

64TH ANNUAL REPORT

2009-10



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

64TH ANNUAL REPORT FOR THE YEAR ENDED 31ST MARCH, 2010

DIRECTORS

Shri B. K. Birla, *Chairman*
 Shri B. M. Khaitan
 Shri G. P. Goenka
 Shri S. S. Kothari
 Shri S. K. Tapuriah
 Smt. Jayashree Mohta
 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
 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@giacsl01.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

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NOTICE

To the Shareholders

NOTICE is hereby given that the Sixty Fourth Annual General Meeting of the shareholders of the Company will be held on 25th June, 2010 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 2009-10.
2. To declare dividend for the year 2009-10.
3. To appoint a Director in place of Shri B.M. Khaitan, who retires by rotation but being eligible offers himself for re-election.
4. To appoint a Director in place of Shri S.S.Kothari, who retires by rotation but being eligible offers himself for re-election.
5. To appoint Auditors/Branch Auditors of Sungma, Singbulli, Balasun, Marionbarie and North Tukvar Tea Estates 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 94, 16, 31 and all and other applicable provisions, if any, of the Companies Act, 1956 read with and the provisions of the Memorandum and Articles of Association of the company and subject to the approvals, consents, permissions and sanctions as may be necessary from the concerned Statutory Authority(ies) , each Ordinary (Equity) Share of the Company having face value of Rs.10/- each fully paid up be sub-divided into 2 (two) Ordinary (Equity) Shares of the face value of Rs.5/- each fully paid up and in turn the clause 5 of the Memorandum of Association of the Company related to the Share Capital be and are hereby amended accordingly.

“FURTHER RESOLVED that upon sub-division of Equity Shares as aforesaid, the existing share certificate(s) in relation to the existing Equity Shares of the face value of Rs.10/- each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date and the company, may without requiring the surrender of the existing share certificate(s), directly issue and despatch the new Share Certificate(s) of the Company, in lieu of such existing share certificate(s) subject to the provisions of the Companies (Issue of Share Certificate) Rules, 1960 and in the case of shares held in the dematerialized form, the number of sub-divided equity shares be credited to the respective beneficiary accounts of the shareholders with the Depository Participants, in lieu of the existing credits representing the equity shares of the company before sub-division.

“FURTHER RESOLVED that the Board of Directors of the company (which expression shall also include a Committee thereof) be authorized to take such steps as may be necessary for obtaining approvals,



statutory, contractual or otherwise in relation to the above and to settle all matters arising out of and incidental thereto, and to execute all deeds, applications, documents and writings that may be required, on behalf of the company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution”

7. To consider and, if thought fit, to pass the following as an Ordinary Resolution:

“RESOLVED that pursuant to Section 16 and all other applicable provisions, if any, of the Companies Act, 1956, Clause 5 of the Memorandum of Association of the Company be altered by substituting in its place and stead the following:

The Capital of the Company is Rs.26,00,00,000/- divided into 5,20,00,000 shares of Rs.5/- each with power to sub-divide, consolidate and increase or decrease and with power from time to time to issue any shares of the original capital or, any new capital with and subject to any preferential, deferred, qualified or special rights , privileges or conditions as may be thought fit and upon the sub-division of share to apportion the right to participate in profits in any manner as between the shares resulting from such sub-division.

“RESOLVED FURTHER that the Board of Directors or Committee of Directors of the company be and are hereby authorized to do all such acts, deeds and things as may be required to give effect to the foregoing”.

AS SPECIAL BUSINESS

8. To consider and, if thought fit, to pass, with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED that in supersession of the Resolution passed at the Extra-ordinary General Meeting of the shareholders held on 17th June 1994, consent of the Company be and is hereby accorded in terms of Section 293(1)(d) and all other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company for borrowing from time to time, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not at any time exceed the limit of Rs.300 crores.”

“RESOLVED FURTHER that the Board of Directors be and are hereby authorized to do and perform such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this resolution.”

Registered & Head Office :

“INDUSTRY HOUSE”

10, Camac Street,

Kolkata 700 017

Dated, the 28th April, 2010

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 18th June 2010 to 25th June 2010 (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 25th June, 2010 to those members whose names appear on the Register of Members of the Company as on 25th June, 2010 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>
2002-2003	27.06.2003	2nd August, 2010
2003-2004	28.06.2004	2nd August, 2011
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

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 364A01012.
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. Information about the Directors retiring by rotation as required under Clause 49 of the Listing Agreement with the Stock Exchanges :

a) **Shri B.M. Khaitan**

Shri B.M.Khaitan, aged 82 years, holding 100 shares, is a renowned Industrialist having interest in tea, batteries and engineering. Shri Khaitan has great contributions to the tea industry with which he has been associated for over five decades. He is the Chairman of McLeod Russel India Ltd., Eveready Industries India Ltd. and Williamson Magor & Co.Ltd. and also on the Boards of certain other renowned companies having diversified business interests.

Directorships held in other Companies:

Williamson Magor & Co. Ltd., McLeod Russel India Ltd., Eveready Industries India Ltd., Babcock Borsig Ltd., CESC Ltd., Phillips Carbon Black Ltd.

He also holds Chairmanship of the Remuneration Committee of your company and membership of Audit Committee of CESC Ltd.

b) **Shri S. S. Kothari**

Shri S.S.Kothari, aged about 80 years, holding 2300 shares, is an eminent Chartered Accountant and former Member of Parliament. He was Director of Bank of India (1989-95)

Directorships held in other companies:

Kriti Industries (India) Ltd., Maharaja Shree Umaid Mills Ltd. & Kothari Management & Industrial Consultants Pvt. Ltd.

He also holds the Chairmanship of the Audit Committee of your company. He also holds membership in the Investor/Shareholder's Grievances Committee of your company and Maharaja Shree Umaid Mills Ltd. Also he holds membership in the Remuneration Committee of your company.

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Kolkata 700 017

Dated, the 28th April, 2010

By Order of the Board

For Jay Shree Tea & Industries Limited

R.K. GANERIWALA

President & Secretary

Explanatory Statement as required under Section 173 (2) of the Companies Act, 1956

Item No. 6 & 7

The equity shares of the company are listed at National Stock Exchange of India Ltd., Bombay Stock Exchange Ltd. and The Calcutta Stock Exchange Association Ltd. The market price of the shares of the company has witnessed significant spurt in the last few months and the higher price of each share is keeping the small investors away from trading in stock.

In order to improve the liquidity of the company's shares in the stock market and to make it affordable to the small investors, it would be desirable, expedient and in the interest of the company and its investors to sub-divide the value of the equity shares from Rs.10/- to Rs.5/- per share.

The Board of Directors of the Company recommends sub-division (stock-split) of each equity share of the company having a present face value of Rs.10/- into 2 equity shares of the face value of Rs.5/- each, subject to the approval of shareholders and all concerned statutory authority(ies).

The Record Date for the aforesaid sub-division of the equity will be fixed by the Company after the approval of the shareholders is obtained.

Presently, the Authorised Capital of Rs.26,00,00,000/- divided into 2,60,00,000 shares of Rs.10/- each will get divided into 5,20,00,000 shares of Rs.5/- each and the present Issued Capital of 1,11,86,988 shares of Rs.10/- shall be converted to 2,23,73,976 equity shares of Rs.5/- each and the Subscribed and Paid up Capital of 1,11,74,339 shall be converted to 2,23,48,678 equity shares of Rs.5/- each.

The sub-division as aforesaid would require consequential amendments to the existing Clause 5 of the Memorandum of Association of the ,company as set out in item No. 6 & 7 of the Notice respectively.

Accordingly, the Resolutions at item Nos. 6 & 7 seek the approval of the shareholders for the proposed sub-division of the Equity Shares of the face value of Rs.10/- each and the consequent amendments to the existing Clause 5 of the Memorandum of Association of the company.

The Board of Directors is of the opinion that the aforesaid sub-division of the face value of the equity shares is in the best interest of the company and the investors and hence commends passing of the Resolutions at item Nos.6 & 7 as Ordinary Resolution.

A copy of the existing Memorandum and Articles of Association of the company alongwith the proposed draft amendments is available for inspection by any shareholder at the Registered office of the company between 10.00 a.m. and 1.00 p.m. on all working days (except Saturdays, Sundays and Public Holidays).

Item No.8

Under Section 293(1) (d) of the Companies Act, 1956 the Board of Directors, cannot, except with the consent of the Company in General Meeting, borrow monies (apart from temporary loans obtained from the company's bankers in the ordinary course of business) in excess of the aggregate of the paid up capital and free reserves, that is to say, reserves not set apart for any specific purpose.

At the Annual General Meeting of the Company held on 17th June, 1994 the shareholders had authorized the Board of Directors to borrow monies for the purpose of the business of the company not exceeding Rs.150 crores in the aggregate.

Now, in view of the proposed acquisition of overseas tea gardens and also the sugar factory in Bihar and increase in other activities of the company, it is proposed to increase the borrowing powers of the Board of Directors to Rs.300 crores.

The Directors recommend the Resolution for approval of the members.

None of the Directors is concerned or interested in the resolution.

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10, Camac Street,

Kolkata 700 017

Dated, the 28th April, 2010

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 2009 was lower at 979 m.kgs. compared to 981 m.kgs. in 2008 i.e. a decrease of around 2 m.kgs. The world crop in major producing country was lower by around 56 m.kgs. due to decrease of crop in Kenya & Sri Lanka. Your Company produced 234.00 lac kgs. tea against 218.03 lac kgs. last year. The crop was higher because of favourable weather conditions and improved agricultural practices. Your Company's marketing initiatives are yielding results and the export is up by 18% to Rs.76.57 crore as against Rs.65.01 crore in value terms.

SEGMENT ANALYSIS AND REVIEW

The Company is engaged in the manufacture of tea, chemicals & fertilisers, besides tea warehousing and investment activities. The core business of the Company is TEA. This accounts for 88.20% of gross turnover during 2009-10. The other segments i.e. Chemicals & Fertilisers account for 10.87% and others 0.93% 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 %
	2009-2010 **	2008-09 **		2009	2008	
Cachar	7.90	8.23	(-) 4.01	54.87	55.15	(-) 0.51
Assam Valley	7.71	6.74	(+) 14.39	445.13	432.35	(+) 2.96
Total Assam	15.61	14.97	(+) 4.28	500.00	487.50	(+) 2.56
Darjeeling	0.96	0.96	-	10.74	11.58	(-) 7.25
Dooars	0.90	0.75	(+) 20.00	136.79	142.03	(-) 3.69
Terai	3.44	3.01	(+) 14.29	74.04	79.52	(-) 6.89
Total West Bengal	5.30	4.72	(+) 12.29	221.57	233.13	(-) 4.96
Others	-	-	-	13.29	13.29	-
Total North India	20.91	19.69	(+) 6.20	734.86	733.92	(+) 0.13
Tamilnadu	2.49	2.11	(+) 18.01	169.36	170.53	(-) 0.69
Kerala	-	-	-	68.96	70.29	(-) 1.89
Karnataka	-	-	-	5.81	6.08	(-) 4.44
Total South India	2.49	2.11	(+) 18.01	244.13	246.90	(-) 1.12
Total Production	23.40	21.80	(+) 7.34	978.99	980.82	(-) 0.19

* All India figures on calendar year basis and estimated for 2009.

** 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. Average Rs.P.	Previous year		Dist. Average Rs.P.
	Qty.	Rate Rs.P.		Qty.	Rate Rs.P.	
Cachar	7.68	104.61	93.35	8.11	88.48	81.67
Assam	7.45	127.60	121.65	6.55	109.21	101.42
Darjeeling	0.90	285.67	223.49	0.93	270.86	196.68
Dooars/ Terai	4.15	113.54	107.23	3.75	97.67	87.71
South India	2.38	101.50	78.32	2.16	84.31	66.25
	22.56	120.71		21.50	103.86	

OUTLOOK

With improvement of crop situation in Kenya and Sri Lanka, the supply of tea should improve in the current year. However this increase shall be consumed easily as the domestic consumption is increasing every year by 2% and worldwide demand is expected to remain at higher levels. These factors should have positive impact on prices, which should strengthen further in coming years. However the quality will pay more as usual. Your company's acquisitions in Uganda and Rwanda shall start contributing to its profitability from the current year. With all these developments we can take an optimistic view for the future.

CHEMICALS & FERTILISERS

REVIEW OF OPERATIONS

In the earlier part of the year, the uncertainty of subsidy on Single Superphosphate industry continued. The producers were forced to curtail the production because of this. Thereafter the Government of India fixed at subsidy of Rs.2000/- per metric ton, and decontrolled SSP, but the other fertilisers like DAP and complex fertilisers remained under price control regime with higher amount of subsidy, the consumers switched over their preferences. However the Govt. of India announced nutrient based subsidy scheme for all fertilisers which should help the fertiliser industry as a whole.

OUTLOOK

There is positive outlook for the Superphosphate industry now as the nutrient based subsidy announced by the Govt. of India and allowing free marketing shall allow the companies to fix the market price based on its cost structure. The Company has taken steps for cost reduction by improvement in productivity by restructuring its manpower. This should be helpful in the long run.

RISKS AND CONCERNS

- Vagaries of nature on which production depends.
- The input cost of raw tea, managing the source thereof for manufacturing bought leaf which is 20% of our production.
- Volatility of foreign exchange for major currencies in regard to import/export/loan transactions.



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 reduced its cost of borrowing further and 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 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.

In accordance with 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 is committed to good Corporate Governance and transparency in all its dealings and places emphasis on business ethics, responsible conduct, integrity and accountability. The Company acknowledges the rights of its shareholders to information on performance of the Company. The Company provides information on the performance of the Company and other key events concerning business to its shareholders. The Company strives to achieve business excellence for increasing long term shareholder value, keeping in view the needs and interests of all its stakeholders.

2. BOARD OF DIRECTORS

Composition:

Your Company is having a Non-Executive Chairman. As per Clause 49 of the Listing Agreement, atleast one half of the Board should comprise of Independent Directors. Four out of total eight Directors, Shri B. M. Khaitan, Shri G.P. Goenka, Shri S.S. Kothari and Shri S.K.Tapuriah are Independent-Non-Executive Directors. Shri B.K. Birla, Chairman is a Promoter-Non-Executive Director and Smt. Jayashree Mohta and Shri Vikash Kandoi are Non-Executive Directors. 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:

Six Board Meetings were held in 2009-2010 on 30th April, 2009, 29th June, 2009, 31st July, 2009, 30th October, 2009, 22nd January, 2010 and 30th March, 2010.

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
Shri B.K. Birla (Chairman)	Promoter - Non-Executive	6	Yes	4	–	–	23000
Shri B.M. Khaitan	Independent - Non-Executive	3	No	6	1	–	100
Shri G.P. Goenka	Independent - Non-Executive	2	No	8	1	–	300
Shri S.S. Kothari	Independent - Non-Executive	6	Yes	3	1	–	2300
Shri S.K. Tapuriah	Independent - Non-Executive	5	Yes	4	–	–	284
Smt. Jayashree Mohta	Non-Executive	6	Yes	9	–	–	350578
Shri Vikash Kandoi	Non-Executive	6	Yes	3	–	–	863
Shri Asis Bandyopadhyay* (Nominee of GIPSA) (Upto 29.03.2010)	Independent- Non-Executive	5	Yes	–	–	–	–
Shri D.P. Maheshwari	Executive - Managing Director	6	Yes	1	–	–	2000

* General Insurer's (Public Sector), Association of India, (GIPSA), New Delhi vide its letter dated 18.01.2010, has withdrawn the nomination of Shri Asis Bandyopadhyay with the Company. The Board of Directors of the Company in their meeting held on 30.03.2010 has accepted the same.



All the Directors affirmed that apart from receiving sitting fees 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. 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 2009-2010 on 30th April, 2009, 31st July, 2009, 30th October, 2009 and 22nd January, 2010.

Attendance record of the Audit Committee Meetings.

Name of Directors	No. of Meetings Attended
Shri S. S. Kothari	4
Shri S. K. Tapuriah	3
Shri Asis Bandyopadhyay (Upto 29.03.2010)	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 2009-2010 on 29th June, 2009 which was attended by all members.

5. REMUNERATION OF DIRECTORS

The details of sitting fees paid to the Directors and salary and perks paid to the Managing Director of the Company during the year 2009-2010 are given below :-

Name of Directors	Sitting Fees (Rs. in '000)		TOTAL (Rs. in '000)
	Board Meeting	Committee Meeting	
Shri B.K. Birla	1,10	–	1,10
Shri B.M. Khaitan	60	5	65
Shri G.P. Goenka	40	–	40
Shri S.S. Kothari	1,10	60	1,70
Shri S.K. Tapuriah	90	45	1,35
Smt. Jayashree Mohta	1,10	–	1,10
Shri Vikash Kandoi	1,10	–	1,10
Shri Asis Bandyopadhyay (Nominee of GIPSA) (upto 29.03.2010)	90	50	1,40
	7,20	1,60	8,80
	Salary	Value of perquisites	Retirement Benefits
			Total
		(Rs. in '000)	
Shri D.P. Maheshwari (Managing Director)	25,24	2,97	5,18
Service Contract Notice Period			
			5 years from 27th June, 2008 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 years w.e.f. 1st April, 2009.

Commission payable to the directors for the financial year 2009-2010 is Rs. 28,00,000 and the same be paid to them 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 48 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, 2010.

POSITION OF THE SHAREHOLDERS' COMPLAINTS RECEIVED AND REDRESSED DURING THE FINANCIAL YEAR 2009-10.

Types of Grievances	Total Complaints received during the year 2009-10	Total redressed	No. of Complaints pending as on 31.03.2010
Non-receipt of Dividend Warrant	27	27	NIL
Non-receipt of ECS Intimation Letter	7	7	NIL
Non-receipt of Annual Report	14	14	NIL
Total	48	48	NIL

Two Meetings of the Investors/Shareholders Grievance Committee were held in 2009-2010 on 30th April, 2009 and 30th October, 2009.



Attendance record of the Investors/ Shareholders Grievance Committee Meetings.

Name of Directors	No. of Meetings Attended
Shri S. S. Kothari	2
Shri S. K. Tapuriah	2
Shri Asis Bandyopadhyay (upto 29.03.2010)	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 First	2006-2007	Kala Kunj 48, Shakespeare Sarani Kolkata-700017	28th June, 2007	10.30 A.M.
Sixty Second	2007-2008	-do-	27th June, 2008	10.30 A.M.
Sixty Third	2008-2009	-do-	29th June, 2009	10.30 A.M.

ii) SPECIAL RESOLUTIONS PASSED IN THE LAST THREE AGMS :

a) 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.

b) In the AGM on 27th June, 2008 – No Special Resolution was transacted

c) In the AGM on 28th June, 2007 – No Special Resolution was transacted

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

iv) No special resolution was put through postal ballot during the year 2009 – 2010 and no special resolution is proposed to be conducted through postal ballot.

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, 2010. 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,
28th April, 2010

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, 2010 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 28th Day of April, 2010



SHAREHOLDERS' INFORMATION

1. ANNUAL GENERAL MEETING

Date and time : 25th June, 2010 at 10.30 A.M.
Venue : Kala Kunj, 48, Shakespeare Sarani, Kolkata-700017

2. FINANCIAL CALENDAR (Tentative)

Financial Reporting for the Quarter Ending By end of
June 30, 2010 : July, 2010
September 30, 2010 : October, 2010
December 31, 2010 : January, 2010
March 31, 2011 : April, 2011
Annual General Meeting for the Year
ending 31st March, 2011 : By end of June, 2011

3. DATE OF BOOK CLOSURE : 18th June, 2010 to 25th June, 2010
(both days inclusive)

4. DIVIDEND PAYMENT DATE : By 1st week of July, 2010
(after declaration at AGM)

5. LISTING ON STOCK EXCHANGES : NSE, BSE & CSE. The Company has paid listing fee
for 2009-10.

6. STOCK CODE

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

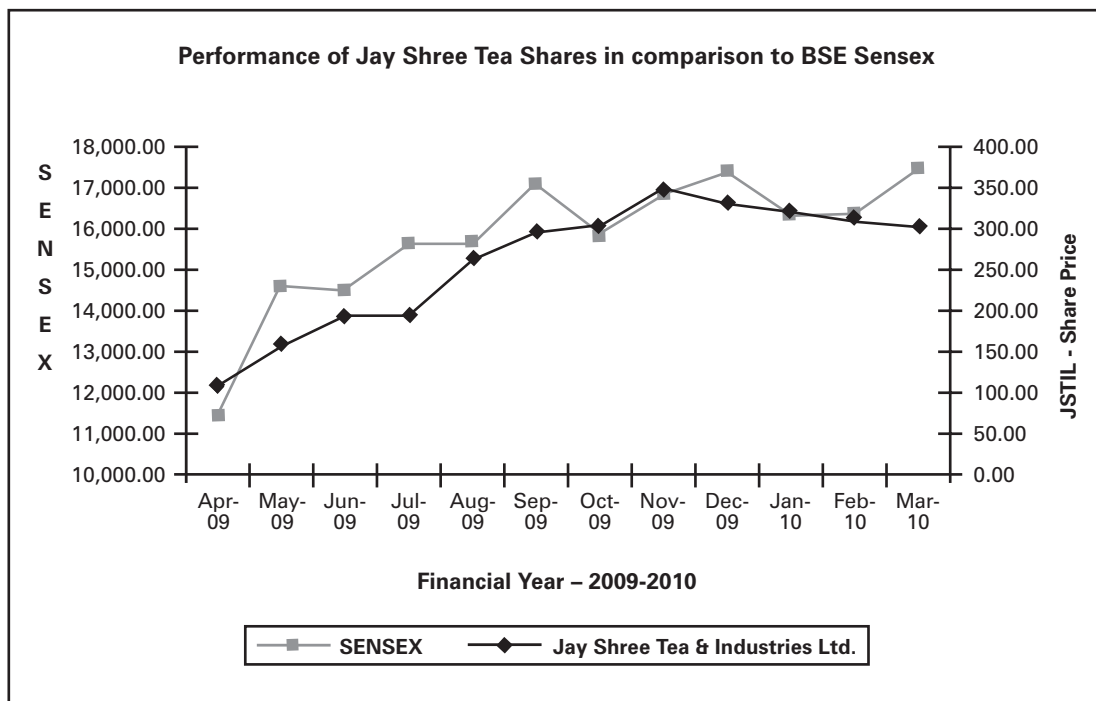
ISIN Number for NSDL & CDSL

INE364A01012

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)
April 2009	132.00	87.25	109.15	1184914	131.95	81.05	109.10	2307570
May 2009	188.00	102.20	160.50	1814806	179.70	111.65	158.10	3940688
June 2009	214.00	157.30	195.45	3632078	214.20	156.00	195.65	7457895
July 2009	206.80	162.00	196.75	1188622	207.00	162.20	197.30	2607699
Aug. 2009	286.40	184.60	267.00	7310945	286.50	185.00	267.15	14136281
Sept. 2009	321.00	260.05	300.25	5882886	321.00	260.00	300.95	14093670
Oct. 2009	328.00	280.00	306.90	3221437	327.90	279.00	306.50	6886045
Nov. 2009	365.00	282.05	352.25	2810124	366.00	282.20	352.40	7377445
Dec. 2009	362.00	325.00	335.80	982313	361.20	323.50	337.05	2460339
Jan. 2010	417.40	300.30	322.55	3094060	416.95	301.00	323.40	7552129
Feb. 2010	344.40	298.60	312.85	842313	341.80	298.00	314.05	2261708
March 2010	357.00	293.50	304.45	1540058	354.70	295.00	304.95	3948809

8. STOCK PERFORMANCE



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, 2010.

