



JAY SHREE TEA & INDUSTRIES LIMITED
66TH ANNUAL REPORT

2011-12





B K BIRLA GROUP OF COMPANIES



Our Chairman Syt. B. K. Birla
STRONG FOUNDATION SUSTAINED GROWTH
PROVEN LEADERSHIP

The group Logo

As represented by the 21st Century Atlas

Atlas, the Titan

Collective Strength

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

The Sun

Enlightenment and Growth

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

The Earth Segments

Diversified Activities

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

The Globe

Global Vision

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

The Base

Solid Foundations

The Strength of the entire edifice depends upon the strength of the foundation embedded in the bedrock, represented here by the group name.

The Symmetry

The Resilience, Versatility and Stability

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





JAY SHREE TEA & INDUSTRIES LIMITED
66TH ANNUAL REPORT FOR THE YEAR ENDED 31ST MARCH, 2012

DIRECTORS

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

EXECUTIVES

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

SOLICITORS

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

AUDITORS

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

BRANCH AUDITORS

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

BANKERS

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

REGISTRARS

M/s. Maheshwari Datamatics
Pvt. Ltd., 6, Mangoe Lane,
Kolkata - 700 001
Ph.: (033) 22435029/5809
Fax: (033) 2284787
E-mail : mdpl@cal.vsnl.net.in

SHARE DEPTT.

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

**STOCK EXCHANGES WHERE
SHARES ARE LISTED**

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

AUDIT COMMITTEE

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

**SHAREHOLDERS'/INVESTORS
GRIEVANCES COMMITTEE**

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

REMUNERATION COMMITTEE

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

REGISTERED & HEAD OFFICE

“Industry House” (15th Floor),
10, Camac Street,
Kolkata - 700 017
Ph.: (033) 22827531-34
Fax: (033) 22827535/22825830
E-mail : webmaster@jayshreetea.com
Website : www.jayshreetea.com

MUMBAI OFFICE

708, Embassy Centre, Nariman Point,
Mumbai - 400 021
Ph.: (022) 22830915/22823474
Fax: (033) 22873045

AHMEDABAD OFFICE

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

NEW DELHI OFFICE

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

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NOTICE to the Shareholders

NOTICE is hereby given that the Sixty Sixth Annual General Meeting of the shareholders of the Company will be held on Wednesday, the 25th July 2012 at 10.30 A.M. at 'Kala Kunj' 48, Shakespeare Sarani, Kolkata 700 017 to transact the following business :

1. To receive and consider the Report of the Directors to the Shareholders and adopt the audited accounts for the year 2011-12
2. To declare dividend for the year 2011-12.
3. To appoint a Director in place of Shri B.K.Birla, who retires by rotation but being eligible offers himself for re-election.
4. To appoint a Director in place of Shri G.P.Goenka, who retires by rotation but being eligible offers himself for re-election
5. To appoint Auditors/Branch Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.
6. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution :

“ RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 310, 311 Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, as amended or re-enacted from time to time, the Company hereby approves the appointment of Shri Vikash Kandoi, a Director of the Company, as Whole time Director under the designation “Executive Director” of the Company for a period of three years with effect from 1.4.2012 on the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting including the remuneration to be paid in the event of loss or inadequacy of profit in any financial year, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be decided by the Board of Directors/Remuneration Committee”

“RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board of Directors or any Committee thereof be and are hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company ”.

7. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution :

“ RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, as amended or re-enacted from time to time, the Company hereby approves the re-appointment of Shri D.P.Maheshwari as the Managing Director of the Company for a period of three years with effect from 27.6.2013 to 26.6.2016 on the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting including the remuneration to be paid in the event of loss or inadequacy of profit in any financial year, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be decided by the Board of Directors/Remuneration Committee”

“RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board of Directors or any Committee thereof be and are hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company ”.

Registered & Head Office :

“INDUSTRY HOUSE”

10, Camac Street,

Kolkata 700 017

Dated, the 30th May, 2012

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

Notes :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. The Equity Share Transfer Registers will remain closed from 18th July 2012 to 25th July 2012 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend.
3. The dividend on Equity Shares as recommended by the Board, if declared, will be payable on or after 25.07.2012 to those members whose names appear on the Register of Members of the Company as on 25.07.2012 or to their mandatees. In respect of dematerialised shares, the dividend will be payable on the basis of beneficial ownership details to be furnished by NSDL and CDSL for the purpose.
4. Members are requested to intimate before hand to the Company query/ies, if any, regarding these accounts/ notice at least ten days before the meeting to enable the management to keep the required information readily available at the meeting.
5. Pursuant to Section 205A (5) of the Companies Act, 1956 (as amended) any money transferred to the unpaid dividend account of a Company remaining unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred to Investor Education and Protection Fund and thereafter no claims shall lie against the fund or the Company. So, you are advised to claim the same from the Company immediately. The due dates of transfer of the following dividend to the Fund are as under :

Dividends for the year	Date of declaration of dividend	Due date of transfer to the fund
2004-2005	29.06.2005	2nd August, 2012
2005-2006	27.06.2006	2nd August, 2013
2006-2007	28.06.2007	2nd August, 2014
2007-2008	27.06.2008	2nd August, 2015
2008-2009	29.06.2009	2nd August, 2016
2009-2010	25.06.2010	30th July, 2017
2010-2011	22.09.2011	26th October, 2018

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

8. The members who have not yet registered their e-mail address are requested to do so to support the green initiative in the Corporate Governance.
9. Information about the Directors retiring by rotation as required under Clause 49 of the Listing Agreement with the Stock Exchanges :

a) Shri B.K.Birla

Shri B.K.Birla aged about 91 years, holding 46000 shares, is a well known industrialist in the country and is well regarded for his foresightedness, enterprise and leadership qualities. Coming from the pioneer industrial house of India, he built up an industrial empire with strong foundation, sustained growth and proven leadership. He is associated with various educational cultural and philanthropic institutions in the country.

Directorships held in other companies:

Century Enka Ltd., Century Textiles & Industries Ltd., Kesoram Industries Ltd., & Piloni Investment & Industries Corporation Ltd.,

b) Shri G.P.Goenka

Shri G.P.Goenka, aged about 72 years, holding 600 shares, is a reputed Industrialist hailing from one of the country's oldest business families. The family has associated itself with the country's Industrialization for five generations since 1820. Mr.Goenka has been the director of the company since 1984. He is also Chairman of a number of other well known listed companies. Mr.Goenka has been associated with a number of Trade & Industry Organizations. He is a past President of the Federation of Indian Chambers of Commerce and Industry. He is also a past President of the Indian Tea Association and the Consultative Committee of Plantation Association. He has also served as a Member on the Prime Minister's Council on Trade & Industry. He was a nominee of the Central Government on the Board of Governors of Indian Institute of Management Kolkata.

Directorships held in other companies :

Duncans Industries Ltd., Energy Development Co. Ltd., NRC Ltd., Stone India Ltd., Star Paper Mills Ltd.& Unimers India Ltd.

Registered & Head Office :

"INDUSTRY HOUSE"

10, Camac Street,

Kolkata 700 017

Dated, the 30th May, 2012

By Order of the Board
For Jay Shree Tea & Industries Limited

R.K.GANERIWALA
(President & Secretary)

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

Item No.6

Shri Vikash Kandoi, is one of the Directors of the Company since 29th July 2008. He has been looking after day to day affairs of the Company and is helping in various ways to improve its performance.,

Shri Vikash Kandoi, aged about 35 years, is a Chartered Accountant . He has experience in the overall business management and can contribute effectively in guiding the company towards the path of success.

He also holds directorships in the following other companies:

Royal Touch Fablon Pvt. Ltd. and Armstrong Packaging Pvt. Ltd.

In view of the valuable contribution being made by Shri Vikash Kandoi towards the growth of the Company, the Board in its meeting held on 30th May 2012, subject to the approval of the members of the Company in the Annual General Meeting, has decided to appoint him as Whole-time Director designated as Executive Director of the Company for a period of three years w.e.f. April 01, 2012 on the remuneration and terms and conditions as set out herein. Accordingly, this resolution is being proposed for the approval of the members

- (A) Remuneration : Not exceeding ₹60 lacs (Rupees Sixty Lac only) per annum. Perquisites (Salary, Perquisites & Allowances) and allowances shall be evaluated as per Income Tax Rules, wherever applicable and at actual cost to the company in other cases.
- (B) Termination : The appointment, notwithstanding the three years tenure fixed w.e.f. April 1, 2012, may be terminated by either party by giving three months notice in writing. During the tenure of his office, Shri Vikash Kandoi shall not be liable to retire by rotation.
- (C) Sitting Fee : No sitting fees shall be payable for attending the meetings of the Board of Directors or any Committee thereof.
- (D) Others : As per company rules.

Notwithstanding anything hereinabove, where in any financial year during the tenure of office of Shri Vikash Kandoi, the Company has no profits or its profits are inadequate, the Company will pay the aforesaid remuneration by way of salary and perquisites as Minimum Remuneration.

The overall remuneration of the Directors including perquisites are well within the overall limits specified under Section 198, 269 and 309, 310, 311 including Schedule XIII of the Companies Act, 1956.

(None of the Directors, except Shri Vikash Kandoi himself and Shri B.K.Birla, Smt. Jayashree Mohta, being the relatives of Shri Vikash Kandoi, are concerned or interested in the said resolution).

Item No.7

Shri D.P.Maheshwari was appointed as the Managing Director of the Company for a period of five years w.e.f. 27.6.2008 to 26.6.2013. His salary as on 1.4.2012 is ₹ 4,50,000/- per month plus perks

Keeping in view the qualification and vast experience of Shri D.P.Maheshwari, the Board in its meeting held on 30th May 2012, subject to the approval of the members of the Company in the Annual General Meeting, has decided to re-appoint him as Managing Director of the Company for a further period of three years w.e.f. 27.6.2013 to 26.6.2016 on the remuneration and terms and conditions as set out herein. Accordingly, this resolution is being proposed for the approval of the members.

TERMS & CONDITIONS

- (i) Remuneration : ₹ 4,50,000/- to ₹ 7,00,000/- per month as may be determined by Remuneration Committee/Board from time to time.
- (ii) Perquisites : Perquisites shall be allowed in addition to salary as under :
- Part- A**
- (a) Housing : Rent free accommodation or house rent allowance as per rules of the Company.
- (b) Medical Reimbursement : Expenses incurred for self and family subject to a ceiling of one month's salary and mediclaim premium as per rules of the Company.
- (c) Leave Travel Concession : For self and family once in a year incurred in accordance with the rules of the Company.
- (d) Bonus : Bonus shall be payable as per rules of the Company.
- (e) Club Fees : Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
- (f) Personal Accident Insurance : Actual premium not exceeding ₹ 5,000/- per annum
- Part- B**
- (a) Company's contribution to Provident & Superannuation Fund : In accordance with the Schemes of the Company.
- (b) Gratuity : One half month's salary for each completed year of service as per rules of the Company.
- (c) Leave Encashment : Encashment of leave as per rules of the Company
- Part- C**
- (a) Car : Free use of Company's car with driver on company's business. Such use will not be considered as perquisites.
- (b) Telephone : Use of telecommunication facilities on business. Such use will not be considered as perquisites.
- (iii) Termination of Appointment : The appointment may be terminated by either party giving three months prior notice.

Notwithstanding anything hereinabove, where in any financial year during the tenure of office of Shri D.P.Maheshwari, the Company has no profits or its profits are inadequate, the Company will pay the aforesaid remuneration by way of salary and perquisites as Minimum Remuneration.

The overall remuneration of the Directors including perquisites are well within the overall limits specified under Section 198, 269 and 309, 310, 311 including Schedule XIII of the Companies Act, 1956. .

(None of the Directors, except Shri D.P.Maheshwari is concerned or interested in the said resolution)

Information in terms of Schedule XIII to the Companies Act, 1956 for seeking approval of the shareholders are given here below :

I GENERAL INFORMATION

- 1 Nature of Industry : Cultivation of tea and manufacturing of tea, chemicals & fertilizers, sugar and warehousing activities.
- 2 Date of commencement of commercial production : The Company is in manufacturing operation since 1945.
- 3 In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not applicable
- 4 Financial performance based on given indicators : As per Audited Financial Results for the year ended :

(₹ in lacs)

	<u>31.3.2012</u>	<u>31.3.2011</u>	<u>31.3.2010</u>
Revenue from operations (Net)	61695	48844	40412
Profit before interest, depreciation & Tax (PBIDTA)	5556	7932	8207
Interest (Net)	2328	1612	556
Profit before Depreciation & Tax (PBDT)	3229	6320	7651
Profit before Tax (PBT)	1731	5168	6869
Provision for Tax	299	537	699
Profit after Tax (PAT)	1432	4631	6170

- 5 Export performance and net foreign exchange earnings

(₹ in lacs)

	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>
Total Exports	8493	8431	7657

- 6 Foreign Investments or collaborators, if any, : The Company has a joint venture operations for two of its tea estates at Rwanda and has acquired 100% stake in tea companies owning two tea estates in Uganda.

II INFORMATION ABOUT THE APPOINTEES:

a) Shri Vikash Kandoi

1 Background details

Shri Vikash Kandoi is a Commerce Graduate and Chartered Accountant with Post Graduate programme in Management from ISB, Hyderabad. He is on the Board of the company since 29th July 2008. The Board in its meeting held on 30.5.2012 appointed Shri Kandoi as Whole Time Director designated as Executive Director of the Company for a period of 3 years effective 1st April 2012.

2 Past remuneration

Not applicable

3 Recognition or Awards

A closely held company in India under his stewardship, developed international market for its packaging products and got awards for excellence in exports. He is member, Board of Governors of the Birla Institute of Management and Technology, Noida, a premier Management Institute in the country.

4 Job profile and suitability :

Shri Vikash Kandoi has been entrusted with the responsibilities to manage the affairs of the company on a day to day basis subject to the superintendence, direction and control of the Board of Directors. With his experience in diverse field, he has gained considerable expertise in corporate management

5 Remuneration Proposed:

The proposed remuneration is within the limit set out in Schedule XIII to the Companies Act, 1956

6 Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.

Remuneration of Chief Executive Officers in the industry in general has gone up manifold in past few years. It is not possible to find out comparative remuneration in the industry with respect to profile of the position with respect to diversified activities of the company tea, chemicals & fertilizers and sugar segments. The remuneration to Shri Vikash Kandoi is purely based on merits.

7 Pecuniary relationship directly or indirectly with the company relationship with the managerial personnel :

Shri Vikash Kandoi has no pecuniary relationship with the Company other than his remuneration as Whole Time Director. He is related to Shri B.K.Birla and Smt.Jayashree Mohta, within the meaning of Section 6 of the Companies Act, 1956.

b) Shri D.P.Maheshwari

1 Background details

Shri D.P.Maheshwari is a Commerce Graduate. He is with the company since 1967. He is the senior most executive of the Company and is the Managing Director since 27.06.2008.

2 Past remuneration

(₹ in lacs)

	<u>31.3.2012</u>	<u>31.3.2011</u>	<u>31.3.2010</u>
Salary	59.16	47.61	25.24
Perquisites	4.48	5.68	2.97
Contribution to P.F. and Superannuation Fund	12.15	9.72	5.18
Total	<u>75.79</u>	<u>63.01</u>	<u>33.39</u>

3 Recognition or Awards

Shri D.P.Maheshwari started his career from Sholayar Estate, way back in 1967 and has held various positions in the industry organizations starting from district planters Association as Chairman of Annamalai Planters Association, State Planters Association as Chairman of Planters Association of Tamilnadu and has held the post of President of United Planters' Association of Southern India (UPASI) for two terms (2007-08 and 2008-09) and has been the Chairman of UPASI Tea Committee for five years. He has been Member of Tea Board for five years and also had been the Vice-Chairman of Tea Board for the year 2008-09. Shri Maheshwari was the President of Tea Association of India. He is currently the Chairman of Tea Research Association. This apart, he is also a member of National Committee of Indian Tea Association

4 Job profile and suitability :

Shri D.P.Maheshwari, the Managing Director is entrusted with the powers and authorities to manage the affairs of the company on a day to day basis subject to superintendence, direction and control of the Board of Directors. He is an experienced planter and have extensive knowledge of tea industry. His experience at various levels has helped him to successfully manage the affairs of the Company for last several years.

5 Remuneration Proposed:

Payment of remuneration for the financial year 2011-12 is within the limit stipulated in resolution passed by the shareholders in Annual General Meeting held on 29.6.2009 and Postal Ballot on 7.9.2010.

6 Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.

Remuneration of Chief Executive Officers in the industry in general has gone up manifold in past few years. It is not possible to find out comparative remuneration in the industry with respect to profile of the position with respect to diversified activities of the company tea, chemicals & fertilizers and sugar segments. The remuneration to Shri D.P.Maheshwari is purely based on merits.

7 Pecuniary relationship directly or indirectly with the company relationship with the managerial personnel :

Shri D.P.Maheshwari has no pecuniary relationship with the company other than his remuneration as Managing Director .There is no managerial personnel related to Shri D.P.Maheshwari.

III OTHER INFORMATION

1 Reasons of loss or inadequate profits

Tea industry is cyclic in nature and is dependent on the vagaries of weather for crop and auction for prices. There has been substantial increase in labour wages, garden operating expenses, statutory liabilities and general inflation have considerably eroded profit margins. There are positive signs of revival of the industry with prices improving since 2009. However, maintaining adequate and steady profitability on a regular basis may take time. The chemical and fertilizer operation depends upon the policies of the government for its marketing and subsidy. With phase wise reduction in subsidy after decontrol, it will take time for acceptability of the rise in price of SSP in the market.

The sugar division acquired by the Company recently is not contributing to the profitability because of dull market conditions. The matter of decontrol of sugar is under consideration of the Government of India and the sooner it is done it will provide level playing field to the industry.

The profitability over the last 5 years is given below :

<u>Year</u>	<u>Profit after Tax (₹ in lacs)</u>	<u>Dividend Percentage (%)</u>
2007-08	1145	25%
2008-09	1388	30%
2009-10	6170	60%
2010-11	4631	60%
2011-12	1432	60%

2 Steps taken or proposed to be taken for improvement :

The Company is focusing on quality and this has attracted premium in the market. Efforts are made to cut down costs and to increase yield at the gardens. There has been substantial capital expenditure in the field and factories to increase yield and efficiency. These have resulted in improved profitability in 2010-11, but with the substantial wage increase and cost of other inputs the profit for 2011-12 has reduced.

Several steps have been taken for reduction in cost, rationalization of labour force etc. which is yielding good results. The steps taken by the company in sugar mill for cane development shall improve the availability of sugar cane in the canning area of the mill which will help in increasing the production, recovery percentage and profitability in years to come.

3 Expected increase in productivity and profits in measurable terms :

All the company's gardens are producing quality teas. The Company's gardens are included amongst the top gardens in the areas of their operation. The yields have been steadily improving in the past. But with stress on quality, the price realization shall improve substantially.

IV DISCLOSURES

1 Information to shareholders on the remuneration package of managerial personnel

The Notice of the Annual General Meeting contains details of the remuneration package/revision in the Explanatory Statement.

2 Disclosure under Corporate Governance in the Board of Directors' Report

The remuneration package alongwith relevant details payable to Shri Vikash Kandoi and Shri D.P.Maheshwari has been mentioned hereinabove and sitting fee and commission payable to Shri Vikash Kandoi in the Report of Corporate Governance attached to the Director's Report. The Corporate Governance Report also indicate payment of commission and sitting fee to all Directors of the Company. There is no severance fee or stock option to either of them. The period of appointment and remuneration to them is as per approval of Annual General Meeting resolution. The appointment may be terminated by either party giving to other three months notice. Shri Vikash Kandoi is holding 1126 shares Shri D.P.Maheshwari 16000 shares of the company.

Registered & Head Office :

"INDUSTRY HOUSE"

10, Camac Street,
Kolkata 700 017

Dated, the 30th May, 2012

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

Management's Discussion and Analysis

OVERVIEW

Indian Tea production in 2011 was higher at 988 million kg. compared to 967 million kg. in 2010 i.e., an increase of just 21 million kg. On the global front, 2011 recorded crop at previous year level. Your Company produced 237.60 lac kg. of tea against 241.42 lac kg. last year. The industry wise wage agreements effective from April 2011 for Darjeeling and Dooars gardens and effective from January 2012 for Cachar & Assam gardens have escalated the cost of production in these areas. Apart from wage increase, the higher cost of power, fertilisers and other inputs are also affecting the industry.

SEGMENT ANALYSIS AND REVIEW

The Company is engaged in the manufacture of tea, chemicals & fertilisers, sugar besides tea warehousing and investment activities. Tea accounts for 63%, Chemicals & Fertilisers 19%, Sugar 17% and others 1% of the gross turnover during 2011-12.

TEA

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

(Quantity in million kg.)

District	Tea Manufactured by the Company (April to March)			All India Production* (Jan. to December)		
	2011-12**	2010-11**	Increase/ Decrease(%)	2011	2010	Increase/ Decrease (%)
Cachar	8.52	8.21	(+) 3.78	48.07	51.55	(-) 6.75
Assam Valley	8.54	8.62	(-) 0.93	460.67	428.74	(+) 7.45
Total Assam	17.06	16.83	(+) 1.37	508.74	480.29	(+) 5.92
Darjeeling	0.99	0.95	(+) 4.21	9.80	8.63	(+)13.56
Dooars	0.90	0.88	(+) 2.27	143.23	144.80	(-) 1.08
Terai	2.95	3.28	(-)10.06	73.33	76.36	(-) 3.97
Total West Bengal	4.84	5.11	(-) 5.28	226.36	229.78	(-) 1.49
Others	-	-	-	12.34	12.96	(-) 4.78
Total North India	21.90	21.94	(-) 0.18	747.44	723.03	(+) 3.37
Tamilnadu	1.86	2.20	(-)15.45	167.23	170.72	(-) 2.04
Kerala	-	-	-	68.35	66.75	(+) 2.40
Karnataka	-	-	-	5.31	5.90	(-)10.00
Total South India	1.86	2.20	(-)15.45	240.89	243.37	(-) 1.02
Total Production	23.76	24.14	(-) 1.57	988.33	966.40	(+) 2.27

*All India figures on calendar year basis and estimated for 2011.

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

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

(Quantity in million kg.)

Tea Areas	This year			Previous year		
	Qty.	Rate (₹)	Dist. Average (₹)	Qty.	Rate (₹)	Dist. Average (₹)
Cachar	8.62	94.65	87.16	8.32	94.81	88.92
Assam	9.13	123.15	122.64	8.22	130.48	129.00
Darjeeling	0.94	397.61	344.93	0.88	327.37	304.27
Dooars/ Terai	3.81	103.37	104.89	4.04	107.27	105.19
South India	2.24	94.32	88.84	2.38	90.40	67.45
	24.74	117.96		23.84	117.39	

OUTLOOK

Dry weather conditions in the tea growing areas in early part of the season has affected the crop of Assam & Terai tea estates. The world crop is more or less at last year level. With increase in consumption every year, and the demand outstripping supply, the outlook of tea industry is robust and positive. Increasing consumption of tea, particularly in developing countries with increasing per capita income, along with constrained supply of land to grow tea, should result in an upward bias to tea prices.

Your company's acquisitions in Uganda and Rwanda are in the right direction and there is good scope for increase in crop and quality of all these estates.

CHEMICALS & FERTILISERS

Review Of Operations

Nutrient based subsidy is reduced by ₹ 1686/- per M.T. w.e.f. 1st April, 2012, and freight subsidy of ₹ 200/- on SSP is also being discontinued. We are trying to compensate the above by increasing the price realisation but the off take is adversely affected. Fluctuation in Rupee/Dollar and very high volatility in currency movement is a major cause of concern for the current year.

RISKS AND CONCERNS

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

SUGAR

Sugar output in October-March 2011-12 rose 13% to 23.11 million tonne against 20.45 million tonne last year. The industry expects the sugar output for the year ending September 2012 at around 25.8 million tonne, while consumption is around 22 million tonne. With record output, the government has initially allowed export of 2 million tonne in two equal tranches and later on brought the same under OGL. The country exported 13.51 lakh tonne in first 6 months of 2011-12 marketing year as against 28.14 lakh tonne in the entire 2010-11 marketing year. We

expect that the country shall export around 15-20 lakh tonne more in next six months of the ongoing season even after freeing up the quantity as the ports can not handle exports of more than 2.5 lakh tonne a month.

