>5,104,472</b>

# Notes to Financial Statements

As at and for the year ended 31st March, 2012

(Amount in ₹)

	As at 31st March, 2012	As at 31st March, 2011
<b>2.15: OTHER CURRENT ASSETS</b>		
Interest accrued on Fixed Deposit	782,464	673,494
Replantation Subsidy Receivable	–	595,880
Interest Subsidy Receivable	10,037,365	2,990,523
Fixed Asset held for Disposal (Net of Provision ₹ 250,000/-)	83,123	26,346
MAT Credit Entitlement	1,800,000	1,800,000
Other Receivables	250,562	229,450
<b>TOTAL</b>	<b>12,953,514</b>	<b>6,315,693</b>
<b>2.16: REVENUE FROM OPERATIONS</b>		
	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Sale of Finished Goods	497,551,861	484,860,854
<b>Other Operating Revenues :</b>		
Sale of Minor Produce/Timber	3,596,104	5,620,594
Incentives & Subsidies	235,385	612,033
Insurance and Other Claims (Net)	1,214,444	1,046,360
	5,045,933	7,278,987
<b>TOTAL</b>	<b>502,597,794</b>	<b>492,139,841</b>
<b>Details of Sale of Finished Goods :</b>		
Tea	455,633,340	459,912,286
Coffee	41,918,521	24,948,568
<b>TOTAL</b>	<b>497,551,861</b>	<b>484,860,854</b>
<b>2.17 : OTHER INCOME</b>		
	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>Interest Income</b>		
On Bank Deposits	8,571	28,222
On Other Deposits	914,470	786,064
Interest Subsidy	7,046,842	2,990,523
Dividend on Long-Term Investment	1,089,094	929,752
<b>Other Non-Operating Income</b>		
Profit on Sale of Fixed Assets (Net)	1,173,706	585,913
Profit on Sale of Long-Term Investments	40,069,355	–
Rent	19,531	18,541
Excess Liabilities and Unclaimed balances written back	290,651	66,079
Recovery of Bad Debts	726,163	–
Prior Period Income (Net)	–	520,472
Miscellaneous Income	2,216,955	1,091,249
<b>TOTAL</b>	<b>53,555,338</b>	<b>7,016,815</b>

# Notes to Financial Statements

As at and for the year ended 31st March, 2012

(Amount in ₹)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>2.18 : COST OF RAW MATERIALS CONSUMED</b>		
Purchase of Green Leaf	64,169,788	72,409,296
<b>TOTAL</b>	<b>64,169,788</b>	<b>72,409,296</b>

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>2.19 : (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS</b>		
<b>Inventories at the end of the year</b>		
Tea	15,645,989	19,543,346
Coffee	29,222,014	25,217,951
Minor Produce	557,763	495,797
<b>TOTAL</b>	<b>45,425,766</b>	<b>45,257,094</b>
<b>Inventories at the beginning of the year</b>		
Tea	19,543,346	28,106,088
Coffee	25,217,951	21,859,970
Minor Produce	495,797	422,776
<b>TOTAL</b>	<b>45,257,094</b>	<b>50,388,834</b>
<b>(Increase)/Decrease in Inventories of Finished Goods</b>	<b>(168,672)</b>	<b>5,131,740</b>

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>2.20 : EMPLOYEE BENEFITS EXPENSE</b>		
Salaries & Wages	162,231,138	138,543,083
Contribution to Provident Funds and Others	14,844,355	13,025,515
Contribution to Gratuity Fund	20,518,670	4,002,000
Contribution to Superannuation Fund	1,703,156	2,559,300
Staff Welfare Expenses	21,977,819	19,964,402
<b>TOTAL</b>	<b>221,275,138</b>	<b>178,094,300</b>

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>2.21 : FINANCE COSTS</b>		
<b>Interest Expenses</b>		
Term Loans	5,521,577	9,081,232
Working Capital Loans	15,466,506	12,233,909
Others	6,192,757	5,219,429
<b>TOTAL</b>	<b>27,180,840</b>	<b>26,534,570</b>

# Notes to Financial Statements

As at and for the year ended 31st March, 2012

(Amount in ₹)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>2.22 : OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Stores, Spare Parts & Packing Materials Consumed	7,470,950	7,613,309
Power & Fuel	38,623,710	34,077,704
Cultivations	43,980,383	54,096,440
Repairs to Buildings	7,637,058	7,804,395
Repairs to Machinery	6,283,778	7,910,380
Repairs to Other Assets	454,630	323,458
Cess on Green Leaf/Black Tea	5,849,316	4,976,540
<b>TOTAL</b>	<b>110,299,825</b>	<b>116,802,226</b>
<b>Selling and Administration</b>		
Freight & Cartage	17,093,273	14,021,554
Commission, Brokerage & Discount	7,935,547	7,073,737
Rent	689,800	689,800
Rates & Taxes	999,121	1,636,461
Insurance	6,941,386	8,739,981
Vehicle Running & Maintenance Expense	8,105,143	7,666,289
Charity & Donation	52,500	1,803,763
Auditors' Remuneration - Statutory Auditors :		
- Auditor	750,000	400,000
- Issue of Certificates	653,750	455,000
- Reimbursement of Expenses	6,662	5,019
- Reimbursement of Service Tax	167,942	88,065
Bad Debts written off	2,037,988	8,600
Less : Provision	1,915,912	-
Less : Provision for earlier years written back	100,000	-
	22,076	8,600
Travelling Expenses	4,262,566	3,116,040
Director Sitting Fees	169,000	172,000
Prior Period Expenditure (Net)	26,468	-
Other Miscellaneous Expenses	13,924,418	14,580,252
<b>TOTAL</b>	<b>61,799,652</b>	<b>60,456,561</b>
	<b>172,099,477</b>	<b>177,258,787</b>
	<b>For the year ended 31st March, 2012</b>	<b>For the year ended 31st March, 2011</b>
<b>2.23 : DEPRECIATION AND AMORTIZATION EXPENSES</b>		
On Tangible Assets	17,118,889	16,453,398
On Intangible Assets	440,902	575,223
<b>TOTAL</b>	<b>17,559,791</b>	<b>17,028,621</b>

# Notes to Financial Statements

As at and for the year ended 31st March, 2012

## 2.24 : NOTES TO ACCOUNTS

### A. Contingent Liability not provided for -

Claims against the Company not acknowledged as debts :

(Amount in ₹)

	2011-2012	2010-2011
i) Income Tax under appeal*	12,865,495	9,227,985
* ₹ 74,044/- (Previous Year - ₹ 74,044/-) paid under protest		
ii) Sales Tax under appeal	1,783,041	5,325,164

- B. Estimated amount of contract remaining to be executed on capital account and not provided for ₹ 263,234/- (31.03.2011 - ₹ 5,195,019/-) (Net of Advances).
- C. The petition of Company to merge "Cochin Plantation Division" of The Cochin Malabar Estates and Industries Ltd. (a Subsidiary Company) w.e.f. 01.04.2011 is pending before the Hon'ble High Court at Calcutta. Pending approval of the same, the accounts of the Company has been prepared without giving the impact of merger. Necessary adjustments shall be made upon approval and completion of necessary formalities.
- D. 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.
- E. Miscellaneous Expenditure under Note No.2.22 includes revenue expenditure on research and development ₹ 361,511/- (Previous Year ₹ 175,206/-) incurred towards subscription to Tea Research Association.
- F. 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, 2012	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.

- G. The amount of borrowing cost capitalized during the year is ₹ Nil.
- H. The exposure of the Company in foreign currency at the end of the year is ₹ Nil (Previous year ₹ Nil).
- I. 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.
- J. As per the requirements of Accounting Standard - 28 on "Impairment of Assets", the Company has assessed the carrying amount of assets vis a vis their recoverable values and no impairment is envisaged at the balance sheet date.



# Notes to Financial Statements

As at and for the year ended 31st March, 2012

## K. Employee Benefits (Revised Accounting Standard 15)

### a) Defined Contribution Plan :

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

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

During the year the Company has contributed ₹ 13,084,772/- (Previous Year ₹ 11,644,976/-) for Provident Fund and Pension Fund and ₹ 1,703,156/- (Previous Year ₹ 2,559,300/-) 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.