No. of equity Shares held	No. of Shareholder	% of Shareholders	No. of Shares held	% of Share holdings
1 to 500	13480	90.33	1240153	11.10
501 to 1000	781	5.23	616680	5.52
1001 to 2000	319	2.14	478973	4.29
2001 to 3000	124	0.83	310837	2.78
3001 to 4000	65	0.44	230758	2.06
4001 to 5000	35	0.23	164241	1.47
5001 to 10000	49	0.33	351125	3.14
10001 & above	70	0.47	7781572	69.64
	14923	100.00	11174339	100.00



12. CATEGORIES OF SHAREHOLDING AS ON 31st MARCH, 2010

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shares holding
Promoters & Promoters Group	15	0.10	4508169	40.34
Financial Institutions, Banks & Mutual Funds	42	0.28	832290	7.45
Foreign Institutional Investors	4	0.03	292776	2.62
Private Body Corporates	851	5.70	1427345	12.78
NRI / OCB	234	1.57	837718	7.49
Individuals	13777	92.32	3276041	29.32
Total	14923	100.00	11174339	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).

9322307 equity shares representing 83.43% of the paid up capital of the Company were held in demat form with NSDL and CDSL as on 31st March, 2010.

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, 2010

Dear Shareholders,

We present the 64th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March 2010. We feel pleasure to inform you that the company has achieved new milestones surpassing its previous records of profitability. The growth in profit is mainly due to increase in production and further improvement in tea prices.

Financial Results	31st March, 2010 [Rs.]	31st March, 2009 [Rs.]
Gross Profit for the year	78,41,37,184	25,95,33,753
Add:		
i. Balance brought forward from previous year	21,97,71,900	20,58,16,101
ii. MAT credit entitlement (incl. Rs.1,00,57,650/- for earlier years)	3,54,10,443	–
	<u>103,93,19,527</u>	<u>46,53,49,854</u>
Deduct:		
i. Gratuity	1,91,35,000	1,41,76,789
ii. Depreciation	7,80,67,935	6,76,16,360
iii. Provision for taxation	9,00,00,000	10,00,000
iv. Deferred Tax Liability	1,53,09,883	3,79,05,632
	<u>20,25,12,818</u>	<u>12,06,98,781</u>
Profit available for appropriation	83,68,06,709	34,46,51,073

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

A) i) Proposed Dividend on Equity Shares	6,52,25,274	3,35,23,017
ii) Tax (including surcharge & education cess) @ 16.60875% on proposed dividend	1,08,33,103	56,97,237
iii) Dividend in respect of amalgamated company for previous year	–	28,538

Financial Results	31st March, 2010 [Rs.]	31st March, 2009 [Rs.]
B) Dividend Tax related to earlier Years	–	(1,43,69,619)
C i) Reversal of dividend for 2008-09 related to shares held in Trust	(13,81,380)	
ii) Dividend Tax w/back for 2008-09 related to shares held in Trust	(2,34,766)	
D) Transfer to General Reserve	30,00,00,000	10,00,00,000
E) Balance carried forward to next year	46,23,64,478	21,97,71,900
	<u>83,68,06,709</u>	<u>34,46,51,073</u>

Equity Dividend

In view of the record profit for the current year, your directors are pleased to recommend the distribution of dividend of Rs.6/- compared to Rs.3/- per share paid last year. The dividend tax including surcharge and education cess amounting to Rs.108.33 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 significantly better as

- Tea prices continued to improve and record price levels were achieved due to lower carry forward stocks, global production setbacks and growing domestic demand.
- Record crop in Assam and higher production of Dooars and South India
- Improvement in quality of Assam, Cachar, Dooars, Darjeeling and South India.

New Developments

Tea

The Company has entered into an agreement with Assam Tea Corporation Limited for purchase of green leaf of Longai & Ishabheel Tea Estates and to operate



its Longai Tea Factory having a capacity to manufacture around 10 lac kg of tea per annum w.e.f. the season commencing March, 2010. The company has also entered into a Memorandum of Understanding to acquire shares of a company having a tea factory near Makum, Tinsukia, Assam with annual production capacity of around 11 lacs kg. per annum. This should help your company to increase its production by around 2 mn. kgs. from the year 2010-11.

Sugar

The company has acquired 100% stake in M.P.Chini Industries Ltd. having a sugar factory at Majhulia in Bihar with a capacity of 4600 TCD, which is being enhanced to 5500 TCD. The factory has co-generation facility of 6 MW and its own sugarcane plantation of around 1000 acres. This is one of the best maintained factories in the State of Bihar and will enable the company to leverage its experience and expertise in managing agro based industries and harnessing the same for growth of all its stakeholders.

Overseas Acquisitions for Tea

The Company has entered into a joint venture agreement with Rwanda Mountain Tea SARL, Rwanda in East Africa and has formed "Tea Group Investment Company Ltd." (TGIC) at Dubai through its offshore investment arm 'Birla Holdings Ltd.' at Dubai to acquire 60% stake in Mata Tea Co.Ltd. and Gisakura Tea Co.Ltd., Rwanda, East Africa which was owned by OCIR-THE, the Government of Rwanda. The said companies owns two tea estates namely 'Mata' and 'Gisakura' in Rwanda, the best quality tea producing belt in East Africa producing 4.1 mn. kgs. of tea per annum. The Government of Rwanda has recently issued the notification for allotment of the said two tea companies to TGIC and the process for acquisition shall be over within a month's time.

The company has also entered into a marketing tie-up with Rwanda Mountain Tea SARL, Rwanda for the sale and marketing of around 6 mn. kgs. of tea from its existing tea estates whereby it shall utilize its international marketing network to derive better value for Rwandan teas.

Both these acquisition and tie-up shall be in long term interest of the company.

The company through its investment arm, Birla Holdings Ltd., Dubai has entered into a share purchase agreement with the owners of Kijura Tea Co. Ltd. and Bondo Tea Co Ltd., to acquire 100% stake in the said companies having tea estates producing around 1.2 mn. kgs. of tea per annum at Uganda in East Africa.

The total investment for the aforesaid acquisitions in Rwanda and Uganda is to the tune of US\$ 6.5 million (equivalent to Rs.29.25 crore only) for control of around 11.3 mn. kgs. in East Africa. So, your directors feel that this investment and tie up shall be rewarding and beneficial for all the stakeholders of the company in the long run.

Tea Estates

The all India production was 979 mn.kgs. in the year 2009 as against 981 mn.kgs.in 2008. The world crop was lower at 1839 mn.kgs as against 1893 mn.kgs. in 2008. This was mainly due to prolonged drought conditions in Kenya running for the second year and inclement weather and industrial unrest reducing Sri Lankan production to lowest in the decade.

Your company produced 234 lac kgs. 2009-10 against 218.03 lac kgs. during 2008-09, out of which own crop 200.55 lac kgs. against 185.26 lac kgs. last year. The production of Assam, Dooars and South India tea estates were substantially higher due to improved agricultural practices and favourable weather.

Tea prices which firmed up in 2008 improved further in 2009 due to global production setbacks. Growing domestic demand with a static crop in India created a mismatch in the demand and supply situation. India was the beneficiary of a world crop shortage although its own crop did not decline. The all India auction average was higher by around Rs.18/-, per kgs. than 2008. Your teas price realization was also higher by around Rs.17/- per kgs. The common varieties of tea saw a sharp appreciation in prices which is normally the case when production is static or declining.

The Jay Shree Chemicals & Fertilisers, Khardah:

In early part of the year, uncertainty of the policy on subsidy by the Government of India affected all superphosphate manufacturers in the country. The Government reduced the subsidy to Rs.2000/- per M.T. for Single Superphosphate with effect from 1st October 2009 and decontrolled the selling price. With other fertilizers like DAP and complex fertilizer remaining under controlled price regime, the marketing of SSP became difficult. However, the much awaited Nutrient Based Subsidy (NBS) Scheme has been announced by the Government of India recently for all phosphatic fertilizers from April 2010, so we perceive a better year ahead for the fertilizer industry. The sulphuric acid production was suspended upto December 2009 as the purchase cost was lower than the cost of production.

The figures of production and despatches are as under:

	Production		Despatches	
	(M.T.)		(M.T.)	
	2009-10	2008-09	2009-10	2008-09
Single Super Phosphate	76256	64795	58034	58535
Sulphuric Acid	11115	48324	6628*	29544*

{* 4711{previous year 19052 } Captive Consumption}

The Jay Shree Chemicals & Fertilisers, Gurgaon

The production and sale of the unit improved compared to that of previous year and the profitability was satisfactory. For better marketing, the company is exploring opportunities in the area of new S02 based product, whereby it can achieve full capacity of 33000 M.T.

During the year the unit manufactured 28048 M.T. of sulphuric acid compared to 25759 M.T. last year and sold 28208 M.T. compared to 26372 M.T. last year.

Export of Tea

Indian tea exports at the end of 2009 stood at 192 mn.kgs. compared to the revised figure of 203 mn.kgs. exported in 2008. However, the unit realization improved with weaker rupee and higher global prices. There were higher despatches to Iraq, Russia and Afghanistan. However, exports to Egypt, Iran, UAE and UK declined during the year.

The FOB value of exports of your company stand at Rs.76.57 crore as against last year figure of Rs.65.01 crore.

Subsidiary

As per requirements of Clause 32 of the Listing Agreement, the Consolidated Financial Statements of the subsidiaries North Tukvar Tea Company Ltd. and Birla Holdings Ltd., are annexed to the Annual Report.

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.

Prospects

The early cropping pattern in Kenya and Sri Lanka indicates higher crop in both the countries. In India, the trend is also positive. This should make the supply situation comfortable than the last year. However, with increase in domestic consumption every year by 2% and worldwide demand, the increase in quantity is likely to be absorbed easily. With virtually no carry forward stock, price levels are expected to remain attractive. Efforts are being made to maintain and improve quality as the consumers shall be reluctant to compromise on this. Keeping in view its recent acquisition in India and abroad for tea and sugar, your company is looking ahead with a great deal of optimism and development in future.

Directors' Responsibility Statement

Your Directors would like to inform members that the audited accounts containing the financial statements for the year 2009-10 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

There was industrial harmony 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 31.3.2010.

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.

Pollution Control and Afforestation

All the units of the Company have taken adequate measures to ensure pollution free operations. In all the tea estates and other units proper pollution control measures are being given top priority.

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

On withdrawal of nomination of directorship by General Insurers' (Public Sector) Association of India (GIPSA), Shri Asis Bandyopadhyay ceased to be a Director of the company w.e.f. 30th March 2010. The Board expresses its appreciation for the valuable guidance and co-operation extended by him during the tenure of his Directorship.

Pursuant to the provisions of Article 92 of the Articles of Association of the Company, Shri B.M.Khaitan and Shri S.S.Kothari retire by rotation and being eligible, offer themselves for re-election.

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, Marionbarie and North Tukvar Tea Estates of the company, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment for the year 2010-11, which we recommend.

For and on behalf of the Board

Kolkata,
28th April, 2010

B.K. Birla
Chairman

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, 2010.

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	
	Current Year	Previous Year	Current Year	Previous Year
1. Electricity				
a) Purchased				
Units (KWH)	18238207	17685887	2429778	2842549
Total Amount (in Rs.)	105764460	98441066	13763631	13490321
Rate/Unit (in Rs.)	5.80	5.57	5.66	4.75
b) Own Generation				
i) Through diesel generator				
Units (KWH)	4521133	3381441	90744	67096
Unit per Ltr. diesel	2.94	2.87	2.88	2.74
Cost/Unit (in Rs.)	11.37	11.85	10.95	11.57
ii) Through steam turbine/generator				
Unit (KWH)	166664	155372	2741628	4817620
Unit per Ltr. Oil/Gas	–	–	–	–
Cost/Unit (in Rs.)	–	–	–	–
2. Coal (specify quality and where used)				
Quantity (MT)	18600	18275	–	–
Total cost (in Rs.)	73190212	68816939	–	–
Average rate (in Rs.)	3935	3766	–	–
Quality – Dust, Khasi, B.Grade, Margherita, Leco & Agni, used in Tea Drying Machines.				



	Tea		Chemicals & Fertilisers	
	Current Year	Previous Year	Current Year	Previous Year
3. Furnace Oil				
Quantity (K.Ltrs.)	38	45	–	–
Total Amount (in Rs.)	1173369	1588198	–	–
Average Rate (in Rs.)	31020	34914	–	–
4. Other/Internal Generation				
a) Gas				
Quantity (SCM)	3612759	3117046	–	–
Total Cost (in Rs.)	20240776	18176753	–	–
Rate/Unit (in Rs.)	5.60	5.83	–	–
b) Firewood				
Quantity (MT)	179	57	–	–
Total cost (in Rs.)	357360	86100	–	–
Rate/Unit (in Rs.)	2000	1511	–	–

(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	0.96
Furnace Oil (in Ltr.)		0.002	0.002
Coal (Quality as above) (in kg.)		0.79	0.83
Others: Gas (SCM)		0.15	0.14
Firewood (kg.)		0.07	0.03
ii) For Superphosphate (per MT)			
Electricity (in KWH)		20	26
iii) For Sulphuric Acid (per MT)			
Electricity (in KWH)		59	55

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 | <p>a) Trials especially concerning nutrients are long term and hence will continue.</p> <p>b) Better agronomy practices to be developed for field particularly where the yield is low and optimise manufacturing methods for improvement in quality.</p> <p>c) Your company is complying with stringent requirements of minimum residual limits for chemicals in teas and producing teas in conformity with the requirements of rising Consumer safety requirement norms.</p> |
| 4. Expenditure on R&D | <p>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.</p> |
| a) Capital | NIL (Previous year NIL) |
| b) Recurring | Rs.20,55,251/- (Previous year Rs. 17,95,202/-) being amount paid to TRA and UPASI as above. |
| c) Total R & D Expenditure as a percentage of total turnover | 0.05% (Previous year 0.04%) |

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 | Rs. 39,13,99,284/- |
| Total Foreign Exchange earned | Rs. 76,41,63,389/- |

For and on behalf of the Board

Kolkata,
28th April, 2010

B.K. Birla
Chairman



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

Name of Subsidiary Company	North Tukvar Tea Co. Ltd.	Birla Holdings Ltd.
1. The financial year of the Subsidiary Company Ended on	31.03.2010	31.03.2010
2. a) No. of Equity Shares held by Jay Shree Tea & Industries Limited and its nominees in the Subsidiary 31st March, 2010	21,75,450 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%
3. 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, 2010 of the Subsidiary	Rs.5,74,231/-	(Rs.2,21,375/-)
b) Profits/(Losses) (after tax) for the previous financial years of the Subsidiary of Jay Shree Tea & Industries Ltd.	(Rs.2,00,92,689/-)	—
4. 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, 2010	NIL	NIL
b) For its previous Financial years since it became the Subsidiary of Jay Shree Tea & Industries Ltd.	NIL	NIL

For and on behalf of the Board of Directors
B.K. Birla
Chairman

R. K. Ganeriwala
President & Secretary

D.P. Maheshwari
Managing Director

FINANCIAL HIGHLIGHTS

for the last five years

(Rs. in Lacs)

	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
A Assets Owned by the Company					
1 Fixed Assets :					
Gross Block (Incl. Capital Work-in-Progress)	25728.66	24408.66 **	22565.99 *	19074.54 *	17726.28 *
Less : Depreciation	9014.76	8445.67	7916.32	7552.12	7086.12
Net Block	16713.90	15962.99	14649.67	11522.42	10640.16
2 Investments	8484.60	10070.63	9468.05	10585.70	9996.14
3 Current Assets	33472.27	15749.11	11829.04	10515.47	10612.27
4 Miscellaneous Expenditure (to the extent not written off or adjusted)	–	–	–	0.70	10.77
Total Assets	58670.77	41782.73	35946.76	32624.29	31259.34
B Dues to be paid by the Company					
1 Loans	25964.41	15203.87	14795.01	14451.97	12513.55
2 Current liabilities & provisions	9894.15	9345.68	4678.83	2851.33	3725.82
3 Deferred Tax Liability	1027.50	874.39	495.34	742.65	746.96
Total Liabilities	36886.06	25423.94	19969.18	18045.95	16986.33
C Company's Net Worth	21784.71	16358.79	15977.58	14578.34	14273.01
D Equity Shareholders' Fund					
Represented By:					
a) Share Capital	1117.43	1067.93	1066.79	1066.79	1066.79
b) Share Suspense	–	49.50	1.14	–	–
c) Reserves & Surplus	20667.28	15241.36 **	14909.65 *	13511.55 *	13206.22 *
	21784.71	16358.79	15977.58	14578.34	14273.01
Net Worth per Equity Share of Rs.10/- each (in Rs.)	194.95	146.40	149.61	136.66	133.79
Dividend per Equity Share of Rs.10/- each (in Rs.)	6.00	3.00	2.50	2.50	2.50

* After Revaluation of Fixed Assets

** After write back of Revolution Reserve

Figures for previous years have been regrouped/rearranged.

Jay Shree Tea & Industries Limited



(Rs. in lacs)

	2009-10	2008-09	2007-08	2006-07	2005-06
A INCOME:					
1 Sales(excluding excise duty)	40580.47	41451.62	26672.74	23940.68	21422.08
2 Other Income	1726.77	(1173.70)	2116.46	1475.41	2069.88
TOTAL INCOME	42307.24	40277.92	28789.20	25416.09	23491.96
B EXPENDITURE :					
1 Increase/Decrease in stock	(2560.56)	(1601.93)	184.89	(26.79)	(117.45)
2 Purchases	10434.99	7244.44	4647.69	4463.58	2556.29
3 Raw Materials Consumed	4134.95	11619.72	4187.48	3520.72	3523.22
4 Employees Cost	10923.47	9600.31	8412.74	7588.76	7561.49
5 Consumption of Stores & Spare Parts	2596.99	2231.21	1807.26	1642.42	1603.73
6 Power & Fuel	2709.97	2443.40	2055.99	2061.00	2023.18
7 Manufacturing & Other Misc. Exp.	3061.63	2682.62	2502.31	2186.74	2343.02
8 Selling & Distribution Expenses	2799.77	2577.85	2410.75	2210.11	1884.25
9 Depreciation	780.68	676.16	692.91	626.14	572.15
10 Interest (Net)	556.01	1026.74	754.41	620.52	474.07
TOTAL EXPENDITURE	35437.90	38500.52	27656.43	24893.20	22423.95
Profit before Taxation	6869.34	1777.40	1132.77	522.89	1068.01
Provision for Taxation-Current Tax	900.00	10.00	80.00	33.00	3.00
MAT Credit Entitlement	(354.11)	—	—	—	—
Provision for Taxation-Deferred Tax	153.10	379.05	(71.80)	(4.31)	—
Income Tax related to earlier years	—	—	(20.56)	(69.06)	—
Profit after Taxation	6170.35	1388.35	1145.13	563.26	1065.01
Balance B/F from previous year	2197.72	2058.16	1725.05	1673.82	1576.92
Debenture Redemption Reserve W/Back	—	—	—	—	136.00
Balance available for appropriation	8368.07	3446.51	2870.18	2237.08	2777.93
C APPROPRIATION :					
1 General Reserve	3000.00	1000.00	500.00	200.00	800.00
2 Proposed Equity Dividend	652.25	335.23	266.70	266.70	266.70
3 Tax on Dividend	108.34	56.97	45.32	45.33	37.41
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 W/back for dividend waived by Benficiary Trust	(2.35)	—	—	—	—
8 Balance carried to Balance Sheet	4623.64	2197.72	2058.16	1725.05	1673.82
	8368.07	3446.51	2870.18	2237.08	2777.93

Figures for Previous years have been regrouped/rearranged.

AUDITORS' REPORT

To the Members of Jay Shree Tea & Industries Ltd.

We have audited the attached Balance Sheet of **JAY SHREE TEA & INDUSTRIES LIMITED** as at 31st March, 2010, 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, Singbulli Tea Estate, Balasun Tea Estate and Marionbarie Tea Estate audited by the Branch Auditor as required by clause (c) of sub-section (3) of section 228 of the Companies Act, 1956.
- iv) The Balance Sheet, 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, the Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- vi) On the basis of written representations received from the directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vii) Attention is invited to the following notes in Schedule 23:
 - A. Note No. D (iii) regarding recognition of Minimum Alternate Tax (MAT) Credit Entitlement of Rs.354.11 lacs upto 31st March 2010, based on the future normal taxable income projected by the company. However, we are unable to express our opinion on the convincing evidence of future normal taxable income, and the corresponding recognition of MAT Credit Entitlement;
 - B. Note No. F regarding non-provision for diminution in value of investment of a subsidiary Company amounting to Rs. 356.20 lacs and non-provision for advances given to such subsidiary amounting to Rs. 139.62 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 accounts, read with Para (vii) 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, 2010;
- 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

1-B, Old Post Office Street,

Kolkata, the 28th day of April, 2010

(Membership No. 50773)

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 loan to 2 (two) Subsidiary Companies amounting to Rs. 231.61 lacs (balance at the year end)(maximum amount outstanding during the year was Rs. 337.45 lacs) which is repayable on demand. The other 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 Company 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.1,28,297/-, house tax of Rs.65,814/- and panchayat tax of Rs.3,20,000/-, 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> <u>(Rs. in lac)</u>	<u>Related year</u>
Income Tax Act	Income Tax	CIT (A)	34.33	2006-07
W B Sales Tax Act	Sales Tax	W.B Appellate & Revisional Board	204.93	1996-97 to 1997-98, 2000-01 & 2003-04
W B Sales Tax Act	Sales Tax	Sr.Joint Commissioner of Comm. Taxes	300.75	2005-06 & 2006-07
W B Sales Tax Act	Sales Tax	Joint Commissioner of Comm. Taxes	113.01	1999-00, 2001-02, 2005-06 & 2006-07
Provident Fund Act	Provident Fund	Calcutta High Court	24.39	1999 to 2005
Central Excise Act	Excise Duty	Guwahati High Court	16.10	1998-99 to 2002-03



- (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 information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. All the investments have been held by the Company in its own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (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, other than temporary deployment pending application.
- (xvii) According to the information and explanations given to us, on an overall basis, funds raised on short-term basis have, prima facie, not 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 have been issued during the year or exist on the Balance Sheet date. 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 28th day of April, 2010

BALANCE SHEET AS AT 31ST MARCH, 2010

(Rs '000)

SOURCES OF FUNDS	(Schedule)	As at 31.03.2010	As at 31.03.2009
Shareholders' Funds :			
Share Capital	1a	11,17,43	10,67,93
Share Suspense	1b	–	49,50
Reserves & Surplus	2	<u>2,06,67,28</u>	<u>1,52,41,36</u>
		2,17,84,71	1,63,58,79
Loan Funds :			
Secured Loans	3	95,05,54	1,30,02,34
Unsecured Loans	4	<u>1,64,58,87</u>	<u>22,01,53</u>
Deferred Tax Liability	14	<u>10,27,50</u>	<u>8,74,39</u>
		<u>4,87,76,62</u>	<u>3,24,37,05</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	2,55,76,46	2,41,43,82
Less: Depreciation		<u>90,14,76</u>	<u>84,45,67</u>
Net Block		1,65,61,70	1,56,98,15
Capital Work-in-Progress		<u>1,52,20</u>	<u>2,64,84</u>
		1,67,13,90	1,59,62,99
Investments	6	84,84,60	1,00,70,63
Current Assets, Loans & Advances			
Inventories	7	88,17,87	50,77,79
Sundry Debtors	8	33,36,55	68,14,29
Cash & Bank Balances	9	62,91,04	2,88,71
Other Current Assets	10	52,24	1,74
Loans & Advances	11	<u>1,49,74,57</u>	<u>35,66,58</u>
		<u>3,34,72,27</u>	<u>1,57,49,11</u>
Less: Current Liabilities & Provisions			
Liabilities	12	61,17,69	69,12,52
Provisions	13	<u>37,76,46</u>	<u>24,33,16</u>
		<u>98,94,15</u>	<u>93,45,68</u>
Net Current Assets		<u>2,35,78,12</u>	<u>64,03,43</u>
		<u>4,87,76,62</u>	<u>3,24,37,05</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.