The Government of Maharashtra has forecasted a 10% drop in production for the 2012-13 season in the state due to drought like conditions.

The Government has brought sugar under Open General License subject to compliance of certain formalities. This augurs well for the industry in the long run. However international sugar prices which have been volatile earlier are now subdued following the news of prospective export of Indian sugar.

India accounts for about 15% of the world's sugar production. India is the only country which provides sugar at subsidised rates to families below the poverty line via a nationwide public distribution system for which levy sugar quota (presently 10% of total production) is fixed every year by the Government on around 600 mills across India. The industry has approached the Government for abolishing levy sugar to provide level playing field with other commodities.

Your Company produced 41688 tonnes of white sugar in 2011-12 compared to 38662 tonnes of sugar in 2010-11. The sugarcane crushed was 448414 M.T. compared to 429578 M.T., The recovery percentage was 9.30%, this year compared to 9.00% last year.

Your Company produced 24337 tonnes of Molasses in 2011-12 compared to 21473 tonnes in 2010-11.

OPPORTUNITIES AND THREATS

Strengths

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

Threats

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

RISK MITIGATION

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

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

FINANCIAL REVIEW AND ANALYSIS

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

INTERNAL CONTROL

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

MATERIAL DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

CAUTIONARY STATEMENT

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

CORPORATE GOVERNANCE REPORT

The Company believes that Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws with highest standards of transparency and business ethics. The basic principle is to achieve business excellence keeping in view the needs and interest of all its stakeholders.

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company's philosophy of Corporate Governance is to ensure transparency in all dealings and the functioning of the Board and people working with it at all levels. The Company has worked with a philosophy and mission of good governance in every field. The company being a labour intensive industry places great emphasis on values such as empowerment and integrity of its employees, safety of the workers, optimum utilization of natural resources and fair & ethical dealings with all.

2. BOARD OF DIRECTORS

Composition:

The Board strength of directors includes a Non-Executive Independent Chairman, four Independent directors, two whole-time directors designated as Vice-Chairperson and Executive Director and a Managing Director. The Non-Executive Directors are industrialist of repute and eminent professionals drawn from amongst persons with experience in business and industry, finance and management. The composition is as under :

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

Six Board Meetings were held in 2011-2012 i.e. on 22nd April, 2011 ; 10th August, 2011, 24th August, 2011, 22nd September 2011, 25th October 2011, and 25th January 2012.

Directors	Categories of Directors	No. of Board Meetings Attended	Attendance of the last AGM	No. of outside Directorship held	No. of outside Committee Membership held	No. of outside Committee Chairmanship Held	No. of shares held in the company as on 31.03.2012
Shri B.K.Birla (Chairman)	Promoter-Non-Executive	6	Yes	4	-	-	46000
Smt. Jayashree Mohta	Promoter-Executive Vice-Chairperson	5	Yes	2	-	-	775815
Shri B.M.Khaitan	Independent-Non-Executive	2	No	5	1	-	200
Shri G.P.Goenka	Independent-Non-Executive	-	No	6	-	-	600
Shri S.S.Kothari	Independent-Non-Executive	5	No	2	1	-	4600
Shri S.K.Tapuriah	Independent-Non-Executive	5	No	1	-	-	768
Shri Vikash Kandoi*	Executive Executive Director	6	Yes	-	-	-	1126
Shri D.P.Maheshwari	Executive Managing Director	5	Yes	1	-	-	16000

* The Board of Directors at their meeting held on 30th May,2012 appointed Shri Vikash Kandoi as whole time Director designated as Executive Director for a period of 3 years w.e.f. 01.04.2012 subject to the consent of the shareholders in the General Meeting of the Company.

No director is related to any other director on the Board in terms of the provisions of the Companies Act, 1956 except Shri B.K.Birla, Smt. Jayashree Mohta and Shri Vikash Kandoi who are related to each other. Shri B.K.Birla is father of Smt. Jayashree Mohta and Shri Vikash Kandoi is son in-law of Smt. Jayashree Mohta.

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

Code of Conduct :

The Company has a code of conduct for all its Board members and senior management personnel which is available on the website of the Company. It has received necessary declarations affirming compliance with it from all of them and a declaration to this effect duly signed by the Managing Director is attached to this report.

3. AUDIT COMMITTEE

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

The Audit Committee comprises of two Non-Executive Independent Directors and Shri D.P.Maheshwari, Managing Director of the Company. Shri R.K.Ganeriwala, President & Secretary, the Internal Auditors and Statutory Auditors are permanent invitees to the meeting.

The terms of reference of the Audit Committee, covers the areas mentioned under clause 49 of the Listing Agreement and Section 292A of the Companies Act 1956.

Five Meetings of the Audit Committee were held in 2011-2012 on 22nd April, 2011 ; 10th August, 2011, 24th August, 2011, 25th October 2011, and 25th January 2012.

Attendance record of the Audit Committee Meetings.

Name of Directors	No. of Meetings Attended
Shri S.S. Kothari (Chairman)	5
Shri S.K. Tapuriah (Member)	5
Shri D.P.Maheshwari (Member)	4

4. DIRECTORS' REMUNERATION COMMITTEE

The Remuneration Committee comprises of three Non-Executive Directors and Shri R.K. Ganeriwala, President & Secretary acts as Secretary to this Committee. Terms of reference of this committee include determination of the Company's policy regarding remuneration packages, commission payable to Directors/Executive and Managing Director of the Company and sitting fees and other expenses payable to the Directors for attending meeting of the Board/ or Committee thereof within the limits approved by the shareholders from time to time. The committee had met once in the year 2011-2012 on 15th April, 2011.

Attendance record of the Directors' Remuneration Committee Meetings.

Name of Directors	No. of Meetings Attended
Shri B.M. Khaitan (Chairman)	1
Shri S.S. Kothari (Member)	1

5. REMUNERATION OF DIRECTORS

The details of sitting fees/commission paid to the Directors and salary and perks paid to the Executive and Managing Director of the Company during the year 2011-2012 are given below :-

(₹ in `000)

Name of Directors	Sitting Fees		Total	* Commission for the Financial Year 2010-2011 paid in Financial Year 2011-2012
	Board Meeting	Committee Meeting		
Shri B.K. Birla	120	-	120	400
Smt. Jayashree Mohta	-	-	-	400
Shri B.M. Khaitan	40	10	50	400
Shri G.P. Goenka	-	-	-	400
Shri S.S. Kothari	100	80	180	400
Shri S.K. Tapuriah	100	70	170	400
Shri Vikash Kandoi	120	-	120	400
	480	160	640	2800

	Salary	Value of perquisites	Retirement Benefits	Total
Smt. Jayashree Mohta (Vice-Chairperson)	7200	-	-	7200
Service Contract			5 years from 1st April, 2011	
Notice Period			3 months	
Shri D.P.Maheshwari (Managing Director)	5916	448	1215	7579
Service Contract			5 years from 27th June, 2008	
Notice Period			3 months	

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

Commission payable to the Directors for the financial year 2011-2012 is ₹ 15 lacs and is to be paid equally.

6. INVESTORS/SHAREHOLDERS GRIEVANCE COMMITTEE

The Investors/Shareholders Grievance Committee comprises of two Non-Executive Independent Director and Shri D.P.Maheshwari, Managing Director of the company, Shri R.K.Ganeriwala, President & Secretary is the Compliance Officer of the Company. The Company had received 35 complaints from the shareholders and all of them have been resolved. The shares are traded on the Stock Exchanges in compulsory dematerialised form. There are no pending complaints as on 31st March, 2012.

POSITION OF THE SHAREHOLDERS' COMPLAINTS RECEIVED AND REDRESSED DURING THE FINANCIAL YEAR 2011-2012.

Types of Grievances	Total Complaints received during the year 2011-2012	Total redressed	No. of Complaints pending As on 31.03.2012
Non-receipt of Dividend Warrant	16	16	Nil
Non-receipt of ECS Intimation Letter	7	7	Nil
Non-receipt of Annual Report	12	12	Nil
Total	35	35	Nil

Two Meetings of the Investors/Shareholders Grievance Committee were held in 2011-2012 on 10th August 2011, and 25th January 2012.

Attendance record of the Investors/ Shareholders Grievance Committee Meetings.

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

7. GENERAL BODY MEETINGS

i) The details of Annual General Meetings held in last three years are as under :

AGM	Year	Venue	Date	Time
Sixty Third	2008-2009	Kala Kunj 48, Shakespare Sarani Kolkata-700017	29th June, 2009	10.30 A.M.
Sixty Fourth	2009-2010	-do-	25th June, 2010	10.30 A.M.
Sixty Fifth	2010-2011	-do-	22nd Sept, 2011	10.30 A.M.

ii) **SPECIAL RESOLUTIONS PASSED IN THE LAST THREE AGMS :**

- In the AGM on 22nd Sept, 2011: No Special Resolution was transacted.
- In the AGM on 25th June, 2010: No Special Resolution was transacted.
- In the AGM on 29th June, 2009:

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

- iii) All the resolutions set out in the respective notices were passed by the shareholders.
- iv) No Resolution was put through postal ballot during the year 2011-2012.

8. DISCLOSURES

- i) There were no materially significant transactions with related parties as defined in Accounting Standard 18, "Related Party Transactions" entered into by the Company that may have potential conflict with the interests of the Company at large. The Register of Contracts containing the transactions in which Directors are interested is regularly placed at the Board meetings. Disclosures of transactions with related parties as required under the same Accounting Standard have been incorporated in the notes to the accounts.
- ii) The Company has followed all Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 while preparing Financial Statements.
- iii) No money was raised by the Company through any public issue, right issue, preferential issue etc. in the last financial year.
- iv) There were no strictures or penalties imposed on the Company by Stock Exchanges or SEBI, or any statutory authority for non-compliance of any matter related to capital markets, during the last three years.
- v) There is no Whistle Blower mechanism in the Company.
- vi) The Company has complied with all the applicable mandatory requirements and adopted some Non-mandatory requirements stipulated under Clause 49, such as requirements with regard to Remuneration Committee.

9. MEANS OF COMMUNICATIONS

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

DECLARATION REGARDING CODE OF CONDUCT

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

The said "Code" has been circulated to the members of the Board and senior management personnel, who have confirmed compliance of the same for the year ended 31st March, 2012. The said "Code" is also posted on www.jayshreetea.com, the website of the Company. Based on the above, it is hereby declared that the Code has been complied with by all.

Kolkata,
the 30th day of May, 2012

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

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

We have examined the compliance of Corporate Governance by **Jay Shree Tea & Industries Limited** for the year ended on 31st March, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

We 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.

1-B, Old Post Office Street
Kolkata, the 30th day of May, 2012

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

SHAREHOLDERS' INFORMATION

1. ANNUAL GENERAL MEETING

Date and time : 25th July, 2012
 Venue : Kala Kunj
 48, Shakespeare Sarani, Kolkata-700017

2. FINANCIAL CALENDER (Tentative)

Financial Reporting for the Quarter Ending :
 June 30, 2012 : By 14th August, 2012
 September 30, 2012 : By 14th November, 2012
 December 31, 2012 : By 14th February, 2013
 Audited Yearly Results for the Year Ended
 31st March, 2013 : By 30th May, 2013

3. DATE OF BOOK CLOSURE

: 18th July, 2012 to 25th July, 2012
 (both days inclusive)

4. DIVIDEND PAYMENT DATE

: By 1st week of August, 2012.
 (after declaration at AGM)

5. LISTING ON STOCK EXCHANGES

: CSE, BSE & NSE. The Company
 has paid listing fee for 2011-12.

6. STOCK CODE

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

ISIN Number for NSDL & CDSL

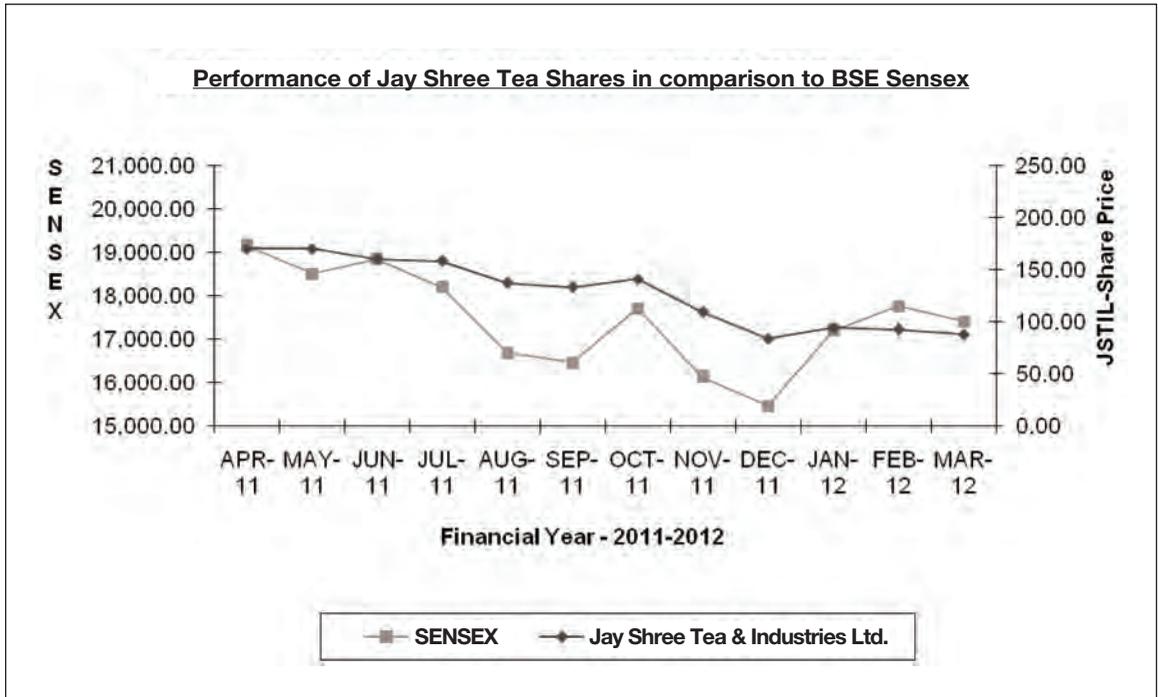
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7. STOCK MARKET DATA

: The details of monthly high, low and close price of the shares on Bombay Stock Exchange Ltd. and The National Stock Exchange of India Ltd., where the Company's shares are most frequently traded throughout the last financial year are as under :
 (In ₹ 5/- Per share)

Month	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	High	Low	Close	High	Low	Close
April 2011	182.35	158.50	170.05	182.50	158.05	170.35
May 2011	178.70	156.75	169.65	191.00	158.30	170.05
June 2011	175.70	152.90	160.05	176.00	152.00	160.55
July 2011	181.10	157.10	157.80	190.00	158.00	158.35
Aug. 2011	169.00	129.50	137.05	161.35	129.00	136.80
Sept. 2011	145.25	131.10	133.05	154.90	131.90	133.10
Oct. 2011	150.00	118.50	140.80	149.90	117.65	140.45
Nov. 2011	145.95	108.00	108.90	148.40	107.00	109.15
Dec. 2011	112.90	80.30	83.60	113.50	80.60	83.35
Jan. 2012	116.50	82.70	93.85	116.60	82.85	94.00
Feb. 2012	102.95	85.10	92.80	103.00	84.50	91.75
March 2012	92.30	85.00	87.90	92.50	81.50	88.10

8. STOCK PERFORMANCE



9. REGISTRAR & TRANSFER AGENTS

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

10. SHARE TRANSFER SYSTEM

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

11. DISTRIBUTION OF SHAREHOLDING

The shareholding distribution of equity shares of face value of ₹ 5/- per share as on 31st March, 2012 is given below:

No. of Shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholdings
1 to 500	20752	89.02	2394485	8.29
501 to 1000	1247	5.35	983179	3.41
1001 to 2000	684	2.93	1047558	3.63
2001 to 3000	188	0.81	476830	1.65
3001 to 4000	120	0.52	428589	1.48
4001 to 5000	79	0.34	364918	1.26
5001 to 10000	136	0.58	980741	3.40
10001 & above	105	0.45	22201188	76.88
	23311	100.00	28877488	100.00

12. SHARE HOLDING PATTERN AS ON 31st MARCH, 2012

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Promoters & Promoters Group	16	0.07	15637123	54.15
Financial Institutions, Banks & Mutual Funds	33	0.14	796380	2.76
Foreign Institutional Investors	3	0.01	1218642	4.22
Private Body Corporates	783	3.36	2339037	8.10
NRI / OCB	426	1.83	1721923	5.96
Individuals	22050	94.59	7164383	24.81
TOTAL	23311	100.00	28877488	100.00

13. DEMATERIALISATION OF SHARES AND LIQUIDITY

About 96.56% of the total equity share capital is held in demat form with NSDL & CDSL as on 31st March, 2012.

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

None.

15. INSIDER TRADING REGULATIONS

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

16. LOCATION OF COMPANY'S UNITS

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

17. INVESTORS CORRESPONDENCE

Shri R.K. Ganeriwala
 President & Secretary
 Jay Shree Tea & Industries Ltd.
 "Industry House" (15th Floor)
 10, Camac Street,
 Kolkata-700 017
 Telephone: (033) 2282-7531/4 (4 lines)
 Fax: (033) 2282-7535/2282-5830
 E-mail: rkg@jayshreetea.com/shares@jayshreetea.com
 Website: www.jayshreetea.com

REPORT OF THE DIRECTORS

For the year ended 31st March, 2012

Dear Shareholders,

We present the 66th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March 2012.

Financial Results	31st March 2012 [₹]	31st March 2011 [₹]
Gross Profit for the year	35,46,81,306	65,77,19,206
Add:		
i. Balance brought forward from previous year	54,96,35,272	46,23,64,478
ii. MAT credit entitlement (Net)	-	52,90,914
iii. Deferred Tax Assets	1,15,96,517	3,50,11,639
	91,59,13,095	116,03,86,237
Deduct:		
i. Gratuity	3,17,16,279	2,57,37,323
ii. Depreciation	14,98,33,026	11,52,07,198
iii. Provision for taxation	3,85,00,000	9,40,00,000
Current Tax		
Earlier year (Net)	(-) 4,05,246	-
iv. MAT credit entitlement reversal (Net)	34,23,256	-
	22,30,67,315	23,49,44,521
Profit available for appropriation	69,28,45,780	92,54,41,716

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

A) i) Proposed Dividend on Equity shares	6,52,25,274	6,52,25,274
ii) Tax (including surcharge & education cess) @16.2225% on proposed dividend (40% of Dividend amount)	42,32,468	1,05,81,170
B) Dividend Tax related to earlier years	(2,15,63,147)	-
C) Transfer to General Reserve	5,00,00,000	30,00,00,000
D) Balance carried forward to next year	59,49,51,185	54,96,35,272
	69,28,45,780	92,54,41,716

Equity Dividend

The Board is pleased to recommend the distribution of dividend of ₹ 3/- on face value of ₹ 5/- each per share as same was paid last year. The dividend tax including surcharge and education cess amounting to ₹ 42.32 lac shall be payable by the company on the said dividend.

Review of Performance

The year 2011-12 witnessed a turbulent business environment that moderated growth. The year started with optimism but as it progressed, there were challenges of inflation, decelerating growth and worsening investment climate which adversely impacted consumer sentiments. The global economic environment was confronted with geo-political instability, eurozone sovereign debt crisis, fluctuating global commodity prices etc. All these factors had an impact on the working of your company and the results are depressed because of:

1. Lower crop in South India, Cachar, Assam, & Dooars tea estates.
2. Assam prices down by ₹ 7/- per kg. and Dooars & Terai by ₹ 4/- per kg.
3. Industry-wise wage agreements resulting in steep hike in cost of labour and inflationary pressure on other inputs like coal, oil and fertiliser raising the cost of production by ₹ 12/13 per kg.
4. Very high volatility in Rupee-Dollar exchange rate thereby increasing the cost of borrowings.

Tea Estates

India produced crop of 988 million kg. during the year 2011 as compared to 967 million kg. in previous year. This was due to higher crop in Assam and Darjeeling. On the global front, the crop was lower compared to previous year because of short fall in Kenya, Malawi and Sri Lanka.

Your company produced 237.60 lac kg. during 2011-12 against 241.42 lac kg. in 2010-11, out of which own crop was 190.34 lac kg. against 196.89 lac kgs last year. Assam, Terai and South India witnessed lower crop due to unfavourable weather, whereas the crop in Darjeeling and Cachar was higher

The all India average tea price which peaked in middle of last year weakened later on with market becoming selectively buoyant for better teas. Darjeeling prices were firm and were higher by around ₹ 70/- per kg. The Orthodox variety of tea lost its market sheen as the problem with Iran payment continued due to U.S. trade embargo. The lower auction prices and higher liabilities on account of wage revision impacted the profitability of the company. However, quality tea performed well with strong support from both domestic and international market. Your company is laying emphasis on improving quality standards to command premium in the market.

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

Your tea estates continue to maintain stringent control under quality management system and have taken precautions to ensure strict conformity with various norms to market the tea under various retail chain in India and abroad.

Various measures have been taken to ensure hygiene in all its work places.

The Jay Shree Chemicals & Fertilisers, Khardah:

The Nutrient Based Subsidy Scheme introduced by the Government of India earlier on all phosphatic fertilisers augurs well for the industry. However, to reduce the subsidy burden on the government, the adhoc measures are being taken by the Ministry of Fertilisers by mopping up subsidy on stock affecting the working of such units adversely.

The market acceptability of free pricing is taking time to adjust to real situation. The raw material prices are on the rise with volatility in rupee/dollar exchange rate and it is difficult for the industry to pass on these to the consumer.

The figures of production and despatches are as under :

	Production		Despatches	
	(M.T.)		(M.T.)	
	2011-12	2010-11	2011-12	2010-11
Single Super Phosphate	82994	94154	93539	93675
Sulphuric Acid	48500	46002	23140*	20928*

(* **24077** {previous year 26154 } Captive Consumption)

The Jay Shree Chemicals & Fertilisers, Gurgaon

The margins on Sulphuric Acid remained under pressure due to competition from nearby smelter plant. The unit started manufacturing Oleum, which helped in capacity utilization to some extent.

The figures of production and despatches are as under :

	Production		Despatches	
	(M.T.)		(M.T.)	
	2011-12	2010-11	2011-12	2010-11
Sulphuric Acid	27498	30126	28366	29812
Oleum	3226	403	3289	301

Sugar

The sugar industry's long standing demand of deregulation is under the active consideration of the government. A Committee under the Chairmanship of Dr. C. Rangarajan, Advisor to the Prime Minister of India has been constituted to submit its report on decontrol. The recent shifting of sugar under OGL from quota system earlier is the first step in this direction of decontrol. Since India is the largest sugar consumer in the world, deregulation would be in the interest of all stakeholders – growers, millers and consumers as it would reduce the cyclic impact and minimize the interference of government. Now that, when every industry has to operate in global environment, it is imperative that they get level playing field with other countries. With growth in consumption, sugar prices should improve gradually.

Export of Tea

All India net export was lower at 187 million kg. as against the revised figure of 222 million kg. (193 million kg. announced earlier) last year despite largest ever export to Pakistan. There was strong demand from Russia, UK and UAE which is likely to continue. Due to US trade sanction on Iran, the trade between India and Iran continued to be depressed. Your company exported tea worth ₹ 84.93 crore (including tea worth ₹ 7.55 crore procured and shipped from abroad) as against ₹ 84.31 crore last year.

