



Joonktollee Tea & Industries Ltd.

ANNUAL REPORT 2014



Refresh. Rejuvenate



A glimpse of the Hanuman Mandir at Joonktolle Tea Estate, Assam



Corporate Overview

02-15



Standalone Financials

51-80



Statutory Reports

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Consolidated Financials

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Corporate Information



BOARD OF DIRECTORS

Mr. G. D. Bangur
Chairman

Mr. Hemant Bangur
Executive Vice-Chairman

Mrs. P. D. Bangur
Director

Mr. M. K. Daga
Non-Executive
Independent Director

Mr. J. K. Surana
Non-Executive
Independent Director

Mr. M. M. Pyne
Non-Executive
Independent Director

Mr. B. R. Bhansali
Non-Executive
Independent Director

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

BOARD COMMITTEES

Audit Committee

Mr. M. K. Daga, Chairman
Mr. G. D. Bangur
Mr. M. M. Pyne

Nomination & Remuneration Committee

Mr. J. K. Surana, Chairman
Mr. G. D. Bangur
Mr. M. K. Daga
Mr. M. M. Pyne

Stakeholders Grievance Committee

Mr. G. D. Bangur, Chairman
Mr. M. M. Pyne
Mr. K. C. Mohta

Corporate Social Responsibility Committee

Mrs. P. D. Bangur, Chairperson
Mr. M. K. Daga
Mr. K. C. Mohta

CHIEF FINANCIAL OFFICER

Mr. B. L. Dhanuka

MANAGER (FINANCE) & COMPANY SECRETARY

Mr. S. Bagree

BANKERS

HDFC Bank
ICICI Bank
Yes Bank

AUDITORS

Singhi & Co., Kolkata

REGISTRAR & SHARE TRANSFER AGENT

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

REGISTERED OFFICE

21, Strand Road, Kolkata - 700 001
CIN:L01132WB1900PLC000292
Email: info@joonktolleetea.in
Website : www.joonktolleetea.in

Value proportion at JOONKTOLLEE
is driven by our **sustainable &
eco-friendly** business model.

Refresh & Rejuvenate

are always seen as *complementing* each other

These words when integrated create a beautiful ecosystem between our strategic vision & delivery capabilities.





Indian Plantation Industry & Joonktollee Tea

As the global population is expected to touch 7.25 billion at the end of 2014, the demand for beverages including tea & coffee is expected to surge even with a greater pace. India with a billion-plus population and aspirational high end earners, represents possible the world's most potent resource - a resource which is going to lead the world in productivity, thought leadership and action across every sphere.

The country is considered to be as a largest consumer of tea and so the prospects of Indian tea industry is bright for some significant reasons: a growing national population, established tea drinking tradition, low per capita consumption that is expected to rise in line with enhanced incomes, increased preference for better tea varieties and finally the fact that tea continues to be the cheapest beverage on offer. India is the second largest producer of tea in the world and contributes to around 30% of the global tea production. The market size of tea is estimated to be around ₹ 10,000 crore with a penetration of more than 90% in the domestic market. With an export of approx. 210 million kg of tea, India stands as the fourth largest exporter of tea in the world. Over the forecast period, retail value sales of tea is expected to witness a CAGR of 8% in constant value terms to reach ₹ 133 billion in 2017. Moreover, demand for coffee as a preferred alternative beverage is slowly finding a bigger space in our country through newer coffee retail outlets. While India only represents 1.4% of global demand, the sub-continent's coffee market is forecast to grow almost 9% to \$486.6 million this year, according to market-research firm Euro monitor International. That would follow growth of almost 80% over the past five years.

These demand prospects and a fact - the rich experience and expertise that we possess is going to benefit a company like ours in the Indian plantation industry.



As one of the leading plantation company,

offering a wider range of products including Tea, Coffee, Rubber, Pepper, Cardamom and Areca.



We envisage a vision,

that an eco-friendly business practice is a key to the preservation and protection of our natural resources.



We believe that quality remains an inherent feature of our Company,

by offering highest standards of products without harming the natural resources.



For more than 140 years,

our experience and expertise have always focused on marrying the two.

An integrated approach to refreshment and rejuvenation.

We are one of India's oldest plantation industry player focused into 3 main business verticals – Tea, Coffee and Rubber plantation. Enriched by more than a century-rich market insight, Joonktollee Tea has come a long way since its inception in 1874. Merely from managing the affairs of a small tea industry in upper Assam by Late John Elliot Esq., the company has come a long way since the change of ownership to house of Bangurs and is now regarded a leading producer of Assam CTC Tea.

Over the years, at Joonktollee Tea, refreshment and rejuvenation, has not only helped our organisation in increasing the topline and bottomline, it has also helped us in deriving the competitive edge through the rich talent pool we possess and growing our business while protecting the Mother Nature. We are proud to achieve a balanced interplay of People-Planet-Profits.



Corporate Overview	Refresh & Rejuvenate
5	Integrated Approach
	Story of Refreshing & Rejuvenating
	Tribute

BSE Ticker
538092

CSE Ticker
100200009

ISIN No.
INE574G01013

Remember me



Corporate Culture

<p>Customer Focus</p> <p>Our Company's strategies are driven by the needs of the customer. Our success can be measured by the satisfaction achieved by our customer.</p>	<p>Excellence</p> <p>We accord high premium to maintain superlative standards throughout our Company. We maintain good agricultural practices through strict adherence of plucking rounds, green leaf handling and massive replantation to enhance production.</p>	<p>Integrity</p> <p>We observe strict ethical standards which we believe are the foundation towards sustainable growth.</p>	<p>Growth driven</p> <p>We are committed to delivering consistent revenue and cash flow growth in order to provide our share-holders a good return. Our objective is to grow our people, market and businesses around the world.</p>
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Joonktollee Tea : a quick look

<p>Market capitalisation of ₹ 5,428.35 Lacs as on 31st March, 2014</p>	<p>60 years of consistently paying Dividend*</p>	<p>5,037 workers under the payroll of the Company</p>
<p>9 estate & factories across 3 states</p>	<p>6 administrative offices across various locations</p>	<p>₹ 8,771.81 Lacs Consolidated Turnover as on 31st March, 2014</p>

*Since acquisition by the house of Bangurs.

Refreshing, Rejuvenating by Aiming higher

Defining Numbers

		2013-14	2012-13	2011-12	2010-11	2009-10
A Our Earnings						
Total Sales	₹ Lacs	8,771.81	8,588.27	5,025.98	4,921.40	5,295.71
Change in Stock in Trade	₹ Lacs	305.44	(221.31)	1.69	(51.32)	192.15
Value of Production	₹ Lacs	9,077.25	8,366.96	5,027.66	4,870.08	5,487.87
Other Income		1,486.19	450.06	523.82	70.17	36.23
Total		10,563.44	8,817.02	5,551.48	4,940.25	5,524.10
B Our Outgoings						
Cost of Materials	₹ Lacs	2,929.49	1,966.13	1,198.84	1,390.96	1,477.38
Emp. Rem. & benefits	₹ Lacs	3,776.49	3,708.02	2,212.75	1,780.94	1,690.70
Depreciation	₹ Lacs	331.14	227.58	175.60	170.29	169.22
Other Expenses	₹ Lacs	2,204.72	1,503.78	1,152.11	1,105.72	1,135.25
Interest	₹ Lacs	436.51	310.40	271.81	265.35	278.93
Total		9,678.35	7,715.91	5,011.11	4,713.26	4,751.48
NET PROFIT		885.09	1,101.11	540.37	226.99	772.62
C Our Savings						
PBDIT	₹ Lacs	1,652.74	1,639.09	987.77	662.62	1,220.77
PBIT	₹ Lacs	1,321.60	1,411.51	812.18	492.34	1,051.55
PBT	₹ Lacs	885.09	1,101.11	540.37	226.99	772.62
PAT	₹ Lacs	580.93	947.90	422.87	206.17	622.00
D Own Capital						
Equity	₹ Lacs	414.22	414.22	325.62	325.62	325.62
Reserve & Surplus	₹ Lacs	12,750.95	12,435.44	9,302.08	8,949.86	8,838.30
E Loan Capital						
Loan From Bank	₹ Lacs	4,584.78	2,622.79	1,425.19	1,278.13	1,435.98
Other Loans	₹ Lacs	-	231.84	182.44	822.44	452.33
F Financial Statistics						
Net Worth	₹ Lacs	13,165.17	12,849.66	9,627.70	9,275.49	9,163.92
Gross Block	₹ Lacs	10,948.59	10,640.34	7,797.92	7,639.40	7,311.24
Depreciation	₹ Lacs	3,297.52	3,036.39	2,352.87	2,210.48	2,062.82
Inventories	₹ Lacs	1,295.21	996.25	735.29	678.48	710.64
Sundry Debtors	₹ Lacs	221.51	291.14	84.11	190.14	357.68
Capital Employed	₹ Lacs	17,749.95	15,704.29	11,235.33	11,376.05	11,052.23
Dividend - Excl-Tax	₹ Lacs	248.53	146.41	81.41	81.41	81.41
G Financial Ratio						
PBT to Sales	%	10.09	12.82	10.75	4.61	14.59
NET MARGIN	%	6.62	11.04	8.41	4.19	11.75
PBIT to Capital Employed/ROCE	%	7.45	8.99	7.23	4.33	9.51
PAT to Net Worth/ROE	%	4.41	7.38	4.39	2.22	6.79
Total Debt to Equity		0.36	0.23	0.17	0.24	0.22
EPS	₹	14.02	22.88	12.99	6.33	19.10
CEPS	₹	22.02	28.38	18.38	11.56	24.30
Book Value Per Share	₹	317.83	310.21	295.67	284.85	281.43
Dividend	%	60	30	25	25	25



Value added statement

	2013-14	2012-13	2011-12	2010-11	2009-10
Turnover (Gross Sales)	8,771.81	8,588.27	5,025.98	4,921.40	5,295.71
Stock Adjustments	305.44	(221.31)	1.69	(51.32)	192.15
Value of Production	9,077.25	8,366.96	5,027.66	4,870.08	5,487.87
Other Income	1,486.19	450.06	523.82	70.17	36.23
	10,563.44	8,817.02	5,551.48	4,940.25	5,524.10
Less :					
Raw Material Consumed	1,902.41	1,144.23	641.70	724.09	832.04
Manufacturing Expenses	1,946.46	1,465.46	1,044.51	1,118.26	1,109.18
Other expenses	1,243.34	819.35	622.12	604.57	633.82
	5,092.21	3,429.04	2,308.32	2,446.92	2,575.04
Gross Value Added (GVA)	5,471.23	5,387.98	3,243.16	2,493.33	2,949.06
Less : Depreciation and Amortization Expenses	331.14	227.58	175.60	170.29	169.22
Net Value Added (NVA)	5,140.09	5,160.40	3,067.56	2,323.05	2,779.84
% to value of production	56.63%	61.68%	61.01%	47.70%	50.65%

₹ in Lacs

Distribution of value-addition

	2013-14	2012-13	2011-12	2010-11	2009-10
To the Government					
Dividend Tax	16.90	9.88	5.28	13.21	13.52
Current Tax	285.00	182.00	109.09	25.00	101.40
Cess	41.99	40.87	42.63	49.77	37.59
	343.89	232.75	157.01	87.97	152.51
% to net value added	6.69%	4.51%	5.12%	3.79%	5.49%
To the Workers / Employees	3,776.49	3,708.02	2,212.75	1,780.94	1,690.70
% to net value added	73.46%	71.85%	72.14%	76.67%	60.82%
To Providers of Finance	436.51	310.40	271.81	265.35	278.93
% to net value added	8.49%	6.02%	8.86%	11.42%	10.03%
To Shareholders	248.53	146.41	81.41	81.41	81.41
% to net value added	4.84%	2.84%	2.65%	3.50%	2.93%
Deferred Tax	19.15	(28.78)	8.41	(4.18)	49.22
Profit ploughed back	315.51	791.60	336.18	111.56	527.07
Retained in business	334.66	762.82	344.59	107.38	576.29
% to net value added	6.51%	14.78%	11.23%	4.62%	20.73%
TOTAL VALUE ADDITION DISTRIBUTED	5,140.09	5,160.40	3,067.56	2,323.05	2,779.84

Refreshing, Rejuvenating by Ensuring quality & Enhancing viability



Corporate Overview	Refresh & Rejuvenate
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	Tribute

Quality is not limited to the products we manufacture, but it is reflected in the manner we handle every aspect of our business. We cannot be recalled as a producer of quality products in the plantation industry if we are not concerned about the quality of our people, the quality of our processes and the quality of our management. It is only when quality becomes an intrinsic factor in our lives, that viability becomes automatic. When we achieve this level of quality leadership in everything we do, then only we are recognised as quality enablers.

The quality framework, implementation and learning programmes at Joonktollee Tea helps create a quality-driven organisation.

By virtue of the quality framework, learning programmes and engagement process activities at Joonktollee Tea, the quality standards are regarded as ever-present. We ensure superlative quality control, through continuous monitoring and standardising our plantation & process areas to best practices and required quality parameters.

Quality objectives at Joonktollee

- 👍 Deliver services and solutions that meet customer requirements.
- 👍 Continually enhance external and internal customer satisfaction.
- 👍 Offering highest standards of products without harming the consumer through a responsible and minimal usage of pesticides & chemicals into the plants thereby keeping them fresh, relaxed, mentally alert and healthy.

Joonktollee Tea's Quality Management System has been created over a span of years and are based on international frameworks and benchmarks it uses :

- ISO 9001:2008 certification by SGS U.K.
- ISO 22000:2005 certification by SGS U.K. to Joonktollee Tea Estate.
- ISO 9001:2008 certification by Det Norske Veritas of Netherland for Goomankhan Tea Estate.



The zeal towards maintaining & harnessing quality focus into the organisational culture has made Joonktollee Tea won several accolades and awards nationally and internationally.

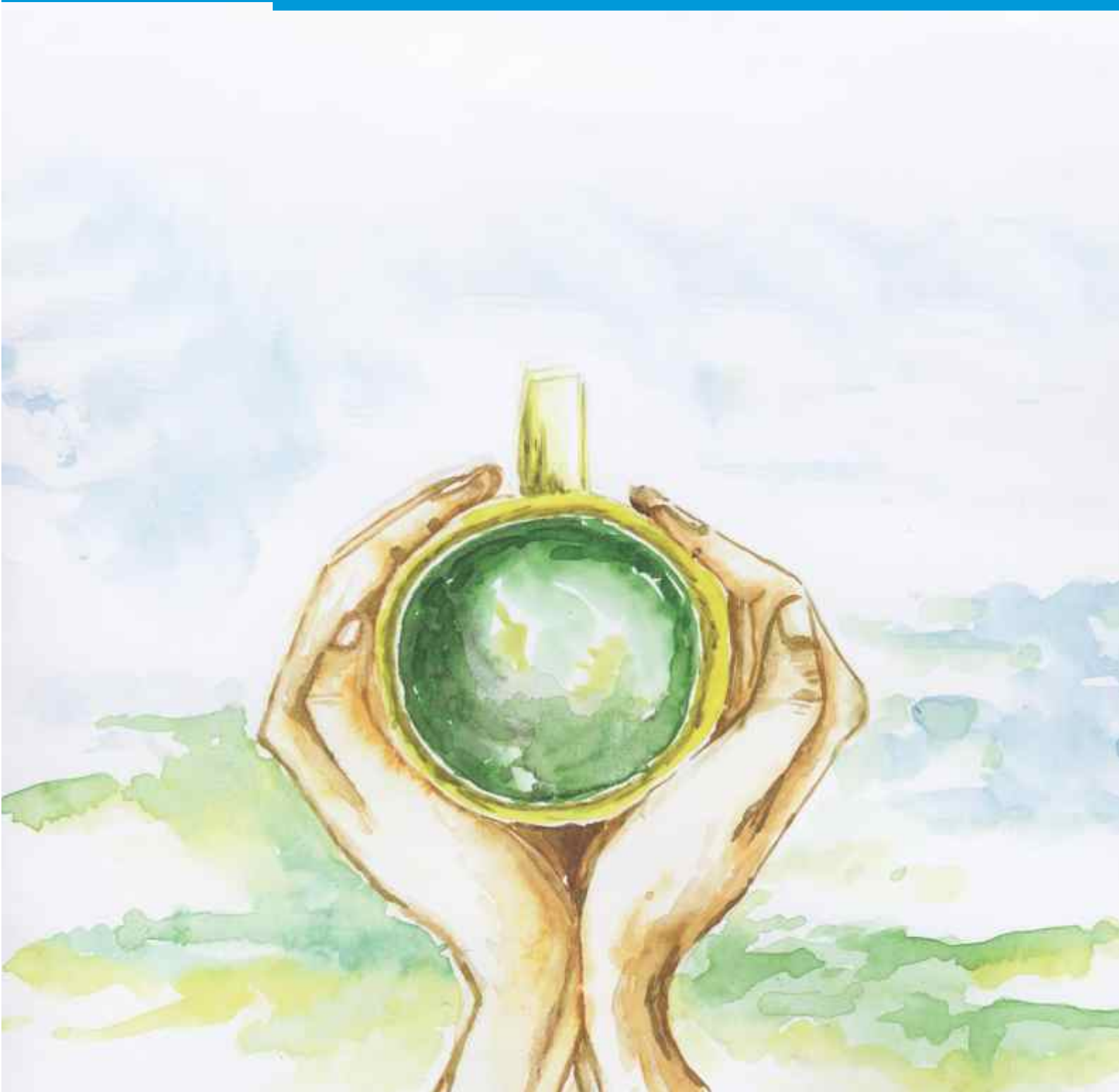


- ★ International Star Award for Quality at Geneva for the year 2012-13.
- ★ Bharat Nav-Nirman Ratan Award for contribution toward Social and Economic Growth for the year 2012-13.
- ★ League of American Communication Professionals (LACP), USA awards for the best Annual Report during the year 2012-13. It won **Gold Award** in the "Consumer Consumables – Food / Beverages / Tobacco" category and was conferred with **38th rank** globally, out of 6,000 entries globally.



At Joonktollee Tea, growth is always complemented by an emphasis on product quality.

Refreshing, Rejuvenating by
Ensuring togetherness



The story of Joonktolee Tea is not just about corporate strategies and their implementation, it is also about people who work together, help each other and strive hard to achieve a higher vision.

We are committed to a culture of diversity, which is reflected in our large and varied workforce. The value of this diversity is a rich and unique blend of minds and cultures that makes working at Joonktolee Tea more compelling and exciting. The organization's HR strategy is developed in alignment with the corporate strategy, focusing on leadership development and maximizing the return on investment from the organization's human capital.

At our organisation, employee participation is encouraged by inviting suggestions and opinions. This is coupled with competitive compensation, rewards and training through various development programmes. We encourage communication and a participative environment and also provide various proactive platforms for brain storming and idea sharing.

During the year 2013-14, we not only retained our existing workforce but also plan to hire selectively, while concurrently investing in capabilities improvement to drive organic growth.



It is assumed that corporate social responsibility is consequent to growth. We believe it is concurrent to our existence.

Corporate Social Responsibility and sustainability is central to our business as other verticals are. We pursue both with equal passion and we contribute to the development of peoples in our surrounding where we operate. Following the guidelines of the Plantation Labour Act, our Company adheres to the following initiatives :

- ❑ Basic schooling and electricity facilities in the surrounding villages.
- ❑ Potable drinking water and free health centre with ambulance and round-the-clock doctor for the employees and their family members.
- ❑ Staff quarter with free electricity, subsidised ration and temple at every garden & estate.
- ❑ Proper illumination of the approach road towards the garden & estate.
- ❑ Constantly abiding to the statutory requirements towards prevention of pollution and maintaining highest standards of safety and environment protection.



Sustainability is a fundamental principle of operation. We see it as a way to deepen our understanding of how to be better to our people, better to our planet and to stay profitable.

Refreshing, Rejuvenating by Ensuring prudent Governance practices

At Joonktolee Tea, our governance philosophies are based on transparency, accountability, values and ethics and are an integral part of the management's initiative in its pursuit towards excellence, growth and value creation. Our commitment towards highest standards of ethical governance practices and disclosure practices thereby ensure that the affairs are managed in the best interest of all stakeholders. Prudent governance practices are also reflected in the ethical & transparent ways, the meetings of the Company is conducted whereby every shareholder is invited to speak freely and interact with the management directly on varied topics related to the organisation.

Our multiple revenue platforms and cost-management initiatives help us deliver sustainable stakeholder returns. It is a predictable pattern that stakeholders expect from us. We are committed to fulfilling their expectations by strengthening current operations and leveraging future opportunities and de-risking our enterprise from the cyclicity of a single product segment and delivering visibility of our income in more ways than one.

We also endeavours to be a responsible corporate citizen, contributing to the country's exchequer. This has prudently been reflected in our Balance Sheet, whereby we contributed more than ₹ 1,214.60 Lacs during the last decade in the form of dividend tax, entry tax, service tax, etc. Even during the difficult of times, we have also endeavoured to pay rich dividends to our shareholders, which are clearly reflected through our track record of continuously paying dividend since last 60 years (after the acquisition of the Company by the House of Bangurs).



A glimpse....



We always aim to built a multi-ethnic organisation focusing on highest standards of governance practices and improved shareholders return.



*A tribute to
Our beloved Chairman*
LATE PURUSHOTTAM DAS BANGUR
(November 07, 1922 - December 03, 2010)



Naming of the Bangur Nagar Intersection of Link Road
Goregaon (West) Mumbai
by Government of Maharashtra
as **P. D. BANGUR CHOWK**







Dear Members

Your Directors have pleasure in presenting the Annual Report with Audited Accounts of the Company for the year ended 31st March, 2014.

FINANCIAL PERFORMANCE

(Amount in ₹)

	31.03.2014	31.03.2013
Profit for the year before Depreciation	12,16,22,842	13,28,70,170
Deduct : Depreciation	3,31,14,093	2,27,58,458
Profit before Tax	8,85,08,749	11,01,11,712
Deduct : Tax Expense -		
Current Year	2,85,00,000	1,82,00,000
Deferred Tax	19,15,466	(28,78,400)
Net Profit	5,80,93,283	9,47,90,112
Add : Balance of Profit brought forward from previous year	13,14,03,756	4,14,37,678
Adjustment due to Scheme of Arrangement	-	6,08,05,938
Profit available for Appropriations	18,94,97,039	19,70,33,728
Appropriations :		
- General Reserve	3,00,00,000	5,00,00,000
- Proposed Dividend	2,48,53,206	1,46,41,488
- Corporate Dividend Tax	16,89,521	9,88,484
Balance Carried to Balance Sheet	13,29,54,312	13,14,03,756
	18,94,97,039	19,70,33,728

Directors' Report

DIVIDEND

Your Directors have recommended for your approval, a dividend of ₹ 6/- per share for the year ended 31st March, 2014.

TRANSFER TO RESERVES

The Company proposes to transfer ₹ 300 lacs to the General Reserve out of the amount available for appropriations and an amount of ₹ 1,329.54 lacs is proposed to be retained in the Profit and Loss Account.

OPERATIONAL REVIEW

The turnover of your Company stood at ₹ 8,771.81 lacs which is higher as compared to the previous year's turnover of ₹ 8,588.27 lacs. The profit after tax has decreased from ₹ 947.90 lacs to ₹ 580.93 lacs. Your Company produced 53,80,878 Kgs. of Tea during the year as against 43,12,279 Kgs. produced during the year 2012-13, an increase of 10,68,599 kgs. to the previous year; 1,94,445 Kgs. of Coffee during the year 2013-14 as against 1,84,300 Kgs. during the year 2012-13, an increase of 10,134 Kgs. from the previous year and 7,42,757 Kgs. of Rubber during the year as against 9,44,641 Kgs. produced during the year 2012-13, a decrease of 2,01,884 Kgs. from the previous year.

EXPANSION / DIVERSIFICATION

Your Company had successfully run Shreemoni Tea Factory acquired from Dhunseri Petrochem & Tea Ltd. at Dibrugarh and is in the process of enhancing capacity of this factory from existing 12 lacs kgs. to 17 lacs kgs. of Made Tea per annum.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review is presented in a separate section forming part of the Annual Report.

CORPORATE GOVERNANCE

The Company has adopted the Corporate Governance Policies and Code of Conduct which set out the principle of running the Company with fairness, transparency and accountability. A report on the Corporate Governance forming part of the Directors' Report is attached. A certificate from a Practicing Company Secretary regarding compliance of the Corporate Governance is given in the Annexure.

