

65TH ANNUAL REPORT
2010-11



JAY SHREE TEA & INDUSTRIES LIMITED



B. K. BIRLA GROUP OF COMPANIES

Our Chairman Syt. B. K. Birla

STRONG FOUNDATION SUSTAINED GROWTH PROVEN LEADERSHIP

The Group Logo

As represented by the 21st Century Atlas

Atlas, the Titan

Collective Strength

Atlas, bearer of the heavens is synonymous with vast, all encompassing strength and is used to symbolise the Group's own collective strength. It reflects the combined qualities of astute and dynamic management while emphasising the Group's tenacity, consistency, reliability and overall leadership.

The Sun

Enlightenment and Growth

The Sun, as a source of infinite energy and inspiration, is used here in conjunction with the Atlas head to represent the vitality and powerful presence of the Group - both in its industrial prowess and its financial, technological and intellectual skills.

The Earth Segments

Diversified Activities

Each of the latitudes around the Titan represent various sections - industrial, agricultural, financial and other activities of the Group. As with the infinite variety of the world, so is the strength of the Group, made up of its diverse activities.

The Globe

Global Vision

The Group's global presence and vision is reflected in the entirety of the Earth's sphere.

The Base

Solid Foundations

The strength of the entire edifice depends upon the strength of the foundation embedded in the bedrock, represented here by the Group Name.

The Symmetry

The Resilience, Versatility and Stability

Seen in its entirety, each of the elements - Atlas, the Sun, the Earth divisions, the Globe and the Base, together sum up a well conceptualised and balanced conglomerate.



JAY SHREE TEA & INDUSTRIES LIMITED

65TH ANNUAL REPORT FOR THE YEAR ENDED 31ST MARCH, 2011

DIRECTORS

Shri B. K. Birla, *Chairman*
Smt. Jayashree Mohta,
Vice-Chairperson
Shri B. M. Khaitan
Shri G. P. Goenka
Shri S. S. Kothari
Shri S. K. Tapuriah
Shri Vikash Kandoi
Shri D. P. Maheshwari
(*Managing Director*)

EXECUTIVES

Shri R. K. Ganeriwala
President & Secretary
Shri S. Basu
President (Tea Marketing & Exports)
Shri P. K. Agrawal
*President (Darjeeling
& Dooars Tea Estates)*
Smt. Sangeeta Kichlu
Vice President (Tea Exports)
Shri H.G. Singh
Vice President
(*Upper Assam Gardens*)
Shri B.K. Chaturvedi
Vice President (Taxation)

SOLICITORS

Messrs Khaitan & Co.,
9, Old Post Office Street,
Kolkata - 700 001

AUDITORS

Messrs Singhi & Co.,
1-B, Old Post Office Street,
Kolkata - 700 001

BRANCH AUDITORS

Messrs Salarpuria Jajodia & Co.,
7, Chittaranjan Avenue,
Kolkata - 700 072

BANKERS

Axis Bank
Development Credit Bank
DBS Bank Ltd.
HDFC Bank
ICICI Bank
Indian Overseas Bank
IndusInd Bank
Kotak Mahindra Bank
State Bank of India
UCO Bank
Union Bank of India
Yes Bank

REGISTRARS

M/s. Maheshwari Datamatics
Pvt. Ltd., 6, Mangoe Lane,
Kolkata - 700 001
Ph.: (033) 22435029/5809
Fax: (033) 22484787
E-mail : mdpl@cal.vsnl.net.in

SHARE DEPTT.

"Industry House" (15th Floor)
10, Camac Street,
Kolkata - 700 017
Ph.: (033) 22827531/4
Fax: (033) 22827535
E-mail : rkg@jayshreetea.com

STOCK EXCHANGES WHERE SHARES ARE LISTED

National Stock Exchange
of India Ltd.
Bombay Stock Exchange Ltd.
The Calcutta Stock Exchange
Association Ltd.

AUDIT COMMITTEE

Shri S.S. Kothari (Chairman)
Shri S.K. Tapuriah
Shri D.P. Maheshwari

SHAREHOLDERS'/INVESTORS GRIEVANCES COMMITTEE

Shri S.K. Tapuriah (Chairman)
Shri S.S. Kothari
Shri D.P. Maheshwari

REMUNERATION COMMITTEE

Shri B.M. Khaitan (Chairman)
Shri S.S. Kothari
Shri S.K. Tapuriah

REGISTERED & HEAD OFFICE

"Industry House", (15th Floor),
10, Camac Street,
Kolkata - 700 017
Phone : (033) 22827531-34
Fax : (033) 22827535
Website : www.jayshreetea.com
E-mail : birlatea@giasci01.vsnl.net.in

MUMBAI OFFICE

708, Embassy Centre, Nariman Point,
Mumbai - 400 021
Phone : (022) 22830915/22823474
Fax : (022) 22873045

AHMEDABAD OFFICE

101, Sheel Building, 4 Mayur Colony,
Navrangpura, Ahmedabad - 380 009
Phone : (079) 26565371/26430511

NEW DELHI OFFICE

620-A, Faiz Road
2nd Floor, Karol Bagh
New Delhi - 110 055
Phone : (011) 23633717/23522149
Fax : (011) 23633747

Contents

Notice	2
Management's Discussion & Analysis	7
Corporate Governance Report	11
Shareholders' Information	17
Report of the Directors	20
Statement relating to Subsidiary Company	27
Financial Highlights for last 5 years	28
Auditors' Report	30
Balance Sheet & Profit & Loss A/c	34
Cash Flow Statement	36
Schedules to Accounts	38
Balance Sheet Abstract & General Business Profile	66
Auditors' Report on Consolidated Financial Statements	67
Consolidated Balance Sheet & Profit & Loss A/c	68
Consolidated Cash Flow Statement	70
Schedules to Consolidated Balance Sheet & Profit & Loss A/c	72
Consolidated Segmentwise Information	96

NOTICE

To the Shareholders

NOTICE is hereby given that the Sixty Fifth Annual General Meeting of the shareholders of the Company will be held on Thursday, the 22nd September, 2011 at 10.30 A.M. at 'Kala Kunj' 48, Shakespeare Sarani, Kolkata 700 017 to transact the following business :

1. To receive and consider the Report of the Directors to the Shareholders and adopt the audited accounts for the year 2010-11.
2. To declare dividend for the year 2010-11.
3. To appoint a Director in place of Shri S.K.Tapuriah who retires by rotation but being eligible offers himself for re-election.
4. To appoint a Director in place of Shri Vikash Kandoi, who retires by rotation but being eligible offers himself for re-election.
5. To appoint Auditors/Branch Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, including any modification(s) or re-enactment thereof, if any of the Companies Act, 1956 (the Act) or any other law and subject to such consent(s), approval(s) and permission(s) as may be necessary in this regard, the consent of the Shareholders be and is hereby accorded for the appointment of Smt. Jayashree Mohta, a Director of the Company as Whole- time director under the designation "Vice- Chairperson" for a period of 5 (five) years w.e.f 1st April, 2011 on the following remuneration and terms and conditions as may be determined or decided by the Remuneration Committee and/or Board from time to time :

- | | | |
|------------------------------------|---|--|
| (A) Remuneration | : | Not exceeding Rs.96 lacs (Rupees Ninety six lac only) |
| (Salary, Perquisites & Allowances) | | per annum. Perquisites and allowances shall be evaluated as per Income Tax Rules, wherever applicable and at actual cost to the company in other cases. |
| (B) Termination | : | The appointment, notwithstanding the five years tenure fixed w.e.f. April 1, 2011, may be terminated by either party by giving three months notice in writing. During the tenure of her office, Smt.Jayashree Mohta shall not be liable to retire by rotation. |



- (C) Sitting Fee : No sitting fees shall be payable for attending the meetings of the Board of Directors or any Committee thereof.
- (D) Others : As per company rules.

“RESOLVED FURTHER THAT pursuant to Section 198 and all other applicable provisions of the Companies Act, 1956, the remuneration stated above be paid as minimum remuneration to Smt.Jayashree Mohta, notwithstanding that in any financial year during the tenure as Vice-Chairperson, the Company has made no profits or the profits are inadequate”

“REOLVED FURTHER THAT the Board and/or its committee be and is hereby authorized in its absolute discretion to decide/determine, fix and/or vary/alter /modify within the limit stated above, the components of Remuneration (including Minimum Remuneration in the event of absence or inadequacy of profits in any financial year) payable to Smt.Jayashree Mohta from time to time and to comply with legal provisions and to do all such acts, deeds, things and matters and ancillary and consequential things as may be considered necessary and to settle all questions or difficulties whatsoever that may arise to give effect to the above resolution.”

Registered & Head Office :

“INDUSTRY HOUSE”

10, Camac Street,

Kolkata 700 017

Dated, the 24th August, 2011

By Order of the Board

For Jay Shree Tea & Industries Limited

R.K. GANERIWALA

President & Secretary

Notes :

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. The Equity Share Transfer Registers will remain closed from 14th September, 2011 to 22nd September 2011 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend.
3. The dividend on Equity Shares as recommended by the Board, if declared, will be payable on or after 22nd September 2011 to those members whose names appear on the Register of Members of the Company as on 22nd September, 2011, or to their mandatees. In respect of dematerialised shares, the dividend will be payable on the basis of beneficial ownership details to be furnished by NSDL and CDSL for the purpose.
4. Members are requested to intimate before hand to the Company query/ies, if any, regarding these accounts/notice at least ten days before the meeting to enable the management to keep the required information readily available at the meeting.
5. Pursuant to Section 205A (5) of the Companies Act, 1956 (as amended) any money transferred to the unpaid dividend account of a Company remaining unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred to Investor Education and Protection Fund and thereafter no claims shall lie against the fund or the Company. So, you are advised to claim the same from the Company immediately. The due dates of transfer of the following dividend to the Fund are as under :

<u>Dividends for the year</u>	<u>Date of declaration of dividend</u>	<u>Due date of transfer to the Fund</u>
2004-2005	29.06.2005	2nd August, 2012
2005-2006	27.06.2006	2nd August, 2013
2006-2007	28.06.2007	2nd August, 2014
2007-2008	27.06.2008	2nd August, 2015
2008-2009	29.06.2009	2nd August, 2016
2009-2010	25.06.2010	30th July, 2017

6. The Company's shares are enlisted with NSDL and CDSL for participation into Electronic Depository System operated by them. Its shares are compulsorily to be traded in Electronic Form and the security bears Code No.INE 364A01020.
7. Members are requested to notify immediately change of address, if any, to the Company in case shares are held in physical form or to the DPs, where the account is maintained, if held in demat form.



8. The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent to the shareholders in Electronic mode. To support this green initiative of the Government in full measure, the members who have not registered their e-mail addresses, so far, are requested to register their e-mail address in respect of electronic holdings with the Depository through their concerned Depository Participants (DP). Members who hold shares in physical form are requested to submit their e-mail address to shares@jayshreetea.com & mdpldc@yahoo.com. We are sure you would appreciate the “Green Initiative” taken by MCA and solicit your patronage and support to participate in such initiative.
9. Information about the Directors retiring by rotation as required under Clause 49 of the Listing Agreement with the Stock Exchanges :

a) Shri S.K. Tapuriah

Shri S.K.Tapuriah, 72, was appointed as a Director w.e.f .6.8.1990. A graduate in commerce, he is a well known businessman having expertise in Business Management and finance. Being an ex-member of Parliament, he has contributed effectively for the development of trade as well as industry in the country. His vast experience and knowledge are beneficial to the operations of the company.

Directorships held in other companies:

Hindustan General Trading Co. P.Ltd., Baldeodas Gajanand Auto Spares Pvt. Ltd. Krishna Bihari Tea Co.Ltd.

b) Shri Vikash Kandoi

Shri Vikash Kandoi is a Chartered Accountant and an industrialist of repute in India having wide experience in various industries. Looking to his qualification and experience, he was appointed on the Board of the Company with effect from 29.7.2008 which was approved by the shareholders of the company in their meeting held on 29.6.2009.

Directorships held in other companies :

Royal Touch Fablon Pvt. Ltd., Armstrong Packaging Pvt. Ltd. & J.V. Poly Plast Pvt.Ltd.

Registered & Head Office :

“INDUSTRY HOUSE”

10, Camac Street,

Kolkata 700 017

Dated, the 24th August, 2011

By Order of the Board

For Jay Shree Tea & Industries Limited

R.K. GANERIWALA

President & Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

Item No.6

Smt. Jayashree Mohta, is one of the Directors of the Company since 17th June, 1992. She has been rendering services to the Company in relation to development of its tea plantation, tea exports, chemicals & fertilizer units and other operations. She has helped the Company to improve its export performance significantly in last 2 decades. She has perfect palate for tea tasting which guides in proper valuation of high value teas.

In view of the vast experience and valuable contribution of Smt. Jayashree Mohta towards the growth of the Company, the Board in its meeting held on 14th February 2011, has decided to appoint her as Whole-time Director designated as "Vice Chairperson" of the company w.e.f. April 01, 2011 on the remuneration and terms and conditions as set out in the resolution.

The Board of Directors or any Committee thereof will decide/determine the components of salary, allowance and perquisite and fix and/or vary the remuneration within the limit stated in the resolution.

The overall remuneration of the directors including perquisites are well within the overall limits specified under Section 198, 269 and 309, 310, 311 and Schedule XIII of the Act.

Smt. Jayashree Mohta, aged about 60 years, is a graduate in Arts. She has vast experience in the overall business management and has contributed immensely in guiding the company towards the path of success. She has been instrumental for the company's foray into sugar industry and tea estates in East Africa. She also holds directorships in the following other companies :

Avadh Mercantile Co. Ltd., B.K. Birla Foundation, Gagan Services Pvt. Ltd., Jayashree Finvest Pvt. Ltd., North Tukvar Tea Co. Ltd., Sanjay Estates Pvt. Ltd. and Universal Plastocrafts Pvt. Ltd.

Smt. Jayashree Mohta is the Honorary Consul of Belgium in Kolkata . She is actively involved in various educational institutions and development of art and culture across the country.

The appointment and remuneration of wholetime Director requires consent of the members by virtue of Schedule XIII to the Companies Act, 1956 and therefore your directors recommend the resolution for your approval as an ordinary resolution.

None of the directors of the Company except Shri B.K.Birla, Shri Vikash Kandoi being the relatives of Mrs. Jayashree Mohta are concerned or interested in the proposed resolution.

Registered & Head Office :

"INDUSTRY HOUSE"

10, Camac Street,
Kolkata 700 017

Dated, the 24th August, 2011

By Order of the Board
For Jay Shree Tea & Industries Limited
R.K. GANERIWALA
President & Secretary



MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW

Indian Tea production in 2010 was lower at 967 m.kgs. compared to 979 m.kgs. in 2009 i.e. a decrease of around 12 m.kgs. The world crop in major producing countries was higher by around 100 m.kgs. due to increase in crop of Kenya & Sri Lanka. Your Company produced 241.42 lac kgs. tea against 234.00 lac kgs. last year. Your Company's marketing initiatives are yielding results and the export is up by 10.11% to Rs.84.31 crore as against Rs.76.57 crore in value terms.

SEGMENT ANALYSIS AND REVIEW

The Company is engaged in the manufacture of tea, chemicals & fertilisers, sugar besides tea warehousing and investment activities. Tea accounts for 72.07% of gross turnover during 2010-11. Sugar accounts for 7.80% and Chemicals & Fertilisers accounts for 19.11% and others 1.02% of the gross turnover.

TEA

Your Company's districtwise production compared to All India production is enumerated below:

(Quantity in million kgs.)

District	Tea Manufactured by the Company			All India Production*		
	(April to March)		Increase/ Decrease %	(Jan. to December)		Increase/ Decrease %
	2010-2011 **	2009-10 **		2010	2009	
Cachar	8.21	7.90	(+) 3.92	51.55	54.87	(-) 6.05
Assam Valley	8.62	7.71	(+) 11.80	428.74	445.13	(-) 3.68
Total Assam	16.83	15.61	(+) 17.82	480.29	500.00	(-) 3.94
Darjeeling	0.95	0.96	(-) 1.04	8.63	10.74	(-) 19.70
Dooars	0.88	0.90	(-) 2.22	144.80	136.79	(+) 5.86
Terai	3.28	3.44	(-) 4.65	76.36	74.04	(+) 3.13
Total West Bengal	5.11	5.30	(-) 3.58	229.78	221.57	(+) 3.71
Others	-	-	-	12.96	13.29	(-) 2.55
Total North India	21.94	20.91	(+) 4.93	723.03	734.86	(-) 1.61
Tamilnadu	2.20	2.49	(-) 11.65	170.72	169.36	(+) 0.81
Kerala	-	-		66.75	68.96	(-) 3.20
Karnataka	-	-		5.90	5.81	(+) 1.48
Total South India	2.20	2.49	(-) 11.65	243.37	244.13	(-) 0.31
Total Production	24.14	23.40	(+) 3.16	966.40	978.99	(-) 1.29

*All India figures on calendar year basis and estimated for 2010.

**The above production includes tea manufactured from bought leaf.

Districtwise price realised by the Company for own produce compared to previous year is as under :

(Quantity in million kgs)

Tea Areas	This year		Dist.	Previous year		Dist.
	Qty.	Rate Rs.P.	Average Rs.P.	Qty.	Rate Rs.P.	Average Rs.P.
Cachar	8.32	94.81	88.92	7.68	104.61	93.35
Assam	8.22	130.48	129.00	7.45	127.60	121.65
Darjeeling	0.88	327.37	304.27	0.90	285.67	223.49
Dooars/ Terai	4.04	107.27	105.19	4.15	113.54	107.23
South India	2.38	90.40	67.45	2.38	101.50	78.32
	23.84	117.39		22.56	120.71	

OUTLOOK

The short fall in world production of earlier years has eased considerably with large increase in crop of Kenya & Sri Lanka in 2010. However the dry spell prevailing in Kenya and other African countries in early part of 2011 has affected the crop.

The production in these countries is so far lower by around 35m.kgs. The estimated production of India is likely to be normal as that of last year. With robust growth in demand every year and no carry forward stock prices should continue to improve in years to come.

Your company's acquisitions in Uganda and Rwanda have started contributing to its profitability from the current year and there is good scope for increase in crop and quality of all these estates. With all these developments we can take an optimistic view for the future.

SUGAR

Sugar is India's largest agro-based industry, next only to textiles. India's per capital sugar consumption at 20 kg. is lower than Brazil's (58 kg.) but higher than China's (14 kg.) with 3% to 3.5% year-on-year growth. After two consecutive years of declining sugar production (2007-08 and 2008-09) output surged in 2009-10 and 2010-11.

India accounts for about 15% of the world's sugar production. India is the only country which provides sugar at subsidized rates to families below the poverty line via a nationwide public distribution system for which levy sugar quota is fixed every year by the Government on around 600 mills across India.

In sugar manufacture, the major by-products comprise molasses bagasse and press mud. They account for 40% of crushed sugarcane by weight. India has achieved 100% success in utilizing these by-products for integrated business model.

The Fibre around 30% per tonne of sugarcane crushed known as bagasse is used as a combustible in furnaces to produce steam, which is used for generating power.

Your Company produced 38662 tonnes of white sugar in 2010-11 compared to 25053 tonnes of sugar in 2009-10. The sugarcane crushed was 429578 M.T. compared to 268922 M.T., so the recovery percentage was 9% only. This was due to red rot disease in 95422 variety of sugarcane which constituted 70% of the total area.



OPPORTUNITIES AND THREATS

Strengths

- India is the world's 2nd largest producer of sugar after Brazil.
- Sugar is an essential item of food consumption.
- A strong partner for the development of Rural India.
- Supports downstream industries through by-products opportunities.
- Cogeneration of power and ethanol utilization.
- Effective field practices can increase cane productivity and sugar recovery.
- Decontrol of sugar by the Government in raw material pricing, sale timing, levy quota and adhoc measures.

Threats

- i) Increase in sugarcane prices without corresponding increase in sugar selling prices.
- ii) Cyclical nature of agro-based industry.

Risk Mitigation

Your Company has proven expertise in managing agro-based industry. Soon after takeover, the Company initiated cane development programme on large scale basis with improved varieties of cane. It has taken several steps to obtain better quality cane leading to improved recovery. Our agriculture team is carefully monitoring the cane planting and harvesting schedule and its development. Good quality seeds, fertilizers and manicure are provided to the farmers well in time in our command area.

Your Company's financial strength is sound which enables it to arrange for required fund (a major component of cost in sugar industry) at most competitive rate. This helps in timely cane payment to farmers and maintaining good relations. This will help in keeping the cost of sale under control.

CHEMICALS & FERTILISERS

REVIEW OF OPERATIONS

The Government of India decontrolled all phosphatic fertilizers, and fixed nutrient based subsidy @ Rs.5400/- per M.T. on sale of single superphosphate. The Company is continuously taking steps for reduction in cost and improvement in productivity by restructuring in manpower. This should be helpful in the long run.

RISKS AND CONCERNS

- (a) Vagaries of nature on which production depends.
- (b) The input cost of raw tea, managing the source thereof for manufacturing bought leaf which is 20% of our production.
- (c) Volatility of foreign exchange for major currencies in regard to import/export/loan transactions.
- (d) Non sharing of increasing social cost burden on the industry by the Government.
- (e) Shortage of labour during peak season in some pockets.

FINANCIAL REVIEW AND ANALYSIS

Your Company remain invested in various schemes of mutual fund, debentures and placement of intercorporate deposits to deploy its surplus fund profitably. The Company improved its cash management thereby saving in interest. The investment profile is well balanced.

INTERNAL CONTROL

The company has laid down policies, guidelines and procedures which form part of its internal control system. The company's internal control systems are periodically tested and supplemented by an extensive programme of internal audit by independent firms of Chartered Accountants. Audits are finalised and conducted based on internal risk assessment. Significant findings are brought to the notice of the Audit Committee of the Board and corrective measures recommended for implementation.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The industrial relation in all tea estates and other units continued to be cordial. The Company carries out various programmes for development of its executives at all levels. During the year the company carried out restructuring exercise at key level for improvement in plantation activities and overall corporate performance.

CAUTIONARY STATEMENT

The statements in the report of the Board of Directors and the Management's Discussion and Analysis report describing the company's projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied since the company's operations are influenced by many external and internal factors beyond the control of the company. Further tea and sugar industry depends upon the vagaries of nature and any adverse / favourable situation can reverse the whole situation.



CORPORATE GOVERNANCE REPORT

Our pursuit towards achieving good governance is an ongoing process, thereby ensuring transparency, accountability and responsibility in our dealings with people working with it at all levels.

As per Clause 49 of the Listing Agreement with the Stock Exchanges, the details of Corporate Governance compliance by the Company are as under:

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company's philosophy of Corporate Governance is to ensure transparency in all dealings and the functioning of the Board and people working with it at all levels. The Company has worked with a philosophy and mission of good governance in every field. The Company believes that Corporate Governance code will enhance the growth of benefits to all its stakeholders. The Company being a labour intensive industry gives due emphasis to its human assets and excellent relations are being maintained at all levels to secure optimum results.

2. BOARD OF DIRECTORS

Composition:

Your Company is having a Non-Executive Chairman Shri B.K.Birla. Four out of total eight Directors, Shri B. M. Khaitan, Shri G.P. Goenka, Shri S.S. Kothari and Shri S.K. Tapuria are Independent-Non-Executive Directors. Smt. Jayashree Mohta and Shri Vikash Kandoi are Non-Executive Director and Shri D.P. Maheshwari, the Managing Director is an Executive Director of the Company.

Membership of other Boards of Directors/ Committee of directors and Attendance record for the Company:

Five Board Meetings were held in 2010-2011 i.e. on 28th April, 2010; 25th June, 2010 & 23rd July, 2010, 4th November, 2010 and 14th February, 2011.

Directors	Categories of Directors	No. of Board Meetings Attended	Attendance of the last AGM	No. of outside Directorship held	No. of outside Committee Membership held	No. of outside Committee Chairmanship held	No. of shares held in the company as on 31.03.2011
Shri B.K.Birla (Chairman)	Promoter-Non-Executive	5	Yes	4	-	-	46000
Shri B.M.Khaitan	Independent-Non-Executive	2	No	5	1	-	200
Shri G.P.Goenka	Independent-Non-Executive	-	No	7	-	-	600
Shri S.S.Kothari	Independent-Non-Executive	4	No	2	1	-	4600
Shri S.K.Tapuriah	Independent-Non-Executive	5	Yes	1	-	-	768
Smt. Jayashree Mohta *	Non-Executive	4	Yes	2	-	-	751315
Shri Vikash Kandoi	Non-Executive	4	Yes	-	-	-	1126
Shri D.P.Maheshwari	Executive-Managing Director	5	Yes	1	-	-	8000

* The Board of Directors at their meeting held on 14th February, 2011 appointed Smt. Jayashree Mohta a whole time Director designated as Vice-Chairperson for a period of 5 years w.e.f. 01.04.2011 subject to the consent of the shareholders in the General Meeting of the Company.

All the Directors affirmed that apart from receiving sitting fees/commission and/ or remuneration by the Managing Director, they do not have any pecuniary relationships or transactions with the Company, its promoters, its Directors, its Senior Management or its subsidiaries i.e North Tukvar Tea Co.Ltd., Birla Holdings Ltd., Parvati Tea Company Pvt. Ltd., joint venture and associates (as defined in AS 23) which might affect independence of directorship in the Company.

3. AUDIT COMMITTEE

The constitution of Audit Committee is as per requirement of Clause 49 of the Listing Agreement.

The Audit Committee comprises of Shri S.S.Kothari, Chairman of the Committee, Shri S.K.Tapuriah, Independent Director and Shri D.P.Maheshwari, Managing Director of the Company. Shri R.K.Ganeriwala, President & Secretary, the Internal Auditors and Statutory Auditors are permanent invitees to the meeting.

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

- * To review with the management the nature and scope of Internal Audits and approve the Internal Audit plan for the year.
- * To review Internal Audit Reports, to discuss with the Internal Auditors and Management about their findings and to suggest corrective actions to be taken wherever necessary.
- * To review with the Management, Statutory Auditors and Internal Auditors the adequacy of Internal Control Systems.
- * To review the Quarterly and Annual Accounts before submission to the Board.
- * To recommend the appointment, remuneration and removal of Statutory Auditors.
- * To review the Company's financial and risk management policies.
- * To review the financial statement and investment made by the unlisted subsidiary company.
- * To review statement of significant related party transaction.

Four Meetings of the Audit Committee were held in 2010-2011 on 28th April, 2010, 23rd July, 2010, 4th November, 2010 and 14th February, 2011.

Attendance record of the Audit Committee Meetings.

Name of Directors	No. of Meetings Attended
Shri S.S. Kothari	4
Shri S.K. Tapuriah	4
Shri D.P. Maheshwari	4

4. DIRECTORS' REMUNERATION COMMITTEE

The Board constituted the Directors' Remuneration Committee on 29th April, 2002.

The Remuneration Committee consists of Shri B.M. Khaitan, Chairman of the Committee, Shri S.S.Kothari and Shri S.K. Tapuriah being Independent Directors. Shri R.K. Ganeriwala, President & Secretary acts as Secretary to this Committee. Terms of reference of this committee include determination of the Company's policy regarding remuneration packages, commission payable to Directors/Managing Director of the Company and sitting fees and other expenses payable to the Directors for attending meeting of the Board/ or Committee thereof within the limits approved by the shareholders from time to time. The committee had met once in the year 2010-2011 on 23rd July, 2010 which was attended by all members.



5. REMUNERATION OF DIRECTORS

The details of sitting fees/commission paid to the Directors and salary and perks paid to the Managing Director of the Company during the year 2010-2011 are given below :-

(₹ in '000)

Name of Directors	Sitting Fees (₹ in '000)		TOTAL (₹ in '000)	*Commission for the Financial Year 2009-2010 paid in Financial Year 2010-2011
	Board Meeting	Committee Meeting		
Shri B.K. Birla	100	—	100	400
Shri B.M. Khaitan	40	10	50	400
Shri G.P. Goenka	—	—	—	400
Shri S.S. Kothari	80	70	150	400
Shri S.K. Tapuriah	100	70	170	400
Smt. Jayashree Mohta	80	—	80	400
Shri Vikash Kandoi	80	—	80	400
	480	150	630	2800
	Salary	Value of perquisites	Retirement Benefits	Total
Shri D.P. Maheshwari (Managing Director)	4761	(₹ in '000) 568	972	6301
Service Contract				5 years from 27th June, 2008
Notice Period				3 months

*In addition to the sitting fees and with the approval of the shareholders in its meeting held on 29th June, 2009 enables the company to pay commission to its Directors not exceeding 1% of the net profits of the company calculated in accordance with the provisions of section 198 & 349 of the Act, for a period of 5 yrs w.e.f. 1st April, 2009.