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 28th day of April, 2010

R.K. GANERIWALA

President & Secretary

For and on behalf of the Board of Directors

B.K. BIRLA

Chairman

D.P. MAHESHWARI

Managing Director



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs.'000)

	(Schedule)	2009-2010	2008-2009
INCOME			
Sales, Warehousing etc. (excluding excise duty Rs. 1,32,96)(previous year Rs.7,21,09)	15	4,05,80,47	4,14,51,62
Other Sources	16	17,26,77	(11,73,70)
Closing Stock	17	64,34,71	38,74,15
TOTAL (A)		4,87,41,95	4,41,52,07
EXPENDITURE			
Opening Stock	18	38,74,15	22,72,22
Purchases		1,04,34,99	72,44,44
Raw Materials Consumed	19	41,34,95	1,16,19,72
Expenses	20	2,20,91,83	1,95,35,39
Interest (Net)	21	5,56,01	10,26,74
Depreciation		7,80,68	6,76,16
TOTAL (B)		4,18,72,61	4,23,74,67
Profit before Taxation (A- B)		68,69,34	17,77,40
Provision for Taxation:			
Current Tax		9,00,00	10,00
MAT Credit Entitlement (incl. Rs.1,00,58 for earlier years)		(3,54,11)	—
Deferred Tax		1,53,10	3,79,05
		6,98,99	3,89,05
Profit after Taxation		61,70,35	13,88,35
Balance brought forward from previous year		21,97,72	20,58,16
Balance available for appropriation		83,68,07	34,46,51
Appropriation:			
Proposed Dividend on Equity Shares @Rs. 6/- per share		6,52,25	3,35,23
Tax on Dividend (including surcharge on dividend tax)		1,08,34	56,97
Dividend Tax related to earlier years		—	(1,43,70)
Dividend (in respect of Amalgamated Company for previous year)		—	29
Dividend waived by Beneficiary Trust (Refer Note 'G' in Schedule 23)		(13,81)	—
Dividend Tax w/back for dividend waived by Beneficiary Trust (Refer Note 'G' in Schedule 23)		(2,35)	—
Transfer to General Reserve		30,00,00	10,00,00
Balance carried to Balance Sheet		46,23,64	21,97,72
		83,68,07	34,46,51
Basic & Diluted earning per share (Rs.) (refer note 'T' in Schedule 23)		55.22	12.42
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 28th day of April, 2010

R.K. GANERIWALA

President & Secretary

For and on behalf of the Board of Directors

B.K. BIRLA

Chairman

D.P. MAHESHWARI

Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010 (Rs. in '000)

Particulars	For the year ended	
	2009-10	2008-09
A. Cash flow from operating activities :		
Net Profit before tax and extraordinary items	68,69,34	17,77,40
Adjustments for -		
Depreciation	7,80,68	6,76,16
Dividend income	(3,93,33)	(2,58,07)
Interest (net)	5,56,01	10,26,74
(Profit) / loss on sale / discard of fixed assets (net)	(39,88)	8,42
Unclaimed balances written back	(12,19)	(83,11)
Provision for doubtful debts & advances	83	1,50
Advances & claims written back (net)	17,88	74,39
(Profit) / loss on sale of Investment (net)	(4,35,30)	4,40,25
Exchange difference (net)	(54,68)	17,73,14
Operating profit before working capital changes	72,89,36	54,36,82
Adjustments for -		
Trade & other receivable	11,62,04 *	(43,24,20)
Inventories	(37,40,08)	(12,72,07)
Trade payable and provisions	(4,60,81)	43,60,07
Cash generated from / (used in) operations	42,50,51	42,00,62
Direct taxes paid / (refund) ^	(9,95,06)	(1,58,15)
Exchange difference realised (net)	(1,68,44)	(17,67,16)
Net cash from / (used in) operating activities	30,87,01	22,75,31
B. Cash flow from investing activities :		
Purchase of / advance for fixed assets	(15,68,09)	(13,20,97)
Receipt of capital subsidy	-	30,00
Sale of fixed Assets	76,38	38,58
(Purchase) / sale of long term investments (net)	31,14,32	(14,01,87)
(Purchase) / sale of current investments (net)	(10,92,99)	-
Loans and Advances to companies (net)	(77,00,00)	(5,37,50)
Dues from subsidiary companies	(95,38)	(62,99)
Interest received	5,83,24	5,97,30
Dividend received	3,66,20	3,61,11
Net cash from / (used in) investing activities	(63,16,32)	(22,96,34)

* includes a sum of Rs. 15,00,00 paid to promoter group for acquiring shares (Refer note 'I' in schedule 23)

Jay Shree Tea & Industries Limited



(Rs. in '000)

Particulars	For the year ended	
	2009-10	2008-09
C. Cash flow from financing activities :		
Proceeds from long term borrowings	30,00,00	25,00,00
Repayments of long term borrowings	(18,33,56)	(14,64,40)
Proceeds from short term borrowings (net)	1,15,07,57	4,15,19
Increase in bank borrowings for working capital	(19,13,47)	(19,21,94)
Dividend including dividend tax paid	(3,43,27)	(1,41,44)
Interest paid	(11,87,67)	(16,19,11)
Net cash from / (used in) financing activities	92,29,60	(22,31,70)
Net increase / (decrease) in cash and cash equivalent (A+B+C)	<u>60,00,29</u>	<u>(22,52,73)</u>
Cash and cash equivalents as at 01.04.2009	(2,26,24)	24,78,97
Cash and cash equivalents as at 31.03.2010 \$	<u>62,26,53</u>	<u>2,26,24</u>
	<u>60,00,29</u>	<u>(22,52,73)</u>

^ 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 consist of :-

	As at 31.03.2010	As at 31.03.2009
Cash, cheques, drafts in hand etc.	58,86	1,24,87
Balance and Fixed deposits with Banks	<u>62,32,18</u>	<u>1,63,84</u>
Total	<u>62,91,04</u>	<u>2,88,71</u>
Less: Balance in unpaid dividend account *	(33,93)	(30,82)
Less: Fixed deposit (in lien) account *	(30,58)	(31,65)
Cash and Cash equivalent as on 31.03.2010	<u>62,26,53</u>	<u>2,26,24</u>

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 28th day of April, 2010

R.K. GANERIWALA

President & Secretary

For and on behalf of the Board of Directors

B.K. BIRLA

Chairman

D.P. MAHESHWARI

Managing Director

SCHEDULES TO BALANCE SHEET

(Rs. in '000)

	As at 31.03.2010	As at 31.03.2009
1a Share Capital		
Authorised		
2,60,00,000 Shares of Rs. 10/- each (Previous Year 2,60,00,000 Shares of Rs.10/- each)	<u>26,00,00</u>	<u>26,00,00</u>
Issued:		
1,11,86,988 Equity Shares of Rs.10/- each (Previous Year 1,06,91,988 Shares of Rs.10/- each)	<u>11,18,69</u>	<u>10,69,19</u>
Subscribed and Paid up:		
1,11,74,339 Equity Shares of Rs.10/- each (Previous year 1,06,79,339 Shares of Rs.10/- each)	<u>11,17,43</u>	<u>10,67,93</u>

Note :

1,17,95,458 Equity Shares (Prior to Buy Back of 16,32,034 Equity shares) have been allotted as Bonus Shares by capitalisation of General Reserve Rs.11,06,16. Capital Redemption Reserve Rs.57,61 and Capital Reserve Rs.15,78. 4,95,000 Equity Shares under Share Suspense, issued during the current year.

1b Share Suspense

4,95,000 Fully paid up Equity shares of Rs. 10/- each, issued pursuant to scheme of Amalgamation for consideration other than cash	–	49,50
	<u>–</u>	<u>49,50</u>

2. Reserves & Surplus

	Balance as on 31.03.2009 Rs.	Additions Rs.	Deductions/ Adjustments Rs.	Balance as on 31.03.2010 Rs.
Capital Reserve (Not available for Dividend)	14,15,70	–	–	14,15,70
Capital Redemption Reserve	1,65,21	–	–	1,65,21
General Reserve	1,14,62,73	30,00,00	–	1,44,62,73
Profit & Loss Account - Balance	21,97,72	46,23,64	21,97,72	46,23,64
	<u>1,52,41,36</u>	<u>76,23,64</u>	<u>21,97,72</u>	<u>2,06,67,28</u>
Previous Year	1,49,09,65	35,00,89	31,69,18	1,52,41,36

Jay Shree Tea & Industries Limited



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

(Rs. in '000)

	As at 31.03.2010	As at 31.03.2009
3. Secured Loans:		
I. a) Long Term Loan from Banks (Repayable within one year Rs.8,33,33) (Previous year Rs.18,33,33)	55,00,00	43,33,33
b) Short Term loans from Banks *	12,50,00	40,00,00
c) Short Term loan from a Bank *	10,00,00	10,00,00
II. From Banks for Working Capital		
a) In Indian Rupee	17,55,54	17,32,89
b) In Foreign Currency		
- FCNR(B) Loan(US\$ NIL) (Previous year US\$ 3.90 million)	-	19,36,12
	95,05,54	1,30,02,34

* Repayable within one year

Security:

- I. a) and (b) 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.
- c) To be secured by sub servient charge on current assets of the Company.
- II. 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.

4. Unsecured Loans

Deposits (Repayable within one year Rs. 59,70) (Previous year Rs. 55,23)	1,19,64	70,97
Short term loan from Banks*	1,63,00,00	21,00,00
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. 1,88)	1,75	1,88
From Government of West Bengal under Plantation Labour Housing Scheme (Repayable within one year Rs.1,22) (Previous year Rs.1,30)	1,30	1,40
Security Deposits (Repayable within one year Rs. NIL) (Previous year Rs. NIL)	36,18	27,28
	1,64,58,87	22,01,53

* Repayable within one year

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

(Rs. in '000)

5. Fixed Assets

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK			
	Value as on 31.03.2009	Additions/ adjustments	Addition on Amalgamation	Sales/ adjustments	Total Value as at 31.03.2010	Up to 31.03.2009	For the year	Sales/ adjustments	Up to 31.03.2010	As at 31.03.2010	As at 31.03.2009
Land	6,26.64 (1)	1,80.53	-	-	8,07.17	-	-	-	-	8,07.17	6,26.64
Leasehold Land & Plantations	53,43.57	9.33 (2)	-	1	53,52.89	2.32	-	-	2.32	53,50.57	53,41.25
Buildings & Flats(Including those on Leasehold & Rented Land),Electric Installation, Water Line Tube-Well,Fencing,Road Bridges etc.	70,34.97	2,02.66	-	41.83	71,95.80	22,09.96	1,27.38	34.10	23,03.24	48,92.56	48,25.01
Estate Development up to 31.12.1926											
Risheehat Tea Estate	1.33	-	-	-	1.33	33	-	-	33	1.00	1.00
Plant & Machinery,X-Ray Units,Electric Installation,Air Conditioning Units,Refrigerators											
Road Rollers,Gas Pipe Lines, Ropeway etc.	92,34.56	9,86.80 (3)	-	1,19.53	1,01,01.83	50,52.92	4,64.19	1,06.88	54,10.43	46,91.40	41,81.64
Motor Cars,Lorries , Trailors,Tractors,Trolleys, Cycles,Vans,Loaders etc.	14,53.50	2,55.83 (3)	-	84.72	16,24.61	9,38.96	1,60.12	68.95	10,30.13	5,94.48	5,14.54
Furniture & Fixtures,Office Equipments, Telephones,Tools & Implements etc.	4,49.25	45.58	-	2.00	4,92.83	2,41.18	28.99	1.86	2,68.31	2,24.52	2,08.07
Total	2,41,43.82	16,80.73	-	2,48.09	2,55,76.46	84,45.67	7,80.68	2,11.59	90,14.76	1,65,61.70	1,56,98.15
Capital Work-in-Progress										1,52.20	2,64.84
										1,67,13.90	1,59,62.99
Corresponding figures for previous year	2,23,69.77	13,46.13	17,32.74	13,04.82	2,41,43.82	79,16.32	6,76.16	1,46.81	84,45.67	1,56,98.15	
Capital Work-in-Progress										2,64.84	
										1,59,62.99	



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

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

NOTES TO FIXED ASSETS :

(Rs. in '000)

- (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. 1,50) 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. 9,33 (previous year 10,30) capitalised during the year as certified.
- (3) Excluding Rs. 15,45 (previous year 89,94) on account of subsidy received from Tea Board under Tea Quality Upgradation & Product Diversification Scheme and Rs. 3,10 (previous year Rs. NIL) 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.81 respectively (previous year Rs.1,18, Rs.6,43 and Rs.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) 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 '000)

6. Investments - Other than trade (unless otherwise stated) (At cost unless otherwise stated)

	Face Value Rs.	No. of shares/ securities/ units	As at 31.03.2010	As at 31.03.2009
Long Term Investments (Fully paid up shares / securities)				
GOVERNMENT & TRUST SECURITIES:				
National Savings Certificates		3	3	3

SHARES & UNITS

Subsidiary Companies (in trade)

Unquoted

Fully paid up Equity Shares

North Tukvar Tea Co. Ltd.

(60 shares held jointly with the nominee(s)) 10 2175450 **3,56,20** 3,56,20

Birla Holdings Ltd. 1 10000 **1,25** **3,57,45** – 3,56,20
(AED)

Fully paid up Equity Shares (In Trade)

Beneficial interest in shares
held by JSTI Beneficiary Trust **3,32,29** **3,32,29** **5,04,20** 5,04,20

Fully paid up Equity Shares Quoted :

Kesoram Industries Ltd.	10	1059089	6,09,61	6,09,61
HGI Industries Ltd.	10	86200	35,56	35,56
ECE Industries Ltd.	10	198625	62,29	62,29
Manjushree Plantations Ltd.	10	80155	1,49	1,49
Mangalam Timber Products Ltd.	10	83462	8,35	8,35
McLeod Russel India Ltd.	5	75	2	2
Mangalam Cement Ltd.	10	820500	2,59,59	2,59,59
Century Enka Limited	10	100000	2,00,00	2,00,00
Kesoram Textile Mills Ltd. (Allotted in earlier year on hive off of Textile Division of Kesoram Industries Ltd.)	2	569089	–	–
Pilani Investment Corporation Ltd.	10	6700	97,30	12,74,21 97,30 12,74,21

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	1,31,60	1,31,60
Kesoram Insurance Broking Services Ltd.	10	25000	50	50
Vasavadatta Services Ltd.	10	4600	46	1,93,16 46 1,93,16
Carried Over			21,57,14	23,27,80



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

(Rs. in '000)

6. Investments - Other than trade

(unless otherwise stated)

(At cost unless otherwise stated) (Cont'd...)

	Face Value Rs.	No. of shares/ securities/ units	As at 31.03.2010	As at 31.03.2009
Brought Forward			21,57,14	23,27,80
Shares in Co-operative Societies - unquoted:				
The Coimbatore & Nilgiris District Small Scale Service Industrial Co-operative Society Ltd.	100	10	1	1
The Tamilnadu Tea Manufacturers' Service Industrial Co-operative Society Ltd.	5000	1	5	5
INVESTMENT PROPERTIES - UNQUOTED:				
Embassy Centre Premises Co-op. Society Ltd.	50	25	1	1
The Bayside Co-op. Housing Society Ltd.	50	55	3	3
Paramount Owners' Syndicate Pvt. Ltd.	10	460	5	5
UNITS IN MUTUAL FUND - UNQUOTED:				
AIG India Equity Fund Regular plan			-	1,50,00
Birla Sun Life Income Fund			-	2,70,78
Birla Sun Life Income Fund*			-	2,50,00
Birla Sun Life Income Plus Fund			-	2,50,00
DSP Merrill Lynch Small & Mid Regular Plan			-	1,00,00
HDFC Premier MultiCap Fund			-	2,00,00
HDFC High Interest Fund			-	2,61,26
HDFC Core & Satellite Fund	10	483746.130	1,00,00	1,00,00
HDFC Midcap Opportunity Fund	10	2500000.000	2,50,00	2,50,00
HDFC Growth Fund	10	511548.201	2,00,00	2,00,00
HDFC Infrastructure Fund	10	1339854.935	1,33,99	3,00,00
(1660145.065 units sold during the year)				
HSBC Equity Fund	10	482994.290	1,33,45	1,33,45
ICICI Prudential Income Fund *			-	3,75,00
ICICI Prudential Infrastructure Fund	10	2719033.233	3,83,38	3,83,38
IDFC SME Fund			-	2,00,00
JM Agri & Infra Fund			-	1,50,00
JM Basic Fund			-	1,19,87
Kotak Wealth Builder Fund Series I *			-	4,82,30
Kotak Blended Fund of Funds			-	7,18,22
Kotak Opportunities Fund	10	1180469.284	1,77,27	4,50,00
(1816134.565 units sold during the year)				
Kotak Dynamic Asset Allocation Fund			-	56,82
Principal Long Term Equity Sr. II Fund *	10	2000000.000	2,00,00	2,00,00
Reliance Income Fund *			-	1,25,00
Reliance Income Fund			-	2,50,00
Reliance Banking Fund			-	1,00,00
Reliance Diversified Power Fund			-	1,00,00
Reliance Vision Fund	10	647274.263	2,89,82	89,82
(438680.187 units bought during the year)				
Reliance Growth Fund	10	369834.852	2,00,00	93,11
(438680.187 units bought during the year) (net)				
Reliance Regular Savings Fund -Equity Fund	10	1339237.884	3,00,00	-
Sundaram Energy Opportunities Fund	10	1500000.000	1,50,00	1,50,00
Sundaram Equity Multiplier Fund			-	95,95
Sundaram Select Small Cap Fund	10	1500000.000	1,50,00	1,50,00
Sundaram PSU Opportunity Fund	10	1440000.000	1,44,00	-
Tata Infrastructure Fund	10	324609.981	73,23	73,23
			28,85,13	28,85,13
			28,85,13	68,28,20
Carried Over			50,42,42	91,56,15

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

(Rs. in '000)

6. Investments - Other than trade

(unless otherwise stated)

(At cost unless otherwise stated) (Cont'd...)

	Face Value Rs.	No. of shares/ securities/ units	As at 31.03.2010	As at 31.03.2009
Brought Forward			50,42,42	91,56,15

Investment under Portfolio Management Services (unquoted)

Reliance Capital Asset Management Company Ltd.

(Partially redeemed during the year)

3,57,85 4,46,69

Kotak Securities Ltd. (Redeemed during the year)

— 1,30,42

JM Financial Services Pvt. Ltd.

1,63,76 1,36,32

Next Trillion Dollar Opportunity Fund

82,40 70,81

India Business Excellence Trust

1,92,73 1,30,23

Barclays Securities (India) Pvt. Ltd.

1,93,46 9,90,19 — 9,14,48

Investment in Secured Non-Convertible Debentures (unquoted)

Barclays Investments & Loans (India) Ltd.** 1000000 15

1,50,00 —

Citicorp Finance India Ltd. ** 100000 100

1,01,00 —

13.00% Jayneer Capital Pvt. Ltd. 5000000 5

2,50,00 —

12.50% Geetanjali Trading &

Investment Pvt. Ltd. 1000000 25

2,50,00 —

12.75% Unilazer Exports &

Management Consultants Ltd. 1000000 50

5,00,00 12,51,00 — —

Current Investments - Fully paid up (unquoted)

LICMF Liquid Fund	10	10937849.730	12,00,99	12,00,99	—	—
				84,84,60		1,00,70,63

* Growth option

** Nifty linked structured product

** Nifty linked structured product	As at 31.03.2010		As at 31.03.2009	
	Book Value	Market Value	Book Value	Market Value
Quoted Investments	12,74,21	62,16,88	12,74,21	23,38,36
Unquoted Investment	72,10,39		87,96,42	
	84,84,60		1,00,70,63	

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
Axis Equity Fund	2000000.000	2,00,00
Birla Sunlife equity Fund	240000.000	1,50,00
Birla Sunlife Midcap Fund - Plan A	2168075.361	5,00,00
DSP BR Top 100 Equity Fund Regular Plan	847218.300	1,50,00
DSP Black Rock Small & Mid Cap Fund Regular	732493.408	1,00,00
ICICI Pru Growth Fund	1172332.943	2,00,00
ICICI Pru Focused Equity Fund Retail	1576044.129	2,00,00
IDFC Premier Equity Fund Plan A	2073270.828	3,50,00
IDFC Small & Midcap Equity Fund	1786753.989	2,50,00
LICMF Liquid Fund	100795698.621	1,10,67,47
Reliance Growth Fund	727822.344	3,50,00
Reliance Diversified Power sector Fund	596324.652	2,50,00
Reliance Regular Savings Fund Equity Plan	1631889.293	3,00,00
Reliance Infrastructure Fund - Retail	1711491.443	1,75,00
Tata Equity P / E Fund Div Trigger option A 5%	666839.388	2,50,00

Jay Shree Tea & Industries Limited



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

(Rs. in '000)

	As at 31.03.2010	As at 31.03.2009
7. Inventories (Including in-Transit) At lower of Cost or Net realisable Value		
Stores & Spares Parts	11,29,99	10,69,59
Finished Products and Other Goods	64,11,60	38,67,65
Work-in-Progress	23,11	6,50
Raw Materials	12,53,17	1,34,05
	88,17,87	50,77,79
8. Sundry Debtors		
Unsecured:		
More than six months		
Considered good (Incl. Govt. Subsidy on Fertilisers Rs. 37,39) (Previous year Rs.14,99)	1,88,42	80,90
Considered doubtful	37,21	41,31
Other Debts (Considered good) (Incl. Govt. Subsidy on Fertilisers Rs. 2,35,55) (Previous year Rs. 46,79,61)	31,34,09	67,22,48
	33,59,72	68,44,99
Less: Reserve for Doubtful Debts	37,21	41,31
	33,22,51	68,03,38
Warehousing Income accrued and considered good	14,04	10,91
	33,36,65	68,14,29
9. Cash & Bank Balances		
Cash in Hand	16,81	8,95
Cheques, Drafts & Stamps in hand	42,05	1,15,92
Balance with Scheduled Banks:		
In Current Account	1,04,28	57,59
In Current Account (Foreign Currency)	30,76	30
In Cash Credit Account	17,95	31,96
In Unpaid Dividend Account	33,93	30,82
In Fixed / Term Deposit Account (in lien Rs. 30,58)(Previous year Rs. 30,28) (including interest accrued but not due Rs. 12,67)(Previous year Rs. 3,01)	60,45,26	43,17
	62,91,04	2,88,71
10. Other Current Assets		
Interest Accrued on Investments	52,24	1,74
	52,24	1,74

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

(Rs. in '000)