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

(₹ in Lacs)

Particulars	2011-12	2010-11
	Gratuity	Gratuity
<b>Expenses recognised in the Statement of Profit &amp; Loss for the year ended 31st March, 2012</b>	<b>Funded</b>	<b>Funded</b>
A Current Service Cost	43.59	31.97
Interest Cost	36.52	37.84
Expected return on Plan Assets	(35.06)	(27.12)
Actuarial (Gain)/Losses	160.14	(0.55)
Actuarial (Losses)/Gains on Plan Assets	–	2.12
<b>Expenses recognised in Statement of Profit &amp; Loss</b>	<b>205.19</b>	<b>40.02</b>
B Net (Asset)/Liabilities recognised in Balance Sheet as at 31st March, 2012		
Present Value of the Defined Benefit Obligation	675.21	480.06
Fair value of Plan Assets	493.36	420.25
<b>Net (Asset)/Liabilities recognised in Balance Sheet</b>	<b>181.85</b>	<b>59.81</b>

# Notes to Financial Statements

As at and for the year ended 31st March, 2012

## Disclosure as per Accounting Standard As -15 related to Employee Benefits (contd.)

(₹ in Lacs)

Particulars	2011-12 Gratuity	2010-11 Gratuity
<b>C Changes in the Present Value of Defined Benefit Obligation during the year ended 31st March, 2012</b>		
Present Value of Defined Benefit Obligations at 1st April, 2011	480.06	466.08
Current Service Cost	43.59	31.97
Interest Cost	36.52	37.84
Actuarial (Gain)/Losses	162.14	(0.55)
Benefits Paid	(47.10)	(55.28)
<b>Present Value of Obligation as at 31st March, 2012</b>	<b>675.21</b>	<b>480.06</b>
<b>D Changes in Fair Value of Plan Assets during the year ended 31st March, 2012</b>		
Fair Value of Plan Assets as at 1st April, 2011	420.25	251.58
Expected return on Plan Assets	35.06	27.12
Actuarial Gain/(Losses)	2.00	8.46
Benefits Paid	(47.10)	(55.28)
Contributions	83.15	188.37
<b>Fair Value of Plan Assets as at 31st March, 2012</b>	<b>493.36</b>	<b>420.25</b>
<b>E Principal Actuarial Assumptions used</b>		
Discount rates as at 31st March, 2012	8.60%	8.00%
Expected return on Plan Assets	9.00%	8.00%
Expected salary increase rates	8.00%	5.00%
Mortality Rates	LIC (94-96) Ultimate Rate	LIC (94-96) Ultimate Rate
<b>F Withdrawal Rate</b>	<b>1% to 2% depending on age</b>	1% to 2% depending on age
<b>G Major categories of Plan Assets as a percentage of Fair Value of Plan Assets</b>	<b>Fund with LIC of India &amp; Government Securities</b>	Fund with LIC of India & Government Securities

- (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.

# Notes to Financial Statements

As at and for the year ended 31st March, 2012

- (f) The Company expects to contribute ₹ 171.51 Lacs (Previous Year ₹ 58.15 Lacs) to its gratuity fund in 2012-13.
- (g) The table below illustrates experience adjustment disclosure as per Para 120 (n) (ii) of Accounting Standard 15 - Employee Benefits.

(₹ in Lacs)

	2011-12	2010-11	2009-10	2008-09	2007-08
Defined Benefit Obligation	675.21	480.06	466.08	309.27	248.72
Plan Asset	493.36	420.25	251.58	226.83	216.22
Surplus/(Deficit)	181.85	59.81	214.50	82.44	32.50
Experience adjustments on plan liability	(19.27)	(0.55)	24.61	44.01	9.36
Experience adjustments on plan asset	2.00	2.12	(0.66)	(0.70)	1.25

- (h) The disclosure as required by Para 120 of Accounting Standard -15 "Employee Benefit" have been made to the extent applicable to the Company.

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

# Notes to Financial Statements

As at and for the year ended 31st March, 2012

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

Sl.	Particulars	TCCL	KVL	WPVPL	CHPL	MTCL	GL	TOCL	KBCL	KMP	Relatives of KMP	CMEI	CBPL	PICPL
1	Loans Given/(Received) during the year (Net) Previous Year	-	(25,000,000)	(7,500,000)	(10,000,000)	-	-	-	(15,000,000)	-	-	-	-	-
2	Loans Received/(Refunded) during the year (Net) Previous Year	-	(30,000,000)	(21,500,000)	(40,000,000)	-	-	-	25,000,000	-	-	-	-	-
3	Closing balance as on 31.03.2012 (Loan including Interest Accrued) Previous Year	-	(10,000,000)	(1,000,000)	(30,000,000)	-	-	-	10,000,000	-	-	-	-	-
4	Advances Given/(Received) during the year (Net) Previous Year	-	5,000,000	14,000,000	30,000,000	-	-	-	10,000,000	-	-	-	-	(2,639,808)
5	Closing balance of advance receivable/ (payable) as at 31.03.2012 Previous Year	-	-	-	-	-	-	-	(Cr.)	-	-	-	5,100,000	400,000
6	Interest Expenditure Previous Year	-	136,849	880,000	4,129,315	-	-	-	683,014	-	-	-	-	-
7	Rent Paid Previous Year	-	841,260	513,054	2,268,768	-	-	-	11,576	-	-	-	-	2,639,808
8	Rent Deposit as at 31.03.2012 Previous Year	-	-	-	-	-	-	-	661,800	-	-	-	-	-
9	Purchase Previous Year	-	-	-	-	-	3,521,058	-	7,500,000	-	-	-	-	-
10	Closing balance of Current Liability as on 31.03.2012 Previous Year	-	-	-	-	-	3,890,800	-	7,500,000	-	-	-	-	-
11	Dividend Income Previous Year	-	-	-	-	-	1,170,757	-	-	-	-	-	-	-
12	Dividend Paid Previous Year	626,798	-	67,498	246,310	135,255	1,079,624	938,243	1,223,423	351,768	*2,589,140	1,800	-	-
13	Balance of Debt Acquired Previous Year	626,798	-	67,498	246,310	135,255	925,392	938,243	1,223,423	351,768	*2,589,140	1,800	-	-
		-	-	-	-	-	-	-	-	-	-	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 ₹ 8,776,004/- (31.03.2011 - ₹ 7,676,471/-).

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

# Notes to Financial Statements

As at and for the year ended 31st March, 2012

## M. Earnings Per Share

(Amount in ₹)

	2011-12	2010-11
a) Profit/(Loss) after Taxation as per Statement of Profit & Loss	42,286,585	20,617,041
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)	12.99	6.33

## N. a) Expenditure in Foreign Currency :

	2011-12	2010-11
Travelling	533,731	442,499
Others	67,605	65,058

## b) Value of Raw Materials and Spares Consumed :

	Raw Material Consumed				Stores and Spare-Parts Consumed			
	2011-12		2010-11		2011-12		2010-11	
	Value	%	Value	%	Value	%	Value	%
Imported	-	-	-	-	-	-	-	-
Indigenous	64,169,788	100	72,409,296	100	54,601,222	100	56,314,288	100

O. The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been re-classified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

For and on behalf of

**SINGHI & CO.**

Chartered Accountants

Firm Registration No. 302049E

**Gopal Jain**

Partner

Membership No. 059147

Place : Kolkata

Dated : 12th November, 2012

**S. Bagree**

Manager (Finance) &  
Company Secretary

**G. D. Bangur** Director

**H. Bangur** Executive Vice-Chairman

**P. D. Bangur** Director

**A. Ghosh** Director

**M. K. Daga** Director

**J. K. Surana** Director

**M. M. Pyne** Director

**K. C. Mohta** Executive Director

# Statement

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

<b>SECTION 212 (1) (e)</b>	<b>Financial Year ended</b>	<b>Holding Company's Interest</b>
<b>Name of the Subsidiary Companies</b>		
Gloster Real Estates Pvt. Ltd.	31st March, 2012	100.00%
Cowcoody Builders Pvt. Ltd.	31st March, 2012	100.00%
Pranav Infradev Company Pvt. Ltd.	31st March, 2012	100.00%
The Cochin Malabar Estates & Industries Ltd.	31st March, 2012	22.94%
	<b>For the Financial year ended 31st March, 2012 (₹)</b>	<b>For the previous Financial Year (₹)</b>
<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		
Gloster Real Estates Pvt. Ltd.	(43,046)	(185,890)
Cowcoody Builders Pvt. Ltd.	4,363,532	2,515,621
Pranav Infradev Company Pvt. Ltd.	199,729	(101,828)
The Cochin Malabar Estates & Industries Ltd.	52,910,131	33,945,174
<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
Cowcoody Builders Pvt. Ltd.	Nil	Nil
Pranav Infradev Company Pvt. Ltd.	Nil	Nil
The Cochin Malabar Estates & Industries Ltd.	Nil	Nil
<b>SECTION 212 (5)</b>		
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.		