CORPORATE SOCIAL RESPONSIBILITY

The Company constantly endeavors for community welfare beyond the confines of its own employees. It has a tradition in supporting the larger communities that it connects with

– from education, health, drinking water, development of employable skills, to assistance during natural calamities such as floods and cyclones. It undertook a series of activities to improve living conditions of people in the neighbouring villages which includes extending support to schools, free medical facilities, and other village development initiatives like street lighting, development of roads etc.

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

SAFETY, HEALTH & ENVIRONMENT

The Company has committed to maintaining highest standard of safety, health environment protection and has complied with all applicable statutory requirements and prevention of pollution. It always strives to keep the estates greener and cleaner and committed to the safety and health of its employees.

HUMAN RESOURCE DEVELOPMENT / INDUSTRIAL RELATIONS

The Company has built its workforce with a diverse background of individuals - essential for the kind of organization what it is. 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. The present workforce of the Company is 5,037. Industrial relations in all the estates, factories and offices of the organization were cordial throughout the year under review. Attrition rate during the year ended 31st March, 2014 was zero and during the last decade it was not more than 1%.

FIXED DEPOSITS

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

SUBSIDIARY COMPANIES

- The Company as on 31st March, 2014 has three Subsidiary Companies namely, Gloster Real Estates Pvt. Ltd., Cowcoody Builders Pvt. Ltd. and Pranav Infradev Co. Pvt. Ltd.
- The Cochin Malabar Estates And Industries Ltd., the Board-controlled subsidiary of the Company ceased to

Directors' Report

be a subsidiary of the Company w.e.f. 7th October, 2013 in view of the withdrawal of nominees by the Company from the Board of The Cochin Malabar Estates And Industries Ltd.

- c) In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the individual accounts of each of the subsidiary companies are not being attached with the accounts of the Company. The Company will make available the Annual Accounts of the subsidiary companies to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept for inspection at the Registered Office of the Company and that of the respective subsidiary companies.
- d) A statement containing brief financial details of the Subsidiary Companies is attached which forms part of the Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS & CASH FLOW

The audited consolidated financial statements of the Company together with Auditors' Report for the year ended 31st March, 2014 and Cash Flow Statement as on that date are annexed.

AWARDS & RECOGNITIONS / CREDIT RATING

Awards & Recognitions

- The Company has been accredited with ISO 9001:2008 certification by SGS, U.K.
- Goomankhan Tea Estate in Karnataka has been accredited with ISO 9001:2008 certification by Det Norske Veritas, Netherlands.
- Pullikanam Tea Estate has bagged The Golden Leaf Awards for the leaf, fannings and dust categories for 2014.
- The Company has bagged Gold Award in '2012-13' Vision Awards Annual Report Competition' & 'Top 100 Annual Reports Worldwide' ranking at 37 from LACP, USA.

Credit Rating

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

DIRECTORS

Mr. G.D. Bangur is liable to retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Mr. M. K. Daga, Mr. J. K. Surana, Mr. M. M. Pyne & Mr. B. R. Bhansali are appointed as independent directors for five consecutive years for a term upto March 31, 2019 as per provisions of Section 149 and other applicable provisions of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms :

- that in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there has been no material departure;
- that the selected Accounting Policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profits of the Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual accounts have been prepared on a going concern basis; and
- that the Company has adequate internal systems and controls to ensure compliance of laws applicable to the Company.

KEY MANAGERIAL PERSONNEL

The Company has appointed Shri Hemant Bangur, Executive Vice-Chairman, Shri K.C. Mohta, Executive Director & Chief Executive Officer, Shri B.L. Dhanuka, Chief Financial Officer and Shri S. Bagree, Manager (Finance) & Company Secretary of the Company as 'Key Managerial Personnel' in terms of the requirements of the Companies Act, 2013.

INTERNAL CONTROL SYSTEMS

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 an Independent Chartered Accountant Firm. The findings of the Internal Audit and the Action Taken Report on the

Statutory Reports	Directors' Report
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	Report on Corporate Governance
	Secretarial Audit Report

Directors' Report

Internal Audit are placed before the Audit Committee which reviews the audit findings, steps taken and the adequacy of Internal Control System.

SECRETARIAL AUDIT REPORT

As a measure of good corporate governance practice, the Board of Directors of the Company appointed Shri S. K. Jain, Practicing Company Secretary, to conduct Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended March 31, 2014, is provided in the Annual Report.

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

AUDITORS AND AUDITORS' REPORT

The Statutory Auditors of the Company, M/s. Singhi & Co. Chartered Accountants, retire in accordance with the provisions of the Companies Act, 1956 and are eligible for re-appointment. M/s. Singhi & Co., Chartered Accountants, Kolkata have sought the re-appointment and have confirmed that their re-appointment, if made, shall be within the limits. M/s. Singhi & Co. has submitted the Peer

Review certificate issued to them by Institute of Chartered Accountants of India (ICAI). The Audit Committee and the Board of Directors recommend the re-appointment of M/s. Singhi & Co., Chartered Accountants, as the Auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting for the Financial Year 2016-17, subject to ratification by the Shareholders annually.

PARTICULARS OF EMPLOYEES

The information required under section 217(2A) of the Companies Act, 1956 and the Rules made thereunder, is provided in Annexure-'A' forming part of this Report.

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

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

ACKNOWLEDGEMENT

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

On behalf of the Board

K. C. Mohta
Executive Director &
Chief Executive Officer

H. Bangur
Executive Vice-Chairman

Place : Kolkata
Date : 14th May, 2014

Annexure to the Directors' Report

ANNEXURE-A

PARTICULARS OF EMPLOYEES IN TERMS OF SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975, FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2014.

Name	Age	Remuneration (₹)	Qualification and Experience (Years)	Date of Commencement of Employment	Last Employment held	Designation
Mr. Hemant Bangur	42	88,00,754	Master in International Trade (Experience : 17 years)	12-04-2000	NIL	Managing Director designated as Executive Vice-Chairman

Notes :

1. Remuneration shown above includes salary and allowances, contribution to the Provident Fund, Superannuation Fund and other perquisites.
2. Nature of appointment is contractual.
3. Except Mr. Gopal Das Bangur, Mrs. Pushpa Devi Bangur and Mr. Hemant Bangur, no other Director or Employee is a relative of any Director of the Company.

On behalf of the Board

K. C. Mohta

*Executive Director &
Chief Executive Officer*

H. Bangur

Executive Vice-Chairman

Place : Kolkata

Date : 14th May, 2014

ANNEXURE-B

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, 2014.

CONSERVATION OF ENERGY

	2013-14	2012-13
(A) POWER & FUEL CONSUMPTION		
1. Electricity		
(a) Purchased		
Units (KWH)	22,81,161	17,58,628
Total Amount (₹)	1,85,73,737	1,32,52,224
Rate/Unit (₹/KWH)	8.14	7.54
(b) Own Generation		
(i) Through Diesel		
Generator - Unit (KWH)	6,34,742	3,29,281
Unit per Ltr. H.S.D. Oil (KWH)	2.41	3.70
Fuel Cost/Unit (₹/KWH)	22.60	26.51
(ii) Through Natural Gas		
Generator - Unit (KWH)	7,30,865	12,20,843
Units per Scm. of Gas (KWH)	1.50	1.96
Fuel Cost/Unit (₹/KWH)	8.77	4.90

Annexure to the Directors' Report

CONSERVATION OF ENERGY

	2013-14	2012-13
(A) POWER & FUEL CONSUMPTION		
2. Others : For Tea Processing in Withering & Drying		
(a) Furnace Oil, L.D./H.S.D. (Qty./Ltr.)	–	2,450
Total Cost (₹)	–	1,16,400
Average Rate (₹/Ltr.)	–	47.51
(b) Natural Gas (Scum)	17,57,239	12,72,802
Total Cost (₹)	2,07,43,113	1,36,23,029
Rate/Unit (₹/Scum)	11.80	10.70
(c) Firewood		
Quantity (Kgs.)	23,75,695	22,33,255
Total Cost (₹)	47,28,318	39,61,003
Average Cost per kg. (₹)	1.99	1.77
3. Others : For Transport & Material Handling etc.		
(a) H.S.D. Oil		
Quantity (Ltr.)	51,907	28,945
Total Cost (₹)	29,10,196	13,86,386
Rate/Unit (₹/Ltr.)	56.07	47.90
(b) Petrol		
Quantity (Ltr.)	3,033	2,744
Total Cost (₹)	2,28,487	2,04,525
Rate/Unit (₹/Ltr.)	75.33	74.54
4. Coffee Stumps used in Dryer		
Quantity (Kgs.)	37,050	1,16,810
Total Cost (₹)	70,395	2,10,865
Average Cost per kg. (₹)	1.90	1.81
(B) CONSUMPTION PER UNIT PRODUCTION		
Products – Tea (Gross) (Kgs.)	53,80,878	43,12,279
Energy Used : Electricity (KWH/Kg.) (including own Generation)	0.68	0.77
Other Fuels for processing of Tea :		
Furnace/L.D./H.S.D. Oil (Ltr.)	0.0006	0.0010
Coal (Coke/ROM)	–	0.003
Gas (Scum/Kg.)	0.39	0.35
Solid Fuel/Firewood (Kg./Kg.)	0.82	0.89

Annexure to the Directors' Report

RESEARCH AND DEVELOPMENT (R &D)

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

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, in brief, made towards technology absorption, adaptation and innovation	Not Applicable
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.	

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)	–
Used	₹ 8.02 Lacs

On behalf of the Board

K. C. Mohta
Executive Director &
Chief Executive Officer

H. Bangur
Executive Vice-Chairman

Place : Kolkata
Date : 14th May, 2014



Management Discussion and Analysis Report

The global economy had been remarkably tough in the last few years. Though global recession had not affected Indian economy till 2010, the ongoing slowdown, income level stagnation and continuation of rising inflation have gradually affected Indian economy after 2010. Indian economy as it was hurtling from one crisis to another, things were looking ominous. In plantation sector, Natural Rubber, Coffee etc. too could not desist the influences by these developments. But, after dismal macro-economic scenario for the last couple of years, we are now seeing a gradual improvement.

TEA

The world Tea production estimated at 4,625 m. kgs. in 2013 as compared to 4,534.5 m. kgs. in 2012. The world Tea production during the last decade has grown at an annual rate of 4%. The growth during the 2nd half of the decade was higher compared to the 1st half suggesting that price situation was generally conducive for higher crop intake.

India produced 1,200.04 m. kgs. of Tea during the year 2013 as compared to 1,126.33 m. kgs. in 2012. Indian Tea production was higher by 73.71 m. kgs. during the year 2013. The North Indian crop was higher by 70.49 m. kgs. while South Indian crop was estimated higher by 3.22 m. kgs. during the year 2013. The average price of Tea stood at ₹ 119.72 per kg. in 2013 as against ₹ 121.81 per kg. in 2012 represents a drop in Tea price by ₹ 2.09 per kg. The main reason for the drop in the average price was higher crop due to better weather condition.

The Company produced 53,80,878 kgs of Tea during the year ended 31st March, 2014 against 43,12,279 kgs. for the same period last year. The average price for Tea realized by the Company during the year ended 31st March, 2014 was ₹ 149/- per kg. in the North and ₹ 98/- per kg. in the South.

The production of the first flush of the new season this year is down due to heat wave and scanty rainfall damaging badly the Tea production in Assam. Pest attacks have worsened the situation further which may affect the Tea production of the second flush too. However, the initial crop loss might be recovered in the later part of the year if the rains are satisfactory. Tea prices are expected to remain firm due to gap in demand and supply for low production; and increase in the consumption. Loss of crop cannot be compensated

by increase in the Tea prices. However, taking into account the small carryover stocks and giving a low production on account of adverse weather during the first half of the current year, the prices of Tea are expected to be bullish.

There has not been any addition to the land under Tea cultivation in India in the organized sector since last couple of decades. However, significant area has been added in the unorganised sector which will both be an opportunity and threat to the non-quality producers. Threat of rising labour shortage especially, in South India exists to the Tea growers.

COFFEE

The global Coffee production during 2013 season was estimated at 145.8 m. bags as compared to 144.1 m. bags in the previous year, an increase of 0.5% on the previous year. The world Coffee consumption during 2013 was estimated at 142 m. bags as compared to 139 m. bags in 2012, an increase of 3 m. bags on the previous year. The international consumption of Coffee is growing @ 2.4% p.a. due to the strong potential for growth in exporting countries and emerging markets. Stocks and inventories are at low levels and as such there seems to be limited potential for further downward price corrections.

The Production of Coffee in India for the season 2013 was estimated at around 3,47,000 MT comprising of 111000 MT of Arabica and 2,26,000 MT of Robusta as compared to 3,15,500 MT in 2012 and thus Coffee production in India has increased as compared to last year due to the replantation



Management Discussion & Analysis Report

and expansion in the traditional as well as in the new area and improvement in productivity and quality. Coffee consumption in the country is growing at the rate of 5% to 6% in the last 5 years. The Coffee consumption in India over the last decade has increased by a mere 40 gms. to 96 gms. a person a year against European average of 4 kgs. a person a year. The country exported 3,00,525 tons of Coffee as compared to 3,16,160 tons in the earlier year. Sharp drop in the prices of Arabica variety contributed to the decline in the export.

The Company produced 1,94,445 kgs of Coffee comprising of 1,02,617 kgs. of Arabica and 91,828 kgs. of Robusta during the year ended 31st March, 2014 against 1,84,311 kgs. comprising of 76,570 Kgs. of Arabica and 1,07,741 kgs. of Robusta harvested for the same period last year. Coffee prices remain subdued for the year ended 31st March, 2014. The average price for Coffee realized by the Company during the year ended 31st March, 2014 was lower at ₹ 154/- per kg. as compared to ₹ 164.41 per kg. last year. The cost of production of Coffee has increased due to the increase in input costs. The Company has taken extensive re-plantation which will give higher yield in the years to come.

The trend for the global Coffee production in the last 15-20 years gives an impression that the Coffee production is increasing at a rate of 1.5% to 2% p.a. across the world while the consumption is growing consistently at not less than 2.5% p.a. The damage to the current crop in Brazil is irreversible with the Coffee growing areas in the world going through one of the hottest periods in recent years. The record high temperatures have made the plant suffer so much that the branches cannot yield the next crop. The prices therefore, will rule firm as the surplus stock of 3.5 m. bags of the last year has turned into a deficit of at least 4 m. bags. The outlook of Coffee appears to be promising.

RUBBER

The global production of Natural Rubber (NR) in 2013 was estimated at 11.7 m. tons registering an increase of 2.5% from 2012. In 2014, production is projected to touch 12.1 m. tons registering an increase of 3.4%. Meanwhile, NR consumption which was around 11.3 million tonnes in 2013, is expected to touch 11.9 million tonnes in 2014, an increase of 0.6 million tonnes. It is expected that consumption is likely to go up to 12.1 million tonnes in 2015. Taking the year 2013 as a whole NR production outstripped consumption by 4,00,000 tonnes. As a result, the implied stocks increased to 2 million tonnes in December 2013 and that the surplus of 2013 has been the largest in absolute tonnage terms.

India is the 4th largest producer of NR in the world and 2nd largest consumer next to China. The production of NR has progressed steadily in India over the past many decades



with expansion in planted area and rejuvenation of old plantation. NR production of India during 2013 was 9,50,000 tonnes as against 9,51,000 tonnes during the previous year. The Indian consumption of NR was reduced in 2013 and 2014 by 15,000 tonnes and 25,000 tonnes to 9,83,000 tonnes and 10,10,000 tonnes respectively. The average domestic price of RSS-4 was ₹ 184.37 per kg. as against ₹ 176.82 per kg. in the previous year. Fall in domestic production and strong demands have pushed up NR imports. This fall in output could not reflect in better price realization as high imports cushioned the domestic supply. However, there are indications that the situation may change for the better in the near term.

Company produced 7.43 lac kgs. of rubber during 2013-14 as against 9.45 lac kgs. during the previous year, a decrease of 2.02 lakh kgs. to the previous year due to drastically reducing rainfall and rising temperature. The Company continues to focus on quality to fetch premium in the market for its product comprises of latex and skim rubber. The average price of rubber realized by the Company for 2013-14 was ₹ 185.87 per DRC kg. as against ₹ 177.44 per DRC kg. last year, which was higher by ₹ 8.43 per DRC kg.

NR market has been on the decline over the past few years. At one time it reached the nadir in recent history, touching ₹ 150 a kg. Recent developments suggest that the price may bottom out in the near-term, though the recovery may not be strong enough to give a boost to the market as the record import of 2013 and carryover of its balance to 2014 may cushion the supply. The outlook of Rubber therefore appears to be muted.

RISKS AND CONCERNS

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

HIGHLIGHTS OF FINANCIAL PERFORMANCE

A note on the Highlights of Financial Performance forming part of the Management Discussion and Analysis Report is attached.

Risks and Concerns

(forming part of the Management Discussion and Analysis Report)

Risk Management is an ongoing process that can help improve operation, prioritise resources, ensure regulatory compliance, achieve performance target, improve financial stability and ultimately prevent loss/damage to the entity. But business entities cannot be risk averse as profits in business without taking risk is highly unlikely. Risk management plays a key role in protecting the assets and resources and ensuring that risks are reduced to an acceptable level. The essence of the risk management is to reduce the risk to a reasonable and in manageable level on an ongoing basis. Risk management is a two-step process - determining what risks exist and, then, handling those risks in ways best-suited to the objectives. The Company has risk management which inter alia provides for review of the risk assessment and mitigation procedure, laying down procedure to inform and report periodically to the Board of Directors and to ensure that the procedure is properly followed to mitigate the risks. Some of the key risks and its mitigation are illustrated below :

INDUSTRY RISK

i) Tea, Coffee & Rubber are agricultural products and their performance depends on the vagaries of nature. For Tea & Rubber, timely rainfall is a pre-requisite. Similarly, for Coffee, adequate rainfall for pre and post blossom is required for formation of fruits. Untimely rain during the Coffee harvest season, and attack of tea thrips and jassids; caterpillar pests; tea mosquito bugs e.g. helopeltis; red spider mites, looper, termites etc. result in crop loss.

ii) Demand slowdown could dampen Company's profitability.

Risk Mitigation :

- Since timely information of weather plays a vital role for initiating steps towards application of fertilizers, chemicals and pesticides, steps are taken to get the weather information well in advance.
- Automatic weather prediction system has been installed at our Coffee Estate.
- Company is uprooting and replanting the uneconomical areas for the plantation of Tea, Coffee & Rubber in a phased manner.
- Company is in the process of adopting Tea Plantation Code introduced by the Tea Board of India.
- There is no additional land available which even otherwise could be converted into Tea production by the organized sectors and as such production of Tea for the next few years appears to be stagnant which may lead to demand & supply mismatch. Moreover, the domestic consumption of Tea in India is likely to have an annual growth of 3% to 4% and as such the Tea prices will remain firm.
- Similarly, Coffee prices will remain firm due to the low level of stocks especially of Robusta grade coffee.
- The consumption is exceeding the production and supply and thus ensures an opportunity to enhance the rubber production for the reason that the prevailing prices of the rubber may remain firm.

INDUSTRIAL RELATION RISK

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

Risk Mitigation :

- The Company has been maintaining exceptionally good relations with the labour force since its inception and there have been no loss of man-days on this account. The Company expects that with the employee friendly approach being adopted by it, the industrial relations continue to remain cordial. The Company is attempting to attract workers from the non-traditional plantation districts of Orissa, Jharkhand and Assam.
- The Company is in the process of introducing Mechanical Harvesting System.

Risks and Concerns

INTELLECTUAL CAPITAL RISK	Risk Mitigation :
<p>The Company may not have competent people to run the business.</p>	<ul style="list-style-type: none"> ● Geared up recruitment process, focusing on prospective growth. ● Developed functional and behavioural skills through proactive training. ● Enjoys one of the lowest attrition rate in the industry.
OPERATING RISK	Risk Mitigation :
<p>Operating risk refers to things that go wrong during the Company's everyday operations. Factory breakdown, or consignments of materials do not arrive on time etc.</p>	<p>Operating team is available to take corrective measures for such risks when it occurs.</p>
COMPETITION RISK	Risk Mitigation :
<p>Owing to the opening of the world trade Company is faced with the menace of pressure on margins on its products more particularly, Coffee & Rubber. The prices of the finished goods are based on the movement of the international prices.</p>	<p>Your Company has stepped up its focus on the quality, structural cost optimization and cost control measures.</p>
FUNDING & LIQUIDITY RISK	Risk Mitigation :
<p>The Company may not be able to source fund for capital expenditure and to manage daily operations.</p>	<ul style="list-style-type: none"> ● Your Company has large reserves and surplus to fund the capital expenditure. ● Maintains low debt-equity ratio to facilitate low-cost funds mobilization over the coming years. ● Rated 'BBB' for (long term) credit by CRISIL, providing ample scope for further fund raising. ● Your Company has enough cash for meeting the operational cash requirements. ● Managed debtors' cycle at a comfortable level. ● Maintained a quick ratio of 0.30. ● Reduced average inventory days from 30 to 45 days.
GEOPOLITICAL AND ENVIRONMENTAL RISK	
<p>War and terrorism represent a threat to disruption of entire activities of the Company. Geopolitical risk includes changes of government that might result in new and unfavourable regulations or tax regimes.</p>	<p>Such risks are analysed through the expert consultant and are to be understood once risks are stemming from the global issues. Once the range of possible future crisis has been established, contingency plans can then be put in place to deal with them.</p>

On behalf of the Board

K. C. Mohta
Executive Director &
Chief Executive Officer

H. Bangur
Executive Vice-Chairman



Financial Review

(Forming part of the Management Discussion and Analysis Report)

HIGHLIGHTS OF FINANCIAL PERFORMANCE

(₹ in lacs)

Particulars	2013-14	2012-13
1. Net Sales	8,771.81	8,588.27
2. Operating Profit before Interest, Depreciation and Taxation	1,652.74	1,639.10
3. Less : Interest and Financial charges	436.51	310.40
4. Profit after Interest	1,216.23	1328.70
5. Less : Depreciation	331.14	227.58
6. Profit after Depreciation	885.09	1,101.12
7. Profit before Tax	885.09	1,101.12
8. Provision for Taxes	304.15	153.22
9. Net Profit after Tax	580.94	947.90

Net Worth

Net worth increased from ₹ 12,849.66 Lacs in the Financial Year 2012-13 to ₹ 13,165.17 Lacs in the Financial Year 2013-14.

Loan Funds

- a. **Short Term Borrowings** : Increased from ₹ 1,685.29 Lacs in the Financial Year 2012-13 to ₹ 1,695.12 Lacs in the Financial Year 2013-14.
- b. **Long Term Borrowings** : Increased from ₹ 1,065.17 Lacs in the Financial Year 2012-13 to ₹ 1,645.83 Lacs in the Financial Year 2013-14.

Capital Assets / Additions

Company has incurred capital expenditure amounting to ₹ 503.59 lacs during the year ended 31st March, 2014 as compared to ₹ 1,216.36 Lacs for the same period last year.

Sales

Revenue from operations increased from ₹ 8,588.27 Lacs in

the Financial Year 2012-13 to ₹ 8,771.81 lacs in the Financial Year 2013-14.

Depreciation & Amortisation Expenses

Increase from ₹ 227.58 Lacs in the Financial Year 2012-13 to ₹ 331.14 Lacs in the Financial Year 2013-14.

Profit before Depreciation, Interest and Tax

Increase from ₹ 1,639.10 Lacs in the Financial Year 2012-13 to ₹ 1652.74 Lacs in the Financial Year 2013-14.

Cash Profit after Tax

Decrease from ₹ 1,175.48 Lacs in the Financial Year 2012-13 to ₹ 912.08 Lacs in the Financial Year 2013-14.

Net Profit after Tax

Decrease from ₹ 947.90 Lacs in the Financial Year 2012-13 to ₹ 580.93 Lacs in the Financial Year 2013-14.

On behalf of the Board

K. C. Mohta
Executive Director &
Chief Executive Officer

H. Bangur
Executive Vice-Chairman



Report on Corporate Governance

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

1. COMPANY'S GOVERNANCE PHILOSOPHY

Corporate Governance is to put in place a system of checks and balances for the benefit of all stakeholders. It rests on the four cornerstones of fairness, transparency, accountability and responsibility. It extends beyond corporate law and encompasses the entire spectrum of functioning of a Company. The Corporate Governance is about commitment to values and integrity in directing the affairs of the Company and it is a collective responsibility of each of the three pillars of an enterprise - the board of directors, shareholders and management.

