



**JOONKTOLLEE TEA  
& INDUSTRIES LTD.**



**REPORT  
AND  
ACCOUNTS  
2009**



*A glimpse of the Hanuman Mandir at Joonktollee Tea Estate, Assam*

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**More than a century in most companies  
is the sign of downturn and creeping age.**

At Joonktollee Tea & Industries Limited (JTIL) it is the sign of biggest achievements in the history. It's the time to rejuvenate with our successful track records of delivering quality products to our customers & creating a value for our stakeholders as well as our vision for the future to be one of the leaders into the production of tea, coffee & rubber in India.





## ABOUT US

### OUR PRODUCTS

Tea, Coffee  
Rubber, Pepper  
Cardamom  
Areca & Vanilla

#### OUR PARENTAGE

- Founded by Late John Elliot Esq. in 1874 and then handed over the management & control to Kettlewell Bullen & Co. Ltd. during the year 1920.
- Acquired by the Bangurs during the year 1955.

#### OUR PRESENCE

- Headquartered in Kolkata, West Bengal.
- Branch offices at Ahmedabad, Coimbatore, Hubli, Jaipur, Kolhapur, Mumbai and New Delhi.
- Listed at the Bombay Stock Exchange Ltd. (BSE) and Calcutta Stock Exchange Association Ltd. (CSE).

**Consistent  
Dividend  
paying record for  
over 50 years**

#### OUR GARDENS, ESTATES & FACTORIES

Joonktollee Tea Estate & Factory, Assam  
Jamirah Tea Estate & Factory, Assam  
Nilmoni Tea Estate, Assam  
Shree Ganga Tea Estate, Assam  
Goomankhan Tea Estate & Factory, Karnataka  
Cowcoody Coffee Estate & Factory, Karnataka  
Pullikanam Tea Estate & Factory, Kerala  
Kolahalmedu Tea Estate, Kerala  
Chemoni, Pudukad & Ichipara  
Rubber Estate & Factory, Kerala  
Kinalur Rubber Estate & Rubber Wood Factory, Kerala





## PRIDE-ENHANCING CERTIFICATION

- ISO 22000:2005 by TUV SUD South Asia Private Limited
- ISO 9001:2008 by TUV SUD South Asia Private Limited
- HACCP Certification by the renowned Det Norske Veritas, Netherlands

## OUR PERFORMANCE

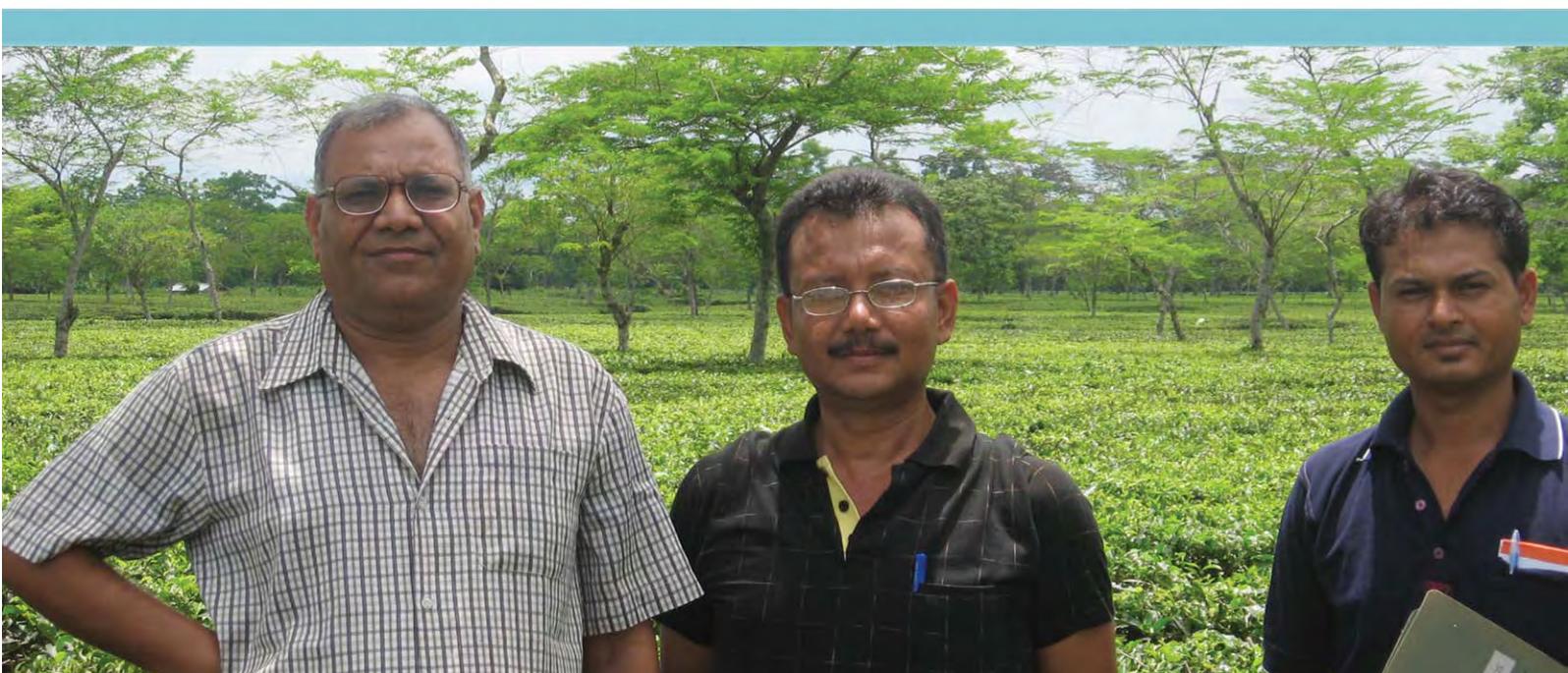
- Consolidated Revenue Growth of 272% over last 5 years.
- Growth in Reserves of the Company by 293% over last 5 years
- Consistent Dividend paying record for over 50 years since acquisition by Bangurs during 1955.



## OUR PEOPLE - THE KEY TO OUR SUCCESS

The key to the success of our organisations lies in its people. Their skills, expertise and talent have helped us to achieve and sustain the growth of our company. They are highly committed, dynamic asset and the Company continues to draw them for its future success. It's our people, technical know-how,

innovative ability and performance driven mindset that enables us to deliver products as per the market dynamics. That's why we always invest on our employees personal development at all levels and provide comprehensive training and development programmes.





## QUALITY POLICY, AWARDS AND RECOGNITIONS

Delivering quality products always comes at the topmost priority at JTIL. Our quality control functions conducts in-process checks and examines & inspects finished products thus ensuring that the products reaching the customers meets the quality benchmarks as laid by our management.

ISO 22000:2005 Certification,  
Quality Management ISO  
9001:2008 & HACCP Certification  
by the renowned Det Norske

Veritas, Netherlands Certifications  
testifies our growth trajectory.

Joonktollee Tea & Industries Limited  
has received several laurels viz. "6th  
India Coffee Quality Prize for  
expresso" instituted by Illy Café, Italy  
and received a certificate of Merit  
during the year 2007-08 and  
Golden Leaf India Award, 2007.

We have also been awarded with  
"Certificate of Merit for the year  
2004" at the "FLAVOUR OF INDIA -  
THE FINE CUP AWARD 2004"  
instituted by Coffee Board, India.

*Truely, we always believe that, it is  
the quality which keeps one ahead  
of others and that "Awards &  
Recognitions always follow the  
leader."*



# Financial Highlights

(Rs. in Lacs)

Year	Share Capital	Reserve	Net Worth	Sales	Profit before Tax	Dividend
31.12.1955	1.56	17.19	18.75	15.57	3.76	100%
31.12.1960	6.36 #	17.56	23.92	28.89	7.45	40%
31.12.1965	12.36 #	12.64	25.00	21.68	2.63	10%
31.12.1970	15.36 #	14.48	29.84	41.04	9.43	15%
31.12.1975	20.36 #	20.26	40.62	93.34	18.08	20%
31.12.1980	30.36 #	21.96	52.32	248.84	4.63	5%
31.12.1985	30.36	45.41	75.77	286.46	37.01	20%
31.03.1990	30.00	120.87	150.87	398.33	98.44	40%
31.03.1995	30.00	217.20	247.20	500.54	52.10	40%
31.03.2000	45.00 #	555.12	600.12	1030.47	213.63	40%
31.03.2005	109.60	1680.12	1789.71	2509.21	192.67	15%
31.03.2006	109.60	1776.19	1885.79	2712.18	123.37	15%
31.03.2007	109.60	1827.21	1936.81	2875.69	65.49	15%
31.03.2008	323.36	6290.12	6613.49	2896.08	76.84	15%
31.03.2009	323.36	6313.86	6637.22	3603.79	102.83	15%

# Increase due to issue of Bonus Shares.

**Note :**

Consistent Dividend paying record of over 50 years.

# Directors' Report



## Dear Shareholders

Your Directors have pleasure in presenting their 135th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2009.

### FINANCIAL PERFORMANCE

(Amount in Rs.)

	31.03.2009	31.03.2008
Profit for the year before Depreciation	2,67,57,015	2,46,62,738
Deduct : Depreciation	1,64,73,717	1,69,78,514
<b>Profit before Tax</b>	<b>1,02,83,298</b>	<b>76,84,224</b>
Deduct : Provision for Corporate Taxation		
- Current Year	42,00,000	
Less : MAT Credit Entitlement	18,00,000	4,00,000
- Earlier year	11,79,903	-
- Excess Tax provision in respect of earlier years written back	(24,17,101)	(3,799)
- Fringe Benefit Tax	5,65,150	4,54,710
- Deferred Tax	5,07,205	-
- Net Impact on profit in earlier year due to Scheme of Arrangement/Amalgamation	-	(15,82,357)
<b>Net Profit</b>	<b>80,48,141</b>	<b>52,50,956</b>
Add : Balance of Profit brought forward from previous year	4,80,359	32,79,926
<b>Profit available for Appropriations</b>	<b>85,28,500</b>	<b>85,30,882</b>
Appropriations :		
- General Reserve	5,00,000	5,00,000
- Proposed Dividend	48,50,471	64,53,715
- Tax on Dividend	8,24,337	10,96,808
- Balance Carried to Balance Sheet	23,53,692	4,80,359
	<b>85,28,500</b>	<b>85,30,882</b>

## DIVIDEND

Your Directors have recommended for your approval, a Dividend of Rs. 1.50 per share for the year ended 31st March, 2009.

## REVIEW OF OPERATIONS

Your Company produced 33,53,318 Kgs. of Tea and 1,73,006 Kgs. of Coffee during the year. The production of minor crops (comprising black pepper, areca & cardamom) was 10,038 Kgs.

The price realization of Tea was higher by Rs. 30/- per kg. as compared to the previous year due to the strong consumption growth in India and there was also increase in the input costs by Rs. 10/- per kg.

### Tea Division

#### *Joonktolee Tea Factory in Assam*

The Estate produced 25,03,211 Kgs. of Teas as against 26,90,511 Kgs. produced during the year 2007-08. This Estate has been accredited with ISO 22000 & HACCP Certification by the renowned D.A.R., Germany.

#### *Goomankhan Tea Factory in Karnataka*

The Estate produced Tea crop of 8,50,107 Kgs. as against 7,73,843 Kgs. produced during the year 2007-08. The increase in the production is due to favourable weather conditions.

### Coffee Division

#### *Cowcoody Coffee Estate in Karnataka*

The Estate produced 1,73,006 Kgs. as compared to 2,89,485 Kgs. produced during the year 2007-08. The decrease in the production was due to the untimely rainfall in the Coffee growing areas leading to severe infestation of pests and diseases. The Coffee prices ruled firm during the year.

## PROSPECTS

The estimate for the current year of tea and coffee production is approximately 35 Lac Kgs. and 2.50 Lac Kgs. respectively. The Company expects higher production and increased realization for both Tea and Coffee during the current year.

## SUBSIDIARY COMPANIES

1. a) The Company as on 31st March, 2009, has five Subsidiary Companies namely, Gloster Real Estates Pvt. Ltd., Cowcoody Builders Pvt. Ltd., Pranav Infradev Co. Pvt. Ltd., Jamirah Tea

Co. Ltd. and The Cochin Malabar Estates and Industries Ltd.

- b) The Company has been granted exemption by the Central Government under Section 212(8) of the Companies Act, 1956 from attaching with its accounts, the individual accounts of each of its Subsidiary Companies.
- c) As required under the Listing Agreement with the Stock Exchanges the Audited Consolidated Financial Statements of the Company together with all its Subsidiary Companies prepared in accordance with the applicable Accounting Standards are attached.
- d) A statement containing brief financial details of the Subsidiary Companies is attached which forms part of the Annual Report.
2. M/s. Jamirah Tea Co. Ltd., a Subsidiary of the Company, reported an increase of 10.42% in total income from Rs. 836.62 Lacs to Rs. 924.94 Lacs. Profit after Tax at Rs. 79.70 Lacs for the year ended 31st March, 2009, was higher than the previous year's losses of Rs. 46.49 Lacs.
3. The Company has taken over the control of the Board of The Cochin Malabar Estates and Industries Ltd., which has become a Subsidiary of the Company within the meaning of The Companies Act, 1956. The Cochin Malabar Estates and Industries Ltd. reported a Net Profit of Rs. 108.68 Lacs for the year ended 31st March, 2009, as against Rs. 127.75 Lacs for the same period last year whereas the total income has increased from Rs. 1,890.92 Lacs to Rs. 2,383.25 Lacs.

## CONSOLIDATED FINANCIAL STATEMENTS

As prescribed by Accounting Standard - 21 issued by the Institute of Chartered Accountants of India, the audited Consolidated Financial Statements of the Company together with Auditors' Report for the year ended 31st March, 2009, are annexed.

## CORPORATE GOVERNANCE

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

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

#### **SOCIAL WELFARE**

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

#### **ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE**

Details of energy conservation and research and development activities undertaken by the Company along with the information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given in Annexure 'A' and form part of this Report.

#### **PARTICULARS OF EMPLOYEES**

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

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm that :

- i) in the preparation of the annual accounts, the applicable standards have been followed along with proper explanation relating to material departures.
- ii) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- iii) the Directors have 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 and for preventing and detecting fraud and other irregularities.
- iv) the Directors have prepared the annual accounts on a going concern basis.

#### **DIRECTORS**

Shri Amitabha Ghosh and Shri J. K. Surana retire by rotation and being eligible, offer themselves for re-appointment.

#### **AUDITORS**

Messrs. Singhi & Co., Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

The Notes to the Accounts referred to in the Auditors' Report are self-explanatory.

#### **ACKNOWLEDGEMENT**

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and cooperation received from the commercial banks and other authorities. Your Directors also thank the employees of the Company for their valuable service and support during the year.

On behalf of the Board

Place : Kolkata  
Dated : 28th July, 2009

**G. D. Bangur**  
Chairman

# Annexure to the Directors' Report

INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2009.

## CONSERVATION OF ENERGY

(A) POWER & FUEL CONSUMPTION	2008-09	2007-08
<b>1. Electricity</b>		
(a) Purchased		
Units (KWH)	<b>9,13,635</b>	9,66,142
Total Amount (Rs.)	<b>57,85,333</b>	57,51,521
Rate/Unit (Rs./KWH)	<b>6.33</b>	5.95
(b) Own General		
(i) Through Diesel		
Generator – Unit (KWH)	<b>3,08,630</b>	3,93,698
Unit per Ltr. H.S.D. Oil (KWH)	<b>3.04</b>	2.98
Fuel Cost/Unit (Rs./KWH)	<b>11.36</b>	10.60
(ii) Through Natural Gas		
Generator – Unit (KWH)	<b>12,83,840</b>	12,31,200
Units per Scm. of Gas (KWH)	<b>1.73</b>	1.83
Fuel Cost/Unit (Rs./KWH)	<b>3.28</b>	3.16
<b>2. Others : For Tea Processing in Withering &amp; Drying</b>		
(a) Furnace Oil, L.D./H.S.D. (Qty./Ltr.)	<b>7,727</b>	7,853
Total Cost (Rs.)	<b>2,63,033</b>	2,47,210
Average Rate (Rs./Ltr.)	<b>34.04</b>	31.48
(b) Natural Gas (Scum)	<b>10,71,788</b>	10,45,436
Total Cost (Rs.)	<b>60,76,120</b>	60,58,365
Rate/Unit (Rs./Scum)	<b>5.67</b>	5.80
(c) Solid Fuel		
Quantity (Kgs.)	<b>91,870</b>	22,330
Total Cost (Rs.)	<b>3,16,095</b>	80,716
Average Cost per Kg. (Rs.)	<b>3.44</b>	3.61

	2008-09	2007-08
(d) Firewood		
Quantity (Kgs.)	<b>10,76,740</b>	11,89,260
Total Cost (Rs.)	<b>13,58,896</b>	13,15,420
Average Cost per Kg. (Rs.)	<b>1.26</b>	1.11
<b>3. Others : For Transport &amp; Material Handling etc.</b>		
(a) H.S.D. Oil		
Quantity (Kgs.)	<b>22,496</b>	26,856
Total Cost (Rs.)	<b>7,94,521</b>	9,04,561
Rate/Unit (Rs./Ltr.)	<b>35.32</b>	33.68
(b) Petrol		
Quantity (Kgs.)	<b>3,506</b>	11,777
Total Cost (Rs.)	<b>1,74,501</b>	5,38,298
Rate/Unit (Rs./Ltr.)	<b>49.17</b>	45.71
<b>4. Coffee Stumps used in Dryer</b>		
Quantity (Kgs.)	<b>4,05,700</b>	1,92,300
Total Cost (Rs.)	<b>6,08,549</b>	2,30,760
Average Cost per kg. (Rs.)	<b>1.50</b>	1.20
<b>(B) CONSUMPTION PER UNIT PRODUCTION</b>		
Products – Tea (Gross) (Kgs.)	<b>33,53,318</b>	34,64,354
Energy Used : Electricity (KWH/Kg.)	<b>0.75</b>	0.75
(including own Generation)		
<b>Other Fuels for processing of Tea :</b>		
Furnace/L.D./H.S.D. Oil (Ltr.)	<b>0.0003</b>	0.003
Gas (Scum/Kg.)	<b>0.43</b>	0.39
Solid Fuel/Firewood (Kg./Kg.)	<b>0.54</b>	0.55

## RESEARCH AND DEVELOPMENT (R &D)

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

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

## TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

Not Applicable

## FOREIGN EXCHANGE EARNINGS AND OUTGO

(i) Activities relating to exports, initiatives taken to increase exports	Not applicable
(ii) Development of new export markets for products and services, and export plan	Not Applicable
(iii) Total foreign exchange earned (Gross)	Rs. Nil Lakhs
Used	Rs. 2.57 Lakhs

On behalf of the Board

Place : Kolkata

Dated : 28th July, 2009

**G. D. Bangur**

Chairman

# Management Discussion and Analysis Report



## OVERVIEW

The year 2008-09 commenced with the Indian Economy sliding after five years' record growth due to the worldwide cyclical slowdown which was more evident, surfaced and exploded post October, 2008 into a global phenomenon and spread quickly throughout the world pushing the developed/developing economy into the prolong recession which may extend well beyond 2009. The conditions in the global economy are now looking marginally better after five months' decline in output and trade. Recession shows sign of moderating but financial conditions remain an obstacle to the renewed growth.

## TEA

The Tea industry is distinctive in nature – the climate and the rainfall determine the character of the Tea and its taste. Tea affects the taste buds, therefore, it is difficult to replace a particular variety with a substitute.

World Tea production stood at 231.67 MKGs in 2008-09 as compared to 244.65 MKGs in 2007-08.