Place : Kolkata  
Dated : 12th November, 2012

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

**G. D. Bangur** Director  
**H. Bangur** Executive Vice-Chairman  
**P. D. Bangur** Director  
**A. Ghosh** Director  
**M. K. Daga** Director  
**J. K. Surana** Director  
**M. M. Pyne** Director  
**K. C. Mohta** Executive Director

# 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, 2012 and the Consolidated Statement of Profit & Loss 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 ₹ 416,887,161/- as at 31st March, 2012, total revenues of ₹ 11,108,082/- and net cash outflow of ₹ 36,746/- 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. *Attention is drawn to the following :*
  - i) *Depreciation to the tune of ₹ 13.19 Lacs in respect of Rubberwood divisions and Kinalur Estate of Rubber division has not been provided during the year (Refer Note No. 2.10).*
  - ii) *We 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.2.8.*
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, 2012;
  - b) In the case of the Consolidated Statement of Profit & Loss, 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  
**Gopal Jain**  
Partner  
Membership No. 059147

Place : Kolkata  
Date : 12th November, 2012

# Consolidated Balance Sheet

As at 31st March 2012

(Amount in ₹)

	Notes	As at 31st March, 2012		As at 31st March, 2011	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	2.1	32,562,471		32,562,471	
Reserves and Surplus	2.2	961,594,422		909,121,145	
Minority Interest		226,336,656	1,220,493,549	186,622,296	1,128,305,912
<b>Non-Current Liabilities</b>					
Long-Term Borrowings	2.3	61,994,001		97,324,008	
Other Long-Term Liabilities	2.4	3,389,774		2,878,048	
Deferred Tax Liabilities (Net)	2.5	3,876,903	69,260,678	3,080,650	103,282,706
<b>Current Liabilities</b>					
Short-Term Borrowings	2.6	148,739,836		247,788,183	
Trade Payables	2.7	46,886,033		37,371,789	
Other Current Liabilities	2.8	186,516,585		213,419,110	
Short-Term Provisions	2.9	100,822,165	482,964,619	72,708,623	571,287,705
<b>TOTAL</b>			<b>1,772,718,846</b>		<b>1,802,876,323</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Goodwill on Consolidation			9,200,730		9,200,730
Fixed Assets :	2.10				
- Tangible Assets		1,499,176,140		1,483,763,161	
- Intangible Assets		2,340,372		2,627,607	
- Capital Work-in-Progress		4,624,567	1,506,141,079	3,564,097	1,489,954,865
Non-Current Investments		4,121,891		6,199,001	
Long-Term Loans and Advances	2.11	18,989,600	23,111,491	78,968,744	85,167,745
<b>Current Assets</b>					
Inventories	2.12	118,429,638		100,021,155	
Trade Receivables	2.13	14,102,011		30,609,848	
Cash and Bank Balances	2.14	13,090,349		13,165,988	
Short-Term Loans and Advances	2.11	75,193,391		66,339,494	
Other Current Assets	2.15	13,450,157	234,265,546	8,416,498	218,552,983
<b>TOTAL</b>			<b>1,772,718,846</b>		<b>1,802,876,323</b>
Significant Accounting Policies	1				

The accompanying notes 2.1 to 2.24 are an integral part of the Consolidated Financial Statements.

As per our report of even date annexed.

For and on behalf of  
**SINGHI & CO.**  
Chartered Accountants  
Firm Registration No. 302049E  
**Gopal Jain**  
Partner  
Membership No. 059147  
Place : Kolkata  
Dated : 12th November, 2012

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

**G. D. Bangur** Director  
**H. Bangur** Executive Vice-Chairman  
**P. D. Bangur** Director  
**A. Ghosh** Director  
**M. K. Daga** Director  
**J. K. Surana** Director  
**M. M. Pyne** Director  
**K. C. Mohta** Executive Director



# Consolidated Statement of Profit & Loss

For the year ended 31st March, 2012

(Amount in ₹)

	Notes	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>INCOME</b>			
Revenue from Operations	2.16	743,776,900	697,553,782
Other Income	2.17	69,467,725	16,548,554
<b>TOTAL</b>		<b>813,244,625</b>	<b>714,102,336</b>
<b>EXPENSES</b>			
Cost of Raw Materials Consumed	2.18	76,033,033	89,513,383
(Increase)/Decrease in Inventories of Finished/Semi-Finished Goods	2.19	(13,785,744)	(990,062)
Employee Benefits Expense	2.20	351,896,183	278,574,396
Finance Costs	2.21	40,656,927	43,092,012
Other Expenses	2.22	221,095,014	219,802,705
<b>TOTAL</b>		<b>675,895,413</b>	<b>629,992,434</b>
<b>Profit before Tax, Depreciation and Amortization</b>		<b>137,349,212</b>	<b>84,109,902</b>
Depreciation and Amortization Expense	2.23	24,368,983	24,239,407
<b>Profit before Tax</b>		<b>112,980,229</b>	<b>59,870,495</b>
<b>Tax Expense :</b>			
Current Tax		12,157,775	3,685,000
Less : MAT credit entitlement		(28,550)	–
Earlier Year		389,926	43,254
Deferred Tax		796,253	(417,699)
<b>Profit for the year</b>		<b>99,664,825</b>	<b>56,559,940</b>
Less : Minority Interest		39,714,360	25,980,776
		<b>59,950,465</b>	<b>30,579,164</b>
Basic & Diluted Earnings Per Share [Nominal value ₹ 10/-] (Refer Note No. 2.24.Q)		<b>18.41</b>	<b>9.39</b>
Significant Accounting Policies	1		

The accompanying notes 2.1 to 2.24 are an integral part of the Consolidated Financial Statements.

As per our report of even date annexed.

For and on behalf of  
**SINGHI & CO.**  
Chartered Accountants  
Firm Registration No. 302049E  
**Gopal Jain**  
Partner  
Membership No. 059147  
Place : Kolkata  
Dated : 12th November, 2012

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

**G. D. Bangur** Director  
**H. Bangur** Executive Vice-Chairman  
**P. D. Bangur** Director  
**A. Ghosh** Director  
**M. K. Daga** Director  
**J. K. Surana** Director  
**M. M. Pyne** Director  
**K. C. Mohta** Executive Director

# Consolidated Cash Flow Statement

For the year ended 31st March, 2012

(Amount in ₹)

	2011 - 2012		2010 - 2011	
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax and extraordinary items		<b>112,980,229</b>		59,870,495
<b>Adjustments for :</b>				
Depreciation	<b>24,368,983</b>		24,239,407	
Loss/(Profit) on sale/discard of Fixed Assets (Net)	<b>(475,058)</b>		(4,893)	
Profit on Sale of Investment	<b>(40,069,355)</b>		–	
Interest and Dividend Income	<b>(3,751,366)</b>		(2,035,740)	
Finance Cost	<b>40,656,927</b>		43,092,012	
Interest Subsidy	<b>(7,046,842)</b>		(2,990,523)	
Sundry Credit balance no longer required written back	<b>(5,056,984)</b>		(659,734)	
Bad Debts & Provision for doubtful debts/advances (Net)	<b>605,120</b>	<b>9,231,425</b>	19,461	61,659,990
<b>Operating Profit before Working Capital Changes</b>		<b>122,211,654</b>		121,530,485
<b>Adjustments for :</b>				
Trade Receivables, Current Assets and Loans & Advances	<b>80,923,819</b>		(7,845,173)	
Inventories	<b>(18,408,483)</b>		(1,672,438)	
Trade Payables, Current Liabilities and Provisions	<b>40,320,426</b>	<b>102,835,762</b>	(27,517,584)	(37,035,195)
<b>Cash generated from Operations</b>		<b>225,047,416</b>		84,495,290
Direct Taxes (Paid)/Refund received (Net)		<b>(18,827,414)</b>		(7,888,773)
<b>Net Cash from Operating Activities</b>		<b>206,220,002</b>		76,606,517
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets/WIP	<b>(42,536,720)</b>		(43,069,837)	
Sale of Fixed Assets/Subsidy Received for Fixed Assets	<b>3,025,687</b>		748,869	
(Purchase)/Sale of Investments	<b>42,146,465</b>		(1,223,453)	
Loans and Advances	<b>(5,600,000)</b>		(60,000,000)	
Interest Received	<b>2,521,820</b>		1,006,007	
Dividend Received	<b>1,120,576</b>		956,591	
<b>Net Cash used in Investing Activities</b>		<b>677,828</b>		(101,581,823)
		<b>206,897,830</b>		(24,975,306)

# Consolidated Cash Flow Statement

For the year ended 31st March, 2012

(Amount in ₹)

	2011 - 2012		2010 - 2011	
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Long-Term Borrowings	50,000,000		67,011,500	
Payments of Long-Term Borrowings	(109,468,524)		(55,623,598)	
Proceeds from Short-Term Borrowings	66,479,833		59,332,645	
Payments of Short-Term Borrowings	(165,471,820)		–	
Interest Paid	(40,483,933)		(41,538,800)	
Dividends Paid (including Tax on Dividend)	(8,668,863)		(8,669,432)	
<b>Net Cash from/(used in) Financing Activities</b>		<b>(207,613,307)</b>		20,512,315
<b>Net Change in Cash and Cash Equivalents</b>		<b>(715,477)</b>		(4,462,991)
Cash and Cash Equivalents - Opening Balance		12,359,415		16,822,406
Cash and Cash Equivalents - Closing Balance		11,643,938		12,359,415