The Company believes and is committed to and always strives for excellence through adoptions of good corporate governance which are founded upon the core values of adherence to the ethical business practices, delegations, responsibilities & accountabilities,

Composition of the Board of Directors

Category	Name of Directors
Promoter Directors	
Non-Executive Chairman	Shri G. D. Bangur
Executive Vice-Chairman	Shri Hemant Bangur
Non-Executive Director	Smt. P. D. Bangur
Executive Director	Shri K. C. Mohta
Professional Executive Director & Chief Executive Officer	
	Shri M. K. Daga
	Shri J. K. Surana
	Shri M. M. Pyne
	Shri B. R. Bhansali
Independent Directors/Non-Executive Directors	

- 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. **Independent Directors :**
 - Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession, and

honesty & transparency, empowerment, independent monitoring & environmental consciousness in the functioning of the management and the Board; true, complete and timely disclosures and compliance of law, ultimately resulting in maximizing shareholders' value and protecting the interest of the other stakeholders.

2. BOARD OF DIRECTORS

The Board of Directors of the Company is headed by Shri G.D. Bangur, Chairman. The Board consists of eminent persons with considerable professional experience in industry and fields e.g. tea industry, finance, banking, law and marketing. The present strength of the Board of Directors is eight, of which, six are Non-Executive Directors and two are the Executive Directors. The Board has four Independent Non-Executive Directors, one Promoter Non-Executive Chairman, one woman Promoter Non-Executive Director, one Promoter Executive Vice-Chairman and one Non-Promoter Professional Executive Director.

Report on Corporate Governance

who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee, inter-alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons. The Board considers the Committee's recommendation, and takes appropriate decision. Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

- All the Independent Directors of the Company shall hold office for a term upto five consecutive years on the Board of the Company, but shall be eligible for re-appointment for another term of five years on passing of a special resolution by the Company. However, they may hold just two consecutive terms at a time.
- The Independent Directors of the Company shall elect from amongst themselves the Lead Independent Director. The Lead Independent Director's role is as follows :
 - To preside over all meetings of Independent Directors;
 - To ensure that there is an adequate and timely flow of information to Independent Directors;
 - To liaise between the Chairman, Executive-Vice Chairman, the Management and the Independent Directors;
 - To perform such other duties as may be delegated to the Lead Independent Director by the Board/Independent Directors.
- The Company's Independent Directors are required to meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views to the Lead Independent Director.
- The Lead Independent Director takes appropriate steps to present Independent Directors' views to the Chairman and Executive-Vice Chairman.

iii. Board's Process

The Company holds a minimum of four Board Meetings

in each year. The maximum time gap between any two Board Meetings was less than four months as stipulated under Clause 49.

- The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and Senior Management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.
- 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.
- The Chairman and the Company Secretary in consultation with the other concerned persons in the Senior Management finalise the Agenda Papers for the Board Meeting.
- 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.
- 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 11th May, 2013, 10th August, 2013, 7th October, 2013, 13th November, 2013, & 5th February, 2014 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 companies are as follows :

Report on Corporate Governance

Name of Director	Attendance at last AGM	No. of Board meetings attended	Category of Director	Other Directorships *	No. of Chairmanship/ Membership of Board Committees (Other than Joonktollee)•		No. of Shares held in the Company
					Chairman	Member	
Shri G. D. Bangur	No	5	NEC	4	–	–	487788
Smt. P. D. Bangur	No	5	NED	1	–	–	457393
Shri Hemant Bangur	Yes	5	EVC	8	1	1	185341
Shri M. K. Daga	Yes	5	ID/NED	2	-	-	–
Shri Amitabha Ghosh §	NA	2	ID/NED	–	–	–	–
Shri J. K. Surana	Yes	5	ID/NED	–	–	–	–
Shri M. M. Pyne	Yes	5	ID/NED	2	–	–	–
Shri B. R. Bhansali §§	NA	1	ID/NED	–	–	–	150
Shri K. C. Mohta	Yes	5	ED	–	–	–	–

NEC – Non-Executive Chairman

EVC – Executive Vice-Chairman

ID – Independent Director

NED – Non-Executive Director

ED – Executive Director

* Excludes Alternate Directorships, Directorships in Pvt. Ltd. Companies, Foreign Companies, Companies Registered under Section 25 of the Companies Act, 1956.

• In accordance with Clause 49, Membership/ Chairmanship of only Audit Committees and Shareholders Investors Grievance Committee has been considered.

§ Shri Amitabha Ghosh resigned from the Board on 31.08.2013.

§§ Shri B.R. Bhansali was appointed as an Additional Director on the Board w.e.f. 05.02.2014.

Relationship amongst Directors :

No Director is related to any other Director on the Board in the Company except Shri G.D. Bangur, Chairman, Smt. Pushpa Devi Bangur, Director and Shri Hemant Bangur, Executive Vice-Chairman who are related to each other.

3. AUDIT COMMITTEE

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

accounts each year and also meets every quarter to review the financial results of the previous quarter before the same are approved at Board Meetings. The Audit Committee may also meet in addition to the above if called by the Chairman of Audit Committee.

(i) Terms of Reference

The broad terms of Reference of the Audit Committee as revised by the Board of Directors in its meeting held on 14th May, 2014 in terms of requirement of the Companies Act, 2013 are as under :

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Recommending to the Board the appointment, re-appointment and if required, the replacement or removal of the internal auditor and the fixation of audit fees.
- Recommending to the Board the appointment, re-appointment and if required, the replacement or removal of the cost auditor and the fixation of audit fees.

Report on Corporate Governance

- e) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- f) Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to :
- Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - Changes if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgement by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
- g) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- h) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- i) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- j) Approval or any subsequent modification of transactions of the Company with related parties;
- k) Scrutiny of inter-corporate loans and investments;
- l) Valuation of undertakings or assets of the Company, wherever it is necessary;
- m) Evaluation of internal financial controls and risk management systems;
- n) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- o) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- p) Discussion with internal auditors of any significant findings and follow up there on;
- q) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- r) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- s) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- t) To review the function of the Whistle Blower mechanism;
- u) Approval of appointment of CFO (i.e. the Wholetime Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;

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- v) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

The Audit Committee also reviews the following –

- Management discussion and analysis of financial condition and result of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the Audit Committee.

Audit Committee if required may seek information from any employee of the Company and obtain outside legal & professional advices and make attendance of the outsiders having relevant expertise to be present at the Audit Committee Meeting on requirement. If situation warrants the Audit Committee may investigate any activities within its terms of reference.

(ii) Composition

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

The Committee met 4 times during the year on May 11, 2013, August 10, 2013, November 13, 2013 and February 5, 2014. The attendance of the Members at the Audit Committee Meetings is as under :

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

The Secretary of the Company who is also Secretary of the Committee and Chief Financial Officer of the Company attended the meetings. At the invitation of the Committee, the Statutory Auditors, the Internal Auditors and the Cost Auditors of the Company also attend the meetings to answer and clarify the queries at the meetings.

(iii) Internal Audit

The Company has an internal audit system which is conducted by an Independent Chartered Accountant firm which submits its report to the Chairman of Audit Committee and Chief Financial Officer of the Company.

(iv) Cost Audit

The Company has Cost Audit System which is conducted by an Independent Cost Accountant firm which submits its report to the Chairman of Audit Committee and Chief Financial Officer of the Company.

(v) Internal Control

Company's system of internal control covering financial, operational, compliances, IT applications are reviewed time to time by the experts and the findings of such review are reported to the Chief Executive Officer & Executive Director of the Company.

4. NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of the Company had constituted a Remuneration Committee of Directors to review/ recommend remuneration of Executive Vice-Chairman, Wholtime Director, Directors, Key Managerial Personnel and the employees of the Company and such other matters as the Board may from time to time mandate the Committee to examine and recommend/ approve. The Board has renamed this Committee as 'Nomination And Remuneration Committee' and also revised the terms of reference in terms of requirement of the Companies Act, 2013 in its meeting held on 14th May, 2014.

(i) Terms of Reference

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

- a) Formulation of the criteria for determining qualifications, positive attributes and

Report on Corporate Governance

independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees;

- b) Formulation of criteria for evaluation of Independent Directors and the Board;
- c) Devising a policy on Board diversity;
- d) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- e) Reviewing the overall compensation policy, service agreements and other employment conditions of Executive Vice-Chairman, Wholetime Director and Key Managerial Personnel.
- f) Reviewing the performance of the Executive Vice-Chairman, Wholetime Director and Key Managerial Personnel and recommending to the Board, the quantum of annual increments and annual commission.
- g) Approving and recommending to the Board, the remuneration and commission payable to the Directors.
- h) To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.

(ii) Composition

The Nomination & Remuneration Committee comprises of three Independent Non-Executive Directors and one Promoter Non-Executive Director namely Shri J. K. Surana, Shri M. M. Pyne, Shri M. K. Daga and Shri G. D. Bangur respectively. Shri J. K. Surana is the Chairman of the Committee.

During the year under review, the Committee met once on 7th October, 2013. The attendance of the Members at the Nomination & Remuneration Committee Meeting is as under :

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

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

(iii) Remuneration Policy

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

The Executive Vice-Chairman and the Wholetime Director are paid remuneration as per their agreements with the Company. These agreements are placed for approval before the Board and the shareholders and such other authorities as may be necessary. The remuneration structure of the Executive Vice-Chairman and the Wholetime Director comprises of salary, commission, perquisites and other benefits. There are no stock option benefits to any of the Directors. There is no variable components of the remuneration availed by the Working Directors and also there is no performance linked incentives. The remuneration of Executive Vice-Chairman and Wholetime Director are in the nature of Fixed Component except commission.

The Executive Vice-Chairman and the Wholetime Director are not paid sitting fee for attending meetings of the Board or Committees thereof. Other Directors are being paid a sitting fee of ₹ 5,000/- for attending each Board Meeting which has been increased to ₹ 10,000/- w.e.f. 07.10.2013 and ₹ 2,000/- for attending each Committee Meeting which has been increased to ₹ 5,000/- w.e.f. 07.10.2013.

The Chief Financial Officer & Company Secretary

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and the Key Managerial Personnel are paid remunerations as approved and recommended by the Nomination & Remuneration Committee and finally approved by the Board of Directors. There

are no stock option benefits to the Key Managerial Personnel. There is no variable components availed by the Chief Financial Officer & Company Secretary.

Details of Remuneration Paid / Payable to all the Directors for the year ended 31st March, 2014

Name of Director	Sitting Fees *	Salary	Perquisites and allowances	Retiral benefits	Total
Shri G. D. Bangur	1,46,000	-	-	-	1,46,000
Smt. P. D. Bangur	40,000	-	-	-	40,000
Shri Hemant Bangur	-	52,80,000	20,95,154	14,25,600	88,00,754
Shri M. K. Daga	59,000	-	-	-	59,000
Shri A. Ghosh §	10,000	-	-	-	10,000
Shri J. K. Surana	45,000	-	-	-	45,000
Shri M. M. Pyne	1,46,000	-	-	-	1,46,000
Shri B. R. Bhansali	10,000	-	-	-	10,000
Shri K. C. Mohta	-	27,60,000	15,62,270	7,45,200	50,67,470

* Includes Sitting Fee paid for Committee Meetings.

§ Shri Amitabha Ghosh resigned from the Board on 31.08.2013.

Details of Agreement

Name of Director	From	To	Tenure	Capacity
Shri H. Bangur *	08.08.2012	07.08.2017	5 years	As Executive Vice-Chairman
Shri K. C. Mohta *	04.05.2012	03.05.2017	5 years	As Executive Director

* For termination of agreement, the Company and the Executive Vice-Chairman and the Wholetime Director are required to give a notice of six months or six months' salary in lieu thereof.

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Company has constituted a CSR Committee.

The said Committee will formulate a CSR policy which will have activities envisaged in Schedule VII of the Companies Act, 2013.

(i) Terms of Reference

The broad terms of Reference of the Corporate Social Responsibility Committee are as under :

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (a) in a financial year;

- Monitor the Corporate Social Responsibility Policy of the Company from time to time.
- Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

Composition

The Corporate Social Responsibility Committee comprises of one Promoter Non-Executive Director, one Independent Non-Executive Director and one Professional Non-Promoter Executive Director & Chief Executive Officer namely Smt. Pushpa Devi Bangur, Shri M. K. Daga and Shri K. C. Mohta respectively. Smt. Pushpa Devi Bangur is the Chairperson of the Committee.

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6. STAKEHOLDERS' GRIEVANCE COMMITTEE

The Board of Directors of the Company had constituted a Share Transfer And Shareholders'/Investors' Grievance Committee to approve transfer/transmission/rematerialisation of shares; consolidation/splitting of folios; issue of duplicate share certificates etc. and oversee redressal of shareholders' and investors' grievances e.g. transfer of credit of shares, non-receipt of dividend/notice/annual reports etc. The Board has renamed this committee as 'Stakeholders Grievance Committee' w.e.f. May 14, 2014.

(i) Terms of Reference

The broad terms of Reference of the Stakeholders' 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.
- oversee the performance of the Company's Registrars and Transfer Agents.
- carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/amendment or modification as may be applicable.

(ii) Composition

The Stakeholders' Grievance Committee comprises of one Promoter Non-Executive Director, one Independent Non-Executive Director and one Professional Non-Promoter Executive Director & Chief Executive Officer namely Shri

G.D. Bangur, Shri M.M. Pyne and Shri K.C. Mohta respectively. Shri S. Bagree, Manager (Finance) & Company Secretary, is the Compliance Officer of the Company.

During the year under review, 27 (Twenty seven) Stakeholders' Grievance Committee Meetings were held. The attendance of the Members at the Stakeholders' Grievance Committee Meeting is as under :

Name of the Director	Status	No. of meetings attended
Shri G. D. Bangur	Chairman	27
Shri M. M. Pyne	Member	27
Shri K. C. Mohta	Member	27

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

The Board of Directors have authorized the Secretary to approve the transfer/transmission/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, 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. Details of Complaints received, redressed and pending during the financial year and reported under Clause 41 of the Listing Agreement are as under :

Pending at the beginning of the year	Received during the year	Redressed/Replied during the year	Pending at the year end
Nil	4	4	Nil

The normal period of redressal of grievance is two weeks from the date of receipt of letters/complaints. There was no unresolved complaint as on 31st March, 2014. There were no share transfers pending for registration on 31st March, 2014.

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7. ISSUE & ALLOTMENT COMMITTEE

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

(i) Terms of Reference

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

- a) notifying Registrar & Share Transfer Agents of the Company to issue share certificates for the shares to be allotted pursuant to any agreed scheme;

- b) notifying the stock exchange(s) for issue and allotment of shares;
- c) notifying the Registrar of Companies for issue and allotment of shares, through return of allotment;
- d) taking up any other duties as determined by the Board from time to time.

(ii) Composition

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

No meeting was held during the year.

8. GENERAL BODY MEETINGS

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

Financial Year	Date of Meeting	Time	Location
2010-2011	September 28, 2011	10.15 a.m.	Shripati Singhanian Hall, Rotary Sadan 94/2, Chowringhee Road, Kolkata-700 020
2011-2012	December 21, 2012	11.15 a.m.	Shripati Singhanian Hall, Rotary Sadan 94/2, Chowringhee Road, Kolkata - 700 020
2012-2013	August 31, 2013	11.15 a.m.	Shripati Singhanian Hall, Rotary Sadan 94/2, Chowringhee Road, Kolkata-700 020

- A special resolution was passed by the Company at the Annual General Meeting held on 28th September, 2011 amending the articles of association, pursuant to Section 31 of the Companies Act, 1956, for increasing the number of Directors from seven to twelve until otherwise determined by the Company in General Meeting.
- During the financial year 2012-13 a court convened meeting was held on 5th April, 2012 to consider the Scheme of Arrangement whereby the Cochin Plantation Division of The Cochin Malabar Estates And Industries Ltd. to demerge from The Cochin Malabar Estates And Industries Ltd. and to merge with Joonkoollee Tea And Industries Ltd.
- The last Annual General Meeting held on 31st August, 2013 was duly attended by the Chairman of the Audit Committee, Shri M.K. Daga and the Chairman of the Nomination & Remuneration Committee, Shri J.K. Surana.
- During the Financial Year ended 31/03/2014, no resolutions were passed through Postal Ballot.

9. SUBSIDIARY COMPANIES

Listed Subsidiary

The Company has withdrawn its nominations from its Board Controlled Subsidiary, The Cochin Malabar Estates & Industries Ltd. and as such The Cochin Malabar Estates & Industries Ltd. ceased to be a Subsidiary of the Company w.e.f. 7th October, 2013.

Non-listed Subsidiary

The Company has one non-material Non-listed Subsidiary Company and two material Non-listed Subsidiary Companies. It has appointed independent directors of the Company in each of such Subsidiary Companies. The Minutes of the meetings of the Board of Directors of these Subsidiary Companies are periodically placed before the Board of Directors of the Company and attention of the Directors is drawn to the significant transactions and arrangements entered into by the Subsidiary Companies.

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10. 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 :**

Compliance of the Accounting Standards as applicable to the Company has been ensured in the Financial Statements for the year ended March 31, 2014.

(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. Risks & Concerns and its management, analysis and process form the part of Directors' Report attached to this Annual report.

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

The Company has adopted a Whistle Blower Policy and has established the necessary mechanism, for employees to report concerns about unethical behavior or suspected fraud in violation of Company's Code of Conduct or any other point of concern.

(f) **Sexual Harassment Policy :**

The Company has adopted sexual harassment policy and has established necessary mechanism for protection of women from sexual harassment at work place.

(g) **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 would comprise Members of the management one level below the Executive Director, including all functional heads. For the year under review, all the Directors and the 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 given by the Executive Director & Chief Executive Officer of the Company is annexed alongwith this report. The Code has been posted on the website of the Company, www.joonktolleetea.in.

(h) **Code of Conduct for the Independent Directors :**

The Board of Directors has adopted the Code of Conduct for the Independent Directors in terms of requirement of the Companies Act, 2013.

(i) **Plant Protection Code :**

The Company is in the process of adopting Plant Protection Code based on the guidelines issued by the Tea Board of India for protection of plants in the tea gardens of the Company.

(j) **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.

(k) **CEO / CFO Certification :**

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.

(l) **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, 2014 have been prepared as per the Accounting Standard and Policies.

Report on Corporate Governance

(m) Compliance with Corporate Governance Norms :

The Company has complied with all the mandatory requirements of the Code of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange(s). The Company has submitted the compliance report in the prescribed format to the Stock Exchange(s) for the quarters ended 30th June, 2013, 30th September, 2013, 31st December, 2013 and 31st March, 2014.

(n) Corporate Governance Voluntary Guidelines 2009 :

The Ministry of Corporate Affairs in the year 2009 announced a set of voluntary guidelines on Corporate Governance. The Company in line with its stated policy of being committed to the principles and practices of good Corporate Governance, is in compliance with many of these guidelines, as reported in the earlier paragraphs.

(o) Observance of the Secretarial Standards issued by the Institute of Company Secretaries of India :

The Institute of Company Secretaries of India (ICSI), one of India's premier professional bodies, has issued Secretarial Standards on important aspects like Board meetings, General meetings, Payment of Dividend, Maintenance of Registers and Records, Minutes of Meetings, Transmission of Shares and Debentures, Passing of Resolutions by Circulation, Affixing of Common Seal and Board's Report. Although these standards, as of now, are recommendatory in nature, the Company substantially adheres to these standards voluntarily.

11. MEANS OF COMMUNICATION

- (a) As the quarterly and annual audited financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board/Committee and published in 'The

Economic Times' and 'Arthik Lipi', the same are not separately sent to each household of shareholders.

- (b) The results are being uploaded on the website at www.joonktolleetea.in. Distribution of shareholdings is also displayed on the website.
- (c) Company has not made any official news release and presentations to any institutional investors/analysts during the year.
- (d) **SEBI Complaints Redress System (SCORES) :**

The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

- (e) **Designated Exclusive Email-id :** The Company has designated the following email-id exclusively for investor servicing :
investors@joonktolleetea.in

12. NON-MANDATORY REQUIREMENTS :

- (a) There are no qualifications in the Audit Report for the year 2013-14.
- (b) The Company is in the process of implementation of Non mandatory requirements of Clause 49 of the Listing Agreement.

13. MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

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

14. GENERAL SHAREHOLDER INFORMATION :

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

On behalf of the Board

K. C. Mohta

*Executive Director &
Chief Executive Officer*

H. Bangur

Executive Vice-Chairman

Place : Kolkata

Date : 14th May, 2014

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(i) Company Registration Details :

The Company is registered in the State of West Bengal, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L01132WB1900PLC000292.

(ii) Annual General Meeting :

Day	Date	Time	Venue
Tuesday	August 26, 2014	11.15 A.M.	“Shripati Singhanian Hall” Rotary Sadan, 94/2, Chowringhee Road Kolkata-700 020

(iii) Financial Year : April 1, 2014 to March 31, 2015

(iv) Financial Calendar (tentative) :

June 30, 2014	Second week of August, 2014
September 30, 2014	Second week of November, 2014
December 31, 2014	Second week of February, 2015
March 31, 2015	Within May, 2015

(v) Date of Book Closure :

Day	Date	To	Day	Date
Tuesday	August 19, 2014		Tuesday	August 26, 2014

(vi) Dividend Payment Date :

Credit/dispatch of dividend warrants between **27th August, 2014 to 31st August, 2014.**

(vii) Listing on Stock Exchanges:

A) Equity Shares

The Calcutta Stock Exchange Ltd.
7, Lyons Range, Kolkata - 700 001
Scrip Code : 10020009

BSE Limited (BSE)
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001
Scrip Code : 538092

Shareholder Information

The Company's shares are now directly listed on BSE Limited w.e.f. April 10, 2014.

Demat ISIN No. for NSDL & CDSL : INE574G01013

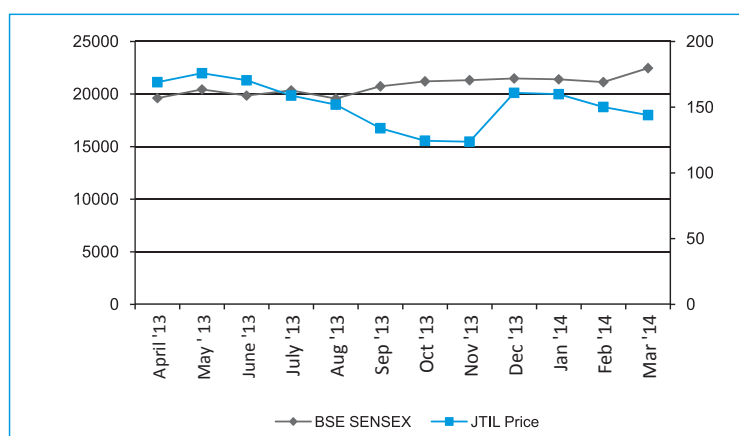
B) Payment of Listing Fees : Annual listing fees for the year 2014-15 has been paid by the company to CSE & BSE.

C) Payment of Depository Fees : Annual Custody/Issuer fee for the year 2014-15 has been paid by the Company to NSDL and CDSL.

(viii) Stock Market Price Data

There were no transactions in the equity shares of the Company at The Calcutta Stock Exchange, hence there is no monthly high and low quotations and volume of shares traded on the Stock Exchange during the year. However, the month-wise high, low of the market price of the Company's shares traded on Bombay Stock Exchange along with month-wise high, low of the BSE SENSEX are as under :

Months	Stock Price at BSE		BSE SENSEX	
	High (₹)	Low (₹)	High	Low
April, 2013	169.00	120.00	19622.68	18144.22
May, 2013	175.95	137.00	20443.62	19451.26
June, 2013	170.55	132.20	19860.19	18467.16
July, 2013	158.85	131.25	20351.06	19126.82
August, 2013	152.00	123.55	19569.20	17448.71
September, 2013	134.00	114.95	20739.69	18166.17
October, 2013	124.45	107.40	21205.44	19264.72
November, 2013	123.75	109.50	21321.53	20137.67
December, 2013	161.00	115.00	21483.74	20568.70
January, 2014	160.00	120.30	21409.66	20343.78
February, 2014	150.15	127.85	21140.51	19963.12
March, 2014	144.00	127.10	22467.21	20920.98



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Shareholder Information

(ix) Registrar And Share Transfer Agent :

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

M/s. Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor
Kolkata - 700 001
Phone : (033) 2243-5029/5809
Fax No. :(033) 2248-4787
E-mail : mdpl@cal.vsnl.net.in

(x) Share Transfer System :

Requests for transfer/transmission of shares are registered by the Registrars and placed before the Stakeholders' Grievance Committee and after approval certificates are returned to the respective transferee within a period of fifteen days, provided the documents lodged with the Registrars/Company are clear and complete in all respects. A total of 5,589 shares were transferred/transmitted/ rematerialized / sub-divided / endorsed during the year 2013-14. The dematerialized shares are credited directly to the respective Demat Account of beneficiaries by the Depositories.