	As at 31.03.2010	As at 31.03.2009
11. Loans & Advances		
Unsecured and considered good unless otherwise stated		
Loans & Deposits to Companies (Refer note 'C' in Schedule 23)	34,50,00	11,50,00
Interest Accrued on Loans & Deposits (Refer note 'C' in Schedule 23)	28,00	28,00
Dividend Receivable	27,38	—
Dues from Subsidiary Companies		
a) North Tukvar Tea Company Limited (maximum amount outstanding during the year Rs.2,45,46)(Previous year Rs. 2,35,25) (incl.interest receivable 14,21) (Previous year Rs.10,77)	1,39,62	1,36,23
b) Birla Holdings Limited (Refer note 'H (i)' in Schedule 23)(maximum amount outstanding during the year Rs.91,99) (Previous year Rs.NIL)	91,99	—
Advance to M.P. Chini Industries Limited (Refer note 'I' in Schedule 23)	54,00,00	—
Advances (recoverable in cash or in kind or for value to be received)		
Considered Good (Refer note 'I' in Schedue 23)	28,26,04	7,74,07
Considered Doubtful	3,89	3,89
	28,29,93	7,77,96
Less:Reserve	3,89	3,89
	28,26,04	7,74,07
Prepaid Expenses	73,21	71,10
Insurance, Excise & Other Claims	39,97	61,37
Considered Doubtful	2,83	—
	42,80	61,37
Less: Reserve	2,83	—
	39,97	61,37
Subsidies & Incentives Receivable	8,77,92	7,02,47
Deposit with NABARD under Tea Development Scheme	4	4
Balances in Account with Port Trust, Customs, Excise etc.	12,34	24,54
Security & Other Deposits and Rent Advances	4,16,74	3,21,07
Sales Tax & Octroi paid under protest	1	10
Advance Income Tax	12,37,20	2,97,59
MAT Credit Entitlement (Refer note 'D(iii)' in Schedule 23)	3,54,11	—
	1,49,74,57	35,66,58



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

(Rs. in '000)

	As at 31.03.2010	As at 31.03.2009
12. Liabilities		
Sundry Creditors		
Micro and Small Enterprises	56	–
Others	57,53,35	65,84,24
Advances from Agents & Customers	2,03,88	1,73,82
Investors Education & Protection Fund (not due) (Int. accrued Rs. NIL) (Unpaid and unclaimed dividend)	33,93	30,82
Interest accrued but not due on Loans	1,25,97	1,23,64
	<u>61,17,69</u>	<u>69,12,52</u>
13. Provisions		
Proposed Dividend	6,52,25	3,35,23
Provision for Tax on Dividend (Refer note 'D(ii)' in Schedule 23)	1,95,47	1,11,34
Provision for Taxation	10,00,57	1,56,02
Others (Refer Note 'N' in Schedule 23)	1,19,68	48,58
For Salaries, Wages, Bonus etc.	9,02,59	8,20,48
Provision for Gratuity	5,93,66	6,99,57
Provision for Leave	3,12,24	2,61,94
	<u>37,76,46</u>	<u>24,33,16</u>
14. Deferred Tax Liability		
Liabilities:		
Accumulated Depreciation	13,94,10	13,49,07
Less : Assets		
Provision for doubtful debts	12,75	13,35
Accrued expenses deductible on payment basis/Employee benefits	3,53,85	4,46,99
Carry over tax losses	–	14,34
	<u>10,27,50</u>	<u>8,74,39</u>

(Rs. in '000)

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Jay Shree Tea & Industries Limited



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

(Rs. in '000)

	For the Year ended 31st March 2010	For the Year ended 31st March 2009
19. Raw Materials Consumed :		
(Fertilisers & Chemicals)		
Opening Stock	1,34,05	6,95,93
Purchases	56,97,95	1,11,23,02
	<u>58,32,00</u>	<u>1,18,18,95</u>
Less:		
Closing Stock	12,53,17	1,34,05
Sales	4,43,88	41,77
Claims	—	23,41
	<u>16,97,05</u>	<u>1,99,23</u>
	<u>41,34,95</u>	<u>1,16,19,72</u>
20. Expenses:		
Manufacturing Expenses		
Stores, Spare-parts & Tools Consumed (including packing materials Rs. 8,80,56) (Previous year Rs. 7,28,40)	25,96,99	22,31,21
Power & Fuel	27,09,97	24,43,40
Repairs, Renovations & Replacements:		
Machinery	3,99,64	3,88,02
Buildings	4,21,98	2,71,07
Other Assets	2,81,71	2,53,40
	<u>64,10,29</u>	<u>55,87,10</u>
Payments to and provisions for Employees		
Salaries, Wages, Bonus etc.	95,52,09	84,29,14
Contribution to Provident fund and Other funds	9,72,39	8,41,68
Workers & Staff Welfare Expenses	3,98,99	3,29,49
	<u>1,09,23,47</u>	<u>96,00,31</u>
Others:		
Rent	1,30,42	74,54
Rates & Taxes	1,59,98	52,62
Assam (Specified Lands) Tax	1,77,42	1,61,74
Insurance (excluding on sales)	80,92	85,35
Miscellaneous Expenses	12,36,58	12,10,31
Managing Director's Remuneration (Refer note 'S(a)' in Schedule 23)	33,39	38,14
Directors' Commission (Refer Note 'S(b)' in Schedule 23)	28,00	—
Directors' Fees & Travelling Expenses (Including Fees Rs. 8,80) (Previous year Rs. 4,40)	16,85	11,15

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

(Rs. in '000)

**For the Year
ended 31st March
2010**

**For the Year
ended 31st March
2009**

20. Expenses (Cont'd...)

Others (Cont'd...)

Auditors' Remuneration:

Audit Fee (Incl. Branch Auditor's fee Rs.2,72) (Previous year Rs.2,21) **24,78** 21,55

Tax Audit Fee (Incl. Branch Auditor's fee Rs. 5)(Previous year Rs.NIL) **5,57** 3,93

For Certificates (Incl. for Branch Auditor's Rs.2,26)(Previous year Rs.NIL) **12,83** 11,46

Travelling, Stay & Other Expenses
(Incl. for Branch Auditor's Rs.25)(Previous year Rs.NIL) **5,52** 10,78

Bad Debts & Irrecoverable Loans, Advances & Claims written off **19,98** 74,51

Less : Reserve **2,10** 12

17,88 74,39

Reserve for Doubtful Debts & Advances further created **2,83** 1,50

Less : Written Back **2,00** —

83 1,50

Loss on Sale/write off of unusable stores (Net) **22,32** 9,66

Donation & Charity **5,01** 3,01

19,58,30 17,70,13

Selling & Distribution Expenses

Excise Duty on increase / decrease on stock **18,14** (15,09)

Freight & Cartage **10,90,06** 10,87,33

Others (including Packing Materials Rs. 1,23)(Previous year Rs. 2,02) **4,64,74** 3,72,21

Warehousing Charges **95,80** 65,81

Insurance **62,96** 44,92

Commission, Brokerage, Discount & Incentive Bonus:

Other Selling Agents (including Depot Maintenance) **1,95,04** 2,13,93

Others **3,33,31** 2,63,51

Sales Tax / VAT **5,39,72** 5,45,23

27,99,77 25,77,85

2,20,91,83 1,95,35,39

21. Interest:

On Fixed Loans & Deposits **3,44,81** 3,94,24

To Banks & Others **8,45,19** 12,23,92

11,90,00 16,18,16

Less : Income on Loans, Deposits & Others

(Incl. Interest subsidy for earlier year Rs. 2,00,64)

(Previous year Rs. 4,11,60)

(Incl. long term investment income Rs. 75,42)

(Previous year Rs. NIL)

(Tax Deducted at Source Rs. 49,53) (Previous year Rs. 15,92)

6,19,78 5,80,65

From Subsidiary Company (Tax deducted at Source Rs. 1,42)

(Previous year Rs. NIL)

14,21 10,77

6,33,99 5,91,42

5,56,01 10,26,74



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 Rebate on sale of Superphosphate fertilizer is recognised in the Profit & Loss Account on accrual basis.
- ii) Replantation, Rejuvenation and Orthodox Tea Production Subsidies are received in stages from the Tea Board and the same are recognised in the Profit & Loss A/c upon stage wise inspection/approval. Eligible Interest Subsidy under Central Interest Subsidy Scheme is considered on the basis of claim filed and when the Company is reasonably certain of recovery of the same. Capital Subsidy on new projects and Capital Investment Subsidy is considered as Capital receipt and is credited to Capital Reserve in the year of receipt. Other subsidy on Quality upgradation and product diversification is credited to individual assets to the extent applicable and the balance attributable to revenue is credited to Profit & Loss A/c. Export incentives arising on exports are accounted for on accrual basis.

5) Fixed Assets & Depreciation

- a) Fixed assets are stated at cost less accumulated depreciation and 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 amortised over the useful life of the asset.

6) 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 ever is lower.

7) 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 where necessary.

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

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

8) Foreign Currency Transactions

Transactions in foreign exchange are accounted for at the exchange rates prevailing on the date of the transactions. All foreign currency monetary items not covered by forward contracts are stated at the rates prevailing at the year end and any exchange difference arising on such transactions are recognised in the Profit and Loss Account. Foreign currency non-monetary items are carried at historical cost and reported at the exchange rate at the date of the transaction. Premium/discount in respect of forward contracts is accounted for over the period of contract. In respect of forward contracts, exchange differences between rate at the inception of such contracts and rate on the reporting date are recognised as income or expense for the period.

9) Derivative Transactions

Derivative contracts not qualifying as forward exchange contracts under Accounting Standard 11 are Marked to Market at the reporting date and resulting loss, if any, is provided in the financial statements.

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 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.
- 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.

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 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.

12) Impairment of Assets

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

13) 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



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

(Rs. in '000)

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

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.

14) 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.

	As at 31.03.2010	As at 31.03.2009
23. Notes		
A) Contingent Liabilities not provided for in respect of :-		
i) Outstanding Bills Discounted with Banks	3,49,05	4,64,67
ii) Outstanding Letter of Credit	5,50	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.	2,04,93	1,71,10
b) Sales Tax appeal pending before Appellate Commissioner	4,13,76	92,04
iv) Income Tax demand under appeal	34,33	40,15
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	16,10
vii) Demand of Provident Fund Damages by the Provident Fund Authorities, West Bengal	24,39	24,39
viii) Demand from custom authorities for non fulfilment of export obligation in respect of an erstwhile unit	1,05,00	1,05,00
B) i) Capital Commitments outstanding (net of advances Rs.35,54) (Previous year Rs.51,57)	58,25	80,42
ii) Bank Guarantees Outstanding (Pledge of Fixed Deposit of Rs.30,58) (Previous year 30,28)	2,24,29	81,48

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

(Rs. in '000)

23. Notes (Cont'd...)

- C) Interest income of Rs.36,25 for the year (till date Rs.108,75) on an Inter Corporate Deposit of Rs. 2,50,00 (previous year Rs.2,50,00) 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. 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. Based on projections made by the management and current trend of working in tea industry the management is virtually certain of recovering the MAT with the normal taxes payable in the future years, hence a credit for Rs.3,54,11 (including Rs.1,00,58 for earlier years) has been taken in the accounts of current year.
- E) The Hon'ble High Court at Calcutta has passed an order in favour of land lord 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.4,10,82 and interest and cost thereon to the extent of Rs.1,82,59 accrues to the land lord. 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.
- F) The Net Worth of the subsidiary company M/s North Tukvar Tea Company Ltd. is negative. The Holding Company has taken various measures to revive the company, hence no provision in value of the investment amounting to Rs.3,56,20 and for advance of Rs.1,39,62 is envisaged/provided, being strategic in nature.
- G) Pursuant to the scheme of amalgamation of Jayantika Tea Co. Ltd. 4,60,460 shares were allotted to a beneficiary trust which has been allotted during the year. Dividend on these shares @ Rs.3/- per share amounting to Rs.13,81 declared for 2008-09 has been subsequently waived by the trust, accordingly reversed during the year alongwith dividend tax of Rs.2,35 written back.
- H) i) During the year, the Company has established a wholly owned subsidiary in U.A.E. in the name of Birla Holdings Ltd. to explore various acquisition opportunities.
- ii) The Company has entered into a consortium agreement with Rwanda Mountain Tea SARL , Rwanda to form a joint venture company 'Tea Group Investment Co.Ltd.' at Dubai on 50:50 sharing ratio to own and operate tea gardens at Rwanda.
- I) The Company is in the process of acquiring 100% shares of M.P.Chini Industries Ltd. at a total consideration of Rs.100,23,36 w.e.f. 01.04.2010 and has paid Rs.54,00,00 on account towards their stock of sugar and settlement of liabilities and Rs.15,00,00 paid as advance to the promoter group for acquiring shares of the said company.
- J) i) The Company has entered into an agreement to acquire 100% of the shares of Parvati Tea Co. Ltd. w.e.f. 01.04.2010 having a tea factory in Tinsukia , Assam at a consideration of Rs.3,00,00 and an additional sum of Rs.25,00 on account of settlement of liabilities.
- ii) The Company has 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



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

(Rs. in '000)

23. Notes (Cont'd...)

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 the company has funded Rs.3,41,86 which will be recovered from the proceeds of green leaf to be procured in an agreed manner. The factory is likely to commence its operations shortly upon completion of renovation, hence no lease rental has accrued during the period.

- K) Workers & Staff Welfare Expenses include Rs.34,49 (Previous Year Rs.29,89) being net loss of B.P. Kedia Central Hospital, Labac consists of following expenses & income.

Particulars	2009-2010	2008-2009
Salaries & Wages	27,30	24,42
Provident Fund	1,71	1,54
Staff Welfare Exp	3,67	4,07
Stores consumed	1,48	1,05
Repairs	3,93	1,48
Insurance Charges	33	28
Miscellaneous expenses	8,69	7,73
	47,11	40,57
Less: Income	12,62	10,68
	34,49	29,89

- L) The Company has no overdue amounts due to suppliers under the Micro, Small, & Medium Enterprises Development Act, 2006 (MSMED) as at 31.03.10. The disclosure as required under the said act is as under :-

a)	Principal Amount due to Suppliers under MSMED Act and remaining unpaid	NIL
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 31.03.10	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.

- M) 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.14,50 per month) for the building and Rs.50 (previous year Rs.50) per annum for the land to be reviewed annually.

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

(Rs. in '000)

23. Notes (Cont'd...)

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

Class of Assets	2009-10			2008-09		
	Gross Carrying Amount	Accumulated Depreciation	Depreciation for Current Year	Gross Carrying Amount	Accumulated Depreciation	Depreciation for Current Year
Land	37,91	–	–	37,91	–	–
Building	16,62,84	1,03,11	26,79	16,36,31	76,32	26,13
Plant & Machinery	1,37,73	37,62	7,20	95,46	30,42	6,12
Furniture & Fixture	1,45,67	48,10	12,90	1,20,96	35,20	10,80
Motor Vehicle	9,40	4,78	1,62	9,40	3,16	43
	19,93,55	1,93,61	48,51	19,00,04	1,45,10	43,48

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.1,14,91 from the said tea estate. The disclosure of lease rental as required under Accounting Standard-19 as lessee are:

Minimum lease payment :

Not later than one year Rs. 9,00

Later than one year but not later than five years Rs. 27,00

Later than five years Rs. NIL

N) Disclosure as per Accounting Standard-29**“Provisions, Contingent Liabilities & Contingent Assets”**

Particulars	2009-10			2008-09		
	Disputed Statutory	Other Obligations	Total	Disputed Statutory Matters	Other Obligations	Total
Opening Balance	33,45	15,13	48,58	39,46	45,32	84,78
Addition	83,58	7,37	90,95	4,85	15,13	19,98
	1,17,03	22,50	1,39,53	44,31	60,45	1,04,76
Utilisation	4,72	–	4,72	9,51	–	9,51
	1,12,31	22,50	1,34,81	34,80	60,45	95,25
Reversal	–	15,13	15,13	1,35	45,32	46,67
Closing Balance	1,12,31	7,37	1,19,68	33,45	15,13	48,58

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.

O) The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The use of such contracts is consistent with the company's risk management policy. The Company does not use forward contracts for speculative purposes.



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

(Rs. in '000)

23. Notes (Cont'd...)

The following are the hedged outstanding foreign exchange forward contracts as on 31.03.2010 :

Particulars	Foreign Currency	No. of Contracts	Amount	
			In Foreign Currency (in '000)	Rupee Equivalent
Buyers Credit	US \$	1	13,20	6,01,13

As at balance sheet date, the Company has net foreign currency exposure (liability) that are not hedged by derivative instruments or otherwise amounting to Rs. 23,11,43 (previous year Rs.3,45,63).

P) Employee Benefits (Revised 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.7,36,05 for provident fund contribution (previous year 6,43,11), Rs.21,18 for ESIC (previous year 20,63) and Rs.42,28 for Superannuation Contribution (previous year 36,17). The Contribution payable to these plans by the Company are at the rates specified in the rules of the scheme.

b) Defined benefit plans:

- The Company makes annual contribution of gratuity to JSTI Employees Gratuity Fund & Group Gratuity cum Life assurance Policy with Birla Sun Life Insurance Co. Ltd. a scheme 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...)

P) Employees Benefits as per AS 15 (Revised) (Cont'd...)

(Rs. in '000)

	2009-2010		2008-2009	
	Gratuity Plan	Leave Encashment	Gratuity Plan	Leave Encashment
	Funded	Unfunded	Funded	Unfunded
A. Expenses recognised in the Statement of Profit & Loss Account for the year ended 31st March 2010				
i Current Service Cost	1,37,81	11,78	1,37,07	10,60
ii Interest Cost	1,99,24	22,97	1,70,99	19,87
iii Expected return on Plan Assets	1,51,97	–	1,42,19	–
iv Actuarial (Gain)/Losses	6,28	29,43	-24,10	9,42
v Past Service Cost	–	–	–	–
vi Effect of any Curtailment/Settlement	–	–	–	–
vii Unrecognised defined benefit obligation	–	–	–	–
viii Expenses recognised in Profit & Loss Account	1,91,36	64,18	1,41,77	39,89
B. Net (Assets)/Liabilities recognised in Balance Sheet as at 31st March 2010				
i Present Value of the Defined Benefit Obligation	27,28,31	3,12,24	25,99,17	2,60,97
ii Fair Value of Plan Assets	20,87,38	–	18,99,60	–
iii Unrecognised Defined Obligation	–	–	–	–
iv Net (Assets)/Liabilities	6,40,93	3,12,24	6,99,57	2,60,97
v Amount paid against above Liability during the year	47,27	–	–	–
vi Net (Assets)/Liabilities recognised in Balance Sheet	5,93,66	3,12,24	6,99,57	2,60,97
C. Changes in the Present Value of Defined Benefit Obligation during the year ended 31st March 2010				
i Present Value of Defined Benefit Obligation as at 1st April 2009	25,99,17	2,61,94	23,76,74	2,44,12
ii Acquisition Adjustment	–	–	58,48	97
iii Current Service Cost	1,37,81	11,78	1,37,07	10,60
iv Interest Cost	1,99,24	22,97	1,70,99	19,87
v Actuarial Gain/(Losses)	9,48	29,43	1,66,50	9,42
vi Benefits Paid	2,17,39	13,88	3,10,61	23,04
vii Present Value of Obligation as at 31st March 2010	27,28,31	3,12,24	25,99,17	2,61,94
D. Changes in fair value of Plan Assets during the year ended 31st March 2010				
i Fair Value of Plan Assets as at 1st April 2009	18,99,60	–	17,18,94	–
ii Acquisition Adjustment	–	–	58,48	–
iii Expected return on Plan Assets	1,51,97	–	1,42,19	–
iv Actuarial Gain/(Losses)	3,20	–	1,90,60	–
v Benefits paid	2,17,39	–	3,10,61	–
vi Settlements	–	–	–	–
vii Contributions	2,50,00	–	1,00,00	–
viii Fair Value of Plan Assets as at 31st March 2010	20,87,38	–	18,99,60	–
ix Actual return on Plan Assets	1,55,17	–	3,18,42	–
E. Principle Actuarial Assumptions used				
i Discount rates as at 31st March 2010	8.00%		7.50%	
ii Expected Return on Plan Assets	8.00%		8.00%	
iii Expected Salary increase rates	3.25%		3.50%	
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				
Govt. Loans	0.50%		0.61%	
PSU Bonds	0.00%		0.32%	
Mutual Fund & Other Current Assets	99.50%		99.07%	
	<u>100.00%</u>		<u>100.00%</u>	

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.