## Notes :

- Cash and Cash Equivalents consists of Cash-on-Hand and balances with banks in Current/Cash Credit accounts as per note 2.14.
- 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 :

	2011 - 2012		2010 - 2011	
Cash-on-Hand		1,143,825		1,209,197
Fixed Deposit with maturity less than 3 months		–		2,500,000
Bank Balance		10,500,113		8,650,218
<b>TOTAL</b>		<b>11,643,938</b>		12,359,415

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

For and on behalf of  
**SINGHI & CO.**  
 Chartered Accountants  
 Firm Registration No. 302049E  
**Gopal Jain**  
 Partner  
 Membership No. 059147  
 Place : Kolkata  
 Dated : 12th November, 2012

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

**G. D. Bangur** Director  
**H. Bangur** Executive Vice-Chairman  
**P. D. Bangur** Director  
**A. Ghosh** Director  
**M. K. Daga** Director  
**J. K. Surana** Director  
**M. M. Pyne** Director  
**K. C. Mohta** Executive Director

# Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2012

## 1. SIGNIFICANT 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.

The financial statements has been prepared and presented as per the requirement of Revised Schedule VI as notified under the Companies Act, 1956 with effect from current year. The adoption of Revised Schedule VI does not have any impact on recognition and measurement principles as consistently followed by the Company.

### 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) Tangible Fixed Assets are stated at their original cost less depreciation. Cost includes incidental expenses. Profits or Losses on sale of tangible fixed assets are included in the Statement of Profit & Loss and calculated as difference between the value realized and book value. Capital Work-in-Progress is stated at cost. Subsidies received in respect of tangible fixed assets are deducted from the cost of respective assets.
- ii) Items of machinery spares to be used in connection with an item of tangible fixed assets are amortized over the useful life of the assets.
- iii) Tangible Fixed Asset taken on lease (other than land taken on perpetual lease) is not capitalized and the annual lease rentals are absorbed in the Statement of Profit & Loss. The excess of lease rentals paid over the amount accrued in respect thereof is treated

as prepaid lease rental.

Depreciation :

- iv) Depreciation on tangible 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 Rubberwood 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

Grants and subsidies from the Government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Government grants related to specific tangible 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 Statement of Profit & Loss.

### 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 which ever is lower.

# Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2012

- 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.
- 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 Statement of Profit & Loss.

## 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 Statement of Profit & Loss 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 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 Statement of Profit and Loss.
- ii) For assets acquired under finance lease/hire purchase agreement, the assets are capitalized

# Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2012

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.

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 to Consolidated Financial Statements

As at and for the year ended 31st March, 2012

(Amount in ₹)

	As at 31st March, 2012	As at 31st March, 2011
<b>2.1 : SHARE CAPITAL</b>		
<b>Authorized :</b>		
Equity Shares :		
11,249,000 Ordinary Shares of ₹ 10/- each	112,490,000	112,490,000
35,000 Ordinary Shares of ₹ 100/- each	3,500,000	3,500,000
Preference Shares :		
50,000 Redeemable Cumulative Shares of ₹ 10/- each	500,000	500,000
100 13.5% Redeemable Cumulative Shares of ₹ 100/- each	10,000	10,000
	<b>116,500,000</b>	<b>116,500,000</b>
<b>Issued :</b>		
3,256,247 Ordinary Shares of ₹ 10/- each (Previous year 3,256,247 Ordinary Shares of ₹ 10/- each)	32,562,471	32,562,471
	<b>32,562,471</b>	<b>32,562,471</b>
<b>Subscribed and Paid-up :</b>		
3,256,247 Ordinary Shares of ₹ 10/- each fully paid-up (Previous year 3,256,247 Ordinary Shares of ₹ 10/- each fully paid-up)	32,562,471	32,562,471
	<b>32,562,471</b>	<b>32,562,471</b>

a) **Reconciliation of Shares outstanding at the beginning and at the end of year :**

	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	3,256,247	3,233,647
Shares Issued during the year pursuant to scheme of Amalgamation and Arrangement	-	22,600
Shares outstanding at the end of the year	<b>3,256,247</b>	<b>3,256,247</b>

b) The Company has only one class of issued shares i.e. Ordinary Shares having par value of ₹ 10/- per share. Each holder of Ordinary Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the ordinary shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

c) The Company does not have any holding company or ultimate holding company.

d) **Details of shareholders holding more than 5% shares in the Company :**

	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	%	No. of Shares	%
<b>Ordinary Shares of ₹ 10/- each fully paid up</b>				
1) Gopal Das Bangur	500,038	15.36	500,038	15.36
2) Kettlewell Bullen & Company Limited	489,369	15.03	489,369	15.03
3) Pushpa Devi Bangur	436,666	13.41	436,666	13.41
4) The Oriental Company Limited	375,297	11.53	375,297	11.53
5) The Cambay Investment Corporation Limited	250,719	7.70	250,719	7.70

# Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2012

- e) No Ordinary Shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment as at the Balance Sheet date.
- f) No Ordinary Shares have been bought back by the Company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.
- g) 2,160,259 (Previous year 21,60,259) Ordinary Shares of ₹ 10/- each fully paid-up have been issued pursuant to scheme of amalgamation and arrangement for consideration other than cash in immediately preceding five years.
- h) No securities convertible into Ordinary/Preference Shares have been issued by the Company during the year.
- i) No calls are unpaid by any Director or Officer of the Company during the year.

(Amount in ₹)

	As at 31st March, 2012	As at 31st March, 2011
<b>2.2 : RESERVES AND SURPLUS</b>		
<b>Capital Reserves</b>		
As per the last Financial Statements	593,848,150	593,848,150
<b>Capital Redemption Reserve</b>		
As per the last Financial Statements	41,600	41,600
<b>Securities/Share Premium</b>		
As per the last Financial Statements	24,701,440	24,701,440
<b>Revaluation Reserve (created on revaluation of land)</b>		
As per the last Financial Statements	39,464,932	39,908,816
Less : Adjustment during the year	411,986	443,884
	39,052,946	39,464,932
<b>General Reserve</b>		
As per the last Financial Statements	205,912,447	195,912,447
Add : Transferred from Surplus	20,000,000	10,000,000
	225,912,447	205,912,447
<b>Surplus</b>		
As per the last Financial Statements	45,152,576	34,034,642
Add : Profit for the year	59,950,465	30,579,164
	105,103,041	64,613,806
Less : Appropriations		
Proposed Dividend	8,140,618	8,140,618
Corporate Dividend Tax	528,245	1,320,612
Corporate Dividend Tax for earlier years written back (Refer note 2.9 ##)	(1,603,661)	–
Transferred to General Reserve	20,000,000	10,000,000
<b>Net Surplus</b>	78,037,839	45,152,576
<b>TOTAL</b>	961,594,422	909,121,145



# Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2012

(Amount in ₹)

	Non-Current portion		Current Maturities	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
<b>2.3 : LONG-TERM BORROWINGS</b>				
<b>Secured</b>				
Term Loan from banks *	43,750,001	15,000,000	6,249,999	30,000,000
Against hypothecation of vehicle \$	–	80,008	80,008	340,344
Loan from Life Insurance Corporation of India #	18,244,000	18,244,000	–	–
<b>Total Secured Borrowings</b>	<b>61,994,001</b>	<b>33,324,008</b>	<b>6,330,007</b>	<b>30,340,344</b>
<b>Unsecured</b>				
Inter Corporate Deposits from Related Parties	–	59,000,000	–	–
Inter Corporate Deposits	–	5,000,000	–	–
Total Unsecured Borrowings	–	64,000,000	–	–
Amount disclosed under the head "Other Current Liabilities" (Note 2.8)	–	–	6,330,007	30,340,344
<b>TOTAL</b>	<b>61,994,001</b>	<b>97,324,008</b>	<b>–</b>	<b>–</b>

## Security and Repayment Terms :

- \* Term Loan from Bank is secured against equitable mortgage of Pullikanam Estate and hypothecation of one of its subsidiary's (The Cochin Malabar Estates & Industries Ltd.) entire current assets, carrying an interest rate of 11% p.a. ₹ 6,249,999/- is payable in 2012-13 and ₹ 833,333/- payable in each subsequent years thereafter till the entire loan is repaid.
- # Secured against assignment of key man insurance policy in favour of lender and carrying an interest rate of 9 % p.a. The loan is repayable upon maturity of insurance policy in 2016.
- \$ Vehicle Loan is secured against hypothecation of the asset, carrying interest rate of 13.01% p.a.