Subsidiary Companies and consolidated financial statements

As per the guidelines of the Ministry of Corporate Affairs, (MCA), Government of India the Balance sheet, Profit & Loss Account and other documents of subsidiary companies North Tukvar Tea Co. Ltd., Parvati Tea Company Ltd. and offshore investment arm Birla Holdings Ltd. UAE, are not being attached with the Balance Sheet of the company. These documents are kept for inspection at the registered office of the company and those of respective subsidiary companies. Any member interested to obtain copy of the same may write to the Company separately. These documents shall be made available either in physical form or electronic mode as per Green Initiative of the MCA. The consolidated financial statements presented by the company include the financial results of its subsidiary companies as per the requirement of listing agreement with Stock Exchanges.

Birla Holdings Ltd. (BHL), as a wholly owned subsidiary of the company in Dubai (UAE), Kijura Tea Co. Ltd. and Bondo Tea Estates Ltd., Uganda are subsidiaries of BHL. Kijura Tea Estate owned by these companies manufactured 14.10 lac kg. of made tea against 13.30 lac kg. last full year. The average sale price realized was \$ 1.54 per kg. against last year US \$ 1.71 Per kg. During the year the company recorded operating profit of US \$ 290 thousand (INR 147.64 lac) on sales turnover of US \$ 2.19 Mn. (INR 1113.31 lac)

Tea Group Investment Co. Ltd. (TGIC), Dubai, a joint venture company with Rwanda Mountain Tea SARL, Rwanda, in East Africa owning 60% stake in Mata Tea Co. Ltd., & Gisakura Tea Co. Ltd. manufactured 44.54 lac kg. of tea during 2011 and the average realization was US \$ 2.51 per kg. for Mata and US \$ 2.42 per kg. for Gisakura.

The said companies have declared dividend of 40% of its retained profit for the year 2011.

Corporate Governance

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

Corporate Social Responsibility

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

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

Sarala Birla Gyan Jyoti, set up by the company at Guwahati, Assam is considered to be one of the best schools in north eastern region and is providing value for money to around 1800 children on its roll. The world class infrastructure of the school provides for all round development of a child. Similar campus are being set up at Silchar and Jorhat to provide quality education to the members of planting community and general people of nearby areas.

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

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

Prospects

Notwithstanding the current economic environment, there are strong reasons to be bullish on the country's long term growth potential. Favourable demographics, a large growing middle class with increasing disposable incomes support a strong consumption story. In tea segment, the new year has commenced well with prices firming up for select varieties of tea. Your company's tea is attracting premium over the auction averages.

The lower carry over stock year after year, robust domestic demand and pressure on supply chain is likely to keep the prices of teas at remunerative levels in years to come. Increasing consumption of tea, particularly in developing countries with increasing per capita income, alongwith constrained supply of land to grow tea should result in an upward bias to the prices in years to come. It is evident from the market trends of last few years that the quality tea will always command premium over that of inferior quality. Tea prices are currently ruling higher by ₹ 25/30 per kg. as compared to same period last year. Your company's tea estate should improve its realization for the whole year by ₹ 20/- per kg. for the improved quality standard. Your company has been continuously investing to upgrade in field and factories for raising the yields and improving the quality. However, being a labour intensive industry with no action on the part of the government for sharing social cost, the Indian tea industry is less competitive in international arena.

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

Your company focuses on enhancing shareholders value and looks beyond immediate opportunities by executing expansion plans in Africa in tea segments and in India by acquiring a sugar mill. These acquisitions have been made with long term relevance. There are challenges, which in short term, will moderate growth due to inflation, high interest rates, depreciating rupee, delays in policy initiatives to boost investment and capital in flows. These factors are likely to affect the performance of your company.

Directors' Responsibility Statement

Your Directors would like to inform members that the audited accounts containing the financial statements for the year 2011-12 are in conformity with the requirements of the Companies Act and they believe that the financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operations. The Statutory Auditors, M/s. Singhi & Co., Chartered Accountants, Kolkata have audited these financial statements.

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

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

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

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

Appreciation

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

Particulars of employees

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

Deposits

None of the deposits, which were due for payment, remained unpaid as on 31.3.2012

Disclosure of particulars with regard to conservation of energy etc.

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

Cost Audit

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

Insurance

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

Directors

Pursuant to the provisions of Article 92 of the Articles of Association of the Company, Shri B.K.Birla and Shri G.P.Goenka retire by rotation and being eligible, offer themselves for re-election.

Subject to the approvals of the shareholders in the ensuing Annual General Meeting, Shri Vikash Kandoi was appointed by the Board as Whole time Director designated as Executive Director of the company w.e.f. 1.4.2012. The term of appointment of Shri D.P.Maheshwari as the Managing Director is expiring on 26th June, 2013. Considering his satisfactory performance, the Board of Directors in their meeting held on 30th May 2012, reappointed him as the Managing Director for a further term of 3 years w.e.f. 27.6.2013. Approval of the members to the said appointment and reappointment as also to the remuneration payable to the Whole time Director and the Managing Director will be sought at the ensuing Annual General Meeting.

Auditor's Report & Accounts

The observations made by the Auditors in their Report have been clarified in the relevant notes forming part of the Accounts, which are self-explanatory. Schedule VI of the Companies Act, 1956 has been revised by the Ministry of Corporate Affairs vide its Notification dated February 28, 2011. The notification is in force and is applicable for all Balance Sheets and Statement of Profit and Loss to be prepared for the financial year commencing on or after April 1, 2011. Therefore, the previous period figures have been regrouped/recast wherever necessary.

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

Auditors

Messrs Singhi & Co., Chartered Accountants, Auditors of the Company and Messrs Salarpuria Jajodia & Co., Chartered Accountants, Branch Auditors of Sungma, Singbulli, Balasun and Marionbarie Tea Estates of the company, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment for the year 2012-13, which we recommend.

Kolkata,
Dated : the 30th May, 2012

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

Annexure to the Directors' Report

Statement of particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo forming part of the Directors' Report for the year ended 31st March, 2012.

Conservation of Energy :

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

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

Form – A

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

(A) Power and Fuel Consumption

	Tea		Chemicals & Fertilisers		Sugar	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1 Electricity						
(a) Purchased						
Units (KWH)	18924325	19514072	3882734	3301968	-	-
Total Amount (in ₹)	128465357	122932490	24987627	19585245	-	-
Rate/Unit(in ₹)	6.79	6.30	6.44	5.93	-	-
(b) Own Generation						
(i) Through diesel generator						
Units(KWH)	4072217	4133540	133002	144590	764888	675852
Unit per Ltr.diesel	3.03	2.97	2.49	2.70	3.02	2.96
Cost/Unit(in ₹)	13.65	12.77	16.19	13.27	13.79	13.15

	Tea		Chemicals & Fertilisers		Sugar	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
(ii) Through steam turbine / generator						
Units(KWH)	350367	116240	4161342	4696806	8284424	7581000
Unit per Ltr. Oil/Gas	-	-	-	-	-	-
Cost/Unit(in ₹)	-	-	-	-	-	-
2 Coal (specify quality and where used)						
Quantity(MT)	17588	18382	-	-	-	-
Total cost (in ₹)	89109072	80651626	-	-	-	-
Average rate (in ₹)	5067	4388	-	-	-	-
Quality – Dust, Khasi, B.Grade, Margherita, Leco & Agni, used in Tea Drying Machines.						
3 Furnace Oil						
Quantity (K.Ltrs.)	47	60	-	-	-	-
Total Amount(in ₹)	1411543	1322538	-	-	-	-
Average Rate (in ₹)	30077	22000	-	-	-	-
4 Other / Internal Generation						
(a) Gas						
Quantity (SCM)	3089701	3850524	-	-	-	-
Total Cost(in ₹)	26602426	27538018	-	-	-	-
Rate/Unit (in ₹)	8.61	7.15	-	-	-	-
(b) Firewood						
Quantity(MT)	196	275	-	-	3	-
Total cost(in ₹)	422812	581011	-	-	14911	-
Rate/Unit(in ₹)	2157	2113	-	-	5124	-

(B) Consumption per unit of production

	Standards (if any)	Current Year	Previous Year
(i) For Black Tea (per Kg)	There is no prescribed standard		
Electricity(in KWH)		0.97	0.97
Furnace Oil(in Ltr.)		0.002	0.002
Coal (Quality as above) (in kg.)		0.74	0.76
Others: Gas (SCM)		0.13	0.16
Firewood(kg.)		0.09	0.13
(ii) For Superphosphate (per MT)			
Electricity (in KWH)		22	20
(iii) For Sulphuric Acid (per MT)			
Electricity (in KWH)		56	57
(iv) For White Sugar (per MT)			
Electricity (in KWH)		1.81	1.75
Firewood(kg.)		0.01	-

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

Form – B

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

Research and Development (R & D)

- | | | |
|---|---|---|
| 1 | Specific Area in which R&D carried out by the Company | Comprehensive R & D programme continues to provide strong scientific support to all the tea estates. Clonal trials, tea processing methods, development of high yielding quality plants, mechanised plucking of green leaves and pruning of tea bushes and mechanisation of factory practices are the thrust areas of research affecting productivity as well as quality. |
| 2 | Benefits derived as a result of the above R & D | <ul style="list-style-type: none"> a) Improving yields and productivity b) Pruning cycle optimised. |
| 3 | Future plan of action | <ul style="list-style-type: none"> a) Trials especially concerning nutrients are long term and hence will continue. b) Better agronomy practices to be developed for field particularly where the yield is low and optimise manufacturing methods for improvement in quality. |

		c) Your company is complying with the stringent requirements of minimum residual limits for chemicals in teas and producing teas in conformity with the requirements of rising Consumer safety requirement norms.
4	Expenditure on R & D	The aforesaid activities are being carried out as part of the Company's normal business activities. Hence, no separate expenditure figures are available. In addition, the Company contributes for the activities of Tea Research Association and United Planters Association of Southern India's Scientific Development regularly
	a) Capital	NIL (Previous year NIL)
	b) Recurring	25,59,156/- (Previous year 24,29,288/-) being amount paid to TRA and UPASI as above.
	c) Total R & D Expenditure as a percentage of total turnover	0.04% (Previous year 0.05%)

Technology, absorption, adaptation and innovation

1	Efforts in brief, made towards technology absorption, adaptation and innovation	Managerial staff are encouraged to attend seminars and training programmes for agricultural practices in the field and manufacturing process in the factories
2	Benefit derived as a result of the above e.g. product, improvement, cost reduction. Product development, import substitution etc.	Increase in productivity and cost reductions were achieved in some tea estates.
3	In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished : a) Technology imported b) Year of import c) Has technology been fully absorbed? d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.	None
4	Foreign exchange earnings and outgoings : Total Foreign Exchange used Total Foreign Exchange earned	The Company used and earned the foreign exchange as under: 60,68,81,429/- 77,21,17,112/-

**INFORMATION RELATED TO THE SUBSIDIARY COMPANIES
CONSOLIDATED FOR THE YEAR ENDED 31ST MARCH, 2012**

(₹ in lacs)

Name of the subsidiary	North Tukvar Tea Co.Ltd.	Parvati Tea Co. Pvt. Ltd.	Birla Holdings Ltd.
Capital	240.37	129.50	1.42
Reserve	(284.31)	6202.05	706.19
Total Assets	270.88	8031.39	6666.92
Total Liabilities	315.12	1699.84	5959.31
Details of Investment (except in case of investment in subsidiaries)	-	6304.59	1622.12
Revenue from Operations	79.58	95.10	2232.25
Profit/(Loss) before taxation	1.96	44.89	166.17
Provision for taxation	14.01	3.92	-
Profit/(Loss) after taxation	(12.05)	40.97	166.17
Proposed Dividend	-	-	-

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

1. Name of Subsidiary Company	North Tukvar Tea Co.Ltd.	Parvati Tea Co. Pvt. Ltd.	Birla Holdings Ltd.
2. The financial year of the Subsidiary Company Ended on	31.03.2012	31.03.2012	31.03.2012
3. a) No. of Equity Shares held by Jay Shree Tea & Industries Limited and its nominees in the Subsidiary on 31st March, 2012.	21,75,450 Equity Shares of ₹ 10/- each	9,95,000 Equity Shares of ₹ 10/- each	10,000 Shares of AED 1 each
b) Extent of interest of Jay Shree Tea & Industries Ltd. in the Capital of the Subsidiary	90.50%	100%	100%
4. Net aggregate amount of Profits/(Losses) of the Subsidiary so far as it concerns the members of Jay Shree Tea & Industries Ltd. and is not dealt with in the Company's Accounts			
a) Profit/(Loss) for the financial year ended on 31st March, 2012 of the Subsidiary	(12.05)	40.97	166.17
b) Profits/(Losses) (after tax) for the previous financial years of the Subsidiary of Jay Shree Tea & Industries Ltd.	(199.17)	(289.54)	274.71
5. Net aggregate amount of Profits/(Losses) of the Subsidiary so far as dealt with or provision is made for those Profits/(Losses) in Jay Shree Tea & Industries Ltd.'s Accounts :			
a) For the Subsidiary's Financial year ended on 31st March, 2012.	Nil	Nil	Nil
b) For its previous financial years since it became the Subsidiary of Jay Shree Tea & Industries Ltd.	Nil	Nil	Nil

For and on behalf of the Board of Directors

R.K.GANERIWALA
(President & Secretary)

D.P.MAHESHWARI
(Managing Director)

B. K. BIRLA
(Chairman)

FINACIAL HIGHLIGHTS
for the last five years

(₹ in lacs)

	2011-2012	2010-11	2009-10	2008-09	2007-08
A ASSETS OWNED BY THE COMPANY					
1 Fixed Assets :					
Gross Block	40513.81	38214.20	25728.66	24408.66**	22565.99*
(Incl.Capital Work in Progress)					
Less:Accumulated Depreciation / Amortisation	11140.37	9884.54	9014.76	8445.67	7916.32
Net Block	29373.44	28329.66	16713.90	15962.99	14649.67
2 Non-Current & Current Investments	21929.59	20453.82	8484.60	10070.63	9468.05
3 Non-Current & Current Assets	44131.47	42955.27	33472.27	15749.11	11829.04
TOTAL ASSETS	95434.50	91738.75	58670.77	41782.73	35946.76
B DUES TO BE PAID BY THE COMPANY					
1 Long Term & Short Term Borrowings	42314.12	43972.41	25964.41	15203.87	14795.01
2 Long & Short Term liabilities & provision	15848.87	11101.81	9894.15	9345.68	4678.83
3 Deferred Tax Liability	933.44	1049.40	1027.50	874.39	495.34
Total Liabilities	59096.43	56123.62	36886.06	25423.94	19969.18
C COMPANY'S NET WORTH	36338.07	35615.13	21784.71	16358.79	15977.58
D EQUITY SHAREHOLDERS' FUND					
Represented By:					
a) Share Capital	1443.87	1117.43	1117.43#	1067.93	1066.79
b) Share Suspense		326.44		49.50	1.14
c) Reserves & Surplus	34894.20	34171.26	20667.28	15241.36**	14909.65*
	36338.07	35615.13	21784.71	16358.79	15977.58
Net Worth per Equity Share of					
₹ 5/- each (in ₹)	125.84	123.33	97.48	73.20	74.81
Dividend per Equity Share of					
₹ 5/- each (in ₹)	3.00	3.00	3.00	1.50	1.25

* After Revaluation of Fixed Assets

** After write back of Revaluation Reserve

Figures for Previous years have been regrouped/rearranged

**FINANCIAL HIGHLIGHTS
for the last five years**

	2011-2012	2010-11	2009-10	2008-09	2007-08
A INCOME:					
1 Revenue from Operation (Net)	61695.12	48843.95	40412.34	41230.30	26477.59
2 Other Income	1034.30	700.78	1313.96	(1497.61)	1890.19
TOTAL INCOME :	62729.42	49544.73	41726.30	39732.69	28367.78
B EXPENDITURE :					
1 Increase/Decrease in stock	(1722.31)	(7565.41)	(2560.56)	(1601.93)	184.89
2 Purchases	8011.80	4973.69	8079.44	5265.36	3645.77
3 Raw Materials Consumed	20612.25	18588.59	6490.50	13598.80	5189.40
4 Employees Cost	14634.03	12417.41	10944.32	9600.31	8412.74
5 Consumption of Stores & Spare Parts	3594.72	3389.94	2596.99	2231.21	1807.26
6 Power & Fuel	3526.13	3199.69	2708.64	2443.40	2055.99
7 Manufacturing & Other Miscellaneous Exp.	4964.59	3917.74	3019.63	2682.62	2502.31
8 Selling & Distribution Expenses	3552.09	2691.13	2241.31	2032.62	1989.33
9 Depreciation/Amortisation	1497.18	1152.07	780.68	676.16	692.91
10 Interest (Net)	2327.62	1612.13	556.01	1026.74	754.41
TOTAL EXPENDITURE	60998.10	44376.98	34856.96	37955.29	27235.01
Profit before Taxation	1731.32	5167.75	6869.34	1777.40	1132.77
Provision for Taxation-Current Tax	385.00	940.00	900.00	10.00	80.00
MAT Credit Entitlement	34.23	(350.12)	(354.11)	-	-
Tax Adjustment for earlier years	(4.05)	-	-	-	(20.56)
Provision for Taxation-Deferred Tax	(115.96)	(52.91)	153.10	379.05	(71.80)
Profit after Taxation	1432.10	4630.78	6170.35	1388.35	1145.13
Balance B/F from previous year	5496.36	4623.64	2197.72	2058.16	1725.05
Balance available for appropriation	6928.46	9254.42	8368.07	3446.51	2870.18
C APPROPRIATION :					
1 General Reserve	500.00	3000.00	3000.00	1000.00	500.00
2 Proposed Equity Dividend	652.25	652.25	652.25	335.23	266.70
3 Tax on Dividend(incl.surcharge on dividend)	42.32	105.81	108.34	56.97	45.32
4 Dividend Tax related to earlier years	(215.63)	-	-	(143.70)	-
5 Dividend (in respect of Amalgamated Company for Previous year)	-	-	-	0.29	-
6 Dividend waived by Beneficiary Trust	-	-	(13.81)	-	-
7 Dividend Tax on dividend waived by Beneficiary Trust	-	-	(2.35)	-	-
8 Balance carried to Balance Sheet	5949.52	5496.36	4623.64	2197.72	2058.16
	6928.46	9254.42	8368.07	3446.51	2870.18

Figures for Previous years have been regrouped/rearranged

AUDITORS' REPORT to the Shareholders

We have audited the attached Balance Sheet of JAY SHREE TEA & INDUSTRIES LIMITED as at 31st March, 2012, the statement of Profit & Loss and the Cash Flow Statement of the said Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

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

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- iii) We have incorporated the statement of garden expenditure of Sungma Tea Estate, North Tukvar Tea Estate, Singbulli Tea Estate, Balasun Tea Estate and Marionbarie Tea Estate audited by branch auditor as required by clause (c) of sub-section (3) of section 228 of the Companies Act, 1956.
- iv) The Balance Sheet, the statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- v) In our opinion, the Balance Sheet, the statement of Profit & Loss and the Cash Flow Statement dealt with by this report, comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- vi) On the basis of written representations received from the directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vii) Without qualifying our opinion, attention is invited to the following:
 - a. Note no 2.28.E.iii and 2.28.E.iv regarding carry forward of Minimum Alternate Tax (MAT) Credit Entitlement of ₹ 372.78 lacs and recognition of deferred tax assets of ₹ 227.33 lacs on capital loss upto 31st March 2012, based on the future taxable income projected by the company. However, we are unable to express our opinion on the convincing evidence of future taxable income and the corresponding recognition thereof;
 - b. Note no 2.28.I regarding non-provision for diminution in value of investment of a Subsidiary Company amounting to ₹ 356.20 lacs and non-provision for advances and security deposits given to such subsidiary amounting to ₹ 292.63 lacs in view of the reason stated in the said note.
- viii) In our opinion and to the best of our information and according to the explanations given to us, the said account together with notes thereon and attached thereto, give the information required by the Companies

Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
- b) In the case of the statement of Profit & 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.

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

1-B, Old Post Office Street
Kolkata, the 30th day of May, 2012

ANNEXURE TO THE AUDITORS' REPORT **(Referred to in paragraph 3 of our report of even date)**

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

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the management which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The Company has not disposed off substantial part of fixed assets during the year.
- (ii) In respect of its inventories:
 - (a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the company has granted unsecured loans / advances to three (three) Subsidiaries Companies and 1 (one) step down subsidiary company amounting to ₹1994.53 lacs (balance at the year end)(maximum amount outstanding during the year was ₹ 4241.33 lacs) which is repayable on demand. The terms and conditions of the loans/advances are prima-facie not prejudicial to the interest of the Company.
 - (b) Since there is no overdue amount of principal and interest, hence clause 4 (iii) (d) of this Order is not applicable.
 - (c) The company has taken unsecured advances from one subsidiary company amounting to ₹ 79.12 lacs (balance at the year end) (maximum amount outstanding during the year was ₹ 79.12 lacs) which is repayable on demand. The terms and conditions of the loans are prima-facie not prejudicial to the interest of the company.

- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
- (v) In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956:
- (a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register have been so entered.
- (b) According to the information and explanations given to us, certain transactions for purchase and sale of goods and materials with the subsidiary Companies for which alternate quotations were not available, have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A, 58AA or any other relevant provisions of the Act, and the rules framed there under and the directives issued by the Company Law Board, National Company Law Tribunal or the Reserve Bank of India, or any Court or any other Tribunal where applicable, with regard to the deposits accepted from the public.
- (vii) In our opinion, the internal audit functions carried out during the year by firms of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- (viii) We have broadly reviewed the books of account and records maintained by the Company relating to plantation and the manufacture of Sulphuric Acid & Sugar pursuant to the order made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.
- (ix) According to the information and explanations given to us in respect of statutory and other dues:
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income tax, Sales tax, Wealth tax, Service tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Income tax, Sales tax, Wealth tax, Service tax and other material statutory dues were in arrears as at 31st March, 2012, for a period of more than six months from the date they become payable.

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

<u>Statute</u>	<u>Nature</u>	<u>Forum</u>	<u>Amount involved (in lacs)</u>	<u>Related year</u>
Income Tax Act	Income Tax	CIT (A)	86.51	2006-07 & 2007-08
Income Tax Act	Income Tax	CIT(A)	94.96	2008-09
W B Sales Tax Act	Sales Tax	First appellate Authorities / revisional board	164.29	1999-00, 1996-97, 1997-98, 2001-02, 2002-03, 2003-04, 2005-06, 2006-07, 2007-08 & 2008-09
W B Sales Tax Act	Sales Tax	Taxation Tribunal	20.30	2003-04

- (x) The Company does not have accumulated losses as at the end of the year and the Company has not incurred cash losses during the current and the immediately preceding financial year.
- (xi) Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks.
- (xii) According to the information and explanations given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the nature of activities of the company is such that the provisions of any special statute including chit fund/nidhi/mutual benefit fund/societies are not applicable to it.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities. The Company has invested surplus funds in marketable securities and mutual funds. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts relating to purchase of investments and timely entries have been made therein. All the investments have been held by the Company in its own name except beneficial interest in shares amounting to ₹ 9969.70 lacs have been held by two separate trusts.
- (xv) According to the information and explanations given to us, the Company has given a guarantee to a bank amounting to ₹ 4070.40 lacs and pledged its own investment amounting to ₹1400 lacs for banking facility taken by a subsidiary company from a bank during the year and the terms & conditions whereof are not prejudicial to the interest of the Company.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained.
- (xvii) According to the information and explanations given to us, on an overall basis, no funds raised on short-term basis been used during the year for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956, during the year and hence the question of whether the price at which shares have been issued is prejudicial to the interest of the Company does not arise.
- (xix) The Company did not have any outstanding debenture during the year.
- (xx) The Company has not raised monies by public issue during the year and hence the question of disclosure and verification of end use of such monies does not arise.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

BALANCE SHEET AS AT 31ST MARCH, 2012

	<u>Note No.</u>		As at 31.03.2012	(₹ in lacs) As at 31.03.2011
EQUITY AND LIABILITIES				
SHAREHOLDERS' FUNDS				
Share Capital	2.1	1443.87	1117.43	
Share Suspense	2.1.1	-	326.44	
Reserves and Surplus	2.2	<u>34894.20</u>	<u>34171.26</u>	
			36338.07	35615.13
NON-CURRENT LIABILITIES				
Long-Term Borrowings	2.3	10952.35	13313.04	
Deferred Tax Liabilities (Net)	2.4	933.44	1049.40	
Other Long-Term Liabilities	2.5	63.55	43.78	
Long-Term Provisions	2.6	<u>390.79</u>	<u>330.52</u>	
			12340.13	14736.74
CURRENT LIABILITIES				
Short-Term Borrowings	2.7	27325.31	28458.17	
Trade Payables	2.8	10741.86	5886.97	
Other Current Liabilities	2.9	5982.66	4157.44	
Short-Term Provisions	2.6	<u>2706.47</u>	<u>2884.30</u>	
			46756.30	41386.88
TOTAL			<u>95434.50</u>	<u>91738.75</u>
ASSETS				
NON-CURRENT ASSETS				
Fixed Assets				
Tangible Assets	2.10	28729.68	28015.33	
Capital Work-In-Progress	2.10	<u>643.76</u>	<u>314.33</u>	28329.66
Non-Current Investments	2.11	20918.03	16932.79	
Long-Term Loans and Advances	2.12	1419.02	1183.42	
Other Non-Current Assets	2.13	<u>4.10</u>	<u>7.73</u>	
			22341.15	18123.94
CURRENT ASSETS				
Current Investments	2.14	1011.56	3521.03	
Inventories	2.15	21344.50	18643.81	
Trade Receivables	2.16	7171.39	5416.27	
Cash and Bank Balances	2.17	1113.65	5086.34	
Short-Term Loans and Advances	2.12	10983.94	10858.89	
Other Current Assets	2.13	<u>2094.87</u>	<u>1758.81</u>	
			43719.91	45285.15
TOTAL			<u>95434.50</u>	<u>91738.75</u>

Significant Accounting Policies

1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date annexed

For SINGHI & CO.