Commission payable to the Directors for the financial year 2010-2011 is ₹28,00,000/- and is to be paid equally.

6. INVESTORS/SHAREHOLDERS GRIEVANCE COMMITTEE

The Investors/Shareholders Grievance Committee comprises of Shri S.K. Tapuriah, Chairman of the Committee, Shri S.S. Kothari Independent Director and Shri D.P. Maheshwari, Managing Director, Shri R.K. Ganeriwala, President & Secretary is the Compliance Officer of the Company. The Company had received 49 complaints from the shareholders and all of them have been resolved. The shares are traded on the Stock Exchanges in compulsory dematerialised form. There are no pending complaints as on 31st March, 2011.

POSITION OF THE SHAREHOLDERS' COMPLAINTS RECEIVED AND REDRESSED DURING THE FINANCIAL YEAR 2010-2011.

Types of Grievances	Total Complaints received during the year 2010-11	Total redressed	No. of Complaints pending as on 31.03.2011
Non-receipt of Dividend Warrant	33	33	NIL
Non-receipt of ECS Intimation Letter	4	4	NIL
Non-receipt of Annual Report	12	12	NIL
Total	49	49	NIL

Two Meetings of the Investors/Shareholders Grievance Committee were held in 2010-2011 on 28th April, 2010 and 4th November, 2010.

Attendance record of the Investors/ Shareholders Grievance Committee Meetings.

Name of Directors	No. of Meetings Attended
Shri S.K. Tapuriah	2
Shri S.S. Kothari	2
Shri D.P.Maheshwari	2

7. GENERAL BODY MEETINGS

i) Following particulars are of the General Meetings held in last three years.

Annual General Meeting

AGM	Year	Venue	Date	Time
Sixty Second	2007-2008	Kala Kunj 48, Shakespeare Sarani Kolkata-700017	27th June, 2008	10.30 A.M.
Sixty Third	2008-2009	-do-	29th June, 2009	10.30 A.M.
Sixty Fourth	2009-2010	-do-	25th June, 2010	10.30 A.M.

ii) SPECIAL RESOLUTIONS PASSED IN THE LAST THREE AGMS :

a) **In the AGM on 25th June, 2010 :** No Special Resolution was transacted.

b) **In the AGM on 29th June, 2009:**

To pay commission to the Directors of the Company not exceeding 1% of the net profits of the Company calculated in accordance with the provision of section 198 & 349 of the Act. The remuneration will be distributed amongst the Directors as may be determined by the Board of Directors for a period of 5 years w.e.f. 1st April, 2009.

c) **In the AGM on 27th June, 2008 -** No Special Resolution was transacted.

iii) All the resolutions set out in the respective notices were passed by the shareholders.

iv) Resolutions were put through postal ballot during the year 2010-2011 and no Special Resolution is proposed to be conducted through Postal Ballot.

i) Special Resolution under section 198, 269 & 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 according consent for increase in the salary range of Shri D.P. Maheshwari, Managing Director of the Company.



- ii) Ordinary Resolution under section 293(1)(a) according consent to create mortgage(s) and/or charge(s) on all or some of the present and/or future moveable/immoveable properties of the company.

Approval of the shareholders were obtained through Postal Ballot and all the aforesaid resolution have been approved and considered as passed by the member with the requisite majority on 7th September, 2010. The company appointed Shri Anil Saraogi as scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

8. DISCLOSURES

- i) There were no materially significant transactions with related parties as defined in Accounting Standard 18, "Related Party Transactions" entered into by the Company that may have potential conflict with the interests of the Company at large. The Register of Contracts containing the transactions in which Directors are interested is regularly placed at the Board meetings. Disclosures of transactions with related parties as required under the same Accounting Standard have been incorporated in the notes to the accounts.
- ii) There were no strictures or penalties imposed on the Company by Stock Exchanges or SEBI, or any statutory authority for non-compliance of any matter related to capital markets, during the last three years.
- iii) There is no Whistle Blower mechanism in the Company.
- iv) The Company has complied with all the applicable mandatory requirements and adopted some Non-mandatory requirements stipulated under Clause 49, such as requirements with regard to Remuneration Committee.

9. MEANS OF COMMUNICATIONS

Half-yearly/Quarterly report sent to each household of shareholders	No, as the results of the Company are published in Newspapers.
Any website, where displayed	Yes, at www.jayshreetea.com
Whether, it also displays official news releases ; and	Yes
The presentations made to institutional investors or the analysts	No
Newspapers in which results are normally published in	Business Standard / Financial Express (all India edition) Kalantar/ Pratidin (Bengali - local edition)
Whether Management Discussion & Analysis Report is a part of Annual Report or not	Yes

DECLARATION REGARDING CODE OF CONDUCT

The Board of Directors of Jay Shree Tea & Industries Ltd. at their meeting held on 29.10.2005 laid down a *"Code of Conduct"* (Code) to be followed by all the members of the Board and Senior Management Personnel of the company in compliance with the revised Clause 49 of the Listing Agreement with Stock Exchange(s) where the shares of the Company are listed.

The said "Code" has been circulated to the members of the Board and senior management personnel, who have confirmed compliance of the same for the year ended 31st March, 2011. The said "Code" is also posted on www.jayshreetea.com, the website of the Company. Based on the above, it is hereby declared that the Code has been complied with by all.

Kolkata,
22nd August, 2011

For Jay Shree Tea & Industries Limited
D. P. MAHESHWARI
Managing Director

AUDITORS' CERTIFICATE OF COMPLIANCES WITH THE CORPORATE GOVERNANCE REQUIREMENT UNDER CLAUSE 49 OF THE LISTING AGREEMENT TO THE MEMBERS OF JAY SHREE TEA & INDUSTRIES LIMITED

We have examined the compliance of Corporate Governance by **Jay Shree Tea & Industries Limited** for the year ended on 31st March, 2011 as stipulate in Clause 49 of the Listing Agreement of the said company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per records maintained by the Investor Grievance Committee.

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

For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E
PRADEEP KUMAR SINGHI
Partner
(Membership No. 50773)

1-B, Old Post Office Street,
Kolkata, the 24th Day of August, 2011



SHAREHOLDERS' INFORMATION

1. ANNUAL GENERAL MEETING

Date and time : 22nd September, 2011
Venue : Kala Kunj, 48, Shakespeare Sarani, Kolkata-700017

2. FINANCIAL CALENDAR (Tentative)

Financial Reporting for the Quarter Ending :
June 30, 2011 : 10th August, 2011
September 30, 2011 : By 14th November, 2011
December 31, 2011 : By 14th February, 2012
March 31, 2012 : By 14th May, 2012
Annual General Meeting for the Year
ending 31st March, 2012 : By 1st week of July, 2012 (Approx.)

3. DATE OF BOOK CLOSURE

: 14th September, 2011 to 22nd September, 2011
(both days inclusive)

4. DIVIDEND PAYMENT DATE

: By 1st week of October, 2011
(after declaration at AGM)

5. LISTING ON STOCK EXCHANGES

: CSE, BSE & NSE. The Company has paid listing fee for 2010-11.

6. STOCK CODE

Name of the Stock Exchange	Stock Code
The Calcutta Stock Exchange Association Ltd.	10000036
Bombay Stock Exchange Ltd.	509715
The National Stock Exchange of India Ltd.	JAYSREETEA

New ISIN Number for NSDL & CDSL upon split
of the shares, face value of ₹5/- each

INE364A01020

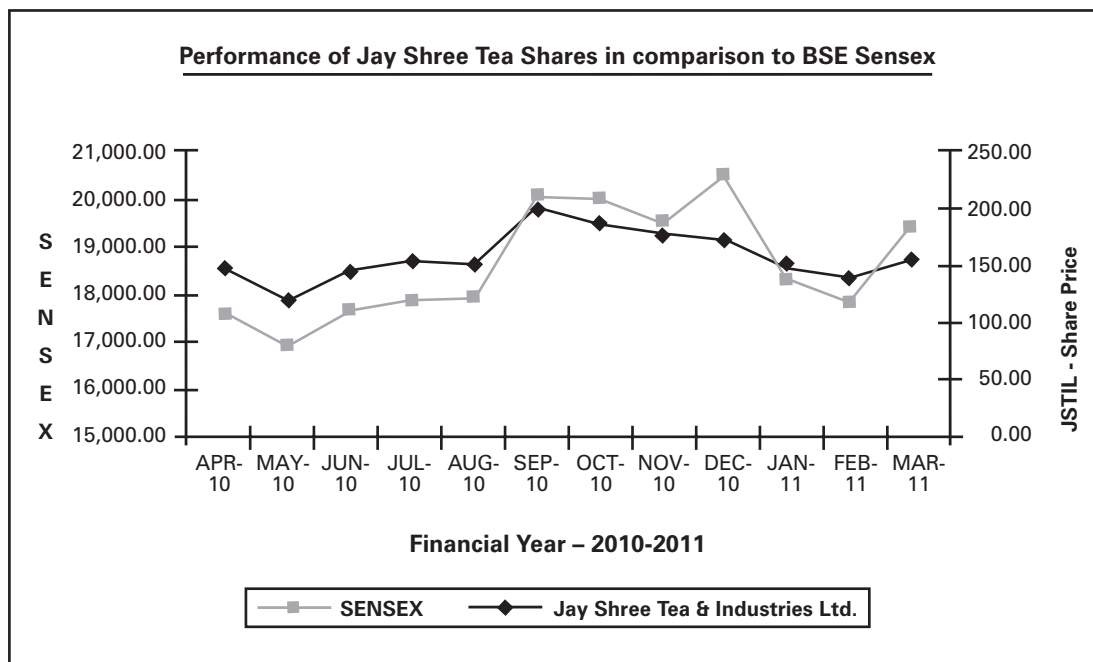
7. STOCK MARKET DATA

: The details of monthly high, low and close price of the shares and their corresponding volume on Bombay Stock Exchange Ltd. and The National Stock Exchange of India Ltd., where the Company's shares are most frequently traded throughout the last financial year are as under :

Month	Bombay Stock Exchange (BSE)				National Stock Exchange (NSE)			
	High	Low	Close	Total Volume Traded in the month (No. of Shares)	High	Low	Close	Total Volume Traded in the month (No. of Shares)
Pre Sub-Division of Shares								
April 2010	316.00	278.00	294.65	1133511	317.90	278.15	295.30	3230158
May 2010	300.00	228.55	240.85	379487	300.85	230.05	240.75	1257675
June 2010	303.40	232.10	291.35	1263757	303.90	234.20	292.00	2839762
July 2010	316.20	281.25	310.70	1566229	316.40	287.55	311.50	4467595
Aug. 2010	332.00	312.30	321.75	493512	332.00	312.00	321.40	1534570
Post Sub-Division of Shares								
Aug. 2010	169.60	147.25	152.75	374724	169.95	147.30	152.80	1255472
Sept. 2010	204.60	153.00	202.15	3429796	204.80	153.05	201.50	8663473
Oct. 2010	204.00	182.15	189.25	1424012	204.00	182.20	189.70	3278479
Nov. 2010	210.00	177.55	179.90	1183247	207.70	178.00	180.00	3194169
Dec. 2010	185.90	145.00	174.70	1569501	185.80	148.05	175.55	3940336
Jan 2011	187.65	150.30	150.80	786121	191.00	144.80	151.05	2210138
Feb 2011	168.50	136.50	141.00	441116	168.50	138.00	141.10	1079242
March 2011	173.30	141.05	158.30	1789517	173.30	140.50	157.65	5648227

Note: During the month of August 2010 the Company had sub-divided its 1 equity share of Rs.10/- each into 2 equity shares of Rs.5/- each. Data for August 2010 has been re-adjusted accordingly.

8. STOCK PERFORMANCE



Note: Pursuant to the Sub-division of the Company's shares, the shares prices for the financial year have been re-adjusted appropriately for the graphical presentation.

9. REGISTRAR & TRANSFER AGENTS

Maheshwari Datamatics Pvt. Ltd.
 6, Mangoe Lane, Kolkata-700 001
 Telephone No. : (033) 2243-5029
 Fax : (033) 2248-4787
 E-mail : mdpl@cal.vsnl.net.in

10. SHARE TRANSFER SYSTEM

The shares received for transfer in physical mode, if in order in all respects are registered and returned within 3 weeks from the date of lodgement.

11. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2011.

No. of Equity Shares held	No. of Shareholder	% of Shareholders	No. of Shares held	% of Share holdings
1 to 500	16810	88.63	1893970	8.47
501 to 1000	1017	5.36	792122	3.54
1001 to 2000	592	3.12	908944	4.07
2001 to 3000	158	0.83	400511	1.79
3001 to 4000	104	0.55	370881	1.66
4001 to 5000	68	0.36	313891	1.41
5001 to 10000	115	0.61	821980	3.68
10001 & above	102	0.54	16846379	75.38
	18966	100.00	22348678	100.00



12. CATEGORIES OF SHAREHOLDING AS ON 31st MARCH, 2011

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shares holding
Promoters & Promoters Group	15	0.08	9115897	40.79
Financial Institutions, Banks & Mutual Funds	37	0.20	973080	4.35
Foreign Institutional Investors	7	0.04	2301446	10.30
Private Body Corporates	762	4.01	2583416	11.56
NRI / OCB	334	1.76	1684226	7.54
Individuals	17811	93.91	5690613	25.46
Total	18966	100.00	22348678	100.00

13. DEMATERIALISATION OF SHARES AND LIQUIDITY

The shares of the Company are compulsorily traded in dematerialised form under depository systems of both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

19356220 equity shares representing 86.61% of the paid up capital of the Company were held in demat form with NSDL and CDSL as on 31st March, 2011.

14. OUTSTANDING GDRs/ADRs/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

None

15. INSIDER TRADING REGULATIONS

The code of Internal Procedure & Conduct and code of Corporate Disclosure Practices as suggested under SEBI (Prohibition of Insider Trading) Regulation, 1992 are in force.

16. LOCATION OF COMPANY'S UNITS

As given on the inside of back cover of the Annual Report.

17. INVESTORS CORRESPONDENCE

Shri R.K. Ganeriwala
President & Secretary
Jay Shree Tea & Industries Ltd.
"Industry House" (15th Floor)
10, Camac Street, Kolkata - 700 017
Telephone: (033) 2282-7531/4 (4 lines)
Fax: (033) 2282-7535
E-mail: rkg@jayshreetea.com/shares@jayshreetea.com
Website: www.jayshreetea.com

REPORT OF THE DIRECTORS

For the year ended 31st March, 2011

Dear Shareholders,

We present the 65th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March 2011.

The Scheme of Amalgamation and demerger:

The Company has amalgamated its subsidiary M.P. Chini Industries Ltd. (MPCIL), having a sugar mill of 5000 TCD at Majhauria in the State of Bihar w.e.f. 1.10.2010, the start of sugar season. Further the Parvati Tea Factory at Makum, Tinsukia, Assam stands demerged from its subsidiary Parvati Tea Co. Ltd. (PTCL) and amalgamated with the Company w.e.f. 1st April, 2010. Similarly the long term investments held by the company under strategic investment division with corresponding reserves shall stands transferred to and vest in PTCL w.e.f. 1st April 2010.

In terms of the scheme, the company shall issue and allot to the members of MPCIL three (3) equity shares of Rs.5/- each for every one (1) equity share of Rs.10/ each held in the said company.

Similarly, PTCL shall issue and allot 5,00,000 equity shares of Rs.10/- each valued at Rs.50,00,000/- (Rupees fifty lac only) and demerge its Parvati Tea factory for its amalgamation with the company in consideration of the value of long term strategic investment being transferred to them. The Scheme of Amalgamation and Arrangement is expected to strengthen the position of the company and should have beneficial results for the shareholders, employees and all concerned.

The financial results of the company after giving effect to the said Scheme for the year ended 31st March 2011 are enumerated below and hence not comparable with the figures of the previous year.

Financial Results	31st March, 2011 [Rs.]	31st March, 2010 [Rs.]
Gross Profit for the year	65,77,19,206	78,41,37,184
Add:		
i. Balance brought forward from previous year	46,23,64,478	21,97,71,900
ii. MAT credit entitlement (Net)	52,90,914	3,54,10,443
iii. Deferred Tax Assets	3,50,11,639	-
	<u>116,03,86,237</u>	<u>103,93,19,527</u>
Deduct:		
i. Gratuity	2,57,37,323	1,91,35,000
ii. Depreciation	11,52,07,198	7,80,67,935
iii. Provision for taxation	9,40,00,000	9,00,00,000
iv. Deferred Tax Liability	-	1,53,09,883
	<u>23,49,44,521</u>	<u>20,25,12,818</u>
Profit available for appropriation	<u>92,54,41,716</u>	<u>83,68,06,709</u>

Financial Results

31st March, 2011 [Rs.]	31st March, 2010 [Rs.]
------------------------------	------------------------------

We recommend that the above amount be dealt with as under:

A) i) Proposed Dividend on Equity shares	6,52,25,274	6,52,25,274
ii) Tax (including surcharge & education cess) @ 16.2225% on proposed dividend	1,05,81,170	1,08,33,103
B) i) Reversal of dividend for 2008-09 related Shares held in Trust	-	(13,81,380)
ii) Dividend Tax w/back for 2008-09 related shares held in Trust	-	(2,34,766)
C) Transfer to General Reserve	30,00,00,000	30,00,00,000
D) Balance carried forward to next year	54,96,35,272	46,23,64,478
	<u>92,54,41,716</u>	<u>83,68,06,709</u>

Equity Dividend

The Board is pleased to recommend the distribution of dividend of Rs.3/- on face value of Rs.5/- each per share compared to Rs.6/- paid on the face value of Rs.10/- each paid last year. The dividend tax including surcharge and education cess amounting to Rs.105.81 lac shall be payable by the company on the said dividend.

Review of Performance

As compared to the previous year, the result for the current year is less favourable as :

1. Lower crop in South India, Terai & Dooars Tea estates
2. Price realization of Cachar and South India down by around Rs.10/- per kg. and that of Dooars & Terai by Rs.6/- per kg. and 60% of your company's produce comprises of the said teas.
3. Increase in cost of coal, oil and fertilizer and rise in labour costs resulting in higher cost of production by around Rs.5/- per kg.

Tea Estates

India produced lower crop of 967 mn. Kgs. in the year 2010 as compared to 979 mg.kg. previous year. This was due to lower crop in Assam, Cachar Darjeeling and South India. The crop of Dooars & Terai was higher than last year. The favourable weather conditions in Kenya and Sri Lanka resulted in higher world crop by around 100 mn.kgs.



Your company produced 241.42 lac kg. during 2010-11 against 233.40 lac kg. during 2009-10, out of which own crop 196.89 lac kg. against 200.55 lac kgs last year. There was higher crop in Assam & Cachar gardens while Terai, Dooars and South India witnessed lower crop due to unfavourable climatic condition. The all India average tea price which peaked in middle of the year softened at the year end for Assam Dooars and Darjeeling with Cachar and South Indian prices going below the previous year's prices.

The year 2010 started with low carry forward stock. All India production was down by 12 mn. kg. Added to this, the pressure of domestic demand is mounting up on supply line. This should help in better and improved realizations for tea in years to come. Your company lays emphasis on quality tea, which is well received and appreciated by domestic and international market.

Your tea estates continue to follow the up-to-date field practices, to improve upon the quality standards. The age profile of bushes of tea has improved as a result of ongoing uprooting & replanting / rejuvenation of old bushes. The tea factories are renovated with latest machines to save on cost of production.

Your tea estates continue to maintain stringent control under quality management system and have taken precautions to ensure strict conformity with various norms to market the tea under various retail chain in India and abroad. Various measures have been taken to ensure hygiene in all its work places.

The Jay Shree Chemicals & Fertilisers, Khardah:

The Nutrient Based Subsidy (NBS) Scheme implemented by the Government of India for all phosphatic fertilizers from April 2010 has helped the superphosphosphate industry in reviving its fortune. The upswing in raw material prices is always a cause of concern. However, with decontrol, this should be absorbed by MRP of Single Supher Phosphate from time to time. To keep the cost under check, various measures taken by the company for inventory control etc. has started yielding results. We have undertaken sustainable marketing plan to develop our relationship with the customers on long term basis. The figures of production and despatches are as under :

	Production (M.T.)		Despatches (M.T.)	
	2010-11	2009-10	2010-11	2009-10
Single Super				
Phosphate	94154	76256	93675	58034
Sulphuric Acid	46002	11115	20928 *	6628 *
{* 26154{previous year 4711} Captive Consumption}				

The Jay Shree Chemicals & Fertilisers, Gurgaon

The production and sale of the unit improved compared to that of the previous year and the profitability was satisfactory. For better marketing, the company commissioned Oleum plant in March 2011 full year production of which should be available from current year. The market is facing stiff competition due to over supply of sulphuric acid being by-product of nearby smelter units which is hampering the sale.

During the year the unit manufactured 30126 M.T. of sulphuric acid compared to 28048 M.T. of Sulphuric acid last year and sold 29812 M.T. compared to 28208 M.T. last year. The unit produced 403 M.T. of Oleum and dispatched 301 M.T. of Oleum during the year.

Export of Tea

All India export was slightly lower at 193 mn.kg as against 196 mn. kg. last year. There were strong demand from Russia, UK and UAE during 2010 which is likely to continue. Due to financial imbargo on Iran, the trade between India and Iran was affected. The Government of India is working on the modalities to be devised for streamlining the payment problem with Iran which should stabilize trade with Iran again. The stable currency helped in better price realization for teas. Your company increased its export to Rs.84.31 crore as against Rs.76.57 crore last year.

Subsidiary Companies and consolidated financial statements :

In terms of the circular issued by the Ministry of Corporate Affairs, (MCA), Government of India the Balance sheet, Profit & Loss Account and other documents of subsidiary companies North Tukvar Tea Co. Ltd., Parvati Tea Company Ltd. and offshore investment arm Birla Holdings Ltd. UAE, are not being attached with the Balance sheet of the company. These documents are kept for inspection at the registered office of the company and that of respective subsidiary companies. Any member who are interested to obtain copy of the same may write to the company separately. These documents shall be made available either in physical form or electronic mode as per Green Initiative of the MCA.. The consolidated financial statements presented by the company include the financial results of its subsidiary companies as per the requirement of listing agreement with Stock Exchanges. M.P. Chini Industries Ltd., a 100% subsidiary has been amalgamated with the company w.e.f. 01.10.2010. Birla Holdings Ltd. (BHL), a wholly owned subsidiary of the company in Dubai (UAE) invested funds and acquired 100% stake in Kijura Tea Co.Ld. and

Bondo Tea Estates Ltd., Uganda. Kijura Tea Estate owned by these companies manufactured 13.30 lac kgs. of made tea in 11 months period against 12.84 lac kg. last full year. The average sale price realized was \$ 1.71 per kg. against last year US \$ 1.74 Per kg. During the year the company recorded a net profit of Indian Rs.276.92 lac on sales turnover of Rs.1137.33 lac.

Tea Group Investment Co. Ltd. (TGIC), Dubai, a joint venture company with Rwanda Mountain Tea SARL, Rwanda, in East Africa owning 60% stake in Mata Tea Co.Ltd., & Gisakura Tea Co. Ltd. manufactured 28.30 lac kgs.. of tea during 2010-11 and the average realization was US \$ 2.64 per kg. for Mata and US \$ 2.60 per kg. for Gisakura. The share of profit related to your company has been kept at Rwanda for payment of the instalment for consideration value and capex required for upgradation of the field and factories.

Corporate Governance

A separate report on corporate Governance is enclosed as a part of this Annual Report. A certificate from the Auditors of the Company regarding compliance with Corporate Governance norms stipulated in clause 49 of the Listing Agreement is annexed to the Report on Corporate Governance.

Corporate Social Responsibility :

Being a part of the “BIRLA GROUP” well known for its contribution to the society in the sphere of education, art and culture, sports activities and green environment, your company is fully conscious of its social responsibilities. In all its tea estates, fertilizer factories and sugar mill it has adopted specific policies for proper waste management, clean and pollution free environment, health and safety of its workers and affordable education for all. The company has fully equipped hospitals with experienced doctors who provides specialized medical treatment not only to the garden workers, but also to the people of neighbouring tea estate(s) and other places. It has been holding medical camps for sterilization, child immunization etc. in the rural areas of its estate and factories.

The company has helped many sports club by providing them financial assistance to develop and maintain playfield areas. Many schools/educational institutions have been set up or helped financially to provide for affordable education in the areas of their operation.

Sarala Birla Gyan Jyoti, set up by the company at Guwahati, Assam is considered to be one of the best schools of north eastern region and is providing value for money to around 1700 children on its roll. The world

class infrastructure of the school provides for all round development of a child. The similar campus is being set up at Silchar and Jorhat to provide quality education to the members of planting community and general people of nearby areas.

The company has modern effluent treatment plant at its fertilizer factories to provide for pollution free environment. The company has carried out afforestation/vegetation on large scale in all its tea estates and factories to maintain ecological balance.

Setting up and maintenance of the places of worship by the members of all communities, to help out community development programmes, to provide assistance to self help centres for vocational training programmes etc. are the regular features of the company's social initiatives.

Prospects

The shortfall in world crop was neutralized by higher crop of around 100 mn.kg. in Kenya and Sri Lanka. Due to unfavourable climate and pest attack in Upper Assam, the crop in India was down thereby adding to the domestic shortfall of the previous year. The lower carry over stock year after year, robust domestic demand and pressure on supply chain is likely to keep the prices of teas at remunerative levels in years to come. It is evident from the market trends of last few years that the quality tea will always command premium over non-quality. Your company has been continuously investing to upgrade in field and factories for raising the yields and improving the quality. However, being a labour intensive industry with no action on the part of the government for sharing social cost, the Indian tea industry is less competitive in international arena.

The nutrient based subsidy scheme of government for the phosphatic fertilizer, continuous upgradation of plants, sustainable marketing efforts, improvement in productivity augurs well for the future of fertilizer plants of the company.

Due to inflationary pressure in the economy the government has kept strict control on sugar prices by not allowing exports despite high production in India and lower production in Brazil and other countries. The international prices of sugar touched record high during the year. It is a matter of time that the government will rise to the demand of the industry to decontrol it from various regulations and quotas and the sugar industry will have its right share in the commodity market.

With all these factors, we can take an optimistic long term view of the company.



Directors' Responsibility Statement

Your Directors would like to inform members that the audited accounts containing the financial statements for the year 2010-11 are in conformity with the requirements of the Companies Act and they believe that the financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operations. The Statutory Auditors, M/s. Singhi & Co., Chartered Accountants, Kolkata have audited these financial statements.

Based on the same, your Directors further confirm that according to their information:

- I. in the preparation of the annual accounts, applicable accounting standards have been followed and there are no material departures;
- II. the accounting policies are consistently followed and applied to give a true and fair view of the state of affairs of the Company;
- III. proper and sufficient care has been taken for the maintenance of accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company;
- IV. the annual accounts have been prepared on a going concern basis.

The Company's Internal Auditors have conducted periodical audits to provide reasonable assurance that the Company's established policies and procedures have been followed.

The Audit Committee constituted by the Board meets at regular intervals to review internal control and financial reporting system.

Appreciation

Good relations were maintained at all the estates and other units of the company. The Company places on record its deep appreciation for the loyal services of its workforce and employees at all levels, who have contributed to the efficient operation and management of the Company. Your directors also wish to place on record its appreciation for the co-operation and help received from its bankers, financial institutions, the Tea Board authorities and the shareholders.

Particulars of employees

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) rules, 1975 forms part of this report. However, as per Section 219(i)(b)(iv) of the Companies Act, 1956, this report together with the accounts are being sent to all the shareholders of the Company excluding the Section 217(2A) statement. Any shareholder interested in obtaining the copy of the said

statement may write to the Secretary at the Registered Office of the Company.

Deposits

None of the deposits, which were due for payment, remained unpaid as on 31.3.2011.

Disclosure of particulars with regard to conservation of energy etc.

Necessary information as required by the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, for conservation of energy, technology absorption and foreign exchange earnings and outgoings is presented in Annexure to this Report.