(xi) A) Distribution of Shareholding as on March 31, 2014 :

Category	No. of Shares Held	% of Share Capital
A. PROMOTER'S HOLDING		
1. Promoters		
a. Indian Promoters	30,59,338	73.8578
b. Foreign Promoters	–	–
Total	30,59,338	73.8578
B. NON-PROMOTER'S HOLDING		
2. Institutional Investors		
a. Mutual Funds	–	–
b. Banks, Financial Institutions, Insurance Companies	2,58,378	6.2377
c. FIIs	–	–
Total	2,58,378	6.2377
3. OTHERS		
a. Bodies Corporate	68,777	1.6604
b. Indian Public	7,21,530	17.419
c. NRIs/OCBs	17,354	0.419
d. Any Other	16,824	0.4062
Total	8,24,485	19.9046
GRAND TOTAL	4,14,2201	100.0000

Shareholder Information

B) Shareholding Pattern by Size as on March 31, 2014:

Category	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
Upto 500	4,320	95.6175	276138	6.6665
501 to 1000	99	2.1912	69512	1.6781
1001 to 2000	41	0.9075	53551	1.2928
2001 to 3000	17	0.3763	42000	1.0140
3001 to 4000	2	0.0443	6930	0.1673
4001 to 5000	3	0.0664	14175	0.3422
5001 to 10000	9	0.1992	64390	1.5545
10001 and above	27	0.5976	3615505	87.2846
GRAND TOTAL	4,518	100.0000	4142201	100.0000

C) Build up of Equity Share Capital :

Sl. No.	Particulars	Allotment Date	No. of Shares
1	Subscribers to Memorandum	Aug, 1874	7
2	80 Equity Shares of ₹ 1,000/- each	Jan, 1875	80
3	Sub-divided into 8,000 Equity Shares of ₹ 10/- each	Jun, 1915	8,000
4	Issue of 4,000 Equity Shares	Nov, 1947	4,000
5	Bonus Issue	Dec, 1957	48,000
6	Bonus Issue	Jun, 1961	60,000
7	Bonus Issue	May, 1967	30,000
8	Bonus Issue	Jun, 1974	50,000
9	Bonus Issue	May, 1977	1,00,000
10	Bonus Issue	Sep, 1999	1,50,000
11	Issued to Shareholders of Kalasa Tea & Produce Co. Ltd. pursuant to Scheme of Amalgamation	Apr, 2002	3,51,825
	Issued to Shareholders of Cowcoody Estates Ltd. pursuant to Scheme of Amalgamation	Apr, 2002	2,94,163
12	Scheme of Arrangement & Amalgamation	Nov, 2008	21,37,659
13	Issued to Shareholders of Jamirah Tea Co. Ltd. pursuant to Scheme of Amalgamation	Aug, 2010	22,600
14	Issued to Shareholders of The Cochin Malabar Estates and Industries Ltd. pursuant to Scheme of Amalgamation	Feb, 2013	8,85,954
	Total Equity as on 31st March, 2014		41,42,201

Shareholder Information

(xii) Corporate Benefits to Investors:

A) Dividend Declared for the last 10 Years :

Financial Year	Dividend Declaration	Dividend per Share (₹)
Financial Year		
2003-04	25th September, 2004	1.00
2004-05	5th September, 2005	1.50
2005-06	23rd September, 2006	1.50
2006-07	22nd December, 2007	1.50
2007-08	29th November, 2008	1.50
2008-09	2nd September, 2009	1.50
2009-10	29th September, 2010	2.50
2010-11	28th September, 2011	2.50
2011-12	21st December, 2012	2.50
2012-13	31st August, 2013	3.00

Note : Dividend of ₹ 6/- per share recommended by the Directors on 14th May, 2014 is subject to declaration by the Shareholders at the Annual General Meeting.

B) Bonus Issues of Fully Paid-up Equity Shares :

Financial Year	Ratio
1957-58	1:4
1961-62	1:1
1967-68	4:1
1974-75	3:1
1977-78	2:1
1999-00	2:1

(xiii) Dematerialisation of Shares And Liquidity :

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

Status of Dematerialisation as on 31st March, 2014 was as under :

Particulars	No. of Shares	% to Total Capital	No. of Accounts
National Securities Depository Limited	20,53,614	49.5778	1,532
Central Depository Services (India) Limited	18,00,162	43.4591	744
Total Dematerialised	38,53,776	93.0369	2,276
Physical	2,88,425	6.9631	2,242
Grand Total	41,42,201	100.0000	4,518

Shareholder Information

(xiv) Transfer of unpaid/unclaimed amounts to Investor Education and Protection Fund :

During the year under review, the Company has credited ₹ 98,865/- lying in the unpaid / unclaimed dividend account, to the Investor Education and Protection Fund (IEPF) pursuant to Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 31, 2013 (date of last Annual General Meeting) on the website of the Company (www.joonktolleetea.in), as also on the Ministry of Corporate Affairs website.

(xv) 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 Instruments as on 31st March, 2014.

(xvi) Reconciliation of Share Capital :

As stipulated by SEBI, a Qualified Practising Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit confirms that the total Listed and Paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form.

(xvii) Locations:

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

TEA

Joonktollee Tea Estate & Factory

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

Shree Ganga Tea Estate

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

Goomankhan Tea Estate & Factory

Hirebile P.O.577121
Dist. Chikmagalur, Karnataka

Kolahalmedu Tea Estate

Vagamon Post
P.O. Pullikanam-685503
Dist. Idukki, Kerala

COFFEE

Cowcoody Estate & Factory

Somwarpet-571236
Dist. Coorg, Karnataka

Jamirah Tea Estate & Factory

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

Nilmoni Tea Estate & Shreemoni Tea Factory

P.O. Tinkhong-786 112
Rajgarh, Assam

Pullikanam Tea Estate & Factory

Vagamon Post
P.O. Pullikanam-685503
Dist. Idukki, Kerala

RUBBER

Chemoni, Pudukad & Eichipara Estate & Factory

P.O. Palapilly-680304
Dist. Trichur, Kerala

Shareholder Information

B. Administrative Offices are located at :

KOLKATA

21, Strand Road
Kolkata-700 001
West Bengal

COIMBATORE

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

C. Branches / Sales Depots are located at :

AHMEDABAD

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

HUBLI

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

JAIPUR

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

MUMBAI

45/46, Ali Chambers
N.M. Road, Mumbai - 400 023
Maharashtra

(xviii) Address for correspondence :

Physical Shares

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor
Kolkata-700 001
Telephone : 91 33 2243-5029/5809
Fax : 91 33 2248-4787
E-mail : mdpl@cal.vsnl.net.in

Demat Shares

Respective Depository Participants of the shareholders.

Investors may also write to or contact Mr. S. Bagree, Manager (Finance) & Company Secretary at the Registered Office for any assistance that they may need.

Telephone : 91 33 2230 0780
Fax : 91 33 2230 2105
E-mail : investors@joonktolleeta.in

Addresses of regulatory authority / stock exchanges

Securities and Exchange Board of India

Plot No.C40A, G Block, Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Telephone No.91 22 2644 9000 / 91 22 4045 9000
Fax No. 91 22 2644 9019 to 9022

The Calcutta Stock Exchange Ltd.

7, Lyons Range, Kolkata - 700 001
Telephone : 91 33 4025 3000
Fax : 91 33 4025 3030

Shareholder Information

BSE Limited

Phiroze Jeejeebhoy Towers, 25th Floor
Dalal Street, Mumbai 400 001
Scrip Code : 538092
Telephone : 91 22 2272 1234
Fax : 91 22 2272 1003

National Securities Depository Limited

Trade World, A Wing, 4th and 5th Floor
Kamala Mills Compound
Senapathi Bapat Marg, Lower Parel
Mumbai 400 013
Telephone : 91 22 2499 4200
Fax : 91 22 2497 6351

Central Depository Services (India) Limited

Phiroze Jeejeebhoy Towers, 17th Floor
Dalal Street, Fort, Mumbai 400 001
Telephone : 91 22 2272 3333
Fax : 91 22 2272 3199

(xix) Brief Resume of Directors seeking appointment / re-appointment

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

(xx) Compliance Certificate of the Auditors :

Certificate from Ms. Sweety Kapoor, a practicing Company Secretary, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49, is attached to the Corporate Governance Report forming part of the Directors' Report.

This Certificate has also been forwarded to the Stock Exchanges where the securities of the Company are listed.

On behalf of the Board

Place : Kolkata
Date : 14th May, 2014

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

H. Bangur
Executive Vice-Chairman

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DECLARATION BY THE EXECUTIVE DIRECTOR & CHIEF EXECUTIVE OFFICER ON CODE OF CONDUCT

This is to certify that all the Members of the Board of Directors and Senior Management (i.e. one level below the Executive Director) of the Company, have confirmed compliance with the Company's Code of Conduct during April, 2013 to March, 2014.

For **JOONKTOLLEE TEA & INDUSTRIES LTD.**

Place : Kolkata
Date : 14th May, 2014

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

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

To
The Members of
Joonktollee Tea & Industries Ltd.

I have examined the compliance of the conditions of Corporate Governance by Joonktollee Tea & Industries Ltd. for the financial year ended 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

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

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

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

Place : Kolkata
Dated : 14th May, 2014

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

CEO AND CFO CERTIFICATION

We, K.C. Mohta, Executive Director & Chief Executive Officer and B.L. Dhanuka, Chief Financial Officer of Joonktollee Tea & Industries Limited, certify that :

- a) We have reviewed financial statements and the cash flow statement for the year and that 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) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which 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 that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - i) there were no significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) there were no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **JOONKTOLLEE TEA & INDUSTRIES LTD.**

Place : Kolkata
Date : 14th May,2014

B. L. Dhanuka
Chief Financial Officer

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

Secretarial Audit Report

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

I have examined the registers, records and documents of Messrs Joonktollie Tea & Industries Limited (the 'Company') for the financial year ended on 31st March, 2014 according to the provisions of :

- The Companies Act, 1956 and the Rules made thereunder read with the applicable provisions of the Companies Act, 2013;
- The Depositories Act, 1996 and the Regulations and Bye-Laws framed under that Act;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (the 'SEBI Act');
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- The Securities Contract (Regulations) Act, 1956 (SCRA) and the Rules made thereunder;
- The Equity Listing Agreement with Calcutta Stock Exchange Ltd. and the Bombay Stock Exchange Ltd.

1. Based on my examination and verification of the registers, records and documents produced to me and according to the information and explanations given to me by the Company, I report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 read with the applicable provisions of the Companies Act, 2013 (the 'Act') and the Rules made there under and the Memorandum and Articles of Association of the Company, with regard to :

- a) Maintenance of various statutory registers and documents and making necessary entries therein;
- b) Closure of the Register of Members. As there

are no debentures standing in the books of the company there is no Debenture holders Register;

- c) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies;
- d) Service of documents by the Company on its Members, and the Registrar of Companies, West Bengal;
- e) Notice of Board meetings and Committee meetings of directors;
- f) The meeting of the Directors and Committees of directors including passing of resolutions by circulations;
- g) The 139th Annual General Meeting held on 31st August, 2013;
- h) Minutes of the proceedings of General Meeting and of Board and its Committee meetings;
- i) Approvals of members, the Board of Directors, the Committee of Directors and government authorities wherever required;
- j) Constitutions of the Board of Directors/ Committee(s) of Directors and appointment, retirement and re-appointment of Directors including the Executive Vice-Chairman and Whole Time Director;
- k) Payment of remuneration to the Directors including the Executive Vice-Chairman and Whole Time Directors;
- l) Cost Auditors were appointed as per the applicable provisions of the Act and Cost Audit was duly carried out;
- m) Transfers and transmission of the Company's shares, issue and allotment of shares and issue and delivery of original and duplicate certificates of shares;
- n) Declaration of and payment of Dividend;
- o) Transfer of certain amounts as required under the Companies Act, 1956 to the Investor Education and Protection Fund;
- p) Borrowings and registration, modification and satisfaction of charges;
- q) Investment of the company's funds including inter

Secretarial Audit Report

- corporate loans and investments and loans to others;
- r) No guarantees were given in connection with loan taken by third party;
 - s) Form of Balance Sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
 - t) Contracts, common seal, registered office and publication of name of the company; and
 - u) Generally all other applicable provisions of the Act and the Rules made under that Act.
2. I further report that :
- a) the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities;
 - b) the Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the code of Business Conduct & Ethics for Directors and Management Personnel;
 - c) the Company has obtained all necessary approvals under the various provisions of the Act;
 - d) there was no prosecution initiated against the Company and no fines or penalties were imposed on the Company during the year under review under the Companies Act, SEBI Act, SCR Act, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against the Company, its Directors and Officers as per the written representation received from the Company.
3. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye-Laws framed thereunder by the Depositories with regard to dematerialization/rematerialization of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
4. I further Report that :
- a) the Company has complied with the requirements under the Equity Listing Agreement entered into with the Calcutta Stock Exchange Ltd. and Bombay Stock Exchange Ltd.;
 - b) the Company has complied with the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the regulations;
 - c) the Company has complied with the provisions of The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosure and maintenance of records required under the regulations;
 - d) the Company has not issued any securities under The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 during the period under review and hence there is nothing to report.

S. K. Jain

Place : Kolkata
Date : 7th day of May, 2014

Practicing Company Secretary
C. P. No. 4077

Independent Auditors' Report

To The Members of,
Joonktollie Tea & Industries Limited

We have audited the accompanying financial statements of **JOONKTOLLEE TEA & INDUSTRIES LIMITED ("the Company")**, which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with general circular 15/2013 dated 13th September 2013 by Ministry of Company Affairs in respect of section 133 of the Companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial

statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with general circular 15/2013 dated 13th September 2013 by Ministry of Company Affairs in respect of section 133 of the Companies Act 2013;
 - e) On the basis of written representations received from the directors as on March 31st, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of
SINGHI & CO.

Chartered Accountants
Firm Registration No. 302049E

Gopal Jain

Partner

Place : Kolkata

Date : 14th day of May, 2014

Membership No. 059147

Annexure to Auditors' Report

THE ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE OUR REPORT OF EVEN DATE TO THE MEMBERS OF JOONKTOLLEE TEA & INDUSTRIES LIMITED ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH, 2014.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) According to the information and explanation given to us, based on a phased manner, the fixed assets of the Company have been physically verified by the management and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (a) According to the information and explanation given to us, the inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have been substantially confirmed by them. In our opinion, the frequency of verification is reasonable.
(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. (a) As per the information and explanations given to us, the Company has not granted any loans secured/unsecured to companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Hence, clauses 3(b), (c) and (d) of the order are not applicable to the Company.
(e) As per the information and explanations given to us, the Company has not taken any loans secured or unsecured from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Accordingly clauses (f) and (g) of the order are not applicable.
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. 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

Annexure to Auditors' Report

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, 2014 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales tax, wealth tax, service tax, customs duty, excise duty and cess as at 31st March, 2014 which have not been deposited on account of any dispute. The particulars of dues of income tax as at 31st March, 2014 which have not been deposited on account of dispute as are as under.

Nature of Statute	Nature of dues	Amount in ₹ lacs	Period	Forum where dispute is pending
Income Tax Act	Income tax demand	202.81	A.Y 2003-04 to 2011-12	Commissioner of Income Tax Appeals

10. The Company has no accumulated losses as at 31st March, 2014 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/societies are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities. According to information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. All the investments have been held by the Company in its own name.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, no funds raised on a short-term basis have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debenture during the year and there is no debenture outstanding at the year-end.
20. The Company has not raised any money by public issue during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For and on behalf of
SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

Gopal Jain
Partner

Place : Kolkata
Date : 14th day of May, 2014

Membership No. 059147

Balance Sheet

As at 31st March, 2014

(Amount in ₹)

	Notes	As at 31st March, 2014		As at 31st March, 2013	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	2.1	41,422,010		41,422,010	
Reserves and Surplus	2.2	1,275,094,961	1,316,516,971	1,243,544,405	1,284,966,415
Non-Current Liabilities					
Long-Term Borrowings	2.3	164,583,334		106,517,188	
Deferred Tax Liabilities (Net)	2.4	3,925,280		2,009,813	
Long-Term Provisions	2.5	6,962,694	175,471,308	6,962,694	115,489,695
Current Liabilities					
Short-Term Borrowings	2.6	169,511,618		168,528,982	
Trade Payables	2.7	33,276,017		31,943,740	
Other Current Liabilities	2.8	158,753,896		45,523,005	
Short-Term Provisions	2.5	53,417,279	414,958,810	106,408,810	352,404,537
TOTAL			1,906,947,089		1,752,860,647
ASSETS					
Non-Current Assets					
Fixed Assets :	2.9				
- Tangible Assets		758,589,317		747,828,250	
- Intangible assets		1,054,628		1,706,576	
- Capital Work-In-Progress		5,463,365	765,107,310	10,860,616	760,395,442
Non-Current Investments	2.10	448,925,279		456,770,790	
Long-Term Loans and Advances	2.11	78,468,979	527,394,258	115,049,369	571,820,159
Current Assets					
Inventories	2.12	129,521,456		99,624,710	
Trade Receivables	2.13	22,151,229		29,114,276	
Cash and Bank Balances	2.14	283,926,690		12,749,079	
Short-Term Loans and Advances	2.11	159,950,223		223,357,074	
Other Current Assets	2.15	18,895,923	614,445,521	55,799,907	420,645,046
TOTAL			1,906,947,089		1,752,860,647
Significant Accounting Policies	1				

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

As per our report of even date annexed.

For and on behalf of

SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

Gopal Jain

Partner

Membership No. 059147

Place : Kolkata

Dated : 14th May, 2014

B. L. Dhanuka

Chief Financial

Officer

S. Bagree

Manager (Finance) &

Company Secretary

G. D. Bangur Chairman

H. Bangur Executive Vice-Chairman

P. D. Bangur Director

M. K. Daga Director

J. K. Surana Director

M. M. Pyne Director

B. R. Bhansali Director

K. C. Mohta Executive Director

Statement of Profit and Loss

For the year ended 31st March, 2014

(Amount in ₹)

	Notes	For the year ended 31st March, 2014	For the year ended 31st March, 2013
INCOME			
Revenue from Operations	2.16	877,180,805	858,827,480
Other Income	2.17	148,619,159	45,006,209
TOTAL		1,025,799,964	903,833,689
EXPENSES			
Cost of Materials Consumed	2.18	190,241,459	114,423,083
(Increase)/Decrease in Inventories of Finished Goods and Semi Finished Goods	2.19	(30,544,071)	22,131,013
Employee Benefits Expense	2.20	377,649,350	370,801,716
Finance Costs	2.21	43,651,363	31,040,129
Other Expenses	2.22	323,179,021	232,567,578
TOTAL		904,177,122	770,963,519
Profit before Tax, Depreciation and Amortization		121,622,842	132,870,170
Depreciation and Amortization Expense	2.23	33,114,093	22,758,458
Profit before Tax		88,508,749	110,111,712
Tax Expense :			
Current Tax		28,500,000	18,200,000
Deferred Tax		1,915,466	(2,878,400)
Profit for the year		58,093,283	94,790,112
Basic & Diluted Earnings Per Share [nominal value ₹ 10/-] (Refer Note No.2.24.Q)		14.02	22.88
Significant Accounting Policies	1		

The accompanying notes 2.1 to 2.24 are an integral part of the Financial Statements.
As per our report of even date annexed.

For and on behalf of

SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

Gopal Jain

Partner

Membership No. 059147

Place : Kolkata

Dated : 14th May, 2014

B. L. Dhanuka

Chief Financial

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P. D. Bangur Director

M. K. Daga Director

J. K. Surana Director

M. M. Pyne Director

B. R. Bhansali Director

K. C. Mohta Executive Director

Cash Flow Statement

For the year ended 31st March, 2014

(Amount in ₹)

	2013 - 2014		2012 - 2013	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax and extra ordinary items		88,508,749		110,111,712
Adjustments for :				
Depreciation	33,114,093		22,758,458	
Loss/(Profit) on Sale/discard of Fixed Assets (net)	458,860		599,827	
Profit on Sale of Investment	(7,312,332)		-	
Interest and Dividend Income	(137,627,334)		(36,071,516)	
Finance Cost	43,651,363		31,040,129	
Provision for Diminution in value of long term Investment	10,006,274		-	
Provision for Obsolescence of Stores	1,004,073		-	
Sundry Credit balance no longer required written back	(705,341)		(4,964,805)	
Bad Debts & Provision for doubtful debts/Advances/ Investment (Net)	30,693	(57,379,651)	12,823	13,374,916
Operating Profit before working capital changes		31,129,098		123,486,628
Adjustments for :				
Trade Receivables, Current Assets and Loans & Advances	(6,294,152)		(50,739,195)	
Inventories	(30,900,819)		18,797,756	
Trade Payables, Current Liabilities and Provisions	(57,144,113)	(94,339,084)	12,288,332	(19,653,107)
Cash Generated from Operations		(63,209,986)		103,833,521
Direct Taxes (Paid)/Refund received (Net)		(37,304,977)		(12,404,085)
Net Cash from Operating Activities		(100,514,963)		91,429,436
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets/CWIP/Capital Advance	(47,885,836)		(115,346,053)	
Sale of Fixed Assets	1,640,564		591,094	
(Purchase)/Sale of Investments	5,150,569		-	
Investment in Fixed Deposits	(100,008,953)		-	
Loans to Corporates (Net)	(105,000,000)		(6,905,590)	
Advance to/from subsidiary (Net)	238,479,105		-	
Interest Received	166,393,999		876,030	
Dividend Received	1,132,625		21,270	
Net cash used in Investing Activities		159,902,073		(120,763,249)
		59,387,110		(29,333,813)

Cash Flow Statement

For the year ended 31st March, 2014

(Amount in ₹)

	2013 - 2014		2012 - 2013	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings	203,550,001		54,939,852	
Payments of Long Term Borrowings	(31,517,185)		(6,330,007)	
Proceeds from Other Borrowings (Net)	982,636		22,204,588	
Interest paid	(45,940,956)		(31,040,129)	
Dividends Paid (including Tax on Dividend)	(15,629,972)		(8,668,863)	
Net Cash from/(used in) Financing Activities		111,444,524		31,105,441
Net Change in Cash and Cash Equivalents		170,831,634		1,771,628
Cash and Cash Equivalents - Opening Balance		11,687,066		9,915,438
Cash and Cash Equivalents - Closing Balance		182,518,700		11,687,066

Notes :

- Cash and cash equivalents consists of cash on Hand and balances with banks in current/Cash Credit accounts as per note 2.14.
- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on Cash Flow Statement as notified under The Companies Accounting Standard Rules 2006.
- Previous year's figures have been regrouped/rearranged wherever necessary.
- Cash and cash equivalents consists of :

	2013 - 2014		2012 - 2013	
Cash on hand		5,115,315		3,592,260
Bank Balance		177,403,385		8,094,806
Total		182,518,700		11,687,066

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

For and on behalf of

SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

Gopal Jain

Partner

Membership No. 059147

Place : Kolkata

Dated : 14th May, 2014

B. L. Dhanuka

Chief Financial

Officer

S. Bagree

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G. D. Bangur Chairman

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P. D. Bangur Director

M. K. Daga Director

J. K. Surana Director

M. M. Pyne Director

B. R. Bhansali Director

K. C. Mohta Executive Director

Notes to Financial Statements

As at and for the year ended 31st March, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

a) Accounting Convention

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

b) Use of Estimates

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

c) Fixed Assets and Depreciation

Fixed Assets

- i) Tangible Fixed Assets are stated at their original cost less depreciation. Cost includes incidental expenses. Profits or losses on sale of tangible fixed assets are included in the statement of profit and loss and calculated as difference between the value realized and book value. Capital work-in-progress is stated at cost.
- ii) Items of machinery spares to be used in connection with an item of tangible fixed assets are amortized over the useful life of the assets.
- iii) Land taken on perpetual lease is capitalized together with development expenditure incurred on the same.