Chartered Accountants

Firm Registration No.302049E

PRADEEP KUMAR SINGHI

Partner

(Membership No.50773)

1-B, Old Post Office Street

Kolkata, the 30th day of May, 2012

R.K.GANERIWALA
(President & Secretary)

D.P.MAHESHWARI
(Managing Director)

B. K. BIRLA
(Chairman)

For and on behalf of the Board of Directors

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	<u>Note No.</u>	For the year ended 31st March, 2012	(₹ in lacs) For the year ended 31st March, 2011
INCOME			
Revenue from Operations (Gross)	2.18	62647.68	49383.96
Less: Excise duty		952.56	540.01
Revenue from Operations (Net)		61695.12	48843.95
Other Income	2.19	2661.87	1507.53
Total Revenue		64356.99	50351.48
EXPENSES			
Cost of Materials Consumed	2.20	20612.25	18588.59
Purchases of Traded Goods	2.21	8011.80	4973.69
(Increase)/ Decrease in Inventories of Finished Goods, Work-in-Progress and Traded Goods	2.22	(1722.31)	(7565.41)
Employee Benefits Expense	2.23	14634.03	12417.41
Finance Costs	2.24	3955.19	2418.88
Other Expenses	2.25	15637.53	13198.50
		61128.49	44031.66
Profit before Tax, Depreciation and Amortisation		3228.50	6319.82
Depreciation and Amortization Expense	2.26	1497.18	1152.07
Profit before Tax		1731.32	5167.75
Tax Expense:	2.27		
Current Tax		415.18	887.09
Deferred Tax		(115.96)	(350.12)
Profit after Tax		1432.10	4630.78
 Basic & Diluted Earnings Per Share (₹) (nominal value ₹ 5 /-) each		4.96	18.08
(Refer Note . 2.28.T)			

Significant Accounting Policies

1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date annexed

For SINGHI & CO.

Chartered Accountants

Firm Registration No.302049E

PRADEEP KUMAR SINGHI

Partner

(Membership No.50773)

1-B, Old Post Office Street

Kolkata, the 30th day of May, 2012

R.K.GANERIWALA
(President & Secretary)

For and on behalf of the Board of Directors

D.P.MAHESHWARI
(Managing Director)

B. K. BIRLA
(Chairman)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH,2012

(₹ in lacs)

Particulars	2011-12	2010-11
A. Cash flow from operating activities :		
Net Profit before tax and extraordinary items	1731.32	5167.75
Adjustments for -		
Depreciation/Amortisation	1498.33	1152.17
Dividend income	(196.57)	(225.13)
Finance Cost	3955.19	2418.88
Interest Income	(1627.58)	(806.75)
(Profit) / loss on sale / discard of fixed assets (net)	(15.19)	116.96
Unclaimed balances written back	(203.93)	(64.75)
Provision for doubtful debts & advances /(write back)	-	(0.84)
Advances & claims written off (net)	13.64	1.36
(Profit) / loss on sale of Investment (net)	(151.34)	(163.42)
Exchange difference (net)	483.98	(230.29)
Operating profit before working capital changes	5487.85	7365.94
Adjustments for -		
Trade Receivables and Loans & Advances	22.30	(2347.88)
Inventories	(2700.70)	(7712.69)
Trade payables, Other liabilities & Provisions	5089.09	165.78
Cash generated from / (used in) operations	7898.54	(2528.85)
Direct taxes (paid) / refund ^	(825.47)	(765.38)
Exchange difference realised (net)	(123.84)	31.76
Net cash from / (used in) operating activities	6949.23	(3262.47)
B. Cash flow from investing activities :		
Purchase of/advance for Fixed Assets/capital work in progress	(2973.97)	(2551.61)
Sale of Fixed Assets	42.69	110.92
Receipt of capital subsidy	88.86	93.79
Investment in Subsidiaries & Joint Venture	(1800.00)	(10218.14)
Loans & Advances to Subsidiaries and Joint Venture (net)	302.73	3507.54
(Purchase) / sale of long term investments (net)	905.69	(20.32)
(Purchase) / sale of current investments (net)	(457.53)	1201.69
Loans and Advances to companies (net)	(1800.00)	(300.00)
Interest received	1178.55	721.33
Dividend Income	196.57	252.51
Net cash from / (used in) investing activities	(4316.41)	(7202.29)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012 (contd.)

(₹ in lacs)

C. Cash flow from financing activities :

Proceeds/(Repayments) of long term borrowings (net)	(1116.68)	10835.65
Proceeds from short term borrowings (net)	(3744.50)	(993.97)
Proceeds from bank borrowings for working capital (net)	2633.78	2050.09
Dividend including dividend tax paid	(683.64)	(695.59)
Interest paid	<u>(3681.81)</u>	<u>(2105.60)</u>
Net cash from / (used in) financing activities	(6592.85)	9090.58
Net increase / (decrease) in cash and cash equivalent (A+B+C)	<u>(3960.03)</u>	<u>(1374.18)</u>
Cash and cash equivalents as at 01.04.2011	4906.82	6281.00
Cash and cash equivalents as at 31.03.2012 \$	<u>946.79</u>	<u>4906.82</u>
	<u>(3960.03)</u>	<u>(1374.18)</u>

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

\$ Cash and cash equivalent consist of :-

Cash & Cash Equivalents *

	As at	As at
	31.03.2012	31.03.2011
Cash , cheques, drafts in hand etc.	260.00	314.79
Balance and Fixed deposits with Banks	<u>686.79</u>	<u>4592.03</u>
Total	<u>946.79</u>	<u>4906.82</u>

The aforesaid statement is prepared on indirect method.

* Does not include any amount of significant cash & cash equivalent which are not available for use.

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

As per our report of even date annexed

For SINGHI & CO.

Chartered Accountants

Firm Registration No.302049E

PRADEEP KUMAR SINGHI

Partner

(Membership No.50773)

1-B, Old Post Office Street

Kolkata, the 30th day of May, 2012

R.K.GANERIWALA
(President & Secretary)

For and on behalf of the Board of Directors

D.P.MAHESHWARI
(Managing Director)

B. K. BIRLA
(Chairman)

Notes to Financial Statements for the year ended 31st March 2012

1.Statement of Accounting Policies

i. Convention

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

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

ii. Use of Estimates

The preparation of financial statements require judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent 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.

iii. Basis of Accounting

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

iv. Recognition of Revenue & Expenses

- a) All revenue and expenses are accounted for on accrual basis except as otherwise stated.
- b) Sales are net of returns, Sales Tax/VAT and trade discount.

v. Government Grants

- a) Government Grants related to specific assets are adjusted with value of fixed assets.
- b) Government Grants in the nature of Promoter's Contribution towards fixed assets are credited to Capital Reserve.
- c) Government Grant related to revenue items are adjusted with the related expenditure/taken in income.

vi. Fixed Assets & Depreciation / Amortisation

A. Tangible Fixed Assets

- a) Fixed assets are stated at cost less accumulated depreciation and accumulated impairment loss, if any.
- b) Depreciation on all assets, other than vehicles, is provided on the "Straight Line Method", and on vehicles on the "Written down value method" in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956.
- c) Items of machinery spares to be used in connection with an item of fixed asset are amortized over the useful life of the asset.
- d) Leasehold Land (Others) is amortized over the period of lease.

Notes to Financial Statements for the year ended 31st March 2012

B. Intangible Fixed Assets

Intangible Assets are stated at cost on initial recognition after which the same are stated at cost less accumulated amortization and accumulated impairment loss, if any.

C. Capital Work In progress

Capital Work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

D. Intangible assets under development

Intangible assets under development is stated at cost which includes expenses incurred during development period and all other expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

vii. Impairment of Assets

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

viii. Leases

For assets acquired under operating lease, rental payable are recognised as an expense in the statement of profit and loss. Assets acquired under finance lease are capitalized at lower of the fair value and the present value of minimum lease payment. Lease income from operating leases is recognised in the statement of profit and loss over the period of lease.

ix. Investments

- a) Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. The portion of long term investments expected to be realized within twelve months after the reporting date are disclosed under current investments.
- b) On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees & duties.
- c) Long-Term Investments are stated at cost. Provision for diminution is made if the decline in value, in the opinion of the management, is other than temporary.
- d) Current Investments, other than the portion of long term investments disclosed under current investments, are stated at lower of cost or fair value.

x. Inventories

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

Notes to Financial Statements for the year ended 31st March, 2012

Net realizable value is the estimated selling prices in the ordinary course of business less estimated cost necessary to make the sale. Materials and other items held for use in production of inventories are not written down below the cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

xi. Employment Benefits

a) Short term Employees Benefits

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

b) Long Term Employee Benefits:

- i) Defined Contribution Scheme: This benefit includes contribution to Superannuation Scheme, ESIC (Employees' State Insurance Corporation) and Provident Fund Schemes. The contribution is recognized during the period in which the employee renders service.
- ii) Defined Benefit Scheme: For defined benefit scheme the cost of providing benefit is determined using the projected unit credit method with actuarial valuation being carried out at each balance sheet date. The retirement benefit obligation recognized in the Balance Sheet represents value of defined benefit obligation as reduced by the fair value of planned assets. Actuarial gains and losses are recognized in full during the period in which they occur.
- iii) Other Long Term Benefits: Long term compensated absence is provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method as at the date of Balance Sheet.

xii. Borrowing Costs

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

xiii. Foreign Currency Transactions

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

Exchange difference arising on reporting /settlement of long term foreign currency monetary items (other than related to acquisition of depreciable Fixed Assets) at rates different from those at which they were initially recorded during the period or reported in previous financial statement which were until now being recognized in the statement of Profit & Loss are now being accumulated in "Foreign Currency Monetary Translation Difference Account" and amortized in the statement of Profit & Loss A/c. over the remaining life of the long term foreign currency monetary items.

xiv. Derivative Transactions

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

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

xv. Taxes on Income

Current tax is determined on the basis of the amount of tax payable for the year under Income Tax Act, and Agriculture Income Tax of the respective states. Deferred tax is calculated at the applicable tax rate and is recognized on timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets subject to consideration of prudence, are recognized and carried forward only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Tax Credit for Minimum Alternate Tax (MAT) is recognized when there is virtual certainty of its realisability against future tax liability.

xvi. Provisions, Contingent Liabilities & Contingent Assets

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

Notes to Financial Statements for the year ended 31st March, 2012

(₹ in lacs)

As at
31.03.2012

As at
31.03.2011

2.1 : SHARE CAPITAL

Authorised:

58000000 Shares of ₹ 5/- each 2900.00 2900.00

Issued:

28902786 Equity Shares of ₹ 5/- each 1445.14 1118.70
(Previous year 22373976 Equity Shares of ₹ 5/- each)

Subscribed and Paid up:

28877488 Equity Shares of ₹ 5/- each 1443.87 1117.43
(Previous year 22348678 Equity Shares of ₹ 5/- each)

1443.87 1117.43

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

	<u>No. of Shares</u>	<u>No. of Shares</u>
Shares outstanding at the beginning of the year	22348678	22348678
Shares Issued during the year pursuant to scheme of Amalgamation and Arrangement	6528810	-
Shares outstanding at the end of the year	28877488	<u>22348678</u>

b) The Company has only one class of issued shares i.e. Equity Shares having par value of ₹ 5 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/ultimate Holding Company.

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

Ordinary Equity Shares of ₹ 5 each fully paid up	As at 31.03.2012		As at 31.03.2011	
	No. of Shares	%	No. of Shares	%
Padmavati Investment Limited	6114108	21.17	6114108	27.36
Jay Shree Beneficiary Trust	6528810	22.61	-	-

e) No Equity 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 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) 7541640 (Previous year 7541640)Equity shares of ₹ 5/-each fully paid up have been issued pursuant to scheme of amalgamation and arrangement for consideration other than cash.

h) No securities convertible into Equity/Preference shares issued by the Company during the year.

i) No calls are unpaid by any Director or Officer of the Company during the year.

2.1.1: Share Suspense

As at
31.03.2012

As at
31.03.2011

6528810 Fully paid up Equity shares of ₹ 5- each fully paid up - 326.44
(Share were issued in the current year in pursuant to a scheme of amalgamation and arrangement of previous year)

Notes to Financial Statements for the year ended 31st March, 2012

(₹ in lacs)

As at
31.03.2012 As at
31.03.2011

2.2 : RESERVES AND SURPLUS

Capital Reserves

(Not Available for Dividend)

As per the last Financial Statements

10858.86 10858.86

Capital Redemption Reserve

As per the last Financial Statements

165.21 165.21

Storage Reserve for Molasses

As per the last Financial Statements

188.10 188.10

General Reserve

As per the last Financial Statements

17462.73 14462.73

Add: Transferred from Surplus

500.00 3000.00

17962.73 17462.73

Foreign Currency Monetary Items Translation Difference Account

(Refer Note No.2.28.F)

During the year

(375.80) -

Less: Amortised during the year

145.58 -

(230.22) -

Surplus

As per the last Financial Statements

5496.36 4623.64

Add: Profit for the year

1432.10 4630.78

6928.46 9254.42

Less: Appropriations

Proposed Dividend

652.25 652.25

Corporate Dividend Tax (Refer Note No.2.28.E.ii)

42.32 105.81

General Reserve

500.00 3000.00

Dividend Tax for Earlier years written back
(Refer Note No.2.28.E.ii)

(215.63) -

Net Surplus

5949.52 5496.36

Total Reserves and Surplus

34894.20 34171.26

Notes to Financial Statements for the year ended 31st March, 2012

(₹ in lacs)

2.3 : LONG-TERM BORROWINGS

	Non-current portion		Current maturities	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Secured				
Term Loan from banks	4416.66	6583.33	3166.67	2083.33
External Commercial Borrowings from Banks	6518.80	6690.75	763.20	-
Total Secured Borrowings	10935.46	13274.08	3929.87	2083.33
Unsecured				
Employees Deposits	16.75	38.80	106.57	117.85
From Government of West Bengal under Plantation Labour Housing Scheme	0.04	0.06	0.02	0.02
From Government of Assam under Plantation Labour Housing Scheme	0.10	0.10	-	-
Total Unsecured Borrowings	16.89	38.96	106.59	117.87
Amount disclosed under the head "Other Current Liabilities" (Note 2.9)			(4036.46)	(2201.20)
Total	10952.35	13313.04	-	-

Security:

- Term Loan and External Commercial Borrowings from Banks are secured/to be secured by equitable mortgage by deposit of title deeds of tea estates along with all immovable properties thereon ranking pari-passu, interse.
- External Commercial Borrowings are also secured by pledge of certain investments of the company.
- Maturity Profile

Nature of Loans	Loan Amount	Repayment Term	Repayment Years			
			2012-2013	2013-2014	2014-2015	2015-2016
Rupee Term Loan	833.33	Remaining one yearly installment	833.33	-	-	-
Rupee Term Loan	2000.00	Remaining two yearly installment	1000.00	1000.00	-	-
Rupee Term Loan	2500.00	Remaining three yearly installment	833.34	833.33	833.33	-
Rupee Term Loan	1250.00	Remaining five half yearly installment	500.00	500.00	250.00	-
Rupee Term Loan	1000.00	Payable in three equal yearly installment	-	333.33	333.33	333.34
External Commercial Borrowings	2544.00	In three fixed installments	763.20	763.20	1017.60	-
External Commercial Borrowings	4738.00	In two equal installments	-	2369.00	2369.00	-
	14865.33		3929.87	5798.86	4803.26	333.34

Employees deposit	123.32	As per terms of Receipts	106.57	12.25	4.50	-
Government of West Bengal under Plantation Labour Housing Scheme	0.06	Remaining equal yearly installment	0.02	0.02	0.02	-
Government of Assam under Plantation Labour Housing Scheme	0.10	As per terms of loan	-	0.10	-	-
	123.48		106.59	12.37	4.52	-

Notes to Financial Statements for the year ended 31st March, 2012

(₹ in lacs)

2.4 : DEFERRED TAX LIABILITIES (NET)

As at
31.03.2012

As at
31.03.2011

Deferred Tax Liabilities

Arising on account of :

Accumulated Depreciation	1805.99		1759.45	
Others	75.33	1881.32	-	1759.45

Less: Deferred Tax Assets

Arising on account of :

Section 43B of Income-tax Act	693.97		499.03	
Provision for doubtful debts	13.44		13.33	
Others	13.14		-	
Carry over capital losses	227.33	947.88	197.69	710.05
		933.44		1049.40

2.5 : OTHER LONG TERM LIABILITIES

Trade and Security Deposits	63.55		43.78	
	63.55		-	43.78

2.6 : PROVISIONS

	Long Term		Short Term	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Provision for Employee Benefits				
Leave	390.79	330.52	69.91	65.49
Gratuity	-	-	509.93	534.47
Bonus	-	-	1259.80	953.64
Other Provisions				
Provisions for Contingency	-	-	148.42	157.66
Provisions for Taxation (Net of advance)	-	-	23.84	262.83
Proposed Dividend	-	-	652.25	652.25
Corporate Dividend Tax	-	-	42.32	257.96
	390.79	330.52	2706.47	2884.30

2.7 : SHORT TERM BORROWINGS

Working Capital Borrowings From Banks

Working Capital Loan (Secured)		795.04	1213.67	
Packing Credit in Foreign Currency (Secured)		1310.53	-	
FCNR (B) loan (Unsecured)		1719.74	-	
	Sub Total	3825.31	1213.67	

Notes to Financial Statements for the year ended 31st March, 2012

2.7 : SHORT TERM BORROWINGS (contd.)

(₹ in lacs)

	As at 31.03.2012	As at 31.03.2011
Other Loans & Advances From Banks		
Rupee Loan (Secured)	3250.00	2250.00
Rupee Loan (Unsecured)	20250.00	24700.00
Excise Duty Loan from a Bank (Secured)	-	294.50
Sub Total	23500.00	27244.50
	27325.31	28458.17
The above amount includes		
Secured Borrowings	5355.57	3758.17
Unsecured Borrowings	21969.74	24700.00
Total	27325.31	28458.17

Security:

- i) Working Capital Loan, Packing Credit in Foreign Currency and Rupee Loan from Banks of ₹ 2250.00 are secured /to be secured by current assets namely stock of raw materials, work-in-progress, semi finished and finished goods, stores & spares not related to plant and machinery, bills and book debts and other movable both present and future of the company and deposit of title deeds of certain tea estates as collateral security.
- ii) Rupee Loan from a bank of ₹ 1000.00 is secured /to be secured by sub-servient charge on current assets of the company.
- iii) Jay Shree Sugar division has a sanctioned working capital loan against :
 - (i) Hypothecation of Stocks of Sugar, Stock in process, Stores and Spares at Majhaulia.
 - (ii) Second Charge on immovable properties situated at Majhaulia, as collateral security. There is no outstanding at the year end.

2.8 : TRADE PAYABLES

For Goods and Services	10169.62	5529.43
For Salary and Wages	572.24	357.54
	10741.86	5886.97

2.9 : OTHER CURRENT LIABILITIES

Current maturities of Long Term Debt (See Note 2.3)	4036.46	2201.20
Interest accrued but not due on Borrowings	375.16	383.35
Interest accrued and due on Borrowings	5.91	2.86
Unpaid and unclaimed dividends	55.93	45.00
Statutory Dues	822.86	745.83
Dues to a Subsidiary	79.12	0.00
Amount payable for Capital Goods	203.26	133.63
Trade and Security Deposits	1.85	10.70
Advances Received from Customers	331.66	422.69
Others #	70.45	212.18
	5982.66	4157.44

#Includes liability towards provision for mark to market loss, swap premium charges and other miscellaneous

Notes to Financial Statements for the year ended 31st March, 2012

Note No-2.10 :- Fixed Assets

(₹ in lacs)

Particulars	G R O S S B L O C K			D E P R E C I A T I O N / A M O R T I S A T I O N			N E T B L O C K				
	Values as on 01/04/2011	Additions/Adjustment	Addition on Amalgamation	Sales/Adjustment	Total value as on 31/03/2012	Upto 31/03/2011	For the year	Sales/adjustment	Upto 31/03/2012	As at 31/03/2011	As at 31/03/2012
Land	7776.35 ⁽¹⁾	24.63 ⁽²⁾	-	0.02	7800.96	-	-	-	-	7776.35	7800.96
Leasehold Land & Plantation	5354.58	-	-	-	5354.58	2.32	-	-	2.32	5352.26	5352.26
Leasehold Land Others	122.54	-	-	-	122.54	2.72	8.17	-	10.89	119.82	111.65
Building & Flats (including those on Leasehold & Rented Land), Electric Installation, Water Line, Tubewell, Fencing, Road, Bridge etc.	6260.79	485.89	-	0.93	6745.75	2307.50	124.47	0.88	2431.09	3953.29	4314.66
Plant & Machinery, X-ray units, Electric Installation, Air Conditioning Units, Refrigerators, Road Rollers, Gas Pipe Lines, Roadways etc.	15880.29	1385.69 ⁽³⁾	-	175.93	17090.05	6087.25	1072.12	152.52	7006.85	9793.04	10083.20
Motor Lorries, Cars, Trailors, Tractors, Trolleys, Cycles, Vans, Loaders etc.	1842.60	182.97 ⁽³⁾	-	65.70	1959.87	1144.97	218.13	61.68	1301.42	697.63	658.45
Furniture & Fixtures, Tools & Implements etc.	577.38	104.29	-	0.01	681.66	299.02	35.14	0.01	334.15	278.36	347.51
Live Stock	0.19	-	-	-	0.19	-	-	-	-	0.19	0.19
Office Equipment	85.15	29.30	-	-	114.45	40.76	12.89	-	53.65	44.39	60.80
Total	37899.87	2212.77	-	242.59	39870.05	9884.54	1470.92	215.09	11140.37	28015.33	28729.68
Capital Work in Proress										640.17	314.33
Add:Preoperative Expenditure										3.59	29373.44
Corresponding figures for previous year	23872.96	2824.75	11581.93	379.77	37899.87	8911.42	1125.02	151.90	9884.54	28015.33	28329.66
Capital Work in Proress										314.33	28329.66

Notes to Financial Statements for the year ended 31st March, 2012

Note No-2.10 :- Fixed Assets (Contd.)