India, the second largest producer of Tea in the world, produced approximately 962 MKGs. of Tea during the year ended 31st March, 2009 which represents 43% of the global Black Tea production. The Indian Black Tea production was higher by 36 MKGs. compared to the production in the year 2007-08 due to the favourable weather conditions and improved agricultural practices. The prices of Tea during the year 2008-09 went up by Rs. 30 per Kg. as compared to the previous year due to the strong consumption growth in India and higher export. The input costs have also gone up due to the increase in the wages and overall increase in almost all other inputs making a total cost higher by Rs. 10/- per kg.

## Review

Company including its subsidiaries produced 43,15,456 kgs. of Tea during the year ended 31st March, 2009, against 46,08,635 kgs. for the same period last year. During the year Company concentrated on the quality Tea. The average price of Tea realized during the year ended 31st March, 2009, was Rs. 107 per kg. in the North which was higher by Rs. 27 per kg. and Rs. 72 per kg. in the South which was higher by Rs. 17 per kg. as compared to the last year.

The Indian domestic consumption is estimated to have an annual growth of 4% and since there is no additional land which could even otherwise be converted in the Tea production by the organized sectors and with the low uprooting and replantation causing the low yield, the production for the next few years appears to be stagnant. The weather and climatic conditions have its own impact on the plantation which may reduce or increase the crop but in any case, the total output of the Indian Tea will increase at a very slow rate thereby causing increase in Tea prices moderately over the current levels.

## COFFEE

The Coffee production in India has increased from mere 17,700 tons at the time of our independence to around 2,25,000 tons in the year 2008-09. The average price realization for Coffee for the year ended 31st March, 2009, was Rs. 122.06 per kg. as against Rs. 96.26 per kg. realized for the same period last year. The per capita consumption of Coffee in India has increased to 0.85 Kg. per person per year against 0.75 Kg. per person per year last year. The domestic consumption of Coffee is expected to increase in the years to come with the emerging trend of Coffee Cafe in metros.



### Did you know ?

It is said that **tea** was discovered accidentally by Emperor Shen Nung back in 2700 BC. After a large meal one day, he was relaxing in the garden with a cup of boiling water. At that time some leaves from a nearby tree fell into the cup. Unnoticed he consumed the drink. He enjoyed the taste of the tea and thus the cup of tea was born.

### Review

Company produced 1,73,006 kgs. of Coffee during the year ended 31st March, 2009, a decrease of 40% as against 2,89,485 kgs. for the same period last year. This was due to the untimely rainfall in the Coffee growing areas of Karnataka leading to severe infestation of pests and disease like white stem borer, berry borer and leaf rust resulting in significant drop in yield. The scanty rainfall received during the month of February, 2008 resulted in early forced blossom and unexpected cloudy and rainy days on the opening days of blossom effected the pollination of the blossom due to lack of bee activity. Rainy conditions in the months of November, 2008, hampered the Coffee picking operations which adversely effected the overall production of Coffee crop.

The average price of Coffee realized during the year ended 31st March, 2009, was Rs. 122 per kg. which was higher by Rs. 26 per kg. as compared to the last year.

Increase in production and increasing the export market share of Indian Coffee will help in exercising control over the international prices.



Coffee cultivation does not require much costly equipments. The capital investment for the same is lower compared to other crops. With the increase in global and domestic consumption of Coffee the demand for Coffee is expected to increase.

The prevalence of white stem borer, leaf rust and menace of berry borers have been an inherent threat to Coffee plantation. Arabica variety of Coffee plants are more susceptible to the stem borer disease. The menace of white stem borer is prevalent in almost all the Coffee growing areas resulting in fatality of Coffee plants.

Installation of pheromone traps has helped in trapping the beetles and restricting their migration.

### RUBBER

World Rubber production has increased to 9.8 Million Tons in the year 2008-09 compared to 9.7 Million Tons in 2007-08, recorded a growth of 1.8%. The consumption of rubber worldwide has decreased to 9.73 Million Tons in the year 2008-09 registering a negative growth of 1.6% compared to 9.88 Million Tons in 2007-08. There was a negative carry forward of rubber stock by 176 Thousand Tons which has been offset during the year 2008-09 by 150 Thousand Tons leaving a shortfall of 26 Thousand Tons carried to the year 2009-10.

Indian Rubber production rose to 8,64,500 Tons in the year 2008-09 compared to 8,25,345 Tons during the year 2007-08, recorded a growth of 4.7%. This growth was due to the attractive prices and better climatic conditions. Indian consumption of rubber has increased to 8,71,720 Tons in the year 2008-09 as against 8,61,455 Tons during the year 2007-08. The domestic prices of latex 60% has increased to

Rs. 116 per kg. in the year 2008-09 from Rs. 105 per kg. in 2007-08 whereas the domestic price of RSS-3 & RSS-4 has gone up to Rs. 101 per kg. in the year 2008-09 from Rs. 91 per kg. in 2007-08.

### Review

Company's subsidiary, The Cochin Malabar Estates and Industries Ltd., produced 10,88,870 kgs. of rubber as against 9,86,20 kgs. for the same period last year. The average price of Rubber realized during the year



### Did you know ?

The word '**coffee**' originated from ...

*Kaffa?* A province in Ethiopia where it was first discovered.

*Kaaba?* The holy building in Mecca.

*Kavus Kai?* A Persian king who was able to defy gravity and levitate by drinking coffee.

*Kahwe?* Meaning roasted in Turkish.

*Cahouah?* A hunger curing drink in Arabic.

*Cohuet?* Meaning strength or vigour in Arabic.

ended 31st March, 2009, was Rs. 113 per kg. which was higher by Rs. 11 per kg. as compared to the last year.

The domestic consumption of rubber is higher than the production. This ratio ensures an opportunity to enhance the rubber production for the reason that the prevailing prices of rubber are expected to remain firm.

China, USA & Japan are the largest producers of rubber and the world consumption growth is negative. This may lead India to import rubber at lower price and Indian rubber industry may be forced to compete with the world market.

### OUTLOOK

Indian Tea industry has started with the lower carry forward stock. The crop of the other major Tea producing countries, Kenya & Sri Lanka is also lower. Tea production in India has been hit in March – May, 2009, due to the lack of summer showers needed to grow first flush Teas. Due to the dismal rains in the first three months of the season there will be overall shortage of 30-35 Million Kgs. of Indian Tea production this year. The shortfall coupled with the increased demand of Tea would lead to a mis-match in the demand-supply equation. The demand of the Tea is overriding the supply position of Tea pushing the Tea prices up. Currently Tea prices are higher by 20% over the last year.

With the speciality Coffee production India has great advantage for commanding better prices than the other Coffee producing countries. The harmonious labour relationship in the Coffee Industry coupled with the increased per capita consumption of Coffee worldwide outlook for the growth of the Coffee Industry appears to be very positive and owing to the increasing trend in the domestic consumption the domestic market is set to rise in the near future.

Due to the mis-match of demand and supply ratio of rubber in the country, rubber prices appear to remain firm.

### RISKS AND CONCERNS

The risk management inter alia provides for review of the risk

assessment and mitigation procedure, laying down procedure to inform and report periodically to the Board of Directors and to ensure that the procedure is properly followed to mitigate the risks. Some of the key risks affecting the Company are illustrated below :

1. Owing to the opening of world trade, your Company is faced with the menace of pressure on margins on its products more particularly, Coffee & Rubber. The prices of the finished goods are based on the movement of the international prices. To offset these, your Company stepped up its focus on the quality, structural cost optimization and cost control measures.
2. Tea, Coffee & Rubber is the agricultural product and its performance is dependent on the vagaries of nature. For Coffee, adequate rainfall for pre & post blossom is required for formation of fruits. Untimely rains during the harvest season results in crop loss and attack of berry borer. Similarly, for Tea & Rubber, timely rainfall is a pre-requisite. Since timely information of weather plays a vital role for initiating steps towards application of fertilizers, chemicals and pesticides, steps have been taken to get the weather information well in advance. Automatic weather prediction system has been installed at our Coffee Estate. Besides, the Company is uprooting and replanting the uneconomical areas for the plantation of Tea, Coffee & Rubber in a phased manner.
3. Stringent labour laws are resulting to higher labour cost and higher social cost for the plantation of Tea, Coffee & Rubber. Company has already made representation to the government through associations to simplify the labour laws. To counter the increasing cost your Company has introduced Hazardous Analysis Critical Control Point (HACCP) at the Tea factory situated at Barbam, Dist. Dibrugarh, Assam to ensure better quality product to realize higher prices of Tea products. Joonkolltee Tea Estate has been accredited with ISO 9001:2008, ISO 22000:2005 and HACCP Certification by the renowned D.A.R., Germany. Company's Goomankhan Estate has also been accredited with ISO 9001:2000 Certification by the renowned Det Norske Veritas, Netherlands



#### Did you know ?

Deep in the heart of the Amazon Jungle, the rubber tree first found its roots amidst the dense canopy of mahogany, monkeys and palm trees. Christopher Columbus and his crew were amazed when they found Caribbean locals bouncing an awkward ball made from the sticky sap of this tree.

Samples of this odd substance were transported to Europe where chemists puzzled over what to make of it. It was named "**rubber**" because of its ability to rub off markings.

## FINANCIAL

### Net Turnover

Net Turnover increased by 24.53% from Rs. 2,885.84 Lacs in the Financial Year 2007-08 to Rs. 3,593.92 Lacs in the Financial Year 2008-09.

### Debt

The Company could reduce its long term borrowings/debts by Rs. 226.89 Lacs from Rs. 1,366.39 Lacs to Rs. 1,139.50 Lacs as on 31st March, 2009. Internal resources have been utilized to reduce the net borrowings.

### Investment/Advance of Strategic Nature

During the year Company has made strategic investment to the tune of Rs. 1,096.97 Lacs for acquisition of M/s. Jamirah Tea Co. Ltd.

The Company has also purchased debt of The Cochin Malabar Estates and Industries Ltd. due to The Federal Bank Ltd. at Rs. 524.27 Lacs by entering into a deed of assignment with the Federal Bank Ltd.

### Capital Additions

Company has incurred capital expenditure amounting to Rs. 94.45 Lacs during the year ended 31st March, 2009, as compared to Rs. 235.57 Lacs for the same period last year.

### Operating Profit (PBIDT)

PBIDT is increased by 49.35% from Rs. 359.28 Lacs in the Financial Year 2007-08 to Rs. 536.61 Lacs in the Financial Year 2008-09.

### Net Profit

Net Profit is Rs. 80.48 Lacs in the Financial Year 2008-09 as against Rs. 68.33 Lacs in the Financial Year 2007-08.

## INTERNAL CONTROL SYSTEMS

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

performance of the Company.

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

## HUMAN RESOURCE DEVELOPMENT/INDUSTRIAL RELATIONS

The Company with its subsidiaries has built its workforce with a diverse background of individuals - essential for the kind of organization what it is. The Company's human resource policy is framed to meet the aspirations of the employees as well as the organization. The Company constantly endeavours to provide a platform where people have opportunities to actualize their maximum potential through work which helps to stretch their intellect. Continuous efforts are on for a work-culture which encourages innovation, transparency in communication, trust and amity. Adequate interactions with the employees, discussion on various issues, providing training, encouraging them to attend seminars/conferences and announcing awards time to time for the best performers – all these facilitated the organization to attain greater efficiency and competency. The present workforce of the Company including its subsidiaries is 5,535.

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

## CAUTIONARY STATEMENT

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

# Report on Corporate Governance



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

## 1. COMPANY'S GOVERNANCE PHILOSOPHY

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

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

### i) **Transparency**

To attain the highest level of transparency in all aspects of Company's business interactions and dealings.

### ii) **Empowerment & Accountability**

To attain the highest level of personal accountability and to ensure employees' excellence in the work.

### iii) **Compliances :**

To comply with all the Laws and Regulations including the Companies Act, 1956, Listing Agreement with the Stock Exchanges including inhouse legal audit and confirmation of such compliances before the Board at the end of every quarter.

### iv) **Code of Conduct**

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

### v) **Stakeholders' Interest**

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

### vi) **Insider Trading**

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

### vii) **Monitoring Subsidiaries**

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

### viii) **Business Policies**

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

### ix) **Disclosures**

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

## 2. BOARD OF DIRECTORS

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

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

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

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

During the year under review five Board Meetings were held on 4th April, 2008, 29th April, 2008, 26th July, 2008, 25th October, 2008 & 29th January, 2009, to deliberate on various matters. The composition of the Board of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting as also the number of other directorships in Indian public limited companies are as follows :

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

MD – Managing Director                      I – Independent  
 NED – Non Executive Director              ED – Executive Director

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

### 3. AUDIT COMMITTEE

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

#### (a) Terms of Reference

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

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

- Reviewing the adequacy of internal control systems and internal audit function, ensuring compliance of internal control systems and reviewing the Company's financial and risk management policies.
- Reviewing the reports furnished by the internal auditors and statutory auditors and ensure suitable follow-up thereon.

The Audit Committee while reviewing the Annual Financial Statements also reviewed the applicability of various Accounting Standards (AS) issued by The Institute of Chartered Accountants of India during the year. Compliance of the AS as applicable to the Company has been ensured in the Financial Statements for the year ended March 31, 2009.

**(b) Composition**

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

The Committee met 4 times during the year on April 29, 2008, July 26, 2008, October 25, 2008 and January 29, 2009. The attendance of the Members at the Audit Committee Meetings is as under :

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

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

**4. REMUNERATION COMMITTEE**

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

**(a) Terms of Reference**

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

- Reviewing the overall compensation policy, service agreements and other employment conditions of Managing Director and Wholetime Director.
- Reviewing the performance of the Managing Director and Wholetime Director and recommending to the Board, the quantum of annual increments and annual commission.
- Approving and recommending to the Board, the remuneration and commission payable to the Directors.

**(b) COMPOSITION**

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

During the year under review, the Committee met once only on 20th October, 2008. The attendance of the Members at the Remuneration Committee Meeting is as under :

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

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

**(c) Remuneration Policy**

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

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

The Managing Director and the Wholetime Director are not paid sitting fee for attending Meetings of the Board or Committees thereof. Other Directors are being paid a sitting fee of Rs. 5,000/- for attending

each Board Meeting and Rs. 2,000/- for attending each Committee Meeting and 1% of the Net Profit of the Company by way of Commission is paid as Commission for all the Directors put together.

#### Details of Remuneration paid/payable to all the Directors for the year ended 31st March, 2009

(Figures in Rupees)

Name of the Director	Salary	Perquisites and other benefits	Commission	Sitting Fees*	Total
Shri Gopal Das Bangur	–	–	29,880	67,000	96,880
Shri Hemant Bangur	15,00,000	8,90,044	–	–	23,90,044
Shri M. K. Daga	–	–	29,880	35,000	64,880
Shri Amitabha Ghosh	–	–	29,880	33,000	62,880
Shri J. K. Surana	–	–	29,880	27,000	56,880
Shri M. M. Pyne	–	–	29,880	62,000	91,880
Shri K. C. Mohta	12,00,000	6,94,920	–	–	18,94,920

\* Includes Sitting Fee paid for Committee Meetings.

#### Details of Agreement

Name	From	To	Tenure
Shri Hemant Bangur *	01.05.2005	30.04.2010	5 years
Shri K. C. Mohta *	04.05.2007	03.05.2012	5 years

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

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

##### Functions

The Committee, presently, comprises of three Directors namely Shri G. D. Bangur, Chairman, Promoter Non-Executive Director, Shri M. M. Pyne, Independent Non-Executive Director and Shri K. C. Mohta, Professional Non-Promoter Executive Director. Shri S. Bagree, Company Secretary, is the Compliance Officer of the Company for complying the requirements of the Listing Agreement with the Stock Exchange(s).

##### (a) Terms of Reference

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

- transfer/transmission/transposition of shares;
- consolidation/splitting of folios;

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

##### (b) Composition

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

During the year under review, 16 (Sixteen) Share Transfer And Shareholders'/Investors' Grievance Committee Meetings were held. The attendance of the Members at the Share Transfer And Shareholders'/Investors' Grievance Committee Meeting is as under :

Name of the Director	Status	No. of meetings attended
Shri G. D. Bangur	Chairman	16
Shri M. M. Pyne	Member	16
Shri K. C. Mohta	Member	16

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

The Board of Directors have authorized the Secretary to approve the transfer/transmission/rematerialisation of shares which are properly processed and related formalities are done by the Registrar & Share Transfer Agent, M/s. Maheshwari Datamatics Pvt. Ltd., Kolkata. A statement is prepared showing such transfer/transmission/rematerialisation and also sub-division,

consolidation of share certificates, issue of duplicate share certificates etc. by the Company Secretary, who is also acting as Compliance Officer, in consultation with the Registrar & Share Transfer Agent and the same is placed fortnightly before the Committee. On approval of the Committee, necessary effects to such transfer/transmission/rematerialisation etc., are given. The Committee also keeps a close watch on all the complaints/grievances from the shareholders which were duly attended. During the year under review, the Company has received 17 complaints/grievances from the shareholders which were duly attended.

The average period of redressal of grievance is two weeks from the date of receipt of letters/complaints. There was no unresolved complaint as on 31st March, 2009. There were no share transfer applications pending for registration on 31st March, 2009.

## 6. GENERAL BODY MEETINGS

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

Financial Year	Date of Meeting	Time	Location
2005-2006	September 23, 2006	12.30 p.m.	A-2/1, "Gillander House", 8, N. S. Road, Kolkata - 700 001
2006-2007	December 22, 2007	10.30 a.m.	Shripati Singhanian Hall, Rotary Sadan 94/2, Chowringhee Road, Kolkata - 700 020
2007-2008	November 29, 2008	10.30 a.m.	Shripati Singhanian Hall, Rotary Sadan 94/2, Chowringhee Road, Kolkata - 700 020

- At the Annual General Meeting held on 22nd December, 2007, Shareholders have considered appointment and remuneration of Shri K. C. Mohta as Executive Director w.e.f. 4th May, 2007 for the next five years.
- An Extra Ordinary General Meeting was held on 8th June, 2007 at the order of the Hon'ble High Court, Kolkata to consider the Scheme of Arrangement of the Company which was approved by the Shareholders of the Company and the Company has since given the effect of the Scheme of Arrangement.
- A special resolution was passed by the Shareholders at the Annual General Meeting held on 29th November, 2008 for the increase of remuneration of the Managing Director and the Executive Director w.e.f. 1st April, 2008.
- There was no occasion to pass special resolution through postal ballot. Further, no such proposal is proposed to be placed for the Shareholders' approval at the forthcoming Annual General Meeting.
- The last Annual General Meeting held on 29th November,

2008 was duly attended by the Chairman of the Audit Committee, Shri M. K. Daga.

## 7. DISCLOSURES

### (a) Related Party Transactions

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

### (b) Non-compliance/strictures/penalties imposed

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

### (c) Accounting Treatment

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

(d) **Risk Management**

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

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

The Company, as such, does not have any Whistle Blower Policy. However, no employee is denied access to the Audit Committee.

(f) **Code of Conduct**

The Board of Directors has adopted the Code of Conduct and Ethics for Directors and Senior Management. The said Code has been communicated to the Directors and the members of the Senior Management. For the purpose of this Code, Senior Management Personnel have been considered a step below the working Directors. For the year under review, all the Directors and the Senior Management Personnel of the Company have confirmed their adherence to the provisions of this Code on an annual basis. A declaration to this effect duly signed by the Managing Director of the Company is annexed alongwith this report. The Code has been posted on the website of the Company.

(g) **Insider Trading**

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

(h) **CEO/CFO Certifications**

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

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

The Board in its report has confirmed that the Annual Accounts of the Company for the year ended 31st March, 2009 have been prepared as per the Accounting Standard and Policies.

(j) **Subsidiaries**

The Company has three Non-listed Subsidiary Companies. It has appointed Independent Directors of the Company in each of such Subsidiary Companies. The Minutes of the meetings of the Board of Directors of the above Subsidiary Companies are periodically placed before the Board of Directors of the Company and attention of the Directors is drawn to the significant transactions and arrangements entered into by the Subsidiary Companies.