Depreciation

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

d) Government Grants

Grants and subsidies from the Government are

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

Government grants related to specific tangible fixed assets are deducted from gross value of related assets in arriving at their book value. Government grants related to revenue are recognized in the statement of profit and loss.

e) Investment

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

f) Inventories

- i) Stock of finished rubber, tea, coffee and minor produce (i.e. pepper and cardamom) are valued at cost (determined on weighted average basis) or net realizable value whichever is lower.
- ii) Stock of stores and spare parts are valued at cost (using the weighted average cost basis) or net realizable value which ever is lower.
- iii) Cost comprises all direct and indirect expenses.
- iv) Net realizable value is the estimated selling price in ordinary course of business less estimated cost of completion and estimated cost necessary to make the sale.
- v) Materials and other items held for use in the production of inventories are not written down below the cost of the finished products in which they will be incorporated are expected to be sold at or above cost.
- vi) Provision is made for obsolete and slow moving stocks where necessary.

g) Foreign Currency Transactions

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

Standalone Financials	Balance Sheet
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	Cash Flow Statement
	Notes to Financial Statements

Notes to Financial Statements

As at and for the year ended 31st March, 2014

h) Revenue Recognition

Sales are recognized in the accounts on passing of titles of the goods, i.e. delivery as per terms of sales or completion of auction in case of auction sale. Sale of standing trees is accounted as and when they are removed and the proceeds are credited to the Statement of Profit & Loss. Other income with related tax credits and expenditure are accounted for on accrual basis.

i) 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.

j) Borrowing Costs

Borrowing costs, if attributable to qualifying assets (i.e. assets that necessarily take substantial period of time to get ready for its intended use or sale) are capitalized. Other borrowing costs are charged to Statement of Profit and Loss in the period they are incurred.

k) Taxes on Income

Current tax comprise of Income Tax and Wealth Tax that would be payable based on computation of tax as per taxation laws under the Income Tax Act, 1961 and under the respective state

Agricultural Income Tax Acts. Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets are not recognised unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Tax credit for Minimum Alternate Tax (MAT) is recognized when there is convincing evidence of its realisability against future normal tax liability.

l) Leases

i) For assets acquired under operating lease, rentals payable are charged to the Statement of Profit and Loss.

ii) For assets acquired under finance lease/hire purchase agreement, the assets are capitalized at lower of their respective fair value and present value of minimum lease payments after discounting them at an appropriate discount rate.

iii) Hire purchase charges are being amortized based on a constant periodic rate of interest on the remaining balance of the liability of each period.

m) Impairment

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

n) Provisions and Contingent Liabilities

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

Notes to Financial Statements

As at and for the year ended 31st March, 2014

(Amount in ₹)

	As at 31st March, 2014	As at 31st March, 2013
2.1 : SHARE CAPITAL		
Authorized :		
Equity Shares :		
1,12,49,000 Ordinary Shares of ₹ 10/- each	112,490,000	112,490,000
35,000 Ordinary Shares of ₹ 100/- each	3,500,000	3,500,000
Preference Shares :		
50,000 Redeemable Cumulative Shares of ₹ 10/- each	500,000	500,000
100, 13.5% Redeemable Cumulative Shares of ₹ 100/- each	10,000	10,000
	116,500,000	116,500,000
Issued :		
41,42,201 Ordinary Shares of ₹ 10/- each	41,422,010	41,422,010
(Previous year 41,42,201 Ordinary Shares of ₹ 10/- each)	41,422,010	41,422,010
Subscribed and Paid up :		
41,42,201 Ordinary Shares of ₹ 10/- each fully paid up	41,422,010	41,422,010
(Previous year 41,42,201 Ordinary Shares of ₹ 10/- each fully paid up)	41,422,010	41,422,010

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

	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	4,142,201	3,256,247
Shares Issued during the year pursuant to scheme of Amalgamation and Arrangement	-	885,954
Shares outstanding at the end of the year	4,142,201	4,142,201

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

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

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

	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	%	No. of Shares	%
Ordinary Shares of ₹ 10/- each fully paid up				
1) Kettlewell Bullen and Company Limited	538,838	13.01	538,838	13.01
2) The Oriental Company Limited	493,643	11.92	493,643	11.92
3) Gopal Das Bangur	487,788	11.78	487,788	11.78
4) Pushpa Devi Bangur	457,393	11.04	436,916	10.55
5) The Cambay Investment Corporation Limited	361,456	8.73	361,456	8.73
6) Life Insurance Corporation of India	246,493	5.95	246,493	5.95

Notes to Financial Statements

As at and for the year ended 31st March, 2014

- e) No Ordinary Shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment as at the Balance Sheet date.
- f) No Ordinary Shares have been bought back by the Company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.
- g) 30,46,213 (Previous year 30,46,213) Ordinary shares of ₹ 10/-each fully paid up have been issued pursuant to scheme of amalgamation and arrangement for consideration other than cash in immediately preceding five years.
- h) No securities convertible into Ordinary/Preference shares have been issued by the Company during the year.
- i) No calls are unpaid by any Director or Officer of the Company during the year. (Amount in ₹)

	As at 31st March, 2014	As at 31st March, 2013
2.2 : RESERVES AND SURPLUS		
Capital Reserves		
As per the last Financial Statements	701,260,038	597,728,411
Add : Adjustment due to Scheme of Arrangement	–	103,531,627
	701,260,038	701,260,038
Capital Redemption Reserve		
As per the last Financial Statements	41,600	41,600
Capital Reserve in the nature of Share Premium		
As per the last Financial Statements	69,839,105	69,839,105
Securities Premium		
As per the last Financial Statements	24,701,440	24,701,440
Revaluation Reserve (created on revaluation of land)		
As per the last Financial Statements	40,386,019	40,386,019
General Reserve		
As per the last Financial Statements	275,912,447	225,912,447
Add : Transferred from Surplus	30,000,000	50,000,000
	305,912,447	275,912,447
Surplus		
As per the last Financial Statements	131,403,756	41,437,678
Add : Adjustment due to Scheme of Arrangement	–	60,805,938
Add : Profit for the year	58,093,283	94,790,112
	189,497,039	197,033,728
Less : Appropriations		
Proposed Dividend	24,853,206	14,641,488
Corporate Dividend Tax	1,689,521	988,484
Transferred to General Reserve	30,000,000	50,000,000
Net Surplus	132,954,312	131,403,756
TOTAL	1,275,094,961	1,243,544,405

Notes to Financial Statements

As at and for the year ended 31st March, 2014

(Amount in ₹)

	Non-current portion		Current Maturities	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
2.3 : LONG-TERM BORROWINGS				
Secured				
Term Loan from banks	164,583,334	83,333,336	124,383,335	10,416,665
Loan from Life Insurance Corporation of India	–	23,183,852	–	–
Total Secured Borrowings	164,583,334	106,517,188	124,383,335	10,416,665
Amount disclosed under the head "Other Current Liabilities" (Note 2.7)	–	–	124,383,335	10,416,665
TOTAL	164,583,334	106,517,188	–	–

Security and Repayment Terms :

- Term Loan from a Bank amounting to ₹ 8,54,16,669/- together with working capital facility from the same Bank is secured by equitable mortgage of Jamirah Tea Estate and Pullikanam Tea Estate and also by way of hypothecation of current assets of Kerala Division. Out of the above ₹ 3,54,16,669/- has been prepaid during April, 2014 and balance loan is repayable in remaining 24 quarterly installments of ₹ 20,83,333/-.
- Term Loan from a Bank amounting to ₹ 5,35,50,000/- is secured by hypothecation of immovable fixed assets of Shreemoni Factory. The loan has been repaid fully in April, 2014.
- Term Loan from a Bank amounting to ₹ 15,00,00,000/- together with working capital facility from the same Bank is secured by exclusive charge on the title deeds of Nilmoni Tea Estate, current assets of Karnataka division both present and future. Out of the above loan, loan of ₹ 5,00,00,000/- is payable in remaining 12 quarterly installments starting June, 2014 and loan of ₹ 10,00,00,000/- is payable in 12 quarterly installments starting March, 2015.

	As at 31st March, 2014	As at 31st March, 2013
2.4 : DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Arising on account of :		
Accumulated Depreciation	10,010,266	3,668,229
Others	613,957	–
Less: Deferred Tax Assets		
Arising on account of :		
Section 43B of Income-tax Act	2,118,554	1,658,416
Unabsorbed depreciation	4,580,389	–
Deferred Tax Liabilities (Net)	3,925,280	2,009,813

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

Notes to Financial Statements

As at and for the year ended 31st March, 2014

(Amount in ₹)

	Long-term		Short-term	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
2.5 : PROVISIONS				
Provision for Employee Benefits				
Gratuity	–	–	5,864,744	68,244,198
Bonus	–	–	16,583,808	15,372,899
Leave	–	–	1,926,000	1,493,000
Other Provisions				
Provisions for Taxation (Net of advance)	6,962,694	6,962,694	2,500,000	5,668,741
Proposed Dividend	–	–	24,853,206	14,641,488
Corporate Dividend Tax ##	–	–	1,689,521	988,484
TOTAL	6,962,694	6,962,694	53,417,279	106,408,810

In view of favorable order from Hon'ble Supreme Court in case of other tea Company, the liability for dividend distribution tax has been provided to the extent of 40% of the proposed dividend.

	As at 31st March, 2014	As at 31st March, 2013
2.6 : SHORT TERM BORROWINGS		
Working Capital Borrowings		
From Banks (Secured)	169,511,618	168,528,982
TOTAL	169,511,618	168,528,982

Security and Charge :

- Working Capital Loan of ₹ 13,223/- is secured by way of hypothecation of entire movable Fixed Assets and Current Assets of Joonktollee Tea Estate and Factory and Current Assets of Nilmoni Tea Estate.
- Working Capital Loan of ₹ 9,92,75,961/- loan is secured by pledge of certain Fixed deposit.
- Working Capital Loan of ₹ 7,00,00,000/- is secured by way of exclusive charge on the title deeds of Nilmoni Tea Estate and the Current Assets of the Karnataka Division both present and future.
- Working Capital Loan of ₹ 2,22,434/- is secured by equitable mortgage of Jamirah Tea Estate and Pullikanam Tea Estate and also by way of hypothecation of current assets of Kerala Division.

	As at 31st March, 2014	As at 31st March, 2013
2.7 : TRADE PAYABLES		
For Goods and Services		
(Refer Note 2.24.J for details of dues to Micro, Small & Medium Enterprises)	33,276,017	31,943,740
TOTAL	33,276,017	31,943,740

Notes to Financial Statements

As at and for the year ended 31st March, 2014

(Amount in ₹)

	As at 31st March, 2014	As at 31st March, 2013
2.8 : OTHER CURRENT LIABILITIES		
Current maturities of Long Term Debt (See Note 2.3)	124,383,335	10,416,665
Employee Related Liability	11,189,477	10,849,682
Interest accrued but not due on Borrowings	276,406	4,824,496
Interest accrued and due on Borrowings	2,279,464	20,967
Unpaid and unclaimed dividends #	1,263,038	920,081
Short term deposits	383,392	459,856
Statutory Dues Payable	11,066,119	13,825,294
Amount payable for Capital Goods	6,569,213	1,862,588
Advances Received from Customers	1,343,452	2,343,376
TOTAL	158,753,896	45,523,005

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

Notes to Financial Statements

As at and for the year ended 31st March, 2014

	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 31.03.2013	Adj.on a/c of scheme (Net)	Additions	Disposals	Balance as at 31.03.2014	Adj.on a/c of scheme (Net)	Depreciation charge for the year	On disposals	Balance as at 31.03.2014	Balance as at 31.03.2013
2.9 : FIXED ASSETS										
(i) Tangible Assets										
Land * #										
- Freehold	48,936,796	-	-	-	48,936,796	-	-	-	-	48,936,796
- Leasehold	357,057,678	-	2,635,371	-	359,693,049	-	-	-	-	359,693,049
Buildings	216,548,980	-	6,379,898	212,496	222,716,382	82,984,987	9,727,203	135,304	92,576,886	132,851,080
Plant and Equipment	259,440,769	-	18,182,578	7,177,762	270,445,585	169,368,420	17,030,238	5,365,187	181,033,471	90,395,911
Furniture and Fixtures	17,353,670	-	277,361	103,769	17,527,662	11,835,151	1,133,808	79,595	12,889,364	5,409,196
Vehicles	45,489,542	-	1,894,115	889,478	46,494,179	31,592,229	4,004,319	773,661	34,822,887	13,907,341
Office equipment	6,020,473	-	148,622	717,398	5,451,697	4,131,394	500,217	647,732	3,983,879	1,660,289
Plantation/development	96,892,523	-	20,774,635	5,036,304	112,630,854	-	-	-	-	103,445,673
TOTAL	1,047,740,631	-	50,292,580	14,137,207	1,083,995,804	299,912,181	32,395,785	7,001,479	325,306,487	747,828,250
(ii) Intangible Assets										
Computer software	5,433,363	-	66,360	-	5,499,723	3,726,787	718,308	-	4,445,095	1,706,576
TOTAL	5,433,363	-	66,360	-	5,499,723	3,726,787	718,308	-	4,445,095	1,706,576
(iii) Capital Work In Progress										
TOTAL	-	-	-	-	-	-	-	-	-	5,463,365
GRAND TOTAL	1,053,173,794	-	50,358,940	14,137,207	1,089,395,527	303,638,968	33,114,093	7,001,479	329,751,582	760,395,442
Corresponding figures for previous year	779,716,325	164,630,699	121,636,053	12,809,283	1,053,173,794	235,211,725	22,758,458	2,484,336	303,638,968	749,534,826
Capital Work-in-Process										10,860,616
TOTAL										760,395,442

Note: The title deeds of immovable properties of Shreemoni Factory are in the process of transfer in the name of the Company.

* Land amounting to ₹ 10,67,166/- cannot be distinguished between freehold & leasehold. The same has been included under Freehold Land .

Title deeds in respect of land purchased in Assam during the years 1985, 1986, 1998 and 1999 amounting to ₹ 2,25,320/- (Previous year = ₹ 2,25,320/-) are under registration. However, the company is in the possession of the said land and is already under plantation. Such delay is on the part of relevant authorities.

Notes to Financial Statements

As at and for the year ended 31st March, 2014

As at 31st March, 2014	As at 31st March, 2013	Particulars	As at 31st March, 2014	As at 31st March, 2013
Number of Shares		2.10 : NON CURRENT INVESTMENTS	Amount in ₹	
		(Fully Paid up Equity Shares of ₹ 10 each, unless otherwise stated)		
		Long Term (Valued at Cost)		
		Trade Investment		
		In Subsidiary Company - Un-Quoted :		
63,135	63,135	- Gloster Real Estate Pvt. Ltd.	53,235,000	53,235,000
156,982	156,982	- Cowcoody Builders Pvt. Ltd.	147,082,000	147,082,000
212,271	212,271	- Pranav Infradev Co. Pvt. Ltd.	202,371,000	202,371,000
		In Subsidiary Company - Quoted		
-	406,420	The Cochin Malabar Estates & Ind. Ltd. ##	-	50,210,540
		Other Investment		
		In other Companies - Quoted		
437,294	-	The Cochin Malabar Estates & Ind. Ltd. ## &&	42,366,029	-
200	200	Camphor & Allied Products Ltd.	4,740	4,740
40	100	Duncan Industries Ltd. \$	1,665	1,665
138,680	138,680	The Phosphate Co. Ltd.	3,859,645	3,859,645
70	70	Goodrick Group Ltd.	3,245	3,245
102	60	Warren Tea Co. Ltd. *	183	425
102	-	James Warren Tea Ltd. **	242	-
1,260	1,260	Hindustan Lever Ltd. (Face Value of ₹ 1/- per share)	500	500
200	200	Apeejay Tea Ltd.	1,030	1,030
400	400	Essar Ports Ltd. ^	-	-
200	200	Essar Shipping Ltd.^	-	-
-	-	Beneficial interest in JTIL Share Trust ^^	-	-
		Investment In Government & Trusted Securities - Unquoted		
-	-	12 Years National Defence Certificate, 1983	-	1,000
		TOTAL NON-CURRENT INVESTMENT	448,925,279	456,770,790
Aggregate Book Value of Non-Current Quoted Investments			46,237,279	54,081,790
Aggregate Book Value of Non-Current Unquoted Investments			402,688,000	402,689,000
Aggregate Market Value of Non-Current Quoted Investments			54,915,977	60,794,702
Aggregate Amount of Diminution in the value of Investments			10,006,274	-

* Addition on account of Bonus Share received during the year.

** Received during the year on account of scheme of arrangement of Warren Tea Co. Ltd.

Ceased to be subsidiary company during the year.

\$ On account of reduction of number of shares pursuant to a scheme sanctioned by BIFR

^ Received at nil value in scheme of arrangement of an earlier year.

^^ Beneficial interest in JTIL Share Trust (trust) represents 150,263 shares (PY. 203,210) shares allotted to the trust under a scheme of arrangement in the previous year and held by trust exclusively for the benefit of the Company

&& Net of provision for diminution in the value of investment ₹ 10,006,274/- (Previous Year : ₹ Nil)

Notes to Financial Statements

As at and for the year ended 31st March, 2014

(Amount in ₹)

	Long-term		Short-term	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
2.11 : LOANS & ADVANCES				
(Unsecured & Considered good unless otherwise mentioned)				
Capital Advances	16,965,763	9,005,312	–	–
	16,965,763	9,005,312	–	–
Security Deposits	14,945,622	13,787,201	–	–
	14,945,622	13,787,201	–	–
Loan & Advances to Related Parties				
Debts of a erstwhile Subsidiary acquired - (Maximum amount outstanding during the year ₹ 52,427,000/- (Previous Year ₹ 52,427,000/-)	–	52,427,000	–	–
Advance to subsidiaries (Maximum amount outstanding during the year ₹ 191,052,105/- (Previous Year ₹ 188,512,105/-)	–	–	2,500,000	188,552,105
	–	52,427,000	2,500,000	188,552,105
Other Loans and Advances (Unsecured, Considered good unless otherwise mentioned)				
Deposit with Nabard	–	–	17,653,900	9,004,400
Deposit with Assam Financial Corporation	–	–	5,310,000	1,510,000
Advance Tax and TDS (Net of provisions)	20,224,875	14,588,638	–	–
MAT credit Entitlement			1,800,000	1,800,000
Advance Receivable in cash or in kind *	23,788,678	22,388,788	18,634,407	14,541,718
Loans to Companies	–	–	105,000,000	–
Prepaid Expenses	–	–	2,411,537	2,532,752
Loan/Advance to Employees	761,000	1,069,389	5,130,457	3,784,661
Balances with Government & Statutory Authorities **	1,783,041	1,783,041	276,585	398,101
Income Tax Refundable	–	–	1,233,337	1,233,337
	46,557,594	39,829,856	157,450,223	34,804,969
TOTAL	78,468,979	115,049,369	159,950,223	223,357,074

* Includes payment under protest ₹ 23,788,678/- (Previous Year - ₹ 22,388,788/-)

** Includes payment under protest ₹ 1,783,041/- (Previous Year - ₹ 1,783,041/-)

Notes to Financial Statements

As at and for the year ended 31st March, 2014

(Amount in ₹)

	As at 31st March, 2014	As at 31st March, 2013
2.12 : INVENTORIES		
(As valued and certified by the Management)		
Finished Goods	76,510,643	58,447,091
Semi-Finished Goods	14,635,659	2,155,140
Stores and Spares (net of obsolescence)	38,375,154	39,022,479
TOTAL	129,521,456	99,624,710
Details of Inventories :		
	Finished Goods	
Tea	21,519,052	19,816,197
Coffee	26,158,500	23,298,900
Rubber - Semi-Finished	14,635,659	2,155,140
Rubber - Finished	26,566,114	14,190,646
Minor Produce	2,266,977	1,141,348
TOTAL	91,146,302	60,602,231
2.13 : TRADE RECEIVABLES		
Outstanding for a period exceeding six months :		
Unsecured, considered good	109,079	306,111
Doubtful	492,848	492,848
	601,927	798,959
Less : Provision for doubtful receivables	492,848	492,848
	109,079	306,111
Other Receivables		
Unsecured, considered good	22,042,150	28,808,165
	22,042,150	28,808,165
TOTAL	22,151,229	29,114,276

Notes to Financial Statements

As at and for the year ended 31st March, 2014

(Amount in ₹)

	As at 31st March, 2014	As at 31st March, 2013
2.14 : CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances With Banks :		
In Current Account	127,378,385	8,094,806
Cash on hand	5,115,315	3,592,260
Cheques/Drafts in hand	50,025,000	-
	182,518,700	11,687,066
Other Bank Balances		
Unpaid Dividend Account	1,267,509	930,485
Fixed Deposit with Banks	100,140,481	131,528
(Kept under lien ₹ 10,01,40,481/-, Previous Year - ₹ 1,31,528/-)	101,407,990	1,062,013
TOTAL	283,926,690	12,749,079

	As at 31st March, 2014	As at 31st March, 2013
2.15 : OTHER CURRENT ASSETS		
Interest accrued on Fixed deposit/Loan	6,057,390	35,956,680
Subsidy Receivable	10,914,266	19,033,422
Fixed Asset held for Disposal (net of provision ₹ 250,000)	285,962	70,814
Others Receivable	1,638,305	738,991
TOTAL	18,895,923	55,799,907

	For the year ended 31st March, 2014	For the Year ended 31st March, 2013
2.16 : REVENUE FROM OPERATIONS		
Sale of Finished Goods	866,128,552	841,934,260
Other Operating Revenues		
Sale of Minor Produce/Timber	7,320,280	11,684,549
Incentives & Subsidies	2,189,253	3,745,108
Insurance and Other Claims (Net)	1,542,720	1,463,563
	11,052,253	16,893,220
TOTAL	877,180,805	858,827,480
Details of Sale of Finished Goods :		
Tea	735,611,581	623,326,612
Rubber	99,271,433	182,746,446
Coffee	31,245,538	35,861,202
TOTAL	866,128,552	841,934,260

Notes to Financial Statements

As at and for the year ended 31st March, 2014

(Amount in ₹)

	For the year ended 31st March, 2014	For the Year ended 31st March, 2013
2.17 : OTHER INCOME		
Interest Income		
On Bank Deposits	2,925,298	9,151
On Inter Corporate Deposits and Others	133,569,411	36,041,095
Dividend on Long term investment	14,970	21,270
Other Non Operating Income		
Proceeds from JTIL Share Trust (Refer Note 2.24.F)	8,429,987	–
Rent	69,845	88,245
Excess Liabilities and Unclaimed Balances written back	705,341	4,964,805
Provision for Doubtful Debts for earlier years written back	–	130,000
Prior Period Income (Net)	8,984	(121,617)
Miscellaneous Income	2,895,323	3,873,260
TOTAL	148,619,159	45,006,209

	For the year ended 31st March, 2014	For the Year ended 31st March, 2013
2.18 : COST OF MATERIALS CONSUMED		
Purchase of Green Leaf	190,241,459	111,929,158
Purchase of Latex	–	2,493,925
TOTAL	190,241,459	114,423,083

	For the year ended 31st March, 2014	For the Year ended 31st March, 2013
2.19 : (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS AND SEMI FINISHED GOODS		
Inventories at the end of the year		
Tea	21,519,052	19,816,197
Rubber	41,201,773	16,345,786
Coffee	26,158,500	23,298,900
Minor Produce	2,266,977	1,141,348
TOTAL	91,146,302	60,602,231
Inventories at the beginning of the year		
Tea	19,816,197	21,284,209
Rubber	16,345,786	31,669,258
Coffee	23,298,900	29,222,014
Minor Produce	1,141,348	557,763
TOTAL	60,602,231	82,733,244
(Increase)/Decrease in Inventories of Finished Goods	(30,544,071)	22,131,013

Standalone Financials	Balance Sheet
71	Statement of Profit & Loss
	Cash Flow Statement
	Notes to Financial Statements

Notes to Financial Statements

As at and for the year ended 31st March, 2014

(Amount in ₹)

	For the year ended 31st March, 2014	For the Year ended 31st March, 2013
2.20 : EMPLOYEE BENEFIT EXPENSE		
Salaries & Wages	311,881,450	291,074,934
Contribution to Provident Funds and Others	33,002,086	26,625,139
Contribution to Gratuity Fund	4,638,000	28,072,000
Contribution to Superannuation Fund	3,705,192	3,197,280
Staff Welfare Expenses	24,422,622	21,832,363
TOTAL	377,649,350	370,801,716

	For the year ended 31st March, 2014	For the Year ended 31st March, 2013
2.21 : FINANCE COST		
Interest Expenses		
Term Loans	20,600,222	8,473,654
Working Capital Loans	19,213,087	21,548,638
Other Borrowing Cost	3,838,054	1,017,837
TOTAL	43,651,363	31,040,129

Notes to Financial Statements

As at and for the year ended 31st March, 2014

(Amount in ₹)

	For the year ended 31st March, 2014	For the Year ended 31st March, 2013
2.22 : OTHER EXPENSES		
Manufacturing Expenses		
Stores, Spare Parts & Packing Materials Consumed	14,732,825	12,288,489
Power & Fuel	72,750,028	50,733,466
Cultivations	83,775,476	65,814,667
Repairs to Buildings	9,634,810	8,082,223
Repairs to Machinery	13,601,664	9,463,710
Repairs to Other Assets	151,416	163,553
Cess on Green Leaf	4,199,165	4,086,595
	198,845,384	150,632,703
Selling and Administration		
Freight & Cartage	24,006,123	17,066,655
Commission, Brokerage & Discount	15,623,043	10,126,811
Rent	2,014,106	827,567
Rates & Taxes	5,331,782	4,098,303
Insurance	19,419,677	7,486,916
Vehicle Running & Maintenance Expense	12,277,761	10,534,744
Charity & Donation	791,304	14,000
Auditors' Remuneration -		
Statutory Auditors :		
- Auditor	865,000	865,000
- Issue of Certificates	578,000	605,000
- Reimbursement of Expenses	9,605	6,844
- Reimbursement of Service Tax	179,171	182,539
Cost Auditors' Remuneration		
- Audit Fees	100,000	65,000
Bad debts & advances written off	29,693	142,823
Provision for obsolescence on stores	1,004,073	-
Provision for dimunition in Long Term Investment	10,006,274	-
Travelling Expenses	4,866,877	6,977,541
Director Sitting Fees	456,000	237,000
Loss on sale/discard of Fixed Assets (Net)	458,860	599,827
Other Miscellaneous Expenses	26,316,288	22,098,305
	124,333,637	81,934,875
TOTAL	323,179,021	232,567,578
	For the year ended 31st March, 2014	For the Year ended 31st March, 2013
2.23 : DEPRECIATION AND AMORTIZATION EXPENSES		
On Tangible Assets	32,395,785	22,054,846
On Intangible Assets	718,308	703,612
TOTAL	33,114,093	22,758,458

Standalone Financials	Balance Sheet
73	Statement of Profit & Loss
	Cash Flow Statement
	Notes to Financial Statements

Notes to Financial Statements

As at and for the year ended 31st March, 2014

(Amount in ₹)

	As at 31st March, 2014	As at 31st March, 2013
2.24: NOTES TO ACCOUNTS (continued)		
A. Contingent Liability not provided for –		
Claims against the Company not acknowledged as debts :		
i) Income Tax under appeal * # * ₹ 74,044/- (Previous Year - ₹ 74,044/-) paid under protest	20,354,935	17,276,245
ii) Sales Tax under appeal (Total amount paid under protest)	1,783,041	1,783,041
iii) Claims of Creditors & workers	2,039,725	2,039,725
iv) Seigniorage Charges (KERALA Forest Dept.) (Total amount paid under protest)	17,702,033	17,702,033
v) Provident Fund Damages	6,241,601	6,241,601
vi) Lease Rent **	6,086,645	4,686,755

The Company's entitlement of ₹ 17,560,442/- (Previous Year ₹ 17,560,442/-) under Section 80-IC of the Income Tax Act, 1961 in respect of income generated from facilities situated in North East states is pending before Hon'ble High Court since assessment year 2004-05 to 2014-15. The management of the Company does not foresee any additional liability of the income tax at this point.