- 1) a) Land of Tribeni, West Bengal - Appeal for the final determination of compensation was decided in favour of the Company by the District Court of Hooghly and final compensation determined at ₹ 8.33 (Including interest ₹ 0.50) against which a sum of ₹ 2.05 was received in a previous year and credited to fixed assets. ₹ 6.28 including ₹ 1.50 released during the year 1967 against hypothecation of Khardah Land by the District Court has been shown in Current Liabilities. The Hon'ble High Court at Calcutta has decided the appeal against the Company in a previous year by reducing the amount of compensation for which an appeal before the Hon'ble Supreme Court of India was filed. Hon'ble Supreme Court has upheld the decision of the Hon'ble High Court and accordingly the adjustments will be carried out when the amount to be refunded is ascertained.
- b) Land at Guwahati measuring 2 hectares and related building including furniture & fixture and related equipment has been given on registered lease to a Society for operating a School.
- 2) Includes estimated cost of New Extension of area under tea ₹ 24.63 (Previous year 1.69) capitalized during the year as certified.
- 3) Excluding ₹ 73.44 (Previous year 93.79) on account of subsidy received from Tea Board under Tea Quality Upgradation & Product Diversification Scheme and ₹ 15.42 (Previous year ₹ Nil) on account of transport subsidy received against vehicles from Tea Board.
- 4) Land, Buildings and Plant & Machinery include ₹ 1.18, ₹ 6.43 and ₹ 0.81 respectively (Previous year ₹ 1.18, ₹ 6.43, and ₹ 0.81 respectively) being 5.18% share of cost of Land, Buildings and Plant & Machinery held on co-ownership by the Company with other parties.
- 5) Land & Plantation include ₹ 29.28 (Previous year ₹ 29.28) and Building include ₹ 1.55 (Previous year ₹ 1.55) (being cost of floor of a leasehold building) in the name of the nominees of the Company on co-ownership basis, pending execution of conveyance deed.
- 6) Land & Plantation includes 2.431 Hectare of land at tea estates for which possession handed over for construction of schools and 6 hectares for which execution of conveyance deed in favour of the company is pending.
- 7) Agricultural Land of sugar unit is under Land Ceiling dispute since 1968-69 and the matter is subjudice.
- 8) The entire land owned by the Sugar division is KAST KAMI Land for which, usual rent is being paid to the Bihar Govt.
- 9) Depreciation during the year includes ₹ 1.15, (Previous year ₹ 0.10) towards assets of farm.
- 10) Borrowing cost capitalized in accordance with Accounting Standard (AS) - 16 is ₹ Nil (Previous year ₹ Nil).

Notes to Financial Statements for the year ended 31st March, 2012

(₹ in lacs)

2.11 :Non Current Investments

As at 31.03.2012	As at 31.03.2011		As at 31.03.2012	As at 31.03.2011
<u>Number of Shares/ Securities/ Bonds/Units</u>		TRADE INVESTMENT - LONG TERM (Valued at cost unless otherwise stated)"		
		FULLY PAID SHARES / SECURITIES / BONDS / UNITS (Face Value of ₹ 10/- each unless otherwise stated)		
		INVESTMENT IN EQUITY INSTRUMENT IN SUBSIDIARY COMPANIES - UNQUOTED		
2175450	2175450	North Tukvar Tea Company Ltd. (60 shares held jointly with the nominee(s))	356.20	356.20
10000	10000	Birla Holdings Ltd. (Face value of AED 1 each)	1.25	1.25
		IN JOINT VENTURE COMPANY - UNQUOTED		
5000	5000	Tea Group Investment Company Ltd. (Face value of AED 1 each)	0.65	0.65
		IN JOINT STOCK COMPANIES - UNQUOTED		
		Beneficial interest in shares held by JSTI Beneficiary Trust (Face value ₹ 5 each) Beneficial interest in shares held by Jay Shree Beneficiary Trust (Face value ₹ 5 each)	332.29	332.29
			9637.41	9637.41
		OTHER INVESTMENT - LONG TERM (Valued at cost unless otherwise stated)		
		INVESTMENT PROPERTY (At cost less accumulated depreciation)		
		Cost of Land & Building	1721.41	1719.57
		Less: Accumulated Depreciation	157.91	130.50
		Net Block	1563.50	1589.07
		FULLY PAID SHARES / SECURITIES / BONDS / UNITS (Face Value of ₹ 10/- each unless otherwise stated)		
		INVESTMENT PROPERTY - UNQUOTED		
25	25	Embassy centre Premises Co. Op. Society Ltd. (Face value ₹ 50 each)	0.01	0.01
55	55	The Bayside Co. Op. Housing Society Ltd. (Face value ₹ 50 each)	0.03	0.03
460	460	Paramount Owners Syndicate Pvt. Ltd.	0.05	0.05
		EQUITY SHARES IN SUBSIDIARY COMPANY - UNQUOTED		
995000	995000	Parvati Tea Company Pvt. Ltd. (600 shares held jointly with the nominee(s))	994.64	994.64
		EQUITY SHARES IN ASSOCIATE COMPANIES - UNQUOTED		
2500	2500	Birla International Ltd. (Face value 100 CHF each)	52.25	52.25
20	20	Essel Mining & Industries Ltd.	8.35	8.35
68560	68560	Padmavati Investment Ltd.	131.60	131.60
25000	25000	Kesoram Insurance Broking Services Ltd.	0.50	0.50
4600	4600	Vasavadatta Services Ltd.	0.46	0.46
10	10	The Coimbatore & Nilgiris Dist. Small Scale Service Ind. Co-Op. Society Ltd.(face value ₹ 100/- each)	0.01	0.01
1	1	The Tamilnadu Tea Manufacturers' Service Industrial Co-Op. Society Ltd.(face value ₹ 5000/- each)	0.05	0.05
		EQUITY SHARES IN COMPANIES - QUOTED		
75	75	McLeod Russel India Ltd.	0.02	0.02
1530420	1530420	Electrosteel Steels Ltd.	182.46	182.46
	34889	Power Grid Corporation Ltd.	-	31.40
		5% CUMULATIVE REDEEMABLE PREFERENCE SHARES IN SUBSIDIARY COMPANY - UNQUOTED		
30000	-	- Parvati Tea Company Pvt. Ltd. (Face Value ₹ 100 each)	1,800.00	-

Notes to Financial Statements for the year ended 31st March, 2012

(₹ in lacs)

As at 31.03.2012	As at 31.03.2011		As at 31.03.2012	As at 31.03.2011
		INVESTMENT IN GOVERNMENT & TRUSTED SECURITIES - UNQUOTED (Face Value of ₹ 1000/- each)		
3	3	National Savings Certificates	0.03	0.03
		INVESTMENT IN DEBENTURES - UNQUOTED		
15	15	Barclays Investments & Loans (India) Ltd. SR-117 (Face Value ₹ 10 lacs each)	150.00	150.00
-	5	Barclays Investments & Loans (India) Ltd. SR-DS-195 (Face Value ₹ 40 lacs each)	-	200.00
29	-	Zero Coupon Tata Housing Development Company Ltd. (Face Value ₹ 10 lacs each) **	314.83	-
		INVESTMENT IN BONDS - QUOTED (Face Value of ₹ 1000/- each)		
12362	-	15 years, 8.30% Tax Free Bonds of National Highways Authorities of India Ltd. **	123.62	-
14239	-	15 years, 8.30% Tax Free Bonds of Power Finance Corp. Ltd. **	142.39	-
30000	-	15 years, 8.20% Tax Free Bonds of HUDCO Ltd. Tranche - I Series 2 **	300.00	-
		INVESTMENTS IN MUTUAL FUNDS - UNQUOTED		
1000000.000	1000000.000	Axis Triple Advantage Fund **	100.00	100.00
1957514.114	1957514.114	Reliance Regular Savings Fund -Equity Fund	500.00	500.00
-	360223.698	ICICI Prudential Focused Bluechip equity Retail Fund	-	59.18
1500915.558	1500915.558	HDFC Prudence Fund	500.00	500.00
2522591.000	-	HDFC Balanced Fund	500.00	-
8937389.161	-	Edelweiss Gilt Fund - Growth **	1000.00	-
-	2000000.000	BNP Paribas Fixed Term Fund Ser 21 F - Growth *	-	200.00
4000000.000	-	Tata Fixed Maturity Plan Series 32 - Growth *	400.00	-
4000000.000	-	Reliance Fixed Horizon Fund Series XIX - Series 21- Growth *	400.00	-
4000000.000	-	ICICI Prudential FMP Series 58-2 yrs-Plan A - Growth *	400.00	-
4000000.000	-	IDFC Dynamic Bond Fund Plan A - Growth **	400.00	-
4000000.000	-	Reliance Dynamic Bond Fund - Growth **	400.00	-
		INVESTMENTS IN PORTFOLIO MANAGEMENT SERVICES - UNQUOTED		
		Reliance Capital Asset Management Company Ltd.	8.31	999.35
		JM Financial Services Pvt. Ltd.	-	183.21
		Next Trillion Dollar Opportunity Fund	-	105.34
		India Business Excellence Trust	217.12	230.23
		Barclays Securities (India) Pvt. Ltd.	-	202.60
		ING Investment management (India) Pvt. Ltd.	-	184.15
		TOTAL NON CURRENT INVESTMENT	20918.03	16932.79
		Aggregate Book Value of Non Current Quoted Investments	748.49	213.88
		Aggregate Book Value of Non Current Unquoted Investments	20169.54	16718.91
		Total	20918.03	16932.79
		Aggregate Book Value of Non Current Unquoted Investments	649.26	161.24

* Pledged as security for issuing SBLC used for working capital limit of a subsidiary company.

** Pledged as security to secure External Commercial Borrowing.

Although the market value of investment in Electosteel Limited is lower than cost, in the opinion of the management such decline is temporary in nature and no provision is necessary for the same.

Portion of long term investments, as defined by Accounting Standard-13 "Accounting for Investments", which are expected to be realised within twelve months from the Balance Sheet date are disclosed as "Current portion of long term investment".

Notes to Financial Statements for the year ended 31st March, 2012

(₹ in lacs)

2.12 : LOANS & ADVANCES	Long Term		Short Term	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Capital Advances				
Unsecured, considered good	618.45	275.55	-	-
Sub Total	618.45	275.55	-	-
Security Deposits				
Unsecured, considered good				
Subsidiary	251.00	251.00	-	-
Other	256.08	239.38	65.95	76.39
Sub Total	507.08	490.38	65.95	76.39
Loan & Advances to Related Parties (Unsecured, Considered good)				
To Subsidiaries / Step Down Subsidiaries (Refer Note No 2.28.I)	-	-	1743.53	1855.87
To a Joint Venture Company	-	-	-	17.19
Sub Total	-	-	1743.53	1873.06
Share Application Money with Related Parties (Unsecured, Considered good)				
To a Subsidiary	137.20	361.70	-	-
To a Joint Venture Company	51.30	-	-	-
Sub Total	188.50	361.70	-	-
Other Loans and Advances (Unsecured, Considered good unless otherwise mention)				
Loans & Deposit to Companies	-	-	6250.00	4450.00
Deposit with NABARD	-	-	844.63	2260.04
Advance Tax and TDS (Net of provisions)	-	-	557.93	349.37
Advance against supply of Goods and Services	-	-	910.46	1151.83
Prepaid Expenses	0.62	1.11	69.21	104.25
Insurance , excise and other claims				
Considered Good	-	-	70.13	276.73
Considered Doubtful	-	-	2.83	2.83
Less:Provision	-	-	(2.83)	(2.83)
Loan / Advance to Employees	104.37	54.68	68.61	54.49
Balances with Government & Statutory Authorities	-	-	228.57	202.24
Other Deposits and Advances				
Considered Good	-	-	174.92	60.49
Considered Doubtful	-	-	3.89	3.89
Less:Provision	-	-	(3.89)	(3.89)
Sub Total	104.99	55.79	9174.46	8909.44
Total	1419.02	1183.42	10983.94	10858.89
2.13 : OTHER ASSETS				
	Non-Current		Current	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Long Term Trade Receivable (See Note 2.16)	-	-	-	-
Bank Fixed Deposit(Including ₹ 0.35,Previous year ₹0.10 pledged as margin money)	4.10	7.73	-	-
Interest accrued on Deposits	-	-	9.71	28.09
Interest accrued on Investments	-	-	16.08	69.29
Interest accrued on loans / Inter corporate Deposits	-	-	259.05	96.59
Incentive and Subsidy Receivable	-	-	1428.48	1142.97
Rent Receivable	-	-	8.77	14.86
MAT credit Entitlement (Refer Note No. 2.28.E.iii)	-	-	372.78	407.01
	4.10	7.73	2094.87	1758.81

2.14 :Current Investments

As at 31.03.2012	As at 31.03.2011		As at 31.03.2012	As at 31.03.2011
<u>Number of Shares/ Securities/ Bonds/Units</u>		"CURRENT INVESTMENTS - (Valued at cost unless otherwise stated)"		
		"FULLY PAID SHARES/SECURITIES/BONDS/UNITS (Face Value of ₹ 10 each unless otherwise stated)"		
CURRENT PORTION OF LONG TERM INVESTMENTS AS PER ACCOUNTING STANDARD (AS)-13				
INVESTMENT IN SECURED NON CONVERTIBLE DEBENTURES - UNQUOTED				
	5	11.1% Premier Finance & Trading Co. Ltd. (Face Value ₹ 50 lacs each)	-	250.00
5	-	Barclays Investments & Loans (India) Ltd. SR-1 DS-195 (Face Value ₹ 40 lacs each)	200.00	-
-	200	11.4% Future Corporate Resources Ltd. (Face value ₹ 1 lacs each)	-	200.00
-	50	12.75% Unilazer Exports & Management Consultants Ltd.	-	500.00
-	10	11.50% RHC Holding Private Ltd. (Face value ₹ 100 lacs each)	-	1,002.96
INVESTMENT IN MUTUAL FUND - UNQUOTED				
	1500000	Sundaram Select Small Cap Fund	-	150.00
2000000	-	BNP Paribas Fixed Term Fund Ser 21 F - Growth *	200.00	-
-	2500000	Birla Sun Life Fixed Term Plan Series CU - Growth	-	250.00
-	2500000	ICICI Prudential FMP Series 56-1 yr-Plan A - Growth	-	250.00
-	2500000	Kotak FMP Series 40 - Growth	-	250.00
-	2000000	HDFC FMP 370D Mar'11 (3) - Growth	-	200.00
OTHER INVESTMENTS - UNQUOTED				
INVESTMENT IN COMMERCIAL PAPERS				
-	100	12.45% Future Capital Holdings Limited (Face value ₹ 5 lacs each)	-	468.07
OTHER CURRENT INVESTMENTS				
INVESTMENT IN SECURED NON CONVERTIBLE DEBENTURES - UNQUOTED				
15	-	13% Future Corporate Resources Ltd. (Face Value ₹ 20 lacs each) **	301.12	-
5	-	Zero Coupon Sky Deck Properties & Developers Ltd. (Face Value ₹ 10 lacs each) **	62.65	-
OTHER INVESTMENTS (COMMERCIAL PAPERS) UNQUOTED				
56	-	13% ABG Shipyard Limited (Face value ₹ 50 lacs each) **	247.79	-
TOTAL CURRENT INVESTMENT			1011.56	3521.03
Aggregate Book Value of Current Quoted Investments			-	-
Aggregate Book Value of Current Unquoted Investments			1011.56	3521.03
Aggregate Market Value of Current Quoted Investments			-	-
Aggregate Book Value of Current & Non-Current Quoted Investments			748.49	213.88
Aggregate Book Value of Current & Non-Current Unquoted Investments			21181.10	20239.94
Aggregate Market Value of Current & Non-Current Quoted Investments			649.26	161.24

* Pledged as security for issuing SBLC used for working capital limit of a subsidiary company.

** Pledged as security to secure External Commercial Borrowing.

Portion of long term investments, as defined by Accounting Standard-13 "Accounting for Investments", which are expected to be realised within twelve months from the Balance Sheet date are disclosed as "Current portion of long term investment".

Notes to Financial Statements for the year ended 31st March, 2012

(₹ in lacs)

2.15 : INVENTORIES

(As valued and certified by the Management)

	As at 31.03.2012	As at 31.03.2011
Raw Materials (including stock of farm ₹ 0.01, Previous year ₹ 0.20)	1820.07	1220.77
Work in Progress	43.77	38.57
Finished Goods	13586.15	12902.73
Traded Goods	3833.33	2799.64
Stores and Spares	2030.26	1673.41
Loose Tools & Others	30.92	8.69
	21344.50	18643.81

Details of Inventories :

	Finished / Traded Goods		Work-in-Progress	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Tea (Finished Goods)	1161.12	1830.57	-	-
Tea (Traded Goods)	3833.33	2799.64	-	-
Chemicals	1280.25	1750.64	42.85	35.91
Sugar	11144.78	9321.52	0.92	2.66
	17419.48	15702.37	43.77	38.57

2.16 : TRADE RECEIVABLES

	Non-Current		Current	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Outstanding for a period exceeding six months				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	308.44	235.06
Doubtful	-	-	36.37	36.37
	-	-	344.81	271.43
Provision for doubtful receivables	-	-	36.37	36.37
	-	-	308.44	235.06
Outstanding for a period not exceeding six months				
Secured, considered good	-	-	15.33	-
Unsecured, considered good	-	-	6847.62	5181.21
	-	-	6862.95	5181.21
	-	-	7171.39	5416.27

2.17 : CASH AND BANK BALANCES

Cash and Cash Equivalents

Balances With Banks :

In Current / Cash Credit Account	469.74	492.03
In Fixed Deposit Accounts with original maturity of less than three months	217.05	4100.00
Cheques/drafts on hand and Remittances in transit	124.60	270.39
Cash on hand	135.40	44.40
	Sub Total	4906.82

Other Bank Balances

Earmarked balances with Banks (unpaid Dividend Account)	55.93	45.00
Other Fixed Deposit with Banks (Including ₹ 110.93, Previous year ₹ 34.52 pledged as margin money)	110.93	134.52
	Sub Total	179.52
	Total	1113.65
		5086.34

Notes to Financial Statements for the year ended 31st March, 2012

(₹ in lacs)

	For the year ended	
	31.03.2012	31.03.2011
2.18 : REVENUE FROM OPERATIONS (GROSS)		
Sales of Finished Goods & Other Products	56612.38	44137.71
Less: Excise Duty	952.56	540.01
	55659.82	43597.70
Government rebate on Fertilisers	4807.10	4130.29
Sale of Services (Warehousing Charges)	390.68	322.35
Sub Total	60857.60	48050.34
Other Operating Revenues		
Incentives & Subsidies	212.23	117.86
Export Benefits	481.18	511.21
Insurance and Other Claims (Net)	43.44	42.13
Income from Farm Product (details as below)	10.60	28.48
Miscellaneous Sale	90.07	93.93
Sub Total	837.52	793.61
Total	61695.12	48843.95
Details of Sale of Products		
Tea	38330.21	34865.40
Chemicals	7544.74	5198.77
Sugar	10651.91	4023.30
Others	85.52	50.24
	56612.38	44137.71
Income from Farm Products :		
Sales of Agricultural Product	176.24	85.69
Closing Stock	0.01	0.20
Lease Rent	2.75	1.82
	179.00	87.71
Less: Opening Stock	0.20	0.13
Agricultural Farming Expenses (towards cultivation & other expenses)	166.97	58.95
Other Repairs	0.02	0.01
Rent,Rates & Taxes	0.06	0.04
Depreciation	1.15	0.10
	168.40	59.23
	10.60	28.48
2.19 : OTHER INCOME		
Interest Income		
On Investments		
Long term	21.40	-
Current	191.94	122.84
On Bank Deposits	54.49	154.57
On Loans & Other Deposits,etc	931.22	377.19
On Subsidiary	70.37	152.15
Interest Subsidy	358.16	-
Dividend Income		
On Long term investments	196.57	217.61
On Current investments	-	7.52
Net gain/ (loss) on sale of Investments		
On Long term investments	(2.69)	1381.97
On Current investments	154.03	(1218.55)

Notes to Financial Statements for the year ended 31st March, 2012

(₹ in lacs)

2.19 : OTHER INCOME (contd.)	For the year ended	
	31.03.2012	31.03.2011
Other Non Operating Income		
Profit on sale of Fixed Assets (Net)	15.19	(116.96)
Rent	298.89	224.08
Excess Liabilities and Unclaimed Balances written back	203.93	64.75
Excess provisions, receipts & adjustments pertaining to previous years	47.12	39.76
Less: Short provisions, sundry payments & adjustments relating to previous years	(43.94)	(14.77)
Add : Excess/(Short) provision of bonus for previous years (Net)	(0.50)	-
Miscellaneous Income	165.69	115.37
	<u>2661.87</u>	<u>1507.53</u>
 2.20 : COST OF MATERIALS CONSUMED		
Raw Material Consumed		
Opening Inventories	1220.57	1253.17
Add : Purchase	21216.53	<u>18672.31</u>
	22437.10	19925.48
Less: Closing Inventories	1820.06	1220.57
Sales	-	112.73
Claims	4.79	3.59
	<u>20612.25</u>	<u>18588.59</u>
Details of Raw Material Consumed		
Green Tea Leaves	3181.19	3109.87
Chemicals	7334.74	6377.63
Sugarcane	10096.23	9101.09
Others	0.09	-
	<u>20612.25</u>	<u>18588.59</u>
 2.21 : PURCHASE OF TRADED GOODS		
Traded Goods :- Tea	7354.53	4973.69
Chemicals	657.27	-
	<u>8011.80</u>	<u>4973.69</u>
 2.22 : (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
Inventories at the beginning of the year		
Finished Goods	12902.73	4781.00
Work-in-Progress	38.57	27.22
Traded Goods	2799.64	3367.31
	<u>15740.94</u>	<u>8175.53</u>
Inventories at the end of the year		
Finished Goods	13586.15	12902.73
Work-in-Progress	43.77	38.57
Traded Goods	3833.33	2799.64
	<u>17463.25</u>	<u>15740.94</u>
	<u>(1722.31)</u>	<u>(7565.41)</u>

Notes to Financial Statements for the year ended 31st March, 2012

(₹ in lacs)

For the year ended

2.23 : EMPLOYEE BENEFIT EXPENSE

	31.03.2012	31.03.2011
Salaries & Wages	12297.84	10466.80
Contribution to Provident Funds and Others	997.31	847.79
Contribution to Gratuity Fund	317.16	257.37
Contribution to Superannuation Fund	64.22	55.69
Staff Welfare Expenses	960.91	789.76
	14637.44	12417.41
Less: Amount transferred to Pre-operative Expenditure (Refer Note No. 2.28.P)	3.41	-
	14634.03	12417.41

2.24 : FINANCE COST

Interest Expenses		
On Debentures	-	47.43
On Fixed Loans & Deposits	1057.81	632.94
To Bank & Others	2388.69	1594.93
	3446.50	2275.30
Other Borrowing Cost		
Other Financial Charges	105.44	87.68
Applicable net gain/loss on foreign currency transactions and translations	403.25	55.90
	3955.19	2418.88
Less: Borrowing cost Capitalised	-	-
	3955.19	2418.88

2.25 : OTHER EXPENSES

MANUFACTURING EXPENSES

Stores, Spare Parts & Packing Materials Consumed	2330.99	2122.54
Power & Fuel	3526.13	3199.69
Consumption of Manures/ Pesticides etc	1263.73	1267.40
Repairs to Buildings	460.72	485.33
Repairs to Machinery	898.59	672.03
Repairs to Other Assets	343.68	321.66
Increase/(Decrease) in Excise Duty & Cess on Finished Goods	109.02	326.69
	8932.86	8395.34
Less: Amount transferred to Pre-operative Expenditure (Refer Note No. 2.28.P)	23.25	-
	8909.61	8395.34
Sub Total	8909.61	8395.34

Notes to Financial Statements for the year ended 31st March, 2012

(₹ in lacs)