	As at 31st March, 2012	As at 31st March, 2011
<b>2.4 : OTHER LONG-TERM LIABILITIES</b>		
Trade and Security Deposit	3,389,774	2,878,048
<b>TOTAL</b>	<b>3,389,774</b>	<b>2,878,048</b>

	As at 31st March, 2012	As at 31st March, 2011
<b>2.5 : DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred Tax Liabilities</b>		
Arising on account of :		
- Accumulated Depreciation	4,262,462	3,294,668
<b>Less : Deferred Tax Assets</b>		
Arising on account of :		
- Section 43B of Income Tax Act	385,559	214,018
<b>DEFERRED TAX LIABILITIES (NET)</b>	<b>3,876,903</b>	<b>3,080,650</b>

Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation law.

# Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2012

(Amount in ₹)

	As at 31st March, 2012	As at 31st March, 2011
<b>2.6 : SHORT-TERM BORROWINGS</b>		
<b>Working Capital Borrowings</b>		
From Banks (Secured)	96,324,394	82,288,183
From Banks (Unsecured)	50,000,000	–
From Others (Unsecured)	2,415,442	165,500,000
<b>TOTAL</b>	<b>148,739,836</b>	<b>247,788,183</b>

## Security and Charge :

- i) State Bank of Bikaner & Jaipur, Kolkata - ₹ 42,519,255/-  
Secured by hypothecation of all the tea manufactured including processed tea, green leaf, book debts both present and future, moveable plant & machinery, furniture & other depositing title deeds of Joonktollee Tea Estate at Assam.
- ii) HDFC Bank Limited, Kolkata - ₹ 3,805,139/-  
Secured against equitable mortgage of Pullikanam Estate and hypothecation of one of its subsidiary's (The Cochin Malabar Estates & Industries Ltd.) entire current assets.
- iii) Yes Bank Limited, Kolkata - ₹ 50,000,000/-  
Exclusive charge on all the Current Assets of the South India Division (Goomankhan Estate and Cowcoody Estate) of both present and future.

	As at 31st March, 2012	As at 31st March, 2011
<b>2.7 : TRADE PAYABLES</b>		
For Goods and Services (Refer Note 2.24.G for details of dues to Micro, Small & Medium Enterprises)	20,475,550	31,105,604
For Salary & Wages	26,410,483	6,266,185
<b>TOTAL</b>	<b>46,886,033</b>	<b>37,371,789</b>

	As at 31st March, 2012	As at 31st March, 2011
<b>2.8 : OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long-Term Debt (See Note 2.3)	6,330,007	30,340,344
Interest accrued but not due on Borrowings	4,781,870	4,084,356
Interest accrued and due on Borrowings	–	524,520
Unpaid and Unclaimed Dividends #	810,163	627,006
Unclaimed Redeemed Preference Shares #	14,200	14,200
Short-Term Deposits	430,063	901,018
Statutory Dues Payable	10,072,363	13,580,954
Amount payable for Capital Goods	588,497	516,271
Advance against Sale of Land (Refer note below)	159,497,251	159,497,251
Advances Received from Customers	3,982,171	3,323,190
Others	10,000	10,000
<b>TOTAL</b>	<b>186,516,585</b>	<b>213,419,110</b>

# There are no amounts due for payment for the Investor Education and Protection Fund under Section 205 C of the Companies Act, 1956 as at the end of the year.

# Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2012

**Note :** 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 Judgement 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 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 Estate impleading the Company. Pending finalization of the matter the amount so received continues to be shown under 'Other Current Liabilities' .

(Amount in ₹)

	As at 31st March, 2012	As at 31st March, 2011
<b>2.9 : SHORT-TERM PROVISIONS</b>		
<b>Provision for Employee Benefits</b>		
Gratuity	60,939,658	33,270,486
Bonus	14,264,449	13,169,914
Leave	1,101,611	—
<b>Other Provisions</b>		
Provisions for Taxation (Net of Advance) **	15,847,584	15,995,699
Proposed Dividend	8,140,618	8,140,618
Corporate Dividend Tax ##	528,245	2,131,906
<b>TOTAL</b>	<b>100,822,165</b>	<b>72,708,623</b>

\*\* 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 ₹ Nil (till date ₹ 87.63 Lacs). The management of the Company does not foresee any additional liability of the income tax at this point.

## In view of favourable order from Hon'ble Supreme Court in case of other tea Company, the liability for dividend distribution tax has been provided to the extent of 40% of the proposed dividend. Furthermore, provision for dividend distribution tax amounting to ₹ 1,603,661/-, in excess of 40% of proposed dividend made in earlier years, has been reversed during the year.

# Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2012

	(Amount in ₹)											
	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	Balance as at 31.03.2011	Additions	Disposals	Balance as at 31.03.2012	Depreciation charge for the year	On Disposals	Balance as at 31.03.2012	Balance as at 31.03.2011	Depreciation charge for the year	On Disposals	Balance as at 31.03.2012	Balance as at 31.03.2011
<b>2.10 : FIXED ASSETS</b>												
(i) <b>Tangible Assets</b>												
Land * #												
- Freehold	592,210,028	-	8,905	592,201,123	-	-	-	-	-	-	592,201,123	592,210,028
- Leasehold	572,330,213	-	-	572,330,213	-	-	-	-	-	-	572,330,213	572,330,213
Buildings	271,428,964	11,786,002	136,453	283,078,513	117,578,198	104,580	125,174,087	7,700,469	104,580	104,580	157,904,426	153,850,766
Plant and Equipment	236,091,908	4,866,312	3,012,252	237,945,968	166,866,950	1,333,506	176,125,699	10,592,255	1,333,506	1,333,506	61,820,269	69,224,958
Furniture and Fixtures	15,992,165	1,086,411	40,133	17,038,443	11,047,590	39,003	11,951,483	942,896	39,003	39,003	5,086,960	4,944,575
Vehicles	41,682,716	5,990,298	2,144,202	45,528,812	28,270,367	1,981,237	30,745,083	4,455,953	1,981,237	1,981,237	14,783,729	13,412,349
Office Equipment	4,121,848	272,765	-	4,394,613	3,159,204	-	3,362,792	203,588	-	-	1,031,821	962,644
Plantation/Development	74,204,182	17,672,618	667,010	91,209,790	2,094,336	-	2,179,764	85,428	-	-	91,209,790	74,204,182
Roads and Bridges	4,717,782	269,791	-	4,987,573	2,094,336	-	2,179,764	85,428	-	-	2,807,809	2,623,446
<b>TOTAL</b>	1,812,779,806	41,944,197	6,008,955	1,848,715,048	329,016,645	3,458,326	349,538,908	23,980,589	3,458,326	3,458,326	1,499,176,140	1,483,763,161
(ii) <b>Intangible Assets</b>												
Computer Software	4,850,402	513,145	-	5,363,547	2,222,795	-	3,023,175	800,380	-	-	2,340,372	2,627,607
<b>TOTAL</b>	4,850,402	513,145	-	5,363,547	2,222,795	-	3,023,175	800,380	-	-	2,340,372	2,627,607
(iii) <b>Capital Work-in-Progress</b>												
<b>TOTAL</b>											4,624,567	3,564,097
<b>GRAND TOTAL</b>	1,817,630,208	42,457,342	6,008,955	1,854,078,595	331,239,440	3,458,326	352,562,083	24,780,969	3,458,326	3,458,326	1,506,141,079	1,489,954,865
Corresponding figures for previous year	1,763,152,849	57,484,737	3,007,378	1,817,630,208	308,819,551	2,263,402	331,239,440	24,683,291	2,263,402	2,263,402	1,486,390,768	
Capital Work-in-Progress											3,564,097	
<b>TOTAL</b>											1,489,954,865	

\* Land amounting to ₹ 1,067,166/- cannot be distinguished between freehold & leasehold. The same has been included under Freehold Land .

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

In view of no operation in Rubberwood Division and Kinalur Estate of Rubber Division, depreciation amounting to ₹ 13.19 Lacs for the year has not been provided in the accounts (cumulative amount not provided till 31.03.2012 ₹ 78.92 Lacs).

# Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2012

(Amount in ₹)

	Long-Term		Short-Term	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
<b>2.11 : LOANS AND ADVANCES</b>				
(Unsecured & Considered good unless mentioned)				
Capital Advances	<b>4,575,908</b>	64,412,918	–	–
	<b>4,575,908</b>	64,412,918	–	–
Security Deposits	<b>12,883,994</b>	12,796,378	<b>464,024</b>	415,715
	<b>12,883,994</b>	12,796,378	<b>464,024</b>	415,715

## Other Loans and Advances (Unsecured, Considered good unless otherwise mention) :

	Long-Term		Short-Term	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Deposit with NABARD	–	–	<b>4,400</b>	14,370,300
Deposit with Assam Financial Corporation	–	–	<b>10,000</b>	2,865,000
Advance Tax and TDS (Net of Provisions)	–	–	<b>20,506,481</b>	14,629,025
Advance against supply of Goods and Services	–	–	<b>6,874,656</b>	4,949,772
Advances to Bodies Corporate	–	–	<b>14,600,000</b>	9,000,000
Prepaid Expenses	–	–	<b>2,453,039</b>	1,915,000
Loan/Advance to Employees	<b>1,239,965</b>	1,382,215	<b>2,926,004</b>	2,857,673
Balances with Government & Statutory Authorities	–	–	<b>2,538,468</b>	2,477,125
Income Tax Refundable	–	–	<b>1,233,337</b>	1,233,337
Payment under protest	–	–	<b>22,694,150</b>	10,689,008
Others	<b>289,733</b>	377,233	<b>888,832</b>	937,539
	<b>1,529,698</b>	1,759,448	<b>74,729,367</b>	65,923,779
<b>TOTAL</b>	<b>18,989,600</b>	78,968,744	<b>75,193,391</b>	66,339,494

# Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2012

(Amount in ₹)

	As at 31st March, 2012	As at 31st March, 2011
<b>2.12 : INVENTORIES</b>		
(As valued and certified by the Management)		
Finished Goods	76,089,864	67,692,104
Semi-Finished Goods	6,643,380	1,255,396
Stores and Spares (Net of Obsolesce)	35,696,394	31,073,655
<b>TOTAL</b>	<b>118,429,638</b>	<b>100,021,155</b>
<b>Details of Inventories :</b>	<b>Finished Goods</b>	
Tea	21,284,209	23,670,202
Coffee	29,222,014	25,621,655
Rubber - Finished	25,025,878	17,904,450
Rubber - Semi Finished	6,643,380	1,255,396
Minor Produce	557,763	495,797
<b>TOTAL</b>	<b>82,733,244</b>	<b>68,947,500</b>

	As at 31st March, 2012	As at 31st March, 2011
<b>2.13 : TRADE RECEIVABLES</b>		
<b>Outstanding for a period exceeding six months :</b>		
Unsecured, considered good	829,254	5,825,990
Doubtful	622,848	2,638,760
	<b>1,452,102</b>	<b>8,464,750</b>
Less : Provision for doubtful receivables	622,848	2,638,760
	<b>829,254</b>	<b>5,825,990</b>
<b>Other Receivables</b>		
Unsecured, considered good	13,272,757	24,783,858
	<b>13,272,757</b>	<b>24,783,858</b>
<b>TOTAL</b>	<b>14,102,011</b>	<b>30,609,848</b>

# Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2012

	As at 31st March, 2012	As at 31st March, 2011
<b>2.14 : CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
Balances With Banks :		
- In Current Account	10,500,113	8,650,218
- In Fixed Deposit Accounts with original maturity of less than three months	-	2,500,000
- Cash-on-Hand	1,143,825	1,209,197
	<b>11,643,938</b>	<b>12,359,415</b>
<b>Other Bank Balances</b>		
Unpaid Dividend Account	838,128	660,705
Fixed Deposit with Banks	608,283	145,868
(Kept under lien ₹ 158,368/-, Previous Year - ₹ 83,368/-)	1,446,411	806,573
<b>TOTAL</b>	<b>13,090,349</b>	<b>13,165,988</b>

	As at 31st March, 2012	As at 31st March, 2011
<b>2.15: OTHER CURRENT ASSETS</b>		
Interest accrued on Fixed Deposit	792,752	764,907
Replantation Subsidy Receivable	-	2,405,030
Interest Subsidy Receivable	10,037,365	2,990,523
Fixed Asset held for Disposal (Net of Provision)	124,615	67,838
MAT Credit Entitlement	1,828,550	1,800,000
Other Receivables	666,875	388,200
<b>TOTAL</b>	<b>13,450,157</b>	<b>8,416,498</b>

# Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2012

(Amount in ₹)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>2.16: REVENUE FROM OPERATIONS</b>		
Sale of Finished Goods	701,859,110	679,048,189
<b>Other Operating Revenues</b>		
Sale of Minor Produce/Timber/Vegetables	40,467,961	16,847,200
Incentives & Subsidies	235,385	612,033
Insurance and Other Claims (Net)	1,214,444	1,046,360
	41,917,790	18,505,593
<b>TOTAL</b>	<b>743,776,900</b>	<b>697,553,782</b>
<b>Details of Sale of Finished Goods :</b>		
Tea	478,288,456	481,406,359
Coffee	41,918,521	24,948,568
Rubber - Traded	–	1,239,570
Rubber - Processed	181,652,133	171,453,692
<b>TOTAL</b>	<b>701,859,110</b>	<b>679,048,189</b>

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>2.17 : OTHER INCOME</b>		
<b>Interest Income</b>		
On Bank Deposits	17,162	112,401
On Other Deposits	2,613,628	966,748
Interest Subsidy	7,046,842	2,990,523
Dividend on Long-Term Investment	1,120,576	956,591
<b>Other Non-Operating Income</b>		
Profit on Sale of Fixed Assets (Net)	475,058	4,893
Profit on Sale of Long-Term Investments	40,069,355	–
Rent	7,676,474	7,282,678
Excess Liabilities and Unclaimed Balances written back	5,056,984	659,734
Recovery of Bad Debts	726,163	–
Prior Period Income (Net)	–	520,472
Miscellaneous Income	4,665,483	3,054,514
<b>TOTAL</b>	<b>69,467,725</b>	<b>16,548,554</b>

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>2.18 : COST OF RAW MATERIALS CONSUMED</b>		
Purchase of Green Leaf	64,169,788	72,409,296
Purchase of Latex	11,863,245	15,934,027
Purchase of Rubber - Traded	–	1,170,060
<b>TOTAL</b>	<b>76,033,033</b>	<b>89,513,383</b>



# Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2012

(Amount in ₹)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>2.19 : (INCREASE)/DECREASE IN INVENTORIES OF FINISHED/SEMI-FINISHED GOODS</b>		
<b>Inventories at the end of the year</b>		
Tea	21,284,209	23,670,202
Coffee	29,222,014	25,621,655
Rubber (Finished/Semi-Finished)	31,669,258	19,159,846
Minor Produce	557,763	495,797
<b>TOTAL</b>	<b>82,733,244</b>	<b>68,947,500</b>
<b>Inventories at the beginning of the year</b>		
Tea	23,670,202	34,370,613
Coffee	25,621,655	21,859,970
Rubber (Finished/Semi-Finished)	19,159,846	11,304,079
Minor Produce	495,797	422,776
<b>TOTAL</b>	<b>68,947,500</b>	<b>67,957,438</b>
<b>(Increase)/Decrease in Inventories of Finished/Semi-Finished Goods</b>	<b>(13,785,744)</b>	<b>(990,062)</b>

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>2.20 : EMPLOYEE BENEFITS EXPENSE</b>		
Salaries & Wages	263,441,380	222,102,795
Contribution to Provident Funds and Others	22,713,250	18,901,778
Contribution to Gratuity Fund	36,355,133	8,823,986
Contribution to Superannuation Fund	1,938,236	2,730,084
Staff Welfare Expenses	27,448,184	26,015,753
<b>TOTAL</b>	<b>351,896,183</b>	<b>278,574,396</b>

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>2.21 : FINANCE COSTS</b>		
<b>Interest Expenses</b>		
Term Loans	5,521,577	9,081,232
Vehicle Loan	107,814	142,151
Working Capital Loans	15,466,506	12,233,909
Others	19,561,030	21,634,720
<b>TOTAL</b>	<b>40,656,927</b>	<b>43,092,012</b>

# Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2012

(Amount in ₹)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>2.22 : OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Stores, Spare Parts & Packing Materials Consumed	30,685,209	28,721,315
Power & Fuel	44,315,542	39,969,296
Cultivations	44,061,073	54,166,107
Repairs to Buildings	8,660,523	9,108,644
Repairs to Machinery	6,784,986	8,139,638
Repairs to Other Assets	1,354,630	1,223,458
Cess on Green Leaf/Black Tea	5,849,316	4,976,540
<b>TOTAL</b>	<b>141,711,279</b>	<b>146,304,998</b>
<b>Selling and Administration</b>		
Freight & Cartage	18,056,908	14,952,622
Commission, Brokerage & Discount	8,169,686	7,262,821
Rent	1,115,634	1,102,505
Rates & Taxes	2,266,825	2,960,707
Insurance	7,505,264	9,232,037
Vehicle Running & Maintenance Expense	10,211,221	9,735,006
Charity & Donation	52,500	1,883,763
Auditors' Remuneration -		
Statutory Auditors :		
- Auditor	912,515	560,515
- Issue of Certificates	733,750	535,000
- Reimbursement of Expenses	103,852	26,546
- Reimbursement of Service Tax	167,942	88,065
Bad Debts Advances written off	2,621,032	19,461
Less : Provision	1,915,912	-
Less : Provision for earlier years written back	100,000	-
	605,120	19,461
Travelling Expenses	5,633,399	3,807,620
Director Sitting Fees	253,000	248,000
Prior Period Expenditure (Net)	153,626	822,678
Other Miscellaneous Expenses	23,442,493	20,260,361
<b>TOTAL</b>	<b>79,383,735</b>	<b>73,497,707</b>
	<b>221,095,014</b>	<b>219,802,705</b>
<b>2.23 : DEPRECIATION AND AMORTIZATION EXPENSES</b>		
On Tangible Assets	23,980,589	23,929,806
Less : Transferred from Revaluation Reserve	(411,986)	(443,884)
On Intangible Assets	800,380	753,485
<b>TOTAL</b>	<b>24,368,983</b>	<b>24,239,407</b>

# Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2012

## 2.24 : NOTES TO ACCOUNTS

- A. 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 2012
Cowcoody Builders Pvt. Ltd. (CBPL)	India	100.00%	Year ended 31st March 2012
Pranav Infradev Co. Pvt. Ltd. (PICPL)	India	100.00%	Year ended 31st March 2012
The Cochin Malabar Estates & Industries Ltd. (CMEI) *	India	22.94%	Year ended 31st March 2012

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

- B. Goodwill amounting to ₹ 9,200,730/- 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.
- C. The consolidated financial statements have been prepared using the same accounting policies as that of Joonktollee Tea & Industries Limited.
- D. **Contingent Liability not provided for -**

Claims against the Company not acknowledged as debts :

(Amount in ₹)

	2011-2012	2010-2011
i) Income Tax under appeal *	12,865,495	9,227,985
ii) Sales Tax under appeal	1,976,605	5,518,728
iii) Claims of Creditors & workers	2,039,725	2,525,057
iv) Central Sales Tax	213,331	213,331
v) Commitment towards future lease rentals	377,233	464,733
vi) Seigniorage Charges (KERALA Forest Dept.)	17,602,033	8,402,033
vii) P.F. Damages	6,241,601	6,241,601
viii) Lease Rent **	4,692,117	1,886,975

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

\*\* The Government of Kerala has increased the Lease Rent payable in respect of Chemoni and Pudukad Estates from ₹ 2 /- per Acre to ₹ 1,350 /- per Hectare with effect from 25th November, 2009. The Company filed Writ Petition before the Hon'ble Court of Kerala challenging the increase and the case is pending. The Company has paid the increased Lease rental under protest.

- E. Estimated amount of contract remaining to be executed on capital account and not provided for ₹ 263,234 /- (31.03.2011 - ₹ 5,195,019 /-) (Net of Advances).
- F. 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.

# Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2012

- G. 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, 2012	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.

- H. Miscellaneous Expenditure under Note No. 2.22 includes revenue expenditure on research and development ₹ 361,511/- (Previous Year ₹ 175,206/-) incurred towards subscription to Tea Research Association.
- I. 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.
- J. 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.
- K. The Rubberwood factory of CMEI has not been in operation for nearly 14 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.
- L. Trade Receivables, Loans and Advances & Deposits include certain overdue and unconfirmed balances. However, in the opinion of the management, these current assets would, in the ordinary course of business, realize the values stated in the accounts.
- M. The amount of borrowing cost capitalized during the year is ₹ Nil.
- N. The exposure of the Company in foreign currency at the end of the year is ₹ Nil (Previous year ₹ Nil).

**O. Employee Benefits (Revised Accounting Standard 15)**

- a) Defined Contribution Plan

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

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

During the year the Company has recognized ₹ 20,953,667/- (Previous Year ₹ 17,521,239/-) for Provident Fund contribution and ₹ 1,938,236/- (Previous Year ₹ 2,730,084/-) for Superannuation Fund contribution. The contributions payable to these plans by the Company are at the rates specified in the rules of the scheme.

# Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2012

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 CMEIL 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.

**Disclosure as per Accounting Standard AS -15 related to Employee Benefits**

(₹ in Lacs)

Particulars	2011-2012 Gratuity		2010 - 2011 Gratuity	
	Funded	Unfunded	Funded	Unfunded
<b>Expenses recognised in the Statement of Profit &amp; Loss for the year ended 31st March, 2012</b>				
A. Current Service Cost	64.56	–	51.39	–
Interest Cost	61.76	–	62.68	–
Expected return on Plan Assets	(39.01)	–	(32.74)	–
Expected return on any reimbursement rights recognised as an assets	–	–	–	–
Actuarial (Gain)/Losses	275.19	–	4.75	–
Past Service Cost	–	–	–	–
Effect of any Curtailment/Settlement	–	–	–	–
Actuarial (Losses)/Gains on Plan Assets	–	–	(2.12)	–
Unrecognised Defined Benefit Obligation	–	–	–	–
<b>Expenses recognised in Statement of Profit &amp; Loss</b>	<b>362.50</b>	<b>1.05</b>	<b>83.96</b>	<b>4.28</b>
B. Net (Asset)/Liabilities recognised in Balance Sheet as at 31st March, 2012				
Present Value of the Defined Benefit Obligation	1,137.10	–	810.27	–
Fair value of Plan Assets	527.71	–	477.57	–
Unrecognised Defined Obligation	–	–	–	–
<b>Net (Asset)/Liabilities recognised in Balance Sheet</b>	<b>609.39</b>	<b>–</b>	<b>332.70</b>	<b>–</b>
C. Changes in the Present Value of Defined Benefit Obligation during the year ended 31st March, 2012				
Present Value of Defined Benefit Obligations at 1st April, 2011	810.27	–	806.26	–
Current Service Cost	64.56	–	51.39	–
Past Service Cost	–	–	–	–
Interest Cost	61.76	–	62.68	–
Actuarial Gain/(Losses)	277.14	–	4.51	–
Benefits Paid	(76.63)	–	(114.57)	–
<b>Present Value of Obligation as at 31st March, 2012</b>	<b>1137.10</b>	<b>–</b>	<b>810.27</b>	<b>–</b>

# Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2012

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

(₹ in Lacs)

Particulars	2011-2012 Gratuity		2010 - 2011 Gratuity	
	Funded	Unfunded	Funded	Unfunded
D. Changes in Fair Value of Plan Assets during the year ended 31st March, 2012				
Fair Value of Plan Assets as at 1st April, 2011	477.57	-	324.53	-
Expected return on Plan Assets	39.01	-	32.74	-
Actuarial Gain/(Losses)	1.95	-	8.22	-
Past Service Cost	-	-	-	-
Losses/(Gains) on curtailments liabilities extinguished on settlements	-	-	-	-
Benefits Paid	(76.63)	-	(114.57)	-
Settlements	-	-	-	-
Contributions	85.81	-	226.65	-
<b>Fair Value of Plan Assets as at 31st March, 2012</b>	<b>527.71</b>	<b>-</b>	<b>477.57</b>	<b>-</b>
E. Principal Actuarial Assumptions used				
Discount rates as at 31st March, 2012	8.60%	8.00%	8.00%	8.00%
Expected return on Plan Assets	9.00%	-	8.00%	-
Expected salary increase rates	8.00%	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	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	Fund with LIC of India & Government Securities	Fund with LIC of India & Government Securities

- Amount not recognized as an asset, because of the limit prescribed in Accounting Standard 15 (Revised 2005) i.e. Employee Benefits is ₹ Nil.
- There is no reimbursement right at the balance sheet date.
- 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.
- 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.
- 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.
- The Group expects to contribute ₹ 171.51 Lacs to its gratuity fund in 2012-13.

# Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2012

- (g) The table below illustrates experience adjustment disclosure as per Para 120 (n) (ii) of Accounting Standard 15 - Employee Benefits.

(₹ in Lacs)

	2011-12	2010-11	2009-10	2008-09	2007-08
Defined Benefit Obligation	<b>1137.10</b>	810.27	806.26	309.27	248.72
Plan Assets	<b>527.71</b>	477.57	324.53	226.83	216.22
Surplus/(Deficit)	<b>609.39</b>	332.70	481.73	82.44	32.50
Experience adjustments on plan liabilities	<b>277.14</b>	(5.61)	24.56	44.01	9.36
Experience adjustments on plan assets	<b>1.95</b>	8.22	(3.14)	(0.70)	1.25

- (h) The disclosure as required by Para 120 of Accounting Standard -15 "Employee Benefits" has been made to the extent applicable to the Company.