## 8. MEANS OF COMMUNICATION

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

## 9. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

## 10. GENERAL SHAREHOLDER INFORMATION

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

## DECLARATION BY THE MANAGING DIRECTOR ON CODE OF CONDUCT

This is to certify that all the Members of the Board of Directors and Senior Management (i.e. one level below the Executive Director) of the Company, have confirmed compliance with the Company's Code of Conduct during April, 2008 to March, 2009.

For **Joonktollee Tea & Industries Ltd.**

Place : Kolkata  
Date : 28th July, 2009

**Hemant Bangur**  
*Managing Director*

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of Corporate Governance by Joonktollee Tea & Industries Ltd. for the year ended on 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

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

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

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

For **SINGHI & CO.**  
*Chartered Accountants*  
**Gopal Jain**  
*Partner*  
Membership No. 059147

Place : Kolkata  
Date : 28th July, 2009

## CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION, ISSUED PURSUANT TO THE PROVISIONS OF CLAUSE 49 OF THE LISTING AGREEMENT

The Board of Directors

**JOONKTOLLEE TEA & INDUSTRIES LTD.**

We certify that –

- a) We have reviewed the Financial Statements and the Cash Flow Statement of Joonktollee Tea & Industries Ltd. (the Company) for the year ended 31st March, 2009 and to the best of our knowledge and belief :
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2009 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
  - (i) There has not been any significant change in internal controls over financial reporting during the year under reference;
  - (ii) there has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - (iii) we are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For **Joonktollee Tea & Industries Ltd.**

Place : Kolkata  
Date : 28th July, 2009

**B. L. Dhanuka**  
*Chief Financial Officer*

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

# Shareholder Information



## a) 135th Annual General Meeting

Date	2nd September, 2009
Time	11.00 A.M.
Venue	"Shripati Singhanian Hall", Rotary Sadan 94/2, Chowringhee Road, Kolkata - 700 020

## b) Tentative Financial Calendar

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

1st Quarter Ended 30th June, 2009	End of July, 2009
2nd Quarter Ended 30th September, 2009	End of October, 2009
3rd Quarter Ended 31st December, 2009	End of January, 2010
4th Quarter Ended 31st March, 2010	Before the end of June, 2010

## c) Book Closure dates

The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, the 26th August, 2009 to 2nd September, 2009 (both days inclusive).

## d) Dividend Payment Date

The Dividend as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting, will be paid at par on or after 3rd September, 2009 to those members whose names appear on the Company's Register of Members as holders of equity shares in physical form on 25th August, 2009. In respect of shares held in dematerialized form, the dividend will be paid on the basis of beneficial ownership details to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.

## e) Listing of Equity Shares/Debentures on Stock Exchanges

The Equity Shares of the Company are listed on The Calcutta Stock Exchange (CSE). Annual Listing Fee as prescribed has been paid to the Calcutta Stock Exchange for the year 2009-10. Further, BSE has permitted the Equity Shares of the Company for trading under the "B" group with effect from 14th May, 2008. Listing of 21,37,656 Equity Shares of Rs.10/- each of the Company issued and allotted pursuant to the Scheme of Arrangement & Amalgamation is pending with the Calcutta Stock Exchange.

**Stock Code**

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

**f) Market Price Data**

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

Months	High (Rs.)	Low (Rs.)
April, 2008	–	–
May, 2008	699.00	322.60
June, 2008	303.00	163.70
July, 2008	191.00	113.00
August, 2008	145.00	118.50
September, 2008	150.95	120.00
October, 2008	133.90	112.75
November, 2008	134.85	113.00
December, 2008	155.00	120.00
January, 2009	154.00	121.50
February, 2009	140.60	122.00
March, 2009	131.10	107.00

**g) Registrar And Share Transfer Agent**

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

M/s. Maheshwari Datamatics Pvt. Ltd.  
6, Mangoe Lane, 2nd Floor, Kolkata - 700 006  
Phone : 2243-5029/5809, Fax No. : 2248-4787  
E-mail : mdpl@cal.vsnl.net.in

**h) Share Transfer System**

Requests for transfer/transmission of shares are registered by the Registrars and placed before the Share Transfer And Shareholders'/ Investors' Grievance Committee and after approval certificates are returned to the respective transferee within a period of fifteen days normally, provided the documents lodged with the Registrars/Company are clear in all respects. A total of 6217 shares were transferred/transmitted/rematerialised during the year 2008-09. The dematerialized shares are credited directly to the respective Demat Account of beneficiaries by the Depositories.

i) **Distribution of shareholdings as at March 31, 2009 was as under**

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
Upto 500	2172	92.8999	177270	5.4820
501 to 1000	66	2.8229	46315	1.4323
1001 to 2000	33	1.4115	45276	1.4002
2001 to 3000	5	0.2139	11410	0.3529
3001 to 4000	7	0.2994	23940	0.7403
4001 to 5000	6	0.2566	28222	0.8728
5001 to 10000	5	0.2139	33366	1.0318
10001 and above	44	1.8820	2867848	88.6877
<b>GRAND TOTAL</b>	<b>2338</b>	<b>100.0000</b>	<b>3233647</b>	<b>100.0000</b>

j) **Shareholding Pattern As on March 31, 2009 was as under :**

Category	No. of Shares Held	% of Share Capital
<b>A. PROMOTER'S HOLDING</b>		
1. <b>Promoters</b>		
– Indian Promoters	2706675	83.7035
– Foreign Promoters	–	–
<b>Sub-Total</b>	<b>2706675</b>	<b>83.7035</b>
<b>B. NON-PROMOTER'S HOLDING</b>		
2. <b>Institutional Investors</b>		
a) Mutual Funds	–	–
b) Banks, Financial Institutions, Insurance Companies	134909	4.172
c) Fiis	–	–
<b>Sub-Total</b>	<b>134909</b>	<b>4.172</b>
3. <b>OTHERS</b>		
a) Bodies Corporate	42018	1.2994
b) Indian Public	318789	9.8585
c) NRIs/OCBs	926	0.286
d) Any Other	30330	0.938
<b>Sub-Total</b>	<b>392063</b>	<b>12.3819</b>
<b>GRAND TOTAL</b>	<b>3233647</b>	<b>100.0000</b>

k) **Dematerialisation of Shares And Liquidity**

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

**Status of Dematerialisation as on 31st March, 2009 was as under :**

Particulars	No. of Shares	% to Total Capital	No. of Accounts
National Securities Depository Limited	658326	20.3586	557
Central Depository Services (India) Limited	203551	6.2948	189
<b>Total Dematerialised</b>	<b>861877</b>	<b>26.6534</b>	<b>746</b>
Physical	2371770	73.3466	1592
<b>GRAND TOTAL</b>	<b>3233647</b>	<b>100.0000</b>	<b>2338</b>

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

The Company did not have any outstanding GDRs / ADRs / Warrants or Convertible Instrument as on 31st March, 2009.

**m) Dividend History (Last 10 Years)**

Financial Year	Dividend per Share (Rs. P)	Total Dividend (Rs. in Lacs)
2008-09	1.50	48.50
2007-08	1.50	64.54
2006-07	1.50	16.44
2005-06	1.50	16.44
2004-05	1.50	16.44
2003-04	1.00	10.96
2002-03	1.00	10.96
2001-02	1.00	10.96
2000-01	3.00	32.88
1999-00	4.00	18.00

**n) Plant Locations**

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

TEA

**Joonktollee Tea Estate & Factory**

P. O. - Barbam - 786 624

Dist. Dibrugarh, Assam

**Nilmoni Tea Estate**

P. O. - Tinkhong - 786 112

Rajgarh, Assam

COFFEE

**Cowcoody Estate & Factory**

Somwarpet - 571 236

Dist. Coorg, Karnataka

**Shree Ganga Tea Estate**

P. O. Barbam - 786 624

Dist. Dibrugarh, Assam

**Goomankhan Tea Estate & Factory**

Hirebile, P. O. - 577 121

Dist. Chikmagalur, Karnataka

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

i) **Jamirah Tea Co. Ltd.**

TEA

**Jamirah Tea Estate**

P. O. - Dibrugarh - 786 001

Dist. Dibrugarh, Assam.

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

TEA

**Pullikanam Tea Estate & Factory**

P. O. - Pullikanam - 685 503

Vagamam Post

Dist. Idukki - 685 503, Kerala

**Kolahalmedu Tea Estate**

P. O. - Pullikanam - 685 503

Vagamam Post

Dist. Idukki - 685 503, Kerala

RUBBER

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

P. O. - Palapilly - 680 304

Dist. Trichur, Kerala

**Kinalur Estate & Rubber Wood Factory**

Balussery

P. O. - 673 612

Dist. Kozhildie, Kerala

**o) Address for correspondence :**

**Physical Shares**

Maheshwari Datamatics Pvt. Ltd.

6, Mangoe Lane, 2nd Floor

Kolkata - 700 001.

Tel : 033-2243-5029/5809

Fax : 033-2248-4787

E-mail : mdpl@cal.vsnl.net.in

**Demat Shares**

Respective Depository Participants of the shareholders.

Investors may also write to or contact the Company Secretary, Mr. S. Bagree at the Registered Office for any assistance that they may need. Telephone No. (033) 22300780 Fax No. (033) 2230 2105 E-mail : cs@joonktolleetea.in

**p) Brief Resume of Directors seeking appointment/re-appointment**

Two Non-Executive Directors namely Shri Amitabha Ghosh and Shri J. K. Surana are due for retirement by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment.

i) Shri Amitabha Ghosh, aged about 79 years, is a Chartered Accountant, Fellow of Indian Institute of Bankers and the Ex-Governor of Reserve Bank of India. He has held various positions during his banking career. He was on the Board of important institutions like IDBI, N.I.B.M., Exim Bank and also served as Chairman of Deposit Insurance Corporation Ltd. He is associated with the Company since 30th July, 2007. In addition, he is on the Board of several other public Companies.

(a) Names of Companies in which Shri Amitabha Ghosh is a Director

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

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

<b>Sl. No.</b>	<b>Name of the Company</b>	<b>Name of Board Committee</b>	<b>Chairman/Member</b>
1.	Peninsula Land Ltd.	Audit Committee	Chairman
2.	Orient Paper & Industries Ltd.	Audit Committee	Chairman
3.	Shreyas Shipping and Logistics Ltd.	Audit Committee	Chairman
4.	Mysore Cements Ltd.	Audit Committee	Chairman
5.	Sahara Prime City Ltd.	Audit Committee	Chairman
6.	Sahara Prime City Ltd.	Shareholders'/Investors' Grievance Committee	Member
7.	Kesoram Industries Ltd.	Audit Committee	Member
8.	Sahara India Life Insurance Co. Ltd.	Audit Committee	Member

ii) Shri J. K. Surana, aged about 55 years, is associated with the Company since 31st July, 2002 and has varied experience in the export and import of jute goods. He is a member of The Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd. Shri Surana is also on the Board of some other public Companies.

Names of Companies in which Shri J. K. Surana is a Director

<b>Sl.No.</b>	<b>Names of the Company in which Directorships held</b>
1.	Lone Star Holding Pvt. Ltd.
2.	Dimensional Investor Services Pvt. Ltd.
3.	Pranav Infradev Company (P) Ltd.

# Auditors' Report

To  
The Members of  
**JOONKTOLLEE TEA & INDUSTRIES LIMITED**

1. We have audited the attached Balance Sheet of **Joonktollee Tea & Industries Limited** as at 31st March, 2009 and the related Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. *Attention is drawn to :*
  - a) *Note No 4 in Schedule 15 regarding non recognition of interest on debt acquired in a company and not considering such debt as a loan for compliance of section 372 A of the Companies Act, 1956 for reasons stated in the note.*

*The impact of above is not ascertainable at this stage.*
5. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
    - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
    - (c) The Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
    - (d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act.
    - (e) On the basis of written representations received from the directors, as on 31st March, 2009 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
6. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements *subject to point no 4 (a) above* and read together with the notes thereon and attached thereto given in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
  - (ii) in the case of the Profit & Loss Account, of the **profit** for the year ended on that date; and
  - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of  
**SINGHI & CO.**  
Chartered Accountants  
**Gopal Jain**  
Partner  
Membership No. - 059147

Place : Kolkata  
Dated : 28th July, 2009

## Annexure to Auditors' Report

(Referred to in paragraph 3 of the Auditors' Report of even date to the members of Joonktollie Tea & Industries Limited on the financial statements for the year ended 31st March, 2009)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) According to the information and explanation given to us, based on a phased manner, the fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.  
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (a) According to the information and explanation given to us, the inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.  
(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. (a) As per the information and explanations given to us, the Company has not granted any loans secured/unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act 1956. Hence, clauses 3(b), (c) and (d) of the order are not applicable to the Company.  
(e) As per information and explanations given to us, the Company has taken unsecured loans from three body corporates covered in the register maintained under Section 301 of the Companies Act, 1956. The amount of loan taken during the year and the maximum amount outstanding during the year was Rs. 46,200,000/- and Rs. 60,410,000/- respectively. The year end balances of such loans was Rs. 11,000,000/-.  
(f) The aforesaid loans are payable on demand and there is no repayment schedule. In our opinion the terms and conditions of the loans are not prima facie prejudicial to the interest of the Company.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.  
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other statutory dues as applicable with the appropriate authorities and no such dues were in arrears, as at 31st March, 2009 for a period of more than six months from the date they became payable.

## Annexure to Auditors' Report

- (b) According to the information and explanations given to us and the records of the Company examined by us, the dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess as at 31st March, 2009 which have not been deposited on account of any dispute and the forum where the disputes are pending are as under.

Nature of Statute	Nature of dues	Amount in Rs.	Period	Forum where dispute is pending
Income Tax Act, 1961	Income Tax demand	74,044	A.Y. 2003-04	C.I.T. (Appeal)
Income Tax Act, 1961	Income Tax demand	17,54,026	A.Y. 2004-05	C.I.T. (Appeal)

10. The Company has no accumulated losses as at 31st March, 2009 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
14. In our opinion and according to the explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short term basis which have been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debenture and there is no debenture outstanding at the year-end.
20. The Company has not raised any money by public issue during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For and on behalf of  
**SINGHI & CO.**

*Chartered Accountants*

**Gopal Jain**

*Partner*

Place : Kolkata

Dated : 28th July, 2009

Membership No. - 059147

# Balance Sheet as at March 31, 2009

(Amount in Rs.)

	Schedule	As at 31.03.2009		As at 31.03.2008	
<b>I. SOURCES OF FUNDS</b>					
<b>(1) Shareholders' Funds :</b>					
(a) Share Capital	1	<b>32,336,471</b>		10,959,880	
(b) Share Suspense	1A	–		21,376,591	
(b) Reserves and Surplus	2	<b>631,385,829</b>	<b>663,722,300</b>	629,012,496	661,348,967
<b>(2) Loan Funds :</b>					
Secured Loan	3		<b>190,910,583</b>		196,042,673
Unsecured Loan	3A		<b>25,000,000</b>		80,510,000
<b>(3) Deferred Tax</b>					
			<b>507,205</b>		–
<b>TOTAL</b>			<b>880,140,088</b>		937,901,640
<b>II. APPLICATION OF FUNDS</b>					
<b>(1) Fixed Assets :</b>					
(a) Gross Block	4	<b>366,726,054</b>		365,137,989	
(b) Less : Depreciation		<b>165,062,818</b>		155,618,814	
(c) Net Block		<b>201,663,236</b>		209,519,175	
(d) Capital Work-in-Progress		<b>8,902,060</b>	<b>210,565,296</b>	3,363,517	212,882,692
<b>(2) Investments</b>	5		<b>567,326,621</b>		457,629,892
<b>(3) Current Assets, Loans &amp; Advances :</b>					
(a) Inventories	6	<b>44,146,331</b>		43,216,798	
(b) Sundry Debtors	7	<b>24,732,518</b>		20,778,727	
(c) Cash and Bank Balances	8	<b>7,946,120</b>		138,865,051	
(d) Loans and Advances	9	<b>90,407,590</b>		115,419,560	
			<b>167,232,559</b>		318,280,136
<b>Less : Current Liabilities &amp; Provisions</b>					
(a) Current Liabilities	10	<b>42,227,863</b>		32,708,624	
(b) Provisions	11	<b>22,756,525</b>		18,182,456	
			<b>64,984,388</b>		50,891,080
Net Current Assets			<b>102,248,171</b>		267,389,056
<b>TOTAL</b>			<b>880,140,088</b>		937,901,640

## Notes on Accounts

15

Schedules referred to above form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date

for and on behalf of

### SINGHI & CO.

Chartered Accountants

Gopal Jain

Partner

Membership No. 059147

Place : Kolkata

Dated : 28th July, 2009

G. D. Bangur

M. K. Daga

Amitabha Ghosh

J. K. Surana

M. M. Pyne

Directors

H. Bangur

Managing Director

K. C. Mohta

Executive Director

B. L. Dhanuka

Chief Financial Officer

S. Bagree

Manager (Finance) & Company Secretary

# Profit & Loss Account for the year ended March 31, 2009

(Amount in Rs.)

	Schedule	For the year ended 31.03.2009		For the year ended 31.03.2008	
<b>INCOME</b>					
Gross Sales	12	<b>360,379,488</b>		289,608,200	
Less : Excise Duty		<b>987,303</b>		1,025,041	
Net Sales		<b>359,392,185</b>		288,583,159	
Other Income	13	<b>4,203,902</b>	<b>363,596,087</b>	10,525,704	299,108,863
<b>EXPENDITURE</b>					
(Increase)/Decrease of Finished Goods	12A	<b>3,313,317</b>		6,252,871	
Cultivation, Manufacturing, Administration and Selling Expenses	14	<b>306,622,157</b>		256,928,264	
Interest (Refer Note No. 25 of Schedule 15)		<b>26,903,598</b>		11,264,990	
Depreciation		<b>16,473,717</b>	<b>353,312,789</b>	16,978,514	291,424,639
<b>Profit before Taxation</b>			<b>10,283,298</b>		7,684,224
<b>Provision for Taxation</b>					
Current Year		<b>4,200,000</b>		400,000	
Less : MAT Credit Entitlement		<b>1,800,000</b>	<b>2,400,000</b>	–	400,000
Earlier Year			<b>1,179,903</b>		–
Adjustment for (Excess)/Short Tax Provision in respect of earlier years written back			<b>(2,417,101)</b>		(3,799)
Fringe Benefit Tax			<b>565,150</b>		454,710
Deferred Tax			<b>507,205</b>		–
<b>Profit after Taxation</b>			<b>8,048,141</b>		6,833,313
Balance brought forward from last Account		<b>480,359</b>		3,279,926	
Less : Net Impact on profit in earlier year due to scheme of Arrangement/Amalgamation		–	<b>480,359</b>	(1,582,357)	1,697,56
			<b>8,528,500</b>		8,530,882
<b>APPROPRIATIONS</b>					
Proposed Dividend		<b>4,850,471</b>		6,453,715	
Tax on Proposed Dividend		<b>824,337</b>	<b>5,674,808</b>	1,096,808	7,550,523
General Reserve			<b>500,000</b>		500,000
<b>Balance Carried Forward</b>			<b>2,353,692</b>		480,359
Earnings Per Equity Shares of Rs. 10/- each					
Basic & Diluted (Refer Note No. 16 of Schedule - 15)			<b>2.49</b>		2.11

## Notes on Accounts

15

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

This is the Profit & Loss Account referred to in our report of even date.

for and on behalf of

### SINGHI & CO.

Chartered Accountants

Gopal Jain

Partner

Membership No. 059147

Place : Kolkata

Dated : 28th July, 2009

G. D. Bangur

M. K. Daga

Amitabha Ghosh

J. K. Surana

M. M. Pyne

Directors

H. Bangur

Managing Director

K. C. Mohta

Executive Director

B. L. Dhanuka

Chief Financial Officer

S. Bagree

Manager (Finance) & Company Secretary

# Cash Flow Statement

for the year ended March 31, 2009

(Amount in Rs.)