Cost Audit

The cost accounts maintained by the company in respect of plantation products, chemicals & fertilizer units and sugar unit is audited by reputed firms of Cost Accountant appointed with the approval of the Ministry of Corporate Affairs.

Insurance

Adequate insurance cover has been taken for properties of the company including buildings, plant and machineries and stocks against fire, earthquake and other risks as considered necessary.

Directors

Pursuant to the provisions of Article 92 of the Articles of Association of the Company, Shri S.K.Tapuriah and Shri Vikash Kandoi retire by rotation and being eligible, offer themselves for re-election.

Subject to the approvals of the shareholders in the ensuing Annual General Meeting, Smt. Jayashree Mohta was appointed by the Board as Whole time Director designated as Vice Chairperson of the company w.e.f. 1.4.2011.

Auditors' Report

The notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

Auditors

Messrs Singhi & Co., Chartered Accountants, Auditors of the company and Messrs Salarpuria Jajodia & Co., Chartered Accountants, Branch Auditors of Sungma, Singbulli, Balasun and Marionbarie Tea Estates & Majhaulia sugar mill of the company, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment for the year 2011-12, which we recommend.

For and on behalf of the Board

Kolkata,
24th August, 2011

B.K. Birla
Chairman

N.B. Shri D.P. Maheshwari, Managing Director, has not signed the accounts and financial statements for the year ended 31st March 2011, as he was out of India on the date of Board meeting i.e. 24th August, 2011. Hence, Shri S.S. Kothari, Chairman of the Audit Committee has signed the same.

Annexure to the Directors' Report

Statement of particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo forming part of the Directors' Report for the year ended 31st March, 2011.

Conservation of Energy:

Energy Conservation receives high priority in the working of the Tea Estates with indepth monitoring of various workstations. Upgradation of machinery is carried out and as such new machinery installed are judged on fuel or power efficiency. Maintenance and overhauls of generators are strictly followed so as to enable a high unit per ltr. delivery.

Monitoring the maximum demand and power load factor on daily basis is controlling power consumption. For efficient utilisation of available power, adequate power capacitors have been installed and optimum power factor is being maintained to avoid surcharge on power factor as well as to get maximum rebate on electricity consumption bills.

Form – A

Form for disclosure of particulars with respect to conservation of energy:

(A) Power and Fuel Consumption

	Tea		Chemicals & Fertilisers		Sugar	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1. Electricity						
a) Purchased						
Units(KWH)	19514072	18238207	3301968	2429778	–	–
Total Amount(in Rs.)	122932490	105764460	19585245	13763631	–	–
Rate/Unit(in Rs.)	6.30	5.80	5.93	5.66	–	–
b) Own Generation						
i) Through diesel generator						
Units(KWH)	4133540	4521133	144590	90744	675852	835018
Unit per Ltr.diesel	2.97	2.94	2.70	2.88	2.96	2.98
Cost/Unit(in Rs.)	12.77	11.37	13.27	10.95	13.15	11.44
ii) Through steam turbine/generator						
Unit(KWH)	116240	166664	4696806	2741628	7581000	4166081
Unit per Ltr. Oil/Gas	–	–	–	–	–	–
Cost/Unit(in Rs.)	–	–	–	–	–	–
2. Coal (specify quality and where used)						
Quantity(MT)	18382	18600	–	–	–	–
Total cost (in Rs.)	80651626	73190212	–	–	–	–
Average rate (in Rs.)	4388	3935	–	–	–	–
Quality - Dust, Khasi, B.Grade, Margherita, Leco & Agni, used in Tea Drying Machines.						



	Tea		Chemicals & Fertilisers		Sugar	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
3. Furnace Oil						
Quantity (K.Ltrs.)	60	38	-	-	-	-
Total Amount(in Rs.)	1322538	1173369	-	-	-	-
Average Rate (in Rs.)	22000	31020	-	-	-	-
4. Other/ Internal Generation						
a) Gas						
Quantity (SCM)	3850524	3612759	-	-	-	-
Total Cost(in Rs.)	27538018	20240776	-	-	-	-
Rate/Unit (in Rs.)	7.15	5.60	-	-	-	-
b) Firewood						
Quantity(MT)	275	179	-	-	-	3
Total cost(in Rs.)	581011	357360	-	-	-	11430
Rate/Unit(in Rs.)	2113	2000	-	-	-	4500

(B) Consumption per unit of production

	Standards (if any)	Current Year	Previous Year
i) For Black Tea (per Kg.)	There is no prescribed standard		
Electricity (in KWH)		0.97	0.97
Furnace Oil (in Ltr.)		0.002	0.002
Coal (Quality as above) (in kg.)		0.76	0.79
Others: Gas (SCM)		0.16	0.15
Firewood (kg.)		0.13	0.07
ii) For Superphosphate (per MT)			
Electricity (in KWH)		20	20
iii) For Sulphuric Acid (per MT)			
Electricity (in KWH)		57	59
iv) For White Sugar (per MT)			
Electricity (in KWH)		1.75	3.33
Firewood (kg.)		-	0.01

The variation in consumption of power and fuel as compared to last year are well within the range of fluctuations during normal operations.

Form – B

Form for disclosure of particulars with respect to Technology Absorption, Research and Development (R&D)

Research and Development (R & D)

- Specific Area in which R&D carried out by the Company

Comprehensive R&D programme continues to provide strong scientific support to all the tea estates. Clonal trials, tea processing methods, development of high yielding quality plants, mechanised plucking of green leaves and pruning of tea bushes and mechanisation of factory practices are the thrust areas of research affecting productivity as well as quality.
- Benefits derived as a result of the above R&D
 - Improving yields and productivity
 - Pruning cycle optimised

3. Future plan of action
- a) Trials especially concerning nutrients are long term and hence will continue.
 - b) Better agronomy practices to be developed for field particularly where the yield is low and optimise manufacturing methods for improvement in quality.
 - c) Your company is complying with the stringent requirements of minimum residual limits for chemicals in teas and producing teas in conformity with the requirements of rising Consumer safety requirement norms.
4. Expenditure on R&D
- The aforesaid activities are being carried out as part of the Company's normal business activities. Hence, no separate expenditure figures are available. In addition, the Company contributes for the activities of Tea Research Association and United Planters Association of Southern India's Scientific Development regularly
- a) Capital NIL (Previous year NIL)
 - b) Recurring ₹24,29,288/- (Previous year ₹20,55,251/-) being amount paid to TRA and UPASI as above.
 - d) Total R&D Expenditure as a percentage of total turnover 0.05% (Previous year 0.05%)

Technology absorption, adaptation and innovation:

1. Efforts in brief, made towards technology absorption, adaptation and innovation
Managerial staff are encouraged to attend seminars and training programmes for agricultural practices in the field and manufacturing process in the factories.
2. Benefit derived as a result of the above e.g. product, improvement, cost reduction. Product development, import substitution etc.
Increase in productivity and cost reductions were achieved in some tea estates.
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 ? None
 - d) If not fully absorbed, areas where this has not taken place, reasons, therefore and future plans of action.
4. Foreign exchange earnings and outgoings : The Company used and earned the foreign exchange as under:

Total Foreign Exchange used	₹ 44,46,50,712/-
Total Foreign Exchange earned	₹ 84,15,73,725/-

For and on behalf of the Board

Kolkata
Dated 24th August, 2011

B.K. Birla
Chairman



INFORMATION RELATED TO THE SUBSIDIARY COMPANIES CONSOLIDATED FOR THE YEAR ENDED 31ST MARCH, 2011

(Rs. in lacs)

Name of subsidiary company	North Tukvar Tea Co. Ltd.	Parvati Tea Co. Pvt. Ltd.	Birla Holdings Ltd.
Capital	240.37	99.50	1.24
Reserve	(272.56)	4391.08	603.34
Total Assets	513.95	6305.49	4613.16
Total Liabilities	513.95	6305.49	4613.16
Details of Investment (except in case of investment in subsidiaries)	0.10	6310.86	–
Turnover	–	59.95	1137.33
Profit before taxation	(3.27)	(289.54)	277.22
Provision for taxation	0.72	–	0.30
Profit after taxation	(3.99)	(289.54)	276.92
Proposed Dividend	–	–	–

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

(Rs. in lacs)

1. Name of Subsidiary Company	North Tukvar Tea Co. Ltd.	Parvati Tea Co. Pvt. Ltd.	Birla Holdings Ltd.
2. The financial year of the Subsidiary Company Ended on	31.03.2011	31.03.2011	31.03.2011
3. a) No. of Equity Shares held by Jay Shree Tea & Industries Limited and its nominees in the Subsidiary 31st March, 2011	21,75,450 Equity Shares of Rs. 10/- each	9,95,00 Equity Shares of Rs. 10/- each	10,000 Shares of AED 1 each
b) Extent of interest of Jay Shree Tea & Industries Ltd. in the Capital of the Subsidiary	90.50%	100%	100%
4. Net aggregate amount of Profits/(Losses) of the Subsidiary so far as it concerns the members of Jay Shree Tea & Industries Ltd. and is not dealt with in the Company's Accounts			
a) Profit/(Loss) for the financial year ended on 31st March, 2011 of the Subsidiary	(3.99)	(289.54)	276.92
b) Profits/(Losses) (after tax) for the previous financial years of the Subsidiary of Jay Shree Tea & Industries Ltd.	(195.18)	–	(2.21)
5. Net aggregate amount of Profits/(Losses) of the Subsidiary so far as dealt with or provision is made for those Profits/(Losses) in Jay Shree Tea & Industries Ltd.'s Accounts :			
a) For the Subsidiary's Financial year ended on 31st March, 2011	Nil	Nil	Nil
b) For its previous financial years since it became the Subsidiary of Jay Shree Tea & Industries Ltd.	Nil	Nil	Nil

For and on behalf of the Board of Directors

R. K. Ganeriwala
President & Secretary

B.K. Birla
Chairman
S. S. Kothari
Director

FINANCIAL HIGHLIGHTS

for the last five years

(Rs. in lacs)

	2010-11	2009-10	2008-09	2007-08	2006-07
A Assets Owned by the Company					
1 Fixed Assets :					
Gross Block *	39933.77	25728.66	24408.66 **	22565.99 *	19074.54 *
(Incl.Capital Work in Progress)					
Less:Depreciation/Amortisation	10015.04	9014.76	8445.67	7916.32	7552.12
Net Block	29918.73	16713.90	15962.99	14649.67	11522.42
2 Investments	18864.75	8484.60	10070.63	9468.05	10585.70
3 Current Assets	45548.85	33472.27	15749.11	11829.04	10515.47
4 Miscellaneous Expenditure	—	—	—	—	0.70
Total Assets	94332.33	58670.77	41782.73	35946.76	32624.29
B Dues to be paid by the Company					
1 Loans	44021.52	25964.41	15203.87	14795.01	14451.97
2 Current liabilities & provision	13646.28	9894.15	9345.68	4678.83	2851.33
3 Deferred Tax Liability	1049.4	1027.50	874.39	495.34	742.65
Total Liabilities	58717.20	36886.06	25423.94	19969.18	18045.95
C Company's Net Worth	35615.13	21784.71	16358.79	15977.58	14578.34
D Equity Shareholders' Fund					
Represented By:					
a) Share Capital	1117.43 #	1117.43	1067.93	1066.79	1066.79
b) Share Suspense	326.44	—	49.50	1.14	—
c) Resrve & Surplus	34171.26	20667.28	15241.36 **	14909.65 *	13511.55 *
Total Equity Shareholders' Fund	35615.13	21784.71	16358.79	15977.58	14578.34
Net Worth per Equity Share of					
Rs. 5/- each (in Rs.)	123.33	194.95	146.40	149.61	136.66
Dividend per Equity Share of					
Rs. 5/- each (in Rs.)	3.00	6.00	3.00	2.50	2.50

One Equity share of Rs. 10/- each fully paid up has been split into two Equity share of Rs. 5/- each fully paid up as per shareholders approval in the AGM held on 25th June, 2010

* After Revaluation of Fixed Assets

** After write back of Revaluation Reserve

Figures for Previous years have been regrouped/rearranged

Jay Shree Tea & Industries Limited



(Rs. in Lacs)

	2010-11	2009-10	2008-09	2007-08	2006-07
A INCOME:					
1 Sales (Excluding excise duty)	48617.18	40580.47	41451.62	26672.74	23940.68
2 Other Income	1759.08	1685.55	(1173.70)	2116.46	1475.41
TOTAL INCOME	<u>50376.26</u>	<u>42266.02</u>	<u>40277.92</u>	<u>28789.20</u>	<u>25416.09</u>
B EXPENDITURE:					
1 Increase/Decrease in stock	(7565.41)	(2560.56)	(1601.93)	184.89	(26.79)
2 Purchases	8083.56	10434.99	7244.44	4647.69	4463.58
3 Raw Materials Consumed	15478.72	4134.95	11619.72	4187.48	3520.72
4 Employees Cost	12420.33	10944.32	9600.31	8412.74	7588.76
5 Consumption of Stores & Spare Parts	3367.98	2596.99	2231.21	1807.26	1642.42
6 Power & Fuel	3199.69	2708.64	2443.40	2055.99	2061.00
7 Manufacturing & Other Miscellaneous Exp.	4339.37	3019.63	2682.62	2502.31	2186.74
8 Selling & Distribution Expenses	3263.65	2781.03	2577.85	2410.75	2210.11
9 Depreciation/Amortisation	1152.07	780.68	676.16	692.91	626.14
10 Interest (Net)	1468.55	556.01	1026.74	754.41	620.52
TOTAL EXPENDITURE	<u>45208.51</u>	<u>35396.68</u>	<u>38500.52</u>	<u>27656.43</u>	<u>24893.20</u>
Profit before Taxation	5167.75	6869.94	1777.40	1132.77	522.89
Provision for Taxation-Current Tax	940.00	900.00	10.00	80.00	33.00
Provision for Taxation-Deferred Tax	(52.91)	153.10	379.05	(71.80)	(4.31)
MAT Credit Entitlement	(350.12)	(354.11)	-	-	-
Tax Adjustment for earlier years		-	-	<u>(20.56)</u>	<u>(69.06)</u>
Profit after Taxation	<u>4630.78</u>	<u>6170.35</u>	<u>1388.35</u>	<u>1145.13</u>	<u>563.26</u>
Balance B/F from previous year	4623.64	2197.72	2058.16	1725.05	1673.82
Balance available for appropriation	<u>9254.42</u>	<u>8368.07</u>	<u>3446.51</u>	<u>2870.18</u>	<u>2237.08</u>
C APPROPRIATION :					
1 General Reserve	3000.00	3000.00	1000.00	500.00	200.00
2 Proposed Equity Dividend	652.25	652.25	335.23	266.70	266.70
3 Tax on Dividend	105.81	108.34	56.97	45.32	45.33
4 Dividend Tax related to earlier years	-	-	(143.70)	-	-
5 Dividend (in respect of Amalgamated Company for Previous Year)	-	-	0.29	-	-
6 Dividend waived by Beneficiary Trust	-	(13.81)	-	-	-
7 Dividend Tax on dividend waived by Beneficiary Trust	-	(2.35)	-	-	-
8 Balance carried to Balance Sheet	5496.36	4623.64	2197.72	2058.16	1725.05
	<u>9254.42</u>	<u>8368.07</u>	<u>3446.51</u>	<u>2870.18</u>	<u>2237.08</u>

Figures for Previous years have been regrouped/rearranged

AUDITORS' REPORT to the Shareholders

We have audited the attached Balance Sheet of JAY SHREE TEA & INDUSTRIES LIMITED as at 31st March, 2011, the Profit & Loss Account and the Cash Flow Statement of the said Company for the year ended on that date, 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.

We conducted our audit in accordance with auditing standards generally accepted in India. These 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.

As required by the Companies (Auditors' Report) Order, 2003 as amended by 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, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- i) 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.
- ii) 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.
- iii) We have incorporated the statement of garden expenditure of Sungma Tea Estate, North Tukvar Tea Estate, Singbulli Tea Estate, Balasun Tea Estate, Marionbarie Tea Estate and accounts of Jay Shree Sugar Mill audited by branch auditor as required by clause (c) of sub-section (3) of section 228 of the Companies Act, 1956.
- iv) The Balance Sheet and the Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- v) In our opinion, the Balance Sheet and the Profit & Loss Account and the Cash Flow Statement dealt with by this report, subject to clause (vii) (a) below, comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- vi) On the basis of written representations received from the directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vii) Attention is invited to the following:
 - a. *Note no. H in schedule 23 regarding giving impact to the scheme of amalgamation and arrangement based on approval of Hon'ble High Court at Calcutta pending completion of formalities relating to filing the scheme with appropriate authorities to make the scheme effective;*
 - b. *Note no. D (iii) and (iv) in schedule 23 regarding carry forward of Minimum Alternate Tax (MAT) Credit Entitlement of Rs.407.01 lacs and recognition of deferred tax assets of Rs.197.69 lacs on capital loss upto 31st March 2011, based on the future taxable income projected by the company. However, we are unable to express our opinion on the convincing evidence of future taxable income and the corresponding recognition thereof;*
 - c. *Note No. F in schedule 23 regarding non-provision for diminution in value of investment of a Subsidiary Company amounting to Rs. 356.20 lacs and non-provision for advances and security deposits given to such subsidiary amounting to Rs.258.63 lacs in view of the reason stated in the said note.*



viii) In our opinion and to the best of our information and according to the explanations given to us, the said account together with notes thereon and attached thereto, subject to point no (vii) (a) above and read with para (vii) (b) & (c) above, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
- b) In the case of the Profit & Loss Account, of the profit for the year ended on that date and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

PRADEEP KUMAR SINGHI

Partner

(Membership No. 50773)

1-B, Old Post Office Street,

Kolkata, the 24th day of August, 2011

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

As required by the Companies (Auditors' Report) (Amendment) Order 2004, we report that:

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the management which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The Company has not disposed off substantial part of fixed assets during the year.
- (ii) In respect of its inventories:
 - (a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the company has granted unsecured loans/advances to 3 (three) Subsidiary Companies and 1 (one) step down subsidiary company amounting to Rs. 2106.87 lacs (balance at the year end)(maximum amount outstanding during the year was Rs. 4469.68 lacs) which is repayable on demand. The terms and conditions of the loan are prima-facie not prejudicial to the interest of the Company.
- (b) Since there is no overdue amount of principal and interest, hence clause 4 (iii) (d) of this Order is not applicable.
- (c) The company has not taken any loans secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the act, hence clause (f) & (g) of the Order are not applicable.

- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services;
- (v) In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956:
- (a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register, have been so entered.
- (b) According to the information and explanations given to us, certain transactions for purchase and sale of goods and materials with the subsidiary Companies for which alternate quotations were not available, have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A, 58AA or any other relevant provisions of the Act, and the rules framed there under and the directives issued by the Company Law Board, National Company Law Tribunal or the Reserve Bank of India, or any Court or any other Tribunal where applicable, with regard to the deposits accepted from the public.
- (vii) In our opinion, the internal audit functions carried out during the year by firms of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- (viii) We have broadly reviewed the books of account and records maintained by the Company relating to plantation and the manufacture of Sulphuric Acid pursuant to the order made by the Central Government for the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.
- (ix) According to the information and explanations given to us in respect of statutory and other dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, investor education and protection fund, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities during the year except Professional Tax of Rs.91,835/-, House Tax of Rs.57,052/- and Panchayat Tax of Rs.2,20,000/- which are outstanding for more than six months.

- (b) The following disputed statutory liabilities have not been deposited in view of pending Appeals:

<u>Statute</u>	<u>Nature</u>	<u>Forum</u>	<u>Amount involved</u> (in lacs)	<u>Related year</u>
Income Tax Act	Income Tax	CIT (A)	107.82	2006-07 & 2007-08
W B Sales Tax Act	Sales Tax	W.B Appellate & revisional Board	243.64	1996-97 to 1997-98, 2000-01 & 2003-04 2005-06 & 2006-07
W B Sales Tax Act	Sales Tax	Joint Commissioner of Commercial Taxes	17.33	1999-00, 2001-02 & 2006-07
Provident Fund Act	Provident Fund	Hon'ble Calcutta High Court	24.39	1999 to 2005



- (x) The Company does not have accumulated losses as at the end of the year and the Company has not incurred cash losses during the current and the immediately preceding financial year.
- (xi) Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks.
- (xii) According to the information and explanations given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the nature of activities of the company is such that the provisions of any special statute including chit fund/nidhi/mutual benefit fund/societies are not applicable to it.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities. The Company has invested surplus funds in marketable securities and mutual funds. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts relating to purchase of investments and timely entries have been made therein. All the investments have been held by the Company in its own name.
- (xv) According to the information and explanations given to us, the Company has given a guarantee to a bank amounting to Rs. 3568.40 lacs for loan taken by a subsidiary company from the bank during the year and the terms & conditions whereof are not prejudicial to the interest of the Company.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained.
- (xvii) According to the information and explanations given to us, on an overall basis, funds raised on short-term basis, prima facie to the tune of Rs. 2568.68 lacs been used during the year for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956, during the year and hence the question of whether the price at which shares have been issued is prejudicial to the interest of the Company does not arise.
- (xix) No debentures is outstanding at the year end. Hence, this clause is not applicable.
- (xx) The Company has not raised monies by public issue during the year and hence the question of disclosure and verification of end use of such monies does not arise.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

PRADEEP KUMAR SINGHI

Partner

(Membership No. 50773)

1-B, Old Post Office Street,

Kolkata, the 24th day of August, 2011

BALANCE SHEET AS AT 31ST MARCH, 2011

			(Rs in lacs)	
			As at	As at
SOURCES OF FUNDS	(Schedule)		31.03.2011	31.03.2010
Shareholders' Funds:				
Share Capital	1a	1117.43		1117.43
Share Suspense	1b	326.44		-
Reserves & Surplus	2	<u>34171.26</u>	<u>35615.13</u>	<u>20667.28</u>
Loan Funds:				
Secured Loans	3	19115.59		9505.54
Unsecured Loans	4	<u>24905.93</u>	<u>44021.52</u>	<u>16458.87</u>
Deferred Tax Liability	14		<u>1049.40</u>	<u>1027.50</u>
			<u>80686.05</u>	<u>48776.62</u>
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	5	39619.44		25576.46
Less: Depreciation/Amortisation		<u>10015.04</u>		<u>9014.76</u>
Net Block		29604.40		16561.70
Capital work in Progress		<u>314.33</u>	<u>29918.73</u>	<u>152.20</u>
Investments	6		<u>18864.75</u>	
Current Assets, Loans & Advances				
Inventories	7	18643.81		8817.87
Sundry Debtors	8	5416.27		3336.55
Cash & Bank Balances	9	5117.60		6291.04
Other Current Assets	10	69.29		50.75
Loans & Advances	11	<u>16301.88</u>		<u>14976.06</u>
		<u>45548.85</u>		<u>33472.27</u>
Less: Current Liabilities & Provisions				
Liabilities	12	7766.11		6117.69
Provisions	13	<u>5880.17</u>		<u>3776.46</u>
		<u>13646.28</u>		<u>9894.15</u>
Net Current Assets			<u>31902.57</u>	<u>23578.12</u>
			<u>80686.05</u>	<u>48776.62</u>
Statement of Accounting Policies	22			
Notes	23			
Schedules 1 to 14 and Schedules 22 & 23 referred to above form an integral part of the Balance Sheet.				

Schedules 1 to 14 and Schedules 22 & 23 referred to above form an integral part of the Balance Sheet.

As per our report annexed

For SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

PRADEEP KUMAR SINGHI

Partner

(Membership No. 50773)

1-B, Old Post Office Street

Kolkata, the 24th day of August, 2011

R.K. GANERIWALA

President & Secretary

For and on behalf of the Board of Directors

B.K. BIRLA

Chairman

S.S. KOTHARI

Director



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	(Schedule)	2010-2011	2009-2010
(Rs. in lacs)			
INCOME			
Sales, Warehousing etc. (excluding excise duty Rs. 540.01) (previous year Rs. 132.96)	15	48617.18	40580.47
Other Sources	16	1759.08	1685.55
Closing Stock	17	15740.94	6434.71
TOTAL (A)		66117.20	48700.73
EXPENDITURE			
Opening Stock	18	8175.53	3874.15
Purchases		8083.56	10434.99
Raw Materials Consumed	19	15478.72	4134.95
Expenses	20	26591.02	22050.61
Interest (Net)	21	1468.55	556.01
Depreciation/Amortisation		1152.07	780.68
TOTAL (B)		60949.45	41831.39
Profit before Taxation (A- B)		5167.75	6869.34
Provision for Taxation:			
Current Tax		940.00	900.00
MAT Credit Entitlement (Net)		(52.91)	(354.11)
Deferred Tax		(350.12)	153.10
		536.97	698.99
Profit after Taxation		4630.78	6170.35
Balance brought forward from previous year		4623.64	2197.72
Balance available for appropriation		9254.42	8368.07
Appropriation:			
Proposed Dividend on Equity Shares @Rs.3 /- per share		652.25	652.25
Tax on Dividend (including surcharge on dividend tax)		105.81	108.34
Dividend waived by Beneficiary Trust		-	(13.81)
Dividend Tax on dividend waived by Beneficiary Trust		-	(2.35)
Transfer to General Reserve		3000.00	3000.00
Balance carried to Balance Sheet		5496.36	4623.64
		9254.42	8368.07
Basic & Diluted earning per share (Rs.) (Refer note ' R ' in Schedule 23)		18.08	27.63
Statement of Accounting Policies	22		
Notes	23		
Schedules 15 to 23 referred to above form an integral part of the Profit & Loss Account.			

As per our report annexed

For SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

PRADEEP KUMAR SINGHI

Partner

(Membership No. 50773)

1-B, Old Post Office Street

Kolkata, the 24th day of August, 2011

R.K. GANERIWALA

President & Secretary

For and on behalf of the Board of Directors

B.K. BIRLA

Chairman

S.S. KOTHARI

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011 (Rs. in lacs)

Particulars	For the year ended	
	2010-11	2009-10
A. Cash flow from operating activities :		
Net Profit before tax and extraordinary items	5167.75	6869.34
Adjustments for -		
Depreciation/Amortisation	1152.17	780.68
Dividend income	(225.14)	(393.33)
Interest (net)	1468.55	556.01
(Profit) / loss on sale / discard of fixed assets (net)	116.96	(39.88)
Unclaimed balances written back	(64.75)	(12.19)
Provision for doubtful debts & advances /(write back)	(0.84)	0.83
Advances & claims written off (net)	1.36	17.88
(Profit) / loss on sale of Investment (net)	(163.42)	(435.30)
Exchange difference (net)	(174.39)	(54.68)
Operating profit before working capital changes	7278.25	7289.36
Adjustments for -		
Trade & other receivable	(2493.32)	1162.04
Inventories	(7712.69)	(3740.08)
Trade payable and provisions	267.39	(460.81)
Cash generated from / (used in) operations	(2660.37)	4250.51
Direct taxes (paid) / refund ^	(765.38)	(995.06)
Exchange difference realised (net)	31.76	(168.44)
Net cash from / (used in) operating activities	(3393.99)	3087.01
B. Cash flow from investing activities :		
Purchase of / advance for Fixed Assets	(2376.61)	(1583.54)
Sale of Fixed Assets	110.92	76.38
Receipt of capital subsidy	93.79	15.45
Investment in Subsidiaries and Joint Venture	(10218.14)	—
(Purchase) / sale of long term investments (net)	(20.32)	3114.32
(Purchase) / sale of current investments (net)	1201.69	(1092.99)
Loans and Advances to companies (net)	(300.00)	(2300.00)
Loans and Advances to subsidiary companies (net)	3507.54	(5495.38)
Interest received	721.33	583.24
Dividend received	252.51	366.20
Net cash from / (used in) investing activities	(7027.29)	(6316.32)

Jay Shree Tea & Industries Limited



(Rs. in lacs)

Particulars	For the year ended	
	2010-11	2009-10
C. Cash flow from financing activities :		
Proceeds from long term borrowings	10835.65	3000.00
Repayments of long term borrowings	(993.97)	(1833.56)
Proceeds from short term borrowings (net)	2614.10	11507.57
Proceeds from bank borrowings for working capital(net)	(564.01)	(1913.47)
Dividend including dividend tax paid	(695.59)	(343.27)
Interest paid	(2017.92)	(1187.67)
Net cash from / (used in) financing activities	9178.26	9229.60
Net increase / (decrease) in cash and cash equivalent (A+B+C)	(1243.02)	6000.29
Cash and cash equivalents as at 01.04.2010 #	6281.00	226.24
Cash and cash equivalents as at 31.03.2011 \$	5037.98	6226.53
	(1243.02)	6000.29

^ Although investing activities attract tax on income arising out of these activities, for the purpose of the Cash Flow entire tax refund and tax payment has been considered as part of operating activities only.