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

# Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2012

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

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

Sl. Particulars	TCICL	KVL	WPVPL	CHPL	MTCL	PDGD	GL	TOCL	KBCL	KMP	Relatives of KMP
1 Loans Given/(Received) during the year (Net) Previous Year	-	(25,000,000)	(7,500,000)	(10,000,000)	-	-	-	-	(15,000,000)	-	-
2 Loans Received/(Refunded) during the year (Net) Previous Year	-	(52,500,000)	(64,000,000)	(83,000,000)	-	(10,000,000)	-	-	(55,000,000)	-	-
3 Closing balance as on 31.03.2012 (Loan including Interest Accrued) Previous Year	-	12,500,000	(1,000,000)	14,000,000	-	5,000,000	-	-	40,000,000	-	-
4 Interest Expenditure Previous Year	-	27,500,000 (Cr.)	56,500,000 (Cr.)	73,000,000 (Cr.)	-	10,000,000 (Cr.)	-	-	40,000,000 (Cr.)	-	-
5 Rent Paid Previous Year	-	1,399,849	2,644,000	5,886,315	-	579,000	-	-	3,595,014	-	-
6 Rent Deposit as at 31.03.2012 Previous Year	-	1,604,260	6,038,054	9,444,768	-	1,038,000	-	-	1,435,576	-	-
7 Purchase Previous Year	-	-	-	-	-	-	3,521,058	-	661,800	-	-
8 Closing balance of Current Liability as on 31.03.2012 Previous Year	-	-	-	-	-	-	3,890,800	-	661,800	-	-
9 Dividend Income Previous Year	-	-	-	-	-	-	1,170,757	-	7,500,000	-	-
10 Dividend Paid Previous Year	626,798	-	67,498	246,310	135,255	-	1,079,624	-	7,500,000	351,768	* 2,589,140
	626,798	-	67,498	246,310	135,255	-	925,392	938,243	1,223,423	351,768	* 2,589,140

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

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

Remuneration/Sitting Fees ₹ 8,776,004/- (31.03.2011 - ₹ 7,676,471/-)

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



# Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2012

## Q. Earnings Per Share

(Amount in ₹)

	2011-12	2010-11
(a) Profit/(Loss) after taxation as per Statement of Profit & Loss (in ₹)	59,950,465	30,579,164
(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)	18.41	9.39

R. The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been re-classified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

S. Previous year figures have been arranged/re-grouped wherever necessary.

For and on behalf of

**SINGHI & CO.**

Chartered Accountants

Firm Registration No. 302049E

**Gopal Jain**

Partner

Membership No. 059147

Place : Kolkata

Dated : 12th November, 2012

**S. Bagree**

Manager (Finance) &  
Company Secretary

**G. D. Bangur** Director

**H. Bangur** Executive Vice-Chairman

**P. D. Bangur** Director

**A. Ghosh** Director

**M. K. Daga** Director

**J. K. Surana** Director

**M. M. Pyne** Director

**K. C. Mohta** Executive Director

# 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, 2012 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	46,883,732	155,604,999	200,905,823	276,266,065
3. Total Assets	47,608,831	163,781,280	205,497,050	644,099,767
4. Total Liabilities	93,749	6,606,461	2,468,517	350,864,263
5. Investments	–	–	–	749,641
6. Turnover	543,209	8,917,062	1,647,811	246,676,327
7. Profit before Taxation	(37,912)	5,973,518	149,828	52,910,131
8. Provision for Taxation	(5,134)	1,609,986	(49,901)	–
9. Profit after Taxation	(43,046)	4,363,532	199,729	52,910,131
10. Proposed Dividend	–	–	–	–
11. Reporting Currency	<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.

## Safe Harbour

The statements made in this Annual Report including the Management's Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be "Forward Looking Statements" within the meaning of applicable Securities Laws & Regulations and are based on the currently held beliefs and assumptions of our management, which are expressed in good faith and in their opinion, reasonable. Actual results could differ from those expressed and implied since the Company's operations are influenced by many external and internal factors beyond the control of the Company. Several factors could make a significant difference to the Company's operations which includes climatic conditions, economic conditions affecting demand and supply, government regulations and taxation, natural calamities, raw material price changes, domestic supply and prices conditions, Company's success in attracting and retaining Key Personnel, integration and re-structuring activities, general business and economic conditions over which the Company does not have any direct control. Because such statements deal with the future events they are subject to various risks and uncertainties. You are cautioned not to place undue relies on these forward looking statements.

The Company undertakes no obligations to revise or update the forward looking statements, whether as a result of new information, future events or otherwise.



**JOONKTOLLEE TEA & INDUSTRIES LTD.**

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



## Joonktollee Tea & Industries Ltd.

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

### NOTICE

NOTICE is hereby given that the 138th 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 **Friday, the 21st December, 2012 at 11.15 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, 2012, 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 M.K. Daga who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri J.K. Surana who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Statutory Auditors and fix their remuneration.

#### SPECIAL BUSINESS

6. To appoint Smt. Pushpa Devi Bangur as a Director of the Company and for the purpose to consider and if deem fit to pass, with or without modifications, the following Resolution as Ordinary Resolution.

"RESOLVED THAT Smt. Pushpa Devi Bangur be and is hereby appointed a Director of the Company."

By Order of the Board

#### Registered Office :

21, Strand Road,  
Kolkata - 700 001  
Dated : 12th November, 2012

**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 Saturday, the 15th December, 2012 to Friday, the 21st December, 2012 (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 14th December, 2012; 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 14th December, 2012.
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, 2005 has been transferred to Investor Education and Protection Fund. Unpaid and unclaimed dividend for the year ended 31st March, 2006, 2007, 2008, 2009, 2010 & 2011 will be transferred to Investor Education and Protection Fund on 23rd September, 2013, 22nd December, 2014, 29th November, 2015, 2nd September, 2016, 29th September, 2017 & 28th September, 2018 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, 2012 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**

Pursuant to Section 260 of the Companies Act, 1956, the Board of Directors appointed Smt. Pushpa Devi Bangur, as an Additional Director of the Company on 14th November, 2011 who holds office as such upto the date of One Hundred Thirty Eighth Annual General Meeting. The Company has received notice from a member under Section 257 of the Companies Act, 1956 proposing the candidature of Smt. Pushpa Devi Bangur for the Office of the Director of the Company liable to retire by rotation.

Smt. Pushpa Devi Bangur (60) is a graduate. She is from one

of the country's oldest business families having wide experience in various activities of the family business. Smt. Bangur is associated with various philanthropic organisations and being a co-promoter of the Company and passionate in charitable activities, her involvement in social initiatives will help a lot to augment Company's social activities towards Corporate Social Responsibility.

Smt. Pushpa Devi Bangur being the incumbent is directly interested in the Resolution. Shri G.D. Bangur and Shri Hemant Bangur are also interested in the said Resolution being her relatives. No other director is directly or otherwise interested in the Resolution.

The Directors commend the Resolution for your consideration and adoption.

**DETAILS OF DIRECTORS RETIRING BY ROTATION & SEEKING RE-APPOINTMENT****(In Pursuance of Clause 49 of the Listing Agreement)**

Name	<b>Shri M. K. Daga</b>		
Date of Birth	06.01.1963		
Date of Appointment	28.11.1992		
Qualifications	B. Com		
Expertise in specific functional areas	Shri Majoj Kumar Daga (49), a Director of the Company, is a Commerce Graduate. He has more than 22 years of wide and varied experience in Tea Industry.		
	<b>COMPANY</b>		<b>POSITION</b>
Directorship in other Companies	Norben Tea & Industries Ltd. Tongani Tea Company Ltd. Daga & Company Pvt. Ltd. Cowcoody Builders Pvt. Ltd.		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	Norben Tea & Exports Ltd.	Share Transfer Committee Review Committee	Chairman Chairman
Shareholding in the Company	Nil		

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

Name	<b>Shri J. K. Surana</b>	
Date of Birth	03.10.1953	
Date of Appointment	31.07.2002	
Qualifications	B.Sc. (Hons)	
Expertise in specific functional areas	Shri Jay Kumar Surana, (59) is a Science Graduate. He is a Member of Bombay Stock Exchange Ltd. & National Stock Exchange of India Ltd. He has wide and varied experience in various businesses.	
	<b>COMPANY</b>	<b>POSITION</b>
Directorship in other Companies	Pranav Infradev Company Pvt. Ltd.	Director
Chairman / Member of Committees of the Board of other Companies of which he is a Director	Nil	
Shareholding in the Company	Nil	





## 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 Eighth Annual General Meeting of the Company to be held at Shripati Singhanian Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700 020 on Friday, the 21st December, 2012 at 11.15 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,

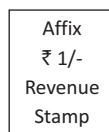
Mr./Mrs./Miss \_\_\_\_\_ of

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

me/us and on my/our behalf at the One Hundred Thirty Eighth Annual General Meeting of the Company to be held at Shripati Singhanian Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700 020 on Friday, the 21st December, 2012 at 11.15 A.M. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2012

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.

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 enclosed printed form and send it to our Registrar & Share Transfer Agent at following address and also intimate whether 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.