	31.03.2009	31.03.2008
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and and extra ordinary items	<b>10,283,298</b>	7,684,224
Adjustments for :		
Depreciation	<b>16,473,717</b>	16,978,514
Loss/(Profit) on Sale/Discard of Fixed Assets (Net)	<b>693,431</b>	(1,468,447)
Interest and Dividend Income	<b>(8,685,981)</b>	(13,018,806)
Interest Charged	<b>35,203,594</b>	23,899,779
Sundry Credit Balance no longer required written back	<b>(1,619,585)</b>	(659,968)
Bad Debts & Provision for Doubtful Debts/Advances	<b>4,908,419</b>	333,173
Operating Profit before Working Capital Changes	<b>57,256,893</b>	33,748,469
Adjustments for :		
Trade and Other Receivables	<b>(14,156,743)</b>	27,788,061
Inventories	<b>(929,533)</b>	9,916,320
Trade Payables	<b>14,446,576</b>	770,693
Cash generated from Operations	<b>56,617,193</b>	72,223,543
Direct Taxes Paid/(Refund) received (Net)	<b>(661,330)</b>	1,418,617
Net Cash from Operating Activities	<b>57,278,523</b>	70,804,926
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets/WIP	<b>(14,281,935)</b>	(21,054,452)
Sale of Fixed Assets	<b>129,679</b>	4,153,121
Purchase of Investments in Subsidiary	<b>(109,696,729)</b>	-
Debt Acquisition of a Subsidiary Company	<b>(52,427,000)</b>	-
Loan to Subsidiary (Net)	<b>(208,410)</b>	5,000
Loan Received Back/(Paid)	<b>80,060,241</b>	-
Interest Received	<b>12,312,702</b>	8,620,491
Dividend Received	<b>385,985</b>	384,017
Net Cash used in Investing Activities	<b>(83,725,467)</b>	(7,891,823)
	<b>(26,446,944)</b>	62,913,103

# Cash Flow Statement

for the year ended March 31, 2009

(Amount in Rs.)

	31.03.2009	31.03.2008
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings (Net)	<b>(22,688,652)</b>	93,374,500
Proceeds from Other Borrowings (Net)	<b>(37,953,438)</b>	(1,288,467)
Interest Paid	<b>(36,284,942)</b>	(20,838,100)
Dividends Paid (including Tax on Dividend)	<b>(7,624,037)</b>	(1,923,377)
<b>Net Cash from/(used in) Financing Activities</b>	<b>(104,551,069)</b>	69,324,556
<b>Net Change in Cash and Cash Equivalents</b>	<b>(130,998,013)</b>	132,237,659
Cash and Cash Equivalents - Opening Balance	<b>138,275,329</b>	6,037,670
Cash and Cash Equivalents - Closing Balance	<b>7,277,316</b>	138,275,329

## Notes :

1. Cash and Cash Equivalents consists of cash, cheques-in-hand, balances with banks and non mortgaged fixed deposit and are available for use.
2. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement as notified under The Companies Accounting Standard Rules 2006.
3. Previous year's figures have been re-grouped/re-arranged wherever necessary.

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

for and on behalf of

**SINGHI & CO.**

Chartered Accountants

**Gopal Jain**

Partner

Membership No. 059147

Place : Kolkata

Dated : 28th July, 2009

**G. D. Bangur**

**M. K. Daga**

**Amitabha Ghosh**

**J. K. Surana**

**M. M. Pyne**

Directors

**H. Bangur**

Managing Director

**K. C. Mohta**

Executive Director

**B. L. Dhanuka**

Chief Financial Officer

**S. Bagree**

Manager (Finance) & Company Secretary

# Schedules to the Accounts

(Amount in Rs.)

	As at 31.03.2009	As at 31.03.2008
<b>Schedule - 1 SHARE CAPITAL</b>		
<b>Authorised</b>		
1,07,49,000 Ordinary shares of Rs. 10/- each	<b>107,490,000</b>	107,490,000
35,000 Ordinary shares of Rs. 100/- each	<b>3,500,000</b>	3,500,000
50,000 Redeemable Cumulative Preference Shares of Rs. 10/- each	<b>500,000</b>	500,000
100 13.5% Redeemable Cumulative Preference Shares of Rs. 100/- each	<b>10,000</b>	10,000
	<b>111,500,000</b>	111,500,000
<b>Issued and Subscribed</b>		
32,33,647 (Previous year - 10,95,988) Ordinary Shares of Rs. 10/- each fully paid up	<b>32,336,471</b>	10,959,880
	<b>32,336,471</b>	10,959,880
<b>Of the above</b>		
1) 4,42,000 shares have been allotted as fully paid up by way of bonus shares upon capitalisation of reserves.		
2) 3,51,825 shares have been allotted to the shareholders of the erstwhile The Kalasa Tea and Produce Company Ltd. and 2,94,163 shares have been allotted to the shareholders of the erstwhile Cowcoody Estate Limited as per a scheme of amalgamation.		
3) 2,137,659 fully paid up equity shares of Rs. 10/- each has been allotted during the year pursuant to scheme of arrangement/amalgamation. These shares were kept under Share Suspense A/c in previous year.		

<b>Schedule - 1A SHARE SUSPENSE</b>		
Share Suspense	-	21,376,591
	-	21,376,591

<b>Schedule - 2 RESERVE AND SURPLUS</b>	Balance as on 31.03.2008	Additions during the year	Deductions/Adjustments during the year	Balance as on 31.03.2009
Capital Reserve	397,990,631	-	-	<b>397,990,631</b>
Capital Redemption Reserve	41,600	-	-	<b>41,600</b>
Revaluation Reserve (Created on Revaluation of Land)	40,386,019	-	-	<b>40,386,019</b>
Securities Premium Account	24,701,440	-	-	<b>24,701,440</b>
General Reserve	165,412,447	500,000	-	<b>165,912,447</b>
Profit & Loss Account	480,359	2,353,692	480,359	<b>2,353,692</b>
<b>Total</b>	<b>629,012,496</b>	<b>2,853,692</b>	<b>480,359</b>	<b>631,385,829</b>

# Schedules to the Accounts

(Amount in Rs.)

	As at 31.03.2009	As at 31.03.2008
<b>Schedule - 3 SECURED LOAN</b>		
<b>From Banks</b>		
<b>Overdraft/Cash Credit</b>		
Overdraft from State Bank of Bikaner and Jaipur, Kolkata (Secured by hypothecation of all the tea manufactured or in process including green leaf before and after plucking, book debts both present and future, moveable plant & machinery, furniture and other equipments, moveable property of any kind including book debts of tea and equitable mortgage/charge created by depositing title deeds of the tea estate at Assam.)	<b>41,917,750</b>	40,850,557
Overdraft from United Bank of India, Kolkata (Secured by hypothecation of crop, present and future, book debts, various other movable assets and equitable mortgage created by depositing title deeds pertaining to Nilmoni Tea Estate.)	<b>4,624,535</b>	5,101,401
Cash Credit from Corporation Bank, Coimbatore (Secured by hypothecation of coffee, cardamom, pepper crops and machinery purchased out of term loan and equitable mortgage of title deeds of the property of the company at Coimbatore.)	<b>17,396,005</b>	3,188,770
<b>Term Loans</b>		
Term Loan from State Bank of Bikaner & Jaipur, Kolkata (Secured by hypothecation of all the tea manufactured or in process including green leaf before and after plucking, book debts both present and future, moveable plant & machinery, furniture and other equipments, moveable property of any kind including book debts of tea and equitable mortgage/charge created by depositing title deeds of the tea estate at Assam.) (Loan repayable within one year Rs.4,088,731/-)	<b>4,088,731</b>	9,488,731
Term Loan from Corporation Bank, Coimbatore (Secured by hypothecation of coffee, cardamom, pepper crops and machinery purchased out of term loan and equitable mortgage of title deeds of the property of the company at Coimbatore.) (Loan repayable within one year Rs.1,428,000/-)	<b>4,288,000</b>	8,352,337
Term Loan from United Bank of India, Kolkata Secured by hypothecation of crop, present and future, book debts, various other movable assets and equitable mortgage created by depositing title deeds pertaining to Nilmoni Tea Estate.) (Loan repayable within one year Rs.2,850,000/- )	<b>5,848,165</b>	8,797,877
<b>Corporate Loan (Old)</b>		
Corporate Loan from State Bank of Bikaner & Jaipur, Kolkata (Secured by hypothecation of all the tea manufactured or in process including green leaf before and after plucking, book debts both present and future, moveable plant & machinery, furniture and other equipments, moveable property of any kind including book debts of tea and equitable mortgage/charge created by depositing title deeds of the tea estate at Assam.) (Loan repayable within one year Rs.5,000,000/-)	<b>5,000,000</b>	10,000,000

# Schedules to the Accounts

(Amount in Rs.)

		As at 31.03.2009	As at 31.03.2008
<b>Schedule - 3</b>	<b>SECURED LOAN (Contd.)</b>		
<b>Corporate Loan (New)</b>			
Corporate Loan from State Bank of Bikaner & Jaipur, Kolkata (Secured by hypothecation of all the tea manufactured or in process including green leaf before and after plucking, book debts both present and future, moveable plant & machinery, furniture and other equipments, moveable property of any kind including book debts of tea and equitable mortgage/charge created by depositing title deeds of the tea estate at Assam.) (Loan repayable within one year Rs. 20,000,000/-)		<b>94,725,397</b>	100,000,000
<b>Short Term Loan from Others</b> (Against assignment of Key man insurance policy in favour of the lender)		<b>13,022,000</b>	10,263,000
		<b>190,910,583</b>	196,042,673

<b>Schedule - 3A</b>	<b>UNSECURED LOAN</b>		
<b>Other Loans</b>			
From Bodies Corporate (Payable on demand)		<b>25,000,000</b>	80,510,000
		<b>25,000,000</b>	80,510,000

<b>Schedule - 4</b>												
<b>FIXED ASSETS</b>												
Particulars of Assets	COST					DEPRECIATION					NET BLOCK	
	Original Cost as on 31.03.2008	Adj. on a/c of scheme (Net)	Additions	Disposal/ Adjustments	Total as on 31.03.2009	Upto 31.3.2008	Adj. on a/c of scheme (Net)	For The Year	Disposal/ Adjustments	Total as on 31.03.2009	As at 31.03.2009	As at 31.03.2008
Land-Freehold & Leasehold *	53,587,257	-	-	-	<b>53,587,257</b>	-	-	-	-	-	<b>53,587,257</b>	53,587,257
Plantation/ Development	36,940,632	-	59,296	-	<b>36,999,928</b>	-	-	-	-	-	<b>36,999,928</b>	36,940,632
Buildings, Factory & Water Supply	96,984,151	-	787,476	19,520	<b>97,752,107</b>	36,823,477	-	3,957,712	18,699	<b>40,762,490</b>	<b>56,989,617</b>	60,160,674
Plant & Machinery & Electrical Installation	138,076,824	-	4,127,854	2,596,284	<b>139,608,394</b>	94,277,982	-	8,289,961	2,057,115	<b>100,510,828</b>	<b>39,097,566</b>	43,798,842
Furniture, Fittings & Office Equipments	13,602,324	-	236,031	350,388	<b>13,487,967</b>	6,649,700	-	1,308,352	323,960	<b>7,634,092</b>	<b>5,853,875</b>	6,952,624
Vehicles	24,046,801	-	4,311,819	4,968,219	<b>23,390,40</b>	17,317,957	-	2,537,692	4,629,940	<b>15,225,709</b>	<b>8,164,692</b>	6,728,844
Intangible Assets	1,900,000	-	-	-	<b>1,900,000</b>	549,699	-	380,000	-	<b>929,699</b>	<b>970,301</b>	1,350,301
<b>Total</b>	<b>365,137,989</b>	<b>-</b>	<b>9,522,476</b>	<b>7,934,411</b>	<b>366,726,054</b>	<b>155,618,815</b>	<b>-</b>	<b>16,473,717</b>	<b>7,029,714</b>	<b>165,062,818</b>	<b>201,663,236</b>	209,519,175
Previous Year	292,205,355	58,479,266	23,557,238	9,103,870	365,137,98	135,488,308	9,571,188	16,978,514	6,419,196	155,618,815	209,519,175	-
Capital Work-in-Progress											<b>8,902,060</b>	3,363,517

\* Land - Freehold & Leasehold as on 31.03.2009 includes Freehold Land Rs.12,014,091/- (Previous year - Rs.12,014,091/-), Leasehold Land Rs. 40,506,000/- (Previous year - Rs. 40,506,000/-) and the balance Rs.1,067,166/- (Previous Year - Rs.1,067,166/-) cannot be distinguished between freehold and leasehold.

# Schedules to the Accounts

(Amount in Rs.)

<b>Schedule - 5 INVESTMENTS - LONG TERM</b> (valued at cost unless otherwise stated)									
Particulars	Nominal Value	As at 31.03.2008		Additions during the year		Disposals during the year		As at 31.03.2009	
		No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
<b>TRADE INVESTMENT :</b>									
<b>In Subsidiary Company (Unquoted-Fully Paid) :</b>									
Gloster Real Estate Pvt. Ltd.	10	63,135	53,235,000	-	-	-	-	63,135	53,235,000
Cowcoody Builders Pvt. Ltd.	10	156,982	147,082,000	-	-	-	-	156,982	147,082,000
Pranav Infradev Co. Pvt. Ltd.	10	212,271	202,371,000	-	-	-	-	212,271	202,371,000
<b>In Subsidiary Company (Quoted-Fully Paid):</b>									
Jamirah Tea Company Ltd. ^	10	-	-	188700	109,696,729	-	-	188,700	109,696,729
The Cochin Malabar Estates & Industries Ltd.	10	406,420	48,987,087	-	-	-	-	406,420	48,987,087
<b>NON-TRADE AT COST :</b>									
<b>Quoted-in fully paid Equity Shares of :</b>									
Camphor & Allied Products Ltd.	10	200	4,740	-	-	-	-	200	4,740
Duncan Industries Ltd.	10	100	1,665	-	-	-	-	100	1,665
Gloster Jute Mills Ltd.	10	77,116	2,077,110	\$ 77,116	-	-	-	154,232	2,077,110
The Phosphate Company Ltd.	10	138,680	3,859,645	-	-	-	-	138,680	3,859,645
Goodrick Group Ltd.	10	70	3,245	-	-	-	-	70	3,245
<b>Government Securities :</b>									
National Saving Certificates (Deposited with Excise Authorities)		-	5,400	-	-	-	-	-	5,400
National Saving Certificates		-	3,000	-	-	-	-	-	3,000
			<b>457,629,892</b>		<b>109,696,729</b>		-		<b>567,326,621</b>
Quoted Investments - Book Value			54,933,492						164,630,221
Quoted Investments - Market Value *			48,498,898						58,147,540
Aggregate Book Value of									
Un-quoted Investments			402,696,400						402,696,400

\* Based on last traded price/market price

\$ Represents addition on account of issuance of bonus shares

^ Market Value is not available

<b>Schedule - 6 INVENTORIES</b> (at Lower of Cost or Net Realisable Value)		As at 31.03.2009	As at 31.03.2008
Stores and Spare Parts - At Cost		<b>16,183,529</b>	11,940,679
Stock :			
- Tea		<b>16,039,350</b>	13,004,525
- Coffee		<b>11,538,555</b>	17,879,350
- Minor Produce		<b>384,897</b>	-
- Timber - Rosewood		- <b>27,962,802</b>	392,244 31,276,119
		<b>44,146,331</b>	43,216,798

## Schedules to the Accounts

(Amount in Rs.)

	As at 31.03.2009	As at 31.03.2008
<b>Schedule - 7 SUNDRY DEBTORS (Unsecured)</b>		
Debts outstanding over six months :		
- Considered Good	9,818,340	3,266,913
- Considered Doubtful	822,848	847,203
Other Debts :		
- Considered Good	14,914,178	17,511,814
	25,555,366	21,625,930
Less : Provision for Doubtful Debts	822,848	847,203
	24,732,518	20,778,727

<b>Schedule - 8 CASH AND BANK BALANCES</b>		
Cheques/Cash-in-Hand	895,380	597,651
With Scheduled Banks :		
- Current Accounts	4,212,436	36,633,860
- Unpaid Dividend Accounts	585,090	511,576
- Preference Share Redemption Fund Account	11,013	11,410
- Deposit Accounts (Under Lien - Rs. 72,701/-, Previous year - Rs. 66,736/-)	2,242,201	101,110,554
	7,946,120	138,865,051

<b>Schedule - 9 LOANS AND ADVANCES</b>		
(Unsecured - Considered Good unless otherwise stated)		
Dues from Subsidiary Companies		
- Pranav Infradev Company Private Limited	339,808	30,939
(Maximum amount outstanding during the year Rs. 339,808/- Previous year - Rs. 30,939/-)		
- Gloster Real Estate Private Limited	310,000	10,000
(Maximum amount outstanding during the year Rs. 310,000/- Previous year - Rs. 10,000/-)		
- Cowcoody Builders Private Limited	110,000	10,000
(Maximum amount outstanding during the year Rs. 110,000/- Previous year - Rs. 10,000/-)		
- Jamirah Tea Company Limited	194,969	-
(Maximum amount outstanding during the year Rs. 194,969/- Previous year - Rs. Nil )		

## Schedules to the Accounts

(Amount in Rs.)

	As at 31.03.2009	As at 31.03.2008
<b>Schedule - 9 LOANS AND ADVANCES (Contd.)</b>		
Debt of a Subsidiary acquired		
- Secured (Refer Note No. 4 in Schedule - 15)	<b>52,427,000</b>	61,953,052
- Unsecured	- <b>52,427,000</b>	18,107,189
Advances recoverable in cash or in kind or for value to be received *	<b>25,839,842</b>	19,040,883
Fixed Assets held for Disposal (net of provision) (at net book value or estimated net realisable value, whichever is lower)	<b>161,565</b>	859,061
Balance with Excise Authority	<b>3,048</b>	8,062
Interest Accrued and Due on Loans	<b>14,201</b>	4,026,907
Income Tax Refundable	<b>1,003,211</b>	-
MAT Credit Entitlement	<b>1,800,000</b>	-
Advance Tax/Tax Deducted at Source	<b>8,203,946</b>	11,373,467
	<b>90,407,590</b>	115,419,560

\* Includes amount due from officers of the Company Rs. 255,000/- (Previous year - Rs. 351,000/-)  
Maximum amount outstanding at any point of time during the year Rs. 351,000/- (Previous year - Rs. 420,000/-)

<b>Schedule - 10 CURRENT LIABILITIES</b>		
Dues to Micro Small and Medium Enterprises	-	-
Other Sundry Creditors	<b>35,111,217</b>	25,280,936
Advance due to Subsidiaries	<b>3,638,649</b>	2,943,221
Unclaimed Dividend (Interest due - Rs. Nil)	<b>542,314</b>	467,436
(No Amount is required to be transferred to Investor Education & Protection Fund as on 31.03.2009)		
Unclaimed Redeemed Preference Shares	<b>6,930</b>	6,930
Interest accrued but not due on loans	<b>2,928,753</b>	4,010,101
	<b>42,227,863</b>	32,708,624

<b>Schedule - 11 PROVISIONS</b>		
Proposed Dividend	<b>4,850,471</b>	6,453,715
Tax on Proposed Dividend	<b>824,337</b>	1,096,808
Leave	<b>1,960,879</b>	1,224,000
Gratuity	<b>8,335,185</b>	3,952,000
Taxation	<b>6,785,653</b>	5,455,933
	<b>22,756,525</b>	18,182,456

## Schedules to the Accounts

(Amount in Rs.)