Cash and cash equivalent as at 01.04.2010 includes Rs. 54.47 on account of addition due to Scheme of Amalgamation and Arrangement from the appointed dates.

\$ Cash and cash equivalent consist of :-

	As at 31.03.2011	As at 31.03.2010
Cash, cheques, drafts in hand etc.	314.79	58.86
Balance and Fixed deposits with Banks	4802.81	6232.18
Total	5117.60	6291.04
Less: Balance in unpaid dividend account *	(45.00)	(33.93)
Less: Fixed deposit (in lien) account *	(34.62)	(30.58)
Cash and Cash equivalent as on 31.03.2011	5037.98	6226.53

The aforesaid statement is prepared on indirect method.

* Not available for use for any other purposes.

The figures of the previous year have been reclassified to conform to current year classification.

As per our report annexed

For SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

PRADEEP KUMAR SINGHI

Partner

(Membership No. 50773)

1-B, Old Post Office Street
Kolkata, the 24th day of August, 2011

R.K. GANERIWALA
President & Secretary

For and on behalf of the Board of Directors

B.K. BIRLA

Chairman

S.S. KOTHARI
Director

SCHEDULES TO BALANCE SHEET

(Rs. in lacs)

	As at 31.03.2011	As at 31.03.2010
1a Share Capital		
Authorised		
5,80,00,000 Shares of Rs.5/- each	<u>2900.00</u>	<u>2600.00</u>
(Previous Year 2,60,00,000 Shares of Rs.10/- each)		
(Refer note no.: 'H' in schedule 23)		
Issued:		
2,23,73,976 Equity Shares of Rs.5/- each	<u>1118.70</u>	<u>1118.70</u>
(Previous Year 1,11,86,988 Shares of Rs.10/- each)		
Subscribed and Paid up:		
2,23,48,678 Equity Shares of Rs.5/- each	<u>1117.43</u>	<u>1117.43</u>
(Previous year 1,11,74,339 Shares of Rs.10/- each)		

Note:

- (i) 1,17,95,458 Equity Shares of Rs.10/- each (Prior to Buy Back of 16,32,034 Equity shares of Rs.10/- each) have been allotted as Bonus Shares by capitalisation of General Reserve Rs.1106.16, Capital Redemption Reserve Rs.57.61 and Capital Reserve Rs.15.78.
- (ii) 4,95,000 Equity Shares of Rs.10/-each fully paid up have been issued pursuant to scheme of amalgamation and arrangement for consideration other than cash.
- *(vide Shareholders approval in the A.G.M held on 25.06.2010 one share of Rs.10/- each fully paid up has been split into two shares of Rs.5/- each fully paid up)

1b Share Suspense

65,28,810 Equity Shares of Rs.5/- each fully paid up, to be issued pursuant to scheme of Amalgamation and arrangement for consideration other than cash	<u>326.44</u>	<u>-</u>
(Refer Note 'H' in schedule 23)	<u>326.44</u>	<u>-</u>

2. Reserves & Surplus

	Balance as on 31.03.2010	Additions	Deductions/ Adjustments	Balance as on 31.03.2011
Capital Reserve (Not available for Dividend)	1415.70	9443.16 *	-	10858.86
Capital Redemption Reserve	165.21	-	-	165.21
General Reserve	14462.73	3000.00	-	17462.73
Storage Fund on Molasses	-	188.10 **	-	188.10
Profit & Loss Account - Balance	4623.64	5496.36	4623.64	5496.36
	<u>20667.28</u>	<u>18127.62</u>	<u>4623.64</u>	<u>34171.26</u>

* Represents addition on amalgamation refer note 'H' in schedule 23

** Added on amalgamation as statutory in nature



SCHEDULES TO BALANCE SHEET (Cont'd...)

(Rs. in lacs)

	As at 31.03.2011	As at 31.03.2010
3. Secured Loans:		
I. Long Term Loan from Banks		
a) In Indian Rupees (Repayable within one year Rs. 2083.33) (Previous year Rs.833.33)	8666.67	5500.00
b) In Foreign Currency External Commercial Borrowings (US \$ 15 million) (Repayable within one year Nil)	6690.75	-
II. a) Short Term Loan from Banks *	1250.00	1250.00
b) Short Term loan from a Bank *	1000.00	1000.00
III. From Banks for Working Capital	1213.67	1755.54
IV. Excise duty loan from a Bank *	294.50	-
	<u>19115.59</u>	<u>9505.54</u>

* Repayable within one year

Security:

- I a) 1(b) & II(a) Loans from banks are secured/to be secured by equitable mortgage by deposit of title deeds of tea estates alongwith all immovable properties thereon ranking pari-passu, interse .
- II b) To be secured by sub servient charge on current assets of the Company.
- III. Working Capital Loan from banks are secured by current assets namely stock of raw materials, work in progress, semi-finished and finished goods, stores & spares not related to plant & machinery, bills and book debts and other movables both present and future, of the Company and deposit of title deeds of certain tea estates as collateral security.
- IV. Excise duty loan is secured by residual charge on fixed assets of Jay Shree Sugar Division.

Notes:

Jay Shree Sugar Division has a sanctioned working capital loan against :

- (i) Hypothecation of Stocks of Sugar, Stock in process, Stores and Spares at Majhauria.
- (ii) Second Charge on immovable properties situated at Majhauria, as collateral security.
There is no outstanding at the year end.

4. Unsecured Loans

Deposits (Repayable within one year Rs.117.85) (Previous year Rs.59.70)	156.65	119.64
Short term loan from Banks *	24700.00	16300.00
From Government of Assam under Plantation Labour Housing Scheme (including interest Accrued and due Rs.1.66)(Previous year Rs.1.66) (Repayable within one year Rs.1.75)(Previous year Rs. 1.75)	1.75	1.75
From Government of West Bengal under Plantation Labour Housing Scheme (Repayable within one year Rs,1.20)(Previous year Rs.1.22)	1.29	1.30
Security Deposits(Repayable within one year Rs.Nil)(Previous year Rs.NIL)	46.24	36.18
	<u>24905.93</u>	<u>16458.87</u>

* Repayable within one year

SCHEDULES TO BALANCE SHEET (Cont'd...)

(Rs. in lacs)

5. Fixed Assets

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION			NET BLOCK			
	Value as on 31.03.2010	Additions/ adjustments	Addition on Amalgamation	Sales/ adjustments	Total Value as at 31.03.2011	Upto 31.03.2010	For the year	Sales/ adjustments	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land	807.17 (1)	9.88	6997.23	-	7814.28	-	-	-	-	7814.28	807.17
Leasehold Land & Plantations	5352.89	1.69 (2)	-	-	5354.58	2.32	-	-	2.32	5352.26	5350.57
Leasehold Land - Others	-	122.54	-	-	122.54	-	2.72	-	2.72	119.82	-
Buildings & Flats(including those on Leasehold & Rented Land). Electric Installation, Water Line Tube-Well, Fencing, Road Bridges etc.	7195.80	389.91	365.99	10.60	7941.10	2303.24	135.87	1.44	2437.67	5503.43	4892.56
Estate Development up to 31.12.1926											
Risheehat Tea Estate	1.33	-	-	-	1.33	0.33	-	-	0.33	1.00	1.00
Plant & Machinery, X-Ray Units, Electric Installation,Air Conditioning Units,Refrigerators	10101.83	1976.55 (3)	4151.77	272.28	15957.87	5410.43	778.11	61.88	6126.66	9831.21	4691.40
Road Rollers,Gas Pipe Lines, Ropeway etc.											
Motor Cars,Lorries , Trailors, Tractors, Trolleys, Cycles,Vans,Loaders etc.	1624.61	255.24 (3)	58.91	96.16	1842.60	1030.13	203.04	88.20	1144.97	697.63	594.48
Furniture & Fixtures,Office Equipments, Telephones,Tools & Implements etc.	492.83	85.02	7.85	0.75	584.95	268.31	32.43	0.37	300.37	284.58	224.52
Livestock	-	-	0.19	-	0.19	-	-	-	-	0.19	-
Total	25576.46	2940.83	11581.94	379.79	39619.44	9014.76	1152.17	151.89	10015.04	29604.40	16561.70
Capital Work-in-Progress										314.33	152.20
										29918.73	16713.90
Corresponding figures for previous year	24143.82	1680.73	-	248.09	25576.46	8445.67	780.69	211.57	9014.76	16561.70	152.20
Capital Work-in-Progress										152.20	16713.90



SCHEDULES TO BALANCE SHEET (Cont'd...)

5. Fixed Assets (Contd....)

NOTES TO FIXED ASSETS :

(Rs. in lacs)

- 1) a) Land of Tribeni, West Bengal - Appeal for the final determination of compensation was decided in favour of the Company by the District Court of Hooghly and final compensation determined at Rs. 8.33 (Including interest Rs. 0.50) against which a sum of Rs.2.05 was received in a previous year and credited to fixed assets. Rs.6.28 including Rs.1.50 released during the year 1967 against hypothecation of Khardah Land by the District Court has been shown in Current Liabilities. The Hon'ble High Court at Calcutta has decided the appeal against the Company in a previous year by reducing the amount of compensation for which an appeal before the Hon'ble Supreme Court of India was filed. Hon'ble Supreme Court has upheld the decision of the Hon'ble High Court and accordingly the adjustments will be carried out when the amount to be refunded is ascertained.
- b) Land at Guwahati measuring 2 hectares and related building including furniture & fixture and related equipment has been given on registered lease to a Society for operating a School.
- 2) Includes estimated cost of New Extension of area under tea Rs.1.69 (previous year 9.33) capitalised during the year as certified.
- 3) Excluding Rs.93.79 (previous year 15.45) on account of subsidy received from Tea Board under Tea Quality Upgradation & Product Diversification Scheme and Rs.NIL (previous year Rs.3.10) on account of transport subsidy received against vehicles from Tea Board.
- 4) Land, Buildings and Plant & Machinery include Rs.1.18, Rs.6.43 and Rs.0.81 respectively (previous year Rs.1.18, Rs.6.43, and Rs.0.81 respectively) being 5.18% share of cost of Land, Buildings and Plant & Machinery held on co-ownership by the Company with other parties.
- 5) Land & Plantation include Rs.29.28 (previous year Rs.29.28) and Building include Rs.1.55 (previous year Rs.1.55) (being cost of floor of a leasehold building) in the name of the nominees of the Company on co-ownership basis, pending execution of conveyance deed.
- 6) Land & Plantation includes 2.431 Hectare of land at tea estates for which possession handed over for construction of schools and 6 hectares for which execution of conveyance deed in favour of the company is pending.
- 7) Agricultural Land of sugar unit is under Land Ceiling dispute since 1973-74 and the matter is subjudice.
- 8) The entire land owned by the Sugar division is KAST KAMI Land for which, usual rent is being paid to the Bihar Government
- 9) Depreciation during the year includes Rs.0.10 towards assets of farm.
- 10) Borrowing cost capitalised in accordance with Accounting Standard (AS) - 16 is Rs.NIL (previous year Rs.NIL).

SCHEDULES TO BALANCE SHEET (Cont'd...)

				(Rs. in lacs)	
6. Investments	Face Value Rs.	Nos.	As at 31.03.2011	As at 31.03.2010	
Long Term Investments (At cost)					
GOVERNMENT & TRUST SECURITIES:					
National Savings Certificates		3	<u>0.03</u>	<u>0.03</u>	<u>0.03</u>
SHARES & UNITS					
Subsidiary Companies					
<i>Unquoted</i>					
<i>Fully paid up Equity Shares</i>					
North Tukvar Tea Co. Ltd. (in trade)					
(60 shares held jointly with the nominee(s))	10	2175450	356.20	356.20	
Parvati Tea Company Pvt. Ltd. (Other than trade) ^					
(60 shares held jointly with the nominee(s))	10	995000	994.64	—	
Birla Holdings Ltd. (in trade)	1 (AED)	10000	<u>1.25</u>	<u>1.25</u>	357.45
Joint Venture Company (In Trade)					
Tea Group Investment Company Ltd.	1 (AED)	5000	<u>0.65</u>	<u>0.65</u>	—
Fully paid up Equity Shares (In Trade)					
Beneficial interest in shares held by JSTI Beneficiary Trust			332.29	332.29	
Beneficial interest in shares held by Jay Shree Beneficiary Trust (Refer note no. H in schedule 23)			9637.41	9969.70	—
Fully paid up Equity Shares (Other than Trade)					
Quoted :					
Kesoram Industries Ltd.**			—	609.61	
HGI Industries Ltd.**			—	35.56	
ECE Industries Ltd.**			—	62.29	
Manjushree Plantations Ltd.**			—	1.49	
Mangalam Timber Products Ltd.**			—	8.35	
Century Enka Ltd.**			—	200.00	
Kesoram Textile Mills Ltd.**			—	—	
Pilani Investment Corporation Ltd.**			—	97.30	
Mangalam Cement Ltd.*			—	259.59	
McLeod Russel India Ltd.	5	75	0.02	0.02	
Electrosteel Steels Ltd. (1000000 shares received on amalgamation and 530420 shares acquired during the year)	10	1530420	182.46	—	
Power Grid Corporation Ltd.	10	34889	<u>31.40</u>	213.88	—
Unquoted :					
Birla International Ltd.	100 (swiss Francs)	2500	52.25	52.25	
Essel Mining & Industries Ltd.	10	20	8.35	8.35	
Padmavati Investment Ltd.	10	68560	131.60	131.60	
Kesoram Insurance Broking Services Ltd.	10	25000	0.50	0.50	
Vasavadatta Services Ltd.	10	4600	<u>0.46</u>	<u>193.16</u>	<u>193.16</u>
Carried Over			11729.51		2157.14



SCHEDULES TO BALANCE SHEET (Cont'd...)

(Rs. in lacs)

6. Investments (Cont'd...)	Face Value Rs.	Nos.	As at 31.03.2011		As at 31.03.2010	
Brought Forward			11729.51		2157.14	
Shares in Co-operative Societies :						
The Coimbatore & Nilgiris District Small Scale Service Industrial Co-operative Society Ltd.	100	10	0.01	-	0.01	
The Tamilnadu Tea Manufacturers' Service Industrial Co-operative Society Ltd.	5000	1	0.05	0.06	0.05	0.06
INVESTMENT PROPERTIES:						
Embassy Centre Premises Co-op. Society Ltd.	50	25	0.01		0.01	
The Bayside Co-op. Housing Society Ltd.	50	55	0.03		0.03	
Paramount Owners' Syndicate Pvt. Ltd.	10	460	0.05	0.09	0.05	0.09
UNITS IN MUTUAL FUND						
Axis Triple Advantage Fund	10	1000000.000	100.00		-	
Birla Sun Life Fixed Term Plan Series CU - Growth	10	2500000.000	250.00		-	
BNP Paribas Fixed Term Fund Ser 21 F Growth	10	2000000.000	200.00		-	
HDFC Prudence Fund	10	1500915.558	500.00		-	
HDFC FMP 370D Mar'11 (3) - Growth	10	2000000.000	200.00		-	
HDFC Core & Satellite Fund *			-		100.00	
HDFC Midcap Opportunity Fund *			-		250.00	
HDFC Growth Fund *			-		200.00	
HDFC Infrastructure Fund *			-		133.99	
HSBC Equity Fund *			-		133.45	
ICICI Prudential Focused Bluechip equity Retail Fund	10	360223.698	59.18		-	
ICICI Prudential FMP Sr.56-1 yr-Plan A - Growth	10	2500000.000	250.00		-	
ICICI Prudential Infrastructure Fund *			-		383.38	
Kotak FMP Series 40 - Growth	10	2500000.000	250.00		-	
Kotak Opportunities Fund *			-		177.27	
Principal Long Term Equity Sr. II Fund *			-		200.00	
Reliance Vision Fund *			-		289.82	
Reliance Growth Fund *			-		200.00	
Reliance Regular Savings Fund -Equity Fund (Previous year's investment sold during the year)	10	1957514.114	500.00		300.00	
Sundaram Energy Opportunities Fund *			-		150.00	
Sundaram Select Small Cap Fund	10	1500000.000	150.00		150.00	
Sundaram PSU Opportunity Fund *			-		144.00	
Tata Infrastructure Fund *				2459.18	73.23	2885.13
Investment under Portfolio Management Services:						
Reliance Capital Asset Management Company Ltd. (Previous year's investment sold during the year)			999.35		357.85	
JM Financial Services Pvt. Ltd.			183.21		163.76	
Next Trillion Dollar Opportunity Fund			105.34		82.40	
India Business Excellence Trust			230.23		192.73	
Barclays Securities (India) Pvt. Ltd.			202.60		193.46	
ING Investment management (India) Pvt. Ltd.			184.15	1904.88	-	990.19
Investment in Secured Non-Convertible Debentures						
Barclays Investments & Loans (India) Ltd. Sr.117 #			150.00		150.00	
Barclays Investments & Loans (India) Ltd. Sr. DS 195 #			200.00		-	
Citicorp Finance India Ltd. (Redeemed during the year)			-		101.00	
13.00% Jayneer Capital Pvt. Ltd. (Redeemed during the year)			-		250.00	
12.50% Geetanjali Trading & Investment Pvt. Ltd. (Redeemed during the year)			-		250.00	
11.40% Future Corporate Resources Ltd. \$			200.00		-	
11% Premier Finance & Trading Company Ltd.			250.00		-	
11.50% RHC Holding Private Ltd.			1002.96		-	
12.75% Unilazer Exports & Management Consultants Ltd.			500.00	2302.96	500.00	1251.00
Carried Over				18396.68		7283.62

SCHEDULES TO BALANCE SHEET (Cont'd...)

(Rs. in lacs)

6. Investments (Cont'd...)	Face Value Rs.	Nos.	As at 31.03.2011	As at 31.03.2010
Brought Forward			18396.68	7283.62
Investment in Commercial Papers				
12.45% Future Capital Holdings Ltd.			468.07	468.07
			-	-
Short Term Investments (At Cost)				
LICMF Liquid Fund			-	-
(Redeemed during the year)			1200.99	1200.99
			18864.75	8484.60
* Sold during the year				
** Transferred pursuant to scheme by demerger of Strategic Investment Division of the Company to Parvati Tea Company Pvt. Ltd. (refer note no. H in schedule 23)				
^ 495000 shares purchased during the year and 500000 shares acquired pursuant to scheme of amalgamation/arrangement. (refer note no.H in schedule 23)				
\$ Received pursuant to the scheme of merger of M P Chini Industries Ltd. with the Company.				
# Nifty linked structured product			As at 31.03.2011	As at 31.03.2010
			Book Value	Book Value
			Market Value	Market Value
Quoted Investments			213.88	161.24
Unquoted Investment			1274.21	6216.88
			18650.87	7210.39
			18864.75	8484.60

Notes:

- Government Securities of Book Value Rs. 2 deposited with Government Departments.
- Following units of Mutual Funds of Face Value of Rs. 10/- each were purchased & sold during the year.

Name of Fund	No. of units	Cost
HDFC Cash Management Fund - Savings Plan	18912374.407	2011.60
HDFC Cash Management Fund - Treasury Advantage Fund	7422984.823	901.71
ICICI Prudential Flexible Income Plan	59017.086	59.18
LIC MF Liquid Fund	113011035.185	12408.72

- Following equity shares (other than trade) (short term) received on amalgamation were sold during the year (refer note no. H in schedule 23)

Name of shares	No. of shares
Kapilesh Tradelink Pvt. Ltd.	100000
Moti International Ltd.	35000
Sunglow Vanijya Pvt. Ltd.	170000



SCHEDULES TO BALANCE SHEET (Cont'd...)

(Rs. in lacs)

	As at 31.03.2011	As at 31.03.2010
7. Inventories (Including in-Transit) At lower of Cost or Net realisable Value		
Stores & Spares Parts	1682.10	1129.99
Finished Products and Other Goods	15702.37	6411.60
Work in progress	38.57	23.11
Raw Materials (including Rs. 0.20 of Farm products)	1220.77	1253.17
	18643.81	8817.87
8. Sundry Debtors		
Unsecured:		
More than six months		
Considered good (Incl. Govt. rebate on Fertilisers Rs. 314.84) (Previous year Rs.37.39)	554.67	188.42
Considered doubtful	36.37	37.21
Other Debts (Considered good) (Incl. Govt. rebate on Fertilisers Rs. 1136.07) (Previous year Rs. 235.55)	4856.57	3134.09
	5447.61	3359.72
Less: Reserve for Doubtful debts	36.37	37.21
	5411.24	3322.51
Warehousing Income accrued and considered good	5.03	14.04
	5416.27	3336.55
9. Cash & Bank Balances		
Cash in Hand	44.40	16.81
Cheques, Drafts & Stamps in hand	270.39	42.05
Balance with Scheduled Banks:		
In Current Account	198.50	104.28
In Current Account (Foreign Currency)	–	30.76
In Cash Credit Account	293.53	17.95
In Unpaid Dividend Account	45.00	33.93
In Fixed / Term Deposit Account (in lien Rs. 34.62)(Previous year Rs. 30.58) (including interest accrued but not due Rs. 23.52)(Previous year Rs. 12.67)	4265.78	6045.26
	5117.60	6291.04
10. Other Current Assets		
Interest accrued on Investments	69.29	50.75
	69.29	50.75

SCHEDULES TO BALANCE SHEET (Cont'd...)

(Rs. in lacs)

	As at 31.03.2011	As at 31.03.2010
11. Loans & Advances		
(Unsecured and considered good unless otherwise stated)		
Loans & Deposits to Companies (Refer note 'C' in Schedule 23)	4450.00	3450.00
Interest Accrued on Loans & Deposits (Refer note 'C' in Schedule 23)	96.59	29.49
Dividend Receivable	—	27.38
Dues from Subsidiary Companies		
a) North Tukvar Tea Company Limited (maximum amount outstanding during the year Rs.514.42)(Previous year Rs. 245.46) (incl.interest received Rs. 14.73, Previous year Rs.14.21) (refer note 'F' in schedule 23)	258.63	139.62
b) Birla Holdings Limited (maximum amount outstanding during the year Rs.2112.63) (Previous year Rs.91.99)	30.83	91.99
Share Application Money in Birla Holdings Limited	361.70	—
c) M.P. Chini Industries Limited (merged with company during the year)	—	5400.00
d) Parvati Tea Company Limited (maximum amount outstanding during the year Rs.1814.91)	1814.91	—
e) Kijura Tea Company Limited (subsidiary of Birla Holdings Limited) (maximum amount outstanding during the year Rs.27.72)	2.50	—
Tea Group Investment Company Limited (a 50% Joint Venture of the Company) (maximum amount outstanding during the year Rs.17.19)	17.19	—
Advances (recoverable in cash or in kind or for value to be received)		
Considered Good	1736.69	2826.04
Considered Doubtful	3.89	3.89
	1740.58	2829.93
Less: Reserve	3.89	3.89
	1736.69	2826.04
Prepaid Expenses	105.37	73.21
Insurance, Excise & Other Claims		
Considered Good	276.73	39.97
Considered Doubtful	2.83	2.83
	279.56	42.80
Less: Reserve	2.83	2.83
	276.73	39.97
Subsidies & Incentives Receivable	1142.98	877.92
Deposit with NABARD under Tea Development Scheme	2260.04	0.04
Balances in Account with Port Trust, Customs, Excise etc.	26.99	12.34
Security & Other Deposits and Rent Advances	370.74	416.75
Advance Income Tax	2942.98	1237.20
MAT Credit Entitlement (Refer note ' D(iii)' in Schedule 23)	407.01	354.11
	16301.88	14976.06



SCHEDULES TO BALANCE SHEET (Cont'd...)

(Rs. in lacs)

	As at 31.03.2011	As at 31.03.2010
12. Liabilities		
Sundry Creditors		
Micro and Small Enterprises	1.32	0.56
Others	6961.97	5753.35
Advances from Agents & Customers	374.29	203.88
Investors Education & Protection Fund (not due) (Int. accrued NIL) (Unpaid and unclaimed dividend)	45.00	33.93
Book Overdraft with schedule banks	0.18	—
Interest accrued but not due on Loans	383.35	125.97
	<u>7766.11</u>	<u>6117.69</u>
13. Provisions		
Proposed Dividend	652.25	652.25
Provision for Tax on Dividend (Refer note 'D(ii)' in Schedule 23)	257.96	195.47
Provision for Taxation	2856.45	1000.57
Others (Refer Note 'L' in Schedule 23)	157.66	119.68
For Salaries, Wages, Bonus etc.	1025.37	902.59
Provision for Gratuity	534.47	593.66
Provision for Leave	396.01	312.24
	<u>5880.17</u>	<u>3776.46</u>
14. Deferred Tax Liability		
Liabilities:		
Accumulated Depreciation	1759.45	1394.10
Less : Assets		
Provision for doubtful debts	13.33	12.75
Accrued expenses deductible on payment basis/Employee benefits	499.03	353.85
Carry over capital losses	197.69	—
	<u>1049.40</u>	<u>1027.50</u>

SCHEDULES TO PROFIT & LOSS ACCOUNT

(Rs. in lacs)

	For the Year ended 31st March 2011	For the Year ended 31st March 2010
15. Sales, Warehousing etc.		
Finished Products & Other Goods (net of Trade Discount)	44662.42	39215.24
Less: Excise Duty	540.01	132.96
	44122.41	39082.28
Government Rebate on Fertilisers	4130.29	1229.31
Warehousing Charges	322.35	246.16
Claims	42.13	22.72
	48617.18	40580.47
16. Other Sources:		
Dividend :		
Long Term Investments - Other than Trade	217.61	374.87
Current Investment - Other than Trade	7.52	18.46
Rent (Gross) (Tax Deducted at Source Rs. 20.89)	224.08	231.41
(Previous year Rs. 15.11)		
Miscellaneous Income & Receipts	224.77	143.69
Export Incentives (DEPB)	289.55	165.12
Tea Board subsidies	117.86	77.31
Other Export Incentives	221.66	127.82
Unclaimed Balances Written Back	64.75	12.19
Exchange Difference (Net)	174.39	54.68
Profit on Sale of Investments (Net) - Other than trade -Long Term Investment	1381.97	327.30
- Current Investment	(1218.55)	(108.00)
Excess provisions, receipts & adjustments pertaining to previous years	39.76	45.20
Less: Short provisions, sundry payments & adjustments relating to previous years	14.77	9.98
Add : Excess/(Short) provision of bonus for previous years (Net)	—	9.48
	24.99	44.70
Income from Farm Products:		
Sales of Agricultural Product	85.69	—
Closing Stock	0.20	—
Lease Rent	1.82	—
	87.71	—
Less: Opening Stock	0.13	—
Agricultural Farming Expenses (towards cultivation & other expenses)	58.95	—
Other Repairs	0.01	—
Rent, Rates & Taxes	0.04	—
Depreciation	0.10	—
	59.23	—
	28.48	—
	1759.08	1685.55
17. Closing Stock		
Finished Products & Other Goods	15702.37	6411.60
Work-in-Progress	38.57	23.11
	15740.94	6434.71



SCHEDULES TO PROFIT & LOSS ACCOUNT (Cont'd...)