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

23. Notes (Cont'd...)

R) (i) Quantitative Information

(Rs. in '000)

Class of Goods	Capacity (1)				Production (2)				Sales (4)				Stocks			
	UNIT	Licensed	Installed	Installed	Qty	Qty	Qty	Qty	Value	Value	Qty	Value	Qty	Value	Qty	Value
		2008-2009	2009-2010	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	01.04.2008	01.04.2009	01.04.2009	31.03.2010		
Superphosphate	M.T.	29,77,21	22,57,21	22,57,21	6,47,95	7,62,56	5,85,35	5,80,34	20,49,08	24,28,96	4,06	14,02	66,66	7,56,12	2,48,88	16,07,43
Sulphuric Acid	M.T.	12,07,00	9,57,00	9,57,00	7,40,83	3,91,63	5,59,16	3,48,36	52,36,85	7,52,30	40,26	1,80,39	31,85	63,23	36,88	1,04,46
Granulated Single Superphosphate & NPK Granulated Fertilisers	M.T.	3,40,00	3,40,00	3,40,00	-	-	1	-	-	-	1	2	-	-	-	-
Cryolite	M.T.	3,00	1,50	1,50	-	-	-	-	-	-	-	-	-	-	-	-
Sodium Silico Fluoride	M.T.	3,50	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sodium Hydro Sulphate	M.T.	13,00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sulphur	M.T.	-	-	-	-	-	18,61	-	4,38,24	-	-	-	-	-	-	-
Black Tea	Kgs.	N.A	25,20,00,00 (3)	25,20,00,00	21,80,31,59	23,39,97,06	26,54,97,37	29,88,42,83 (4)(6)	2,76,29,43	3,59,01,02	3,10,33,64	20,10,67	3,90,79,75	30,48,30	5,99,72,83 (6)	46,99,71
Green Tea Leaf (Own)	Kgs.	-	-	-	78,94,59,35	85,48,23,43	-	-	-	-	-	-	-	-	-	-
									3,53,53,60	3,90,82,28		22,05,10		38,67,65		64,11,60

(1) Licensed Capacity is same as in the previous year & installed capacity is as certified by the Management (2) Gross (Quantity of Rejection, Waste, Gratis etc.not excluded) Sulphuric Acid includes 4711 M.T.(Previous year 19052 MT) for production of Superphosphate, Water Treatment Plant, 887 MT Sulphuric Acid (Previous year 44 MT) purchased (3) Recomputed on estimated drier output basis per shift. (4) Exclude Tea Waste,Claim,Gratis etc.531897 Kgs.(Previous year 487226) (5) Consumed 100998257 Kgs.(Including Green Leaf Purchase) (Previous year 93817344)

(6) Sales & Closing Stock includes Tea Purchased and found excess



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

(Rs. in '000)

23. Notes (Cont'd...)

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

(ii) Purchases

	Unit	2009-2010		2008-2009	
		Quantity	Value	Quantity	Value
Black Tea	Kgs.	9,10,57,82	80,66,14	6,03,03,42	49,56,67
Sulphuric Acid	M.T.	8,87	13,30	44	59
Green Tea Leaf	Kgs.	15,51,59,14	23,55,55	14,87,14,09	19,79,08
Sulphur	M.T.	–	–	18,61	3,08,10
			<u>1,04,34,99</u>		<u>72,44,44</u>

	Unit	2009-2010		2008-2009	
		Quantity	Value	Quantity	Value
(iii) Raw Materials Consumed					
Rock Phosphate	M.T.	4,39,53	34,67,74	3,74,71	52,90,78
Sulphur	M.T.	1,35,71	3,36,54	2,49,12	60,66,42
Sulphuric Acid	M.T.	2,50,42	3,25,52	52,95	2,59,88
Other Items	M.T.	28,43	5,15	15,17	2,64
			<u>41,34,95</u>		<u>1,16,19,72</u>

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

Raw Materials (Including in-transit)	38,84,14	78,93,54
Spares	–	74
Filter Paper	8,05	–
	<u>38,92,19</u>	<u>78,94,28</u>

(v)

	Raw Materials Consumed				Spare-Parts Consumed			
	2009-2010		2008-2009		2009-2010		2008-2009	
	Value	%	Value	%	Value	%	Value	%
Imported	31,96,21	77.29	91,46,26	78.71	42	0.10	4,57	1.26
Indigenous	9,38,74	22.71	24,73,46	21.29	4,04,48	99.90	3,57,99	98.74
	<u>41,34,95</u>	<u>100.00</u>	<u>1,16,19,72</u>	<u>100.00</u>	<u>4,04,90</u>	<u>100.00</u>	<u>3,62,56</u>	<u>100.00</u>

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

(Rs. in '000)

23. Notes (Cont'd...)

(vi) Expenditure in Foreign Currency	2009-2010	2008-2009
Travelling	61,25	16,35
Commission & Brokerage	63,88	1,29,66
Foreign Bank Charges	4,03	13,77
Interest	70,17	1,42,13
Others	26,26	3,84

(vii) Earnings in Foreign Currency

FOB Value of Exports (Excluding to Nepal)		
Black Tea & Other Products	76,57,28	65,00,61

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

	2009-2010	2008-2009
Year to which Dividend relates	Year ended 31st March, 2009	Year ended 31st March, 2008
Net amount of Dividend remitted	15,97	—
Number of Shareholders	1	—
Number of Shares held	53,24,00	—

(ii) Remitted in their Banks in India

	2009-2010	2008-2009
Year to which Dividend relates	Year ended 31st March, 2009	Year ended 31st March, 2008
Net Amount of Dividend remitted	7,82	20,22
Number of Shareholders	75	76
Number of Shares held	26,06,82	80,96,67

(S) Managing Director's Remuneration

a) Remuneration to Managing Director		
Salary	25,24	15,60
Contribution to Provident Fund	2,30	1,37
Contribution to Superannuation Fund	2,88	1,72
Perquisites	2,97	2,01
Others	—	17,44 *
	33,39	38,14

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

* Others includes contractual obligations for leave, medical etc paid to retired Managing Director



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

(Rs. in '000)

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>2009-2010</u>	
Profit before Taxation as per Profit and loss Account		68,69,34
Add: Directors' remuneration & sitting fee	42,19	
Director's Commission	28,00	
Provision for doubtful debts/advances	2,83	73,02
		69,42,36
Less: Provision for Bad debts written back	2,00	
Excess of sale value of Fixed Assets over original Cost(Capital Profit)	21,50	
Profit on sale of Investments (Net)	3,27,30	
Unclaimed balances written back	12,19	3,62,99
Profit on which Commission is payable		65,79,37
Eligible Commission @ 1% of Net Profit		65,79
Commission restricted to :		28,00

(T) Earnings per share	<u>2009-2010</u>	<u>2008-2009</u>
Profit (Loss) after taxation as per Profit and Loss Account	61,70,35	13,88,35
Number of equity shares outstanding	11,17,43,39	11,17,43,39 **
Basic and diluted earnings per share (Rs.) (face value- Rs.10/- per share)	55.22	12.42

** Including 4,95,000 shares issued permanent to scheme of amalgamation.

(U) Comparative figures for the previous year have been regrouped /rearranged wherever considered necessary.

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

(Rs. in '000)

I. Registration Details

Registration No.	0012771	State Code	21
Balance Sheet Date	31.03.2010		

II. Capital Raised during the year (Amount in Rs. Thousand)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Pvt. Placement on Amalgamation	NIL

III. Capital Redeemed during the year (Amount in Rs. Thousand)

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

IV. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)

Total Liabilities	4,87,76,62	Total Assets	4,87,76,62
Source of Funds:			
Paid up Capital	11,17,43	Reserves & Surplus	2,06,67,28
Secured Loans	95,05,54	Unsecured Loans	1,64,58,87
Deferred Tax Liabilities	10,27,50		
Application of Funds:			
Net Fixed Assets	1,67,13,90	Investments	84,84,60
Net Current Assets	2,35,78,12	Misc. Expenditure	—
Accumulated Losses	NIL		

V. Performance of Company (Amount in Rs. Thousand)

Turnover and other Income	4,23,07,24	Total Expenditure	3,54,37,90
Profit before Tax	68,69,34	Profit after tax	61,70,35
Earning per share in Rs.	55.22	Dividend Rate	Rs. 6.00 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)

For and on behalf of the Board of Directors

B.K. BIRLA
Chairman

R. K. GANERIWALA
President & Secretary

D.P. MAHESHWARI
Managing Director



AUDITOR'S 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

1. We have examined the attached Consolidated Balance Sheet of Jay Shree Tea & Industries Ltd. and its subsidiaries as at 31st March, 2010, 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 Jay Shree Tea & Industries Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit. 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.

2. We did not audit the financial statements of the subsidiaries North Tukvar Tea Company Limited and Birla Holdings Limited. The financial statements of these subsidiaries have been audited by other auditors / certified by the management whose report / certified financial statements have been furnished to us, and in our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the report/certified financial statements. The details of assets, revenue and net cash flow in respect to these subsidiaries to the extent to which they are reflected in the consolidated financial statements are given below:

Particulars	North Tukvar Tea Company Limited	Birla Holdings Limited
	Audited by other Auditors	Certified by Management
Total Assets	111.41 lacs	91.02 lacs
Total Revenue	32.04 lacs	—
Net Cash Flow	(0.72) lacs	56.45 lacs

3. 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" prescribed under the Companies (Accounting Standards) Rules, 2006.

4. Attention is invited to the following notes of Schedule 22:

- i) Note No. D (iii) regarding recognition of Minimum Alternate Tax (MAT) Credit Entitlement of Rs.354.11 lacs upto 31st March 2010, based on the future normal taxable income projected by the company. However, we are unable to express our opinion on the convincing evidence of future normal taxable income, and the corresponding recognition of MAT Credit Entitlement;
- ii) Note No. (O)(b)(iv) regarding non-provision of accumulated gratuity liability 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. 4(ii) been considered, the consolidated profit for the year would have been Rs.6077.23 lacs (as against reported figure of Rs.6173.91 lacs), Reserves & Surplus would have been Rs.20527.97 lacs (as against reported figure of Rs.20624.65 lacs). Current Liabilities would have been Rs.10006.82 lacs (as against reported figure of Rs.9910.14 lacs).

5. On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of Jay Shree Tea & Industries Ltd. and its subsidiaries, subject to para 4 (ii) and read with para 4 (i) above, we are of the opinion that :

- a. the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Jay Shree Tea & Industries Ltd. and its subsidiaries as at 31st March, 2010,
- b. the Consolidated Profit & Loss Account gives a true and fair view of the consolidated results of the operations of Jay Shree Tea & Industries Ltd. and its subsidiaries for the year then ended and
- c. the Consolidated Cash Flow for the year gives a true and fair view.

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

(PRADEEP KUMAR SINGHI)

Partner

(Membership No. 50773)

1-B, Old Post Office Street,
Kolkata, the 28th day of May, 2010.

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

(Rs. in '000)

SOURCES OF FUNDS	(Schedule)	As at 31.03.2010	As at 31.03.2009
Shareholders' Funds:			
Share Capital	1a	11,17,43	10,67,93
Share Suspense	1b	–	49,50
Reserves & Surplus	2	<u>2,06,24,65</u>	<u>1,51,95,16</u>
		2,17,4208	1,63,12,59
Loan Funds:			
Secured Loans	3	95,05,54	1,30,02,34
Unsecured Loans	4	<u>1,64,58,87</u>	<u>22,01,53</u>
Deferred Tax Liability	13	<u>10,27,50</u>	<u>8,74,39</u>
		4,87,33,99	3,23,90,85
APPLICATION OF FUNDS			
Fixed Assets:			
Gross Block	5	2,59,89,60	2,45,61,12
Less : Depreciation		<u>91,47,51</u>	<u>85,77,57</u>
Net Block		<u>1,68,42,09</u>	<u>1,59,83,55</u>
Capital Work-in-Progress		<u>1,52,20</u>	<u>2,64,84</u>
		1,69,94,29	1,62,48,39
Investments		83,00,46	98,87,74
Current Assets, Loans & Advances:			
Inventories	6	88,60,21	50,92,64
Sundry Debtors	7	33,36,82	68,16,96
Cash & Bank Balances	8	63,47,69	2,89,63
Other Current Assets	9	52,24	1,74
Loans & Advances	10	<u>1,47,52,42</u>	<u>34,47,66</u>
		<u>3,33,49,38</u>	<u>1,56,48,63</u>
Less: Current Liabilities & Provisions			
Liabilities	11	61,27,82	69,34,54
Provisions	12	<u>37,82,32</u>	<u>24,59,37</u>
		<u>99,10,14</u>	<u>93,93,91</u>
Net Current Assets:		2,34,39,24	62,54,72
		4,87,33,99	3,23,90,85

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 28th day of April, 2010

R.K. GANERIWALA

President & Secretary

For and on behalf of the Board of Directors

B.K. BIRLA

Chairman

D.P. MAHESHWARI

Managing Director



CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs. in '000)

	(Schedule)	2009-2010	2008-2009
INCOME			
Sales, Warehousing etc. (excluding excise duty Rs. 1,32,96)	14	4,05,95,44	4,15,90,66
Other Sources	15	17,34,85	(11,68,24)
Closing Stock	16	64,78,52	38,81,07
TOTAL (A)		4,88,08,81	4,43,03,49
EXPENDITURE			
Opening Stock	17	38,81,07	22,94,37
Purchases		1,04,78,80	72,13,33
Raw Materials Consumed	18	41,34,95	1,16,19,72
Expenses	19	2,20,88,24	1,97,90,75
Interest (Net)	20	5,70,22	10,37,51
Depreciation		7,85,37	6,81,73
TOTAL (B)		4,19,38,65	4,26,37,41
Profit before Taxation (A-B)		68,70,16	16,66,08
Provision for Taxation			
Current Tax		9,00,00	10,75
MAT Credit Entitlement (incl. Rs.1,00,58 for earlier years)		(3,54,11)	-
Deferred Tax		1,53,10	3,79,05
Income Tax related to earlier years		(2,74)	-
		6,96,25	2,89,80
Profit after Taxation		61,73,91	12,76,28
Share of loss in Minority Interest		-	7,42
Profit attributable to shareholders after Minority Interest		61,73,91	12,83,70
Transfer From:			
Balance brought forward from previous year		20,63,00	19,84,63
Add: Adjustment in the opening balance due to cessation of a Subsidiary Company		-	43,46
		20,63,00	20,28,09
Balance available for appropriation		82,36,91	33,11,79
Appropriation:			
Proposed Dividend on Equity Shares @ Rs. 6/- per share		6,52,25	3,35,23
Tax on Dividend (including surcharge on dividend tax)		1,08,34	56,97
Dividend Tax related to earlier years		-	(1,43,70)
Dividend (in respect of Amalgamated Company for earlier year)		-	29
Reversal of dividend payable to Beneficiary Trust (Refer note 'G' in Schedule 22)		(13,81)	-
Dividend Tax W/back for dividend waived by Beneficiary Trust (Refer not 'G' in Schedule 22)		(2,35)	-
Transfer to General Reserve		30,00,00	10,00,00
Balance Carried to Balance Sheet		44,92,48	20,63,00
		82,36,91	33,11,79
Basic & Diluted earning per share (Rs.) (Refer note 'S' of schedule 22)		55.25	11.49

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 28th day of April, 2010

R.K. GANERIWALA

President & Secretary

For and on behalf of the Board of Directors

B.K. BIRLA

Chairman

D.P. MAHESHWARI

Managing Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs. in '000)

Particulars	For the year ended	
	31.03.2010	31.03.2009
A. Cash flow from operating activities :		
Net profit before tax and extraordinary items	68,70,16	16,66,08
Adjustments for -		
Depreciation	7,85,37	6,81,73
Dividend income	(3,93,43)	(2,58,17)
Interest (net)	5,70,22	10,37,51
(Profit) / loss on sale / discard of fixed assets (net)	(40,26)	8,42
Unclaimed balances written back	(12,19)	(83,11)
Provision for doubtful debts & advances	83	1,50
Advances & claims written off (net)	17,88	74,39
(Profit) / loss on sale of investment (net)	(4,42,80)	4,40,25
Exchange difference (net)	(54,68)	17,73,14
Operating profit before working capital changes	73,01,10	53,41,74
Adjustments for -		
Trade & other receivable	11,68,73 *	(45,28,58)
Inventories	(37,67,57)	(12,59,45)
Trade payable and provisions	(4,85,74)	45,44,96
Cash generated from / (used in) operations	42,16,52	40,98,67
Direct taxes paid / (refund) ^	(9,96,06)	(1,58,94)
Exchange difference realised (net)	(1,68,44)	(17,67,16)
Net cash from / (used in) operating activities	30,52,02	21,72,57
B. Cash flow from investing activities :		
Purchase of / advance for fixed assets	(15,68,09)	(13,26,83)
Receipt of capital subsidy	—	30,00
Sale of fixed assets	77,08	39,82
(Purchase) / sale of long term investments (net)	31,15,57	(14,01,87)
(Purchase) / sale of current investments (net)	(10,85,49)	—
Loans and Advances to companies (net)	(77,00,00)	(5,37,50)
Interest received	5,69,03	5,86,53
Dividend received	3,66,30	3,61,21
Net cash from / (used in) investing activities	(62,25,60)	(22,48,64)

* includes a sum of Rs. 15,00,00 paid to promoter group for acquiring shares (Refer note 'I' in schedule 23)

Jay Shree Tea & Industries Limited



(Rs. in '000)

Particulars	For the year ended	
	31.03.2010	31.03.2009
C. Cash flow from financing activities :		
Proceeds from long term borrowings	30,00,00	25,00,00
Repayments of long term borrowings	(18,33,56)	(14,64,40)
Proceeds from short term borrowings (net)	1,15,07,57	4,15,19
Increase in bank borrowings for working capital	(19,13,47)	(19,21,94)
Dividend including dividend tax paid	(3,43,27)	(1,41,44)
Interest paid	(11,87,67)	(16,19,11)
Net cash from / (used in) financing activities	92,29,60	(22,31,70)
Net increase / (decrease) in cash and cash equivalent (A+B+C)	60,56,02	(23,07,77)
Cash and cash equivalents as at 01.04.2009	(2,27,16)	25,34,93
Cash and cash equivalents as at 31.03.2010 \$	62,83,18	2,27,16
	60,56,02	(23,07,77)

^ 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 consist of :-

	As at 31.03.2010	As at 31.03.2009
Cash , cheques, drafts in hand etc.	60,11	1,25,01
Balance and Fixed deposits with Banks	62,87,58	1,64,62
Total	63,47,69	2,89,63
Less: Balance in unpaid dividend account *	(33,93)	(30,82)
Less: Fixed deposit (in lien) account *	(30,58)	(31,65)
Cash and Cash equivalent as on 31.03.2010	62,83,18	2,27,16

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 28th day of April, 2010

For and on behalf of the Board of Directors

B.K. BIRLA

Chairman

D.P. MAHESHWARI

Managing Director

R.K. GANERIWALA
President & Secretary

SCHEDULES TO CONSOLIDATED BALANCE SHEET

(Rs. in '000)

	As at 31.03.2010	As at 31.03.2009
1a Share Capital		
Authorised		
2,60,00,000 Shares of Rs. 10/- each (Previous year 2,60,00,000 Shares of Rs.10/- each)	<u>26,00,00</u>	<u>26,00,00</u>
Issued:		
1,11,86,988 Equity Shares of Rs.10/- each (Previous year 1,06,91,988 Shares of Rs.10/- each)	<u>11,18,69</u>	<u>10,69,20</u>
Subscribed and Paid up:		
1,11,74,339 Equity Shares of Rs.10/- each (Previous year 1,06,79,339 Shares of Rs.10/- each)	<u>11,17,43</u>	<u>10,67,93</u>
1b Share Suspense		
4,95,000 Fully paid up Equity shares of Rs. 10/- each, issued pursuant to scheme of Amalgamation for consideration other than cash	<u>-</u>	<u>49,50</u>
	<u>-</u>	<u>49,50</u>

2. Reserves & Surplus

	Balance as on 31.03.2009 Rs.	Additions Rs.	Deductions/ Adjustments Rs.	Balance as on 31.03.2010 Rs.
Capital Reserve (Not available for Dividend)	14,22,12	-	-	14,22,12
Capital Redemption Reserve	1,65,21	-	-	1,65,21
Capital Reserve arising on accounting of investment in associate	78,11	-	-	78,11
Foreign Currency Translation Reserve	-	1		1
General Reserve	1,14,66,72	30,00,00	-	1,44,66,72
Profit & Loss Account - Balance	20,63,00	44,92,48	20,63,00	44,92,48
	<u>1,51,95,16</u>	<u>74,92,49</u>	<u>20,63,00</u>	<u>2,06,24,65</u>
Previous Year	1,49,24,65	33,66,16	30,95,65	1,51,95,16



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

(Rs. in '000)

	As at 31.03.2010	As at 31.03.2009
3. Secured Loans		
I a) Long Term Loan from a Bank (Repayable within one year Rs.8,33,33)	55,00,00	43,33,33
b) Short Term loans from Banks *	12,50,00	40,00,00
c) Short Term loans from a Bank *	10,00,00	10,00,00
II. From Banks for Working Capital		
a) In Indian Rupee	17,55,54	1732,89
b) In Foreign Currency		
- FCNR(B) Loan(US\$ NIL)(Previous year US\$3.90 million)	-	19,36,12
	95,05,54	1,30,02,34

* Repayable within one year

Security:

- I. a) & b) 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.
b) To be secured by sub servient charge on current assets of the Company.
- II. 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.

4. Unsecured Loans

Deposits (Repayable within one year Rs. 59,70)	1,19,64	70,97
Short term loan from a Bank*	1,63,00,00	21,00,00
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	1,88
From Government of West Bengal under Plantation Labour Housing Scheme in three Estates (Repayable within one year Rs. 1,22)	1,30	1,40
Security Deposits (Repayable within one year Rs.NIL)	36,18	27,28
	1,64,58,87	22,01,53

* Repayable within one year

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

(Rs. in '000)

5. Fixed Assets

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK				
	Value as on 31.03.2009	Adjustment on Account of Amalgamation/ demerger	Additions/ adjustments	Sales/ adjustments	Total Value as at 31.03.2010	Upto 31.03.2009	Adjustment on Account of Amalgamation/ demerger	For the year	Sales/ adjustment	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Goodwill	2,18,72	-	-	-	2,18,72	-	-	-	-	-	2,18,72	2,18,72
Land	10,13,35 (1)	-	1,80,53	-	11,93,88	-	-	-	-	-	11,93,88	10,13,35
Leasehold Land & Plantations	49,77,21	-	9,33 (2)	1	49,86,53	2,32	-	-	-	2,32	49,84,21	49,74,89
Buildings & Flats (including those on Leasehold & Rented Land), Electric Installation, Water Line, Tube-Well, Fencing, Road, Bridges etc.	71,26,33	-	2,02,66	41,83	72,87,16	22,69,17	-	1,29,39	34,10	23,64,46	49,22,70	48,57,16
Estate Development upto 31.12.1926												
Risheehat Tea Estate	1,33	-	-	-	1,33	33	-	-	-	33	1,00	1,00
Plant & Machinery, X-Ray Units, Electric Installation, Air Conditioning Units, Refrigerators, Road Rollers, Gas Pipe Lines, Ropeway etc.	92,99,33	-	9,86,80 (3)	1,19,53	1,01,66,60	51,03,24	-	4,66,47	1,06,68	54,62,03	47,04,57	41,96,09
Motor Cars, Lorries, Trailors, Tractors, Trolleys, Cycles, Vans, Loaders etc.	14,69,76	-	2,55,83 (3)	88,88	16,36,71	9,57,26	-	1,61,51	72,79	10,46,98	5,90,73	5,12,50
Furniture & Fixtures, Office Equipments, Telephones, Tools & Implements etc.	4,55,09	-	45,58	2,00	4,98,67	2,45,25	-	29,00	1,86	2,72,39	2,26,28	2,09,84
Total	2,45,61,12	-	16,80,73	2,52,25	2,59,89,60	85,77,57	-	7,85,37	2,15,43	91,47,51	1,68,42,09	1,59,83,55
Capital Work-in-Progress											1,52,20	2,64,84
Corresponding figures for previous year	2,36,55,87	(6,77,20)	30,84,73	13,06,06	2,45,61,12	82,53,68	(2,11,04)	6,81,73	1,46,80	85,77,57	1,69,94,29	1,62,48,39
Capital Work-in-Progress											2,64,84	
											1,62,48,39	



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

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

NOTES TO FIXED ASSETS :

(Rs. in '000)

- (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.1,50) against which a sum of Rs. 2,05 was received in a previous year and credited in Block. 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 15 Bighas 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.9,33 (previous year 10,30) capitalised during the year as certified.
- 3) Excluding Rs.15,45 (previous year 89,94) on account of subsidy received from Tea Board under Tea Quality Upgradation & Product Diversification Scheme and Rs.3,10 (previous year Rs.NIL) 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.81 respectively (previous year Rs.1,18, Rs.6,43 and Rs.81) 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) Additions during the year and Capital Work-in-Progress includes Rs. NIL. 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 '000)

	As at 31.03.2010	As at 31.03.2009
6. Inventories (Including in-Transit)		
At lower of Cost or Net realisable Value		
Stores & Spares Parts	11,29,99	10,77,52
Finished Products and Other Goods	64,53,94	38,74,57
Work-in-Progress	23,11	6,50
Raw Materials	12,53,17	1,34,05
	88,60,21	50,92,64
7. Sundry Debtors		
Unsecured:		
More than six months – Considered Good (Including Govt. Subsidy on Fertilisers Rs. 37,39)	1,88,69	81,06
Considered Doubtful	37,21	41,31
Other Debts – Considered Good (Including Govt. Subsidy on Fertilisers Rs. 2,35,55)	31,34,09	67,24,99
	33,59,99	68,47,36
Less : Reserve for Doubtful	37,21	41,31
	33,22,78	68,06,05
Warehousing Income accrued and considered good	14,04	10,91
	33,36,82	68,16,96
8. Cash & Bank Balances		
Cash in Hand	18,06	9,09
Cheques, Drafts & Stamps in hand:	42,05	1,15,92
Balance with Scheduled Banks:		
In Current Account	1,59,68	58,37
In Current Account (Foreign Currency)	30,76	30
In Cash Credit Account	17,95	31,96
In Unpaid Dividend Account	33,93	30,82
In Fixed / Term Deposit Account – (in lien Rs. 30,28) (including interest accrued but not due Rs. 12,67)	60,45,26	43,17
	63,47,69	2,89,63
9. Other Current Assets		
Interest Accrued on Investments	52,24	1,74
	52,24	1,74

Jay Shree Tea & Industries Limited



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

(Rs. in '000)