	For the year ended 31.03.2009	For the year ended 31.03.2008
<b>Schedule - 12 SALES</b>		
Tea *	<b>321,857,318</b>	264,375,188
Coffee	<b>37,904,770</b>	24,104,792
Minor Produce/Timber	<b>617,400</b>	1,128,220
	<b>360,379,488</b>	289,608,200

\* Sale includes Rs. 216,715/- insurance claim received/receivable on 1,843.43 Kgs. of Tea (Previous year - Rs. 1,011,682/- on 10,742.69 Kgs.)

<b>Schedule - 12A (INCREASE)/DECREASE OF FINISHED GOODS</b>		
Opening Stock :		
- Tea	<b>13,004,525</b>	20,506,584
- Coffee	<b>17,879,350</b>	16,562,171
- Minor Produce	<b>392,244</b>	460,235
	<b>31,276,119</b>	37,528,990
Less : Closing Stock		
- Tea	<b>16,039,350</b>	13,004,525
- Coffee	<b>11,538,555</b>	17,879,350
- Minor Produce	<b>384,897</b>	392,244
	<b>27,962,802</b>	31,276,119
(Increase)/Decrease of Finished Goods	<b>3,313,317</b>	6,252,871

<b>Schedule - 13 OTHER INCOME</b>		
Rent (TDS - Rs. Nil, Previous year - Rs. Nil )	<b>9,631</b>	9,631
Profit on Sale of Fixed Assets	<b>59,850</b>	1,468,447
Replantation Subsidy/Subsidy from Tea Board	-	34,460
Dividend from Long Term Non Trade Investment	<b>385,985</b>	384,017
Sundry Credit Balances/Liability no longer required written back	<b>1,619,585</b>	659,968
Received on Maturity of Keyman Insurance Policy	-	5,700,000
Miscellaneous Receipts	<b>2,128,851</b>	2,269,181
	<b>4,203,902</b>	10,525,704

## Schedules to the Accounts

(Amount in Rs.)

	For the year ended 31.03.2009		For the year ended 31.03.2008	
<b>Schedule - 14</b>	<b>CULTIVATION, MANUFACTURING, ADMINISTRATION &amp; SELLING EXPENSES</b>			
Cultivation	19,799,550		19,962,376	
Consumption of Stores and Spare Parts	5,488,677		5,106,362	
Purchase of Green Leaf	82,772,854		60,103,140	
Cess	1,986,602		2,122,792	
Power & Fuel	24,626,907		22,490,400	
Vehicles Maintenance Expenses	4,871,705		4,503,354	
Salaries, Wages & Bonus	83,254,899		74,560,624	
Contribution to Provident, Gratuity & Other Funds	19,814,125		12,712,334	
Labour & Staff welfare	13,378,821		13,109,836	
Repairs - Buildings	3,838,746		4,338,590	
- Machinery	3,743,118		4,417,036	
- Others	82,591		139,533	
Commission, Brokerage, Discount on Sales	5,067,437		5,621,330	
Freight & Delivery Charges, Transport Charges	10,107,694		11,541,783	
Insurance	3,220,210		3,429,928	
Rent	689,167		190,362	
Rates & Taxes	976,375		818,213	
Directors Fees	224,000		97,000	
Bad Debts/Advances/Excise Duty written off	4,932,774		333,173	
Less : Provision	847,203		-	
	4,085,571		333,173	
Add : Provision for Doubtful Debts further created	822,848		-	
	4,908,419		333,173	
Loss on Sale of Fixed Assets/Discard of Fixed Assets	503,281			
Add : Provision for Assets held for Disposal	250,000		753,281	
Auditor's Remuneration :				
- For Audit Fees	330,900		280,900	
- For Tax Audit	55,150		39,326	
- For Review Certificates	218,278		182,585	
- For Miscellaneous Certificates	487,865		152,248	
- For Expenses	3,044		13,000	
Prior Period Expenses	180,210		-	
Travelling Expenses	2,399,996		1,296,468	
Miscellaneous Expenses	13,341,536		9,365,571	
	306,622,157		256,928,264	

# Schedules to the Accounts

## Schedule - 15 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### Accounting Policies

#### a) Accounting Convention

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

#### b) Fixed Assets and Depreciation

##### Fixed Assets

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

##### Depreciation

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

#### c) Investment

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

#### d) Inventories

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

#### e) Foreign Currency Transactions

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

#### f) Revenue Recognition

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

# Schedules to the Accounts

## **g) Employee Benefits**

### **Short Term Employees Benefits**

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

### **Long Term Employee Benefits**

#### *Defined Contribution Scheme*

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

#### *Defined Benefit Scheme*

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

#### *Other Long Term Benefits*

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

## **h) Borrowing Costs**

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

## **i) Taxes on Income**

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

## **j) Leases**

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

## **k) Impairment**

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

## **l) Provisions and Contingent Liabilities**

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

# Schedules to the Accounts

**Notes on Accounts annexed to and forming part of the Balance Sheet as at 31st March, 2009 and Profit & Loss Account for the year ended on that date.**

1. Contingent Liability not provided for –

**Claims against the Company not acknowledged as debts :**

(Amount in Rs.)

	2008-09	2007-08
i) Consent fee under Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control Board of Pollution) Act, 1981	312,000	–
ii) Income Tax under appeal		
A.Y. 2003-04	74,044	–
A.Y. 2006-07	1,754,026	–

2. Estimated amount of contract remaining to be executed on Capital Account and not provided for Rs. 551,308/- (31.03.2008 – Rs. 4,950,000/-) (Net of Advances).
3. Title Deeds in respect of land purchased in Assam during the years 1985, 1986, 1998 and 1999 amounting to Rs. 225,320/- (31.03.2008 – Rs. 225,320/-) are under Registration. However, the company is in the possession of the said land and is already under plantation. Such delay is on the part of relevant authorities.
4. By virtue of an agreement with “The Cochin Malabar Estate & Industries Limited”(CMEI), during the year, the Company has taken over the control of the board of CMEI and CMEI has become a subsidiary of the Company within the provision of the Companies Act, 1956.
- By entering into a deed of assignment between the Company and the Federal Bank Limited, the Company had acquired debts of Rs. 732.68 Lacs as on 30.09.2008 of CMEI due to the bank at a one time of payment of Rs. 524.27 Lacs. In view of the agreement entered with CMEI for its revival, the Company has reserved its right to recompense the benefits arising out of debts acquisition upon fulfillment of performance conditions. Considering the current financial health of the CMEI and debt acquisition being strategic in nature, the debt has been recorded at its acquisition value and interest thereon shall be accounted upon fulfillment of the parameters as prescribed in the agreement.
- On the basis of an opinion, the Company contends that acquisition of such debt does not fall within the definition of loan, however as an abundant caution a resolution enhancing the limits for loans & investment under Section 372A of the Companies Act, 1956 is under process.
5. During the year the Company has made an strategic and long term investment in “Jamirah Tea Company Ltd.” (Jamirah) by acquiring 94.35% shares through purchase of shares from erstwhile promoters/public offer. By virtue of this Jamirah has become a subsidiary of the Company.
6. Transfer of certain assets/liabilities from/to transferor companies/demerged units under the scheme of arrangement/amalgamations carried out in earlier year are still in the process of completion.
7. In the financial year 2006-07, the company had credited a sum of Rs. 2,824,072/- as Interest Subsidy in other income, which the company was entitled to under the Government of India’s Central Interest Subsidy Scheme, 1997 on the basis of their claim sanctioned by the concerned authorities of the Government of Assam. Due to delay in completion of procedural formalities by the appropriate authority, the disbursement is still pending and the same is expected to be cleared in the current financial year.
8. There are no outstanding dues to Suppliers/Service providers covered under Micro, Small and Medium Enterprises Development Act, 2006 (‘MSMED’). The disclosures as required under the said Act are as under :

## Schedules to the Accounts

Particulars	Amount
a) Principal Amount due to Supplier under MSMED	NIL
b) Interest due to Supplier on above	NIL
c) Any payment made to supplier beyond appointed date (under Section 16 of the Act)	NIL
d) Interest due and payable to Suppliers under MSMED	NIL
e) Interest accrued and remaining unpaid as at 31st March, 2009	NIL
f) Interest remaining due and payable under Section 23 of the Act	NIL

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

9. The Company is mainly engaged in the production of Tea, Coffee and Minor Produces. In the opinion of the management the above product relate to plantation activities only and therefore do not form separate Segment for the purpose of Segment Reporting under Accounting Standard – 17 on Segment Reporting as notified under “The Companies Accounting Standard Rule 2006”. None of the income from other sources falls under the criteria of reportable segment as per the relevant provision of the Accounting Standard.
10. The amount of borrowing cost capitalized during the year is Rs. Nil.
11. The exposure of the Company in foreign currency at the end of the year is Rs. Nil (31.03.2008 - Rs. Nil).
12. **Employee Benefits (Revised Accounting Standard - 15)**

### a) Defined Contribution Plan

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

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

During the year the company has recognised Rs. 7,191,308/- (31.03.2008 - Rs. 6,823,386/-) for Provident Fund contribution and Rs. 1,482,197/- (31.03.2008 - Rs. 1,065,410/-) for Superannuation Fund contribution. The contributions payable to these plans by the Company are at the rates specified in the rules of the scheme.

### b) Defined Benefit Plans

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

# Schedules to the Accounts

(Amount in Rs.)

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

Particulars	2008-2009			2007-2008		
	Gratuity		Leave Encashment Unfunded	Gratuity		Leave Encashment Unfunded
	Funded	Unfunded		Funded	Unfunded	
Expenses recognised in the Statement of Profit & Loss Account for the year ended 31st March, 2009						
Current Service Cost	17.43	3.21	0.18	11.84	2.45	1.59
Interest Cost	18.70	3.61	1.27	15.06	3.11	0.78
Expected return on Plan Assets	(17.72)	-	-	(17.05)	-	-
Expected return on any reimbursement rights recognised as an assets	-	-	-	-	-	-
Actuarial (Gain)/Losses	39.55	4.46	5.92	11.42	(3.31)	0.63
Past Service Cost	-	-	-	-	-	-
Effect of any Curtailment/Settlement	-	-	-	-	-	-
Actuarial (Losses)/Gains on Plan Assets	0.70	-	-	-	-	-
Unrecognised Defined Benefit Obligation	-	-	-	-	-	-
<b>Expenses recognised in Profit &amp; Loss Account</b>	<b>58.66</b>	<b>11.28</b>	<b>7.37</b>	<b>21.27</b>	<b>2.25</b>	<b>3.00</b>
Net (Asset)/Liabilities recognised in Balance Sheet as at 31st March, 2009						
Present Value of the Defined Benefit Obligation	258.48	50.80	19.61	209.20	39.52	12.24
Fair value of Plan Assets	226.83	-	-	216.22	-	-
Unrecognised Defined Obligation	-	-	-	-	-	-
<b>Net (Asset)/Liabilities recognised in Balance Sheet</b>	<b>31.65</b>	<b>50.80</b>	<b>19.61</b>	<b>(7.02)</b>	<b>39.52</b>	<b>12.24</b>
Changes in the Present Value of Defined Benefit Obligation during the year ended 31st March, 2009						
Present Value of Defined Benefit Obligations at 1st April, 2008	209.20	39.52	12.24	195.83	40.60	9.24
Current Service Cost	17.43	3.21	0.18	11.84	2.45	1.59
Interest Cost	18.70	3.61	1.27	15.06	3.11	0.78
Actuarial Gain/(Losses)	39.55	4.46	5.92	12.67	(3.31)	0.63
Benefits Paid	(26.41)	-	-	(26.20)	(3.33)	-
<b>Present Value of Obligation as at 31st March, 2009</b>	<b>258.47</b>	<b>50.80</b>	<b>19.61</b>	<b>209.20</b>	<b>39.52</b>	<b>12.24</b>
Changes in Fair Value of Plan Assets during the year ended 31st March, 2009						
Fair Value of Plan Assets as at 1st April, 2008	216.22	-	-	208.46	-	-
Expected return on Plan Assets	17.72	-	-	17.05	-	-
Actuarial Gain/(Losses)	(0.70)	-	-	1.25	-	-
Past Service Cost	-	-	-	-	-	-
Losses/(Gains) on curtailments Liabilities extinguished on settlement	-	-	-	-	-	-
Benefits Paid	(26.41)	-	-	(26.20)	(3.33)	-
Settlements	-	-	-	-	-	-
Contributions	20.00	-	-	15.66	3.33	-
<b>Fair Value of Plan Assets as at 31st March, 2009</b>	<b>226.83</b>	<b>-</b>	<b>-</b>	<b>216.22</b>	<b>-</b>	<b>-</b>
Principal Actuarial Assumptions used						
Discount rates as at 31st March, 2009	8.00%	8.00%	8.00%	8.40%	8.00%	8.60%
Expected return on Plan Assets	8.00%	-	-	8.00%	-	-
Expected salary increase rates	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Mortality Rates	LIC (94-96) Ultimate Rate					
Major categories of Plan Assets as a percentage of Fair Value of Plan Assets	Fund with LIC of India	-	-	Fund with LIC of India	-	-

# Schedules to the Accounts

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

- (a) Amount not recognised as an asset, because of the limit prescribed to Accounting Standard - 15 (Revised 2005) i.e. Employees Benefits is Rs. Nil.
- (b) There is no reimbursement right at the balance sheet date.
- (c) Fair value of plan assets does not include any amount for Companies own financial instruments or any property occupied by, or other assets used by, the Company.
- (d) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

13. The components of deferred tax as on 31.03.2009 are as follows :

Particulars	Amount (Rs.)
<b>Deferred Tax Liability</b>	
Depreciation	4,410,106
<b>Deferred Tax Assets</b>	
Brought Forward Loss	3,072,486
Items deductible on payments	830,415
Deferred Tax Liability (Net)	<b>507,205</b>

In view of non recognition of Deferred Tax Assets (Net) in previous years and Deferred Tax Liability (Net) being accounted for in the current year, previous year figures of deferred tax amount has not been given.

14. A sum of Rs. 7,835,849/- is outstanding from a debtor which has become overdue as on 31.03.2009. The Company is taking necessary steps to initiate legal proceedings for the realization of the money. Considering the financial health of the debtor, the management is hopeful of receiving the money and accordingly considered good for recovery.
15. Related Party Disclosures as required by AS – 18 “Related Party Disclosures” are given below :

### Relationships

#### (a) Subsidiaries of the Company

Gloster Real Estate Private Limited (GREPL)

Cowcoody Builders Private Limited (CBPL)

Pranav Infradev Company Private Limited (PICPL)

Jamirah Tea Company Limited (JTCL) (w.e.f. 23.07.2008)

The Cochin Malabar Estate & Industries Limited (CMEI) (w.e.f. 05.03.2009)

## Schedules to the Accounts

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

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

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

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

\* No transactions during the year

### **(d) Key Management Personnel**

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

# Schedules to the Accounts

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

Sl.	PARTICULARS	TCICL	KVL	WPVPL	CHPL	MTCL	PDGD	GJML	TOCL	KBCL	KMP	Relatives of KMP	CMEI	CBPL	GREPL	PICPL	JTCL
1.	Loans Given/(Received) during the year (Net) Previous Year *	(13,584,241) 2,004,242	- 240,000	- 16,000	- -	- -	- -	- -	- -	- -	- -	- -	(10,573,000) (21,914,976)	- -	- -	- -	- -
2.	Loans Received/(Refunded) during the year (Net) Previous Year *	- -	(14,190,000) 17,007,724	(10,386,000) 9,281,584	(14,430,000) 7,543,223	(8,480,000) (3,807,472)	11,000,000 -	- -	- -	- -	(13,200,000) -	(25,000,000) -	- -	- -	- -	- -	- -
3.	Closing balance as on 31.03.2009 - (Loan including Interest Accrued) Previous Year *	13,584,241 (Dt.)	6,500,000 (Cr.) 14,110,000 (Cr.)	- 1,004,000 (Cr.)	- 14,430,000 (Cr.)	- (8,480,000) (Cr.)	11,000,000 (Cr.) -	- -	- -	- -	- -	- -	67,014,762 (Dt.)	- -	- -	- -	- -
4.	Advance Given/(Received) during the year Previous Year	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	(701,179) (2,601,625)	405,752 (321,596)	308,869 30,939	194,969 -
5.	Closing balance of advance receivable/ (payable) as at 31.03.2009 Previous Year	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	(3,302,805) (2,601,625)	84,156 (321,596)	339,808 30,939	194,969 -
6.	Interest Income Previous Year	321,551 1,478,119	292,603 305,000	17,122 20,400	- -	- -	- -	- -	- -	- -	- -	- -	7,004,133 10,831,270	- -	- -	- -	- -
7.	Interest Expenditure Previous Year	- -	1,994,877 602,224	1,188,842 606,766	1,808,104 2,411,593	781,973 1,050,115	38,466 -	- -	- -	- -	2,216,200 -	2,453,654 -	- -	- -	- -	- -	- -
8.	Rent Paid Previous Year	- -	- -	- -	- -	- -	- -	- -	- -	643,167 24,300	- -	- -	- -	- -	- -	- -	- -
9.	Rent Deposit as at 31.03.2009 Previous Year	- -	- -	- -	- -	- -	- -	- -	- -	7,500,000 16,200	- -	- -	- -	- -	- -	- -	- -
10.	Purchase Previous Year	- -	- -	- -	- -	- -	- -	3,679,961 3,758,160	- -	- -	- -	- -	- -	- -	- -	- -	- -
11.	Closing balance of Current Liability as on 31.03.2009 Previous Year	- -	- -	- -	- -	- -	- -	597,384 512,657	- -	- -	- -	- -	- -	- -	- -	- -	142,347 -
12.	Brokerage Income Previous Year	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
13.	Directors Commission Previous year	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	12,189	- -	- -	- -	- -	- -
14.	Dividend Paid** Previous Year	515,383 97,468	- -	56,998 7,500	221,679 -	104,591 34,278	- -	- -	797,005 94,825	814,213 573,733	308,747 43,792	3,176,244 47,611	1,080 1,080	- -	- -	- -	- -
15.	Debt Acquired Previous Year	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	52,427,000	- -	- -	- -	- -

\* Relates to transactions held in transferrer companies.

\*\* Also includes dividend paid to parties mentioned in (b) (ii), (iv), (v) and (viii)

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

Remuneration/Sitting Fees Rs. 4,658,381/- (31.03.2008 - Rs. 2,807,979/-)

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

## Schedules to the Accounts

### 16. Earnings Per Share

	2008-09	2007-08
a) Profit/(Loss) after taxation as per Profit & Loss Account (Rs.)	80,48,141	68,33,313
b) Number of equity shares outstanding	32,33,647	32,33,647
c) Basic and diluted earnings per share (in Rs.) (Face Value Rs. 10/- per share)	2.49	2.11

	31.03.2009		31.03.2008	
	Quantity (Kg.)	Value (Rs.)	Quantity (Kg.)	Value (Rs.)
17. Turnover				
- Tea (Excluding issued to Labour and Staff, Sales Promotion and Tea Waste etc. 13,495 kgs. 31.03.2008 - 13,926 kgs.)	3,320,222	321,857,318	3,573,782	264,375,188
- Coffee	311,425	37,904,770	251,472	24,104,792
- Minor Produce	5,251	617,400	8,924	1,128,220
18. Raw Materials Consumed				
i) Being raw materials harvested in the Company's own gardens as agricultural produce involving integrated activities of Nursery, Cultivation, Growth etc. and utilized in the manufacture of tea, its value at the intermediate stage could not be ascertained.	9,239,605	-	9,382,369	-
ii) Green Leaf purchased	6,078,897	82,772,854	6,509,573	60,103,140
19. Stock of Finished Goods				
a) Opening Stock :				
- Tea	223,667	13,004,525	347,021	20,506,584
- Coffee	248,310	17,879,350	210,287	16,562,171
- Minor Produce	5,277	392,244	8,951	460,235
b) Closing Stock :				
- Tea	243,268	16,039,350	223,667	13,004,525
- Coffee	109,891	11,538,555	248,310	17,879,350
- Minor Produce	10,064	384,897	5,277	392,244
20. a) Licensed Capacity – Tea	Not applicable		Not applicable	
b) Installed Capacity (in terms of made tea)	Not ascertainable		Not ascertainable	
c) Actual Production during the year –	3,353,318	-	3,464,354	-
For sale of Tea (excluding issued to Labour and Staff, Sales Promotion and Tea Waste etc. 13,495 kgs. 31.03.2008 – 13,926 kgs.)				
For sale of Coffee	173,006	-	289,495	-
For sale of Minor Produce	10,038	-	5,250	-
21. CIF Value of Import	-	-	-	-
	Value (Rs.)	Percentage (%)	Value (Rs.)	Percentage (%)
22. Value of Stores and Spares parts consumed				
Indigenous	33,397,716	100	30,030,813	100
Imported	-	-	-	-

# Schedules to the Accounts

(Amount in Rs.)