(Rs. in lacs)

	For the Year ended 31st March 2011	For the Year ended 31st March 2010
18. Opening Stock		
Finished Products & Other Goods	6411.60	
Added on Amalgamation (refer note 'H' in schedule 23)	1736.71	8148.31
	23.11	3867.65
Work-in-Progress	4.11	
Added on Amalgamation (refer note 'H' in schedule 23)	27.22	6.50
	8175.53	3874.15
19. Raw Materials Consumed:		
Opening Stock	1253.17	134.05
Purchases	15562.44	5697.95
	16815.61	5832.00
Less:		
Closing Stock	1220.57	1253.17
Sales	112.73	443.88
Claims	3.59	—
	1336.89	1697.05
	15478.72	4134.95
20. Expenses:		
Manufacturing Expenses		
Stores, Spare-parts & Tools Consumed (including packing materials Rs. 1245.58) (Previous year Rs. 880.56)	3367.98	2596.99
Power & Fuel	3199.69	2708.64
Excise Duty on increase/decrease on finished products	326.69	18.14
Repairs, Renovations & Replacements:		
Machinery	672.03	399.64
Buildings	484.11	421.98
Other Assets	320.93	281.71
	1477.07	1103.33
	8371.43	6427.10
Payments to and provisions for Employees		
Salaries, Wages, Bonus etc.	10833.56	9552.09
Contribution to Provident fund and Other funds	1159.45	972.39
Workers & Staff Welfare Expenses	427.32	419.84
	12420.33	10923.47
Others:		
Rent	191.00	130.42
Rates & Taxes	74.31	159.98
Assam (Specified Lands) Tax	217.01	177.42
Insurance (excluding on sales)	96.75	80.92
Miscellaneous Expenses	1656.03	1236.58
Managing Director's Remuneration (Refer note 'Q(a)' in Schedule 23)	63.01	33.39
Directors' Commission (Refer Note 'Q(b)' in Schedule 23)	28.00	28.00
Directors' Fees & Travelling Expenses (Including Fees Rs. 6.30) (Previous year Rs. 8.80)	17.17	16.85

SCHEDULES TO PROFIT & LOSS ACCOUNT (Cont'd...)

(Rs. in lacs)

	For the Year ended 31st March 2011	For the Year ended 31st March 2010
20. Expenses (Cont'd...)		
Others (Cont'd...)		
Auditors' Remuneration:		
Audit Fee (Incl. Branch Auditor's fee Rs.4.72) (Previous year Rs.2.72)	26.74	24.78
Tax Audit Fee (Incl. Branch Auditor's fee Rs. 0.06)(Previous year Rs.0.05)	6.39	5.57
For Certificates (Incl. for Branch Auditor's Rs.1.27)(Previous year Rs.2.26)	11.91	12.83
Travelling, Stay & Other Expenses (Incl. for Branch Auditor's Rs.1.10)(Previous year Rs.0.25)	4.67	5.52
Bad Debts & Irrecoverable Loans, Advances & Claims written off	1.36	19.98
Less : Reserve	-	2.10
	1.36	17.88
Reserve for Doubtful Debts & Advances further created	0.16	2.83
Less : Written Back	1.00	2.00
	(0.84)	0.83
Loss on Sale of Fixed Assets (Net)	116.96	(39.88)
Loss on Sale/write off of unusable stores (Net)	25.14	22.32
Donation & Charity	-	5.01
	<u>2535.61</u>	<u>1897.56</u>
Selling & Distribution Expenses		
Freight & Cartage	1353.50	1090.06
Others (including Packing Materials Rs. 0.85)(Previous year Rs. 1.23)	614.72	464.74
Warehousing Charges	115.57	95.80
Insurance	81.52	62.96
Commission, Brokerage, Discount & Incentive Bonus:		
Other Selling Agents (including Depot Maintenance)	177.94	195.04
Others	347.88	333.31
Sales Tax / VAT	572.52	539.72
	<u>3263.65</u>	<u>2781.63</u>
	<u>26591.02</u>	<u>22050.61</u>
21. Interest:		
On Debenture	47.43	-
On Fixed Loans & Deposits	632.94	344.81
To Banks & Others	1594.93	845.19
	<u>2275.30</u>	<u>1190.00</u>
Less : Income on Loans, Deposits & Others	654.60	619.78
(Incl. Interest subsidy for earlier year Rs. Nil)		
(Previous year Rs. 200.64)		
(Incl. long term investment income Rs. 219.52)		
(Previous year Rs. 75.42)		
(Tax Deducted at Source Rs. 55.28) (Previous year Rs. 49.53)		
From Subsidiary Company (Tax deducted at Source Rs. 15.22)	152.15	14.21
(Previous year Rs. 1.42)		
	<u>806.75</u>	<u>633.99</u>
	<u>1468.55</u>	<u>556.01</u>



SCHEDULES FORMING PART OF THE ACCOUNTS

22. Statement of Accounting Policies

1) Convention

The financial statements have been prepared in accordance with applicable Accounting Standards in India and in accordance with the relevant provisions of the Companies Act, 1956. A summary of important accounting policies which have been applied consistently is set out below.

2) Basis of Accounting

The financial statements have been prepared in accordance with historical cost convention. All income and expenses, unless specifically stated otherwise, have been accounted for on accrual basis.

3) Sales

Sales are inclusive of sales tax/VAT and net of trade discount.

4) Government Grants

- i) Government Grants related to specific assets are adjusted with value of fixed assets.
- ii) Government Grants in the nature of Promoters' Contribution towards fixed assets are credited to capital reserve.
- iii) Government Grant related to revenue items are adjusted with the related expenditure/taken in income.

5) Fixed Assets & Depreciation / Amortisation

- a) Fixed assets are stated at cost less accumulated depreciation and accumulated impairment loss, if any.
- b) Depreciation on all assets, other than vehicles, is provided on the "Straight Line Method", and on vehicles on the "Written Down Value Method" in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956.
- c) Depreciation on residential building and ITI house of Sungma Tea Estate as on 01.04.1997 has been charged @ 4.75% & 19% respectively as per the residual useful life determined by the valuer.
- d) Items of machinery spares to be used in connection with an item of fixed asset are amortized over the useful life of the asset.
- e) Leasehold Land (Others) is amortised over the period of lease.

6) Impairment of Assets

Impairment of Assets are assessed at each Balance Sheet date for each cash generating unit and if any indicators of impairment exists, the same is assessed and provided for in accordance with the Accounting Standard 28. A previously recognized impairment loss is periodically assessed.

7) Leases

For assets acquired under operating lease, rental payable are charged to Profit & Loss Account. Assets acquired under finance lease are capitalized at lower of the fair value and the present value of minimum lease payment. Lease income from operating leases is recognized in the Profit & Loss account over the period of lease.

8) Investments

Long Term Investments are stated at cost. Provision for diminution of investment is made to recognize a decline, other than temporary, in the value of the investments. Current Investments are stated at cost or fair value which ever is lower.

SCHEDULES FORMING PART OF THE ACCOUNTS (Cont'd...)

22. Statement of Accounting Policies (Cont'd...)

9) Inventories

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

10) Employment Benefits

i) Short term Employees 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 render the service. This benefit includes salary, wages, short term compensatory absences and bonus.

ii) Long Term Employee Benefits:

- a) Defined Contribution Scheme: This benefit includes contribution to Superannuation Scheme, ESIC (Employees' State Insurance Corporation) and Provident Fund Schemes. The contribution is recognized during the period in which the employee renders service.
- b) 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 retirement benefit obligation recognized in the Balance Sheet represents value of defined benefit obligation as reduced by the fair value of planned assets. Actuarial gains and losses are recognized in full during the period in which they occur.
- c) Other Long Term Benefits: Long term Compensated absence is provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method as at the date of Balance Sheet.

11) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost until the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

12) Foreign Currency Transactions

Transactions in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the exchange rate prevailing on the Balance Sheet date. Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of the transactions. Exchange differences arising on settlement of transactions and/or restatements are dealt with in the Profit & Loss Account.

13) Derivative Transactions

The Company uses derivative financial instruments such as forward exchange contracts, currency swap etc. to hedge its risks associated with foreign currency fluctuations relating to the underlying transactions, highly probable forecast transactions and firm commitments. In respect of Forwards Exchange Contracts with underlying transactions, the premium or discount arising at the inception of such contract is amortised as expense or income over the life of contract.

Other Derivative contracts outstanding at the Balance Sheet date are marked to market and resulting loss, if any, is provided for in the financial statement. Any profit or losses arising on cancellation of derivative instruments are recognized as income or expense for the period.



SCHEDULES FORMING PART OF THE ACCOUNTS (Cont'd...)

(Rs. in lacs)

22. Statement of Accounting Policies (Cont'd...)

14) Taxes on Income

Current tax is determined on the basis of the amount of tax payable for the year under Income Tax Act, and Agriculture Income Tax of the respective states. Deferred tax is calculated at the applicable tax rate and is recognized on timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets subject to consideration of prudence, are recognized and carried forward only to the extent that 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 recognised when there is virtual certainty of its realisability against future tax liability.

15) Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognized in respect of present obligations arising out of past events where there are reliable estimates of the probable outflow of resources. Contingent liabilities are the possible obligation of the past events, the existence of which will be confirmed only by the occurrence or non-occurrence of a future event. These are not provided for but are disclosed by way of Notes on Accounts. Contingent Assets are not provided for or disclosed.

23. Notes

	As at 31.03.2011	As at 31.03.2010
A) Contingent Liabilities not provided for in respect of :-		
i) Outstanding Bills Discounted with Banks	–	349.05
ii) Outstanding Letter of Credit	9.53	5.50
iii) Demand from Sales Tax authority :		
a) Certain disallowances in the Sales Tax were confirmed against the company and an appeal before the Appellate and Revisional Board has been filed and the management is of the opinion that it will obtain full relief.	243.64	204.93
b) Sales Tax appeal pending before Appellate Commissioner	17.33	413.76
iv) Income Tax demand under appeal	107.82	34.33
v) Demand from a lessor for interest on differential rent	70.14	70.14
vi) Refund of excise duty under appeal by the Department	–	16.10
vii) Demand of Provident Fund Damages by the Provident Fund Authorities, West Bengal	24.39	24.39
viii) Electricity duty demanded by Govt. of Bihar, Govt. appealed in Supreme Court	103.10	–
ix) Demand from custom authorities for non fulfilment of export obligation in respect of an erstwhile unit	105.00	105.00
B) i) Capital Commitments outstanding (net of advances Rs.100.55) (Previous year Rs.35.54)	242.58	58.25
ii) Bank Guarantees Outstanding (Pledge of Fixed Deposit of Rs.34.62) (Previous year Rs.30.58)	724.60	224.29
iii) Corporate guarantee outstanding given to a Bank against load acquired by a subsidiary company from the bank (US\$ 8 million)	3568.40	–

SCHEDULES FORMING PART OF THE ACCOUNTS (Cont'd...)

(Rs. in lacs)

23. Notes (Cont'd...)

- C) Interest income of Rs.36.25 for the year (till date Rs.145.00) on an Inter Corporate Deposit of Rs. 250.00 (previous year Rs.250.00) has not been recognised in view of non recovery of earlier interest. The Company is confident of recovering the principal and interest of Rs.27.21 recognised in earlier years.
- D) i) Fringe Benefit Tax has been abolished from current year 2009-10. However in view of the interim stay granted by the Hon'ble High Court at Calcutta, no liability has been provided for earlier years.
- ii) In view of the favourable order from the Hon'ble Supreme Court in respect of dividend tax, the Company is depositing dividend tax to the extent of 40% of the applicable rates. However identical matter in respect of other companies are pending before the Hon'ble Supreme Court. The Company is continuing to provide dividend tax at applicable rates.
- iii) During the year the Company has assessed the recoverability of Minimum Alternate Tax (MAT) for set off with future normal taxes and a sum of Rs. 241.81 for earlier year have been reversed. Based on projections made by the management and current trend of working of the Company the management is virtually certain of recovering the MAT credit entitlements and a sum of Rs.407.01 as on 31.03.2011 has been carried forward as MAT credit available for set off in future years.
- iv) Deferred Tax Assets has been recognised as capital loss incurred during the year based on the profit available in future as ascertained by the management.
- v) No provision for dividend and corresponding dividend distribution tax has been recognized in respect to 7135730 equity shares held by the beneficiary trusts in view of waiver letter received from them.
- E) i) The Hon'ble High Court at Calcutta had passed an order in the year 2009-10 in favour of landlord of a tenanted property enhancing the rent w.e.f. from April 2000 over and above its interim order issued earlier, as a result of which an additional rent of Rs.410.82 and interest and cost thereon to the extent of Rs.182.59 accrues to the landlord. The Company has filed an appeal before the Division Bench of Hon'ble High Court at Calcutta and has obtained a stay on the execution of the decree awarded in favour of the landlord. However, in compliance to the earlier interim order the company has paid the enhanced rent and hence does not envisage any further liability.
- ii) A matter of industrial dispute against a unit with regard to 12 workers is subjudice. The company has provided an estimated liability of Rs.12.00 and does not anticipate any more liability.
- iii) In earlier years 146.92 acres of land around Majhaulia related to Sugar division has been surrendered to the Government of Bihar "The Bihar Land Reforms (fixation of ceiling area and acquisition of surplus land) Act and Rules, 1961". Since the compensation in this respect has not been determined, the same will be accounted upon receipt.
- F) The Net Worth of the subsidiary company M/s North Tukvar Tea Company Ltd. is negative. No provision in value of the investment amounting to Rs.356.20 and for advances and security deposit of Rs.258.63 is envisaged/provided, being strategic in nature.
- G) As reported in previous year the Company had entered into an agreement with Assam Tea Corporation Ltd. (ATCL) for purchase of green leaf of Longai and Ishabheel tea estates and operating the Longai Tea factory for the season 2010 to 2012 with effect from 01.03.2010. The company is required to pay to ATCL Re.1/- per kg. of made tea towards usage charges for operating the said factory. The Company has agreed to fund the working capital and capex requirements. Accordingly a sum of Rs.382.99 (previous year Rs.341.86) is recoverable from ATCL which is recovered on systematic basis from the proceed of green leaf procured. A sum of Rs.5.07 has been paid as usage charge as per agreement.
- H) Pursuant to the Scheme of Amalgamation and Arrangement (the Scheme) between M. P. Chini Industries Limited (herein after referred as MPCIL), Parvati Tea Company Private Limited (herein after referred



SCHEDULES FORMING PART OF THE ACCOUNTS (Cont'd...)

(Rs. in lacs)

23. Notes (Cont'd...)

as PTCPL) and the Company as approved by Shareholders of the respective companies on 8th June, 2011 and sanctioned by the Hon'ble High Court at Calcutta on 10th August, 2011 under the provisions of the Companies Act, 1956;

- MPCIL has been merged with the Company w.e.f 01.10.2010 (being appointed date in case of MPCIL amalgamation),
- The Parvati tea factory (herein after referred as factory) of PTCPL has been demerged from PTCPL and merged with the Company w.e.f 01.04.2010 (being appointed date in case of PTCPL),
- The strategic investment division of the Company has been demerged from the Company and merged with PTCPL w.e.f. 01.04.2010 (being appointed date in case of demerger of strategic investment division),

Till the date of finalization of financial statements, the Certified copy of the order of Hon'ble High Court could not be obtained and thus not filed with the Registrar of the Companies. The accounts of the Company for the year have been prepared by giving the effect of the scheme. According to the scheme, with effect from the respective appointed dates, MPCIL, factory as well the demerged strategic investment division have carried out all their business activities in trust till the scheme becomes effective.

The Salient Features of the scheme are as under:

I. *In respect of MPCIL:*

- (a) MPCIL is a wholly owned subsidiary of the Company and engaged in the business of cultivation of sugarcane and manufacture & sale of sugar. All the assets and liabilities of MPCIL as on the appointed date have been incorporated in the books of the Company at their respective book values on the basis of the audited accounts except the value of land, agriculture farms, buildings and plant & machinery which have been taken as Rs.11200.00 being the market value thereof and value of investment amounting to Rs.575.15 in few unlisted entities have been written off as per the scheme.
- (b) In terms of the Scheme, the Company shall issue 3(three) equity shares of Rs.5(five) each fully paid up, ranking pari passu, for 1(one) equity share of Rs.10(ten) each fully paid up held by the shareholders in MPCIL.
- (c) In respect of the equity shares held by the company in MPCIL, the shares which are required to be issued by the Company in terms of (b) supra shall be allotted to the Board of the Trustees of Jay Shree Beneficiary Trust to have and to hold such shares in trust exclusively for the benefit of the Company and deal with same as they deem fit. These shares have been recorded at original acquisition cost of shares of MPCIL. The difference between the consideration and value of net assets acquired amounting to Rs.9443.16 has been adjusted with capital reserve.
- (d) The difference between the purchase consideration and value of net assets acquired of MPCIL, after carrying out necessary amendments and /or adjustments as per point no.(c) supra, an amount of Rs.9443.16 has been treated as capital reserve in terms of Accounting standard 14 "Accounting for Amalgamation" being amalgamation in the nature of purchase.

II. *In respect to Merger of Factory and demerger of Strategic Investment Division:*

- (a) PTCPL is a wholly owned subsidiary of the Company and having a tea factory in the name of "Parvati Tea Factory". PTCPL is engaged in business of manufacture and sales of tea w.e.f. appointed date all the assets and liabilities of "Parvati Tea Factory" have been incorporated in the books of the Company at their respective book values on the basis of the audited accounts except the value of fixed assets which have been taken as Rs.300.00 being the market value thereof. Further as on appointed date all the assets and liabilities of Strategic investment division of the Company has been demerged and incorporated in the books of the PTCPL at their respective book values as per the scheme.
- (b) In terms of the scheme, PTCPL shall issue 5,00,000 equity shares of 10(ten) each fully paid up, ranking pari passu, to the Company in consideration of above.

SCHEDULES FORMING PART OF THE ACCOUNTS (Cont'd...)

(Rs. in lacs)

23. Notes (Cont'd...)

- (c) The difference between the purchase consideration as given by PTCPL and value of net assets transferred to PTCPL, after carrying out necessary amendments and /or adjustments as per point no. (a) supra, an amount of Rs.726.25 has been treated as investment in PTCPL as prescribed under the scheme in terms of "Accounting Standard" 14 accounting for Amalgamation being amalgamation in nature of purchase.

III. Other Conditions:

- (a) Shares Suspense represents 65,28,810 Equity shares of Rs.5(five) each fully paid to be issued in terms of point no. I (b) above which will rank parri passu with the existing shareholders of the Company as per the scheme with effective from appointed date. The shares will be allotted on completion of necessary formalities under the Companies Act and Listing agreement.
- (b) The income accruing and expenses incurred by MPCIL, factory and strategic investment division from respective appointed date to 31.3.2011 have been properly dealt in these accounts.
- (c) Pursuant to the scheme, the authorized share capital of MPCIL shall be added to the authorized capital of the Company and the increase in the authorized share capital in the current year represents the same.
- (d) Pending completion of the relevant formalities of transfer of certain assets and liabilities of MPCIL & factory and strategic investment division pursuant to scheme, such assets and liabilities remain to be transferred in the name of the Company.
- I) Workers & Staff Welfare Expenses include Rs.35.39 (Previous Year Rs.34.49) being net loss of B.P. Kedia Central Hospital, Labac consists of following expenses & income.

Particulars	2010-2011	2009-2010
Salaries & Wages	26.69	27.30
Provident Fund	1.80	1.71
Staff Welfare Expenses	3.99	3.67
Stores consumed	1.26	1.48
Repairs	1.94	3.93
Insurance Charges	0.38	0.33
Miscellaneous Expenses	10.96	8.69
	47.02	47.11
Less: Income	11.63	12.62
	35.39	34.49

- J) The Company has no overdue amounts due to suppliers under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED) as at 31.03.11. The disclosure as required under the said act is as under :-

a) Principal Amount due to Suppliers under MSMED Act and remaining unpaid	1.32
b) Interest due to Suppliers on above	NIL
c) Any Payment made to suppliers beyond appointed date (under Section 16 of the Act)	NIL
d) Interest due and payable to suppliers under MSMED Act	NIL
e) Interest Accrued & remaining unpaid as at 31.03.11	NIL
f) Interest remaining due & payable as per section 23 of the Act	NIL

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



SCHEDULES FORMING PART OF THE ACCOUNTS (Cont'd...)

(Rs. in lacs)

23. Notes (Cont'd...)

- K) i) The Company's significant leasing agreements (as lessee) are in respect of lease for Land & Premises (residential, office, stores, godowns etc.). These Leasing arrangements which are non-cancellable ranging between one month and three years generally, or longer, and are usually renewable by mutual agreement. The aggregate lease rentals payable are charged as Rent under Schedule 20.
- ii) Certain land and building has been given on operating lease to a society at a lease rental of Rs.15.00 per month (previous year Rs.15.00 per month) for the building and Rs. 0.50 (previous year Rs. 0.50) per annum for the land to be reviewed annually.

As per requirements of Accounting Standard-19 on leases, the following disclosures are furnished for significant operating leases as lessor :

Particulars	2010-11			2009-10		
	Gross Carrying Amount	Accumulated Depreciation	Depreciation for Current Year	Gross Carrying Amount	Accumulated Depreciation	Depreciation for Current Year
Land	37.91	—	—	37.91	—	—
Building	1678.92	130.23	27.12	1662.84	103.11	26.79
Plant & Machinery	149.09	44.88	7.26	137.73	37.62	7.20
Furniture & Fixture	188.33	63.63	15.53	145.67	48.10	12.90
Motor Vehicle	9.40	5.98	1.20	9.40	4.78	1.62
	2063.65	244.72	51.11	1993.55	193.61	48.51

- iii) The Company has taken over the operation and management control of North Tukvar Tea Estate on leave & license basis for a period of three years from its subsidiary North Tukvar Tea Company Limited w.e.f. 01.04.2009 at yearly charge of Rs.9.00. The result for the current financial year includes a loss of Rs.76.54 from the said tea estate. The disclosure of lease rental as required under Accounting Standard-19 as lessee are:

Minimum lease payment :

Particulars	2010-11	2009-10
Not later than one year	Rs. 9.00	Rs. 9.00
Later than one year but not later than five years	NIL	Rs.18.00
Later than five years	NIL	Nil

- L) **Disclosure as per Accounting Standard-29**
"Provisions, Contingent Liabilities & Contingent Assets"

Particulars	2010-11			2009-10		
	Disputed Statutory Matters	Other Obligations	Total	Disputed Statutory Matters	Other Obligations	Total
Opening Balance	112.31	27.23	139.54	33.45	15.13	48.58
Addition	28.44	7.37	35.81	83.58	7.37	90.95
	140.75	34.60	175.35	117.03	22.50	139.53
Utilisation	17.69	—	17.69	4.72	—	4.72
	123.06	34.60	157.66	112.31	22.50	134.81
Reversal	—	—	—	—	15.13	15.13
Closing Balance	123.06	34.60	157.66	112.31	7.37	119.68

The provisions for disputed statutory & obligatory liabilities are on account of cases pending with courts/concerned authorities based on estimates made by the Company considering the facts & circumstances.

SCHEDULES FORMING PART OF THE ACCOUNTS (Cont'd...)

(Rs. in lacs)

23. Notes (Cont'd...)

M) The Company uses forward contracts, swaps and other derivative contracts to hedge its risks relating to changes in exchange rates and interest rates. The use of such contract is consistent with the Company's risk management policy. The Company does not use forward contracts for speculation purposes.

- a) The particulars of derivative contracts entered into for hedging purposes outstanding as at March 31, 2011 are as under:

Category of derivatives instruments		Amount of Exposures Hedged	
		As at 31.03.2011	As at 31.03.2010
i)	Forward contract for receivables	899.82	—
ii)	Forward contract for payables	489.50	601.13
iii)	Currency Options	4460.50	—

- b) Unhedged foreign currency exposures as at March 31, 2011 are as under:

Unhedged foreign currency exposures		As at 31.03.2011	As at 31.03.2010
i)	Receivable	740.39	—
ii)	Payables	4803.24	2311.43

N) Employee Benefits (Accounting Standard 15)**a) Defined Contribution Plan:**

The Company makes contribution towards Provident Fund, ESIC and Superannuation Fund to a defined contribution retirement benefit plan for qualifying employees. The provident fund plan is operated partly by Regional Provident Fund Commissioner and partly by an independent Trust, ESIC by government agencies and Superannuation Fund by a trust created for the purpose. Under the said schemes 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.

During the year the company has recognised Rs.707.23 for provident fund contribution (previous year Rs. 636.05), Rs.27.51 for ESIC (previous year Rs. 21.18) and Rs.55.69 for Superannuation Contribution (previous year Rs. 42.28). The Contribution payables to these plans by the Company are at the rates specified in the rules of the scheme.

In keeping with the Guidance on implementing Accounting Standard (AS) 15 on Employees Benefits issued by the Accounting Standards Board of the Institute of Chartered Accountants of India (ASB Guidance), employer-established provident fund trusts are treated as Defined Benefit Plans since the company is obligated to meet interest shortfall, if any, with respect to covered employees. According to the management, in consultation with Actuary, actuarial valuation cannot be applied to reliably measure provident fund liabilities in absence of guidance from Actuarial Society of India. Accordingly, the Company is currently not in a position to provide other related disclosures as required by the aforesaid AS 15 read with the ASB Guidance, however, having regard to the position of the fund (for covered employees) and confirmation from the Trustees' of such Fund there is no shortfall as at the year end.

b) Defined benefit plans:

- The Company makes annual contribution of gratuity to JSTI Employees Gratuity Fund & other private administrated Gratuity Fund schemes created for the purpose of 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.
- Certain employees of the Company are also eligible for encashment of leave upon retirement upto 30 days for each year (maximum 240 days).
- The present value of defined benefit obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date.



23. Notes (Cont'd...)

N) Employees Benefits as per Accounting Standard 15 (Cont'd...)

(Rs. in lacs)

	2010-2011	2009-2010
	Gratuity Plan	Gratuity Plan
A. Expenses recognised in the Statement of Profit & Loss Account for the year ended 31st March 2010		
i Current Service Cost	162.31	137.81
ii Interest Cost	230.55	199.24
iii Expected return on Plan Assets	177.09	151.97
iv Actuarial (Gain)/Losses	(22.99)	6.28
v Past Service Cost	64.59	—
vi Effect of any Curtailment/Settlement	—	—
vii Expenses recognised in Profit & Loss Account	257.37	191.36
B. Net (Assets)/Liabilities recognised in Balance Sheet as at 31st March 2011		
i Present Value of the Defined Benefit Obligation	2974.28	2728.31
ii Fair Value of Plan Assets	2439.81	2087.38
iii Excess of obligation over plan asset	534.47	640.93
iv Amount paid against above Liability during the year	—	47.27
v Net (Assets)/Liabilities recognised in Balance Sheet	534.47	593.66
C. Changes in the Present Value of Defined Benefit Obligation during the year ended 31st March 2011		
i Present Value of Defined Benefit Obligation as at 1st April 2010	2838.40	2599.17
ii Current Service Cost	162.31	137.81
iii Interest Cost	230.55	199.24
iv Past Service Cost	64.59	—
v Actuarial Gain/(Losses)	(47.46)	9.48
vi Benefits Paid	274.11	217.39
vii Paid against obligation	—	47.27
viii Present Value of Obligation as at 31st March 2011	2974.28	2681.04
D. Changes in fair value of Plan Assets during the year ended 31st March 2011		
i Fair Value of Plan Assets as at 1st April 2010	2218.34	1899.60
ii Acquisition Adjustment	—	—
iii Expected return on Plan Assets	177.09	151.97
iv Actuarial Gain/(Losses)	(24.47)	3.20
v Benefits paid	274.11	217.39
vi Settlements	—	—
vii Contributions	342.96	250.00
viii Fair Value of Plan Assets as at 31st March 2011	2439.81	2087.38
ix Actual return on Plan Assets	152.62	155.17

23. Notes (Cont'd...)

N) Employees Benefits as per Accounting Standard 15 (Cont'd...)

(Rs. in lacs)

	2010-2011	2009-2010
	Gratuity Plan	Gratuity Plan
E. Principle Actuarial Assumptions used		
i Discount rates as at 31st March 2011	8.50%	8.00%
ii Expected Return on Plan Assets	8.00%	8.00%
iii Expected Salary increase rates	4.00%	3.25%
iv Mortality Rates	LIC (1994 – 96) Mortality Table	LIC (1994 – 96) Mortality Table
F. Major categories of Plan Assets as a percentage of Fair Value of Plan Assets	Qualified Insurance Policy	Qualified Insurance Policy

Note:

- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply & demand in the employment market.
- The expected rate of return on Plan Assets is determined based on the portfolio of assets, existing investments alongwith the Strategic changes in the portfolio and market scenario. The Plan Assets are diversified reasonable to maximise the return within acceptable risk parameters.
- 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.
- Amount for the current and previous three years are as follows:**

	2010-11	2009-10	2008-09	2007-08
Gratuity Plan:				
Present value of defined obligation	2974.28	2728.31	2599.17	2376.74
Fair Value of Plan Assets	2439.81	2087.38	1899.60	1718.94
Excess of obligation over Plan Assets	534.47	640.93	699.57	657.80

- The Company expects to contribute Rs. 250.00 lacs to its gratuity fund in 2011-12.
- Comparative values of defined benefit plans for the past three years instead of four financial years as required by Accounting Standard – 15 (Revised 2005) on Employees Benefits are provided, this being only the fourth year of adoption of the Standard.