	As at 31.03.2010	As at 31.03.2009
10.Loans & Advances		
(Unsecured and considered good unless otherwise stated)		
Loans & Deposits (Refer note 'C' in Schedule 22)	34,50,00	11,50,00
Interest Accrued on Loan & Deposits (Refer note 'C' in Schedule 22)	28,00	28,00
Dividend Receivable	27,38	—
Advance to M.P. Chini Industries Limited (Refer note 'I' in Schedule 22)	54,00,00	—
Advances (recoverable in cash or in kind and for value to be received) (Unsecured)		
Considered Good (Refer note 'I' in Schedule 22)	28,28,95	7,75,76
Considered Doubtful	3,89	3,89
	28,32,84	7,79,65
Less: Reserve	3,89	3,89
	28,28,95	7,75,76
Prepaid Expenses	73,21	72,33
Insurance, Excise & Other Claims		
Considered Good	39,97	61,37
Considered Doubtful	2,83	—
	42,80	61,37
Less:Reserve	2,83	—
	39,97	6137
Subsidies & Incentives Receiveable	8,77,92	7,06,67
Deposit with NABARD	4	4
Balances in Account with Port Trust, Customs, Excise etc.	12,34	24,56
Security & Other Deposits and Rent Advances	4,16,74	3,21,12
Sales Tax & Octroi paid under protest	1	10
Advance Income Tax	12,43,75	3,07,71
MAT Credit Entitlement (Refer note 'D(iii)' in Schedule 22)	3,54,11	—
	<u>1,47,52,42</u>	<u>34,47,66</u>

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

(Rs. in '000)

	As at 31.03.2010	As at 31.03.2009
11. Liabilities		
Sundry Creditors		
Micro and Small Enterprises	56	–
Others	57,63,48	66,06,26
Advances from Agents & Customers	2,03,88	1,73,82
Investors Education & Protection Fund (not due)(int. accrued Rs.NIL)		
(Unpaid and unclaimed dividend)	33,93	30,82
Interest accrued but not due on Loans	1,25,97	1,23,64
	<u>61,27,82</u>	<u>69,34,54</u>
12. Provisions		
Proposed Dividend	6,52,25	3,35,23
Provision for Tax on Dividend (Refer note 'D(ii)' in Schedule 22)	1,95,47	1,11,34
Provision for Tax	10,01,93	1,64,69
Others (Refer note 'N ' in Schedule 22)	1,19,68	48,58
For Salaries, Wages, Bonus etc.	9,02,82	8,33,75
Provision for Gratuity	5,96,47	7,02,38
Provision for Leave	3,13,70	2,63,40
	<u>37,82,32</u>	<u>24,59,37</u>
13. Deferred Tax Liability		
Liabilities:		
Accumulated Depreciation	13,94,10	13,49,07
Less: Assets		
Provision for doubtful debts	12,75	13,35
Accrued expenses deductible on payment basis/Employee Benefits	3,53,85	4,46,99
Carry over tax losses	–	14,34
	<u>10,27,50</u>	<u>8,74,39</u>

(Rs. in '000)

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SCHEDULES TO CONSOLIDATED PROFIT & LOSS ACCOUNT (Cont'd...) (Rs. in '000)

	For the Year ended 31st March 2010	For the Year ended 31st March 2009
18. Raw Materials Consumed :		
(Fertilisers & Chemicals)		
Opening Stock	1,34,05	6,95,93
Purchases	56,97,95	1,11,23,02
	<u>58,32,00</u>	<u>1,18,18,95</u>
Less:		
Closing Stock	12,53,17	1,34,05
Sales	4,43,88	41,77
Claims	—	23,41
	<u>16,97,05</u>	<u>1,99,23</u>
	<u>41,34,95</u>	<u>1,16,19,72</u>
19. Expenses:		
Manufacturing Expenses		
Stores, Spare-parts & Tools Consumed (including packing materials Rs. 8,80,56)	25,96,99	22,51,19
Power & Fuel	27,09,97	24,59,99
Repairs, Renovations & Replacements:		
Machinery	3,99,64	3,91,00
Buildings	4,21,98	2,72,55
Other Assets	2,81,71	2,58,06
	<u>11,03,33</u>	<u>9,21,61</u>
	<u>64,10,29</u>	<u>56,32,79</u>
Payments to and Provisions for Employees		
Salaries, Wages, Bonus etc.	95,52,09	85,95,55
Contribution to Provident fund and Other funds	9,72,39	8,58,70
Workers & Staff Welfare Expenses	3,98,99	3,32,74
	<u>1,09,23,47</u>	<u>97,86,99</u>
Others:		
Rent	1,21,42	74,54
Rates & Taxes	1,60,03	53,76
Assam (Specified Lands) Tax	1,77,42	1,61,74
Insurance (excluding on sales)	80,92	86,21
Miscellaneous Expenses	12,39,68	12,24,27
Managing Director's Remuneration (Refer Note 'R' in schedule 22)	33,39	38,14
Director's Remuneration	2,00	2,00
Director's Commission	28,00	—
Director's Fees & Travelling Expenses (including Fees Rs. 8,88)	16,93	11,20



SCHEDULES TO CONSOLIDATED PROFIT & LOSS ACCOUNT (Cont'd...) (Rs. in '000)

	For the Year ended 31st March 2010	For the Year ended 31st March 2009
19. Expenses (Cont'd...)		
Others (Cont'd...)		
Auditors' Remuneration:		
Audit Fee (Incl. Branch Auditor's Fee Rs.2,72)	24,84	21,84
Tax Audit Fee (Incl. Branch Auditor's Fee Rs.5)	5,58	4,00
For Certificates (Incl. for Branch Auditor's Rs.2,26)	12,83	11,75
Travelling, Stay Expenses (Incl. for Branch Auditor's Rs.25)	5,52	10,80
Bad Debts & Irrecoverable Loans, Advances & Claims written off	19,98	74,51
Less : Reserve	2,10	12
	17,88	74,39
Reserve for Doubtful Debts & Advances further created	2,83	1,50
Less : Written Back	2,00	—
	83	1,50
Loss on Sale/Write off of unusable stores (Net)	22,32	9,66
Donation & Charity	5,01	3,01
	19,54,60	17,88,81
Selling & Distribution Expenses		
Excise Duty on increase / decrease on stock	18,14	(15,09)
Freight & Cartage	10,90,06	10,88,87
Others (including Packing Materials Rs. 1,23)	4,64,74	3,72,78
Warehousing Charges	95,82	65,75
Insurance	62,96	44,92
Commission, Brokerage, Discount & Incentive Bonus:		
Other Selling Agents (including Depot Maintenance)	1,95,05	2,13,93
Others	3,33,32	2,64,95
Sales Tax / VAT	5,39,79	5,46,05
	27,99,88	25,82,16
	2,20,88,24	1,97,90,75
20. Interest:		
On Fixed Loans & Deposits	3,44,81	3,94,24
To Banks & Others	8,45,19	12,23,92
	11,90,00	16,18,16
Less : Income on Loans, Deposits & Others		
(including interest subsidy for earlier year Rs. 2,00,64)		
(including long term investment income Rs. 75,42)		
(Tax Deducted at Source Rs. 49,53)	6,19,78	5,80,65
	6,19,78	5,80,65
	5,70,22	10,37,51

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

21. Statement of Accounting Policies

1) Principles of consolidation

- (a) The Financial Statements of the Holding Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income & expenses after fully eliminating intra-group balances, intra-group transactions and the unrealised profits to the extent possible, no impact of intra-group transaction of fixed asset has been taken being not significant in nature.
- (b) The Financial Statements of the Holding Company and its subsidiaries have been consolidated using a uniform accounting policies for like transactions and other events in similar circumstances.
- (c) The excess of cost of Holding Company of its investments in its subsidiaries over its share of networth taken over in the subsidiaries, on the acquisition date, is recognised in the financial statements as Goodwill/Capital Reserve.

2) Convention

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

3) Basis of Accounting

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

4) Sales

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

5) Government Rebate on Sale of Fertilisers

Government Rebate on sale of Superphosphate fertilizer is recognised in the Profit & Loss Account on accrual basis.

6) Subsidies & Incentives

Replantation, Rejuvenation and Orthodox Tea Production Subsidies are received in stages from the Tea Board and the same are recognised in the Profit & Loss A/c upon stage wise inspection/approval. Eligible Interest Subsidy under Central Interest Subsidy Scheme is considered on the basis of claim filed and when the Company is reasonably certain of recovery of the same. Capital Subsidy on new projects and Capital Investment Subsidy is considered as Capital receipt and is credited to Capital Reserve in the year of receipt. Other subsidy on Quality upgradation and product diversification is credited to individual assets to the extent applicable and the balance attributable to revenue is credited to Profit & Loss A/c. Export incentives arising on exports are accounted for on accrual basis.

7) Fixed Assets & Depreciation

- a) Fixed assets are stated at cost less accumulated depreciation and 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 assets are amortised over the useful life of the asset.



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

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

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 whichever ever is lower.

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 where necessary.

10) Foreign Currency Transactions

Transactions in foreign exchange are accounted for at the exchange rates prevailing on the date of the transactions. All foreign currency monetary items not covered by forward contracts are stated at the rates prevailing at the year end and any exchange difference arising on such transactions are recognised in the Profit and Loss Account. Foreign currency non-monetary items are carried at historical cost and reported at the exchange rate at the date of the transaction. Premium/discount in respect of forward contracts is accounted for over the period of contract. In respect of forward contracts, exchange differences between rate at the inception of such contracts and rate on the reporting date are recognised as income or expense for the period.

11) Derivative Transactions

Derivative contracts not qualifying as forward exchange contracts under Accounting Standard 11 are Marked to Market at the reporting date and resulting loss, if any, is provided in the financial statements.

12) Translation of Non-Integral Foreign Operation

In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate, income and expense items of the non-integral foreign operation are translated at average exchange rates prevailing during the year and all resulting exchange differences are accumulated in foreign currency translation reserve until the disposal of the net investment. On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognised as income or as expenses in the same period in which the gain or loss on disposal is recognized. When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of change in the classification.

13) 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.

14) 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.

15) Impairment of Assets

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

16) 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 territories. 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.

17) Segment Reporting

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Revenue and Expenses has been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses which relate to the enterprise as a whole and are not allocable to segment on a reasonable basis, has been included under "Other common expenses".

18) 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

(Rs. in '000)

	As at 31.03.2010	As at 31.03.2009									
A) Contingent Liabilities not provided for in respect of :-											
i) Outstanding Bills Discounted with Banks	3,49,05	4,64,67									
ii) Outstanding Letter of Credit	5,50	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	2,04,93	1,85,82									
b) Sales Tax appeal pending before Appellate Commissioner	4,44,28	92,04									
iv) Income Tax demand under appeal	34,33	40,15									
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	16,10									
vii) Demand of Provident Fund Damages by the Provident Fund Authorities, West Bengal	24,39	24,39									
viii) Demand from custom authorities for non fulfilment of export obligation in respect of an erstwhile unit	1,05,00	1,05,00									
B) i) Capital Commitments outstanding (net of advances Rs.35,54); (previous year Rs. 51,57)	80,42	2,40,46									
ii) Bank Guarantees Outstanding (against pledge of Fixed Deposit of Rs. 30,58); (previous year Rs. 30,28)	2,24,29	81,48									
C) Interest income of Rs.36,25 for the year (till date Rs.108,75) on an Inter Corporate Deposit of Rs.2,50,00 (previous year Rs.2,50,00) 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. 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. Based on projections made by the management and current trend of working in tea industry the management is virtually certain of recovering the MAT with the normal taxes payable in the future years, hence a credit for Rs.3,54,11 (including Rs.1,00,58 for earlier years) has been taken in the accounts of current year.											
E) The Hon'ble High Court at Calcutta has passed an order in favour of land lord 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.4,10,82 and interest and cost thereon to the extent of Rs.1,82,59 accrues to the land lord. 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.											
F) i) The subsidiaries (which alongwith Jay Shree Tea & Industries Limited, the parent, constitute the Group) considered in preparation of these consolidated financial statements are :											
<table border="1"> <thead> <tr> <th>Name</th><th>Country of Incorporation</th><th>Percentage of ownership interest in Equity</th></tr> </thead> <tbody> <tr> <td>North Tukvar Tea Company Limited</td><td>India</td><td>90.50</td></tr> <tr> <td>Birla Holdings Limited</td><td>United Arab Emirates</td><td>100.00</td></tr> </tbody> </table>	Name	Country of Incorporation	Percentage of ownership interest in Equity	North Tukvar Tea Company Limited	India	90.50	Birla Holdings Limited	United Arab Emirates	100.00		
Name	Country of Incorporation	Percentage of ownership interest in Equity									
North Tukvar Tea Company Limited	India	90.50									
Birla Holdings Limited	United Arab Emirates	100.00									
ii) The losses of North Tukvar Tea Company Limited has exceeded its net worth. Hence the minority interest has become NIL and the excess of losses over minority portion of equity amounting to Rs.2,68 has been adjusted with Profit & Loss Account.											
iii) The Consolidated Profit and Loss Account for the current year includes loss of Rs.2,20 on account of acquisition of new subsidiary Birla Holdings Limited.											
iv) The Parent Company follows straight line method of depreciation for its assets other than vehicles. One of the subsidiaries, North Tukvar Tea Company Limited, however charges depreciation on written down value method. The gross value of fixed assets in schedule 5 includes Rs.1,58,70 (previous year Rs.1,58,70) on which depreciation has been charged on written down value method.											

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

22. Notes (Cont'd...)

(Rs. in '000)

- G) Pursuant to the scheme of amalgamation of Jayantika Tea Co. Ltd. 460460 shares were allotted to a beneficiary trust which has been allotted during the year. Dividend on these shares @ Rs.3/- per share amounting to Rs.13,81 declared for 2008-09 has been subsequently waived by the trust, accordingly reversed during the year alongwith dividend tax of Rs.2,35 written back.
- H) The Company has entered into a consortium agreement with Rwanda Mountain Tea SARL, Rwanda to form a joint venture company 'Tea Group Investment Co.Ltd.' at Dubai on 50:50 sharing ratio to own and operate tea gardens at Rwanda.
- I) The Company is in the process of acquiring 100% shares of M.P.Chini Industries Ltd. at a total consideration of Rs.100,23,36 w.e.f. 01.04.2010 and has paid Rs.54,00,00 on account towards their stock of sugar and settlement of liabilities and Rs.15,00,00 paid as advance to the promoter group for acquiring shares of the said company.
- J) i) The Company has entered into an agreement to acquire 100% of the shares of Parvati Tea Co. Ltd. w.e.f. 01.04.2010 having a tea factory in Tinsukia, Assam at a consideration of Rs.3,00,00 and an additional sum of Rs.25,00 on account of settlement of liabilities.
ii) The Company has 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 the company has funded Rs.3,41,86 which will be recovered from the proceeds of green leaf to be procured in an agreed manner. The factory is likely to commence its operations shortly upon completion of renovation, hence no lease rental has accrued during the period.
- K) Workers & Staff Welfare Expenses include Rs.34,49 (Previous Year Rs.29,89) being net loss of B.P. Kedia Central Hospital, Labac consists of following expenses & income.

Particulars	2009-2010	2008-2009
Salaries & Wages	27,30	24,42
Provident Fund	1,71	1,54
Staff Welfare Exp	3,67	4,07
Stores consumed	1,48	1,05
Repairs	3,93	1,48
Insurance Charges	33	28
Miscellaneous Expenses	8,69	7,73
	47,11	40,57
Less : Income	12,62	10,68
	34,49	29,89

- L) The Company has no amounts due to suppliers under the Micro, Small & Medium Enterprise Development Act, 2006 (MSMED) as at 31.03.10. The disclosure as required under the said act is as under:-

a)	Principal Amount due to Suppliers under MSMED Act and remaining unpaid	NIL
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 31.03.10	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.

- M) 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 19.
ii) Certain land and building has been given on operating lease to the society at a lease rental of Rs.15,00 per month (previous year Rs.14,50 per month) for the building and Rs.50 (previous year Rs.50) per annum for the land to be reviewed annually.



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

22. Notes (Cont'd...)

(Rs. in '000)

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

Class of Assets	2009-10			2008-09		
	Gross Amount	Accumulated Depreciation	Depreciation for Current Year	Gross Carrying Amount	Accumulated Depreciation	Depreciation for Current Year
Land	37,91	—	—	37,91	—	—
Building	16,62,84	1,03,11	26,79	16,36,31	76,32	26,13
Plant & Machinery	1,37,73	37,62	7,20	95,46	30,42	6,12
Furniture & Fixture	1,45,67	48,10	12,90	1,20,96	35,20	10,80
Motor Vehicle	9,40	4,78	1,62	9,40	3,16	43
	19,93,55	1,93,61	48,51	19,00,04	1,45,10	43,48

N) Disclosure as per Accounting Standard-29

“Provisions, Contingent Liabilities & Contingent Assets”

Particulars	Disputed Statutory	Other Obligations	Total	Disputed Statutory	Other Obligations	Total
Opening Balance	33,45	15,13	48,58	39,46	45,32	84,78
Addition	83,58	7,37	90,95	4,85	15,13	19,98
	1,17,03	22,50	1,39,53	44,31	60,45	1,04,76
Utilisation	4,72	—	4,72	9,51	—	9,51
	1,12,31	22,50	1,34,81	34,80	60,45	95,25
Reversal	—	15,13	15,13	1,35	45,32	46,67
Closing Balance	1,12,31	7,37	1,19,68	33,45	15,13	48,58

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.

O) Employee Benefits (Revised 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.7,36,05 for provident fund contribution (previous year Rs.6,43,11), Rs.21,18 for ESIC (previous year Rs.20,63) and Rs.42,28 for Superannuation Contribution (previous year Rs.36,17). The Contribution payable to these plans by the Company are at the rates specified in the rules of the scheme.

b) Defined benefit plans:

- The Company makes annual contribution of gratuity to JSTI Employees Gratuity Fund & Group Gratuity cum Life assurance Policy with Birla Sun Life Insurance Co. Ltd. a scheme 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.
- The gratuity liability in respect of the subsidiary company has not been provided as per actuarial valuation amounting to Rs.96,68 upto 31.03.10 due to which reserves & surplus at the end of the year is higher by Rs.96,68 and provision at the end of the year is lower by Rs.96,68.

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

22. Notes (Cont'd...)

O) Employees Benefits as per AS 15 (Revised)

(Rs. in '000)

	2009-2010			2008-2009		
	Gratuity		Leave Encashment	Gratuity		Leave Encashment
	Funded	Unfunded	Unfunded	Funded	Unfunded	Unfunded
A. Expenses recognised in the Statement of Profit & Loss Account for the Yr. ended 31st March, 2010						
i. Current Service Cost	1,37,81	–	11,78	1,37,07	5,38	10,81
ii. Interest Cost	1,99,24	–	22,97	1,70,99	7,71	19,97
iii. Expected return on Plan Assets	1,51,97	–	–	1,42,19	–	–
iv. Actuarial (Gain) / Losses	6,28	–	29,43	–24,10	–1,80	9,45
v. Past Service Cost	–	–	–	–	–	–
vi. Effect of any Curtailment / Settlement	–	–	–	–	–	–
vii. Unrecognised defined benefit obligation	–	–	–	–	6,27	–
viii. Expenses Recognised in Profit & Loss Account	1,91,36	–	64,18	1,41,77	5,02	40,23
B. Net (Asset) / Liabilities recognised in Balance Sheet as at 31st March, 2010						
i. Present Value of the Defined Benefit Obligation	27,28,31	99,49	3,13,70	25,99,17	99,49	2,62,43
ii. Fair Value of Plan Assets	20,87,38	–	–	18,99,60	–	–
iii. Unrecognised Defined Obligation	–	96,68	–	–	96,98	–
iv. Net (Asset)/Liabilities	6,40,93	2,81	3,13,70	6,99,57	2,81	2,62,43
v. Amount paid against above Liability during the year	47,27	–	–	–	–	–
vi. Net (Assets)/Liabilities recognised in Balance Sheet	5,93,66	2,81	3,13,70	6,99,57	2,81	2,62,43
C. Changes in the Present Value of Defined Benefit Obligation during the year ended 31st March, 2010						
i. Present Value of Defined Benefit Obligation as at 1st April, 2009	25,99,17	99,49	2,63,40	23,76,74	93,22	2,45,24
ii. Acquisition Adjustment	–	–	–	58,48	–	97
iii. Current Service Cost	1,37,81	–	11,78	1,37,07	5,38	10,81
iv. Interest Cost	1,99,24	–	22,97	1,70,99	7,71	19,97
v. Actuarial Gain / (Losses)	9,48	–	29,43	1,66,50	–1,80	9,45
vi. Benefits Paid	2,17,39	–	13,88	3,10,61	5,02	23,04
vii. Present Value of Obligation as at 31st March, 2010	27,28,31	99,49	3,13,70	25,99,17	99,49	2,63,40
D. Changes in fair value of Plan Assets during the year ended 31st March, 2010						
i. Fair Value of Plan Assets as at 1st April, 2009	18,99,60	–	–	17,18,94	–	–
ii. Acquisition Adjustment	–	–	–	58,48	–	–
iii. Expected return on Plan Assets	1,51,97	–	–	1,42,19	–	–
iv. Actuarial Gain / (Losses)	3,20	–	–	1,90,60	–	–
v. Benefits paid	2,17,39	–	–	3,10,61	–	–
vi. Settlements	–	–	–	–	–	–
vii. Contributions	2,50,00	–	–	1,00,00	–	–
viii. Fair Value of Plan Assets as at 31st March, 2010	20,87,38	–	–	18,99,60	–	–
ix. Actual return on Plan Assets	1,55,17	–	–	3,18,42	–	–
E. <u>Principle Actuarial Assumptions used</u>						
i. Discount rates as at 31st March, 2010	8.00%			7.50%		
ii. Expected Return on Plan Assets	8.00%			8.00%		
iii. Expected Salary increase rates	3.25%			3.50%		
iv. Mortality Rates	LIC (1994-96) Mortality Table			LIC (1994-96) Mortality Table		
F. <u>Major categories of Plan Assets as a percentage of Fair Value of Plan Assets</u>						
Govt. Loans	0.50%			0.61%		
PSU Bonds	0.00%			0.32%		
Mutual Fund & Other Current Assets	99.50%			99.07%		
	100.00%			100.00%		

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.



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

22. Notes (Cont'd...)

P) Related party Disclosure													(Rs. in '000)		
Sl. No.	Name of the Company	Relationship	Remuneration Paid	Dividend	Loans & Advances (Net)	Equity Contribution	Rent	Interest	Goods & Services	Others	Amount				
											Receivable	Payable			
											(As on 31.03.2010)				
# 1	Century Textiles & Ind.Ltd.	Associate		4.50							26				
				(3.75)						4.47					
										(1.34)		(-)			
#2	Century Enka Ltd.	Associate		5.00					-						
				(5.00)					(4)						
#3	Kesoram Industries Ltd.	Associate		6.30	61,50.00	23,03.02		8.38	9.34	3,54.81	19.57	3.26			
				(5.25)	(-)	(-)		(-)	(-)	(-)	(6.39)	(34)			
4	Padmavati Investment Ltd.	Associate		91.71							1.00				
				(76.43)							(1.00)				
5	Shri D.M.Jain (Upto 28.04.08)	Key Management Personnel	- (20.01)												
6	Shri D.P.Maheshwari (w.e.f. 27.06.08)	Key Management Personnel	33.39 (18.13)												

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 (Cont'd...)	(Rs. in '000)	
	As at 31.03.2010	As At 31.03.2009

- Q)** The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The use of such contracts is consistent with the company's risk management policy. The Company does not use forward contracts for speculative purposes.