	31.03.2009	31.03.2008
23. a) Earning in Foreign Currency	-	-
b) Expenditure in Foreign Currency :		
- Travelling	200,834	-
- Others	56,134	50,602
24. Interest paid includes Interest on Fixed Loans Rs. 14,559,119/- (31.03.2008 – Rs. 15,583,098/-)		
25. Interest expense is net of Interest Income Rs.8,299,996/- TDS - Rs. 1,763,934/- (31.03.2008 – Rs. 12,634,789/-, TDS – Rs. 3,077,596/-)		
26. Directors' Remuneration		
Computation of Net Profit for the purpose of Directors' Commission :		
Profit before Taxation as per Profit & Loss Account	10,432,715	7,745,170
Less : Directors' Commission	149,417	60,946
Add : Directors' Remuneration	4,658,381	2,807,979
	14,941,679	10,492,203
Less : Excess of expenditure over income under Section 349	-	4,092,619
Capital Profit on Sale of Fixed Assets	-	304,978
Net Profit for the purpose of Directors' Commission	14,941,679	6,094,606
Non Wholetime Directors' Commission @1% of Net Profit	149,417	60,946
Directors' Fees	224,000	97,000
Remuneration to Managing Director :		
i) Salary	1,500,000	960,000
ii) Company's Contribution of PF & other funds	855,000	662,700
iii) Monetary value of perquisites & other benefits	35,044	63,149
Remuneration to Executive Director :		
i) Salary	1,200,000	599,677
ii) Company's Contribution of PF & other funds	684,000	284,243
iii) Monetary value of perquisites & other benefits	10,920	80,264
	4,658,381	2,807,979

(The above figures do not include provisions for encashable leave and gratuity as separate actuarial valuation is not available for Managing & Executive Director)

The aforesaid remuneration exceeds the limits prescribed under the Schedule XIII of the Companies Act, 1956 by Rs. 185,044/- for which an application is pending before the Central Government and approval is awaited. The remuneration however has been approved by shareholders of the Company.

27. Previous year figures have been arranged/regrouped wherever necessary.

for and on behalf of

**SINGHI & CO.**

Chartered Accountants

**Gopal Jain**

Partner

Membership No. 059147

Place : Kolkata

Dated : 28th July, 2009

**G. D. Bangur**

**M. K. Daga**

**Amitabha Ghosh**

**J. K. Surana**

**M. M. Pyne**

Directors

**H. Bangur**

Managing Director

**K. C. Mohta**

Executive Director

**B. L. Dhanuka**

Chief Financial Officer

**S. Bagree**

Manager (Finance) & Company Secretary

# Schedules to the Accounts

## Balance Sheet Abstract and Company's Business Profile

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

### I. REGISTRATION DETAILS

Registration No.  State Code

Balance Sheet Date

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

Public Issue  Bonus Issue

Right Issue  Private Placement

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

Total Liabilities  Total Assets

#### Source of Funds

Paid - up Capital

Reserves & Surplus

Secured Loan

Unsecured Loans

Deferred Tax Liability

#### Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Miscellaneous Expenditure

Accumulated Losses

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

Turnover  Total Expenditure

Profit/Loss before Tax  Profit/Loss after Tax

Earnings Per Share (in Rs.)  Dividend (%)

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

Item Code No. (ITC Code)

Product Description

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

	Financial Year ended	Holding Company's Interest
<b>SECTION 212 (1) (e)</b>		
Name of the Subsidiary Companies		
Gloster Real Estates Pvt. Ltd.	31st March, 2009	100.00%
Pranav Infradev Company Pvt. Ltd.	31st March, 2009	100.00%
Cowcoody Builders Pvt. Ltd.	31st March, 2009	100.00%
Jamirah Tea Company Limited *	31st March, 2009	94.35%
The Cochin Malabar Estates & Industries Ltd. **	31st March, 2009	22.94%

### SECTION 212 (3) (b)

Net aggregate amount of Subsidiaries Profit which concern the members of the Holding Company and not dealt with in the Company's Accounts	For the Financial year ended 31st March, 2009 (Rs.)	For the previous Financial Years (Rs.)
Gloster Real Estates Pvt. Ltd.	(558,996)	(2,300,328)
Pranav Infradev Company Pvt. Ltd.	(70,641)	(61,997)
Cowcoody Builders Pvt. Ltd.	440,805	589,657
Jamirah Tea Company Limited *	7,970,055	Nil
The Cochin Malabar Estates & Industries Ltd. **	10,948,138	Nil

### SECTION 212 (3) (c)

Net aggregate amount of Subsidiaries Profit dealt with in the Company's Account		
Gloster Real Estates Pvt. Ltd.	Nil	Nil
Pranav Infradev Company Pvt. Ltd.	Nil	Nil
Cowcoody Builders Pvt. Ltd.	Nil	Nil
Jamirah Tea Company Limited *	Nil	Nil
The Cochin Malabar Estates & Industries Ltd. **	Nil	Nil

### SECTION 212 (5)

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

\* Subsidiary with effect from 23.07.2008

\*\* Subsidiary with effect from 05.03.2009

**G. D. Bangur**  
**M. K. Daga**  
**Amitabha Ghosh**  
**J. K. Surana**  
**M. M. Pyne**  
 Directors

**H. Bangur**  
 Managing Director  
**K. C. Mohta**  
 Executive Director  
**B. L. Dhanuka**  
 Chief Financial Officer

**S. Bagree**

Manager (Finance) & Company Secretary

Place : Kolkata

Dated : 28th July, 2009

# Consolidated Auditors' Report

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

1. We have audited the attached consolidated Balance Sheet of **JOONKTOLLEE TEA & INDUSTRIES LIMITED** and its subsidiaries as at 31st March, 2009 and the consolidated Profit & Loss Account and consolidated Cash Flow Statement for the year ended on that date and annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiaries whose financial statements reflect total assets of Rs. 102,97,86,108/- as at 31st March, 2009, total revenues of Rs. 32,29,50,632/- and net cash inflow of Rs. 57,87,109/- for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries is based solely on the report of the other auditors.
4. Attention is drawn to point no. 4 in schedule 15 regarding different accounting policies of subsidiaries relating of depreciation accounting and gratuity provisions and the impact of same are not ascertainable at this stage.
5. The statutory auditors the Subsidiaries has drawn the following qualifications in their audit report dated 27th July, 2009 for the year ended 31st March 2009.
  - i) Depreciation in respect of Aqua culture and rubber wood divisions and Kinalur Estate of Rubber division has not been provided during the year. (Refer point no 4 in schedule 15)
  - ii) The auditors are unable to express an opinion about the profitability of the Kinalur estate and also the physical conditions of the assets of the estate. (Refer point no. 5 in schedule 15)
  - iii) The auditors have also invited attention towards non recognition of deferred tax assets on carried forward losses and unabsorbed depreciation due to lack of virtual certainty.
  - iv) Non execution of Conveyance deed for immoveable properties valued at Rs. 0.28 Lacs.
6. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements", as notified under "The Company Accounting Standard Rules 2006" and on the basis of the separate audited financial statements of Joonktollee Tea & Industries Limited, its subsidiaries included in the consolidated financial statements.
7. On the basis of the information and explanation given to us and on consideration of the separate audit reports on individual audited financial statements of JOONKTOLLEE TEA & INDUSTRIES LIMITED and its subsidiaries, we are of the opinion, subject to Para 4 & 5 above, the consolidated financial statements read with notes to account, give a true and fair view in conformity with the accounting principles generally accepted in India :
  - a) In the case of the consolidated Balance Sheet, of the consolidated state of affairs of Joonktollee Tea & Industries Limited and its subsidiaries as at 31st March, 2009;
  - b) In the case of the consolidated Profit & Loss Account, of the consolidated profit of Joonktollee Tea & Industries Limited and its subsidiaries for the year ended on that date and
  - c) In the case of the consolidated Cash Flow Statement, of the consolidated cash flow of Joonktollee Tea & Industries Limited and its subsidiaries for the year ended on that date.

For and on behalf of  
**SINGHI & CO.**  
Chartered Accountants  
**Gopal Jain**  
Partner

Kolkata, 28th July, 2009

Membership Number - 059147

# Consolidated Balance Sheet as at March 31, 2009

(Amount in Rs.)

	Schedule	As at 31.03.2009		As at 31.03.2008	
<b>I. SOURCES OF FUNDS</b>					
<b>(1) Shareholders' Funds :</b>					
(a) Share Capital	1	<b>32,336,471</b>		10,959,880	
(b) Share Suspense	1A	-		21,376,591	
(b) Reserves and Surplus	2	<b>637,817,121</b>	<b>670,153,592</b>	629,193,601	661,530,072
Minority Interest		<b>151,204,923</b>		-	
<b>(2) Loan Funds :</b>					
Secured Loan	3	<b>204,503,184</b>		196,042,673	
Unsecured Loan	3A	<b>127,930,485</b>		80,510,000	
<b>TOTAL</b>		<b>1,153,792,184</b>		938,082,745	
<b>II. APPLICATION OF FUNDS</b>					
Goodwill on Consolidation		<b>111,413,020</b>		7,977,277	
<b>Fixed Assets :</b>					
(a) Gross Block	4	<b>1,448,873,762</b>		771,863,686	
(b) Less : Depreciation		<b>295,734,585</b>		165,040,489	
(c) Net Block		<b>1,153,139,177</b>		606,823,197	
(d) Capital Work-in-Progress		<b>16,030,008</b>	<b>1,169,169,185</b>	3,363,517	610,186,714
<b>Investments</b>		<b>6,209,201</b>		49,825,981	
<b>Deferred Tax Asset (Net)</b>		<b>1,423,932</b>		-	
<b>Current Assets, Loans &amp; Advances :</b>					
(a) Inventories	5	<b>76,464,945</b>		43,216,798	
(b) Sundry Debtors	6	<b>27,784,432</b>		21,465,132	
(c) Cash and Bank Balances	7	<b>13,733,229</b>		139,011,957	
(d) Loans and Advances	8	<b>61,226,391</b>		117,044,669	
		<b>179,208,997</b>		320,738,556	
<b>Less : Current Liabilities &amp; Provisions</b>					
(a) Current Liabilities	9	<b>231,897,727</b>		31,631,927	
(b) Provisions	10	<b>81,734,424</b>		19,013,856	
		<b>313,632,151</b>		50,645,783	
Net Current Assets		<b>(134,423,154)</b>		270,092,773	
Miscellaneous Expenditure		-		-	
<b>TOTAL</b>		<b>1,153,792,184</b>		938,082,745	

## Notes on Accounts

14

Schedules referred to above form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date

for and on behalf of

**SINGHI & CO.**

Chartered Accountants

**Gopal Jain**

Partner

Membership No. 059147

Place : Kolkata

Dated : 28th July, 2009

**G. D. Bangur**

**M. K. Daga**

**Amitabha Ghosh**

**J. K. Surana**

**M. M. Pyne**

Directors

**H. Bangur**

Managing Director

**K. C. Mohta**

Executive Director

**B. L. Dhanuka**

Chief Financial Officer

**S. Bagree**

Manager (Finance) & Company Secretary

# Consolidated Profit & Loss Account for the year ended March 31, 2009

(Amount in Rs.)

	Schedule	For the year ended 31.03.2009		For the year ended 31.03.2008	
<b>INCOME</b>					
Gross Sales	11	<b>672,683,878</b>		289,608,200	
Less : Excise Duty		<b>1,256,829</b>		1,025,041	
Net Sales		<b>671,427,049</b>		288,583,159	
Other Income	12	<b>18,951,745</b>	<b>690,378,794</b>	14,903,290	303,486,449
<b>EXPENDITURE</b>					
(Increase)/Decrease of Finished Goods	11A	<b>3,352,016</b>		6,252,871	
Cultivation, Manufacturing, Administration, and Selling Expenses	13	<b>594,068,835</b>		258,116,362	
Interest		<b>33,675,900</b>		11,264,990	
Depreciation (Net of Rs.504,033/- transferred to Revaluation Reserve)		<b>23,139,639</b>	<b>654,236,390</b>	21,368,370	297,002,593
<b>Profit before Taxation</b>			<b>36,142,404</b>		6,483,856
<b>Provision for Taxation</b>					
Current Year (includes reversal for earlier year)		<b>5,320,240</b>		972,300	
Less : MAT Credit Entitlement		<b>1,800,000</b>	<b>3,520,240</b>	-	972,300
Earlier Year			<b>1,179,903</b>		-
Adjustment for (Excess)/Short Tax Provision in respect of earlier years written back			<b>(2,417,101)</b>		(3,799)
Deferred Tax Charge			<b>6,492,515</b>		-
Fringe Benefit Tax			<b>669,345</b>		454,710
<b>Profit after Taxation</b>			<b>26,697,502</b>		5,060,645
Balance brought forward from last Account		<b>(966,058)</b>		6,431,353	
Less : Adjustment on account of Arrangement/ Amalgamation of Subsidiary/Associates		-		(5,686,542)	
Less : Minority Interest		<b>(8,825,295)</b>		-	
Add : Share of Profit/(Loss) in Associate					
For the Year		-		2,861,366	
For Earlier Years		<b>(1,561,915)</b>		-	
Less : Pre-Acquisition Profit of Subsidiary		<b>(2,011,964)</b>		-	
Less : Net Impact on Profit in earlier year due to Scheme of Arrangement/Amalgamation		-	<b>(13,365,232)</b>	1,582,357.00	2,023,820
			<b>13,332,270</b>		7,084,465
<b>APPROPRIATIONS</b>					
Proposed Dividend		<b>4,850,471</b>		6,453,715	
Tax on Proposed Dividend		<b>824,337</b>	<b>5,674,808</b>	1,096,808	7,550,523
General Reserve			<b>500,000</b>		500,000
<b>Balance Carried Forward</b>			<b>7,157,462</b>		(966,058)
Earnings Per Equity Shares of Rs. 10/- each					
Basic & Diluted (Rs.) (Refer Note No. in Schedule 14)			<b>4.42</b>		2.45

## Notes on Accounts

14

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

This is the Profit & Loss Account referred to in our report of even date

for and on behalf of

**SINGHI & CO.**

Chartered Accountants

**Gopal Jain**

Partner

Membership No. 059147

Place : Kolkata

Dated : 28th July, 2009

**G. D. Bangur**

**M. K. Daga**

**Amitabha Ghosh**

**J. K. Surana**

**M. M. Pyne**

Directors

**H. Bangur**

Managing Director

**K. C. Mohta**

Executive Director

**B. L. Dhanuka**

Chief Financial Officer

**S. Bagree**

Manager (Finance) & Company Secretary

# Consolidated Cash Flow Statement for the year ended March 31, 2009

(Amount in Rs.)

	31.03.2009	31.03.2008
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and and extra ordinary items	<b>36,142,404</b>	6,483,856
Adjustments for :		
Depreciation	<b>23,139,639</b>	21,368,370
Loss/(Profit) on Sale/Discard of Fixed Assets (Net)	<b>691,932</b>	(1,468,447)
Interest and Dividend Income	<b>(15,885,593)</b>	(13,018,806)
Interest Charged	<b>49,151,795</b>	23,189,779
Sundry Credit balance no longer required written back	<b>(10,600,283)</b>	(659,968)
Bad Debts & Provision for Doubtful Debts/Advances	<b>5,048,125</b>	333,173
<b>Operating Profit before Working Capital Changes</b>	<b>87,688,019</b>	36,937,957
Adjustments for :		
Trade and Other Receivables	<b>(13,601,602)</b>	25,136,184
Inventories	<b>(1,666,402)</b>	9,916,320
Trade Payables	<b>39,114,418</b>	188,851
<b>Cash generated from Operations</b>	<b>111,534,433</b>	72,179,312
Direct Taxes (Paid)/Refund Received (Net)	<b>(620,399)</b>	1,418,617
<b>Net Cash from Operating Activities</b>	<b>112,154,832</b>	70,760,695
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets/WIP	<b>(43,190,623)</b>	(21,054,452)
Sale of Fixed Assets	<b>129,679</b>	4,153,121
Purchase of Investments in Subsidiary	<b>(109,696,729)</b>	-
Debt Acquisition of a Subsidiary Company	<b>(52,427,000)</b>	-
Advanced received Back/(Paid)	<b>80,060,241</b>	-
Interest Received	<b>19,488,601</b>	8,620,191
Dividend Received	<b>409,698</b>	384,017
<b>Net Cash used in Investing Activities</b>	<b>(105,226,133)</b>	(7,896,823)
	<b>6,928,699</b>	62,863,872

# Consolidated Cash Flow Statement

For the year ended March 31, 2009

(Amount in Rs.)

	31.03.2009	31.03.2008
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings (Net)	(42,335,500)	93,374,500
Proceeds from Other Borrowings (Net)	(38,750,407)	(1,288,467)
Interest Paid	(48,070,447)	(20,838,100)
Dividends Paid (including Tax on Dividend)	(7,624,037)	(1,923,377)
<b>Net Cash from/(used in) Financing Activities</b>	<b>(136,780,391)</b>	69,324,556
<b>Net Change in Cash and Cash Equivalents</b>	<b>(129,851,692)</b>	132,188,428
Cash and Cash Equivalents - Opening Balance	142,922,082	6,239,534
Cash and Cash Equivalents - Closing Balance	13,070,390	138,427,962

## Notes :

1. Cash and Cash Equivalents consists of cash, cheques in hand and balances with banks and non mortgaged fixed deposits and are available for use.
2. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement as notified under The Companies Accounting Standard Rules, 2006.
3. Opening Cash and Cash Equivalent includes Rs. 4,494,120/- added on account of consolidation on new subsidiaries.
4. Previous year's figures have been regrouped/rearranged wherever necessary.

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

for and on behalf of

**SINGHI & CO.**

Chartered Accountants

**Gopal Jain**

Partner

Membership No. 059147

Place : Kolkata

Dated : 28th July, 2009

**G. D. Bangur**

**M. K. Daga**

**Amitabha Ghosh**

**J. K. Surana**

**M. M. Pyne**

Directors

**H. Bangur**

Managing Director

**K. C. Mohta**

Executive Director

**B. L. Dhanuka**

Chief Financial Officer

**S. Bagree**

Manager (Finance) & Company Secretary

# Consolidated Schedules to the Accounts

(Amount in Rs.)