SCHEDULES FORMING PART OF THE ACCOUNTS (Cont'd...)

23. Notes (Cont'd...)

O) Related party Disclosure

Sl. No.	Name of the Company	Relationship	Remuneration		Dividend		Loans & Advances (Net)		Equity Contribution Share Application Money		Rent		Interest		Goods & Services		Others	(Rs. in lacs)	
			Paid	Received	Paid	Received	Paid	Received	Paid	Received	Paid	Received	Paid	Received	Sale	Purchase		Receivable	Payable
1	North Tukvar Tea Co.Ltd.	Subsidiary					137.15 (3.39)				9.00 (9.00)		14.73 (14.21)		-	-		258.63 * (139.62)	
2	Birla Holdings Ltd.	Subsidiary					61.15 (94.89)		362.95 (1.25)									30.83 * (94.89)	
3	Parvati Tea Co. Pvt. Ltd.	Subsidiary					1814.91											1814.91 *	
4	Kijuru Tea Co. Ltd.	Step down Subsidiary					-											-	
5	Tea Group Investment Co. Ltd.	Joint Venture					17.19											2.50 *	
#6	Century Textiles & Ind.Ltd.	Associate	9.00 (4.50)				-									3.26 (4.47)		-	0.73 (0.26)
#7	Century Enka Ltd.	Associate					-												
#8	Kesoram Industries Ltd.	Associate	12.60 (6.30)				4800.00 (6150.00)									8.93 (354.81)		1.33 (-)	1.75 (3.26)
9	Padmavati Investment Ltd.	Associate	183.42 (91.71)				10.28 (10.28)											1.00 (1.00)	
10	Shri D.P. Maheshwari	Key Management Personnel	63.01 (33.39)																

Note: All the above transactions were done at arm's length.

* Represents year end balance of Current Account.

These parties are related parties in the broader sense of the term and are included for making the financial statements more transparent. Figures in bracket indicate for previous year.

SCHEDULES FORMING PART OF THE ACCOUNTS (Cont'd...)

23. Notes (Cont'd...)

P) (i) Quantitative Information

(Rs. in lacs)

Class of Goods	UNIT	Capacity (1)		Production (2)				Sales (4)				Stocks			
		Licensed	Installed	Installed	Qty	Qty	Value	Qty	Qty	Value	Value	Qty	Value	Qty	Value
		2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2010-2011	2010-2011	01.04.2010	01.04.2010	31.03.2011	
Superphosphate	M.T.	297721	225721	76256	94154	58034	93675	58034	93675	2428.96	2761.29	24888	1607.43	25367	1620.85
Sulphuric Acid	M.T.	120700	95700	39163	76127	34836	50740	34836	50740	752.30	2384.88	3185	63.23	2921	124.50
Granulated Single Superphosphate & NPK Granulated Fertilisers	M.T.	34000	34000	-	-	-	-	-	-	-	-	-	-	-	-
Cryolite	M.T.	300	150	-	-	-	-	-	-	-	-	-	-	-	-
Oleum	M.T.	6000	6000	-	403	-	301	-	301	-	15.38	-	0.00	102	5.29
Sodium Hydro Sulphate	M.T.	1300	-	-	-	-	-	-	-	-	-	-	-	-	-
Sulphur	M.T.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Black Tea	Kgs.	N.A.	25200000	23339706	24141865	29884283	29660450 (4) (6)	35901.02	35165.47	3048.30	3048.30	6083259 (7)	4777.14	5513929 (6)	4630.21
Green Tea Leaf (Own)	Kgs.	-	-	85482343	84187228 (5)	-	-	-	-	-	-	-	-	-	-
Sugar	M.T.	1825000	1825000	-	38662	-	12257	-	12257	-	3441.31	6685 (7)	1646.50	32635	9118.73
Molasses	M.T.	N.A.	-	-	21570	-	13984	-	13984	-	354.09	454 (7)	12.78	8040	202.79
										39082.27	44122.40	3987.65	8148.31		15702.37

(1) Licensed Capacity is same as in the previous year & installed capacity is as certified by the Management. (2) Gross Sulphuric Acid includes 26154 M.T.(Previous year 4711 MT) for production of Superphosphate, Water Treatment Plant.Sulphuric Acid purchased 9640 M.T.(Previous year 887 MT). (3) Recomputed on estimated drier output basis per shift (4) Exclude Tea Waste, Claim, Gratis etc. 594407 Kgs.(Previous year 531897 kgs). (5) Consumed 104787989 Kgs.(Previous year 100998257 kgs.)(Including Green Leaf Purchase 20600711 kgs)(Previous year 15515914 Kgs.). (6) Sales & Closing Stock includes Tea Purchased and found excess. (7) Included on account of amalgamation. (8) Loss on processing of sugar 455 M.T.



SCHEDULES FORMING PART OF THE ACCOUNTS (Cont'd...)

(Rs. in lacs)

23. Notes (Cont'd...)

P) (i) Quantitative Information (Cont'd...)

(ii) Purchases

	Unit	2010-2011		2009-2010	
		Quantity	Value	Quantity	Value
Black Tea	Kgs.	5543661	4973.69	9105782	8066.14
Sulphuric Acid	M.T.	—	—	887	13.30
Green Tea Leaf*	Kgs.	20600711	3109.87	15515914	2355.55
			<u>8083.56</u>		<u>10434.99</u>

		2010-2011		2009-2010	
	Unit	Quantity	Value	Quantity	Value
(iii) Raw Materials Consumed					
Rock Phosphate	M.T.	56087	3822.80	43953	3467.74
Sulphur	M.T.	26156	2320.13	13571	336.54
Sulphuric Acid	M.T.	9640	228.51	25042	325.52
Other Items	M.T.	3231	6.19	2843	5.16
Sugarcane	M.T.	429578	9101.09	–	–
			15478.72		4134.95

(iv) C.I.F. Value of Imports

Raw Materials (Including in-transit)		4151.27	3884.14
Filter Paper		21.44	8.05
		<u>4172.70</u>	<u>3892.18</u>

(v)

	Raw Materials Consumed				Spare-Parts Consumed			
	2010-2011		2009-2010		2010-2011		2009-2010	
	Value	%	Value	%	Value	%	Value	%
Imported	5333.49	34.46	3196.21	77.29	15.07	1.71	0.42	0.10
Indigenous	10145.24	65.54	938.74	22.71	866.67	98.29	404.48	99.90
	<u>15478.73</u>	<u>100.00</u>	<u>4134.95</u>	<u>100.00</u>	<u>881.75</u>	<u>100.00</u>	<u>404.90</u>	<u>100.00</u>

SCHEDULES FORMING PART OF THE ACCOUNTS (Cont'd...)

(Rs. in lacs)

23. Notes (Cont'd...)

(vi) Expenditure in Foreign Currency	2010-2011	2009-2010
Travelling	60.02	61.25
Commission & Brokerage	85.51	63.88
Foreign Bank Charges	5.76	4.03
Interest	72.63	70.17
Others	29.88	26.26

(vii) Earnings in Foreign Currency

FOB Value of Exports (Excluding to Nepal)		
Black Tea & Other Products	8431.33	7657.28

(viii) Remittance on account of Dividend to Non-Resident Shareholders (i) Remitted in Foreign Currency

	2010-2011	2009-2010
Year to which Dividend relates	Year ended 31st March, 2010	Year ended 31st March, 2009
Net amount of Dividend remitted	31.94	15.97
Number of Shareholders	1	1
Number of Shares held	532400	532400

(ii) Remitted in their Banks in India

	2010-2011	2009-2010
Year to which Dividend relates	Year ended 31st March, 2010	Year ended 31st March, 2009
Net Amount of Dividend remitted	31.11	7.82
Number of Shareholders	256	75
Number of Shares held	518518	260682

(Q) Managing Director's Remuneration**a) Remuneration to Managing Director**

Salary	47.61	25.24
Contribution to Provident Fund	4.32	2.30
Contribution to Superannuation Fund	5.40	2.88
Perquisites	5.68	2.97
	63.01	33.39

The above figure do not include provision for encashable leave and gratuity as separate actuarial valuations are not available for Managing Director.



SCHEDULES FORMING PART OF THE ACCOUNTS (Cont'd...)

(Rs. in lacs)

23. Notes (Cont'd...)

- b) Computation of net profit as per the requirements of Section 198/349 of the Companies Act, 1956 for the purpose of Director's commission

	<u>2010-2011</u>	<u>2009-2010</u>
Profit before Taxation as per Profit and loss Account	5167.75	6869.34
Add: Directors' remuneration & sitting fee	69.31	42.19
Director's Commission	28.00	28.00
Excess of sale value of Fixed Assets over original Cost (Capital Profit)	116.96	(21.50)
Provision for doubtful debts/advances	0.16	2.83
	5382.18	6920.86
Less: Provision for Bad debts written back	1.00	2.00
Profit on sale of Investments (Net)	162.72	327.30
Unclaimed balances written back	64.75	12.19
	5153.71	6579.37
Profit on which Commission is payable	51.54	65.79
Eligible Commission @ 1% of Net Profit	28.00	28.00
Commission restricted to :		

(R) Earnings per share	<u>2010-2011</u>	<u>2009-2010</u>
Profit (Loss) after taxation as per Profit and Loss Account	4630.78	6170.35
Weighted average number of equity shares outstanding	25613083 *	22348678
Basic and diluted earnings per share (Rs.) (face value- Rs.5/- per share)	18.08	27.63

* Including 65,28,810 Shares issued pursuant to Scheme of Amalgamation.

- (S) Comparative figures for the previous year have been regrouped /rearranged wherever considered necessary. Further in view of impact of scheme of amalgamation/arrangement during the year, previous year figures are not comparable with current year.**

BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE AS REQUIRED IN PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956.

(Rs. in lacs)

I. Registration Details

Registration No.	0012771	State Code	21
Balance Sheet Date	31.03.2011		

II. Capital Raised during the year (Amount)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Pvt. Placement on Amalgamation	326.44*

* Shares not yet issued and kept under share suspense account.

III. Capital Redeemed during the year (Amount)

Equity Share Capital	NIL
----------------------	-----

IV. Position of Mobilisation and Deployment of Funds (Amount)

Total Liabilities	80686.05	Total Assets	80686.05
Source of Funds:			
Paid up Capital	1117.43	Reserves & Surplus	34171.26
Secured Loans	19115.59	Unsecured Loans	24905.93
Deferred Tax Liabilities	1049.40		
Application of Funds:			
Net Fixed Assets	29918.73	Investments	18864.75
Net Current Assets	31902.57	Misc. Expenditure	—
Accumulated Losses	NIL		

V. Performance of Company (Amount)

Turnover and other Income	50376.26	Total Expenditure	45208.51
Profit before Tax	5167.75	Profit after tax	4630.78
Earning per share in Rs.	18.08	Dividend Rate	Rs. 3.00 Per Share

VI. Generic Names of Three Principal Products/Services of Company (As per monetary terms)

Item Code No. (ITC Code)	090240.02
Product Description	BLACK TEA
Item Code No.	310310.00
Product Description	Super Phosphate (SSP)
Item Code No. (ITC Code)	170111.90
Product Description	SUGAR

For and on behalf of the Board of Directors

B.K. BIRLA
Chairman

S.S. KOTHARI
Director

R. K. GANERIWALA
President & Secretary



AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF JAY SHREE TEA & INDUSTRIES LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF JAY SHREE TEA & INDUSTRIES LIMITED AND ITS SUBSIDIARIES AND JOINT VENTURE.

1. We have examined the attached Consolidated Balance Sheet of Jay Shree Tea & Industries Ltd. (the Company) and its subsidiaries and jointly controlled entity (collectively as Group) as at 31st March, 2011, the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of Company's Management and have been prepared on the basis of the separate financial statement and other financial information regarding components. 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 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. We did not audit the financial statements of the Indian subsidiaries, whose financial statements reflects total assets of Rs.6531.92 lacs as at 31st March 11, total revenue of Rs78.74 lacs and net cash flow amounting to Rs.0.14 lacs for the year ended on that date as considered in the Consolidated Financial Statement. 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 amounts included in respect of these subsidiaries is based solely on the reports of other auditor's.
4. Consolidated Financial Statement of foreign subsidiary, namely Birla Holdings Ltd. for the year then ended, have been prepared by the Management of the Company in accordance with the generally accepted accounting principles in India and other recognized accounting practices and policies (Indian GAAP) followed by the Company. We have reviewed the conversion of above Management certified financial statement in to Indian GAAP. These consolidated financial statements reflect net assets of Rs.4533.78 lacs as at 31st March, 2011 and net sales of Rs.1137.33 lacs and net cash flow amounting to Rs. 230.81 lacs for the year then ended of such foreign subsidiary.
5. These consolidated financial statements include Net assets of Rs.3416.19 lacs as at 31st March, 2011 and Net Sales of Rs.1312.23 lacs and net cash flow amounting to Rs. 295.99 lacs for the year then ended, being proportionate share in the jointly controlled entity in foreign ,namely Tea Group Investment Company Ltd. which is based on financial statements, prepared by the Management of the Company in accordance with the generally accepted accounting principles in India and other recognized accounting practices and policies (Indian GAAP) followed by the Company. We have reviewed the conversion of above Management certified financial statement in to Indian GAAP.
6. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standards (AS) 21 "Consolidated Financial Statements", Accounting Standard (AS) 27 "Financial reporting on interest in Joint Venture" and other applicable Accounting Standards as notified by the Companies (Accounting Standard) Rules, 2006.
7. Attention is invited to the following notes of Schedule
 - a) *Note no. N in schedule 22 regarding giving impact to the scheme of amalgamation and arrangement based on approval of Hon'ble High Court at Calcutta pending completion of formalities relating to filing the scheme with appropriate authorities to make the scheme effective;*
 - b) Note no. K (iii) and (iv) in schedule 22 regarding carry forward of Minimum Alternate Tax (MAT) Credit Entitlement of Rs.407.01 lacs and recognition of deferred tax assets of Rs. 197.69 lacs on capital loss upto 31st March 2011, based on the future taxable income projected by the company. However, we are unable to express our opinion on the convincing evidence of future taxable income and the corresponding recognition thereof;
 - c) *Note no. R (b) (iv) regarding non-provision of accumulated gratuity liability up to 31st March 2009 of Rs.96.68 lacs in a subsidiary as per the requirement of Accounting Standard - 15 on accounting for employees benefits.*
Had the impact of point no. 6 (c) been considered, the Accumulated Losses and Provision as on 31st March 2011 would have been higher by Rs. 96.68 lacs.
8. We report that on the basis of the information and according to the explanations given to us, and on consideration of the separate audit reports of the company and its subsidiaries, we are of the opinion that the said consolidated financial statements, subject to observation made in para 7(a) & (c) above and read with para 4, 5 and 7(b) above, together with significant accounting policies in schedule 22 and notes appearing thereon, 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 state of affairs of the group as at 31st March 2011
 - (b) in the case of the consolidated profit and loss account, of the consolidated profit of the group for the year ended on that date; and
 - (c) in the case of the consolidated cash flow statement, of the consolidated cash flows of the group for the year ended on that date.

For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

(PRADEEP KUMAR SINGHI)
Partner
(Membership No. 50773)

1-B, Old Post Office Street,
Kolkata, the 24th day of August, 2011

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

(Rs. in lacs)

SOURCES OF FUNDS	(Schedule)	As at 31.03.2011	As at 31.03.2010
Shareholders' Funds:			
Share Capital	1a	1117.43	111743
Share Suspense	1b	326.44	—
Reserves & Surplus	2	<u>38344.02</u>	<u>20624.65</u>
Minority Interest		1323.94	21742.08
Loan Funds:			
Secured Loans	3	22687.59	9505.54
Unsecured Loans	4	<u>25787.78</u>	<u>16458.87</u>
Deferred Tax Liability	13	1049.40	1027.50
		<u>90636.60</u>	<u>48733.99</u>
APPLICATION OF FUNDS			
Fixed Assets:			
Gross Block	5	44512.39	25989.60
Less : Depreciation, Amortisation & Impairment		<u>10387.65</u>	<u>9147.51</u>
Net Block		34124.74	16842.09
Capital Work-in-Progress		<u>314.33</u>	<u>152.20</u>
		23947.99	16994.29
Investments			8300.46
Current Assets, Loans & Advances:			
Inventories	6	19562.11	8860.21
Sundry Debtors	7	5477.82	3336.82
Cash & Bank Balances	8	5886.85	6347.69
Other Current Assets	9	69.29	50.75
Loans & Advances	10	15279.58	14753.91
		<u>46275.65</u>	<u>33349.38</u>
Less: Current Liabilities & Provisions			
Liabilities	11	8140.73	6127.82
Provisions	12	5885.38	3782.32
		<u>14026.11</u>	<u>9910.14</u>
Net Current Assets:		32249.54	23439.24
		<u>90636.60</u>	<u>48733.99</u>

Statement of Accounting Policies 21

Notes 22

Schedules 1 to 13 and Schedules 21 & 22 referred to above form an integral part of the Balance Sheet.

As per our report annexed

For SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

PRADEEP KUMAR SINGHI

Partner

(Membership No. 50773)

1-B, Old Post Office Street

Kolkata, the 24th day of August, 2011

R.K. GANERIWALA

President & Secretary

For and on behalf of the Board of Directors

B.K. BIRLA

Chairman

S.S. KOTHARI

Director



CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(Rs. in lacs)

	(Schedule)	2010-2011	2009-2010
INCOME			
Sales, Warehousing etc. (excluding excise duty Rs. 540.01)	14	51066.75	40595.44
Other Sources	15	1513.99	1694.59
Closing Stock	16	16590.23	6478.52
TOTAL (A)		69170.97	48768.55
EXPENDITURE			
Opening Stock	17	8343.79	3881.07
Purchases		9246.68	10478.80
Raw Materials Consumed	18	15689.00	4134.95
Expenses	19	27675.48	22047.98
Interest (Net)	20	1501.05	570.22
Depreciation/Amortisation/Impairment		1307.63	785.37
Less : transferred from Revaluation Reserve		78.91	—
		1228.72	785.37
TOTAL (B)		63684.72	41898.39
Profit before Taxation (A–B)		5486.25	6870.16
Provision for Taxation			
Current Tax		976.24	900.00
MAT Credit Entitlement (net)		(52.91)	(354.11)
Deferred Tax		(350.12)	153.10
Tax adjustment for earlier years		0.72	(2.74)
		573.93	696.25
Profit after Taxation		4912.32	6173.91
Share of Minority Interest		(102.66)	—
Profit attributable to shareholders after Minority Interest		4809.66	6173.91
Transfer From:			
Balance brought forward from previous year		4492.48	2063.00
Transfer from Investment Reserve		1876.31	—
		6368.79	2063.00
Balance available for appropriation		11178.45	8236.91
Appropriation:			
Proposed Dividend on Equity Shares @ Rs. 3/- per share		652.25	652.25
Tax on Dividend (including surcharge on dividend tax)		105.81	108.34
Dividend waived by Beneficiary Trust		—	(13.81)
Dividend Tax on dividend waived by Beneficiary Trust		—	(2.35)
Reversal of dividend payable to Beneficiary Trust			
Transfer to General Reserve		3000.00	3000.00
Balance Carried to Balance Sheet		7420.39	4492.48
		11178.45	8236.91
Basic & Diluted earning per share (Rs.) (Refer note 'T' of schedule 22)		18.78	27.63

Statement of Accounting Policies 21

Notes 22

Schedules 14 to 22 referred to above form an integral part of the Profit & Loss Account.

As per our report annexed

For SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

PRADEEP KUMAR SINGHI

Partner

(Membership No. 50773)

1-B, Old Post Office Street

Kolkata, the 24th day of August, 2011

R.K. GANERIWALA

President & Secretary

For and on behalf of the Board of Directors

B.K. BIRLA

Chairman

S.S. KOTHARI

Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

(Rs. in lacs)

Particulars	For the year ended	
	31.03.2011	31.03.2010
A. Cash flow from operating activities :		
Net Profit before tax and extraordinary items	5486.25	6870.16
Adjustments for -		
Depreciation/Amortisation / Impairment	1228.82	785.37
Dividend income	(225.25)	(393.43)
Interest (net)	1501.05	570.22
Preliminary Expenses Written Off	1.41	-
(Profit) / loss on sale / discard of fixed assets (net)	116.91	(40.26)
Unclaimed balances written back	(64.79)	(12.19)
Provision for doubtful debts & advances /(write back)	(0.84)	0.83
Advances & claims written off (net)	1.36	17.88
(Profit) / loss on sale of Investment (net)	174.40	(442.80)
Exchange Difference on Translation of Foreign Currency	4.62	-
Exchange difference (net)	(193.27)	(54.68)
Operating profit before working capital changes	8030.67	7301.10
Adjustments for -		
Trade & other receivable	(4017.88)	1168.73
Inventories	(8509.16)	(3767.57)
Trade payable and provisions	449.27	(485.74)
Cash generated from / (used in) operations	(4047.10)	4216.52
Payment of Preliminary Expenses	(1.12)	-
Direct taxes (paid) / refund ^	(803.85)	(996.06)
Exchange difference realised (net)	50.64	(168.44)
Net cash from / (used in) operating activities	(4801.43)	3052.02
B. Cash flow from investing activities :		
Purchase of / advance for Fixed Assets	(5486.85)	1568.09
Sale of Fixed Assets	111.15	77.08
Receipt of capital subsidy	93.79	-
Investment in Subsidiaries and Joint Venture	(8992.24)	-
(Purchase) / sale of long term investments (net)	(20.32)	3115.57
(Purchase) / sale of current investments (net)	(612.88)	(1085.49)
Loans and Advances to companies (net)	(300.00)	(2300.00)
Loans and Advance to subsidiary companies (net)	3476.71	(5400.00)
Interest received	784.48	569.03
Dividend received	252.63	366.30
Net cash from / (used in) investing activities	(10693.53)	(6225.60)

Jay Shree Tea & Industries Limited



(Rs. in lacs)

Particulars	For the year ended	
	31.03.2011	31.03.2010
C. Cash flow from financing activities :		
Proceeds from long term borrowings	15307.25	3000.00
Repayments of long term borrowings	(993.97)	(1833.56)
Proceeds from short term borrowings (net)	2614.10	11507.57
Proceeds from bank borrowings for working capital (net)	(564.01)	(1913.47)
Proceeds from Minority	1224.66	-
Dividend including dividend tax paid	(695.59)	(343.27)
Interest paid	(2113.57)	(1187.67)
Net cash from / (used in) financing activities	14778.87	9229.60
Net increase / (decrease) in cash and cash equivalent (A+B+C)	(716.09)	6056.02
Cash and cash equivalents as at 01.04.2010 #	6523.32	227.16
Cash and cash equivalents as at 31.03.2011 \$	5807.23	6283.18
	(716.09)	6056.02

^ Although investing activities attract tax on income arising out of these activities, for the purpose of the Cash Flow entire tax refund and tax payment has been considered as part of operating activities only.

Cash and cash equivalent as at 01.04.2010 includes Rs. 54.47 on account of addition due to Scheme of Amalgamation and Arrangement from the appointed dates and Rs. 185.67 on account of acquisition of subsidiary.

\$ Cash and cash equivalent consist of :-

	As at 31.03.2011	As at 31.03.2010
Cash, cheques, drafts in hand etc.	421.80	60.11
Balance and Fixed deposits with Banks	5465.05	6287.58
Total	5886.85	6347.69
Less: Balance in unpaid dividend account *	(45.00)	(33.93)
Less: Fixed deposit (in lien) account *	(34.62)	(30.58)
Cash and Cash equivalent as on 31.03.2011	5807.23	6283.18

The aforesaid statement is prepared on indirect method.

* Not available for use for any other purposes.

The figures of the previous year have been reclassified to conform to current year classification.

As per our report annexed

For SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

PRADEEP KUMAR SINGHI

Partner

(Membership No. 50773)

1-B, Old Post Office Street

Kolkata, the 24th day of August, 2011

For and on behalf of the Board of Directors

B.K. BIRLA

Chairman

S.S. KOTHARI

Director

R.K. GANERIWALA

President & Secretary

SCHEDULES TO CONSOLIDATED BALANCE SHEET

(Rs. in lacs)

	As at 31.03.2011	As at 31.03.2010
1a Share Capital*		
Authorised		
5,80,00,000 Shares of Rs. 5/- each (Previous year 2,60,00,000 Shares of Rs.10/- each) (Refer note no 'N' in schedule 22)	<u>2900.00</u>	<u>2600.00</u>
Issued:		
2,23,48,976 Equity Shares of Rs.5/- each (Previous year 1,19,86,988 Shares of Rs.10/- each)	<u>1118.70</u>	<u>1118.70</u>
Subscribed and Paid up:		
2,23,48,678 Equity Shares of Rs.5/- each (Previous year 1,11,74,339 Shares of Rs.10/- each)	<u>1117.43</u>	<u>1117.43</u>

Note:

- (i) 1,17,95,458 Equity Shares of Rs.10/- each (Prior to Buy Back of 16,32,034 Equity shares of Rs.10/- each) have been allotted as Bonus Shares by capitalisation of General Reserve Rs.1106.16, Capital Redemption Reserve Rs.57.61 and Capital Reserve Rs.15.78.
- (ii) 4,95,000 Equity shares of Rs.10/-each fully paid up have been issued pursuant to scheme of amalgamation and arrangement for consideration other than cash.
- *(vide Shareholders approval in the A.G.M held on 25.06.2010 one share of Rs.10/- each fully paid up has been split into two shares of Rs.5/- each fully paid up)

1b Share Suspense

65,28,810 Equity shares of Rs. 5/- each, fully paid up, to be issued pursuant to scheme of Amalgamation and arrangement for for consideration other than cash (Refer Note 'N' in schedule 22)

326.44	-
<u>326.44</u>	<u>-</u>

2. Reserves & Surplus

	Balance as on 31.03.2010	Additions	Deductions/ Adjustments	Balance as on 31.03.2011
Capital Reserve (Not available for Dividend)	1422.12	9443.16 *	-	10865.28
Capital Redemption Reserve	165.21	-	-	165.21
Capital Reserve arising on accounting of investment in associate	78.11	-	-	78.11
Investment Reserve	-	3771.53	1876.31	1895.22
Revaluation Reserve	-	339.97	78.91	261.06
Foreign Currency Translation Reserve	0.01	10.63	25.28	(14.64)
Storage Fund for molasses	-	188.10 **	-	188.10
Other Reserve	-	18.57	-	18.57
General Reserve	14466.72	3000.00	-	17466.72
Profit & Loss Account - Balance	4492.48	7420.39	4492.48	7420.39
	<u>20624.65</u>	<u>24192.35</u>	<u>6472.98</u>	<u>38344.02</u>

* Represents addition on amalgamation refer note 'N' in schedule 22)

** Added on amalgamation as statutory in nature.



SCHEDULES TO CONSOLIDATED BALANCE SHEET (Cont'd...)

(Rs. in lacs)

	As at 31.03.2011	As at 31.03.2010
3. Secured Loans		
I. Long Term Loan from a Bank		
a) In India rupees		
(Repayable within one year Rs.2083.33)	8666.67	5500.00
b) In Foreign Currency		
i) External Commercial Borrowings (US\$ 15 million)	6690.75	—
ii) Other Term loan (US\$ 8 million)	3572.00	—
II. a) Short Term loans from Banks*	1250.00	1250.00
b) Short Term loans from a Bank*	1000.00	1000.00
III. From Banks for Working Capital	1213.67	1755.54
IV. Excise Duty loan from a Bank	294.50	—
	22687.59	9505.54

* Repayable within one year

Security:

I(a), I(b)(i) & II(a) Loans from banks are secured/to be secured by equitable mortgage by deposit of title deeds of tea estates alongwith all immovable properties thereon ranking pari passu, interse.

I (b) (ii) Secured by corporate guarantee.

II (b) To be secured by sub servient charge on current assets of the Company.

III. Working Capital Loan from banks are secured by current assets namely stock of raw materials, work in progress, semi-finished and finished goods, stores & spares not related to plant & machinery, bills and book debts and other movables both present and future, of the Company and deposit of title deeds of certain tea estates as collateral security.