**The Government of Kerala has increased the Lease Rent payable in respect of Chemoni and Pudukad Estates from ₹ 2/- per Acre to ₹ 1300/- per Hectare with effect from 25th November, 2009. The Company filed Writ Petition before the Hon'ble Court of Kerala challenging the increase and the case is subjudice. The Company has paid the increased Lease rental under protest.

- B. Estimated amount of contract remaining to be executed on capital account and not provided for ₹ 24,333,147/- (31.03.2013 – ₹ 1,084,686/-) (Net of Advances).
- C. Transfer of certain assets/liabilities from/to transferor companies/demerged units under the scheme of arrangement/ amalgamations carried out in earlier years are still in the process of completion.
- D. As reported in previous year the Company had filed a special leave petition before the Hon'ble Supreme Court in the matter of transfer of rights of legal proceedings of "Sampaji Rubber Estate", against the order passed by the Division Bench of Hon'ble High Court at Madras. The above rights was transferred to the Company under a Scheme in previous year. The matter is subjudice and value of above rubber estate in the books of the company is ₹ Nil.
- E. The Pullikkanam Tea Estate of the company had taken up in earlier year the task of replantation of substantial part of its tea estate which was abandoned in earlier years and the then existing tea plants could not be revived. As per the consistent accounting policy followed by the Cochin plantation division in earlier years, the replantation expenditure incurred above specified areas has been capitalized during the year as the benefit of the same shall accrue over a very long period of time. A sum of ₹ 17,318,658/- has been incurred during the year on the above account.
- F. Proceeds from JTIL Share Trust represents money remitted by the trust during the year to the Company in lieu of Dividend ₹ 1,117,655/- and profit on sale of shares held by the Trust ₹ 7,312,332/-.
- G. In view of withdrawal of its nominee directors from the board controlled subsidiary "The Cochin Malabar Estates & Industries Ltd. (CMEIL) has ceased to be a subsidiary of the Company during the year. Interest Income on Inter Corporate Deposit in Note No. 2.17 includes ₹ 112,141,212/- towards interest income from 1st October, 2008 till date of payment of secured loan obtained by CMEIL in earlier years and recognized during the year on triggering of the parameters prescribed in the revival agreement.
- H. Trade Receivables, Loans & Advances and Deposits include certain overdue and unconfirmed balances. However, in the opinion of the management, these current assets would, in the ordinary course of business, realize the value stated in the accounts.

Notes to Financial Statements

As at and for the year ended 31st March, 2014

- I. Miscellaneous Expenditure under Note No.2.22 includes revenue expenditure on research and development ₹ 353,500/- (Previous Year ₹ 295,268/-) incurred towards subscription to Tea Research Association.
- J. There are no outstanding dues to suppliers/service providers covered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'). The disclosures as required under the said Act are as under :

Particulars	Amount (₹)
a) Principal Amount due to Supplier under MSMED	NIL
b) Interest due to Supplier on above	NIL
c) Any payment made to supplier beyond appointed date (under section 16 of the Act)	NIL
d) Interest due and payable to Suppliers under MSMED	NIL
e) Interest accrued and remaining unpaid as at 31st March, 2014	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.

- K. The amount of borrowing cost capitalized during the year is ₹ Nil.
- L. The exposure of the Company in foreign currency at the end of the year is ₹ Nil (Previous year ₹ Nil).
- M. The Company has considered business segments as the primary segment for disclosure. The business segments of Company are Tea, Coffee and Rubber which have been identified taking into account the organizational structure as well as the differing risks and returns of these segments. The segment wise revenue, assets and liabilities relate to the respective amounts directly identifiable with each other of the segments. There is no inter-segment revenue. The company does not have any secondary/geographical segments :

Particulars	(Amount in ₹)	
	31.03.2014	31.03.2013
1. Segment Revenue		
a) Tea	739,158,808	628,535,283
b) Coffee	33,157,208	44,036,307
c) Rubber	99,271,433	182,746,446
d) Others	5,593,356	3,509,444
Total	877,180,805	858,827,480
2. Segment Results [Profit/(Loss) before Tax & Interest]		
a) Tea	42,849,255	99,678,096
b) Coffee	(7,622,811)	(1,914,569)
c) Rubber	13,491,419	39,541,767
d) Others	6,202,586	2,355,886
Total	54,920,449	139,661,180
Less : Interest Expenses	43,651,363	31,040,129
Add : Interest Income	136,494,709	36,050,246
Add : Other Unallocated Expenses (net of Unallocated Income)	(59,255,046)	(34,559,585)
Total Profit before Tax	88,508,749	110,111,712
Less : Income Taxes	30,415,466	15,321,600
Total Profit after Tax	58,093,283	94,790,112

Notes to Financial Statements

As at and for the year ended 31st March, 2014

(Amount in ₹)

	2013-14		2012-13	
	Assets	Liabilities	Assets	Liabilities
3. Segment Assets (including revaluation reserve) & Segment Liabilities				
a) Tea	857,249,093	66,120,530	817,976,538	66,806,136
b) Coffee	76,684,941	2,130,693	73,069,084	803,920
c) Rubber	88,170,299	9,518,185	58,389,953	47,989,740
d) Others	2,266,977	–	1,141,348	–
e) Unallocable	882,575,779	54,182,423	802,283,724	66,831,601
Total	1,906,947,089	131,951,831	1,752,860,647	182,431,397
4. Capital Expenditure including capital work-in-progress & Depreciation/Amortization (excluding on revaluation reserve) for the year	Capital Expenditure	Depreciation/Amortization	Capital Expenditure	Depreciation/Amortization
a) Tea	38,719,269	27,667,799	119,615,572	17,300,312
b) Coffee	1,999,184	2,286,932	2,003,386	2,309,133
c) Rubber	4,243,236	772,424	4,033,059	701,781
d) Others	–	–	–	–
e) Unallocable	–	2,386,938	4,267,074	2,447,232
Total	44,961,689	33,114,093	129,919,091	22,758,458

N. As per the requirements of Accounting Standard – 28 on “Impairment of Assets”, the Company has assessed the carrying amount of assets vis a vis their recoverable values and no impairment is envisaged at the balance sheet date.

O. Employee Benefits (Revised Accounting Standard 15)

a) Defined Contribution Plan

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

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

During the year the Company has contributed ₹ 29,865,870/- (Previous Year ₹ 22,028,286/-) for Provident Fund and Pension Fund and ₹ 3,705,192/- (Previous Year ₹ 3,197,280/-) for Superannuation Fund. The contributions payable to these plans by the Company are at the rates specified in the rules of the scheme.

b) Defined Benefit Plans

i) The Company makes annual contribution of gratuity to gratuity funds duly constituted and administered by independent trustees and funded with LIC/independent trust for the qualifying employees. The scheme provides for a lump sum payment to vested employees upon retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of 5 years of continuous service.

ii) The employees of the Company are also eligible for encashment of leave upon retirement up to 30 days for each year (maximum 120 days). The benefit obligation related to leave liability are funded with Life Insurance Corporation of India.

iii) The present value of defined obligation and related current cost are measured using the projected unit credit method with actuarial valuation being carried out at each balance sheet date.

Notes to Financial Statements

As at and for the year ended 31st March, 2014

(₹ in Lacs)

Disclosure as per Accounting Standard - 15 related to Employee Benefit.

Particulars	2013-2014	2012-2013
	Gratuity Funded	Gratuity Funded
Expenses recognised in the Statement of Profit and Loss for the year ended 31st March, 2014		
A Current Service Cost	97.00	81.68
Interest Cost	107.25	93.42
Expected return on Plan Assets	(87.91)	(52.27)
Actuarial (Gain)/Losses	(69.96)	157.89
Expenses recognised in Statement of Profit and Loss	46.38	280.72
B Net (Asset)/Liabilities recognised in Balance Sheet as at 31st March, 2014		
Present Value of the Defined Benefit Obligation	1,417.01	1,365.52
Fair value of Plan Assets	1,358.36	683.08
Net (Asset)/Liabilities recognised in Balance Sheet	58.65	682.44
C Changes in the Present Value of Defined Benefit Obligation during the year ended 31st March, 2014		
Present Value of Defined Benefit Obligations at 1st April, 2013	1,365.52	1,137.10
Current Service Cost	97.00	81.68
Interest Cost	107.25	93.42
Actuarial (Gain)/Losses	(69.96)	154.87
Benefits Paid	(82.80)	(101.55)
Present Value of Obligation as at 31st March, 2014	1,417.01	1,365.52
D Changes in Fair Value of Plan Assets during the year ended 31st March, 2014		
Fair Value of Plan Assets as at 1st April, 2013	683.08	527.71
Expected return on Plan Assets	87.91	52.27
Actuarial Gain/(Losses)	–	(3.02)
Benefits Paid	(52.95)	(101.55)
Contributions	640.32	207.67
Fair Value of Plan Assets as at 31st March, 2014	1,358.36	683.08
E Principal Actuarial Assumptions used		
Discount rates as at 31st March, 2014	8.75%	8.10%
Expected return on Plan Assets	9.00%	9.00%
Expected salary increase rates	8% to 10%	8.00%
Mortality Rates	India Assured Lives Mortality (2006-08) (modified) Ult	LIC(94-96) Ultimate Rate
F Withdrawal Rate	1% to 2% depending on age	1% to 2% depending on age
G Major categories of Plan Assets as a percentage of Fair Value of Plan Assets	Fund with LIC of India and Government Securities	Fund with LIC of India and Government Securities

Notes to Financial Statements

As at and for the year ended 31st March, 2014

- (a) 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.
- (b) The Gratuity Scheme is invested in a Group Gratuity – Cum- Life Assurance Cum Accumulation Policy offered by Life Insurance Corporation of India and the Independent Administered Gratuity Fund. The information on the allocations of fund managed by LIC into major assets classes and expected return on each major classes are not readily available. In case of company’s administered trust, 100% allocation of fund has been made towards government securities. The expected rate of return on plan assets is based on the assumed rate of return provided by Company’s actuary.
- (c) The Company expects to contribute ₹ 46.38 Lacs (Previous Year ₹ 632.53 Lacs) to its gratuity fund in 2014-15.
- (d) The table below illustrates experience adjustment disclosure as per Para 120 (n) (ii) of Accounting Standard-15 Employee Benefits.

	2013-14	2012-13	2011-12	2010-11	2009-10
Defined benefit obligation	1,417.01	1,365.52	675.21	480.06	466.08
Plan asset	1,358.36	683.08	493.36	420.25	251.58
Surplus/(Deficit)	(58.65)	(682.44)	(181.85)	(59.81)	(214.50)
Experience adjustments on plan liability	25.10	(92.68)	(19.27)	(0.55)	24.61
Experience adjustments on plan asset	–	(3.02)	2.00	2.12	(0.66)

(₹ in Lacs)

- (e) The disclosure as required by Para 120 of Accounting Standard -15 “Employee Benefit” have been made to the extent applicable to the Company.
- P. Related party disclosures as required by Accounting Standard – 18 “Related Party Disclosures” are given below :

Relationships :

- (a) Subsidiaries of the Company :
- Gloster Real Estate Private Limited. (GREPL)
 - Cowcoody Builders Private Limited (CBPL)
 - Pranav Infradev Company Private Limited (PICPL)
 - The Cochin Malabar Estates & Industries Limited (CMEI) (upto 07.10.2013)
- (b) Enterprises/Individual having control over the Company :
- i) Gopal Das Bangur
 - ii) Pushpa Devi Bangur
 - iii) Hemant Bangur
 - iv) Vinita Bangur
 - v) Kettlewell Bullen & Company Limited (KBCL)
 - vi) The Oriental Company Limited (TOCL)
 - vii) Madhav Trading Corporation Limited (MTCL)
 - viii) The Cambay Investment Corporation Limited (TCICL)
 - ix) Credwyn Holdings (I) Private Limited (CHPL)
 - x) Wind Power Vinimay Private Limited (WPVPL)
- (c) Other Companies over which the Key Management Personnel are able to exercise a significant influence:
- i) Gloster Ltd. (GL)
 - ii) PDGD Investments & Trading Private Limited (PDGD)
 - iii) Kherapati Vanijya Limited (KVL)
- (d) Key Management Personnel :
- i) Mr. Hemant Bangur – Executive Vice-Chairman
 - ii) Mr. K. C. Mohta - Executive Director & C.E.O.

Notes to Financial Statements

As at and for the year ended 31st March, 2014

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

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

SI.	PARTICULARS	TCICL	KVL	WVPVL	CHPL	MTCL	GL	TOCL	KBCL	KMP	Relatives of KMP	CMEI	PICPPL
1	Loans Given / (Received) during the year (Net)	-	-	-	-	-	-	-	-	-	-	-	-
	Previous Year	-	(7,500,000)	(12,500,000)	-	(2,500,000)	(20,000,000)	-	(10,000,000)	-	-	-	-
2	Loans Received / (Refunded) during the year (Net)	-	-	-	-	-	-	-	-	-	-	-	-
	Previous Year	-	(7,500,000)	(12,500,000)	-	(2,500,000)	(20,000,000)	-	(10,000,000)	-	-	-	-
3	Advances Given / (Received) during the year (Net)	-	-	-	-	-	-	-	-	-	-	(188,552,105)	2,500,000
	Previous Year	-	-	-	-	-	-	-	-	-	-	188,552,105	-
4	Closing balance of advance receivable/ (payable) as at 31.03.2014	-	-	-	-	-	-	-	-	-	-	-	-
	Previous Year	-	-	-	-	-	-	-	-	-	-	188,552,105	-
5	Interest Expenditure	-	-	-	-	-	-	-	-	-	-	-	-
	Previous Year	-	505,480	773,629	-	203,425	771,507	-	893,835	-	-	-	-
6	Interest Income / Receiveable	-	-	-	-	-	-	-	-	-	-	121,553,486	-
	Previous Year	-	-	-	-	-	-	-	-	-	-	35,671,386	-
7	Rent Paid	-	-	-	-	-	-	-	1,973,791	-	-	-	-
	Previous Year	-	-	-	-	-	-	-	674,160	-	-	-	-
8	Rent Deposit as at 31.03.2014	-	-	-	-	-	-	-	7,500,000	-	-	-	-
	Previous Year	-	-	-	-	-	-	-	7,500,000	-	-	-	-
9	Purchase	-	-	-	-	-	6,430,358	-	-	-	-	-	-
	Previous Year	-	-	-	-	-	7,655,539	-	-	-	-	-	-
10	Sales	-	-	-	-	-	72,000	-	-	-	-	-	-
	Previous Year	-	-	-	-	-	68,264	-	-	-	-	-	-
11	Dividend Paid	1,084,368	-	83,157	295,572	162,306	22,500	1,480,929	1,616,514	546,633	* 3,109,218	-	-
	Previous Year	626,798	-	67,498	246,310	135,255	-	938,243	1,223,423	351,768	* 2,589,140	1,800	-
12	Sitting fees	-	-	-	-	-	-	-	-	-	* 186,000	-	-
	Previous Year	-	-	-	-	-	-	-	-	-	* 79,000	-	-
13	Balance of Debt Acquired	-	-	-	-	-	-	-	-	-	-	-	-
	Previous Year	-	-	-	-	-	-	-	-	-	-	52,427,000	-

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

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

Remuneration of ₹ 13,868,224/- (31.03.2013 - ₹ 12,350,744/-)

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

Standalone Financials	Balance Sheet
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Notes to Financial Statements

As at and for the year ended 31st March, 2014

(Amount in ₹)

Q. Earnings per share

	2013-14	2012-13
	₹	₹
a) Profit/(Loss) after taxation as per Statement of Profit and Loss	58,093,283	94,790,112
b) Number of equity shares outstanding (including shares to be issued in lieu of scheme)	4,142,201	4,142,201
c) Basic and diluted earnings per share (in ₹) (Face value ₹ 10/- per share)	14.02	22.88

R. Information pursuant to clause 32 of the listing agreement with Stock Exchange :

Loans to subsidiary companies are as under :

Particulars	Balance as at 31st March, 2014	Balance as at 31st March, 2013	Maximum amount outstanding during the year ended 31st March, 2014	Maximum amount outstanding during the year ended 31st March, 2013
	₹	₹	₹	₹
The Cochin Malabar Estates & Industries Ltd. #	Nil	240,979,105	240,979,105	240,979,105
Pranav Infradev Company Pvt. Ltd.	2,500,000	Nil	2,500,000	Nil

Ceased to be subsidiary during the year.

S. a) Expenditure in Foreign Currency :

	2013-14	2012-13
Travelling	703,762	383,264
Others	98,634	89,520

b) Value of Raw Materials and Spares Consumed :

Particulars	Raw Material Consumed				Stores and Spares-Parts Consumed			
	2013-14		2012-13		2013-14		2012-13	
	Value	%	Value	%	Value	%	Value	%
Imported	-	-	-	-	-	-	-	-
Indigenous	190,241,459	100	114,423,083	100	98,508,301	100	77,420,020	100

T. Previous year's figures have been re-grouped/re-arranged wherever necessary to make them comparable with that of current year.

For and on behalf of

SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

Gopal Jain

Partner

Membership No. 059147

Place : Kolkata

Dated : 14th May, 2014

B. L. Dhanuka

Chief Financial

Officer

S. Bagree

Manager (Finance) &
Company Secretary

G. D. Bangur Chairman

H. Bangur Executive Vice-Chairman

P. D. Bangur Director

M. K. Daga Director

J. K. Surana Director

M. M. Pyne Director

B. R. Bhansali Director

K. C. Mohta Executive Director

Statement

Regarding Subsidiary Companies Pursuant To Section 212 Of The Companies Act, 1956

	Financial Year ended	Holding Company's Interest
SECTION 212 (1) (e)		
Name of the Subsidiary Companies		
Gloster Real Estates Pvt. Ltd.	31st March , 2014	100.00%
Cowcoody Builders Pvt. Ltd.	31st March, 2014	100.00%
Pranav Infradev Company Pvt. Ltd.	31st March, 2014	100.00%
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 Accounts		
Gloster Real Estates Pvt. Ltd.	(90,854)	(81,558)
Cowcoody Builders Pvt. Ltd.	3,730,144	4,920,860
Pranav Infradev Company Pvt. Ltd.	(181,130)	19,638
SECTION 212 (3) (c)		
Net aggregate amount of Subsidiaries Profit dealt with in the Company Account		
Gloster Real Estates Pvt. Ltd.	Nil	Nil
Cowcoody Builders Pvt. Ltd.	Nil	Nil
Pranav Infradev Company Pvt. Ltd.	Nil	Nil
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.		

Note : The Cochin Malabar Estates & Industries Ltd. ceased to be a Subsidiary during the year.

B. L. Dhanuka
Chief Financial
Officer

S. Bagree
Manager (Finance) &
Company Secretary

G. D. Bangur Chairman
H. Bangur Executive Vice-Chairman
P. D. Bangur Director
M. K. Daga Director
J. K. Surana Director
M. M. Pyne Director
B. R. Bhansali Director
K. C. Mohta Executive Director

Place : Kolkata

Dated : 14th May, 2014

Consolidated Financials	Independent Auditors' Report
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	Statement of Profit & Loss
	Cash Flow Statement

Consolidated Auditors' Report

To
The Board of Directors of
Joonktollee Tea & Industries Limited

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Joonktollee Tea & Industries Limited (the "Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the group in accordance with accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") read with general circular 15/2013 dated 13th September 2013 by Ministry of Company Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true & fair view in order to design audit procedures that are appropriate in the circumstances, but not for the

purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date and
- in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

OTHER MATTERS

- We did not audit the financial statements of the subsidiaries whose financial statements reflect total assets of ₹ 43,98,76,582/- as at 31st March, 2014, total other Income of ₹ 1,10,41,318/- and net cash inflow of ₹ 1,42,36,430/- 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.

Our opinion is not qualified in respect of other matters.

For and on behalf of
SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E
Gopal Jain
Partner
Membership No. - 059147

Place : Kolkata
Date : 14th day of May, 2014

Consolidated Balance Sheet

As at 31st March, 2014

(Amount in ₹)

	Notes	As at 31st March, 2014		As at 31st March, 2013	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	2.1	41,422,010		41,422,010	
Reserves and Surplus	2.2	1,288,442,495	1,329,864,505	1,000,019,733	1,041,441,743
Non-Current Liabilities					
Long-Term Borrowings	2.3	164,583,334		106,517,188	
Other Long-Term Liabilities	2.4	6,258,326		2,487,060	
Deferred Tax Liabilities (Net)	2.5	3,803,097		1,973,818	
Long-Term Provisions	2.6	6,962,694	181,607,451	6,962,694	117,940,760
Current Liabilities					
Short-Term Borrowings	2.7	169,511,618		170,528,982	
Trade Payables	2.8	33,340,922		32,060,149	
Other Current Liabilities	2.9	169,153,896		218,774,758	
Short-Term Provisions	2.6	58,157,279	430,163,715	111,419,988	532,783,877
TOTAL			1,941,635,671		1,692,166,380
ASSETS					
Non-Current Assets					
Goodwill on Consolidation			-		9,200,730
Fixed Assets	2.10				
- Tangible Assets		1,149,385,639		1,362,085,185	
- Intangible assets		1,054,628		1,706,576	
- Capital Work-In-Progress		5,463,365	1,155,903,632	12,661,093	1,376,452,854
Non-Current Investments		69,697,279		3,872,250	
Long-Term Loans and Advances	2.11	84,735,796	154,433,075	68,108,877	71,981,127
Current Assets					
Inventories	2.12	129,521,456		99,624,710	
Trade Receivables	2.13	25,743,333		31,520,469	
Cash and Bank Balances	2.14	298,163,120		16,551,314	
Short-Term Loans and Advances	2.11	158,415,110		66,198,336	
Other Current Assets	2.15	19,455,945	631,298,964	20,636,840	234,531,669
TOTAL			1,941,635,671		1,692,166,380
Significant Accounting Policies	1				

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

As per our report of even date annexed.