The following are the hedged outstanding foreign exchange forward contracts as on 31.03.2010 :

Particulars	Foreign Currency	No. of Contracts	Amount	
			In Foreign Currency (in '000)	Rupee Equivalent
Buyers Credit	US \$	1	13,20	6,01,13

As at balance sheet date, the Company has net foreign currency exposure (liability) that are not hedged by derivative instruments or otherwise amounting to Rs.23,11,43; (previous year Rs.3,45,63).

R) Managing Directors' Remuneration

Remuneration to Managing Director

Salary	25,24	15,60
Contribution to Provident Fund	2,30	1,37
Contribution to Superannuation Fund	2,88	1,72
Perquisites	2,97	2,01
Others	—	17,44 *
	<u>33,39</u>	<u>38,14</u>

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

* Others includes contractual obligations for leave, medical etc paid to retired Managing Director.

S) Earnings per share

	31.03.2010	31.03.2009
Profit (Loss) after taxation as per Profit and Loss Account	61,73,91	12,83,70
No. of equity shares (weighted average)	11,17,43,39	11,17,43,39 **
Basic & diluted earnings per share in Rupees (face value of Rs.10/- per share)	55.25	11.49

** Including 495000 Shares issued pursuant to Scheme of Amalgamation.

T) Comparative figures for the previous year have been regrouped / rearranged wherever considered necessary.



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

22. Notes (Cont'd...)

- U) 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 business.

(A) PRIMARY SEGMENT

(Rs. in '000)

	31.03.2010	31.03.2009		
1. Segment Revenue (Net Sales/Income from each segment)				
a) Tea	3,59,30,65	2,77,81,82		
b) Chemicals & Fertilisers	44,10,57	1,36,14,19		
c) Others	3,80,00	2,81,60		
Less : Inter-segmental Revenue	1,25,78	86,95		
Total	4,05,95,44	4,15,90,66		
2. Segment Results {Profit / (Loss) before Tax & Interest}				
a) Tea	72,82,68	42,37,65		
b) Chemicals & Fertilisers	(3,15,25)	(3,11,92)		
c) Others	81,85	1,00,96		
Total	70,49,28	40,26,69		
Less : Interest (Net)	5,70,22	10,37,51		
Add : Unallocable Income net of unallocable expenditure	3,91,10	(13,23,10)		
Total Profit/(Loss) before Tax	68,70,16	16,66,08		
3. Segment Assets (Including revaluation reserve) & Segment Liabilities				
	Assets	Liabilities	Assets	Liabilities
a) Tea	2,19,39,29	35,36,49	1,92,35,75	31,78,88
b) Chemicals & Fertilisers	46,46,09	38,13,86	67,70,27	49,74,12
c) Others	1,58,41	64,79	1,19,39	61,69
d) Unallocable	3,19,00,34	2,94,86,91	1,56,59,35	1,72,57,48
Total	5,86,44,13	3,69,02,05	4,17,84,76	2,54,72,17
4. Capital expenditure including capital work- in-progress and depreciation (excluding on revaluation reserve) for the year				
	Capital Exp.	Depreciation	Capital Exp.	Depreciation
a) Tea	11,24,53	6,51,63	10,93,78	5,55,58
b) Chemicals & Fertilisers	80,88	48,12	41,17	50,90
c) Others	2,85	1,67	5,35	1,67
d) Unallocable	3,59,83	83,95	2,80,31	73,58
Total	15,68,09	7,85,37	14,20,61	6,81,73

(B) Secondary Segment

	Domestic	Export	Total
Segment Revenue	3,25,81,42 (3,46,93,55)	80,14,02 (68,97,11)	4,05,95,44 (4,15,90,66)
Segment Assets	5,78,48,63 (4,14,39,13)	7,95,50 (3,45,63)	5,86,44,13 (4,17,84,76)
Capital Expenditure	15,68,09 (14,20,61)	— (—)	15,68,09 (14,20,61)

Note :

The company has disclosed business segment as the Primary Segment.

NORTH TUKVAR TEA COMPANY LIMITED

NOTICE

To the Shareholders

NOTICE is hereby given that the 45th Annual General Meeting of the members of NORTH TUKVAR TEA COMPANY LIMITED will be held on Wednesday, the 23rd June, 2010 at 3.30 P.M. at 'Industry House', 19th Floor, 10 Camac Street, Kolkata – 700017 to transact the following business:

AS ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at 31st March, 2010 and the Profit and Loss Account of the Company for the year ended on that date and Reports of Board of Directors and Auditors thereon.
2. To appoint a director in place of Shri D. M. Jain, who retires by rotation but being eligible offers himself for re-election.
3. To appoint a director in place of Shri B. K. Dalan, who retires by rotation but being eligible offers himself for re-election.
4. To appoint Messrs Salarpuria Jajodia & Co., Chartered Accountants, Kolkata as Auditors of the Company for the year 2010-11 and to fix their remuneration.

Registered Office:

Industry House (15th Floor)

10, Camac Street,

Kolkata – 700 017

Dated, the 26th day of April, 2010

On behalf of the Board of Directors

For NORTH TUKVAR TEA COMPANY LIMITED

R. K. GANERIWALA

Director

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 of the Company. Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting.***
2. The Equity Share Transfer Registers will remain closed from 17th June 2010 to 23rd June 2010 (both days inclusive) for the purpose of Annual General Meeting.
3. Members are requested to notify immediately any change of their address to the Company.

NORTH TUKVAR TEA COMPANY LIMITED

REPORT OF THE DIRECTORS

for the year ended 31st March, 2010.

Dear Shareholders,

We present to you the 45th Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2010:

	2009-2010 (Rs.)	2008-2009 (Rs.)
FINANCIAL RESULTS		
Operating Profit/(Loss)	7,69,348	(1,05,75,002)
Less: Depreciation	4,68,968	5,57,319
Profit/(Loss) for the year	3,00,380	(1,11,32,321)
Less: Fringe Benefit Tax	—	75,000
Income Tax	(2,73,851)	—
Loss brought forward	2,81,42,724	1,69,35,403
Loss carried forward	2,75,68,493	2,81,42,724

PERFORMANCE

During the year, the Company has given its North Tukvar Tea Estate to Jay Shree Tea & Industries Limited, the Holding Company on lease for a period of three years with effect from 01.04.2009 at an annual lease charges of Rs.9,00,000/-.

DIVIDEND

In view of the brought forward losses, your Directors regret their inability to recommend any dividend on equity shares.

DIRECTOR'S RESPONSIBILITY STATEMENT

Your Directors would like to inform members that the audited accounts containing the Financial Statements for the year ended 31st March, 2010 are in full conformity with the requirement of the 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. These financial statements are audited by the Statutory Auditors M/s Salarpuria Jajodia & Co., Chartered Accountants, Kolkata.

Your Directors further confirm that according to their information:

- in the preparation of the annual accounts, applicable accounting standards have been followed and there are no material departures;
- the accounting policies are consistently applied and reasonable, prudent judgment and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year;
- that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company;
- that the directors had prepared the annual accounts on a going concern basis.

NORTH TUKVAR TEA COMPANY LIMITED

DIRECTORS

Shri D. M. Jain and Shri B. K. Dalan, Directors of the Company, retire by rotation and being eligible offer themselves for re-election.

DISCLOSURE OF PARTICULARS WITH REGARD TO CONSERVATION OF ENERGY ETC.

The required particulars of disclosure under the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 are set out in Annexure forming part of this Report.

AUDITORS' REPORT

Regarding the Auditors' comment on net worth, the Company has taken several measures to reverse its negative net worth in coming years by improving the performance, by increase in quantity, quality and financial restructuring. The other notes on accounts are self-explanatory and do not require any comments.

PARTICULARS OF EMPLOYEES

None of the employees falls within the purview of Section 217(2A) of the Companies Act, 1956 and hence not applicable.

AUDITORS

M/s Salarpuria Jajodia & Co., Chartered Accountants, Kolkata retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment for the year 2010-2011 which we recommend.

ACKNOWLEDGMENT

Your Directors place on record their appreciation to Members of the Company, all the employees for their sincere and hard work and others for their cooperation.

Industry House (15th Floor)
10, Camac Street
Kolkata – 700 017
Dated, the 26th day of April, 2010.

For and on behalf of the Board of Directors
D. P. MAHESHWARI
R. K. GANERIWALA
P. K. AGRAWAL

NORTH TUKVAR TEA COMPANY LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217(1)(e) of the Companies Act, 1956

FORM-A FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

		Current Year	Previous Year
(A) Power & Fuel Consumption			
1. Electricity			
(a) Purchased			
Units	(KWH)	–	1,15,557
Total Amount	(Rs.)	–	5,72,540
Rate/Unit	(Rs.)	–	4.95
(b) Own Generation			
(Through Diesel Generation)			
Units	(KWH)	–	12,129
Units per Ltr.	(KWH)	–	2.06
Cost/Unit	(Rs.)	–	17.73
(c) Internal Generation (Turbine)			
Units	(KWH)	–	–
Total Amount	(Rs.)	–	–
Rate/Unit	(Rs.)	–	–
2. Coal			
Quantity	(Kg.)	–	1,60,590
Total Amount	(Rs.)	–	8,71,403
Average Rate	(Rs.)	–	5.43
3. Furnace Oil			
Quantity	(Ltr.)	–	–
Total Amount	(Rs.)	–	–
Average Rate	(Rs.)	–	–
(B) Consumption per unit of production			
Products Tea (Gross)	(Kg.)	–	1,07,404
Electricity	(KWH)	–	1.19
Coal	(Kg.)	–	1.50

FORM-B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

No comment is made on technology absorption considering the nature of activities undertaken by your Company during the year under review. The foreign exchange earning and outgo during the year is Nil.

Industry House (15th Floor)
10, Camac Street
Kolkata – 700 017
Dated, the 26th day of April, 2010.

For and on behalf of the Board of Directors
D.P. MAHESHWARI
R.K. GANERIWALA
P.K. AGRAWAL

NORTH TUKVAR TEA COMPANY LIMITED

AUDITORS' REPORT TO THE MEMBERS

1. We have audited the attached Balance Sheet of **NORTH TUKVAR TEA COMPANY LIMITED** as at 31st March 2010 and also the related Profit & Loss Account and Cash Flow Statement of the said company for the year ended on that date, annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditors' 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.
4. 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 subject to Note 2 of Schedule XVII regarding non-provision of Gratuity Liability.
 - iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 except in respect of Note 2 of Schedule XVII regarding non provision of Gratuity Liability upto 31.03.2009 amounting to Rs.96,67,749/-. Had the observation been considered, the Accumulated Losses and Provisions as on 31.03.2010 would have been higher by Rs.96,67,749/-. (Non compliance of Accounting Standard 15 & Accounting Standard 1).
 - v) *In view of continued financial support from the Holding Company the accounts has been prepared on going concern basis despite negative net worth, refer Note 11 of Schedule XVII.*
 - vi) On the basis of written representations received from the Directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
 - vii) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes in Schedule XVII thereon and attached thereto, give the information required by the Companies Act, 1956 in the manner so required and subject to Note 2 of Schedule XVII regarding non provision of gratuity as per clause (iv) above which has consequential effect on the net

NORTH TUKVAR TEA COMPANY LIMITED

assets at year end, 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 2010,
- (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 SALARPURIA JAJODIA & CO.

Chartered Accountants

(ICAI Registration No.302111E)

7, Chittaranjan Avenue

Kolkata – 700072

Dated, the 26th day of April, 2010.

ANAND PRAKASH

Partner

(M. No.56485)

ANNEXURE TO THE AUDITORS' REPORT

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

- 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 in accordance with a programme of verification, which in our opinion is adequate with relation to size of the company and the nature of assets. According to the information & explanations given to us, no material discrepancies were noticed on such verification.
 - (c) There was no substantial disposal of Fixed Assets during the year, which would effect the going concern of the Company.
- 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) The Company has not granted any loan, secured or unsecured to companies, firms or other parties listed in register maintained under section 301 of the Companies Act, 1956. The comments on clause iii (b) to iii (d) does not arise.
- (b) As per information and explanation given to us the Company is having current account transactions in the nature of loan with the Holding Company listed in the register maintained under section 301 of the Companies Act, 1956. The details of loan transactions are as follows:

Opening as on 01.04.2009	Net Received during the year	Closing as on 31.03.2010	Maximum balance outstanding during the year
Rs. 1,36,22,537/-	Rs. 3,39,302/-	Rs. 1,39,61,839/-	Rs. 2,45,45,979/-

NORTH TUKVAR TEA COMPANY LIMITED

- (c) The terms and conditions of loan taken by the Company are prima facie, not prejudicial to the interest of the company.
- (d) As informed, this being current account so the question of payment of principal amount does not arise.
- 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, fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
- v) In respect of particulars of contracts or arrangements that need to be 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, where each of such transactions is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- vi) According to the information and explanations given to us, the Company has not accepted any deposits from public within the meaning of section 58A and 58AA of the Companies Act, 1956 and rules framed thereunder.
- vii) In our opinion, the internal audit functions carried out during the year by firms of Chartered Accountants have been commensurate with the size of the Company and the nature of its business.
- viii) We have broadly reviewed the books of accounts and records maintained by the Company relating to Plantation, 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.
- ix) In respect of Statutory and other dues:
- (a) According to information and explanation given to us and the records of the Company examined by us, in our opinion, the unit is generally regular in depositing the undisputed statutory dues including provident fund, service tax, excise duty, cess and other material statutory dues as applicable with the appropriate authorities during the year.
- (b) According to the information and explanations given to us, no undisputed amounts payable by the Company in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues were outstanding at the year end for the period of more than six months from the date they become payable.
- (c) The dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty, Cess, etc. which has not been deposited on account of any disputes are as follows:

Nature of Tax	Amount involved	Related Year	Forum (where it is pending)
Sales Tax	Rs. 0.43 lakh	1999-00	Assistant Commissioner
Sales Tax	Rs. 1.25 lakh	2002-03	West Bengal Taxation Tribunal
Sales Tax	Rs. 12.73 lakh	2005-06	Joint Commissioner
Sales Tax	Rs. 16.11 lakh	2006-07	Joint Commissioner

NORTH TUKVAR TEA COMPANY LIMITED

- x) The Company's accumulated losses as at the end of the year are more than 100% of its networth and the Company has incurred cash profit during the current year but incurred cash loss during the immediately preceding financial year.
- xi) Based on our audit procedures and on the basis of information and explanation given by the management we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks.
- xii) According to the information and explanations given to us, the Company has not granted loans on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special statute applicable to chit fund/nidhi/mutual benefits fund/societies are not applicable to the Company.
- xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) There is no term loan taken by the Company. Accordingly clause (xvi) is not applicable to the Company.
- xvii) According to the records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not 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. Accordingly clause (xviii) is not applicable to the Company.
- xix) There were no debentures issued by the Company and hence question of creating security does not arise.
- xx) The Company has not raised any money by public issue during the year.
- xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For SALARPURIA JAJODIA & CO.

Chartered Accountants

(ICAI Registration No. 302111E)

7, Chittaranjan Avenue

Kolkata – 700 072

Dated, the 26th day of April, 2010.

ANAND PRAKASH

Partner

(M. No.56485)

NORTH TUKVAR TEA COMPANY LIMITED

BALANCE SHEET as at 31st March, 2010

	Schedules	31.3.2010	31.3.2009
SOURCES OF FUNDS		Rs.	Rs.
1. Shareholders' Fund:			
(a) Share Capital	I	2,40,37,500	2,40,37,500
(b) Reserves & Surplus	II	7,10,814	7,10,814
		2,47,48,314	2,47,48,314
2. Loan Funds:			
(a) Unsecured Loans	III	1,39,61,839	1,36,22,537
		3,87,10,153	3,83,70,851
APPLICATION OF FUNDS			
1. Fixed Assets	IV		
(a) Gross Block		1,94,41,853	1,98,57,433
(b) Less: Depreciation		1,32,75,473	1,31,90,048
(c) Net Block		61,66,380	66,67,385
2. Investments	V	48,07,534	48,07,534
3. Current Assets, Loans & Advances:			
(a) Inventories	VI	–	14,85,192
(b) Sundry Debtors	VII	27,321	2,67,270
(c) Cash & Bank Balances	VIII	19,011	92,853
(d) Loans & Advances	IX	9,45,932	17,30,401
		9,92,264	35,75,716
Less:			
4. Current Liabilities & Provisions:			
(a) Liabilities	X	2,37,773	22,01,969
(b) Provisions	XI	5,86,745	26,20,539
		8,24,518	48,22,508
Net Current Assets		1,67,746	(12,46,792)
5. Profit & Loss Account		2,75,68,493	2,81,42,724
		3,87,10,153	3,83,70,851
Statement of Accounting Policies	XVI		
Notes on Accounts	XVII		

The schedules referred to above form an Integral part of the Balance Sheet.

As per our report annexed

For SALARPURIA JAJODIA & CO.
Chartered Accountants
(ICAI Registration No. 302111E)

ANAND PRAKASH
Partner
(M. No.56485)
7, Chittaranjan Avenue, Kolkata 72
Dated, the 26th day of April, 2010

For and on behalf of the Board of Directors

D. P. MAHESHWARI
R. K. GANERIWALA
P. K. AGRAWAL

NORTH TUKVAR TEA COMPANY LIMITED

PROFIT & LOSS ACCOUNT for the year ended 31st March, 2010

	Schedules	31.3.2010 Rs.	31.3.2009 Rs.
INCOME			
Sales		14,97,189	1,71,40,040
Less: Excise Duty		<u>—</u>	<u>13,238</u>
		14,97,189	1,71,26,802
Increase/(Decrease) in Stock of Tea	XII	(6,91,993)	(15,22,909)
Other Income	XIII	17,06,957	5,46,599
		<u>25,12,153</u>	<u>1,61,50,492</u>
EXPENDITURE			
Expenses	XIV	3,21,605	2,56,48,680
Interest	XV	14,21,200	10,76,814
Depreciation	IV	4,68,968	5,57,319
		<u>22,11,773</u>	<u>2,72,82,813</u>
Profit before Taxation		3,00,380	(1,11,32,321)
<i>Provision for Taxation</i>			
Fringe Benefit Tax		<u>—</u>	<u>(75,000)</u>
Tax adjustment for earlier years (Net)		<u>2,73,851</u>	<u>—</u>
Profit after Taxation		5,74,231	(1,12,07,321)
Loss brought forward from Previous Year		<u>(2,81,42,724)</u>	<u>(1,69,35,403)</u>
Balance being Loss carried to Balance Sheet		<u>(2,75,68,493)</u>	<u>(2,81,42,724)</u>
Basic/Diluted Earnings per Share		<u>0.24</u>	<u>(4.66)</u>
(Refer note 8 of Schedule XVII)			
Statement of Accounting Policies	XVI		
Notes on Accounts	XVII		

The schedules referred to above form an Integral part of the Profit & Loss Account.

As per our report annexed

For SALARPURIA JAJODIA & CO.
Chartered Accountants
(ICAI Registration No. 302111E)

ANAND PRAKASH
Partner
(M. No.56485)
7, Chittaranjan Avenue, Kolkata 72
Dated, the 26th day of April, 2010

For and on behalf of the Board of Directors

D. P. MAHESHWARI
R. K. GANERIWALA
P. K. AGRAWAL

NORTH TUKVAR TEA COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

Sl. No.	PARTICULARS	31.3.2010 Rs.	31.3.2009 Rs.
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit/(Loss) before tax and extraordinary items	3,00,380	(1,11,32,321)
	Adjustments for :-		
	– Depreciation	4,68,968	5,57,319
	– Dividend Income	(10,000)	(10,000)
	– Rent Income	(9,00,000)	–
	– Interest Expense	14,21,200	10,76,814
	– Profit/Loss on sale of Fixed Assets	(38,741)	–
	– Profit/Loss on sale of Investments	(7,50,000)	–
	Operating Profit before Working Capital changes	4,91,807	(95,08,188)
	Adjustments for :-		
	– Trade and other receivable	6,67,269	34,298
	– Inventories	14,85,192	12,61,576
	– Trade payable	(19,64,196)	5,79,071
	– Other liabilities & provisions	(13,02,794)	2,33,583
	Cash generated from Operations	(6,22,722)	(73,99,660)
	– Direct taxes refund/paid	(1,00,000)	(70,000)
	Net Cash from Operating Activities	(7,22,722)	(74,69,660)
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	–	(5,85,864)
	Sale of Fixed Assets	70,778	–
	Capital Subsidy Received	–	1,25,082
	Purchase of Investments	(1,05,00,000)	–
	Sale of Investments	1,12,50,000	–
	Rent Received	9,00,000	–
	Dividend Received	10,000	10,000
	Net Cash used in Investing Activities	17,30,778	(4,50,782)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Short Term Borrowing from Holding Company	3,39,302	89,55,712
	Interest Paid	(14,21,200)	(10,76,814)
	Net Cash from Financing Activities	(10,81,898)	78,78,898
	Net increase in Cash and Cash Equivalent (A+B+C)	(73,842)	(41,544)
	Cash and Cash Equivalents as at 01.4.2009	92,853	1,34,397
	Cash and Cash Equivalents as at 31.3.2010 (Closing Balance)	19,011	92,853

Notes:

- i) The Cash Flow Statement has been prepared under the Indirect method as set out in the Accounting Standard 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- ii) Cash and cash equivalents includes Fixed Deposit including interest accrued thereon.

As per our report annexed

For SALARPURIA JAJODIA & CO.
Chartered Accountants
(ICAI Registration No. 302111E)

ANAND PRAKASH
Partner
(M. No.56485)
7, Chittaranjan Avenue, Kolkata 72
Dated, the 26th day of April, 2010

For and on behalf of the Board of Directors

D. P. MAHESHWARI
R. K. GANERIWALA
P. K. AGRAWAL

NORTH TUKVAR TEA COMPANY LIMITED

31.3.2010

31.3.2009

Rs.

Rs.

SCHEDULE - I

SHARE CAPITAL

Authorised -

30,00,000 Equity Shares of Rs.10/- each	3,00,00,000	3,00,00,000
5,00,000 Preference Shares of Rs.100/- each	5,00,00,000	5,00,00,000
	<u>8,00,00,000</u>	<u>8,00,00,000</u>

Issued, Subscribed & Paid up -

24,03,750 Equity Shares of Rs.10/- each	2,40,37,500	2,40,37,500
	<u>2,40,37,500</u>	<u>2,40,37,500</u>

i) Of the above

21,75,450 Equity Shares of Rs.10/- each are held by Jay Shree Tea & Industries Ltd., the holding Company and/or its nominees.

ii) Out of the above 23,43,750 Equity Shares were issued in pursuant to Scheme of Amalgamation to the shareholders of erstwhile Sungma Tea Co. Ltd. without payment being received in cash.