	As at 31.03.2009	As at 31.03.2008
<b>Schedule - 1 SHARE CAPITAL</b>		
<b>Authorised</b>		
1,07,49,000 Ordinary Shares of Rs. 10/- each	<b>107,490,000</b>	107,490,000
35,000 Ordinary Shares of Rs. 100/- each	<b>3,500,000</b>	3,500,000
50,000 Redeemable Cumulative Preference Shares of Rs. 10/- each	<b>500,000</b>	500,000
100 13.5% Redeemable Cumulative Preference Shares of Rs. 100/- each	<b>10,000</b>	10,000
	<b>111,500,000</b>	111,500,000
<b>Issued and Subscribed</b>		
32,33,647 (Previous year - 10,95,988) Ordinary Shares of Rs. 10/- each fully paid up	<b>32,336,471</b>	10,959,880
	<b>32,336,471</b>	10,959,880
<b>Of the above</b>		
1) 4,42,000 shares have been allotted as fully paid up by way of bonus shares upon capitalisation of reserves.		
2) 3,51,825 shares have been allotted to the shareholders of the erstwhile The Kalasa Tea and Produce Company Ltd. and 2,94,163 shares have been allotted to the shareholders of the erstwhile Cowcoody Estate Limited as per a scheme of amalgamation.		
3) 2,137,659 fully paid up equity shares of Rs. 10/- each has been allotted during the year pursuant to scheme of arrangement/amalgamation. These shares were kept under Share Suspense A/c in previous year.		

<b>Schedule - 1A SHARE SUSPENSE</b>		
Share Suspense	-	21,376,591
	-	21,376,591

<b>Schedule - 2 RESERVES AND SURPLUS</b>				
	Balance as on 31.03.2008	Additions during the year	Deductions/Adjustments during the year	Balance as on 31.03.2009
Capital Reserve	399,618,153	-	-	<b>399,618,153</b>
Capital Redemption Reserve	41,600	-	-	<b>41,600</b>
Revaluation Reserve (Created on Revaluation of Land)	40,386,019	-	-	<b>40,386,019</b>
Securities Premium Account	24,701,440	-	-	<b>24,701,440</b>
General Reserve	165,412,447	500,000	-	<b>165,912,447</b>
Profit & Loss Account	(966,058)	7,157,462	(966,058)	<b>7,157,462</b>
<b>Total</b>	<b>629,193,601</b>	<b>7,657,462</b>	<b>(966,058)</b>	<b>637,817,121</b>

# Consolidated Schedules to the Accounts

(Amount in Rs.)

	As at 31.03.2009	As at 31.03.2008
<b>Schedule - 3 SECURED LOAN</b>		
<b>From Banks</b>		
<b>Overdraft/Cash Credit</b>		
Overdraft from State Bank of Bikaner and Jaipur, Kolkata (Secured by hypothecation of all the tea manufactured or in process including green leaf before and after plucking, book debts both present and future, moveable plant & machinery, furniture and other equipments, moveable property of any kind including book debts of tea and equitable mortgage/charge created by depositing title deeds of the tea estate at Assam.)	<b>41,917,750</b>	40,850,557
Overdraft from United Bank of India, Kolkata (Secured by hypothecation of crop, present and future, book debts, various other movable assets and equitable mortgage created by depositing title deeds pertaining to Nilmoni Tea Estate.)	<b>4,624,535</b>	5,101,401
Cash Credit from Corporation Bank, Coimbatore (Secured by hypothecation of coffee, cardamom, pepper crops and machinery purchased out of term loan and equitable mortgage of title deeds of the property of the Company at Coimbatore.)	<b>17,396,005</b>	3,188,770
Overdraft from Indian Bank, Kolkata (Secured against manufactured tea green leaves in process book debts, other moveables & fixed assets.)	<b>12,616,677</b>	–
<b>Term Loans</b>		
Term Loan from State Bank of Bikaner & Jaipur, Kolkata (Secured by hypothecation of all the tea manufactured or in process including green leaf before and after plucking, book debts both present and future, moveable plant & machinery, furniture and other equipments, moveable property of any kind including book debts of tea and equitable mortgage/charge created by depositing title deeds of the tea estate at Assam.) (Loan repayable within one year Rs. 4,088,731/-)	<b>4,088,731</b>	9,488,731
Term Loan from Corporation Bank, Coimbatore (Secured by hypothecation of coffee, cardamom, pepper crops and machinery purchased out of term loan and equitable mortgage of title deeds of the property of the company at Coimbatore.) (Loan repayable within one year Rs. 1,428,000/-)	<b>4,288,000</b>	8,352,337
Term Loan from United Bank of India, Kolkata Secured by hypothecation of crop, present and future, book debts, various other movable assets and equitable mortgage created by depositing title deeds pertaining to Nilmoni Tea Estate.) (Loan repayable within one year Rs. 2,850,000/-)	<b>5,848,165</b>	8,797,877
<b>Corporate Loan (Old)</b>		
Corporate Loan from State Bank of Bikaner & Jaipur, Kolkata (Secured by hypothecation of all the tea manufactured or in process including green leaf before and after plucking, book debts both present and future, moveable plant & machinery, furniture and other equipments, moveable property of any kind including book debts of tea and equitable mortgage/charge created by depositing title deeds of the tea estate at Assam.) (Loan repayable within one year Rs. 5,000,000/-)	<b>5,000,000</b>	10,000,000

# Consolidated Schedules to the Accounts

(Amount in Rs.)

		As at 31.03.2009	As at 31.03.2008
<b>Schedule - 3</b>	<b>SECURED LOAN (Contd.)</b>		
<b>Corporate Loan (New)</b>			
Corporate Loan from State Bank of Bikaner & Jaipur, Kolkata (Secured by hypothecation of all the tea manufactured or in process including green leaf before and after plucking, book debts both present and future, moveable plant & machinery, furniture and other equipments, moveable property of any kind including book debts of tea and equitable mortgage/charge created by depositing title deeds of the tea estate at Assam.) (Loan repayable within one year Rs. 20,000,000/-)		<b>94,725,397</b>	100,000,000
<b>Vehicle Loan from ICICI Bank</b> (Secured by hypothecation of Vehicle purchase)		<b>975,924</b>	–
<b>Short Term Loan from Others</b> (Against assignment of keyman insurance policy in favour of the lender)		<b>13,022,000</b>	10,263,000
		<b>204,503,184</b>	196,042,673

<b>Schedule - 3A</b>	<b>UNSECURED LOANS</b>		
<b>Other Loans</b>			
From Bodies Corporates (Payable on demand)		<b>127,930,485</b>	80,510,000
		<b>127,930,485</b>	80,510,000

<b>Schedule - 4</b>	<b>FIXED ASSETS</b>														
Particulars of Assets	COST						DEPRECIATION						NET BLOCK		
	Original Cost as on 31.03.2008	Adj. on a/c of scheme (Net)	Additions	Additions on Consolidation	Disposal/ Adjust-ments	Total as on 31.03.2009	Upto 31.03.2008	Adj. on a/c of scheme (Net)	Additions on Consolidation	For The Year	Disposal/ Adjust-ments	Total as on 31.03.2009	As at 31.03.2009	As at 31.03.2008	
Land-Freehold & Leasehold *	368,615,699	–	17,896,535	434,744,244	1,662,046	819,594,432	–	–	–	–	–	–	819,594,432	368,615,699	
Land & Building	53,162,230	–	–	–	–	53,162,230	5,301,881	–	–	338,090	–	5,639,971	47,522,259	47,860,349	
Plantation/ Development	36,940,632	–	2,281,409	6,167,245	–	45,389,286	–	–	–	–	–	–	45,389,286	36,940,632	
Seeding Ponds	–	–	–	19,680,593	–	19,680,593	–	–	8,716,955	–	–	8,716,955	10,963,638	–	
Buildings, Roads, Factory & Water Supply	134,688,048	–	6,326,021	106,119,960	19,520	247,114,509	40,656,400	–	50,798,009	7,155,543	18,699	98,591,253	148,523,256	94,031,648	
Plant & Machinery & Electrical Installation	138,892,445	–	5,771,136	68,651,879	4,306,165	209,009,295	94,549,872	–	42,792,808	10,989,976	2,057,115	146,275,541	62,733,754	44,342,573	
Furniture, Fittings & Office Equipments	13,617,831	–	714,750	4,607,971	358,190	18,582,362	6,664,681	–	3,920,478	1,451,874	331,758	11,705,275	6,877,087	6,953,150	
Vehicles	24,046,801	–	5,667,069	9,695,404	4,968,219	34,441,055	17,317,956	–	7,859,686	3,328,189	4,629,940	23,875,891	10,565,164	6,728,845	
Intangible Assets	1,900,000	–	–	–	–	1,900,000	549,699	–	–	380,000	–	929,699	970,301	1,350,301	
<b>Total</b>	<b>771,863,686</b>	<b>–</b>	<b>38,656,920</b>	<b>649,667,296</b>	<b>11,314,140</b>	<b>1,448,873,762</b>	<b>165,040,489</b>	<b>–</b>	<b>114,087,936</b>	<b>23,643,672</b>	<b>7,037,512</b>	<b>295,734,585</b>	<b>1,153,139,177</b>	<b>606,823,197</b>	
Previous Year	364,642,694	(13,958,073)	23,557,238	406,725,697	9,103,870	771,863,686	150,717,717	(5,658,221)	5,031,819	21,368,370	6,419,196	165,040,489	606,823,197		

\* Land - Freehold & Leasehold as on 31.03.2009 includes Freehold Land Rs. 341,008,518/- (31.03.2008 - Rs. 124,667,756/-), Leasehold Land Rs. 477,414,971/- (31.03.2008 - Rs. 242,777,000/-) and the balance Rs. 1,067,166/- (31.03.2008 - Rs. 1,067,166/-) cannot be distinguished between Freehold and Leasehold. Also includes Land worth Rs. 103,777/- (31.03.2008 - Rs. 103,777/-) being acquired by land acquisition collector.

# Consolidated Schedules to the Accounts

(Amount in Rs.)

	As at 31.03.2009	As at 31.03.2008
<b>Schedule - 5 INVENTORIES</b> (At Lower of Cost or Net Realisable Value)		
Stores and Spare Parts - At Cost	<b>26,365,763</b>	11,940,679
Stock :		
- Tea	<b>22,220,566</b>	13,004,525
- Coffee	<b>11,538,555</b>	17,879,350
- Minor Produce	<b>384,897</b>	-
- Rubber	<b>15,870,408</b>	-
- Rubberworld	<b>84,756</b>	-
- Timber - Rosewood	- <b>50,099,182</b>	392,244 31,276,119
	<b>76,464,945</b>	43,216,798

<b>Schedule - 6 SUNDRY DEBTORS</b> (Unsecured)		
Debts outstanding over six months :		
- Considered Good	<b>9,900,018</b>	3,266,913
- Considered Doubtful	<b>822,848</b>	847,203
Other Debts :		
- Considered Good	<b>17,884,414</b>	18,198,219
	<b>28,607,280</b>	22,312,335
Less : Provision for Doubtful Debts	<b>822,848</b>	847,203
	<b>27,784,432</b>	21,465,132

<b>Schedule - 7 CASH AND BANK BALANCES</b>		
Cheques/Cash-in-Hand	<b>1,229,879</b>	605,263
With Scheduled Banks :		
- Current Accounts	<b>9,580,046</b>	36,773,154
- Unpaid Dividend Accounts	<b>585,090</b>	511,576
- Preference Share Redemption Fund Account	<b>11,013</b>	11,410
- Deposit Accounts (Under Lien - Rs. 72,701/-, Previous year - Rs. 66,736/-)	<b>2,327,201</b>	101,110,554
	<b>13,733,229</b>	139,011,957

# Consolidated Schedules to the Accounts

(Amount in Rs.)

	As at 31.03.2009	As at 31.03.2008
<b>Schedule - 8</b>		
<b>LOANS AND ADVANCES</b>		
(Unsecured - Considered Good unless otherwise stated)		
Loans to bodies Corporates		
- Secured	-	61,953,052
- Unsecured	-	18,107,189
Advances recoverable in cash or in kind or for value to be received *	<b>46,357,557</b>	19,402,598
Fixed Assets held for Disposal (at net book value or estimated net realisable value , whichever is lower)	<b>161,565</b>	859,061
Balance with Excise Authority	<b>3,048</b>	8,062
Interest Accrued and Due on Loans	<b>14,201</b>	4,026,907
Income Tax Refundable	<b>1,003,211</b>	-
Mat Credit Entitlement	<b>1,800,000</b>	-
Advance Tax/Tax Deducted at Source	<b>11,886,809</b>	12,687,800
	<b>61,226,391</b>	117,044,669

\* Includes amount due from officers of the Company Rs. 255,000/- (31.03.2008 - Rs. 351,000/-)  
Maximum amount outstanding at any point of time during the year Rs. 351,000/- (31.03.2008 - Rs. 420,000/-)

<b>Schedule - 9</b>		
<b>CURRENT LIABILITIES</b>		
Dues to Micro Small and Medium Enterprises	-	-
Other Sundry Creditors	<b>68,922,478</b>	27,147,460
Unclaimed Dividend (Interest due - Rs. Nil)	<b>542,314</b>	467,436
(No Amount is required to be transferred to Investor)		
Education & Protection Fund as on 31.03.2009 )		
Unclaimed Redeemed Preference Shares	<b>6,930</b>	6,930
Interest Accrued but not Due on Loans	<b>2,928,753</b>	4,010,101
Advance against sale of undertaking	<b>159,497,252</b>	-
	<b>231,897,727</b>	31,631,927

<b>Schedule - 10</b>		
<b>PROVISIONS</b>		
Proposed Dividend	<b>4,850,471</b>	6,453,715
Tax on Proposed Dividend	<b>824,337</b>	1,096,808
Leave	<b>1,960,879</b>	1,224,000
Gratuity	<b>40,970,078</b>	3,952,000
Taxation	<b>14,722,696</b>	6,287,333
Others	<b>18,405,963</b>	-
	<b>81,734,424</b>	19,013,856

# Consolidated Schedules to the Accounts

(Amount in Rs.)

	For the year ended 31.03.2009	For the year ended 31.03.2008
<b>Schedule - 11 SALES</b>		
Tea *	<b>445,254,956</b>	264,375,188
Coffee	<b>37,904,770</b>	24,104,792
Rubber	<b>173,701,566</b>	-
Minor Produce/Trees	<b>15,822,586</b>	1,128,220
	<b>672,683,878</b>	289,608,200

\* Sale includes Rs.216,715/- insurance claim received / receivable on 1,843.43 Kgs.of Tea (Previous Year - Rs.1,011,682/- on 10,742.69 Kgs.)

<b>Schedule - 11A (INCREASE)/DECREASE OF FINISHED GOODS</b>		
Opening Stock		
- Tea *	<b>21,221,329</b>	20,506,584
- Coffee	<b>17,879,350</b>	16,562,171
- Rubber *	<b>13,852,330</b>	-
- Minor Produce	<b>392,244</b>	460,235
- Treated - Rubberwood	<b>105,945</b>	-
	<b>53,451,198</b>	37,528,990
Less : Closing Stock		
- Tea	<b>22,220,566</b>	13,004,525
- Coffee	<b>11,538,555</b>	17,879,350
- Rubber	<b>15,870,408</b>	-
- Minor Produce	<b>384,897</b>	392,244
- Treated - Rubberwood	<b>84,756</b>	-
	<b>50,099,182</b>	31,276,119
	<b>3,352,016</b>	6,252,871

\* Includes addition due to consolidation of new subsidiary during the year

<b>Schedule - 12 OTHER INCOME</b>		
Rent	<b>3,962,480</b>	4,387,217
Replantation Subsidy/Subsidy from Tea Board	<b>833,993</b>	34,460
Dividend from Long Term Non Trade Investment	<b>409,698</b>	384,017
Profit on Sale of Fixed Assets	<b>61,349</b>	1,468,447
Insurance Claim Received	<b>98,287</b>	-
Sundry Credit Balances no longer required written back	<b>10,600,283</b>	659,968
Received on Maturity of Keyman Insurance Policy	-	5,700,000
Miscellaneous Receipts	<b>2,985,655</b>	2,269,181
	<b>18,951,745</b>	14,903,290

# Consolidated Schedules to the Accounts

(Amount in Rs.)

		For the year ended 31.03.2009	For the year ended 31.03.2008
<b>Schedule - 13</b>	<b>CULTIVATION, MANUFACTURING, ADMINISTRATION &amp; SELLING EXPENSES</b>		
	Cultivation	32,037,002	19,962,376
	Consumption of Stores and Spare Parts	28,367,292	5,106,362
	Purchase of Green Leaf	149,623,009	60,103,140
	Cess	1,986,602	2,122,792
	Power & Fuel	39,267,196	22,532,013
	Vehicles Maintenance Expenses	6,379,480	4,503,354
	Salaries, Wages & Bonus	188,351,039	74,716,856
	Contribution to Provident, Gratuity & Other Funds	46,484,605	12,637,211
	Labour & Staff Welfare	21,818,246	13,096,369
	Repairs - Buildings	9,400,325	4,345,020
	- Machinery	7,762,877	4,689,289
	- Others	82,591	139,533
	Commission, Brokerage, Discount on Sales	6,905,761	5,621,330
	Freight & Delivery Charges, Transport Charges	14,288,941	11,541,783
	Insurance	4,037,118	3,429,928
	Rent	1,196,565	190,362
	Rates & Taxes	3,818,829	1,116,706
	Directors Fees	272,300	103,000
	Bad Debts/Advances/Excise Duty written off	5,072,480	333,173
	Less : Provision	847,203	-
		4,225,277	333,173
	Add : Provision for Doubtful Debts further created	822,848	5,048,125
			-
	Loss on Sale of Fixed Assets/Discard of Fixed Assets	503,281	
	Add : Provision for Assets held for Disposal	250,000	753,281
	Auditor's Remuneration :		
	- For Audit Fees	522,317	290,271
	- For Tax Audit	90,150	39,326
	- For Review Certificates	218,278	182,585
	- For Miscellaneous Certificates	522,865	152,248
	- For Expenses	41,130	13,000
	Prior Period Expenses	388,042	-
	Travelling Expenses	3,341,865	1,300,758
	Miscellaneous Expenses	21,063,004	9,847,577
		594,068,835	258,116,362

# Consolidated Schedules to the Accounts

## Schedule - 14 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS

### Accounting Policies

#### a) Accounting Convention

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

#### b) Fixed Assets and Depreciation

##### Fixed Assets

- i) Fixed Assets are stated at their original cost less depreciation. Cost includes incidental expenses. Profits or Losses on sale of fixed assets are included in the Profit & Loss Account and calculated as difference between the value realized and book value. Capital Work-in-Progress is stated at cost.
- ii) Items of machinery spares to be used in connection with an item of fixed assets are amortized over the useful life of the assets.
- iii) Subsidies received in respect of fixed assets are deducted from the cost of respective assets.
- iv) *Depreciation* : Depreciation on Fixed Assets other than Land and Tea Plantation is provided on written down value basis in accordance with the provisions of Schedule XIV of the Companies Act, 1956.
- v) All expenses incurred for extension of new areas of cultivation are capitalized. Cost of upkeep and maintenance of areas till not matured for plucking and cost of replanting in existing areas are charged to revenue.
- vi) Intangible Assets are being amortized over a period of 5 years.

#### c) Investment

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

#### d) Inventories

- i) Stock of tea, coffee and minor produce (i.e. Pepper and Cardamom) are valued at cost (determined on weighted average basis) or net realizable value whichever is lower.
- ii) Stock of Stores and Spare parts are valued at cost using the Weighted Average Cost basis.
- iii) Cost comprises all direct and indirect expenses.
- iv) In case of a subsidiary, rubber, tea, treated rubber wood and scrap are valued net realizable value.