For and on behalf of

SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

Gopal Jain

Partner

Membership No. 059147

Place : Kolkata

Dated : 14th May, 2014

B. L. Dhanuka

Chief Financial

Officer

S. Bagree

Manager (Finance) &

Company Secretary

G. D. Bangur Chairman

H. Bangur Executive Vice-Chairman

P. D. Bangur Director

M. K. Daga Director

J. K. Surana Director

M. M. Pyne Director

B. R. Bhansali Director

K. C. Mohta Executive Director

Consolidated Statement of Profit & Loss

For the year ended 31st March, 2014

(Amount in ₹)

	Notes	For the year ended 31st March, 2014	For the year ended 31st March, 2013
INCOME			
Revenue from Operations	2.16	877,180,805	858,827,480
Other Income	2.17	38,106,991	20,909,330
TOTAL		915,287,796	879,736,810
EXPENSES			
Cost of Materials Consumed	2.18	190,241,459	114,423,083
(Increase)/Decrease in Inventories of Finished Goods and Semi Finished Goods	2.19	(30,544,071)	22,131,013
Employee Benefits Expense	2.20	377,758,470	371,620,491
Finance Costs	2.21	43,895,557	31,274,162
Other Expenses	2.22	329,838,087	240,202,581
TOTAL		911,189,502	779,651,330
Profit before Tax, Depreciation and Amortization		4,098,294	100,085,480
Depreciation and Amortization Expense	2.23	34,804,148	24,523,111
Profit before Tax		(30,705,854)	75,562,369
Tax Expense :			
Current Tax		29,860,000	20,090,403
Less : MAT Credit Entitlement		—	(5,403)
Earlier Year		10,192	(5,729,928)
Deferred Tax		1,829,279	(2,869,685)
Profit for the year		(62,405,325)	64,076,982
Basic & Diluted Earnings Per Share [nominal value ₹ 10/-]		(15.07)	15.47
(Refer Note No.2.24.Q)			
Significant Accounting Policies	1		

The accompanying notes 2.1 to 2.24 are an integral part of the Consolidated Financial Statements.
As per our report of even date annexed.

For and on behalf of

SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

Gopal Jain

Partner

Membership No. 059147

Place : Kolkata

Dated : 14th May, 2014

B. L. Dhanuka

Chief Financial

Officer

S. Bagree

Manager (Finance) &

Company Secretary

G. D. Bangur Chairman

H. Bangur Executive Vice-Chairman

P. D. Bangur Director

M. K. Daga Director

J. K. Surana Director

M. M. Pyne Director

B. R. Bhansali Director

K. C. Mohta Executive Director

Consolidated Cash Flow Statement

For the year ended 31st March, 2014

(Amount in ₹)

	2013 - 2014		2012 - 2013	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax and extra ordinary items		(30,705,854)		75,562,369
Adjustments for :				
Depreciation	34,804,148		24,523,111	
Loss / (Profit) on Sale/discard of Fixed Assets (net)	478,380		920,138	
Profit on Sale of Investment	(7,312,332)		(614,732)	
Interest and Dividend Income	(19,231,565)		(2,887,033)	
Provision for diminution in Long-Term Investment	10,006,274		7,432	
Provision for obsolescence on stores	1,004,073		7,172	
Finance Cost	43,895,557		31,274,162	
Sundry Credit balance no longer required written back	(705,341)		(5,197,672)	
Bad Debts & Provision for doubtful debts/Advances (Net)	30,693		12,823	
Loss of a Subsidiary (Subsidiary Ceased to exist during the year)	2,403,282	65,373,169	–	48,045,401
Operating Profit before working capital changes		34,667,315		123,607,770
Adjustments for :				
Trade Receivables, Current Assets and Loans & Advances	(7,767,291)		(64,593,565)	
Inventories	(30,900,819)		18,797,756	
Trade Payables , Current Liabilities and Provisions	(53,338,904)	(92,007,014)	26,236,668	(19,559,141)
Cash Generated from Operations		(57,339,699)		104,048,629
Direct Taxes (Paid)/Refund received (Net)		(39,676,308)		(14,128,224)
Net Cash from operating activities		(97,016,007)		89,920,405
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets/WIP	(48,047,925)		(130,294,643)	
Sale of Fixed Assets	1,645,464		10,002,229	
(Purchase)/ Sale of Investments / Fixed Deposits	(118,307,384)		864,373	
Loans/Advance recovered from a subsidiary	240,979,105		–	
Loans/Advance to Corporate Entity	(77,841,282)		–	
Interest Received	169,557,061		2,838,028	
Dividend Received	1,132,625		49,005	
Net cash used in Investing Activities		169,117,664		(116,541,008)
		72,101,657		(26,620,603)

Consolidated Cash Flow Statement

For the year ended 31st March, 2014

(Amount in ₹)

	2013 - 2014		2012 - 2013	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings	203,550,001		54,939,852	
Payments of Long Term Borrowings	(31,517,185)		(6,330,007)	
Payments of Short Term Borrowings (Net)	(1,017,364)		21,789,146	
Interest paid	(46,185,150)		(31,274,162)	
Dividends Paid (including Tax on Dividend)	(15,629,972)		(8,668,863)	
Net Cash from/(used in) Financing Activities		109,200,330		30,455,966
Net Change in Cash and Cash Equivalents		181,301,987		3,835,363
Cash and Cash Equivalents - Opening Balance **		15,453,143		11,643,938
Cash and Cash Equivalents - Closing Balance		196,755,130		15,479,301

** excluding Cash & Cash equivalent of ₹ 26158/- of a subsidiary ceased to exist during the year

Notes :

- Cash and cash equivalents consists of cash on Hand and balances with banks in current / Cash Credit accounts as per note 2.14.
- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on Cash Flow Statement as notified under The Companies Accounting Standard Rules 2006.
- Previous year's figures have been regrouped/rearranged wherever necessary.
- Cash and cash equivalents consists of:

	2013 - 2014		2012 - 2013	
Cash on hand		5,189,171		3,800,409
Bank Balance / Cheques in Hand		191,565,959		11,678,892
Total		196,755,130		15,479,301

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

For and on behalf of

SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

Gopal Jain

Partner

Membership No. 059147

Place : Kolkata

Dated : 14th May, 2014

B. L. Dhanuka

Chief Financial

Officer

S. Bagree

Manager (Finance) &

Company Secretary

G. D. Bangur Chairman

H. Bangur Executive Vice-Chairman

P. D. Bangur Director

M. K. Daga Director

J. K. Surana Director

M. M. Pyne Director

B. R. Bhansali Director

K. C. Mohta Executive Director

Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

a) Accounting Convention

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

b) Use of Estimates

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

c) Fixed Assets and Depreciation

Fixed Assets

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

Depreciation

- iv) Depreciation on tangible fixed assets other than land and tea plantation is provided on written down value basis in accordance with the provisions of Schedule XIV of the Companies Act, 1956. No depreciation has been provided in respect of Rubberwood Division and Kinalur Estate of Rubber Division during the year since these divisions are not in operation.
- v) All expenses incurred for extension of new areas of cultivation are capitalized. Cost of

upkeep and maintenance of areas till not matured for plucking and cost of replanting in existing areas are charged to revenue.

- vi) Intangible assets are being amortized over a period of 5 years.

d) Government Grants

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

Government grants related to specific tangible fixed assets are deducted from gross value of related assets in arriving at their book value. Government grants related to revenue are recognized in the statement of profit and loss.

e) Investment

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

f) Inventories

- i) Stock of finished rubber, tea, coffee and minor produce (i.e. pepper and cardamom) are valued at cost (determined on weighted average basis) or net realizable value whichever is lower.
- ii) Stock of stores and spare parts are valued at cost (using the weighted average cost basis) or net realizable value which ever is lower.
- iii) Cost comprises all direct and indirect expenses.
- iv) Net realizable value is the estimated selling price in ordinary course of business less estimated cost of completion and estimated cost necessary to make the sale.
- v) Materials and other items held for use in the production of inventories are not written down below the cost of the finished products in which they will be incorporated are expected to be sold at or above cost.
- vi) Provision is made for obsolete and slow moving stocks where necessary.

g) Foreign Currency Transactions

- i) Foreign currency transactions are recorded at the rate of exchange prevailing on the dates when the relevant transactions take place.

Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2014

- ii) Year end balances of foreign currency transactions are translated at exchange rates prevailing at the end of the year.
- iii) Any income or expense on account of exchange difference either on settlement or translation is recognized in the Statement of Profit and Loss.
- h) **Revenue Recognition**
Sales are recognized in the accounts on passing of titles of the goods, i.e. delivery as per terms of sales or completion of auction in case of auction sale. Other income with related tax credits and expenditure are accounted for on accrual basis. Dividend from Companies is accounted as income in the year in which they are received.
- i) **Employee Benefits**
Short Term Employee Benefits
The undiscounted amount of short-term employee benefit expected to be paid in exchange for the services rendered by employee is recognized during the period when the employee rendered the service. This benefit includes salary, wages, short term compensatory absences and bonus.
Long Term Employee Benefits
Defined Contribution Scheme
This benefit includes contribution to provident fund schemes and superannuation fund. The contribution is recognized during the period in which the employee renders service.
Defined Benefit Scheme
For defined benefit scheme the cost of providing benefit is determined using the projected unit credit method with actuarial valuation being carried out at each balance sheet date. The benefit obligation recognized in the balance sheet represents value of defined benefit obligation determined at the end of the year. Actuarial gains and losses are recognized in full during the period in which they occur.
Other Long Term Benefits
Long term compensation absence is provided for on the basis of an actuarial valuation, using the projected unit credit method as at the date of balance sheet.
- j) **Borrowing Costs**
Borrowing costs, if attributable to qualifying assets (i.e. assets that necessarily take substantial period of time to get ready for its intended use or sale) are capitalized. Other borrowing costs are charged to Statement of Profit and Loss in the period they are incurred.
- k) **Taxes on Income**
Current tax comprise of Income Tax and Wealth Tax that would be payable based on computation of tax as per taxation laws under the Income Tax Act, 1961 and under the respective state Agricultural Income Tax Acts. Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets are not recognised unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Tax credit for Minimum Alternate Tax (MAT) is recognized when there is convincing evidence of its realisability against future normal tax liability.
- l) **Leases**
i) For assets acquired under operating lease, rentals payable are charged to the Statement of Profit and Loss.
ii) For assets acquired under finance lease/hire purchase agreement, the assets are capitalized at lower of their respective fair value and present value of minimum lease payments after discounting them at an appropriate discount rate.
iii) Hire purchase charges are being amortized based on a constant periodic rate of interest on the remaining balance of the liability of each period.
- m) **Impairment**
An impairment loss is recognized where applicable when the carrying value of fixed assets exceeds its market value or value in use whichever is higher. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.
- n) **Provisions and Contingent Liabilities**
The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made. Contingent assets are not provided for or disclosed.

Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2014

(Amount in ₹)

	As at 31st March, 2014	As at 31st March, 2013
2.1 : SHARE CAPITAL		
Authorized :		
Equity Shares :		
1,12,49,000 Ordinary Shares of ₹ 10/- each	112,490,000	112,490,000
35,000 Ordinary Shares of ₹ 100/- each	3,500,000	3,500,000
Preference Shares :		
50,000 Redeemable Cumulative Shares of ₹ 10/- each	500,000	500,000
100, 13.5% Redeemable Cumulative Shares of ₹ 100/- each	10,000	10,000
	116,500,000	116,500,000
Issued :		
41,42,201 Ordinary Shares of ₹ 10/- each	41,422,010	41,422,010
(Previous year 41,42,201 Ordinary Shares of ₹ 10/- each)	41,422,010	41,422,010
Subscribed and Paid up :		
41,42,201 Ordinary Shares of ₹ 10/- each fully paid up	41,422,010	41,422,010
(Previous year 41,42,201 Ordinary Shares of ₹ 10/- each fully paid up)	41,422,010	41,422,010

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

	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	4,142,201	3,256,247
Shares Issued during the year pursuant to scheme of Amalgamation and Arrangement	-	885,954
Shares outstanding at the end of the year	4,142,201	4,142,201

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

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

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

	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	%	No. of Shares	%
Ordinary Shares of ₹ 10/- each fully paid up				
1) Kettlewell Bullen and Company Limited	538,838	13.01	538,838	13.01
2) The Oriental Company Limited	493,643	11.92	493,643	11.92
3) Gopal Das Bangur	487,788	11.78	487,788	11.78
4) Pushpa Devi Bangur	457,393	11.04	436,916	10.55
5) The Cambay Investment Corporation Limited	361,456	8.73	361,456	8.73
6) Life Insurance Corporation of India	246,493	5.95	246,493	5.95

Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2014

- e) No Ordinary Shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment as at the Balance Sheet date.
- f) No Ordinary Shares have been bought back by the Company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.
- g) 30,46,213 (Previous year 30,46,213) Ordinary shares of ₹ 10/-each fully paid up have been issued pursuant to scheme of amalgamation and arrangement for consideration other than cash in immediately preceding five years.
- h) No securities convertible into Ordinary/Preference shares have been issued by the Company during the year.
- i) No calls are unpaid by any Director or Officer of the Company during the year.

	As at 31st March, 2014	(Amount in ₹) As at 31st March, 2013
2.2 : RESERVES AND SURPLUS		
Capital Reserves		
As per the last Financial Statements	538,449,204	592,515,077
Add : Adjustment on account of cessation of subsidiary during the year	253,414,046	-
Add : due to reversal of Minority Interest	-	179,608,166
Less : On account of Issuance of shares under the Scheme	-	8,859,540
Less : Due to set off of reserve with fixed asset value due to impact of Scheme	-	224,537,390
Less : Adjustment on Depreciation/asset discarded	-	277,109
	791,863,250	538,449,204
Capital Redemption Reserve		
As per the last Financial Statements	41,600	41,600
Securities/Share Premium		
As per the last Financial Statements	24,701,440	24,701,440
Revaluation Reserve (created on revaluation of land)		
As per the last Financial Statements	40,386,019	40,386,019
General Reserve		
As per the last Financial Statements	275,912,447	225,912,447
Add : Transferred from Surplus	30,000,000	50,000,000
	305,912,447	275,912,447
Surplus		
As per the last Financial Statements	120,529,023	78,037,839
Add : Profit for the year	(62,405,325)	64,076,982
Add : Reversal of accumulated loss of a subsidiary ceased to exist during the year	123,956,768	-
Add : Loss of subsidiary ceased to exist during the year	-	282,284
Add : Reversal of Minority Interest	-	46,728,490
Less : Tax provision for 2011-12 under the Scheme	-	2,966,600
	182,080,466	186,158,995
Less : Appropriations		
Proposed Dividend	24,853,206	14,641,488
Corporate Dividend Tax	1,689,521	988,484
Transferred to General Reserve	30,000,000	50,000,000
Net Surplus	125,537,739	120,529,023
TOTAL	1,288,442,495	1,000,019,733

Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2014

(Amount in ₹)

	Non-current portion		Current Maturities	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
2.3 : LONG-TERM BORROWINGS				
Secured				
Term Loan from banks	164,583,334	83,333,336	124,383,335	10,416,665
Loan from Life Insurance Corporation of India	–	23,183,852	–	–
Total Secured Borrowings	164,583,334	106,517,188	124,383,335	10,416,665
Amount disclosed under the head "Other Current Liabilities" (Note 2.8)	–	–	124,383,335	10,416,665
TOTAL	164,583,334	106,517,188	–	–

Security and Repayment Terms :

- Term Loan from a Bank amounting to ₹ 85,416,669/- together with working capital facility from the same Bank is secured by equitable mortgage of Jamirah Tea Estate and Pullikanam Tea Estate and also by way of hypothecation of current assets of Kerala Division. Out of the above ₹ 35,416,669/- has been prepaid during April, 2014 and balance loan is repayable in remaining 24 quarterly installments of ₹ 2,083,333/-.
- Term Loan from a Bank amounting to ₹ 53,550,000/- is secured by hypothecation of immovable fixed assets of Shremoni Factory. The loan has been repaid fully in April, 2014.
- Term Loan from a Bank amounting to ₹ 150,000,000/- together with working capital facility from the same Bank is secured by exclusive charge on the title deeds of Nilmoni Tea Estate, current assets of Karnataka division both present and future. Out of the above loan, loan of ₹ 50,000,000/- is payable in remaining 12 quarterly installments starting June, 2014 and loan of ₹ 100,000,000/- is payable in 12 quarterly installments starting March, 2015.

	As at 31st March, 2014	As at 31st March, 2013
2.4 : OTHER LONG-TERM LIABILITIES		
Trade and Security Deposit	6,258,326	2,487,060
	6,258,326	2,487,060

	As at 31st March, 2014	As at 31st March, 2013
2.5 : DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Arising on account of :		
Accumulated Depreciation	10,010,733	3,673,872
Others	613,957	–
Less: Deferred Tax Assets		
Arising on account of :		
Section 43B of Income-tax Act	2,241,204	1,700,054
Unabsorbed depreciation	4,580,389	–
Deferred Tax Liabilities (Net)	3,803,097	1,973,818

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

Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2014

(Amount in ₹)

	Long-term		Short-term	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
2.6 : PROVISIONS				
Provision for Employee Benefits				
Gratuity	–	–	5,864,744	68,244,198
Bonus	–	–	16,583,808	15,372,899
Leave	–	–	1,926,000	1,493,000
	–	–		
Other Provisions				
Provisions for Taxation (Net of advance)	6,962,694	6,962,694	7,240,000	10,679,919
Proposed Dividend	–	–	24,853,206	14,641,488
Corporate Dividend Tax ##	–	–	1,689,521	988,484
TOTAL	6,962,694	6,962,694	58,157,279	111,419,988

In view of favorable order from Hon'ble Supreme Court in case of other tea Company, the liability for dividend distribution tax has been provided to the extent of 40% of the proposed dividend.

	As at 31st March, 2014	As at 31st March, 2013
2.7 : SHORT TERM BORROWINGS		
Working Capital Borrowings		
From Banks (Secured)	169,511,618	168,528,982
From Banks (Unsecured)	–	2,000,000
TOTAL	169,511,618	170,528,982

Security and Charge :

- Working Capital Loan of ₹ 13,223/- is secured by way of hypothecation of entire movable Fixed Assets and Current Assets of Joonktollee Tea Estate and Factory and Current Assets of Nilmoni Tea Estate.
- Working Capital Loan of ₹ 99,275,961/- loan is secured by pledge of certain Fixed deposit.
- Working Capital Loan of ₹ 70,000,000/- is secured by way of exclusive charge on the title deeds of Nilmoni Tea Estate and the Current Assets of the Karnataka Division both present and future.
- Working Capital Loan of ₹ 222,434/- is secured by equitable mortgage of Jamirah Tea Estate and Pullikanam Tea Estate and also by way of hypothecation of current assets of Kerala Division.

	As at 31st March, 2014	As at 31st March, 2013
2.8 : TRADE PAYABLES		
For Goods and Services		
(Refer Note 2.24.K for details of dues to Micro, Small & Medium Enterprises)	33,340,922	32,060,149
TOTAL	33,340,922	32,060,149

Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2014

(Amount in ₹)

	As at 31st March, 2014	As at 31st March, 2013
2.9 : OTHER CURRENT LIABILITIES		
Current maturities of Long Term Debt (See Note 2.3)	124,383,335	10,416,665
Employee Related Liability	11,189,477	10,849,682
Interest accrued but not due on Borrowings	276,406	4,824,496
Interest accrued and due on Borrowings	2,279,464	20,967
Unpaid and unclaimed dividends #	1,263,038	920,081
Unclaimed Redeemed Preference Shares #	–	14,200
Short term deposits	383,392	459,856
Statutory Dues Payable	11,066,119	17,565,596
Amount payable for Capital Goods	16,569,213	11,862,588
Advance against Sale of Land	–	159,497,251
Advances Received from Customers	1,343,452	2,343,376
Others	400,000	–
TOTAL	169,153,896	218,774,758

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

Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2014

	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 31.03.2013	Adj.on a/c of cessation of subsidiary	Additions	Disposals	Balance as at 31.03.2013	Adj.on a/c of cessation of subsidiary	Depreciation charge for the year	On disposals	Balance as at 31.03.2014	Balance as at 31.03.2013
2.10 : FIXED ASSETS										
(i) Tangible Assets										
Land * #										
- Freehold	597,103,699	187,783,052	—	—	—	—	—	—	409,320,647	591,267,984
- Leasehold	357,057,678	—	2,635,371	—	—	—	—	—	359,693,049	357,057,678
Buildings incl. Roads & Bridges	312,808,117	49,463,463	6,541,987	212,496	122,765,321	21,793,768	11,221,612	135,304	112,057,861	189,194,901
Plant and Equipment	269,505,262	8,958,355	18,182,578	7,235,642	173,452,735	3,836,051	17,149,494	5,398,647	90,126,312	96,325,578
Furniture and Fixtures	17,913,707	—	277,361	114,889	11,973,145	—	1,210,198	90,715	13,092,628	5,831,239
Vehicles	45,489,542	—	1,894,115	889,478	31,592,229	—	4,004,319	773,661	34,822,887	13,907,341
Office equipment	6,048,073	—	148,622	744,998	4,158,994	—	500,217	675,332	3,983,879	1,845,783
Plantation/Development	100,101,531	1,333,176	20,774,635	5,036,304	—	—	—	—	114,506,686	106,654,681
TOTAL	1,706,027,609	247,538,046	50,454,669	14,233,807	343,942,424	25,629,819	34,085,940	7,073,659	345,324,786	1,362,085,185
(ii) Intangible Assets										
Computer software	5,433,363	—	66,360	—	3,726,787	—	718,308	—	4,445,095	1,706,576
TOTAL	5,433,363	—	66,360	—	3,726,787	—	718,308	—	4,445,095	1,706,576
(iii) Capital Work-in-Progress										
TOTAL	—	—	—	—	—	—	—	—	—	5,463,365
GRAND TOTAL	1,711,460,972	247,538,046	50,521,029	14,233,807	347,669,211	25,629,819	34,804,148	7,073,659	349,769,881	1,376,452,854
Corresponding figures for previous year	1,854,003,251	242,149,333	122,259,117	22,651,063	352,486,739	17,611,943	24,523,111	11,728,696	347,669,211	1,363,791,761
Capital Work-in-Process										12,661,093
TOTAL										1,376,452,854

Note: The title deeds of immovable properties of Shreemoni Factory are in the process of transfer in the name of the Company.

* Land amounting to ₹ 10,67,166/- cannot be distinguished between freehold & leasehold. The same has been included under Freehold Land .

Title deeds in respect of land purchased in Assam during the years 1985, 1986, 1998 and 1999 amounting to ₹ 2,25,320/- (Previous year = ₹ 2,25,320/-) are under registration. However, the company is in the possession of the said land and is already under plantation. Such delay is on the part of relevant authorities.

Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2014

(Amount in ₹)

	Long-term		Short-term	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
2.11 : LOANS & ADVANCES				
(Unsecured & Considered good unless otherwise mentioned)				
Capital Advances	16,965,763	9,005,312	–	–
	16,965,763	9,005,312	–	–
Security Deposits	14,945,622	13,790,901	614,868	614,024
	14,945,622	13,790,901	614,868	614,024

Other Loans and Advances (Unsecured, Considered good unless otherwise mentioned)

	Long-term		Short-term	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Deposit with Nabard	–	–	17,653,900	9,004,400
Deposit with Assam Financial Corporation	–	–	5,310,000	1,510,000
Advance Tax and TDS (Net of provisions)	26,440,393	20,071,446	60,249	63,000
Advance against supply of Goods and Services *	23,788,678	22,388,788	18,834,407	17,609,573
Advances to Bodies Corporate	–	–	105,000,000	27,158,718
Prepaid Expenses	–	–	2,411,537	2,532,752
Loan / Advance to Employees	761,000	1,069,389	5,130,457	3,784,661
Balances with Government & Statutory Authorities **	1,783,041	1,783,041	332,402	453,918
MAT credit Entitlement	–	–	1,833,953	1,833,953
Income Tax Refundable	51,299	–	1,233,337	1,233,337
Payment under protest	–	–	–	400,000
	52,824,411	45,312,664	157,800,242	65,584,312
TOTAL	84,735,796	68,108,877	158,415,110	66,198,336

* Includes payment under protest ₹ 23,788,678/- (Previous Year - ₹ 22,388,788/-)

** Includes payment under protest ₹ 1,783,041/- (Previous Year - ₹ 1,783,041/-)

Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2014

(Amount in ₹)

	As at 31st March, 2014	As at 31st March, 2013
2.14 : CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances With Banks :		
In Current Account	141,540,959	11,678,892
Cheques/Drafts in hand	50,025,000	-
Cash on hand	5,189,171	3,800,409
	196,755,130	15,479,301
Other Bank Balances		
Unpaid Dividend Account	1,267,509	930,485
Fixed Deposit with Banks	100,140,481	141,528
(Kept under lien ₹ 100,140,481/-, Previous Year - ₹ 131,528/-)	101,407,990	1,072,013
TOTAL	298,163,120	16,551,314

	As at 31st March, 2014	As at 31st March, 2013
2.15 : OTHER CURRENT ASSETS		
Interest accrued on Fixed deposit	6,057,390	290,638
Subsidy Receivable	10,914,266	19,033,422
Fixed Asset held for Disposal (net of provision ₹ 250,000)	285,962	70,814
Others Receivable	2,198,327	1,241,966
TOTAL	19,455,945	20,636,840

	For the year ended 31st March, 2014	For the Year ended 31st March, 2013
2.16 : REVENUE FROM OPERATIONS		
Sale of Finished Goods	866,128,552	841,934,260
Other Operating Revenues		
Sale of Minor Produce/Timber	7,320,280	11,684,549
Incentives & Subsidies	2,189,253	3,745,108
Insurance and Other Claims (Net)	1,542,720	1,463,563
	11,052,253	16,893,220
TOTAL	877,180,805	858,827,480
Details of Sale of Finished Goods :		
Tea	735,611,581	623,326,612
Coffee	31,245,538	35,861,202
Rubber - Processed	99,271,433	182,746,446
TOTAL	866,128,552	841,934,260

Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2014

(Amount in ₹)

	For the year ended 31st March, 2014	For the Year ended 31st March, 2013
2.17 : OTHER INCOME		
Interest Income		
On Bank Deposits	3,062,066	9,939
On Inter Corporate Deposits and Others	15,036,874	2,828,089
Dividend on Long term investment	14,970	49,005
Other Non Operating Income		
Proceeds from JTIL Share Trust (Refer Note 2.24.H)	8,429,987	–
Profit on sale of Long Term Investments	8,226	614,732
Rent	7,888,085	7,716,800
Provision for Doubtful Debts for earlier years written back	–	130,000
Excess Liabilities and Unclaimed Balances written back	705,341	5,197,672
Prior Period Income (Net)	8,984	(121,617)
Miscellaneous Income	2,952,458	4,484,710
TOTAL	38,106,991	20,909,330

	For the year ended 31st March, 2014	For the Year ended 31st March, 2013
2.18 : COST OF MATERIALS CONSUMED		
Purchase of Green Leaf	190,241,459	111,929,158
Purchase of Latex	–	2,493,925
TOTAL	190,241,459	114,423,083

	For the year ended 31st March, 2014	For the Year ended 31st March, 2013
2.19 : (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS AND SEMI FINISHED GOODS		
Inventories at the end of the year		
Tea	21,519,052	19,816,197
Rubber	26,158,500	23,298,900
Coffee	41,201,773	16,345,786
Minor Produce	2,266,977	1,141,348
TOTAL	91,146,302	60,602,231
Inventories at the beginning of the year		
Tea	19,816,197	21,284,209
Rubber	23,298,900	29,222,014
Coffee	16,345,786	31,669,258
Minor Produce	1,141,348	557,763
TOTAL	60,602,231	82,733,244
(Increase)/ Decrease in Inventories of Finished / Semi-Finished Goods	(30,544,071)	22,131,013

Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2014

(Amount in ₹)

	For the year ended 31st March, 2014	For the Year ended 31st March, 2013
2.20 : EMPLOYEE BENEFIT EXPENSE		
Salaries & Wages	311,990,570	291,850,951
Contribution to Provident Funds and Others	33,002,086	26,667,897
Contribution to Gratuity Fund	4,638,000	28,072,000
Contribution to Superannuation Fund	3,705,192	3,197,280
Staff Welfare Expenses	24,422,622	21,832,363
TOTAL	377,758,470	371,620,491

	For the year ended 31st March, 2014	For the Year ended 31st March, 2013
2.21 : FINANCE COST		
Interest Expenses		
Term Loans	20,600,222	8,473,654
Working Capital Loans	19,213,087	21,548,638
Other Borrowing Cost	3,838,054	1,017,837
Others	244,194	234,033
TOTAL	43,895,557	31,274,162

Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2014

(Amount in ₹)

	For the year ended 31st March, 2014	For the Year ended 31st March, 2013
2.22 : OTHER EXPENSES		
Manufacturing Expenses		
Stores, Spare Parts & Packing Materials Consumed	14,732,825	12,288,489
Power & Fuel	73,059,867	51,032,237
Cultivations	83,775,476	65,843,645
Repairs to Buildings	9,775,456	8,153,298
Repairs to Machinery	13,601,664	9,464,618
Repairs to Other Assets	180,909	170,673
Cess on Green Leaf	4,199,165	4,086,595
	199,325,362	151,039,555
Selling and Administration		
Freight & Cartage	24,006,123	17,066,655
Commission, Brokerage & Discount	15,623,043	10,126,811
Rent	2,027,588	854,531
Rates & Taxes	7,952,040	5,259,951
Insurance	19,419,677	7,486,916
Vehicle Running & Maintenance Expense	12,324,484	10,534,744
Charity & Donation	791,304	14,000
Auditors' Remuneration -		
Statutory Auditors :		
- Auditor	884,865	907,337
- Issue of Certificates	578,000	665,000
- Reimbursement of Expenses	9,605	119,588
- Reimbursement of Service Tax	179,171	182,539
Cost Auditors' Remuneration		
Audit Fees	100,000	65,000
Bad Debts and Advances written off	29,693	142,823
Travelling Expenses	4,937,692	7,200,527
Director Sitting Fees	492,000	295,000
Provision for obsolescence on stores	1,004,073	-
Provision for dimunition in Long-Term Investment	10,006,274	-
Investments written Off	-	7,432
Inventories written Off	-	7,172
Loss on sale/discard of Fixed Assets (Net)	478,380	920,138
Other Miscellaneous Expenses	29,668,713	27,306,862
	130,512,725	89,163,026
TOTAL	329,838,087	240,202,581

	For the year ended 31st March, 2014	For the Year ended 31st March, 2013
2.23 : DEPRECIATION AND AMORTIZATION EXPENSES		
On Tangible Assets	34,085,840	23,819,499
On Intangible Assets	718,308	703,612
TOTAL	34,804,148	24,523,111

Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2014

2.24: NOTES TO ACCOUNTS (continued)

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

Name of the Company	Country of Incorporation	Proportion of Ownership Interest	Reporting Period and Date
Gloster Real Estate Pvt. Ltd. (GREPL)	India	100.00%	Year ended 31st March, 2014
Cowcoody Builders Pvt. Ltd. (CBPL)	India	100.00%	Year ended 31st March, 2014
Pranav Infradev Co. Pvt. Ltd. (PICPL)	India	100.00%	Year ended 31st March, 2014

- B. In view of withdrawal of its nominee directors from the board controlled subsidiary "The Cochin Malabar Estates & Industries Limited" (CMEIL) on 7th October, 2013, CMEIL has ceased to be subsidiary of the Company during the year. In line with the requirements of Accounting Standard – 21, the results of operations of CMEIL have been included in the consolidated statement of profit and loss until the date of cessation of the parent – subsidiary relationship. Thus parent share of losses of CMEIL until the date of cessation of the relationship amounting to ₹ 123,956,768/- (₹ 35,572,070/- for 2012-13) have been considered in the consolidated results.

Further in view of cessation of the parent – subsidiary relationship, the investment in CMEIL has been accounted in accordance with Accounting Standard (AS) 13, "Accounting for Investments" in the consolidated financial statement as on 31-03-2014 and a sum of ₹ 123,956,768/- has been transferred to Surplus and ₹ 253,414,046/- (net of goodwill written off ₹ 9,200,730/-) has been adjusted with Capital Reserves.

- C. The consolidated financial statements have been prepared using the same accounting policies as that of Joonktollee Tea & Industries Limited.

D. Contingent Liability not provided for :

Claims against the Company not acknowledged as debts :

(Amount in ₹)

	As at 31st March, 2014	As at 31st March, 2013
i) Income Tax under appeal * # * ₹ 74,044/- (Previous Year - ₹ 74,044/-) paid under protest	20,354,935	17,276,245
ii) Sales Tax under appeal (Total amount paid under protest)	1,783,041	1,783,041
iii) Claims of Creditors & workers	2,039,725	2,039,725
iv) Central Sales Tax	213,331	213,331
v) Seigniorage Charges (KERALA Forest Dept.) (Total amount paid under protest)	17,702,033	17,702,033
vi) Provident Fund Damages	6,241,601	6,241,601
vii) Lease Rent **	6,086,645	4,686,755

The Company's entitlement of ₹ 17,560,442/- (Previous Year ₹ 17,560,442/-) under section 80-IC of the Income Tax Act, 1961 in respect of income generated from facilities situated in North East states is pending before Hon'ble High Court since assessment year 2004-05 to 2014-15. The management of the Company does not foresee any additional liability of the income tax at this point.

** The Government of Kerala has increased the Lease Rent payable in respect of Chemoni and Pudukad Estates from ₹ 2/- per Acre to ₹ 1300/- per Hectare with effect from 25th November 2009. The Company filed Writ Petition before the Hon'ble Court of Kerala challenging the increase and the case is pending. The Company has paid the increased Lease rental under protest.

Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2014

- E. Estimated amount of contract remaining to be executed on capital account and not provided for ₹ 24,333,147/- (31.03.2013 – ₹ 1,084,686/-) (Net of Advances).
- F. As reported in previous year the Company had filed a special leave petition before the Hon'ble Supreme Court in the matter of transfer of rights of legal proceedings of "Sampaji Rubber Estate", against the order passed by the Division Bench of Hon'ble High Court at Madras. The above rights was transferred to the Company under a Scheme in previous year. The matter is subjudice and value of above rubber estate in the books of the Company is ₹ Nil.
- G. The Pullikanam Tea Estate of the company had taken up in earlier year the task of replantation of substantial part of its tea estate which was abandoned in earlier years and the then existing tea plants could not be revived. As per the consistent accounting policy followed by the Cochin plantation division in earlier years, the replantation expenditure incurred above specified areas has been capitalized during the year as the benefit of the same shall accrue over a very long period of time. A sum of ₹ 17,318,658/- has been incurred during the year on the above account.
- H. Proceeds from JTIL Share Trust represents money remitted by the trust during the year to the Company in lieu of Dividend ₹ 1,117,655/- and profit on sale of shares held by the Trust ₹ 7,312,332/-.
- I. Trade Receivables, Loans & Advances and Deposits include certain overdue and unconfirmed balances. However, in the opinion of the management, these current assets would, in the ordinary course of business, realize the value stated in the accounts.
- J. Miscellaneous Expenditure under Note No.2.22 includes revenue expenditure on research and development ₹353,500/- (Previous Year ₹ 295,268/-) incurred towards subscription to Tea Research Association.
- K. There are no outstanding dues to suppliers/ service providers covered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'). The disclosures as required under the said Act are as under :

Particulars	Amount
a) Principal Amount due to Supplier under MSMED	NIL
b) Interest due to Supplier on above	NIL
c) Any payment made to supplier beyond appointed date (under section 16 of the Act)	NIL
d) Interest due and payable to Suppliers under MSMED	NIL
e) Interest accrued and remaining unpaid as at 31st March, 2014	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.

- L. The amount of borrowing cost capitalized during the year is ₹ Nil.
- M. The exposure of the Company in foreign currency at the end of the year is ₹ Nil (Previous year ₹ Nil).
- N. The Company has considered business segments as the primary segment for disclosure. The business segments of company are Tea, Coffee and Rubber which have been identified taking into account the organizational structure as well as the differing risks and returns of these segments. The segment wise revenue, assets and liabilities relate to the respective amounts directly identifiable with each other of the segments. There is no inter-segment revenue. The company does not have any secondary/geographical segments :

Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2014

(Amount in ₹)

Particulars	31.03.2014	31.03.2013
1. Segment Revenue		
a) Tea	739,158,808	628,535,283
b) Coffee	33,157,208	44,036,307
c) Rubber	99,271,433	182,746,446
d) Others	5,593,356	3,509,444
Total	877,180,805	858,827,480
2. Segment Results [Profit/(Loss) before Tax & Interest]		
a) Tea	42,849,255	99,678,096
b) Coffee	(7,622,811)	(1,914,569)
c) Rubber	13,491,419	39,541,767
d) Others	6,202,586	2,355,886
Total	54,920,449	139,661,180
Less : Interest Expenses	43,895,557	31,274,162
Add : Interest Income	18,098,940	2,838,028
Add : Other Unallocated Income (net of Unallocated Expenses)	(59,829,686)	(35,662,677)
Total Profit before Tax	(30,705,854)	75,562,369
Less : Income Taxes	31,699,471	11,485,387
Total Profit after Tax	(62,405,325)	64,076,982

	2013-14		2012-13	
	Assets	Liabilities	Assets	Liabilities
3. Segment Assets (including revaluation reserve) & Segment Liabilities				
a) Tea	857,249,093	66,120,530	817,976,538	66,806,136
b) Coffee	76,684,941	2,130,693	73,069,084	803,920
c) Rubber	88,170,299	9,518,185	58,389,953	47,989,740
d) Others	2,266,977	–	1,141,348	–
e) Unallocable	917,264,361	75,523,471	732,388,727	247,662,006
Total	1,941,635,671	153,292,879	1,682,965,650	363,261,802
4. Capital Expenditure including capital work-in-progress & Depreciation/Amortization (excluding on revaluation reserve) for the year	Capital Expenditure	Depreciation/Amortization	Capital Expenditure	Depreciation/Amortization
a) Tea	38,719,269	27,667,799	119,615,572	17,300,312
b) Coffee	1,999,184	2,286,932	2,003,386	2,309,133
c) Rubber	4,243,236	772,424	4,033,059	701,781
d) Others	–	–	–	–
e) Unallocable	162,089	4,076,993	4,642,626	4,211,885
Total	45,123,778	34,804,148	130,294,643	24,523,111

Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2014

O. Employee Benefits (Revised Accounting Standard 15)

a) Defined Contribution Plan

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

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

During the year the company has recognized ₹ 29,865,870/- (Previous Year ₹ 22,071,044/-) for Provident Fund contribution and ₹ 3,705,192/- (Previous Year ₹ 3,197,280/-) for Superannuation Fund contribution. The contributions payable to these plans by the Company are at the rates specified in the rules of the scheme.

b) Defined Benefit Plans

i) The Company makes annual contribution of gratuity to gratuity funds duly constituted and administered by independent trustees and funded with LIC/independent trust for the qualifying employees. The scheme provides for a lump sum payment to vested employees upon retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of 5 years of continuous service.

ii) The employees of the Company are also eligible for encashment of leave upon retirement up to 30 days for each year (maximum 120 days). The benefit obligation related to leave liability is funded with Life Insurance Corporation of India of holding Company.

iii) The present value of defined obligation and related current cost are measured using the projected unit credit method with actuarial valuation being carried out at each balance sheet date.

Disclosure as per Accounting Standard - 15 related to Employee Benefit.

(₹ in lacs)

Particulars	2013-2014	2012-2013
	Gratuity Funded	Gratuity Funded
Expenses recognised in the Statement of Profit and Loss for the year ended 31st March, 2014		
A. Current Service Cost	97.00	81.68
Interest Cost	107.25	93.42
Expected return on Plan Assets	(87.91)	(52.27)
Actuarial (Gain)/Losses	(69.96)	157.89
Expenses recognised in Statement of Profit and Loss	46.38	280.72
B. Net (Asset)/Liabilities recognised in Balance Sheet as at 31st March, 2014		
Present Value of the Defined Benefit Obligation	1,417.01	1,365.52
Fair value of Plan Assets	1,358.36	683.08
Net (Asset)/Liabilities recognised in Balance Sheet	58.65	682.44
C. Changes in the Present Value of Defined Benefit Obligation during the year ended 31st March, 2014		
Present Value of Defined Benefit Obligations at 1st April, 2013	1,365.52	1,137.10
Current Service Cost	97.00	81.68
Interest Cost	107.25	93.42
Actuarial (Gain)/Losses	(69.96)	154.87
Benefits Paid	(82.80)	(101.55)
Present Value of Obligation as at 31st March, 2014	1,417.01	1,365.52

Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2014

(₹ in lacs)

Particulars	2013-2014	2012-2013
	Gratuity Funded	Gratuity Funded
D. Changes in Fair Value of Plan Assets during the year ended 31st March, 2014		
Fair Value of Plan Assets as at 1st April, 2013	683.08	527.71
Expected return on Plan Assets	87.91	52.27
Actuarial Gain/(Losses)	–	(3.02)
Benefits Paid	(52.95)	(101.55)
Contributions	640.32	207.67
Fair Value of Plan Assets as at 31st March, 2014	1,358.36	683.08
E. Principal Actuarial Assumptions used		
Discount rates as at 31st March, 2014	8.75%	8.10%
Expected return on Plan Assets	9.00%	9.00%
Expected salary increase rates	8% to 10%	8.00%
Mortality Rates	India Assured Lives Mortality (2006-08) (modified) Ult	LIC(94-96) Ultimate Rate
F. Withdrawal Rate	1% to 2% depending on age	1% to 2% depending on age
G. Major categories of Plan Assets as a percentage of Fair Value of Plan Assets	Fund with LIC of India and Government Securities	Fund with LIC of India and Government Securities

- (a) 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.
- (b) The Gratuity Scheme is invested in a Group Gratuity – Cum- Life Assurance Cum Accumulation Policy offered by Life Insurance Corporation of India and the Independent Administered Gratuity Fund. The information on the allocations of fund managed by LIC into major assets classes and expected return on each major classes are not readily available. In case of company's administered trust, 100% allocation of fund has been made towards government securities. The expected rate of return on plan assets is based on the assumed rate of return provided by Company's actuary.
- (c) The Group expects to contribute ₹ 46.38 lacs (Previous Year ₹ 632.53 lacs) to its gratuity fund in 2014-15.
- (d) The table below illustrates experience adjustment disclosure as per Para 120 (n) (ii) of Accounting Standard 15-Employee Benefits

	2013-14	2012-13	2011-12	2010-11	2009-10
Defined benefit obligation	1417.01	1,365.52	1137.10	810.27	806.26
Plan asset	1358.36	683.08	527.71	477.57	324.53
Surplus/(Deficit)	(58.65)	(682.44)	(609.39)	(332.70)	(481.73)
Experience adjustments on plan liability	25.10	(92.68)	277.14	(5.61)	24.56
Experience adjustments on plan asset	–	(3.02)	1.95	8.22	(3.14)

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

Consolidated Financials	Balance Sheet
105	Statement of Profit & Loss
	Cash Flow Statement
	Notes to Financial Statements

Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2014

P. Related party disclosures as required by Accounting Standard – 18 “Related Party Disclosures” are given below :

Relationships :

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

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

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

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

(c) Key Management Personnel :

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

Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2014

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

(Amount in ₹)

Sl.	PARTICULARS	TQCL	KVL	WVPL	CHPL	MTCL	PDGD	GL	TOCL	KBCL	KMP	Relatives of KMP
1	Loans Given / (Received) during the year (Net)	-	-	-	-	-	-	-	-	-	-	-
	Previous Year	-	(7,500,000)	(12,500,000)	-	(2,500,000)	-	(20,000,000)	-	(10,000,000)	-	-
2	Loans Received / (Refunded) during the year (Net)	-	-	-	-	-	-	-	-	-	-	-
	Previous Year	-	(7,500,000)	(12,500,000)	-	(2,500,000)	-	(20,000,000)	-	(10,000,000)	-	-
4	Interest Expenditure	-	-	-	-	-	-	-	-	-	-	-
	Previous Year	-	505,480	773,629	-	203,425	-	771,507	-	893,835	-	-
5	Rent Paid	-	-	-	-	-	-	-	-	1,973,791	-	-
	Previous Year	-	-	-	-	-	-	-	-	674,160	-	-
6	Rent Deposit as at 31.03.2014	-	-	-	-	-	-	-	-	7,500,000	-	-
	Previous Year	-	-	-	-	-	-	-	-	7,500,000	-	-
7	Purchase	-	-	-	-	-	-	6,430,358	-	-	-	-
	Previous Year	-	-	-	-	-	-	7,655,539	-	-	-	-
8	Sales	-	-	-	-	-	-	72,000	-	-	-	-
	Previous Year	-	-	-	-	-	-	68,264	-	-	-	-
9	Dividend Income	-	-	-	-	-	-	-	-	-	-	-
	Previous Year	-	-	-	-	-	-	-	-	-	-	-
10	Sitting Fees	-	-	-	-	-	-	-	-	-	-	* 186,000
	Previous Year	-	-	-	-	-	-	-	-	-	-	* 79,000
11	Dividend Paid	1,084,368	-	83,157	295,572	162,306	-	22,500	1,480,929	1,616,514	546,633	* 3,109,218
	Previous Year	626,798	-	67,498	246,310	135,255	-	-	938,243	1,223,423	351,768	* 2,589,140

* Also includes dividend and sitting fees paid to party mentioned in (a) (i), (ii) & (iv)

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

Remuneration of ₹ 13,868,224/- (31.03.2013 - ₹ 12,350,744/-)

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

Notes to Consolidated Financial Statements

As at and for the year ended 31st March, 2014

Q. Earnings per share

	2013-14	2012-13
	₹	₹
a) Profit/(Loss) after taxation as per Statement of Profit and Loss	(62,405,325)	64,076,982
b) Number of equity shares outstanding	4,142,201	4,142,201
c) Basic and diluted earnings per share (in ₹) (Face value ₹ 10/- per share)	(15.07)	15.47

R. Previous year's figures have been regrouped / rearranged wherever necessary to make them comparable with that of current year.

For and on behalf of

SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

Gopal Jain

Partner

Membership No. 059147

Place : Kolkata

Dated : 14th May, 2014

B. L. Dhanuka

Chief Financial

Officer

S. Bagree

Manager (Finance) &

Company Secretary

G. D. Bangur Chairman

H. Bangur Executive Vice-Chairman

P. D. Bangur Director

M. K. Daga Director

J. K. Surana Director

M. M. Pyne Director

B. R. Bhansali Director

K. C. Mohta Executive Director

Statement

containing brief financial details of Subsidiaries of the Company

In terms of General Circular No : 02/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs, a statement containing brief details of the subsidiaries for the year ended 31st March, 2014 is given hereunder :

		Amount (₹)		
ITEM		GLOSTER REAL ESTATES PVT. LTD.	COWCOODY BUILDERS PVT. LTD.	PRANAV INFRADEV CO. PVT. LTD.
1.	Capital	631,350	1,569,820	2,122,710
2.	Reserves	46,711,320	164,256,003	200,744,331
3.	Total Assets	47,465,588	187,159,136	205,374,041
4.	Total Liabilities (including Shareholders' fund)	47,465,588	187,159,136	205,374,041
5.	Non-Current Investments	–	23,460,000	–
6.	Turnover	453,238	10,436,320	14,992
7.	Profit/(Loss) before Taxation	(56,164)	5,060,456	(262,127)
8.	Provision For Taxation	34,690	1,330,312	(80,997)
9.	Profit/(Loss) after Taxation	(90,854)	3,730,144	(181,130)
10.	Proposed Dividend	–	–	–
11.	Reporting Currency	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.

Safe Harbour

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

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

Concept, design and printing by

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