IV. Excise duty loan is secured by residual charge on fixed assets of Jay Shree Sugar Division.

Notes:

Jay Shree Sugar Division has a sanctioned working capital loan against :

- (i) Hypothecation of Stocks of Sugar, Stock in process, Stores and Spares at Majhulia.
 - (ii) Second Charge on immovable properties situated at Majhulia, as collateral security.
- There is no outstanding at the year end.

4. Unsecured Loans

Deposits (Repayable within one year Rs. 117.85)	156.65	119.64
Short term loan from a Bank*	24700.00	16300.00
Loan from Joint Venture Partner	881.84	—
From Government of Assam under Plantation Labour Housing Schemes		
(including interest Accrued and due Rs.1.66)		
(Repayable within one year Rs. 1.75)	1.75	1.75
From Government of West Bengal under Plantation Labour Housing Scheme in three Estates		
(Repayable within one year Rs. 1.22)	1.29	1.30
Security Deposits (Repayable within one year Rs.NIL)	46.25	36.18
	25787.78	16458.87

* Repayable within one year

SCHEDULES TO CONSOLIDATED BALANCE SHEET (Cont'd...)

5. Fixed Assets

(Rs. in lacs)

Particulars	GROSS BLOCK				DEPRECIATION/ AMORTISATION / IMPAIRMENT				NET BLOCK		
	Value as on 31.03.2010	Additions/ Adjustments	Additions on amalgamation	Sales/ adjustments	Total Value as at 31.03.2011	Upto 31.03.2010	For the year	Sales/ adjustment	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
Goodwill	218.72	858.58	-	-	1077.30	0.00	0.00	-	0.00	1077.30	218.72
Land	1193.88 (1)	65.51	6997.23	-	8256.62	0.00	0.00	-	0.00	8256.62	1193.88
Leasehold Land & Plantations	4986.53	1503.80 (2)	-	-	6490.33	2.32	5.81	-	8.13	6482.20	4984.21
Leasehold Land - Others	-	122.54	-	-	122.54	-	2.72	-	2.72	119.82	-
Buildings and Flats (including those on Leasehold and rented land), Electric Installation, Water Line, Tube-Well, Fencing, Road, Bridges etc.	7287.16	1327.61	365.99	10.60	8970.16	2364.46	160.91	1.44	2523.93	6446.23	4922.70
Estate Development upto 31.12.1926	1.33	-	-	-	1.33	0.33	-	-	0.33	1.00	1.00
Risheehat Tea Estate											
Plant & Machinery, X-Ray Units, Electric Installation, Air Conditioning Units, Refrigerators, Road Rollers, Gas Pipe Lines, Ropeway etc.	10166.60	3032.46 (3)	4151.77	276.34	17074.49	5462.03	974.31	65.81	6370.53	10703.96	4704.57
Motor Cars, Lorries, Trailors, Tractors, Trolleys, Cycles, Vans, Loaders etc.	1636.71	324.27 (3)	58.91	96.70	1923.19	1045.98	219.66	88.69	1176.95	746.24	590.73
Furniture & Fixtures, Office Equipments, Telephones, Tools & Implements etc.	498.67	90.47	7.85	0.75	596.24	272.39	33.03	0.36	305.06	291.18	226.28
Livestock	-	-	0.19	-	0.19	-	-	-	-	0.19	-
Total	25989.60	7325.24	11581.94	384.39	44512.39	9147.51	1396.44	156.30	10387.65	34124.74	16842.09
Capital Work-in-Progress										314.33	152.20
										34439.07	16994.29
Corresponding figures for previous year	24561.12	1680.73	-	252.25	25989.60	8577.57	785.37	215.43	9147.51	16842.09	
Capital Work-in-Progress										152.20	
										16994.29	

Depreciation during the year includes Rs.80.81 on account of consolidation of foreign subsidiary and adjusted with revaluation reserve account and Rs.8.00 on account of foreign currency translation reserve .



SCHEDULES TO CONSOLIDATED BALANCE SHEET (Cont'd...)

5. Fixed Assets (Cont'd...)

NOTES TO FIXED ASSETS :

(Rs. in lacs)

- 1) a) Land of Tribeni, West Bengal - Appeal for the final determination of compensation was decided in favour of the Company by the District Court of Hooghly and final compensation determined at Rs.8.33 (including interest Rs.0.50) against which a sum of Rs. 2.05 was received in a previous year and credited to Fixed Assets. Rs.6.28 including Rs.1.50 released during the year 967 against hypothecation of Khardah Land by the District Court has been shown in Current Liabilities. The Hon'ble High Court at Calcutta has decided the appeal against the Company in a previous year by reducing the amount of compensation for which an appeal before the Hon'ble Supreme Court of India was filed. Hon'ble Supreme Court has upheld the decision of the Hon'ble High Court and accordingly the adjustments will be carried out when the amount to be refunded is ascertained.
- b) Land at Guwahati measuring 2 hectares and related building including furniture & fixture and related equipment has been given on registered lease to a Society for operating a School.
- 2) Includes estimated cost of New Extension of area under tea Rs.1.69 (previous year 9.33) capitalised during the year as certified.
- 3) Excluding Rs.93.79 (previous year 15.45) on account of subsidy received from Tea Board under Tea Quality Upgradation & Product Diversification Scheme and Rs. NIL (previous year Rs.3.10) on account of transport subsidy received against vehicles from Tea Board.
- 4) Land, Buildings and Plant & Machinery include Rs.1.18, Rs.6.43 and Rs.0.81 respectively (previous year Rs.1.18, Rs.6.43 and Rs. 0.81 respectively) being 5.18% share of cost of Land, Buildings and Plant & Machinery held on co-ownership by the Company with other parties.
- 5) Land & Plantation include Rs.29.28 (previous year Rs.29.28) and Building include Rs.1.55 (previous year Rs.1.55) (being cost of floor of a leasehold building) in the name of the nominees of the Company on co-ownership basis, pending execution of conveyance deed.
- 6) Land & Plantation includes 2.431 Hectare of land at tea estates for which possession handed over for construction of schools and 6 hectares for which execution of conveyance deed in favour of the company is pending.
- 7) Agricultural Land of Sugar unit is under Land Ceiling dispute since 1973-74 and the matter is subjudice.
- 8) The entire land owned by the Sugar division is KAST KAMI Land for which, usual rent is being paid to the Bihar Government.
- 9) Depreciation during the year includes Rs. 0.10 towards assets of farm.
- 10) Borrowing cost capitalised in accordance with Accounting Standard (AS) -16 is Rs. NIL (previous year Rs. NIL)

SCHEDULES TO CONSOLIDATED BALANCE SHEET (Cont'd...)

(Rs. in lacs)

	As at 31.03.2011	As at 31.03.2010
6. Inventories (Including in-Transit)		
At lower of Cost or Net realisable Value		
Stores & Spares Parts	1773.91	1129.99
Finished Products and Other Goods	16525.16	6453.94
Work-in-Progress	38.57	23.11
Raw Materials (including Rs. 0.20 of Farm Products)	1220.77	1253.17
Stock in Transit- Imported goods	3.70	–
	<u>19562.11</u>	<u>8860.21</u>
7. Sundry Debtors		
Unsecured:		
More than six months – Considered Good (Including Govt. rebate on Fertilisers Rs. 314.84)	554.94	188.69
Considered Doubtful	36.37	37.21
Other Debts – Considered Good (Including Govt. rebate on Fertilisers Rs. 1136.07)	4917.85	3134.09
	<u>5509.16</u>	<u>3359.99</u>
Less : Reserve for Doubtful	36.37	37.21
	<u>5472.79</u>	<u>3322.78</u>
Warehousing Income accrued and considered good	5.03	14.04
	<u>5477.82</u>	<u>3336.82</u>
8. Cash & Bank Balances		
Cash in Hand	46.39	18.06
Cheques, Drafts & Stamps in hand	375.41	42.05
Balance with Scheduled Banks:		
In Current Account	860.74	190.44
In Cash Credit Account	293.53	17.95
In Unpaid Dividend Account	45.00	33.93
In Fixed / Term Deposit Account – (in lien Rs. 34.62) (including interest accrued but not due Rs. 23.52)	4265.78	6045.26
	<u>5886.85</u>	<u>6347.69</u>
9. Other Current Assets		
Interest Accrued on Investments	69.29	50.75
	<u>69.29</u>	<u>50.75</u>



SCHEDULES TO CONSOLIDATED BALANCE SHEET (Cont'd...)

(Rs. in lacs)

	As at 31.03.2011	As at 31.03.2010
10.Loans & Advances		
(Unsecured and considered good unless otherwise stated)		
Loans & Deposits (Refer note 'J' in Schedule 22)	4450.00	3450.00
Interest Accrued on Loan & Deposits (Refer note 'J' in Schedule 22)	249.13	29.49
Dividend Receivable	–	27.38
Tea Group Investment Company Limited (a 50% Joint Venture of the Company)	887.88	–
Advance to M.P. Chini Industries Limited	–	5400.00
Advances (recoverable in cash or in kind and for value to be received)		
Considered Good	2104.99	2828.95
Considered Doubtful	3.89	3.89
	2108.88	2832.84
Less: Reserve	3.89	3.89
	2104.99	2828.95
Prepaid Expenses	151.75	73.21
Insurance, Excise & Other Claims		
Considered Good	276.73	39.97
Considered Doubtful	2.83	2.83
	279.56	42.80
Less:Reserve	2.83	2.83
	276.73	39.97
Subsidies & Incentives Receiveable	1142.97	877.92
Deposit with NABARD under Tea Development Scheme	2260.04	0.04
Balances in Account with Port Trust, Customs, Excise etc.	26.99	12.34
Security & Other Deposits and Rent Advances	371.70	416.75
Advance Income Tax	2950.39	1243.75
MAT Credit Entitlement (Refer note 'K(iii)' in Schedule 22)	407.01	354.11
	15279.58	14753.91

SCHEDULES TO CONSOLIDATED BALANCE SHEET (Cont'd...)

(Rs. in lacs)

	As at 31.03.2011	As at 31.03.2010
11. Liabilities		
Sundry Creditors :		
Micro and Small Enterprises	1.32	0.56
Others	7336.59	5763.48
Advances from Agents & Customers	374.29	203.88
Investors Education & Protection Fund (not due)(int. accrued Rs.NIL)		
(Unpaid and unclaimed dividend)	45.00	33.93
Book Overdraft with Schedule Bank	0.18	–
Interest accrued but not due on Loans	383.35	125.97
	<u>8140.73</u>	<u>6127.82</u>
12. Provisions		
Proposed Dividend	652.25	652.25
Provision for Tax on Dividend (Refer note 'K(ii)' in Schedule 22)	257.95	195.47
Provision for Tax	2857.16	1001.93
Others (Refer note 'P' in Schedule 22)	157.66	119.68
For Salaries, Wages, Bonus etc.	1025.61	902.82
Provision for Gratuity	537.28	596.47
Provision for Leave	397.47	313.70
	<u>5885.38</u>	<u>3782.32</u>
13. Deferred Tax Liability		
Liabilities:		
Accumulated Depreciation	1759.45	1394.10
Less: Assets		
Provision for doubtful debts	13.33	12.75
Accrued expenses deductible on payment basis/Employee Benefits	499.03	353.85
Carry over Capital losses	197.69	–
	<u>1049.40</u>	<u>1027.50</u>
14. Sales, Warehousing etc.		
Finished Products & Other Goods (net of Discount)	47111.98	39230.21
Less: Excise Duty	540.01	132.96
	<u>46571.97</u>	<u>39097.25</u>
Government Rebate on Fertilizers	4130.29	1229.31
Warehousing Charges	322.36	246.16
Claims	42.13	22.72
	<u>51066.75</u>	<u>40595.44</u>



SCHEDULES TO CONSOLIDATED PROFIT & LOSS ACCOUNT

(Rs. in lacs)

	For the Year ended 31st March 2011	For the Year ended 31st March 2010
15. Other Sources:		
Dividend :		
Long Term Investments-Other than Trade	277.68	374.97
Current Investments-Other than Trade	7.52	18.46
Rent (Gross) (Tax Deducted at Source Rs.20.89)	225.26	231.41
Miscellaneous Income & Receipts	237.33	143.79
Export Incentives (DEPB)	289.55	165.12
Tea Board Subsidies	117.86	78.65
Other Export Incentives	221.66	127.82
Unclaimed Balances Written Back	64.79	12.19
Exchange Difference (Net)	193.27	54.68
Profit on sale of Investments (Net) - Other than trade - Long Term Investments	1044.15	327.30
- Current Investments	(1218.55)	115.50
	(174.40)	442.80
Excess provisions, receipts & adjustments pertaining to previous years	39.76	45.20
Less: Short provisions, sundry payments & adjustments relating to previous years	14.77	9.98
Add: Excess/(short) provision of bonus for previous years (Net)	—	9.48
	24.99	44.70
Income from Farm Products :		
Sales of Agricultural Product	85.69	—
Closing Stock	0.20	—
Lease Rent	1.82	—
	87.71	—
Less : Opening Stock	0.13	—
Agricultural Farming Expenses (towards cultivation & other expenses)	58.95	—
Other Repairs	0.01	—
Rent, Rates & Taxes	0.04	—
Depreciation	0.10	—
	59.23	—
	28.48	—
	1513.99	1694.59
16. Closing Stock		
Finished Products & Other Goods	16525.16	
Add : Impact of Foreign Currency Translation Reserve	26.50	6455.41
	16551.66	
Work-in-Progress	38.57	23.11
	16590.23	6478.52
17. Opening Stock		
Finished Products & Other Goods	6455.41	
Added on Amalgamation/Acquisition (Refer note no. 'N' in Schedule 22)	1861.16	3874.57
Work-in-Progress	23.11	
Added on Amalgamation (Refer note no. 'N' in Schedule 22)	4.11	6.50
	8343.79	3881.07

SCHEDULES TO CONSOLIDATED PROFIT & LOSS ACCOUNT (Cont'd...) (Rs. in lacs)

	For the Year ended 31st March 2011	For the Year ended 31st March 2010
18. Raw Materials Consumed :		
Opening Stock	1253.17	134.05
Purchases	<u>15772.72</u>	<u>5697.95</u>
	17025.89	5832.00
Less:		
Closing Stock	<u>1220.57</u>	<u>1253.17</u>
Sales	<u>112.73</u>	<u>443.88</u>
Claims	<u>3.59</u>	<u>—</u>
	1336.89	1697.05
	<u>15689.00</u>	<u>4134.95</u>
19. Expenses:		
Manufacturing Expenses		
Stores, Spare-parts & Tools Consumed (including packing materials Rs. 1247.26)	3499.20	2596.99
Power & Fuel	3417.41	2709.97
Excise Duty on increase/decrease on finished products		
Repairs, Renovations & Replacements:	326.69	18.14
Machinery	<u>693.45</u>	<u>399.64</u>
Buildings	<u>487.60</u>	<u>421.98</u>
Other Assets	<u>333.96</u>	<u>281.71</u>
	1515.01	1103.33
	<u>8758.31</u>	<u>6428.43</u>
Payments to and Provisions for Employees		
Salaries, Wages, Bonus etc.	11044.70	9552.09
Contribution to Provident fund and Other funds	1159.55	972.39
Workers & Staff Welfare Expenses	435.24	398.99
	<u>12639.49</u>	<u>10923.47</u>
Others:		
Rent	185.14	121.42
Rates & Taxes	74.83	160.03
Assam (Specified Lands) Tax	217.01	177.42
Insurance (excluding on sales)	98.35	80.92
Miscellaneous Expenses	2013.09	1239.68
Managing Director's Remuneration (Refer Note 'U' in schedule 22)	63.01	33.39
Director's Remuneration	2.00	2.00
Director's Commission	28.00	28.00
Director's Fees & Travelling Expenses (including Fees Rs. 6.30)	17.27	16.93



SCHEDULES TO CONSOLIDATED PROFIT & LOSS ACCOUNT (Cont'd...) (Rs. in lacs)

	For the Year ended 31st March 2011	For the Year ended 31st March 2010
19. Expenses (Cont'd...)		
Auditors' Remuneration:		
Audit Fee (Incl. Branch Auditor's Fee Rs.4.72)	36.16	24.84
Tax Audit Fee (Incl. Branch Auditor's Fee Rs.0.06)	6.48	5.58
For Certificates (Incl. for Branch Auditor's Rs.1.27)	11.94	12.83
Travelling, Stay Expenses (Incl. for Branch Auditor's Rs.1.10)	4.67	5.52
Bad Debts & Irrecoverable Loans, Advances & Claims written off	1.36	19.98
Less : Reserve	-	2.10
	1.36	17.88
Reserve for Doubtful Debts & Advances further created	0.16	2.83
Less : Written Back	1.00	2.00
	(0.84)	0.83
Loss on sale of Fixed Assets	116.91	(40.26)
Loss on Sale/Write off of unusable stores (Net)	25.14	22.32
Preliminary Expenses written off	1.41	-
Donation & Charity	-	5.01
	2901.93	1914.34
Selling & Distribution Expenses :		
Freight & Cartage	1422.99	1090.06
Others (including Packing Material Rs. 0.85)	628.81	464.74
Warehousing Charges	130.54	95.82
Insurance	85.68	62.06
Commission, Brokerage, Discount & Incentive Bonus :		
Other Selling Agent (including Depot Maintainance)	177.94	195.05
Others	356.61	333.32
Sales Tax / VAT	572.60	539.79
Import & export licence charges	0.58	-
	3375.75	2781.74
	27675.48	22047.98
20. Interest:		
On Debentures	47.43	-
On Fixed Loans & Deposit	649.31	344.81
To Banks & Others	1674.20	845.19
	2370.94	1190.00
Less : Income on Loans, Deposits & Others	869.89	619.78
(including interest subsidy for earlier year Rs. Nil)		
(including long term investment income Rs. 219.52)		
(Tax Deducted at Source Rs. 69.02)		
	869.89	619.78
	1501.05	570.22

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

21. Statement of Accounting Policies

1) Principles of consolidation

The Consolidated Financial Statements (CFS) relate to Jay Shree Tea & Industries Limited (the Company), its Subsidiaries and its interest in Joint Venture (the Group). The CFS has been prepared in accordance with Accounting Standard 21 on "Consolidated Financial Statements" (AS 21) and Accounting Standard 27 on "Financial reporting of interests in Joint Ventures" (AS 27) and is prepared on the following basis.

- (a) The financial statements of the Company and its subsidiaries are combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income & expenses after losses in period end assets, such as inventories, fixed assets etc. The difference between the Company's cost of investments in the Subsidiaries, over portion of equity at the time of acquisition of shares is recognised in the consolidated financial statement as Goodwill or Capital Reserve as case may be. Minority Interest's share in net profit/loss of consolidated subsidiaries for the year is adjusted against the income of the Group in order to arrive at the net income attributable to equity shareholders of the Company. Minority Interest's share in net asset of consolidated subsidiaries is presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders. Minority Interest in the consolidated financial statements is identified and recognised after taking into consideration:
 - (i) The amount of equity attributable to minorities at the date on which investments in a subsidiary is made.
 - (ii) The minorities' share of movement in equity since the date parent-subsidiary relationship came into existence.
 - (iii) The losses attributable to the minorities are adjusted against the minority interest in the equity of the subsidiary.
 - (iv) The excess of loss over the minority interest in the equity is adjusted against General Reserve of the Company.
- (b) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are translated at the average rates prevailing during the period. Assets, liabilities and equity are translated at the closing rate. Any exchange difference arising on translation is recognized in the "Foreign Currency Translation Reserve".
- (c) Interests in jointly controlled entities, where the company is a direct venturer, are accounted for using proportionate consolidation in accordance with AS 27. The difference between costs of the Company's interests in jointly controlled entities over its share of net assets in the jointly controlled entities, at the date on which interest is acquired, is recognized in the CFS as Goodwill or Capital Reserve as the case may be.
- (d) The CFS are prepared by using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any and to the extent possible, are made in the CFS and are presented in the same manner as the Company's separate financial statements except otherwise stated elsewhere in this schedule.

2) Convention

The financial statements have been prepared in accordance with applicable Accounting Standards in India and in accordance with the relevant provisions of the Companies Act, 1956. A summary of important accounting policies which have been applied consistently is set out below.

3) Basis of Accounting

The financial statements have been prepared in accordance with historical cost convention. All income & expenses, unless specifically stated otherwise, has been accounted for on accrual basis.

4) Sales

Sales are inclusive of sales tax/VAT and net of trade discount.



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Cont'd...)

21. Statement of Accounting Policies (Cont'd...)

5) Government Grants

- i. Government Grants related to specific assets are adjusted with value of fixed assets.
- ii. Government Grants in the nature of Promoters' Contribution towards fixed assets are credited to capital reserve.
- iii. Government Grant related to revenue items are adjusted with the related expenditure/taken in income.

6) Fixed Assets & Depreciation/Amortization

- i. Fixed assets are stated at cost less accumulated depreciation and accumulated impairment loss, if any.
- ii. Depreciation on all assets, other than vehicles, is provided on the "Straight Line Method", and on vehicles on the "Written Down Value Method" in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956.
- iii. Depreciation on residential building and ITI house of Sungma Tea Estate as on 01.04.1997 has been charged @ 4.75% & 19% respectively as per the residual useful life determined by the valuer.
- iv. Items of machinery spares to be used in connection with an item of fixed assets are amortised over the useful life of the asset.
- v. Leasehold Land (Others) is amortized over the period of lease.

7) Impairment of Assets

Impairment of Assets are assessed at each Balance Sheet date for each cash generating unit and if any indicators of impairment exists, the same is assessed and provided for in accordance with the Accounting Standard 28. A previously recognized impairment loss is periodically assessed.

8) Leases

For assets acquired under operating lease, rental payable are charged to Profit & Loss Account. Assets acquired under finance lease are capitalized at lower of the fair value and the present value of minimum lease payment. Lease income from operating leases is recognized in the Profit & Loss account over the period of lease.

9) Investments

Long Term Investments are stated at cost. Provision for diminution of investment is made to recognize a decline, other than temporary, in the value of the investments. Current Investments are stated at cost or fair value whichever is lower.

10) Inventories

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

11) Employment Benefits

- i) Short term Employees Benefits:
The undiscounted amount of short term employee benefit expected to be paid in exchange for the services rendered by employee is recognised during the period when the employee render the service. This benefit includes salary, wages, short term compensatory absences and bonus.
- ii) Long Term Employee Benefits:
 - a) Defined contribution Scheme: This benefit includes contribution to Superannuation Scheme, ESIC (Employees' State Insurance Corporation) and Provident Fund Schemes. The contribution is recognised during the period in which the employee renders service.

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Cont'd...)

21. Statement of Accounting Policies (Cont'd...)

- b) 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 retirement benefit obligation recognised in the Balance Sheet represents value of defined benefit obligation as reduced by the fair value of planned assets. Actuarial gains and losses are recognised in full during the period in which they occur.
- c) Other Long Term Benefits: Long term Compensated absence is provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method as at the date of Balance Sheet.

12) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost until the asset is ready for its intended use. A qualifying asset is an asset that necessarily require a substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

13) Foreign Currency Transactions

Transactions in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the exchange rate prevailing on the Balance Sheet date. Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of the transactions. Exchange differences arising on settlement of transactions and/or restatements are dealt with in the Profit & Loss Account.

14) Derivative Transactions

The Company uses derivative financial instruments such as forward exchange contracts; currency swap etc. to hedge its risks associated with foreign currency fluctuations relating to the underlying transactions, highly probable forecast transactions and firm commitments. In respect of Forwards Exchange Contracts with underlying transactions, the premium or discount arising at the inception of such contract is amortised as expense or income over the life of contract.

Other Derivative contracts outstanding at the Balance Sheet date are marked to market and resulting loss, if any, is provided for in the financial statement. Any profit or losses arising on cancellation of derivative instruments are recognized as income or expense for the period.

15) Taxes on Income

Current tax is determined on the basis of the amount of tax payable for the year under Income Tax Act, and Agriculture Income Tax of the respective states. Deferred tax is calculated at the applicable tax rate and is recognised on timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets subject to consideration of prudence, are recognised and carried forward only to the extent that 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 recognised when there is virtual certainty of its realisability against future tax liability.

16) Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognised in respect of present obligations arising out of past events where there are reliable estimates of the probable outflow of resources. Contingent liabilities are the possible obligation of the past events, the existence of which will be confirmed only by the occurrence or non-occurrence of a future event. These are not provided for but are disclosed by way of Notes on Accounts. Contingent Assets are not provided for or disclosed.



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Cont'd...)

22. Notes on Accounts

(Rs. in lacs)

	As at 31.03.2011	As at 31.03.2010
A) Contingent Liabilities not provided for in respect of :-		
i) Outstanding Bills Discounted with Banks	-	349.05
ii) Outstanding Letter of Credit	9.53	5.50
iii) Demand from Sales Tax authority:		
a) Certain disallowances in the Sales Tax were confirmed against the company and an appeal before the Appellate and Revisional Board has been filed and the management is of the opinion that it will obtain full relief	243.64	204.93
b) Sales Tax appeal pending before Appellate Commissioner	47.85	444.28
iv) Income Tax demand under appeal	107.82	34.33
v) Demand from a lessor for interest on differential rent	70.14	70.14
vi) Refund of excise duty under appeal by the Department	-	16.10
vii) Demand of Provident Fund Damages by the Provident Fund Authorities, West Bengal	24.39	24.39
viii) Electricity duty demanded by Govt. of Bihar, Govt. appealed in Supreme Court	103.10	-
ix) Demand from custom authorities for non fulfilment of export obligation in respect of an erstwhile unit	105.00	105.00
B) i) Capital Commitments outstanding (net of advances Rs.100.55); (previous year Rs. 35.54)	242.58	58.25
ii) Bank Guarantees Outstanding (Pledge of Fixed Deposit of Rs. 34.62); (previous year Rs. 30.58)	724.60	224.29
C) The list of subsidiaries and joint ventures which are included in the CFS of the Group and the Group's effective ownership interest therein are as under :		

Name of the Company	Relationship	Country of Incorporation	Group's proportion of Ownership Interest (%)	
			2010-11	2009-10
North Tukvar Tea Company Limited	Subsidiary	India	90.50	90.50
Parvati Tea Company Private Limited	Subsidiary	India	100.00	-
Birla Holdings Limited	Subsidiary	United Arab Emirates	100.00	100.00
Tea Group Investment Company Limited	Joint Venture	United Arab Emirates	50.00	-

- D) For the purpose of consolidation, the consolidated financial statements of Birla Holdings Ltd reflecting consolidation for following entities as at 31st March, 2011 which have been prepared in accordance with International Financial Reporting Standards have been restated, where considered material, to comply with Generally Accepted Accounting Principles in India and other recognized accounting practices and policies followed by the Company except as disclosed in Note No. F (i)

Name of the Company	Relationship	Country of Incorporation	Group's proportion of Ownership Interest (%)	
			2010-11	2009-10
Kijujra Tea Company Limited	Subsidiary	Uganda	100.00	-
Bondo Tea Estate Limited	Subsidiary	Uganda	100.00	-

- E) For the purpose of proportionate consolidation, the consolidated financial statements of Tea Group Investment Co Ltd (Joint Venture) reflecting consolidation for following entities as at 31st March, 2011 have been prepared in accordance with International Financial Reporting Standards and have been restated, where considered material, to comply with Generally Accepted Accounting Principles in India and other recognized accounting practices and policies followed by the Company.

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Cont'd...)