#### e) Foreign Currency Transactions

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

#### f) Revenue Recognition

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

# Consolidated Schedules to the Accounts

## **g) Employee Benefits**

### **Short Term Employees Benefits**

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

### **Long Term Employee Benefits**

#### *Defined Contribution Scheme*

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

#### *Defined Benefit Scheme*

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

#### *Other Long Term Benefits*

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

## **h) Borrowing Costs**

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

## **i) Taxes on Income**

Current Tax comprise of Income Tax, Fringe Benefit Tax, Wealth Tax that would be payable based on computation of tax as per taxation laws under the Income Tax Act, 1961 and under the respective state Agricultural Income Tax Acts. Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets are not recognised unless there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

## **j) Leases**

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

## **k) Impairment**

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

## **l) Provisions and Contingent Liabilities**

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

# Consolidated Schedules to the Accounts

**Notes on Accounts annexed to and forming part of the Balance Sheet as at 31st March, 2009 and Profit & Loss Account for the year ended on that date.**

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

(Amount in Rs.)

Name of the Company	Country of Incorporation	Proportion of Ownership Interest	Reporting Period and Date
Gloster Real Estate Pvt. Ltd. (GREPL)	India	100.00%	year end 31st March 2009
Cowcoody Builders Pvt. Ltd. (CBPL)	India	100.00%	year end 31st March 2009
Pranav Infradev Co. Pvt. Ltd. (PICPL)	India	100.00%	year end 31st March 2009
Jamirah Tea Company Ltd. (JTCL) *	India	94.35%	year end 31st March 2009
The Cochin Malabar Estates & Industries Ltd. (CMEI)**	India	22.94%	year end 31st March 2009

\* With effect from 23.07.2008

\*\* Associate upto 04.03.2009 and Subsidiary with effect from 05/03/2009. CMEI has been subsidiary by virtue of control of the board of directors.

2. The effect of acquisition of stake in subsidiaries during the year on the consolidated financial statements is as under :

Name of Subsidiary Companies	Effect on group profit/loss after Minority Interest	Net Assets as at 31.03.2009
(i) Jamirah Tea Company Ltd.	Rs. 55.05 lacs	Rs. 117.68 Lacs
(ii) Cochin Malabar Estate & Industries Ltd.	Rs. 9.31 lacs	Rs. 568.29 Lacs

3. Goodwill amounting to Rs. 11,14,13,020/- has arisen on consolidation of accounts between Joonktollee Tea & Industries Limited and its subsidiaries. Such goodwill represents excess of cost to Joonktollee Tea & Industries Limited of its investments over shares of equity in its subsidiaries.
4. The consolidated financial statements have been prepared using the same accounting policies as that of Joonktollee Tea & Industries Limited. However in case of JTCL, depreciation has been charged at rates prescribed by Schedule XIV of the Companies Act, 1956 on Straight Line Method. Further in case of JTCL, gratuity provision has been made on accrual basis. The impact due to the different accounting policies are not ascertainable at this stage.
- Further in case of CMEI, depreciation of two divisions to the tune of Rs. 29.60 lacs has not been provided in the books in view of no operation in the divisions.
5. In CMEI, one of the Estate 'Kinalur' continues to be in possession of the advocate receiver appointed by the court. Since the bidder Mr. P. K. C. Ahamedkutty has failed to make payment towards the balance sale consideration, the Company has approached the Hon'ble High Court of Kerala for cancellation of MOU with Mr. P. K. C. Ahamedkutty and forfeiture of advance paid by him and to permit the associate to sell Kinalur Estate on conditions as may be decided by the Hon'ble High Court of Kerala.
6. The Rubberwood factory of CMEI has not been in operation for nearly 11 years pursuant to notice received from the Deputy Conservator of Forests (Protection), Trivandrum. The representation made earlier to the Chief Divisional Officer is still pending. CMEI is making fresh representation to the Forest Officials concerned for withdrawal of ban imposed, as the same is not applicable to it.
7. CMEI has received notice from the Directorate of Revenue Intelligence prohibiting any alteration/disposal of certain assets of CIF value approximately Rs. 1.10 crores imported for Rubberwood project, consequent to non- fulfillment of export obligation. Demand for payment of balance Customs Duty has been fully paid. CMEI has filed a writ petition before the Hon'ble High Court of Madras against the levy of interest of Rs. 30,29,925/- by the Department.

# Consolidated Schedules to the Accounts

(Amount in Rs.)

8. Contingent Liability not provided for –  
Claims against the Company not acknowledged as debts :

	2008 – 09	2007 – 08
i) Consent fee under Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control Board of Pollution) Act, 1981	312,000	–
ii) Income Tax under Appeal		
A.Y. 2003 – 04	74,044	–
A.Y. 2006 – 07	1,754,026	–
iii) Sales Tax/CST/Interest	213,331	2,842,123
iv) Claims of Creditors & Workers	1,457,492	732,657
v) Seigneur age payable to Kerala Forest Department	3,365,035	1,143,398

9. Estimated amount of contract remaining to be executed on Capital Account and not provided for Rs. 551,308/- (31.03.2008 – 4,950,000/-) (Net of Advances).
10. Title Deeds in respect of land purchased in Assam during the years 1985, 1986, 1998 and 1999 amounting to Rs. 225,320/- (31.03.2008 – Rs. 225,320/-) are under registration. However, the Company is in the possession of the said land and is already under plantation. Such delay is on the part of relevant authorities.
11. Transfer of certain assets/liabilities from/to transferor companies/demerged units under the scheme of arrangement/amalgamation carried out in earlier year are still in the process of completion.
12. There are no outstanding dues to Suppliers/Service providers covered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'). The disclosures as required under the said Act are as under :

Particulars	Amount (Rs.)
a) Principal Amount due to Supplier under MSMED	NIL
b) Interest due to Supplier on above	NIL
c) Any payment made to supplier beyond appointed date (under Section 16 of the Act)	NIL
d) Interest due and payable to Suppliers under MSMED	NIL
e) Interest accrued and remaining unpaid as at 31st March, 2009	NIL
f) Interest remaining due and payable under Section 23 of the Act	NIL

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

13. In the financial year 2006 - 07, the Company had credited a sum of Rs. 28,24,072/- as Interest Subsidy in Other Income, which the Company was entitled to under the Government of India's Central Interest Subsidy Scheme, 1997 on the basis of their claim sanctioned by the concerned authorities of the Government of Assam. Due to delay in completion of procedural formalities by the appropriate authority, the disbursement is still pending and the same is expected to be cleared in the current financial year.
14. A sum of Rs. 78,35,849/- is outstanding from a debtor which has become overdue as on 31.03.2009. The Company is taking necessary steps to initiate legal proceedings for the realization of the money. Considering the financial health of the debtor, the management is hopeful of receiving the money and accordingly considered good for recovery.
15. The Group is mainly engaged in the production of tea, Coffee, Rubber and Minor Produces. In the opinion of the management the above product relate to plantation activities only and therefore do not form separate Segment for the purpose of Segment Reporting under Accounting Standard - 17 on Segment Reporting as notified under "The Companies Accounting Standard Rule 2006", None of the income from other sources falls under the criterial of reportable segment as per the relevant provision of the Accounting Standard.

# Consolidated Schedules to the Accounts

## 16. Employee Benefits (Revised Accounting Standard - 15)\*

### a) Defined Contribution Plan

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

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

During the year the Company has recognised Rs. 7,191,308/- (Previous Year - Rs. 6,23,386/-) for Provident Fund contribution and Rs. 1,482,197/- (Previous Year - Rs. 1,065,410/-) for Superannuation Fund contribution. The contributions payable to these plans by the Company are at the rates specified in the rules of the scheme.

### b) Defined Benefit Plans

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

# Consolidated Schedules to the Accounts

(Amount in Rs.)

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

Particulars	2008-2009			2007-2008		
	Gratuity		Leave Encashment Unfunded	Gratuity		Leave Encashment Unfunded
	Funded	Unfunded		Funded	Unfunded	
Expenses recognised in the Statement of Profit & Loss Account for the year ended 31st March, 2009						
Current Service Cost	17.43	3.21	0.18	11.84	2.45	1.59
Interest Cost	18.70	3.61	1.27	15.06	3.11	0.78
Expected return on Plan Assets	(17.72)	-	-	(17.05)	-	-
Expected return on any reimbursement rights recognised as an assets	-	-	-	-	-	-
Actuarial (Gain)/Losses	39.55	4.46	5.92	11.42	(3.31)	0.63
Past Service Cost	-	-	-	-	-	-
Effect of any Curtailment/Settlement	-	-	-	-	-	-
Actuarial (Losses)/Gains on Plan Assets	0.70	-	-	-	-	-
Unrecognised Defined Benefit Obligation	-	-	-	-	-	-
<b>Expenses recognised in Profit &amp; Loss Account</b>	<b>58.66</b>	<b>11.28</b>	<b>7.37</b>	<b>21.27</b>	<b>2.25</b>	<b>3.00</b>
Net (Asset)/Liabilities recognised in Balance Sheet as at 31st March, 2009						
Present Value of the Defined Benefit Obligation	258.48	50.80	19.61	209.20	39.52	12.24
Fair value of Plan Assets	226.83	-	-	216.22	-	-
Unrecognised Defined Obligation	-	-	-	-	-	-
<b>Net (Asset)/Liabilities recognised in Balance Sheet</b>	<b>31.65</b>	<b>50.80</b>	<b>19.61</b>	<b>(7.02)</b>	<b>39.52</b>	<b>12.24</b>
Changes in the Present Value of Defined Benefit Obligation during the year ended 31st March, 2009						
Present Value of Defined Benefit Obligations at 1st April, 2008	209.20	39.52	12.24	195.83	40.60	9.24
Current Service Cost	17.43	3.21	0.18	11.84	2.45	1.59
Interest Cost	18.70	3.61	1.27	15.06	3.11	0.78
Actuarial Gain/(Losses)	39.55	4.46	5.92	12.67	(3.31)	0.63
Benefits Paid	(26.41)	-	-	(26.20)	(3.33)	-
<b>Present Value of Obligation as at 31st March, 2009</b>	<b>258.47</b>	<b>50.80</b>	<b>19.61</b>	<b>209.20</b>	<b>39.52</b>	<b>12.24</b>
Changes in Fair Value of Plan Assets during the year ended 31st March, 2009						
Fair Value of Plan Assets as at 1st April, 2008	216.22	-	-	208.46	-	-
Expected return on Plan Assets	17.72	-	-	17.05	-	-
Actuarial Gain/(Losses)	(0.70)	-	-	1.25	-	-
Past Service Cost	-	-	-	-	-	-
Losses/(Gains) on curtailments Liabilities extinguished on settlement	-	-	-	-	-	-
Benefits Paid	(26.41)	-	-	(26.20)	(3.33)	-
Settlements	-	-	-	-	-	-
Contributions	20.00	-	-	15.66	3.33	-
<b>Fair Value of Plan Assets as at 31st March, 2009</b>	<b>226.83</b>	<b>-</b>	<b>-</b>	<b>216.22</b>	<b>-</b>	<b>-</b>
Principal Actuarial Assumptions used						
Discount rates as at 31st March, 2009	8.00%	8.00%	8.00%	8.40%	8.00%	8.60%
Expected return on Plan Assets	8.00%	-	-	8.00%	-	-
Expected salary increase rates	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Mortality Rates	LIC (94-96) Ultimate Rate					
Major categories of Plan Assets as a percentage of Fair Value of Plan Assets	Fund with LIC of India	-	-	Fund with LIC of India	-	-

\* The above disclosure is pertaining to Parent Company only.

# Consolidated Schedules to the Accounts

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

- (a) Amount not recognised as an asset, because of the limit prescribed to Accounting Standard - 15 (Revised 2005) i.e. Employees Benefits is Rs. Nil.
- (b) There is no reimbursement right at the balance sheet date.
- (c) Fair value of plan assets does not include any amount for Companies own financial instruments or any property occupied by, or other assets used by, the Company.
- (d) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

17. The components of deferred tax as on 31.03.2009 are as follows :

Particulars	Amount (Rs.)
<b>Deferred Tax Liability</b>	
Depreciation	9,099,724
<b>Deferred Tax Assets</b>	
Brought Forward Loss	9,693,241
Items deductible on payments	830,415
Deferred Tax Assets (Net)	<b>1,423,932</b>

18. The amount of borrowing cost capitalized during the year is Rs. Nil
19. The exposure of the Company in foreign currency at the end of the year is Rs. Nil (Previous year - Rs. Nil).
20. Related Party Disclosures as required by AS - 18 "Related Party Disclosures" are given below :

### Relationships

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

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

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

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

\* No transactions during the year.

# Consolidated Schedules to the Accounts

## (c) Key Management Personnel

Mr. Hemant Bangur – Managing Director

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

Mr. B. L. Dhanuka - Director

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

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

Sl.	Particulars	TCICL	KVL	WPVPL	CHPL	MTCL	PDGD	GJML	TOCL	KBCL	KMP	Relatives of KMP	TMPL
1.	Loans Given/(Received) during the year (Net)	(13,584,241)	-	-	-	-	-	-	-	-	-	-	-
	Previous Year *	2,004,242	240,000	16,000	-	-	-	-	-	-	-	-	-
2.	Loans Received/(Refunded) during the year (Net)	-	(14,190,000)	12,500,000	41,104,000	(8,480,000)	11,000,000	-	-	(840,000)	-	-	-
	Previous Year *	-	17,007,724	9,281,584	7,543,223	(3,807,472)	-	-	-	-	(23,200,000)	(25,000,000)	-
3.	Closing balance as on 31.03.2009 - (Loan including Interest Accrued)	-	6,500,000 (Cr)	22,886,000 (Cr)	55,534,000 (Cr)	-	11,000,000 (Cr)	-	-	-	-	-	-
	Previous Year *	13,584,241 (Dr)	14,110,000 (Cr)	10,014,000 (Cr)	34,892,000 (Cr)	8,480,000 (Cr)	-	-	-	840,000 (Cr)	-	-	-
4.	Advances Given/(Received) during the year	-	-	-	-	-	-	-	-	-	-	-	-
	Previous Year	-	-	-	-	-	-	-	-	-	-	-	-
5.	Closing balance of advance receivable/ (payable) as at 31.03.2009	-	-	-	-	-	-	-	-	-	-	-	-
	Previous Year	-	-	-	-	-	-	-	-	-	-	-	-
6.	Interest Income	321,551	292,603	17,122	-	-	-	-	-	-	-	-	-
	Previous Year	1,478,119	305,000	20,400	-	-	-	-	-	-	-	-	-
7.	Interest Expenditure	-	1,994,877	1,188,842	1,808,104	781,973	38,466	-	-	-	-	-	-
	Previous Year	-	602,224	606,766	2,411,593	1,050,115	-	-	-	-	2,216,200	2,453,654	-
8.	Rent Paid	-	-	-	-	-	-	-	-	643,167	-	-	-
	Previous Year	-	-	-	-	-	-	-	-	24,300	-	-	-
9.	Rent Deposit as at 31.03.2009	-	-	-	-	-	-	-	-	7,500,000	-	-	-
	Previous Year	-	-	-	-	-	-	-	-	16,200	-	-	-
10.	Purchases	-	-	-	-	-	-	3,679,961	-	-	-	-	-
	Previous Year	-	-	-	-	-	-	3,758,160	-	-	-	-	-
11.	Sales	-	-	-	-	-	-	-	-	-	-	-	15,728,000
	Previous Year	-	-	-	-	-	-	-	-	-	-	-	14,172,000
12.	Closing balance of Current Liability as on 31.03.2009	-	-	-	-	-	-	597,384	-	-	-	-	-
	Previous Year	-	-	-	-	-	-	512,657	-	-	-	-	-
13.	Directors Commission	-	-	-	-	-	-	-	-	-	-	12,189	-
	Previous Year	-	-	-	-	-	-	-	-	-	-	-	-
14.	Dividend Paid**	515,383	-	56,998	221,679	104,591	-	-	797,005	814,213	308,747	3,176,244	-
	Previous Year	97,468	-	7,500	-	34,278	-	-	94,825	573,733	43,792	47,611	-

\* Relates to transactions held in transferor companies.

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

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

Remuneration/Sitting Fees Rs. 4,658,381/- (31.03.2008 - Rs. 2,807,979/-)

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

# Consolidated Schedules to the Accounts

## 21. Earnings Per Share

	2008-09	2007-08
a) Profit/(Loss) after Taxation as per Profit & Loss Account (Rs.)	14,299,328	7,922,011
b) Number of equity shares outstanding	3,233,647	3,233,647
c) Basic and Diluted Earnings Per Share (in Rs.) (Face value - Rs. 10/- per share)	4.42	2.45

22. Interest expense is net of Interest Income Rs. 15,594,576/- (31.03.2008 – Rs. 12,634,789/-), TDS – Rs. 1,763,934/- (31.03.2008 - Rs.3,077,596/-).

23. Previous year figures have been arranged/regrouped wherever necessary.

for and on behalf of

**SINGHI & CO.**

*Chartered Accountants*

**Gopal Jain**

*Partner*

Membership No. 059147

Place : Kolkata

Dated : 28th July, 2009

**G. D. Bangur**

**M. K. Daga**

**Amitabha Ghosh**

**J. K. Surana**

**M. M. Pyne**

*Directors*

**H. Bangur**

*Managing Director*

**K. C. Mohta**

*Executive Director*

**B. L. Dhanuka**

*Chief Financial Officer*

**S. Bagree**

*Manager (Finance) & Company Secretary*

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

The Company has obtained exemption from the Ministry of Corporate Affairs, Government of India pursuant to Section 212(8) of the Companies Act, 1956 vide its letter No.47/387/2009 - CL - III dated 19.05.2009 from attaching to its Balance Sheet, the Annual Report and Accounts of its subsidiaries in respect of the financial year ended 31st March, 2009. In term of the letter of exemption issued by the Ministry of Corporate Affairs, a Statement containing brief financial details of the Subsidiaries for the year ended 31st March, 2009 is given hereunder.

(Amount in Rs.)

Item	Gloster Real Estate Pvt. Ltd.	Cowcoody Builders Pvt. Ltd.	Pranav Infradev Co. Pvt. Ltd.	Jamirah Tea Co. Ltd.	The Cochin Malabar Estates & Ind. Ltd.
1. Capital	631,350	1,569,820	2,122,710	2,000,000	17,719,080
2. Reserves	47,299,300	147,376,490	201,017,415	10,473,523	177,583,501
3. Total Assets	48,240,650	149,056,310	203,479,933	25,090,200	351,384,549
4. Total Liabilities	310,000	110,000	339,808	12,616,677	156,333,409
5. Investments	-	-	-	2,955	251,441
6. Turnover	419,281	3,555,141	-	91,881,722	238,324,791
7. Profit before Taxation	(558,996)	897,805	(70,641)	14,642,800	10,948,138
8. Provision for Taxation	-	457,000	-	6,672,745	80,000
9. Profit after Taxation	(558,996)	440,805	(70,641)	7,970,055	10,868,138
10. Proposed Dividend	-	-	-	-	-
Reporting Currency	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees

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



# Corporate Information

## **BOARD OF DIRECTORS**

**G. D. Bangur**

*Chairman*

**Hemant Bangur**

*Managing Director*

**M. K. Daga**

*Director*

**Amitabha Ghosh**

*Director*

**J. K. Surana**

*Director*

**M. M. Pyne**

*Director*

**K. C. Mohta**

*Executive Director*

## **CHIEF FINANCIAL OFFICER**

B. L. Dhanuka

## **MANAGER (FINANCE) & COMPANY SECRETARY**

S. Bagree

## **BANKERS**

State Bank of Bikaner and Jaipur  
Corporation Bank  
United Bank of India

## **AUDITORS**

Messrs. Singhi & Co.  
*Chartered Accountants*  
Kolkata

## **REGISTERED OFFICE**

21, Strand Road  
Kolkata - 700 001  
West Bengal

## **REGISTRARS & SHARE TRANSFER AGENTS**

Maheshwari Datamatics Pvt. Ltd.  
6, Mangoe Lane, 2nd Floor  
Kolkata - 700 001



**JOONKTOLLEE TEA & INDUSTRIES LTD.**

21, Strand Road, Kolkata 700 001, West Bengal