SCHEDULE - II

RESERVES & SURPLUS

Capital Reserve

Balance as per last Account	7,10,814	7,10,814
	<u>7,10,814</u>	<u>7,10,814</u>

SCHEDULE - III

UNSECURED LOANS

Short term loans and advances from

– Holding Company	1,26,82,759	1,25,45,723
Interest accrued & due on above	12,79,080	10,76,814
	<u>1,39,61,839</u>	<u>1,36,22,537</u>

NORTH TUKVAR TEA COMPANY LIMITED

SCHEDULE - IV FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	Cost as on 1.4.2009	Additions during the year	Sales/Adjust- ments during the year	Cost as on 31.3.2010	Upto 31.3.2009	For the year	Sales/ Adjustments	Upto 31.3.2010	As at 31.3.2010
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Leasehold Land & Estate Block	20,34,302	-	-	20,34,302	-	-	-	-	20,34,302
Building	91,22,146	-	-	91,22,146	59,05,583	2,00,155	-	61,05,738	30,16,408
Plant & Machinery	43,32,273	-	-	43,32,273	40,32,218	45,732	-	40,77,950	2,54,323
Electric Installation									3,00,055
& Fittings	3,93,114	-	-	3,93,114	3,85,644	1,039	-	3,86,683	6,431
Water Installation	16,228	-	-	16,228	16,138	13	-	16,151	77
Refrigerator	74,598	-	-	74,598	53,866	2,884	-	56,750	17,848
Irrigation Equipments	8,40,459	-	-	8,40,459	3,03,860	75,129	-	3,78,989	4,61,470
Computers	2,33,861	-	-	2,33,861	2,21,735	4,514	-	2,26,249	7,612
Furniture & Fittings	2,81,597	-	-	2,81,597	2,77,058	728	-	2,77,786	3,811
Office Equipments	52,439	-	-	52,439	49,936	348	-	50,284	2,155
Motor Vehicles	19,53,455	-	4,15,580	15,37,875	14,35,333	1,34,141	3,83,543	11,85,931	3,51,944
Agricultural Tractors	5,22,961	-	-	5,22,961	5,08,677	4,285	-	5,12,962	9,999
Total	1,98,57,433	-	4,15,580	1,94,41,853	1,31,90,048	4,68,968	3,83,543	1,32,75,473	61,66,380
Previous Year	1,93,96,651	5,85,864	1,25,082	1,98,57,433	1,26,32,729	5,57,319	-	1,31,90,048	66,67,385

NORTH TUKVAR TEA COMPANY LIMITED

SCHEDULE - V

INVESTMENTS

	Face Value	No. of Shares/ Debentures/Units		Book Value	
		31.3.2010	31.3.2009	31.3.2010	31.3.2009
	Rs.			Rs.	Rs.
NON TRADE					
LONG TERM INVESTMENTS					
(AT COST)					
<u>Quoted:</u>					
<i>Equity Shares (fully paid up)</i>					
Maharashtra Seamless Ltd.	5	2,000	2,000	10,000	10,000
<u>Unquoted:</u>					
<i>Units in Mutual Fund</i>					
Sundaram BNP Paribas					
– Equity Multiplier Fund	10	4,79,753.400	4,79,753.400	47,97,534	47,97,534
Total				48,07,534	48,07,534
Aggregate Market Value of quoted Investments				7,09,400	2,85,100

10,00,000 Equity Shares of Face Value Rs.10/- each in Electrosteel Integrated Limited were purchased and sold during the year.

SCHEDULE - VI

INVENTORIES (Including in-Transit)

Stock of Stores and Spare Parts	–	4,45,417
Stock of Tea	–	6,91,993
Stock of Nursery	–	3,47,782
	–	14,85,192

SCHEDULE - VII

SUNDRY DEBTORS

(Unsecured, Considered good)

Over six months	27,321	16,186
Other Debts	–	2,51,084
	27,321	2,67,270

SCHEDULE - VIII

CASH & BANK BALANCES

Cash in hand	205	14,397
Balance with Scheduled Banks:		
in Current Account	18,806	78,456
	19,011	92,853

NORTH TUKVAR TEA COMPANY LIMITED

	31.3.2010 Rs.	31.3.2009 Rs.
SCHEDULE - IX		
LOANS & ADVANCES		
(Unsecured, considered good, unless otherwise stated)		
Advances (Recoverable in Cash or in kind or for value to be received)	2,91,092	1,69,031
Prepaid Expenses	—	1,22,880
Subsidies & Incentives Receivable	—	4,19,900
Advance Fringe Benefit Tax	5,08,615	6,70,000
Advance Income Tax	1,46,225	3,41,989
Balance with Excise Authorities	—	1,601
Security and other deposits	—	5,000
	<u>9,45,932</u>	<u>17,30,401</u>
SCHEDULE - X		
LIABILITIES		
Sundry Creditors:		
- Dues to Micro & Small Enterprises	—	—
- Others	92,013	21,63,167
Tax Deducted at Source	1,45,760	38,802
	<u>2,37,773</u>	<u>22,01,969</u>
SCHEDULE - XI		
PROVISIONS		
Provision for Salary, Wages, Bonus, Gratuity, etc.	4,51,195	17,53,989
Provision for Fringe Benefit Tax	1,35,000	5,75,000
Provision for Income Tax	550	2,91,550
	<u>5,86,745</u>	<u>26,20,539</u>
SCHEDULE - XII		
INCREASE / (DECREASE) IN STOCK OF TEA		
Closing Stock	—	6,91,993
Less: Opening Stock	6,91,993	22,14,902
	<u>(6,91,993)</u>	<u>(15,22,909)</u>
SCHEDULE - XIII		
OTHER INCOME		
Dividend on Long Term Investments	10,000	10,000
Miscellaneous Receipts	8,216	42,261
Tea Board Subsidies	—	4,65,445
Rent Received		
– From Holding Company (TDS Rs.90,000/-; (NIL)	9,00,000	—
Profit on sale of Short Term Investments	7,50,000	—
Profit on sale of Fixed Assets (Net)	38,741	—
Excess Provision, Receipts and adjustments relating to previous years (Net)	—	28,893
	<u>17,06,957</u>	<u>5,46,599</u>

NORTH TUKVAR TEA COMPANY LIMITED

	31.3.2010	31.3.2009
	Rs.	Rs.

SCHEDULE - XIV

EXPENSES

Salary, Wages, Bonus etc.	–	1,66,40,845
Contribution to P.F. & Other Funds	–	17,02,655
Staff & Labour Welfare Expenses	–	3,24,792
Stores, Spare Parts & Tools Consumed (Including Packing Material Rs. NIL; (Rs.1,67,683/-)	–	19,98,154
Power & Fuel Expenses	–	16,58,970
Auditors' Remuneration	7,280	67,338
Repairs & Maintenance :		
– Machinery	–	2,98,460
– Buildings	–	1,47,781
– Others	–	4,66,333
Rent, Rates & Taxes	4,550	1,13,623
Insurance	–	86,448
Motor Vehicle running expenses	–	6,58,005
Directors' Fee	8,500	4,500
Director's Remuneration	2,00,000	2,00,000
Miscellaneous Expenses	90,587	7,37,912
Selling & Distribution Expenses :		
– Freight & Cartage	–	1,53,947
– Warehousing Charges	1,566	1,06,363
– Commission & Brokerage	1,116	1,44,124
– Sales Tax	7,052	81,825
– Other sales charges	954	56,605
	3,21,605	2,56,48,680

SCHEDULE - XV

INTEREST

To Holding Company	14,21,200	10,76,814
	14,21,200	10,76,814

NORTH TUKVAR TEA COMPANY LIMITED

SCHEDULE - XVI

STATEMENT OF ACCOUNTING POLICIES

1. System of Accounting:

Accounts unless specifically stated to be otherwise have been prepared on accrual basis. Subsidy and other claims, refunds etc. which are not ascertainable with reasonable certainty are accounted for on acceptance of the same.

2. Use of Estimates:

The preparation of the financial statements in conformity with the generally accepted accounting principle requires estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenue and expense during the year. Difference between the actuals and estimates are recognised in the year in which they are crystallised.

3. Sales:

Sales are inclusive of Sales Tax and Excise Duty.

4. Fixed Assets:

Fixed Assets are stated at cost including other expenses relating to acquisition and installation.

5. Depreciation :

a) On Written Down Value method in the manner and rates prescribed under Schedule XIV of the Companies Act, 1956.

b) Leasehold Land & Estate Block is not depreciated.

6. Inventories :

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

7. Employee Benefits :

a) Short term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account for the year in which the related services is rendered.

b) Post employment and other long term benefits are recognised as an expense in the Profit and Loss Account for the year in which the employee has rendered services. The expense is recognised at the present value of amount payable determined using actuarial valuation techniques in terms of revised Accounting Standard 15. Actuarial gain and losses are charged to Profit and Loss Account.

8. Investments :

Investments are stated at cost. Provision for diminution in value has been done wherever necessary on category basis.

9. Impairment of Assets :

Consideration is given at each Balance Sheet date to determine whether there is any modification or impairment of the carrying amount of the fixed assets. If any condition exists, an asset's recoverable amount is estimated. An impairment loss is recognised wherever the carrying amount of any asset exceeds recoverable amount.

10. Taxation :

Provision for Current Tax and Fringe Benefit Tax is being made based on the liabilities computed in accordance with the relevant tax laws. Provision for Deferred Tax is being made for the timing difference arising between taxable income and accounting income computed at the rates of tax enacted or substantively enacted as on Balance Sheet date. Deferred Tax Assets are recognised only if there is a virtual certainty that they will be realised and are reviewed for appropriateness of their respective carrying values at each Balance Sheet date.

11. Borrowing Cost :

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

NORTH TUKVAR TEA COMPANY LIMITED

12. Provisions, Contingent Liabilities & Contingent Assets :

Provisions involving substantial degree of estimations in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

13. Subsidies & Incentives :

Replantation, Rejuvenation and Orthodox Tea Production Subsidies are received in stages from the Tea Board. The same are recognized in the Profit & Loss Account upon stage wise inspection. Capital Subsidy on new projects and capital investment subsidy is considered as capital receipt and is credited to Capital Reserve in the year of receipt. Other subsidy on quality upgradation and product diversification is credited to individual assets to the extent applicable and the balance is attributable to the revenue and is credited to Profit & Loss Account.

14. Assets given on Lease :

Assets subject to operating lease are included in Fixed Assets. Lease income is recognised in the Profit & Loss Account on accrual basis. Depreciation are recognised as an expense in the Profit & Loss Account.

SCHEDULE - XVII

NOTES ON ACCOUNTS

1. Contingent liability not provided for in respect of Sales Tax pending in appeals Rs.30,51,835/-; (Rs.14,72,231/-)
2. Liability in respect of Gratuity in accordance with Accounting Standard 15 (Revised 2005) as per actuarial valuation has not been provided for in the accounts related upto 31.3.2009 amounting to Rs.96,67,749/-. Had it been considered, both Accumulated Losses and Provisions as on 31.03.2010 would have been higher by Rs.96,67,749/-
3. As a matter of prudence & in view of uncertainty of profits in future years, deferred tax assets in accordance with Accounting Standard 22 issued by the Institute of Chartered Accountants of India has not been created in the accounts related upto 31.3.2009 and for the year ended 31.3.2010.
4. The Company has not received any memorandum (as required to be filed by the suppliers with the notified Authority under the Micro, Small and Medium Enterprises Development Act, 2006) from suppliers claiming their status as micro or small enterprises. Consequently, required disclosures are NIL.

5. (l) Information pursuant to part II of Schedule VI of the Companies Act, 1956	31.3.2010	31.3.2009
	Rs.	Rs.
(a) Licenced Capacity	N.A.	N.A.
(b) Installed Capacity (in terms of made tea) (As certified by the management)	2,25,000 kgs.	2,25,000 kgs.
(c) i) Tea Manufactured	-	1,07,404 kgs.
ii) Free Sample, staff tea, complimentary & tea waste, claim etc.)	13 kgs.	5,422 kgs.
(d) Turnover	2,885 kgs.	1,06,159 kgs.
Made Tea	(Rs.14,97,189)	(Rs.1,71,40,040)
(e) Opening Stock	2,898 kgs.	7,075 kgs.
Made Tea	(Rs.6,91,993)	(Rs.22,14,902)
(f) Closing Stock	-	2,898 kgs.
Made Tea	-	(Rs.6,91,993)

NORTH TUKVAR TEA COMPANY LIMITED

	31.3.2010 Rs.	31.3.2009 Rs.
(g) Raw Materials Consumed		
Green leaf consumed (100% indigeneous - own garden produce)	-	4,71,531 kgs.
(h) Spare Parts Consumed	VALUE	VALUE
Imported	-	-
Indigeneous	-	4,27,076
	-	4,27,076
(II) Expenditure in Foreign Currency	NIL	NIL
(III) Earning in Foreign Currency	NIL	NIL
6. Related Party Disclosure (In accordance with Accounting Standard 18):		
<u>Nature of Transaction</u>		
Holding Company - Jay Shree Tea & Industries Ltd.		
i) Sales / Income		
- Black Tea	12,10,345	31,11,135
- Nursery Plants	-	67,650
- Lease Rent	9,00,000	-
ii) Warehousing Charges paid	1,701	1,12,200
iii) Interest paid	14,21,200	10,76,814
iv) Net Received during the year	3,39,302	89,55,712
v) Amount outstanding in Current Account (Cr.)	1,39,61,839	1,36,22,537
There is no balance written off during the year.		
7. Auditor's Remuneration Includes :		
a) As Auditors	5,846	29,230
b) As adviser, or in any other capacity, in respect of -		
i) Taxation Matters	1,434	7,170
ii) Company Law Matters	-	29,000
c) In any other manner	-	1,938
	7,280	67,338
8. Earnings per Share		
Profit/(Loss) after taxation as per Profit & Loss Account	5,74,231	(1,12,07,321)
Weighted average number of equity shares outstanding (Face Value - Rs.10 per share)	24,03,750	24,03,750
Basic/Diluted Earnings per Share	0.24	(4.66)
9. Disclosure as per Accounting Standard 15 (Revised 2005) on Employee Benefits		
Defined Contribution Plan		
Contribution to Defined Contribution Plan, recognised as expense for the year are as under:		
Employer's contribution to Provident Fund	-	5,00,935
Employer's contribution to Pension Scheme	-	10,00,984

For these schemes, contributions are made by the Company, based on current salaries to state plan maintained by Government/Trustees and are independent of Company's finance.

NORTH TUKVAR TEA COMPANY LIMITED

31.3.2010
Rs.

31.3.2009
Rs.

Defined Benefit Plan

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

I. Expenses recognised during the year under the head "Salary, Wages, Bonus and Gratuity"	Gratuity/Leave Encashment (Non-funded)		Gratuity/Leave Encashment (Non-funded)	
a) Current Service Cost	-	-	5,38,437	21,029
b) Interest Cost	-	-	7,70,784	10,122
c) Settlement Cost	-	-	-	-
d) Actuarial (Gain)/Loss	-	-	(1,80,487)	3,038
e) Unrecognised defined benefit obligation	-	-	(6,26,795)	-
f) Net Cost	-	-	5,01,939	34,189

II. Net Assets/ Liabilities recognised in the Balance Sheet as on 31st March, 2010

a) Present value of the defined benefit obligation	99,48,312	1,46,405	99,48,312	1,46,405
b) Fair value of plan assets	-	-	-	-
c) Unrecognised defined benefit obligation	96,67,749	-	96,67,749	-
d) Net Assets/Liabilities recognised in the Balance Sheet	2,80,563	1,46,405	2,80,563	1,46,405

III. Reconciliation of opening and closing balance of Defined Benefit Obligation:

a) Opening defined benefit obligation	99,48,312	1,46,405	93,21,517	1,12,216
b) Current service cost	-	-	5,38,437	21,029
c) Interest Cost	-	-	7,70,784	10,122
d) Settlement Cost	-	-	-	-
e) Actuarial (Gain)/Loss	-	-	(1,80,487)	3,038
f) Benefit Paid	-	-	(5,01,939)	-
g) Closing defined benefit obligation	99,48,312	1,46,405	99,48,312	1,46,405

IV. Principal Actuarial assumptions used:

Discount rates	-	8%
Expected salary increase rates	-	5%
Mortality rates	-	LIC (1994-96) mortality tables

10. As the Company is engaged in the business of manufacture and sale of tea only, disclosures as required by Accounting Standard - 17 (Segment Reporting) are not applicable.
11. The Networth of the Company has become negative due to the losses which has been funded by the Holding Company by way of unsecured loan. In view of the same the accounts of the Company has been prepared as going concern.
12. The Fixed Assets shown under Schedule IV has been given on lease to the Holding Company for a period of three years w.e.f. 01.4.2009. Annual lease charges is Rs.9,00,000/-
13. There is no amount outstanding & payable to Investor Education & Protection Fund as on 31.3.2010.
14. Previous Year figures have been regrouped / rearranged wherever necessary.

NORTH TUKVAR TEA COMPANY LIMITED

Balance Sheet Abstract and Company's General Business Profile

(In terms of amendment of Schedule VI Part IV)

I. Registration Details

Registration No.	26362	State Code	21
Balance Sheet Date	31.3.2010		

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

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

Total Liabilities	3,87,10	Total Assets	3,87,10
Sources of Funds			
Paid up Capital	2,40,38	Reserve & Surplus	7,11
Secured Loans	NIL	Unsecured Loans	1,39,61
Application of Funds			
Net Fixed Assets	61,66	Investments	48,08
Net Current Assets	1,68	Misc. Expenditure	NIL
Accumulated Losses	2,75,68		

IV. Performance of the Company (Amount in Rs. Thousands)

Turnover (including other income)	32,04	Total Expenditure	29,04
Profit before Tax	3,00	Loss after tax	5,74
Earning per share in Rs.	0.24	Dividend rate %	NIL

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No.	
(ITC Code)	090240.02
Product Description	BLACK TEA

For and on behalf of the Board of Directors

D. P. MAHESHWARI
R. K. GANERIWALA
P. K. AGRAWAL

BIRLA HOLDINGS LIMITED

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF JAY SHREE TEA & INDUSTRIES LTD., 10, CAMAC STREET, KOLKATA - 700 017

In accordance with our engagement letter of April 15th, 2010, we have verified the accompanying financial statements of Birla Holdings Limited, expressed in INR, which comprises of Balance Sheet as at 31st March 2010 and the Profit & Loss account from the period from 10.12.2009 to 31.03.2010 duly converted into Indian GAAP as per the requirements of The Companies Act, 1956 and in compliance with The Companies (Accounting Standard) Rules 2006 and we have signed under reference to this certificate.

The conversion has been done by the management of Jay Shree Tea & Industries Limited ("the Company"), being the holding company of Birla Holdings Limited ("the subsidiary"), in accordance with generally accepted accounting practice in India and other recognized accounting practices and policies followed by the Company to enable their incorporation in the consolidated financial statements of the Company pursuant to Accounting Standards 21 – Consolidation Financial Statements – prescribed by the Central Government of India in The Companies (Accounting Standards) Rules 2006.

The conversion of these financial statements into the relevant formats is the responsibility of the management of the Company. Our responsibility is to certify whether these financial statements and relevant formats prepared for the purpose outlined above and verified by us are in accordance with the generally accepted auditing standards in India.

The management of the company has considered the operation of its subsidiary as "Non Integral Foreign Operation" and accounting treatment for the conversion of subsidiary's financial statements has been done as set out in the Accounting standard -11 "The effects of changes in the Foreign Exchange Rates" prescribed by the Central Government of India in The Companies (Accounting Standards) Rules 2006.

Based on our verification and on the basis of information and explanations given to us, the accompanying converted financial statements and relevant formats of the Subsidiary read with notes thereon and attached thereto have been converted as per the requirements of Accounting standard -11 and are in conformity with generally accounting principles and other recognized accounting practices and policies in India.

This certificate is intended solely for the information and use of the Company and its statutory auditors in connection with their audit of consolidation financial statements of Company. We do not accept or assume any liability or duty of care for any other purposes or to any third parties to whom this certificate is shown, or into whose hands it may come, save where expressly agreed by our prior consent in writing.

For A Saraogi & Associates
Chartered Accountants
(Firm Registration No. 322993E)

Anil Saraogi
Partner
(Membership No. 057545)

Place : Kolkata

Dated : The 24th day of April, 2010

BIRLA HOLDINGS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

	Amount Rs.	Amount Rs.
SOURCES OF FUNDS		
Shareholder's Fund:		
(Authorised, Issued, Subscribed & Paid up)	1,24,732	
(10,000 shares of AED 1 each)		
Foreign Currency Translation Reserve	<u>436</u>	1,25,168
Loan Funds:		
Unsecured Loan		
(Advance from holding company)		<u>91,98,259</u>
		<u>93,23,427</u>
APPLICATION OF FUNDS		
Current Assets, Loans & Advance		
Inventories - Black Tea	42,34,070	
Cash & Bank Balances		
Cash in hand	1,24,732	
In current account with bank	<u>55,21,098</u>	
	98,79,900	
Less: Current Liabilities & Provisions		
Sundry Creditors	<u>7,77,848</u>	
Net Current Assets		91,02,052
Profit & Loss Account		<u>2,21,375</u>
		<u>93,23,427</u>

Notes on accounts - Schedule-A

As per our Report of even date attached

For A Saraogi & Associates
Chartered Accountants
(Firm Registration No. 322993E)

Anil Saraogi
Partner
(Membership No. 057545)

Place : Kolkata
Dated : The 24th day of April, 2010

For and on behalf of Board of Directors
R. K. Ganeriwala
P. K. Agrawal

BIRLA HOLDINGS LIMITED

PROFIT & LOSS ACCOUNT FOR THE PERIOD FROM 10TH DECEMBER, 2009 TO 31ST MARCH, 2010

	Amount Rs.
INCOME	
Closing Stock	43,81,178
Total (A)	<u>43,81,178</u>
EXPENDITURE	
Purchase	43,81,178
Bank Charges	15,14
Audit Fees	12,13
Miscellaneous Expenses	2,18,648
Total (B)	<u>46,02,553</u>
 Loss carried to Balance Sheet (A-B)	 2,21,375
	<u>2,21,375</u>

Notes on accounts - Schedule-A

As per our Report of even date attached

For A Saraogi & Associates
Chartered Accountants
(Firm Registration No. 322993E)

Anil Saraogi
Partner
(Membership No. 057545)

Place : Kolkata
Dated : The 24th day of April, 2010

For and on behalf of Board of Directors
R. K. Ganeriwala
P. K. Agrawal

BIRLA HOLDINGS LIMITED

SCHEDULE – A: NOTES ON ACCOUNTS

1. NATURE OF OPERATIONS

Birla Holdings limited incorporated at U.A.E , a wholly owned subsidiary of Jay Shree tea & Industries Limited is engaged mainly in the business of tea operations.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF PREPARATION

The accounts have been prepared on the basis of going concern assumption. The accounts are prepared on historical cost basis and in accordance with the applicable accounting standards. The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis, unless specifically stated otherwise.

b) INVENTORIES

Inventories are valued as follows:

Stock of Black Tea – At cost or net realizable value whichever is lower.

c) SALES

Sales are inclusive of VAT and net of trade discount.

d) FOREIGN CURRENCY TRANSLATION

(i) Transactions in foreign exchange are accounted for at exchange rates prevailing on the date of the transactions. All foreign currency monetary items not covered by forward contracts are stated at the rates ruling at the yearend and any exchange difference on such transactions are dealt with in profit & loss account.

(ii) Translation of non-integral foreign operation

In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operation are translated at average exchange rates prevailing during the year; and all resulting exchange differences are accumulated in foreign currency translation reserve until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of change in the classification.

e) TAXATION

Income tax expense represents the sum of the tax currently payable as per United Arab Emirates Laws.

f) PROVISIONS

A Provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best management estimates.

g) This year being the first year of Company performance, earlier year figures have not been given.

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 Fourth Annual General Meeting of the Company to be held on Friday, the 25th June, 2010 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 2010.

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 FOURTH ANNUAL GENERAL MEETING at
"Kala Kunj", 48 Shakespeare Sarani, Kolkata 700 017
on 25th June, 2010 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.



If undelivered please return to :



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@giaclo1.vsnl.net.in
Website : www.jayshreetea.com