SELLING AND ADMINISTRATION	For the year ended	
	31.03.2012	31.03.2011
Freight & Cartage	1556.62	1353.50
Insurance	100.89	81.52
Commission , brokerage & Discount etc		
- Other Selling Agents	210.62	177.94
- Others	382.01	347.88
Warehousing Charges	235.01	115.57
Other Selling Expenses (including packing material ₹ 9.06, Previous year ₹ 0.85)	1066.94	614.72
Rent	197.50	191.00
Rates & Taxes (Duty & Cess)	272.46	291.32
Insurance excluding on sales	105.68	97.13
Charity & Donation *	5.82	0.01
Auditors' Remuneration -		
Statutory Auditors -		
Auditor	24.50	20.00
Tax Audit Fees	5.75	5.75
Issue of Certificates	15.15	9.66
Other Services	9.00	0.00
Reimbursement of Expenses	3.06	4.58
Reimbursement of Service Tax	5.73	3.67
Cost Auditors -		
Audit Fees	0.83	0.53
Travelling Expenses	0.37	0.17
Branch Auditors -		
Auditor	2.50	4.25
Tax Audit Fees	0.05	0.05
Issue of Certificates	-	1.38
Reimbursement of Expenses	1.10	-
Reimbursement of Service tax	0.41	0.37
Bad Debts & Irrecoverable Loans, Advances & Claims written off.	13.64	1.36
Reserve for Doubtful Debts & Advances further created	-	0.16
Less : Written Back	-	(1.00)
Amortisation of Foreign currency monetary translation difference	145.58	-
Net Loss /(Gain)on foreign currency transaction and translation	338.40	(230.29)
Swap Premium Charges on Currency Option	121.40	-
Directors' Remuneration	147.79	63.01
Directors' Commission	15.00	28.00
Other Miscellaneous Expenses	1748.66	1620.92
	6732.47	4803.16
Less: Amount transferred to Pre-operative Expenditure (refer Note No. 2.28.P)	4.55	-
Sub Total	6727.92	4803.16
Total	15637.53	13198.50

* Includes ₹ 5.00 to Assam Pradesh Congress Committee and ₹ 0.82 to Assam Chief Minister Relief Fund

2.26 : DEPRECIATION AND AMORTISATION EXPENSES

On Tangible Assets	1469.77	1124.92
On Investment Property	27.41	27.15
	1497.18	1152.07

2.27 : TAX EXPENSE

Current Tax for the year	385.00	940.00
MAT credit Entitlement (Net)	34.23	(52.91)
Add/Less : Adjustment of Tax related to earlier years	(4.05)	-
Current Tax	415.18	887.09
Deferred Tax	(115.96)	(350.12)
	299.22	536.97

2.28: Notes	As at 31.03.2012	As at 31.03.2011
A) Contingent Liabilities not provided for in respect of:- Claims/Disputes/Demands not acknowledged as debts:		
i) Demand from Sales Tax authority : Certain disallowances in the Sales Tax were confirmed against the company and an appeal before the Commissioner/ Tribunal Appellate and revisional Board has been filed and the management is of the opinion that it will obtain full relief	184.59	260.97
ii) Income Tax demand under appeal	198.17	107.82
iii) Demand from a lessor for interest on differential rent	70.14	70.14
iv) Demand of Provident Fund Damages by the Provident Fund Authorities, West Bengal	24.39	24.39
v) Electricity duty demanded by Government of Bihar appealed in Supreme Court	103.10	103.10
vi) Demand from Custom Authorities for non fulfillments of export obligations in respect of an erstwhile unit	105.00	105.00
vii) Demand of additional provident fund contribution on food grain concession provided to daily rated plantation workers in Assam Tea estates against which stay has been obtained from Hon'ble High Court at Guwahati.	30.34	-
B) i) Capital Commitments outstanding (Net of Advances) (Including shares of Joint Venture ₹ 484.94(Previous year ₹ Nil))	612.41	242.58
ii) Bank Guarantees Outstanding (Pledge of Fixed Deposit of ₹ 111.28) (Previous year ₹ 34.62)	773.73	724.60
iii) Corporate guarantee given to a Bank against loan acquired by a subsidiary company from the bank (US\$ 8 million)	4070.40	3568.40
C) Other Commitments Letter of credit issued against Import of materials	220.81	
D) In view of initiation of recovery of outstanding dues, the company has recognized a sum of ₹ 181.25 lacs (including ₹ 36.25 lacs related to current year) as interest income on an inter corporate deposit which was hitherto not recognized in the books till previous year. The management is confident of recovery the entire principal of ₹ 250.00 (Previous year 250.00) and interest of ₹ 169.17 (Previous year 145).		
E) i) Fringe Benefit Tax has been abolished from accounting year 2009-10. However in view of the interim stay granted by the Hon'ble High Court at Calcutta, no liability has been provided for earlier years.		
ii) In view of the favourable order from the Hon'ble Supreme Court, the liability of dividend tax has been provided to the extent of 40% of the proposed dividend. Furthermore provision of dividend tax amounting to ₹ 215.63 in excess of 40% of the proposed dividend as made in earlier years has been reversed during the year.		

Notes to Financial Statements for the year ended 31st March, 2012

- iii) During the year the Company has further assessed the recoverability of Minimum Alternate Tax (MAT) for set off with future normal taxes and a sum of ₹ 230.16 for earlier year have been reversed. Based on projections made by the management and current trend of working of the Company the management is virtually certain of recovering the MAT credit entitlements and a sum of ₹ 372.78 as on 31.03.2012 (Previous year 407.01) has been carried forward as MAT credit available for set off in future years.
 - iv) Deferred Tax Assets has been recognized on capital loss incurred based on the profit available in future as ascertained by the management.
 - v) No provision for dividend and corresponding dividend distribution tax has been recognized in respect to 71,35,730 equity shares held by the beneficiary trusts in view of waiver letter received from them.
- F) During the year , the Company has exercised the option under paragraph 46A(1) of Accounting Standard – 11 ‘The Effects of Changes in Foreign Exchange Rates’ as notified by Ministry of Company Affairs vide notification dated 29/12/2011. Consequently the foreign exchange loss arising on reporting / settlement of long term foreign currency monetary items (other than related to acquisition of depreciable fixed assets) amounting to ₹ 375.80 for the year ended 31st March 2012 has been accumulated in “Foreign Currency Monetary Translation Difference Account”, out of which ₹ 230.22 remains to be amortized as at 31.3.2012.
- G) i) The Hon’ble High Court at Calcutta had passed an order in the year 2009-10 in favour of landlord of a tenanted property enhancing the rent w.e.f. from April 2000 over and above its interim order issued earlier, as a result of which an additional rent of ₹ 410.82 and interest and cost thereon to the extent of ₹ 182.59 accrues to the landlord. The Company has filed an appeal before the Division Bench of Hon’ble High Court at Calcutta and has obtained a stay on the execution of the decree awarded in favour of the landlord. However, in compliance to the earlier interim order the company has paid the enhanced rent and hence does not envisage any further liability.
- ii) A matter of industrial dispute against a unit with regard to 12 workers is subjudice. The company has provided an estimated liability of ₹ 12.00 and does not anticipate any further liability in this regard.
- iii) In earlier years 146.92 acres of land around Majhaulia related to Sugar division has been surrendered to the Government of Bihar “The Bihar Land Reforms (fixation of ceiling area and acquisition of surplus land) Act and Rules, 1961”. Since the compensation in this respect has not been determined, the same will be accounted upon receipt.
- H) During the year , the agreement with Assam Tea Corporation Ltd. (ATCL) for purchase of Green Leaf of Longai and Ishabheel tea estates and operating the Longai tea factory was renewed for a further period of one year. The company had also agreed to fund the Working Capital and Capital Expenditure requirement. For the season 2012, the company is now required to pay to ATCL, ₹ 2.55 (full figure) per kg. of made tea towards usage charges for operating the longai factory and disbursement of ₹ 50 as interest free security deposit. Accordingly a sum of ₹ 350.11 (previous year ₹ 382.99) is recoverable from ATCL which is being realized on a systematic basis from the proceeds of green leaf procured. A sum of ₹ 7.02 (Previous year 5.07) has been paid as usage charge as per the agreement.

I) Loans and advances includes the following:

Name of the Company	Relationship	Nature	Closing Balance as on 31.03.2012	Closing Balance as on 31.3.2011	Maximum Balance outstanding during 2011-12	Maximum Balance outstanding during 2010-11
North Tukvar tea Company Limited ** ##	Subsidiary	Security deposit	251.00	251.00	251.00	251.00
North Tukvar tea Company Limited ** ##	Subsidiary	Advance in nature of loans	41.63	7.63	480.53	263.12
Parvati tea Company Limited ##	Subsidiary	Advance in nature of loans	1684.50	1814.91	3281.30	1814.91
Birla Holding Limited	Subsidiary	Long term Advance	-	30.83	184.10	2112.63
Kijura Tea Company Limited	Step down Subsidiary	Long term Advance	17.40	2.50	17.40	27.72

** The Net Worth of the subsidiary company M/s North Tukvar Tea Company Ltd. is negative. No provision in value of the investment amounting to ₹ 356.20 and for advances and security deposit of ₹ 292.63 is envisaged /provided, being strategic in nature.

Repayable on demand

- J) As per the requirements of Accounting standard -28 on "Impairment of Assets", the company has assessed the carrying amount of the assets vis a vis their recoverable values and no impairment is envisaged at the balance sheet date.
- K) The Company has no overdue amounts due to suppliers under the Micro, Small, & Medium Enterprises Development Act, 2006 (MSMED) as at 31.03.12. The disclosure as required under the said act is as under :-
- | | |
|--|-------|
| i) Principal Amount due to Suppliers under MSMED Act and remaining unpaid | 11.26 |
| ii) Interest due to Suppliers on above | NIL |
| iii) Any Payment made to suppliers beyond appointed date (under Section 16 of the Act) | NIL |
| iv) Interest due and payable to suppliers under MSMED Act | NIL |
| v) Interest Accrued & remaining unpaid as at 31.03.12 | NIL |
| vi) Interest remaining due & payable as per section 23 of the Act | NIL |

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

- L) i) The Company's significant leasing agreements (as lessee) are in respect of lease for Land & Premises (residential, office, stores, godowns etc). These Leasing arrangements which are non-cancellable ranging between one month and three years generally or longer and are usually renewable by mutual agreement. The aggregate lease rentals payable are charged as Rent.
- ii) Certain land and building has been given on operating lease to a society at a lease rental of ₹ 17.00 per month (Previous Year ₹ 15.00 per month) for the building and ₹ 0.50 (Previous Year ₹ 0.50) per annum for the land to be reviewed annually.

Notes to Financial Statements for the year ended 31st March, 2012

(₹ in lacs)

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

Particulars	2011-12			2010-11		
	Gross Carrying Amount	Accumulated Depreciation	Depreciation for Current Year	Gross Carrying Amount	Accumulated Depreciation	Depreciation for Current Year
Land	37.91			37.91	-	-
Building	1680.75	157.62	27.38	1678.92	130.23	27.12
Plant & Machinery	153.57	54.73	9.84	149.09	44.88	7.26
Furniture & Fixture	188.32	81.52	17.89	188.33	63.63	15.53
Motor Vehicle	9.40	6.86	0.89	9.40	5.98	1.20
Total	2069.95	300.73	56.00	2063.65	244.72	51.11

- iii) The Company has taken over the operation and management control of North Tukvar Tea Estate on leave & license basis till 31.03.2015 from its subsidiary North Tukvar Tea Company Limited at an yearly charge of ₹ 9.00. The lease charge for the year 2011-12 has been waived by the subsidiary. The results for the current financial year include a loss of ₹ 106.78 (Previous year 76.54) from the said tea estate. The disclosures of lease rental as required under Accounting Standard-19 as lessee are:

Minimum lease payment:

Particulars	2011-12	2010-11
Not later than one year	₹ 9.00	₹ 9.00
Later than one year but not later than five years	₹ 18.00	NIL
Later than five years	NIL	NIL

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

Particulars	2011-12			2010-11		
	Disputed Statutory Matters	Other Obligations	Total	Disputed Statutory Matters	Other Obligations	Total
Opening Balance	123.06	34.60	157.66	112.31	27.23	139.54
Addition	33.58	20.42	54.00	28.44	7.37	35.81
Utilization	63.04	-	63.04	17.69	-	17.69
Reversal	0.20	-	0.20	-	-	-
Closing Balance	93.40	55.02	148.42	123.06	34.60	157.66

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

Notes to Financial Statements for the year ended 31st March, 2012

(₹ in lacs)

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

i) The particulars of derivative contracts entered into for hedging purposes outstanding as at 31.03.2012 are as under:

		Amount of Exposures Hedged	
		As at 31.03.2012	As at 31.03.2011
a)	Forward contract for receivables	166.40	899.82
b)	Forward contract for payables	-	489.50
c)	Loans ##	4738.00	4460.50

Partially Hedged under currency option agreement

ii) Unhedged foreign currency exposures as at 31.03.2012 are as under:

		As at 31.03.2012	As at 31.03.2011
a)	Receivables **	2193.77	740.39
b)	Loans/Payables/ Buyers Credit	10195.93	4803.24

** hedged to the extent of ₹ 2019.32 by forward contract of firm commitments.

O) Employee Benefits (Accounting Standard - 15)**i) Defined Contribution Plan:**

The Company makes contribution towards Provident Fund, ESIC and Superannuation Fund to a defined contribution retirement benefit plan for qualifying employees. The provident fund plan is operated partly by Regional Provident Fund Commissioner and partly by an independent Trust, ESIC by government agencies and Superannuation Fund by a trust created for the purpose. Under the said schemes the company is required to contribute a specific percentage of pay roll costs in respect of eligible employees to the retirement benefit scheme to fund the benefits.

During the year the company has recognized ₹ 954.59 (Previous year ₹707.23) for provident fund contribution, ₹ 29.72 (Previous year ₹ 27.51) for ESIC and ₹ 64.22 (Previous year ₹ 55.69) for Superannuation Contribution. The Contribution payables to these plans by the Company are at the rates specified in the rules of the scheme.

In keeping with the Guidance on implementing Accounting Standard (AS) 15 on Employees Benefits issued by the Accounting Standards Board of the Institute of Chartered Accountants of India (ASB Guidance), employer-established provident fund trusts are treated as Defined Benefit Plans since the company is obligated to meet interest shortfall, if any, with respect to covered employees. In view of year-end position of the fund (for covered employees) and confirmation from the Trustees' of such fund, there is no shortfall as at the year end.

ii) Defined benefit plans:

- The Company makes annual contribution of gratuity to JSTI Gratuity Fund & other private administrated Gratuity Fund schemes created for the purpose of qualifying employees. The scheme provides for a lump sum payment to vested employees upon retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of 5 years of continuous service.
- Certain employees of the Company are also eligible for encashment of leave upon retirement up to 30 days for each year (maximum 240 days).
- The present value of defined benefit obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date.

Disclosures as per Accounting Standard - 15		2011-2012	2010-2011
		Gratuity Plan	Gratuity Plan
A	Expenses recognized in the Statement of Profit & Loss Account for the year ended 31st March 2012		
	i Current Service Cost	228.93	162.31
	ii Interest Cost	242.48	230.55
	iii Expected return on Plan Assets	195.18	177.09
	iv Actuarial (Gain)/Losses	40.93	-22.99
	v Past Service Cost	-	64.59
	vi Expenses recognized in Profit & Loss Account	317.16	257.37
B	Net (Assets)/Liabilities recognized in Balance Sheet as at 31st March 2012		
	i Present Value of the Defined Benefit Obligation	3112.76	2974.28
	ii Fair Value of Plan Assets	2602.83	2439.81
	iii Net (Assets)/Liabilities recognized in Balance Sheet	509.93	534.47
C	Changes in the Present Value of Defined Benefit Obligation during the year ended 31st March 2012		
	i Present Value of Defined Benefit Obligation as at 1st April 2011	2974.28	2838.40
	ii Current Service Cost	228.93	162.31
	iii Interest Cost	242.48	230.55
	iv Past Service Cost	-	64.59
	v Actuarial (Gain)/Losses	(89.73)	(47.46)
	vi Benefits Paid	243.20	274.11
	vii Present Value of obligation as at 31st March 2012	3112.76	2974.28
D	Changes in fair value of Plan Assets during the year ended 31st March 2012		
	i Fair Value of Plan Assets as at 1st April 2011	2439.81	2218.34
	ii Expected return on Plan Assets	195.18	177.09
	iii Actuarial Gain/(Losses)	(130.66)	(24.47)
	iv Benefits paid	242.11	274.11
	v Contributions	340.61	342.96
	vi Fair Value of Plan Assets as at 31st March 2012	2602.83	2439.81
	vii Actual return on Plan Assets	64.52	152.62
E	Principle Actuarial Assumptions used		
	i Discount rates as at 31st March 2012	8.50%	8.50%
	ii Expected Return on Plan Assets	8.00%	8.00%
	iii Expected Salary increase rates	5.00%	4.00%
	iv Mortality Rates	LIC (1994 -96) Mortality Table	LIC (1994 - 96) Mortality Table
F	Major categories of Plan Assets as a percentage of Fair Value of Plan Assets	Qualified Insurance Policy	Qualified Insurance Policy

Notes to Financial Statements for the year ended 31st March, 2012

Notes :

- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply & demand in the employment market.
- The expected rate of return on Plan Assets is determined based on the portfolio of assets, existing investments along with the Strategic changes in the portfolio and market scenario. The Plan Assets are diversified reasonable to maximize the return within acceptable risk parameters.
- Fair value of plan assets does not include any amount for companies own financial instruments or any property occupied by, or other assets used by, the company.
- The Company expects to contribute ₹ 250.00 lacs to its gratuity fund in 2012-13.
- The amounts for the current annual period and previous four annual periods are as follows:

(₹ in lacs)

Particulars	2011-12	2010-11	2009-10	2008-09	2007-08
Present value of defined obligation	3112.76	2974.28	2728.31	2599.17	2376.74
Fair Value of Plan Assets	2602.83	2439.81	2087.38	1899.6	1718.94
Excess of obligation over Plan Assets	509.93	534.47	640.93	699.57	657.80

P) **Pre Operative Expenditure**

In respect to expenditure incurred in Bio- Mass Briquette factory up to 31.03.2012, included under Capital work in progress:

Particulars	Amount
Opening Balance	Nil
Expenditure as transferred from Statement of Profit & Loss	31.21
Less: Closing stock of Briquettes as at 31.03.2012	0.17
(Included in Inventories in Note 2.15)	
Less: Sales/Own Consumption of Briquettes	27.45
Net Pre Operative Expenditure as per Note No: 2.10	3.59

Notes to Financial Statements for the year ended 31st March, 2012
(Q) Related party Disclosure

(₹ in lacs)

Sl. No.	Name of the Related Party	Relationship	Remuneration Paid		Dividend		Loans & Advances(Net)		Equity/ Preference Contribution Share Application Money		Rent		Interest		Goods & Services		Others		Amount		
			Paid	Received	Paid	Received	Paid	Received	Paid	Received	Paid	Received	Paid	Received	Sale	Purchase	Expenditure	Receivable	Payable	(As on 31.03.2012)	
1	North Tukvar Tea Co.Ltd.	Subsidiary					34.00 (137.15)							21.69 (14.73)	56.33				292.63* (258.63)		
2	Birra Holdings Ltd.	Subsidiary					109.95 (362.95)		138.45											79.12*	
3	Parvati Tea Co.Pvt.Ltd.	Subsidiary					130.41		1800.00					48.68					1684.50*		
4	Kijura Tea Co.Ltd.	Step down Subsidiary					14.90							(-)					(1814.91)		
5	Tea Group Investment co.Ltd.	Joint Venture					(2.50)		51.30										17.40*	(2.50)	
# 6	Century Textiles & Ind.Ltd.	Associate					(17.19)		(-)										(17.19)	0.13 (0.73)	
# 7	Kesoram Industries Ltd.	Associate					11.64 (12.60)												6.84 (8.93)	1.25 (1.33)	0.06 (1.75)
# 8	Padmavati Investment Ltd.	Associate					183.42 (183.42)	6.86 (10.28)											1.00 (1.00)		
9	Smt.Jayashree Mohta	Key Management Personnel					72.00	23.12 (21.03)													
10	Shri. D.P.Maheshwari	Key Management Personnel					75.79 (63.01)	0.42 (0.24)													

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

* Represents year end balance of Current account

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

Figures in bracket indicate for previous year.

Notes to Financial Statements for the year ended 31st March, 2012

(₹ in lacs)

R) **Interest in Joint Venture:**

The Company has 50% ownership interest in Tea Group Investment Company Limited.

The proportionate share in the assets, liabilities, income and expenses (each without elimination of the effect of transactions between the company and the joint venture) related to its interest in jointly controlled entity are given below:

Accounting period ended on	31-03-2012	31-03-2011
Country of Incorporation	U.A.E	U.A.E
Assets	4904.10	3733.68
Liabilities	4177.99	3405.11
Income	2748.46	1338.21
Expenses (Including tax)	2335.33	1142.73

S) (i) **C.I.F. Value of Imports**

Raw Materials (Including in-transit)	5619.67	4151.27
Filter Paper	20.34	21.44
	5640.01	4172.71

(ii) **Expenditure in Foreign Currency**

Travelling	30.12	60.02
Commission & Brokerage	80.04	85.51
Foreign Bank Charges	24.99	10.22
Interest & Swap Charges	759.51	72.63
Others	75.89	29.88

(iii) **Earnings in Foreign Currency**

FOB Value of Exports (Excluding to Nepal)		
Black Tea & Other Products	7738.20	8431.33

(iv) **Value of Raw materials and Spares Consumed**

	Raw Materials Consumed				Spares – Parts Consumed			
	2011-12		2010-11		2011-12		2010-11	
	Value	%	Value	%	Value	%	Value	%
Imported	5362.52	26.02	5333.49	28.69	-	-	15.07	1.71
Indigenous	15249.73	73.98	13255.10	71.31	638.91	100.00	866.67	98.29
Total	20612.25	100.00	18588.59	100.00	638.91	100.00	881.74	100.00

Notes to Financial Statements for the year ended 31st March, 2012

(₹ in lacs)

T) <u>Earnings per Share</u>	2011-12	2010-11
Profit after taxation as per statement of Profit & Loss (In ₹ in Lacs)	1432.10	4630.78
Weighted average number of equity shares outstanding at the year end	28877488	25613083
Basic and diluted earnings per Share of Face Value of ₹ 5/- (in ₹)	4.96	18.08
U) <u>Remittance on account of Dividend to Non-Resident Shareholders</u>	2011-12	2010-11
(a) Remitted in Foreign Currency		
	Year ended	Year ended
Year to which Dividend relates	31.03.2011	31.03.2010
Net amount of Dividend remitted	31.94	31.94
Number of Shareholders	1	1
Number of Shares held	1064800	532400
(b) Remitted in their Banks in India		
	Year ended	Year ended
Year to which Dividend relates	31.03.2011	31.03.2010
Net amount of Dividend remitted	99.43	31.11
Number of Shareholders	391	256
Number of Shares held	3314386	518518

V) The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements. Furthermore during the previous year, M.P.Chini Industries Limited was merged with the company w.e.f.01.10.2010, hence current year figures are not comparable with that of previous year.

As per our report of even date annexed

For SINGHI & CO.