22. Notes on Accounts (Cont'd...)

(Rs. in lacs)

Name of the Company	Relationship	Country of Incorporation	Group's proportion of Ownership Interest (%)	
			2010-11	2009-10
Mata Tea Company Limited	Subsidiary	Rwanda	60%	–
Gisakura Tea Company Limited	Subsidiary	Rwanda	60%	–

- F) (i) Accounting Policy in respect of "Depreciation followed by the Company's subsidiary North Tukvar Tea Company Limited and fellow subsidiary namely Kijujra Tea Estates Limited and Bondo Tea Estates Limited are on written down value method which is different from the accounting policies followed by the Company, i.e. straight line method. In view of different sets of environment in which foreign subsidiaries operate in their respective countries, provision for depreciation is made to comply with local laws and by use of management estimate. It is practically not possible to align rates and method of charging of depreciation of such subsidiaries with those of the Company. The gross value of fixed assets in schedule V includes Rs. 753.53 (Previous year Rs. 158.70) on which depreciation has been charged on written down value method.
- (ii) M/s Parvati Tea Company Private Limited has become the 100% subsidiary of the Company during the year. The CFS of the Company for the year ended 31st March, 2011 includes Rs. 59.95 in Net Sales and Operating Revenue, Rs. 289.54 of Loss in Net Profit and Rs. 6305.49 in Net Assets being the effect of such acquisition.
- G) M/s Kijujra Tea Co Ltd and Bondo Tea Estates Ltd has become the 100% subsidiary of M/s Birla Holdings Ltd, which is 100% subsidiary of the Company, from 1st May, 2010. The CFS of the Company for the year ended 31st March 11 includes Rs. 1137.33 in Net Sales and Operating Revenue, Rs. 276.92 of profit in Net Profit and Rs. 4533.78 in Net Assets being the effect of such acquisition.
- H) M/s Gisakura Tea Co Ltd and Mata Tea Company Ltd has become 60% subsidiary of M/s Tea Group Investment Company Limited (TGICL), from 14th June 2010, which is 50% -50% Joint Venture with Rwanda Mountain Tea SARL, Rwanda. The CFS of the Company for the year ended 31st March 11 include proportionate share of Rs. 1312.23 in Net Sales and Operating Revenue, Rs. 195.49 of profit in Net Profit and Rs. 3416.19 in Net Assets being the effect of such acquisition.
- I) The Company's proportionate share in the assets, liabilities, income and expenditure of its joint venture companies included in these CFS are given below:

BALANCE SHEET:

As at 31st March, 2011

Assets:	
Fixed Assets:	
Gross Block	3072.99
Less : Depreciation / Impairment	58.51
Net Block	3014.48
Capital Work-in-Progress	-
Inventories	211.07
Sundry Debtors	40.04
Cash and Bank Balances	295.99
Loans and Advances	172.10
Liabilities:	
Share Capital	0.62
Reserves and Surplus	327.95
Minority Interest	1323.94
Unsecured Loans	1763.68
Current Liabilities	317.49



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Cont'd...)

22. Notes on Accounts (Cont'd...)

(Rs. in lacs)

As at
31st March, 2011

PROFIT AND LOSS ACCOUNT:

Income:

Sales	1312.23
Other Income	25.98
Closing Stock	160.39

Expenditure:

Purchases	265.67
Raw Materials Consumed	210.28
Expenses	470.53
Preliminary Expenses Written Off	1.12
Interest (Net)	156.40
Depreciation / Impairment	60.51

Profit/ (Loss) before Tax	334.09
Provision for Current Tax	35.94
Profit Before Minority Interests	298.15
Minority Interests	102.66
Net Profit/ (Loss)	195.49
Balance brought forward from Previous year	—
Balance Carried to Balance Sheet	195.49

- J) Interest income of Rs. 36.25 for the year (till date Rs.145.00) on an Inter Corporate Deposit of Rs.250.00 (previous year Rs.250.00) has not been recognised in view of non recovery of earlier interest. The Company is confident of recovering the principal and interest of Rs.27.21 recognised in earlier years.
- K) i) Fringe Benefit Tax has been abolished from accounting year 2009-10. However in view of the interim stay granted by the Hon'ble High Court at Calcutta, no liability has been provided for earlier years.
- ii) In view of the favourable order from the Hon'ble Supreme Court in respect of dividend tax, the Company is depositing dividend tax to the extent of 40% of the applicable rates. However identical matters in respect of other companies are pending before the Hon'ble Supreme Court the Company is continuing to provide dividend tax at applicable rates.
- iii) During the year the Company has further assessed the recoverability of Minimum Alternate Tax (MAT) for set off with future normal taxes and a sum of Rs. 241.81 for earlier year have been reversed. Based on projections made by the management and current trend of working of the Company the management is virtually certain of recovering the MAT credit entitlements and a sum of Rs. 407.01 as on 31.03.2011 has been carried forward as MAT credit available for set off in future years.
- iv) Deferred Tax Assets has been recognised as capital loss incurred during the year based on the profit available in future as ascertained by the management.
- v) No provision for dividend and corresponding dividend distribution tax has been recognized in respect to 7135730 equity shares held by the beneficiary trust's in view of waiver letter received from them.
- L) i) The Hon'ble High Court at Calcutta had passed an order in the year 2009-10 in favour of landlord of a tenanted property enhancing the rent w.e.f. from April 2000 over and above its interim order issued earlier, as a result of which an additional rent of Rs.410.82 and interest and cost thereon to the extent of Rs.182.59 accrues to the landlord. The Company has filed an appeal before the Division Bench of Hon'ble High Court at Calcutta and has obtained a stay on the execution of the decree awarded in favour of the landlord. However, in compliance to the earlier interim order the company has paid the enhanced rent and hence does not envisage any further liability.

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Cont'd...)

22. Notes on Accounts (Cont'd...)

(Rs. in lacs)

- ii) A matter of industrial dispute against a unit with regard to 12 workers is subjudice. The company has provided an estimated liability of Rs.12.00 and does not anticipate any more liability.
- iii) In earlier years 146.92 acres of land around Majhaulia related to Sugar division has been surrendered to the Government of Bihar "The Bihar Land Reforms (fixation of ceiling area and acquisition of surplus land) Act and Rules, 1961". Since the compensation in this respect has not been determined, the same will be accounted upon receipt.
- M) As reported in previous year the Company had entered into an agreement with Assam Tea Corporation Ltd. (ATCL) for purchase of green leaf of Longai and Ishabheel tea estates and operating the Longai Tea factory for the season 2010 to 2012 with effect from 01.03.2010. The company is required to pay to ATCL Re.1/- per kg. of made tea towards usage charges for operating the said factory. The Company has agreed to fund the working capital and capex requirements. Accordingly a sum of Rs.382.99 (previous year Rs.341.86) is recoverable from ATCL which is recovered on systematic basis from the proceed of green leaf procured. A sum of Rs.5.07 has been paid as usage charge as per agreement.
- N) Pursuant to the Scheme of Amalgamation and Arrangement (the Scheme) between M. P. Chini Industries Limited (herein after referred as MPCIL), Parvati Tea Company Private Limited (hereinafter referred as PTCPL) and the Company as approved by Shareholders of the respective companies on 8th June, 2011 and sanctioned by the Hon'ble High Court at Calcutta on 10th August, 2011 under the provisions of the Companies Act, 1956;
 - MPCIL has been merged with the Company w.e.f 01.10.2010 (being appointed date in case of MPCIL amalgamation),
 - The Parvati tea factory (herein after referred as factory) of PTCPL has been demerged from PTCPL and merged with the Company w.e.f 01.04.2010 (being appointed date in case of PTCPL),
 - The strategic investment division of the Company has been demerged from the Company and merged with PTCPL w.e.f. 01.04.2010(being appointed date in case of demerger of strategic investment division),

Till the date of finalization of financial statements, the certified copy of the order of Hon'ble High Court could not be obtained and thus not filed with the Registrar of the Companies. The accounts of the Company for the year have been prepared by giving the effect of the scheme. According to the scheme, with effect from the respective appointed dates, MPCIL, factory as well the demerged strategic investment division have carried out all their business activities in trust till the scheme becomes effective.

The Salient Features of the scheme are as under:

- I. In respect of MPCIL:
 - (a) MPCIL is a wholly owned subsidiary of the Company and engaged in the business of cultivation of sugarcane and manufacture & sale of sugar. All the assets and liabilities of MPCIL as on the appointed date have been incorporated in the books of the Company at their respective book values on the basis of the audited accounts except the value of land, agriculture farms, buildings and plant & machinery which have been taken as Rs.11200.00 being the market value thereof and value of investment amounting to Rs.575.15 in few unlisted entities have been written off as per the scheme.
 - (b) In terms of the Scheme, the Company shall issue 3(three) equity shares of Rs.5 (five) each fully paid up, ranking pari passu, for 1(one) equity share of Rs.10 (ten) each fully paid up held by the shareholders in MPCIL.
 - (c) In respect of the equity shares held by the company in MPCIL, the shares which are required to be issued by the Company in terms of (b) supra shall be allotted to the Board of the Trustees of Jay Shree Beneficiary Trust to have and to hold such shares in trust exclusively for the benefit of the Company and deal with same as they deem fit. These shares have been recorded at original acquisition cost of shares of MPCIL. The difference between the consideration and value of net assets acquired amounting to Rs.9443.16 has been adjusted with capital reserve.



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Cont'd...)

22. Notes on Accounts (Cont'd...)

(Rs. in lacs)

- (d) The difference between the purchase consideration and value of net assets acquired of MPCIL, after carrying out necessary amendments and /or adjustments as per point no.(c) supra, an amount of Rs.9443.16 has been treated as capital reserve in terms of Accounting standard 14 "Accounting for Amalgamation" being amalgamation in the nature of purchase.
- II. In respect to Merger of Factory and demerger of Strategic Investment Division:
- (a) PTCPL is a wholly owned subsidiary of the Company and having a tea factory in the name of "Parvati Tea Factory". PTCPL is engaged in business of manufacture and sales of tea. w.e.f. appointed date all the assets and liabilities of "Parvati Tea Factory" have been incorporated in the books of the Company at their respective book values on the basis of the audited accounts except the value of fixed assets which have been taken as Rs.300.00 being the market value thereof. Further as on appointed date all the assets and liabilities of Strategic investment division of the Company has been demerged and incorporated in the books of the PTCPL at their respective book values as per the scheme.
 - (b) In terms of the Scheme, PTCPL shall issue 5,00,000 equity shares of 10(ten) each fully paid up, ranking pari passu, to the Company in consideration of above.
 - (c) The difference between the purchase consideration as given by PTCPL and value of net assets transferred to PTCPL, after carrying out necessary amendments and /or adjustments as per point no. (a) supra, an amount of Rs.726.25 has been treated as investment in PTCPL as prescribed under the scheme in terms of "Accounting Standard" 14 accounting for Amalgamation being amalgamation in nature of purchase.
- III Other Conditions:
- (a) Shares Suspense represents 65,28,810 Equity shares of Rs.5 (five) each fully paid to be issued in terms of point no. I (b) above which will rank parri passu with the existing shareholders of the Company as per the scheme with effective from appointed date. The shares will be allotted on
 - (b) The income accruing and expenses incurred by MPCIL, factory and strategic investment division from respective appointed date to 31.3.2011 have been properly dealt in these accounts.
 - (c) Pursuant to the scheme, the authorized share capital of MPCIL shall be added to the authorized capital of the Company and the increase in the authorized share capital in the current year represents the same.
 - (d) Pending completion of the relevant formalities of transfer of certain assets and liabilities of MPCIL & factory and strategic investment division pursuant to scheme, such assets and liabilities remain to be transferred in the name of the Company.
- O) i) The Company's significant leasing agreements (as lessee) are in respect of lease for Land & Premises (residential, office, stores, godowns etc). These Leasing arrangements which are non-cancellable ranging between one month and three years generally or longer and are usually renewable by mutual agreement. The aggregate lease rentals payable are charged as Rent under Schedule 20.
- ii) Certain land and building has been given on operating lease to a society at a lease rental of Rs. 15.00 per month (previous year Rs. 15.00 per month) for the building and Rs. 0.50 (previous year Rs. 0.50) per annum for the land to be reviewed annually.

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Cont'd...)

22. Notes on Accounts (Cont'd...)

(Rs. in lacs)

As per requirements of Accounting Standard-19 on leases, the following disclosures are furnished for significant operating leases as lessor:

Class of Assets	2010-11			2009-10		
	Gross Carrying Amount	Accumulated Depreciation	Depreciation for Current Year	Gross Carrying Amount	Accumulated Depreciation	Depreciation for Current Year
Land	37.91	-	-	37.91	-	-
Building	1678.92	130.23	27.12	1662.84	103.11	26.79
Plant & Machinery	149.09	44.88	7.26	137.73	37.62	7.20
Furniture & Fixture	188.33	63.63	15.53	145.67	48.10	12.90
Motor Vehicle	9.40	5.98	1.20	9.40	4.78	1.62
	2063.65	244.72	51.11	1993.55	193.61	48.51

P) Disclosure as per Accounting Standard-29

Provisions, Contingent Liabilities & Contingent Assets

Particulars	2010-11			2009-10		
	Disputed Statutory Matters	Other Obligations	Total	Disputed Statutory Matters	Other Obligations	Total
Opening Balance	112.31	27.23	139.54	33.45	15.13	48.58
Addition	28.44	7.37	35.81	83.58	7.37	90.95
	140.75	34.60	175.35	117.03	22.50	139.53
Utilisation	17.69	-	17.69	4.72	-	4.72
	123.06	34.60	157.66	112.31	22.50	134.81
Reversal	-	-	-	-	15.13	15.13
Closing Balance	123.06	34.60	157.66	112.31	7.37	119.68

The provisions for disputed statutory & obligatory liabilities are on account of cases pending with courts/ concerned authorities based on estimates made by the Company considering the facts & circumstances.

Q) The Company uses forward contracts, swaps and other derivative contracts to hedge its risks relating to changes in exchange rates and interest rates. The use of such contract is consistent with the Company's risk management policy. The Company does not use forward contracts for speculation purposes.

a) The particulars of derivative contracts entered into for hedging purposes outstanding as at March 31, 2011 are as under :

Category of derivatives instruments	Amount of Exposures Hedged	
	As at 31.03.2011	As at 31.03.2010
i) Forward contract for receivables	899.82	-
ii) Forward contract for payables	489.55	601.13
iii) Currency Options	4460.50	-



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Cont'd...)

22. Notes on Accounts (Cont'd...)

(Rs. in lacs)

b) Unhedged foreign currency exposures as at March 31, 2011 are as under :

Unhedged foreign currency exposures	As at 31.03.2011	As at 31.03.2010
i) Receivables	740.39	—
ii) Payables	4803.24	2311.43

R) Employee Benefits (Accounting Standard 15)

a) Defined Contribution Plan:

The Company makes contribution towards Provident Fund, ESIC and Superannuation Fund to a defined contribution retirement benefit plan for qualifying employees. The provident fund plan is operated partly by Regional Provident Fund Commissioner and partly by an independent Trust, ESIC by government agencies and Superannuation Fund by a trust created for the purpose. Under the said schemes 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.

During the year the company has recognised Rs. 707.23 for provident fund contribution (previous year Rs. 636.05), Rs. 27.51 for ESIC (previous year Rs. 21.18) and Rs.55.69 for Superannuation Contribution (previous year Rs. 42.28). The Contribution payables to these plans by the Company are at the rates specified in the rules of the scheme.

In keeping with the Guidance on implementing Accounting Standard (AS) 15 on Employees Benefits issued by the Accounting Standards Board of the Institute of Chartered Accountants of India (ASB Guidance), employer-established provident fund trusts are treated as Defined Benefit Plans since the company is obligated to meet interest shortfall, if any, with respect to covered employees. According to the management, in consultation with Actuary, actuarial valuation cannot be applied to reliably measure provident fund liabilities in absence of guidance from Actuarial Society of India. Accordingly, the Company is currently not in a position to provide other related disclosures as required by the aforesaid AS 15 read with the ASB Guidance, however, having regard to the position of the fund (for covered employees) and confirmation from the Trustees' of such Fund there is no shortfall as at the year end.

b) Defined benefit plans:

- The Company makes annual contribution of gratuity to JSTI Employees Gratuity Fund & other private administrated Gratuity Fund schemes created for the purpose of 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.
- Certain employees of the Company are also eligible for encashment of leave upon retirement upto 30 days for each year (maximum 240 days).
- The present value of defined benefit obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date.
- Liability in respect of Gratuity of one of its subsidiary in accordance with Accounting Standard 15 (Revised 2005) as per actuarial valuation has not been provided for in the accounts related upto 31.03.2009 amounting to Rs. 96.68. Had it been considered, both Accumulated Losses and Provisions as on 31.03.2011 would have been higher by Rs. 96.68.

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Cont'd...)

22. Notes on Accounts (Cont'd...)

(Rs. in lacs)

R) Employees Benefits as per Accounting Standard 15 (Cont'd...)

	2010-2011		2009-2010	
	Gratuity Plan		Gratuity Plan	
	Funded	Unfunded	Funded	Unfunded
A. Expenses recognised in the Statement of Profit & Loss Account for the Yr. ended 31st March, 2011				
i. Current Service Cost	162.31	—	137.81	—
ii. Interest Cost	230.55	—	199.24	—
iii. Expected return on Plan Assets	177.09	—	151.97	—
iv. Actuarial (Gain) / Losses	(22.99)	—	6.28	—
v. Past Service Cost	64.59	—	—	—
vi. Effect of any Curtailment / Settlement	—	—	—	—
vii. Unrecognised defined benefit obligation	—	—	—	—
viii. Expenses Recognised in Profit & Loss Account	257.37	—	191.36	—
B. Net (Asset) / Liabilities recognised in Balance Sheet as at 31st March, 2011				
i. Present Value of the Defined Benefit Obligation	2974.28	2.81	2728.31	2.81
ii. Fair Value of Plan Assets	2439.81	—	2087.38	—
iii. Excess of obligation over plan asset	534.47	2.81	640.93	2.81
iv. Amount paid against above Liability during the year	—	—	47.27	—
v. Net (Assets)/Liabilities recognised in Balance Sheet	534.47	2.81	593.66	2.81
C. Changes in the Present Value of Defined Benefit Obligation during the year ended 31st March, 2011				
i. Present Value of Defined Benefit Obligation as at 1st April, 2010	2838.40	2.81	2599.17	2.81
ii. Current Service Cost	162.31	—	137.81	—
iii. Interest Cost	230.55	—	199.24	—
iv. Past Service Cost	64.59	—	—	—
iv. Actuarial Gain / (Losses)	(47.46)	—	9.48	—
vi. Benefits Paid	274.11	—	217.39	—
vii. Present Value of Obligation as at 31st March, 2011	2974.28	2.81	2728.31	2.81
D. Changes in fair value of Plan Assets during the year ended 31st March, 2011				
i. Fair Value of Plan Assets as at 1st April, 2011	2218.34	—	1899.60	—
ii. Acquisition Adjustment	—	—	—	—
iii. Expected return on Plan Assets	177.09	—	151.97	—
iv. Actuarial Gain / (Losses)	(24.47)	—	3.20	—
v. Benefits paid	274.11	—	217.39	—
vi. Settlements	—	—	—	—
vii. Contributions	342.96	—	250.00	—
viii. Fair Value of Plan Assets as at 31st March, 2011	2439.81	—	2087.38	—
ix. Actual return on Plan Assets	152.62	—	155.17	—



	2010-2011	2009-2010
	Gratuity Plan	Gratuity Plan
E. Principle Actuarial Assumptions used		
i. Discount rates as at 31st March, 2011	8.50%	8.00%
ii. Expected Return on Plan Assets	8.00%	8.00%
iii. Expected Salary increase rates	4.00%	3.25%
iv. Mortality Rates	LIC (1994-96) Mortality Table	LIC (1994-96)Mortality Table
F. Major categories of Plan Assets as a percentage of Fair Value of Plan Assets	Qualified Insurance Policy	Qualified Insurance Policy

Note:-

- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply & demand in the employment market.
- The expected rate of return on Plan Assets is determined based on the portfolio of assets, existing investments along with the Strategic changes in the portfolio and market scenario. The Plan Assets are diversified reasonable to maximise the return within acceptable risk parameters.
- 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) Amount for the current and pervious three years are as follows :

	2010-11	2009-10	2008-09	2007-08
Gratuity Plan				
Present value of defined obligation	2977.09	2731.12	2601.98	2379.55
Fair Value of Plan Assets	2439.81	2087.38	1899.60	1718.94
Excess of obiligation over Plan Assets	537.28	643.74	702.38	660.61

- The Company expects to contribute Rs. 250.00 lacs to its gratuity fund in 2011-12
- Comparative values of defined benefit plans for the past three years instead of four financial years as required by Accounting Standard – 15 (Revised 2005) on Employees Benefits are provided, this being only the fourth year of adoption of the Standard.

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Cont'd...)

22. Notes (Cont'd...)

(Rs. in lacs)												
(S) Related party Disclosure												
Sl. No.	Name of the Company	Relationship	Remuneration		Dividend		Loans & Advances (Net)				Others	
			Paid	Received	Paid	Received	Paid	Received	Paid	Received	Expenditure	Receivable Payable
#1	Century Textiles & Ind.Ltd.	Associate	(4.50)	9.00	-	-	-	-	-	-	-	0.73
#2	Century Enka Ltd.	Associate	-	-	-	-	-	-	-	-	-	(0.26)
#3	Kesoram Industries Ltd.	Associate	(5.00)	12.6	4800	4800	-	25.40	-	-	1.33	(1.75)
4	Padmavati Investment Ltd.	Associate	(6.30)	(58.25)	(2303.02)	(8.38)	(9.34)	(354.81)	(19.57)	(3.26)	1.00	(3.26)
5	Tea Group Investment Co. Ltd.	Joint Venture	(91.71)	183.42	10.28	10.28	-	-	-	-	-	-
6	Shri D.P.Maheshwari	Key Management Personnel	63.01	(10.28)	887.88	887.88	-	-	-	-	887.88	887.88

Note: All the above transactions were done at arm's length.

These parties are related parties in the broader sense of the term and are included for making the financial statements more transparent.

Figures in bracket indicate for previous year.

**SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Cont'd...)****22. Notes on Accounts (Cont'd...)**

(Rs. in lacs)

T) Earnings per share	31.03.2011	31.03.2010
Profit (Loss) after taxation as per Profit and Loss Account	4809.66	6173.91
Weighted average no. of equity shares outstanding	25613083 *	22348678
Basic & Diluted earnings per share in Rupees	18.78	27.63
(Face value of Rs. 5/- per share)		

* Including 65,28,810 Shares issued pursuant to Scheme of Amalgamation.

U) Managing Directors' Remuneration

Remuneration to Managing Director

Salary	47.61	25.24
Contribution to Provident Fund	4.32	2.30
Contribution to Superannuation Fund	5.40	2.88
Perquisites	5.68	2.97
	63.01	33.39

The above figure does not include provision for encashable leave and gratuity as separate actuarial valuations are not available for Managing Director.

V) Figures of the previous year have been regrouped / rearranged wherever necessary. Consequent upon acquisition and incorporation of the subsidiary and joint venture, the figure of current year are not comparable with those of the previous year.

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Cont'd...)

22. Notes (Cont'd...)

W) Based on the guiding principles given in Accounting Standards on "Segment Reporting" (AS-17) as prescribed by the Companies Accounting Standard Rules 2006, the Company's primary business segments are tea, chemicals & fertilisers and sugar business.

(A) PRIMARY SEGMENT

(Rs. in lacs)

	31.03.2011	31.03.2010
1. Segment Revenue (Net Sales/Income from each segment)		
a) Tea	37685.36	35930.65
b) Chemicals & Fertilisers	9291.83	4410.57
c) Sugar	3795.40	—
d) Others	494.46	380.00
Less : Inter-segmental Revenue	200.30	125.78
Total	51066.75	40595.44
2. Segment Results {Profit / (Loss) before Tax & Interest}		
a) Tea	5853.74	7282.68
b) Chemicals & Fertilisers	677.53	(315.25)
c) Sugar	667.70	—
d) Others	86.33	81.85
Total	7285.30	7049.28
Less : Interest (Net)	1501.05	570.22
Add : Unallocable Income net of unallocable expenditure	(298.00)	391.10
Total Profit/(Loss) before Tax	5486.25	6870.16
3. Segment Assets (Including revaluation reserve) & Segment Liabilities		
	Assets	Liabilities
a) Tea	31274.86	4448.48
b) Chemicals & Fertilisers	5932.08	3692.20
c) Sugar	22478.40	1253.89
d) Others	187.69	88.32
d) Unallocable	44789.68	54067.99
Total	104662.71	63550.88
	Assets	Liabilities
a) Tea	21939.29	3536.49
b) Chemicals & Fertilisers	4646.09	3813.86
c) Sugar	—	—
d) Others	158.41	64.79
d) Unallocable	31900.34	29486.91
Total	58644.13	36902.05
4. Capital expenditure including capital work- in-progress and depreciation (excluding on revaluation reserve) for the year		
	Capital Exp.	Depreciation
a) Tea	4680.69	830.43
b) Chemicals & Fertilisers	225.91	53.35
c) Sugar	1349.81	255.63
c) Others	18.34	2.16
d) Unallocable	1212.62	87.15
Total	7487.37	1228.72
	Capital Exp.	Depreciation
a) Tea	1124.53	651.63
b) Chemicals & Fertilisers	80.88	48.12
c) Sugar	—	—
c) Others	2.85	1.67
d) Unallocable	359.83	83.95
Total	1568.09	785.37

(B) Secondary Segment

	India	Rest of World	Total
Segment Revenue	40185.85 (32581.42)	10880.90 (8014.02)	51066.75 (40595.44)
Segment Assets	94689.69 (57848.63)	9973.02 (795.50)	104662.71 (58644.13)
Capital Expenditure	3002.96 (1568.09)	4484.41 (—)	7487.37 (1568.09)

Note :

The company has disclosed business segment as the Primary Segment.

JAY SHREE TEA & INDUSTRIES LIMITED

Regd. & Head Office: Industry House, (15th Floor), 10, Camac Street, Kolkata 700 017

PROXY FORM

I/We.....of

being member(s) of the above named Company hereby appoint

of or failing him

of

as my/our proxy to attend and vote for me/us and on my/our behalf at the Sixty Fifth Annual General Meeting of the Company to be held on Thursday, the 22nd September, 2011 at "Kala Kunj", 48 Shakespeare Sarani, Kolkata 700 017 at 10.30 A.M. and at any adjournment thereof.

As witness my/our hand(s) this day of 2011.

Affix
Thirty Paise
Revenue
Stamp
Here

Signature of shareholder

No. of Shares held Regd. Folio No. / Client ID No. and DP ID No.

Notes : (i) Proxy forms in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the meeting.

(ii) A person who is not a member of the Company may be appointed a proxy.



JAY SHREE TEA & INDUSTRIES LIMITED

Regd. & Head Office: Industry House, (15th Floor), 10, Camac Street, Kolkata 700 017

ADMISSION SLIP

SIXTY FIFTH ANNUAL GENERAL MEETING at
"Kala Kunj", 48 Shakespeare Sarani, Kolkata 700 017
on 22nd September, 2011 at 10.30 A.M.

A Member / Proxy wishing to attend the meeting may please complete this Admission Slip and hand it over at the entrance to record his presence at the meeting.

.....
Full name of the member in block letters

.....
Signature

.....
Full name of the proxy in block letters

.....
Signature

No. of Shares held Regd. Folio No. / Client ID No. and DP ID No.

TEA ESTATES

Towkok
Manjushree
Mangalam
Nahorhabi
Sibsagar, Assam

Meleng
Jorhat, Assam

Dewan
Burtoll
Labac
Kalline
Jellalpore
Cachar, Assam

Tukvar
Risheehat
Singbulli
Balasun
North Tukvar
Sungma
Marionbarie
Jayantika
Darjeeling, West Bengal

Aryaman
Jalpaiguri, West Bengal

Ananyashree
Uttar Dinajpur, West Bengal

Sholayar Estate
Kallyar Estate
Coimbatore, Tamil Nadu

TEA FACTORY

Vinayak Tea Factory
Ledo, Margherita, Assam

Parvati Tea Factory
Makum, Tinsukia, Assam

CHEMICALS & FERTILISERS UNIT

The Jay Shree Chemicals & Fertilisers, Khardah,
24 Parganas (North), West Bengal

The Jay Shree Chemicals & Fertilisers, Pataudi,
Gurgaon, Haryana

SUGAR UNIT

Jay Shree Sugar Mill, Majhaulia
Bihar

OTHERS

Warehousing & Tea Export Deptt.,
Kolkata, West Bengal

Tea Warehouse & Sales Deptt.,
Kochi, Kerala

SUBSIDIARY COMPANIES

North Tukvar Tea Company Limited
Parvati Tea Company Pvt. Limited
Birla Holdings Ltd., U.A.E.

OVERSEAS JOINT VENTURE

Tea Group Investment Company Limited, U.A.E.





If undelivered please return to :



Jay Shree Tea

Jay Shree Tea & Industries Limited

Industry House, 15th Floor

10, Camac Street, Kolkata 700 017, India

Phone : 91-033-2282-7531-34 Fax : 91-033-2282-7535/2282-5830

E-mail : birlatea@giasclo1.vsnl.net.in

Website : www.jayshreetea.com