Chartered Accountants

Firm Registration No.302049E

PRADEEP KUMAR SINGHI

Partner

(Membership No.50773)

Place: Kolkata

Date: The 30th day of May, 2012

For and on behalf of the Board of Directors

R.K.GANERIWALA
(President & Secretary)

D.P.MAHESHWARI
(Managing Director)

B. K. BIRLA
(Chairman)

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

1. We have examined the attached Consolidated Balance Sheet of Jay Shree Tea & Industries Ltd. (the Company) and its subsidiaries and jointly controlled entity (collectively as Group) as at 31st March, 2012, the Consolidated Statement of Profit & Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of Company's management and have been prepared on the basis of the separate financial statement and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material mis-statement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of two Indian subsidiaries, whose financial statements reflects total assets of ₹ 8,302.28 lacs as at 31st March 2012, revenue of ₹ 174.69 lacs and net cash inflow amounting to ₹ 19.63 lacs for the year ended on that date as considered in the Consolidated Financial Statement. These financial statements have been audited by other auditor's whose reports have been furnished to us and our opinion in so far as it relates to amounts included in respect of these subsidiaries is based solely on the reports of other auditor's.
4. Consolidated Financial Statement of foreign subsidiary namely, Birla Holdings Limited for the year then ended, have been prepared by the Management of the Company in accordance with the generally accepted accounting principles in India and other recognized accounting practices and policies (Indian GAAP) followed by the Company. We have reviewed the conversion of above Management certified financial statement in to Indian GAAP. These consolidated financial statements reflect total assets of ₹ 6,666.92 lacs as at 31st March, 2012 and revenue of ₹ 2,232.25 lacs and net cash outflow amounting to ₹ 223.98 lacs for the year then ended of such foreign subsidiary.
5. These consolidated financial statements include Total assets of ₹ 4,904.10 lacs as at 31st March, 2012 and revenue of ₹ 2,525.26 lacs and net cash inflow amounting to ₹ 396.50 lacs for the year then ended, being proportionate share in the jointly controlled entity in foreign namely Tea Group Investment Company Ltd. which is based on financial statements, prepared by the Management of the Company in accordance with the generally accepted accounting principles in India and other recognized accounting practices and policies (Indian GAAP) followed by the Company. We have reviewed the conversion of above management certified financial statements in to Indian GAAP.
6. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standards (AS) 21 "Consolidated Financial Statements", Accounting Standard (AS) 27 "Financial reporting on interest in Joint Venture" and other applicable Accounting Standards as notified by the Companies (Accounting Standard) Rules, 2006.

7. Attention is invited to the following notes:

- a. Note no 2.26.J.iii and 2.26.J.iv regarding carry forward of Minimum Alternate Tax (MAT) Credit Entitlement of ₹ 372.78 lacs and recognition of deferred tax assets of ₹ 227.33 lacs on capital loss up to 31st March 2012, based on the future taxable income projected by the company. However, we are unable to express our opinion on the convincing evidence of future taxable income and the corresponding recognition thereof;
- b. Note No. 2.26.H. regarding accounting treatment of differences of unaudited accounts and audited accounts of a subsidiary of the Joint venture for the previous year 2010-11 and the corresponding impact on the current year profit;
- c. Note no.2.26.S.ii.d. regarding non-provision of accumulated gratuity liability up to 31st march 2009 of ₹ 96.68 lacs in a subsidiary as per the requirement of Accounting Standard – 15 on accounting for employees benefits.

Had the impact of point no. 7(c) been considered, the profit for the year would have been lower and the Provision as on 31st March 2012 would have been higher by ₹ 96.68 lacs.

8. We report that on the basis of the information and according to the explanations given to us, and on consideration of separate audit reports of the Company and its subsidiaries, we are of the opinion that the said consolidated financial statements, subject to observation made in para 7 (c) above and read with para 4, 5, and 7(a) & (b) above together with significant accounting policies and notes appearing there on, give a true and fair view in conformity with the accounting principles generally accepted in India

- a. In the case of the Consolidated Balance Sheet, of the state of the affairs of the group as at 31st March, 2012,
- b. In the case of the Consolidated Statement of Profit & Loss, of the consolidated profit of the group for the year then ended and
- c. In the case of the Consolidated Cash Flow statement, of the consolidated cash flows of the group for the year ended on that date.

1-B, Old Post Office Street
Kolkata, the 30th day of May, 2012

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

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

	<u>Note No.</u>		As at 31.03.2012	(₹ in lacs) As at 31.03.2011
EQUITY AND LIABILITIES				
SHAREHOLDERS' FUNDS				
Share Capital	2.1	1443.87	1117.43	
Share Suspense	2.1.1	-	326.44	
Reserves and Surplus	2.2	39755.73	<u>38344.02</u>	
			41199.60	39787.89
MINORITY INTEREST			1748.70	1323.94
NON-CURRENT LIABILITIES				
Long-Term Borrowings	2.3	13942.25	16885.04	
Deferred Tax Liabilities (Net)	2.4	776.91	1049.40	
Other Long-Term Liabilities	2.5	63.55	43.78	
Long-Term Provisions	2.6	392.25	<u>331.98</u>	
			15174.96	18310.20
CURRENT LIABILITIES				
Short-Term Borrowings	2.7	28991.46	28458.17	
Trade Payables	2.8	10872.11	5977.78	
Other Current Liabilities	2.9	8289.50	5325.93	
Short-Term Provisions	2.6	2758.73	<u>2885.24</u>	
			50911.80	42647.12
TOTAL			<u>109035.06</u>	<u>102069.15</u>
ASSETS				
NON-CURRENT ASSETS				
Fixed Assets				
Tangible Assets	2.10	32488.64	31458.37	
Intangible Assets	2.10	1446.54	1077.30	
Capital Work-In-Progress	2.10	652.27	<u>314.33</u>	32850.00
Non-Current Investments		25817.02	22016.03	
Long-Term Loans and Advances	2.11	1146.69	742.39	
Other Non-Current Assets	2.12	4.10	<u>7.73</u>	
			26967.81	22766.15
CURRENT ASSETS				
Current Investments		1011.56	3521.03	
Inventories	2.13	22552.07	19562.11	
Trade Receivables	2.14	7481.32	5477.82	
Cash and Bank Balances	2.15	2172.38	5855.59	
Short-Term Loans and Advances	2.11	12134.59	10125.10	
Other Current Assets	2.12	2127.88	<u>1911.35</u>	
			47479.80	46453.00
TOTAL			<u>109035.06</u>	<u>102069.15</u>

Significant Accounting Policies

1

The accompanying notes are an integral part of the Consolidated Financial Statements

As per our report of even date annexed

For SINGHI & CO.

Chartered Accountants

Firm Registration No.302049E

PRADEEP KUMAR SINGHI

Partner

(Membership No.50773)

1-B, Old Post Office Street

Kolkata, the 30th day of May, 2012

R.K.GANERIWALA
(President & Secretary)

D.P.MAHESHWARI
(Managing Director)

B. K. BIRLA
(Chairman)

For and on behalf of the Board of Directors

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ in lacs)

	<u>Note No.</u>	For the year ended 31st March, 2012	For the year ended 31st March, 2011
INCOME			
Revenue from Operations (Gross)	2.16	67255.06	51833.53
Less: Excise duty		952.56	540.01
Revenue from Operations (Net)		66302.50	51293.52
Other Income	2.17	2835.14	1306.76
Total Revenue		69137.64	52600.28
EXPENSES			
Cost of Materials Consumed	2.18	21346.14	19090.80
Purchases of Traded Goods	2.19	8696.37	5634.60
(Increase)/ Decrease in Inventories of Finished Goods, Work-in-Progress and Traded Goods	2.20	(1646.43)	(8246.44)
Employee Benefits Expense	2.21	15162.17	12641.71
Finance Costs	2.22	4169.48	2513.83
Other Expenses	2.23	17493.80	14250.12
		65221.53	45884.62
Profit before Tax, Depreciation and Amortisation		3916.11	6715.66
Depreciation and Amortization Expense		1681.72	1307.63
Less: Transferred from Revaluation Reserve		68.00	78.91
	2.24	1613.72	1228.72
Profit before Tax		2302.39	5486.94
Tax Expense:	2.25		
Current Tax		490.44	924.74
Deferred Tax		(426.35)	(350.12)
Profit after Tax		2238.30	4912.32
Share of Minority Interest		197.98	102.66
Profit attributable to Shareholders after Minority Interest		2040.32	4809.66
Basic & Diluted Earnings Per Share (₹) [Nominal Value ₹ 5/-] each		7.06	18.78
(Refer Note No. 2.26.T)			

1

Significant Accounting Policies

The accompanying notes are an integral part of the Consolidated Financial Statements

As per our report of even date annexed

For SINGHI & CO.

Chartered Accountants

Firm Registration No.302049E

PRADEEP KUMAR SINGHI

Partner

(Membership No.50773)

1-B, Old Post Office Street

Kolkata, the 30th day of May, 2012

R.K.GANERIWALA

(President & Secretary)

For and on behalf of the Board of Directors

D.P.MAHESHWARI

(Managing Director)

B. K. BIRLA

(Chairman)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH,2012 (₹ in lacs)

Particulars	2011-12	2010-11
A. Cash flow from operating activities :		
Net Profit before tax and extraordinary items	2302.39	5486.94
Adjustments for -		
Depreciation/Amortisation	1614.87	1228.82
Dividend income	(229.43)	(285.20)
Finance Cost	4169.48	2513.83
Interest Income	(1678.26)	(869.89)
(Profit) / loss on sale / discard of fixed assets (net)	(16.04)	116.91
Provision for doubtful debts & advances /(write back)	-	(0.84)
Unclaimed balances written back	(285.91)	(64.79)
Advances & claims written off (net)	95.54	1.36
(Profit) / loss on sale of Investment (net)	(150.64)	174.39
Foreign Currency Translation Reserve	(5.27)	4.31
Exchange difference (net)	443.66	(249.17)
Operating profit before working capital changes	6260.39	8056.67
Adjustments for -		
Trade Receivables and Loans & Advances	(213.38)	(4148.74)
Inventories	(2831.22)	(8509.16)
Trade payables, Other liabilities & Provisions	5293.93	449.27
Cash generated from / (used in) operations	8509.72	(4151.96)
Direct taxes (paid) / refund ^	(851.56)	(803.85)
Exchange difference realised (net)	(83.53)	50.64
Net cash from / (used in) operating activities	7574.63	(4905.17)
B. Cash flow from investing activities :		
Purchase of/advance for Fixed Assets/capital work in progress	(3011.35)	(5486.85)
Sale of Fixed Assets	43.94	111.15
Receipt of capital subsidy	88.86	93.79
Investment in Subsidiaries & Joint Venture	(184.43)	(8992.24)
(Purchase) / sale of long term investments (net)	(613.20)	(20.32)
(Purchase) / sale of current investments (net)	(453.23)	(612.88)
Loans and Advances to companies (net)	(3500.00)	(300.00)
Interest received	1202.53	785.17
Dividend Income	229.43	312.58
Loans & Advances to Subsidiary Companies	-	3476.71
Net cash from / (used in) investing activities	(6197.45)	(10632.89)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH,2012 (₹ in lacs)

	2011-12	2010-11
C. Cash flow from financing activities :		
Proceeds/(Repayments) of long term borrowings (net)	(974.88)	14313.28
Proceeds/ (Repayments) from short term borrowings (net)	(2226.62)	2614.10
Proceeds from bank borrowings for working capital (net)	2633.78	(564.01)
Proceeds from Minorities	-	1224.66
Dividend including dividend tax paid	(683.64)	(695.59)
Interest paid	(3893.69)	(2201.94)
Net cash from / (used in) financing activities	(5145.05)	14690.50
Net increase / (decrease) in cash and cash equivalent (A+B+C)	(3767.87)	(847.56)
Cash and cash equivalents as at 01.04.2011	5676.07	6523.32
Add: Exchange Variation on Cash & Cash Equivalents	97.32	0.31
	5773.39	6523.63
Cash and cash equivalents as at 31.03.2012 \$	2005.52	5676.07
	(3767.87)	(847.56)

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

\$ Cash and cash equivalent consist of :-

Cash & Cash Equivalents *

Cash , cheques, drafts in hand, remittance in transit etc.	511.30	421.80
Balance and Fixed deposits with Banks	1494.22	5254.27
Total	2005.52	5676.07

The aforesaid statement is prepared on indirect method.

* Does not include any amount of significant cash & cash equivalent which are not available for use.

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

1) SIGNIFICANT ACCOUNTING POLICIES

I. Principles of Consolidation

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

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

II. Convention

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

III. Use of Estimates

The preparation of CFS require judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the CFS 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.

IV. Basis of Accounting

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

V. Recognition of Revenue & Expenses

- a) All revenue and expenses are accounted for on accrual basis except as otherwise stated.
- b) Sales are net of returns, Sales Tax/VAT and trade discount.

VI. Government Grants

- a) Government Grants related to specific assets are adjusted with value of fixed assets.
- b) Government Grants in the nature of Promoter's Contribution towards fixed assets are credited to Capital Reserve.
- c) Government Grant related to revenue items are adjusted with the related expenditure/taken in income.

VII. Fixed Assets & Depreciation / Amortization

- a) Tangible Fixed Assets
 - i. Fixed assets are stated at cost less accumulated depreciation and accumulated impairment loss, if any.
 - ii. Depreciation on all assets, other than vehicles, is provided on the "Straight Line Method", and on vehicles on the "Written down value method" in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956.
 - iii. Items of machinery spares to be used in connection with an item of fixed asset are amortized over the useful life of the asset.
 - iv. Leasehold Land (Others) is amortized over the period of lease.
- b) Intangible Fixed Assets
Intangible Assets are stated at cost on initial recognition after which the same are stated at cost less accumulated amortization and accumulated impairment loss, if any.
- c) Capital Work In progress
Capital Work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.
- d) Intangible assets under development
Intangible assets under development is stated at cost which includes expenses incurred during development period and all other expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

VIII. Impairment of Assets

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

IX. Leases

For assets acquired under operating lease, rental payable are recognised as an expense in the statement of profit and loss. Assets acquired under finance lease are capitalized at lower of the fair value and the present value of minimum lease payment. Lease income from operating leases is recognised in the statement of profit and loss over the period of lease.

X. Investments

- a) Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. The portion of long term investments expected to be realized within twelve months after the reporting date are disclosed under current investments.
- b) On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees & duties.
- c) Long-Term Investments are stated at cost. Provision for diminution is made if the decline in value, in the opinion of the management, is other than temporary.
- d) Current Investments, other than the portion of long term investments disclosed under current investments, are stated at lower of cost or fair value.

XI. Inventories

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

Net realizable value is the estimated selling prices in the ordinary course of business less estimated cost necessary to make the sale. Materials and other items held for use in production of inventories are not written down below the cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

XII. Employment Benefits

- a) Short term Employees Benefits:

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

- b) Long Term Employee Benefits:

- i) Defined Contribution Scheme: This benefit includes contribution to Superannuation Scheme, ESIC (Employees' State Insurance Corporation) and Provident Fund Schemes. The contribution is recognized during the period in which the employee renders service.
- ii) Defined Benefit Scheme: For defined benefit scheme the cost of providing benefit is determined using the projected unit credit method with actuarial valuation being carried out at each balance sheet date. The retirement benefit obligation recognized in the Balance Sheet represents value of defined benefit obligation as reduced by the fair value of planned assets. Actuarial gains and losses are recognized in full during the period in which they occur.
- iii) Other Long Term Benefits: Long term compensated absence is provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method as at the date of Balance Sheet.

XIII. Borrowing Costs

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

costs are recognized as an expense in the period in which they are incurred.

XIV. Foreign Currency Transactions

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

Exchange difference arising on reporting /settlement of long term foreign currency monetary items (other than related to acquisition of depreciable Fixed Assets) at rates different from those at which they were initially recorded during the period or reported in previous CFS which were until now being recognized in the statement of Profit & Loss are now being accumulated in "Foreign Currency Monetary Translation Difference Account" and amortized in the statement of Profit & Loss A/c. over the remaining life of the long term foreign currency monetary items.

XV. Derivative Transactions

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

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

XVI. Taxes on Income

Current tax is determined on the basis of the amount of tax payable for the year under Income Tax Act, and Agriculture Income Tax of the respective countries. Deferred tax is calculated at the applicable tax rate and is recognized on timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets subject to consideration of prudence, are recognized and carried forward only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Tax Credit for Minimum Alternate Tax (MAT) is recognized when there is virtual certainty of its realisability against future tax liability.

XVII. Provisions, Contingent Liabilities & Contingent Assets

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

Notes to Consolidated Financial Statements for the year ended 31st March, 2012

(₹ in lacs)

As at 31.03.2012 As at 31.03.2011

2.1 : SHARE CAPITAL

Authorised:

58000000 Shares of ₹ 5/- each **2900.00** 2900.00

Issued:

28902786 Equity Shares of ₹ 5/- each
(Previous year 22373976 Equity Shares of ₹ 5/- each) **1445.14** 1118.70

Subscribed and Paid up:

28877488 Equity Shares of ₹ 5/- each
(Previous year 22348678 Equity Shares of ₹ 5/- each) **1443.87** 1117.43

1443.87 1117.43

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	22348678	22348678
Shares Issued during the year pursuant to scheme of Amalgamation and Arrangement	6528810	-
Shares outstanding at the end of the year	28877488	22348678

b) The Company has only one class of issued shares i.e. Equity Shares having par value of ₹ 5 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/ultimate Holding Company.

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

	As at 31.03.2012		As at 31.03.2011	
	No. of Shares	%	No. of Shares	%
Ordinary Equity Shares of ₹ 5 each fully paid up				
Padmavati Investment Limited	6114108	21.17	6114108	27.36
Jay Shree Beneficiary Trust	6528810	22.61	-	-

e) No Equity 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 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) 7541640 (Previous year 7541640)Equity shares of ₹ 5/-each fully paid up have been issued pursuant to scheme of amalgamation and arrangement for consideration other than cash.

h) No securities convertible into Equity/Preference shares issued by the Company during the year.

i) No calls are unpaid by any Director or Officer of the Company during the year.

2.1.1: Share Suspense

	As at 31.03.2012	As at 31.03.2011
6528810 Fully paid up Equity shares of ₹ 5- each fully paid up (Share were issued in the current year in pursuant to a scheme of amalgamation and arrangement of previous year)	-	326.44

Notes to Consolidated Financial Statements for the year ended 31st March, 2012 (₹ in lacs)

	As at 31.03.2012	As at 31.03.2011
2.2 : RESERVES AND SURPLUS		
Capital Reserves		
(Not Available for Dividend) As per last Consolidated Financial Statements	<u>10865.28</u>	<u>10865.28</u>
Capital Redemption Reserve		
As per last Consolidated Financial Statements	<u>165.21</u>	<u>165.21</u>
Capital Reserve arising on accounting of investment in associate		
As per last Consolidated Financial Statements	<u>78.11</u>	<u>78.11</u>
Storage Reserve for Molasses		
As per last Consolidated Financial Statements	<u>188.10</u>	<u>188.10</u>
Investment Reserve		
As per last Consolidated Financial Statements	1895.22	3771.53
Less: Transferred to Surplus	<u>-</u>	<u>1876.31</u>
	<u>1895.22</u>	<u>1895.22</u>
Revaluation Reserve		
As per last Consolidated Financial Statements	261.06	-
Add: Addition during the year	-	339.97
Add: Foreign Currency Translation Reserve	26.34	-
Less: Adjustment of depreciation on revalued assets	<u>68.00</u>	<u>78.91</u>
	<u>219.40</u>	<u>261.06</u>
Foreign Currency Translation Reserve		
As per last Consolidated Financial Statements	(14.64)	0.01
Add: Adjustment during the year	116.47	(14.65)
Add: Addition due to restated figures (Refer Note No.2.26.H)	<u>(1.82)</u>	<u>-</u>
	<u>100.01</u>	<u>(14.64)</u>
Other Reserve		
As per last Consolidated Financial Statements	18.57	-
Add: Addition during the year	-	18.57
Add: Foreign Currency Translation Reserve	1.86	-
	<u>20.43</u>	<u>18.57</u>
Foreign Currency Monetary Items Translation Difference Account		
(Refer Note No.2.26.L)		
During the year	(375.80)	-
Less: Amortised during the year	<u>145.58</u>	<u>-</u>
	<u>(230.22)</u>	<u>-</u>
General Reserve		
As per last Consolidated Financial Statements	17466.72	14466.72
Add: Transferred from Surplus	500.00	3000.00
	<u>17966.72</u>	<u>17466.72</u>
Surplus		
As per last Consolidated Financial Statements	7420.39	4492.48
Add: Profit for the previous year (Refer Note No.2.26.H)	55.07	-
Add: Profit for the year	2040.32	4809.66
Add: Foreign Currency Translation Reserve	12.15	-
Add: Transferred from Investment Reserve	<u>-</u>	<u>1876.31</u>
	<u>9527.93</u>	<u>11178.45</u>
Less: Appropriations		
Proposed Dividend	713.77	652.25
Corporate Dividend Tax (Refer Note No.2.26.J.ii)	42.32	105.81
General Reserve	500.00	3000.00
Dividend Tax for Earlier years written back (Refer Note No.2.26.J.ii)	<u>(215.63)</u>	<u>-</u>
	<u>8487.47</u>	<u>7420.39</u>
Net Surplus	<u>8487.47</u>	<u>7420.39</u>
Total Reserves and Surplus	<u>39755.73</u>	<u>38344.02</u>

Notes to Consolidated Financial Statements for the year ended 31st March, 2012

(₹ in lacs)

2.3 : LONG-TERM BORROWINGS

	Non-current portion		Current maturities	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Secured				
Term Loan from banks	4416.66	6583.33	3166.67	2083.33
Foreign Currency Loan from Banks	125.14	-	25.03	-
External Commercial Borrowings from Banks	6518.80	6690.75	763.20	-
Total Secured Borrowings	11060.60	13274.08	3954.90	2083.33
Unsecured				
Foreign Currency Loan from Banks (Secured by Corporate Guarantee of the Holding Company)	2864.76	3572.00	1227.76	-
From Related Party - Joint Venture Partner	-	-	1010.34	881.84
Employees Deposits	16.75	38.80	106.57	117.85
From Government of West Bengal under Plantation Labour Housing Scheme	0.04	0.06	0.02	0.02
From Government of Assam under Plantation Labour Housing Scheme	0.10	0.10	-	-
Total Unsecured Borrowings	2881.65	3610.96	2344.69	999.71
Amount disclosed under the head "Other Current Liabilities" (Refer Note No.2.9)			(6299.59)	(3083.04)
Total	13942.25	16885.04	-	-

Security:

- i) Term Loan and External Commercial Borrowings from Banks are secured/to be secured by equitable mortgage by deposit of title deeds of tea estates along with all immovable properties thereon ranking pari-passu, inter se.
- ii) External Commercial Borrowings are also secured by pledge of certain investments of the company.
- iii) Foreign Currency Loan from Bank is secured against fixed assets of Gisakura Tea Factory.

Notes to Consolidated Financial Statements for the year ended 31st March, 2012

iv) Maturity Profile

(₹ in lacs)

Nature of Loans	Loan Amount	Repayment Term	Repayment Years					
			2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Rupee Term Loan	833.33	Remaining one yearly installment	833.33	-	-	-	-	-
Rupee Term Loan	2000.00	Remaining two yearly installment	1000.00	1000.00	-	-	-	-
Rupee Term Loan	2500.00	Remaining three yearly installment	833.34	833.33	833.33	-	-	-
Rupee Term Loan	1250.00	Remaining five half yearly installment	500.00	500.00	250.00	-	-	-
Rupee Term Loan	1000.00	Payable in three equal yearly installment	-	333.33	333.33	333.34	-	-
Foreign Currency Term Loan	150.17	Payable in six equal yearly installment	25.03	25.03	25.03	25.03	25.03	25.02
External Commercial Borrowings	2544.00	In three fixed installments	763.20	763.20	1017.60	-	-	-
External Commercial Borrowings	4738.00	In two equal installments	-	2369.00	2369.00	-	-	-
	15015.50		3954.90	5823.89	4828.29	358.37	25.03	25.02

Joint Venture Partner	1010.34	Repayable on demand	1010.34	-	-	-	-	-
Foreign Currency Term Loan	4092.52	Payable in six half yearly fixed installment	1227.76	1227.76	1637.00	-	-	-
Employees deposit	123.32	As per terms of receipts	106.57	12.25	4.50	-	-	-
Government of West Bengal under Plantation Labour Housing Scheme	0.06	Remaining equal yearly installment	0.02	0.02	0.02	-	-	-
Government of Assam under Plantation Labour Housing Scheme	0.10	As per terms of loan	-	0.10	-	-	-	-
	5226.34		2344.69	1240.13	1641.52	-	-	-

Notes to Consolidated Financial Statements for the year ended 31st March, 2012 (₹ in lacs)

2.4 : DEFERRED TAX LIABILITIES (NET)

	As at 31.03.2012	As at 31.03.2011
Deferred Tax Liabilities		
Arising on account of :		
Accumulated Depreciation	1805.99	1759.45
Others	75.33	-
	1881.32	1759.45
Less: Deferred Tax Assets		
Arising on account of :		
Section 43B of Income-tax Act	693.97	499.03
Provision for doubtful debts	13.44	13.33
Carry over capital losses	227.33	197.69
Others (Includes ₹ 156.53 related to Foreign Joint Venture)	169.67	-
	1104.41	710.05
	776.91	1049.40

2.5 : OTHER LONG TERM LIABILITIES

Trade and Security Deposits	63.55	43.78
	63.55	43.78

2.6 : PROVISIONS

	Long Term		Short Term	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Provision for Employee Benefits				
Leave	392.25	331.98	69.91	65.49
Gratuity	-	-	509.93	534.47
Bonus	-	-	1260.04	953.87
Other Provisions				
Provisions for Contingency	-	-	148.42	157.66
Provisions for Taxation (Net of advance)	-	-	75.86	263.54
Proposed Dividend	-	-	652.25	652.25
Corporate Dividend Tax	-	-	42.32	257.96
	392.25	331.98	2758.73	2885.24

2.7 : SHORT TERM BORROWINGS

Working Capital Borrowings From Banks

Working Capital Loan (Secured)	2201.09	1213.67
Packing Credit in Foreign Currency (Secured)	1310.53	-
FCNR (B) loan (Unsecured)	1719.74	-
	Sub Total	5231.36
		1213.67

Notes to Consolidated Financial Statements for the year ended 31st March, 2012 (₹ in lacs)

2.7 : SHORT TERM BORROWINGS (contd.)

	As at 31.03.2012	As at 31.03.2011
Other Loans & Advances From Banks		
Rupee Loan (Secured)	3250.00	2250.00
Rupee Loan (Unsecured)	20250.00	24700.00
Overdraft with Bank (Unsecured)	206.70	-
From Related Parties (Unsecured)	4.86	-
From Other Parties (Unsecured)	48.54	
Excise Duty Loan from a Bank (Secured)	-	294.50
Sub Total	23760.10	27244.50
	Total	28458.17
 The above amount includes		
Secured Borrowings	6761.62	3758.17
Unsecured Borrowings	22229.84	24700.00
Total	28991.46	28458.17

Security:

- i) Working Capital Loan of ₹ 795.04, Packing Credit in Foreign Currency and Rupee Loan from Banks of ₹ 2250.00 are secured/ to be secured by current assets namely stock of raw materials, work-in-progress, semi finished and finished goods, stores & spares not related to plant and machinery, bills and book debts and other movable both present and future of the company and deposit of title deeds of certain tea estates as collateral security.
- ii) Working Capital Loan of ₹ 1406.05 is secured against security of bonds and stand by letter of credit.
- iii) Rupee Loan from a bank of ₹ 1000.00 is secured /to be secured by subservient charge on current assets of the company.
- (iv) Jay Shree Sugar division has a sanctioned working capital loan against :
 - (i) Hypothecation of Stocks of Sugar, Stock in process, Stores and Spares at Majhaulia.
 - (ii) Second Charge on immovable properties situated at Majhaulia, as collateral security. There is no outstanding at the year end.

2.8 : TRADE PAYABLES

	As at 31.03.2012	As at 31.03.2011
For Goods and Services	10294.30	5617.43
For Salary and Wages	577.81	360.35
	10872.11	5977.78

2.9 : OTHER CURRENT LIABILITIES

Current maturities of Long Term Debt (Refer Note 2.3)	6299.59	3083.04
Interest accrued but not due on Borrowings	396.09	551.92
Interest accrued and due on Borrowings	5.91	2.86
Unpaid and unclaimed dividends	55.93	45.00
Statutory Dues	845.71	748.42
Amount payable for Capital Goods	227.10	133.63
Trade and Security Deposits	4.40	15.27
Advances Received from Customers	331.66	422.72
Others #	123.11	323.07
	8289.50	5325.93

#Includes liability towards provision for mark to market loss, swap premium charges and other miscellaneous

Notes to Consolidated Financial Statements for the year ended 31st March, 2012

Note No-2.10 :- Fixed Assets

(₹ in lacs)

Particulars	G R O S S B L O C K			D E P R E C I A T I O N / A M O R T I S A T I O N			N E T B L O C K				
	Values as on 01/04/2011	Additions/ Adjustment	Addition on Amalgamation	Sales/ Adjustment	Total value as on 31/03/2012	Upto 31/03/2011	For the year	Sales/ adjustment	Upto 31/03/2012	As at 31/03/2012	As at 31/03/2011
Land	8027.28 ⁽¹⁾	56.33 ⁽²⁾	-	0.02	8083.59	-	-	-	-	8083.59	8027.28
Leasehold Land & Plantation	6681.74	168.28	-	-	6850.02	8.14	(5.82)	-	2.32	6847.70	6673.60
Leasehold Land Others	122.54	-	-	-	122.54	2.72	8.17	-	10.89	111.65	119.82
Building & Flats (including those on Leasehold & Rented Land), Electric Installation, Water Line, Tubewell, Fencing, Road, Bridge etc.	7289.70	612.13	-	0.93	7900.90	2393.58	178.33	0.88	2571.03	5329.87	4896.12
Plant & Machinery, X-ray units, Electric Installation, Air Conditioning Units, Refrigerators, Road Rollers, Gas Pipe Lines, Roadways etc.	16988.71	1543.45 ⁽³⁾	-	175.93	18356.23	6329.32	1203.81	152.52	7380.61	10975.62	10659.39
Motor Lorries, Cars, Trailors, Tractors, Trolleys, Cycles, Vans, Loaders etc.	1931.70	209.94 ⁽³⁾	-	69.63	2072.01	1178.11	235.52	65.21	1348.42	723.59	753.59
Furniture & Fixtures, Tools & Implements etc.	582.59	104.53	-	0.01	687.11	301.85	35.48	0.01	337.32	349.79	280.74
Live Stock	0.19	-	-	-	0.19	-	-	-	-	0.19	0.19
Office Equipment	91.07	33.70	-	-	124.77	43.43	14.70	-	58.13	66.64	47.64
Total	41715.52	2728.36	-	246.52	44197.36	10257.15	1670.19	218.62	11708.72	32488.64	31458.37
Capital Work in Proress	-	-	-	-	-	-	-	-	-	648.68	314.33
Add:Preoperative Expenditure	-	-	-	-	-	-	-	-	-	3.59	-
INTANGIBLE ASSETS	41715.52	2728.36	-	246.52	44197.36	10257.15	1670.19	218.62	11708.72	33140.91	31772.70
Goodwill on Consolidation	1077.30	369.24	-	-	1446.54	-	-	-	-	1446.54	1077.30
	42792.82	3097.60	-	246.52	45643.90	10257.15	1670.19	218.62	11708.72	34587.45	32850.00
Corresponding figures for previous year	24286.11	7309.16	11581.94	384.39	42792.82	9044.16	1369.29	156.30	10257.15	32535.67	-
Capital Work in Proress	-	-	-	-	-	-	-	-	-	314.33	314.33
	-	-	-	-	-	-	-	-	-	32850.00	32850.00

Notes to Consolidated Financial Statements for the year ended 31st March, 2012**Note No-2.10 :- Fixed Assets (Contd.)**

- 1) a) Land of Tribeni, West Bengal - Appeal for the final determination of compensation was decided in favour of the Company by the District Court of Hooghly and final compensation determined at ₹ 8.33 (Including interest ₹ 0.50) against which a sum of ₹ 2.05 was received in a previous year and credited to fixed assets. ₹ 6.28 including ₹ 1.50 released during the year 1967 against hypothecation of Khardah Land by the District Court has been shown in Current Liabilities. The Hon'ble High Court at Calcutta has decided the appeal against the Company in a previous year by reducing the amount of compensation for which an appeal before the Hon'ble Supreme Court of India was filed. Hon'ble Supreme Court has upheld the decision of the Hon'ble High Court and accordingly the adjustments will be carried out when the amount to be refunded is ascertained.
- b) Land at Guwahati measuring 2 hectares and related building including furniture & fixture and related equipment has been given on registered lease to a Society for operating a School.
- 2) Includes estimated cost of New Extension of area under tea ₹ 24.63 (Previous Year ₹ 1.69) capitalized during the year as certified.
- 3) Excluding ₹ 73.44 (Previous Year ₹ 93.79) on account of subsidy received from Tea Board under Tea Quality Upgradation & Product Diversification Scheme and ₹ 15.42 (Previous Year Nil) on account of transport subsidy received against vehicles from Tea Board.
- 4) Land, Buildings and Plant & Machinery include ₹ 1.18, ₹ 6.43 and ₹ 0.81 respectively (Previous Year ₹ 1.18, ₹ 6.43, and ₹ 0.81 respectively) being 5.18% share of cost of Land, Buildings and Plant & Machinery held on co-ownership by the Company with other parties.
- 5) Land & Plantation include ₹ 29.28 (Previous Year ₹ 29.28) and Building includes ₹ 1.55 (Previous Year ₹ 1.55) (being cost of floor of a leasehold building) in the name of the nominees of the Company on co-ownership basis, pending execution of conveyance deed.
- 6) Land & Plantation includes 2.431 Hectare of land at tea estates for which possession handed over for construction of schools and 6 hectares for which execution of conveyance deed in favour of the company is pending.
- 7) Agricultural Land of sugar unit is under Land Ceiling dispute since 1968-69 and the matter is subjudice.
- 8) The entire land owned by the Sugar division is KAST KAMI Land for which, usual rent is being paid to the Bihar Govt.
- 9) Depreciation during the year includes ₹ 1.15 (Previous year ₹ 0.10) towards assets of farm.
- 10) Plant & Machinery and Vehicles of a sub-subsidiary were revalued in 2009 which resulted in an increase of ₹ 449.39.
- 11) Addition to Fixed Assets and Depreciation/Amortisation during the year includes ₹ 631.98 and ₹ 30.78 respectively on account of Foreign Currency Translation Reserve. Addition to Fixed Assets and Depreciation/Amortisation during the year also includes ₹ (3.97) and ₹ (16.05) respectively on account of reason mentioned in Note No. 2.26.H
- 12) Depreciation for the year includes ₹ 68.00 (₹ 78.91) on account of adjustment due to revaluation.
- 13) Borrowing cost capitalized in accordance with Accounting Standard (AS) - 16 is Nil (Previous Year Nil).

Notes to Consolidated Financial Statements for the year ended 31st March, 2012 (₹ in lacs)

2.11 : LOANS & ADVANCES	Long Term		Short Term	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Capital Advances				
Unsecured, considered good	785.62	442.72	-	-
Sub Total	785.62	442.72	-	-
Security Deposits				
Unsecured, considered good	256.08	239.38	65.95	76.39
Sub Total	256.08	239.38	65.95	76.39
Loan & Advances to Related Parties (Unsecured, Considered good)				
To a Joint Venture Company	-	-	1010.34	887.88
Sub Total	-	-	1010.34	887.88
Other Loans and Advances (Unsecured, Considered good unless otherwise mention)				
Loans & Deposit to Companies	-	-	7950.00	4450.00
Deposit with NABARD	-	-	844.63	2260.04
Advance Tax and TDS (Net of provisions)	-	-	586.13	356.78
Advance against supply of Goods and Services	-	-	913.12	1203.11
Prepaid Expenses	0.62	1.11	78.29	150.65
Insurance , excise and other claims				
Considered Good	-	-	70.13	276.73
Considered Doubtful	-	-	2.83	2.83
Less:Provision	-	-	(2.83)	(2.83)
Loan / Advance to Employees	104.37	54.68	70.43	54.49
Balances with Government & Statutory Authorities	-	-	246.42	202.24
Other Deposits and Advances				
Considered Good	-	4.50	299.15	206.79
Considered Doubtful	-	-	3.89	3.89
Less:Provision	-	-	(3.89)	(3.89)
Sub Total	104.99	60.29	11058.30	9160.83
Total	1146.69	742.39	12134.59	10125.10

2.12 : OTHER ASSETS	Non-Current		Current	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Long Term Trade Receivable (Refer Note 2.14)	-	-	-	-
Bank Fixed Deposit(Including ₹ 0.35,(Previous year ₹0.10) pledged as margin money)	4.10	7.73	-	-
Interest accrued on Deposits	-	-	9.71	28.09
Interest accrued on Investments	-	-	44.57	69.29
Interest accrued on loans / Inter corporate Deposits	-	-	259.05	249.13
Incentive and Subsidy Receivable	-	-	1433.00	1142.97
Rent Receivable	-	-	8.77	14.86
MAT credit Entitlement (Refer Note No. 2.26.J.iii)	-	-	372.78	407.01
	4.10	7.73	2127.88	1911.35

Notes to Consolidated Financial Statements for the year ended 31st March, 2012

(₹ in lacs)

2.13 : INVENTORIES

(As valued and certified by the Management)

	As at 31.03.2012	As at 31.03.2011
Raw Materials (including stock of farm ₹ 0.01 (Previous year ₹ 0.20))	1820.07	1220.77
Work in Progress	43.77	38.57
Finished Goods	13936.50	13185.25
Traded Goods	4369.86	3339.91
Stores and Spares	2350.95	1765.22
Stock in Transit - Imported Goods	-	3.70
Loose Tools & Others	30.92	8.69
	<u>22552.07</u>	<u>19562.11</u>

Details of Inventories :

	Finished / Traded Goods		Work-in-Progress	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Tea (Finished Goods)	1511.47	2113.09	-	-
Tea (Traded Goods)	4369.86	3339.91	-	-
Chemicals	1280.25	1750.64	42.86	35.91
Sugar	11144.78	9321.52	0.91	2.66
	<u>18306.36</u>	<u>16525.16</u>	<u>43.77</u>	<u>38.57</u>

2.14 : TRADE RECEIVABLES

	Non-Current		Current	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Outstanding for a period exceeding six months				
Unsecured, considered good	-	-	317.83	235.33
Doubtful	-	-	36.37	36.37
	<u>-</u>	<u>-</u>	<u>354.20</u>	<u>271.70</u>
Less: Provision for doubtful receivables	-	-	36.37	36.37
	<u>-</u>	<u>-</u>	<u>317.83</u>	<u>235.33</u>
Outstanding for a period exceeding six months				
Secured, considered good	-	-	87.03	40.04
Unsecured, considered good	-	-	7076.46	5202.45
	<u>-</u>	<u>-</u>	<u>7163.49</u>	<u>5242.49</u>
	<u>-</u>	<u>-</u>	<u>7481.32</u>	<u>5477.82</u>

2.15 : CASH AND BANK BALANCES

Cash and Cash Equivalents

Balances With Banks :

In Current / Cash Credit Account	1277.17	1154.27
In Fixed Deposit Accounts with original maturity of less than three months	217.05	4100.00
Cheques/drafts on hand and Remittances in transit	373.01	375.41
Cash on hand	138.29	46.39
	<u>Sub Total</u>	<u>5676.07</u>

Other Bank Balances

Earmarked balances with Banks (unpaid Dividend Account)	55.93	45.00
Other Fixed Deposit with Banks (Including ₹ 110.93, Previous year ₹ 34.52 pledged as margin money)	110.93	134.52
	<u>Sub Total</u>	<u>179.52</u>
	Total	<u>5855.59</u>

Notes to Consolidated Financial Statements for the year ended 31st March, 2012 (₹ in lacs)

2.16 : REVENUE FROM OPERATIONS (GROSS)	For the year ended	
	31.03.2012	31.03.2011
Sales of Finished Goods & Other Products	61037.20	46587.27
Less: Excise Duty	952.56	540.01
	60084.64	46047.26
Government rebate on Fertilisers	4807.10	4130.29
Sale of Services	568.65	322.36
Sub Total	65460.39	50499.91
Other Operating Revenues		
Incentives & Subsidies	212.23	117.86
Export Benefits	485.77	511.21
Insurance and Other Claims (Net)	43.44	42.13
Income from Farm Product (details as below)	10.60	28.48
Miscellaneous Sale	90.07	93.93
Sub Total	842.11	793.61
Total	66302.50	51293.52
Details of Sale of Products		
Tea	42755.04	37314.96
Chemicals	7544.74	5198.77
Sugar	10651.91	4023.30
Others	85.51	50.24
	61037.20	46587.27
Income from Farm Products :		
Sales of Agricultural Product	176.24	85.69
Closing Stock	0.01	0.20
Lease Rent	2.75	1.82
	179.00	87.71
Less: Opening Stock	0.20	0.13
Agricultural Farming Expenses (towards cultivation & other expenses)	166.97	58.95
Other Repairs	0.02	0.01
Rent,Rates & Taxes	0.06	0.04
Depreciation	1.15	0.10
	168.40	59.23
	10.60	28.48
2.17 : OTHER INCOME		
Interest Income		
On Investments		
Long term	69.80	-
Current	191.94	122.84
On Bank Deposits	54.87	154.57
On Loans & Other Deposits,etc	1003.49	592.48
Interest Subsidy	358.16	-
Dividend Income		
On Long term investments	229.43	277.68
On Current investments	-	7.52
Net gain/ (loss) on sale of Investments		
On Long term investments	4.20	1044.16
On Current investments	146.44	(1218.55)

Notes to Consolidated Financial Statements for the year ended 31st March, 2012

(₹ in lacs)

2.17 : OTHER INCOME (contd.)	For the year ended	
	31.03.2012	31.03.2011
Other Non Operating Income		
Profit on sale of Fixed Assets (Net)	16.04	(116.91)
Rent	300.05	225.26
Excess Liabilities and Unclaimed Balances written back	285.91	64.79
Excess provisions, receipts & adjustments pertaining to previous years	47.12	39.76
Less: Short provisions, sundry payments & adjustments relating to previous years	(44.60)	(14.77)
Add : Excess/(Short) provision of bonus for previous years (Net)	(0.50)	-
Miscellaneous Income	172.79	127.93
	<u>2835.14</u>	<u>1306.76</u>
 2.18 : COST OF MATERIALS CONSUMED		
Raw Material Consumed		
Opening Inventories	1220.57	1253.17
Add : Purchase	21950.42	19174.52
	23170.99	20427.69
Less: Closing Inventories	1820.06	1220.57
Sales	-	112.73
Claims	4.79	3.59
	<u>21346.14</u>	<u>19090.80</u>
Details of Raw Material Consumed		
Green Tea Leaves	3915.07	3612.08
Chemicals	7334.74	6377.63
Sugarcane	10096.24	9101.09
Others	0.09	-
	<u>21346.14</u>	<u>19090.80</u>
 2.19 : PURCHASE OF TRADED GOODS		
Traded Goods :- Tea	8039.10	5634.60
Chemicals	657.27	-
	<u>8696.37</u>	<u>5634.60</u>
 2.20 : (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
Inventories at the beginning of the year		
Finished Goods	13209.72	4906.28
Work-in-Progress	38.57	27.22
Traded Goods	3339.91	3410.29
	<u>16588.20</u>	<u>8343.79</u>
Inventories at the end of the year		
Finished Goods	13936.50	13185.25
Work-in-Progress	43.77	38.57
Traded Goods	4369.86	3339.91
	<u>18350.13</u>	<u>16563.73</u>
Fluctuation in Exchange Rate carried to Foreign Currency Translation Reserve	115.50	(26.50)
	<u>(1646.43)</u>	<u>(8246.44)</u>

Notes to Consolidated Financial Statements for the year ended 31st March, 2012

(₹ in lacs)

	For the year ended	
	31.03.2012	31.03.2011
2.21 : EMPLOYEE BENEFIT EXPENSE		
Salaries & Wages	12810.75	10677.94
Contribution to Provident Funds and Others	1002.15	853.03
Contribution to Gratuity Fund	317.16	257.37
Contribution to Superannuation Fund	64.22	55.69
Staff Welfare Expenses	971.30	797.68
	15165.58	12641.71
Less: Amount transferred to Pre-operative Expenditure (Refer Note No. 2.26.0)	3.41	-
	15162.17	12641.71
 2.22 : FINANCE COST		
Interest Expenses		
On Debentures	-	47.43
On Fixed Loans & Deposits	1258.80	649.31
To Bank & Others	2401.98	1673.51
	3660.78	2370.25
Other Borrowing Cost		
Other Financial Charges	105.45	87.68
Applicable net gain/loss on foreign currency transactions and translations	403.25	55.90
	4169.48	2513.83
Less: Borrowing cost Capitalised	-	-
	4169.48	2513.83
 2.23 : OTHER EXPENSES		
MANUFACTURING EXPENSES		
Stores, Spare Parts & Packing Materials Consumed	2400.82	2269.45
Power & Fuel	3909.62	3417.40
Consumption of Manures/ Pesticides etc	1381.79	1491.07
Repairs to Buildings	471.49	489.55
Repairs to Machinery	946.51	702.99
Repairs to Other Assets	373.50	335.14
Increase/(Decrease) in Excise Duty & Cess on Finished Goods	109.02	326.69
Other Manufacturing Expenses	34.81	15.21
	9627.56	9047.50
Less: Amount transferred to Pre-operative Expenditure (Refer Note No. 2.26.0)	23.25	-
Sub Total	9604.31	9047.50

Notes to Consolidated Financial Statements for the year ended 31st March, 2012 (₹ in lacs)

SELLING AND ADMINISTRATION

For the year ended

31.03.2012 31.03.2011

Freight & Cartage	1713.47	1465.91
Insurance	100.89	81.52
Commission , brokerage & Discount etc		
- Other Selling Agents	238.59	196.70
- Others	382.02	347.88
Warehousing Charges	274.03	139.01
Other Selling Expenses (including packing material ₹ 9.06(Previous year ₹ 0.85))	1069.52	628.80
Rent	200.20	185.14
Rates & Taxes (Duty & Cess)	661.62	334.13
Insurance excluding on sales	117.67	102.83
Charity & Donation *	5.82	0.01
Auditors' Remuneration -		
Statutory Auditors -		
Auditor	27.67	29.41
Tax Audit Fees	6.03	5.83
Issue of Certificates	15.15	9.70
Other Services	9.00	-
Reimbursement of Expenses	3.06	4.58
Reimbursement of Service Tax	5.80	3.70
Cost Auditors -		
Audit Fees	0.83	0.53
Travelling Expenses	0.37	0.17
Branch Auditors -		
Auditor	2.50	4.25
Tax Audit Fees	0.05	0.05
Issue of Certificates	-	1.38
Reimbursement of Expenses	1.10	-
Reimbursement of Service tax	0.41	0.37
Bad Debts & Irrecoverable Loans, Advances & Claims written off.	95.54	1.36
Reserve for Doubtful Debts & Advances further created	-	0.16
Less : Written Back	-	(1.00)
Amortisation of Foreign currency monetary translation difference	145.58	-
Net Loss /(Gain)on foreign currency transaction and translation	298.08	(249.17)
Swap Premium Charges on Currency Option	121.40	-
Directors' Remuneration	147.79	65.01
Directors' Commission	15.00	28.00
Management Fees	264.22	-
Preliminary Expenses written off	5.53	1.41
Other Miscellaneous Expenses	1965.10	1814.95
	7894.04	5202.62
Less: Amount transferred to Pre-operative Expenditure (refer Note No. 2.28.P)	4.55	-
	Sub Total	5202.62
	Total	14250.12

* Includes ₹ 5.00 to Assam Pradesh Congress Committee and ₹ 0.82 to Assam Chief Minister Relief Fund

2.24 : DEPRECIATION AND AMORTISATION EXPENSES

On Tangible Assets	1586.31	1201.57
On Investment Property	27.41	27.15
	1613.72	1228.72

2.25 : TAX EXPENSE

Current Tax for the year	446.26	976.24
MAT credit Entitlement (Net)	34.23	(52.91)
Add/Less : Adjustment of Tax related to earlier years	9.95	1.41
Current Tax	490.44	924.74
Deferred Tax	(426.35)	(350.12)
	64.09	574.62

Notes to Consolidated Financial Statements for the year ended 31st March, 2012 (₹ in lacs)

2.26: Notes	As at 31.03.2012	As at 31.03.2011
A) Contingent Liabilities not provided for in respect of:- Claims/Disputes/Demands not acknowledged as debts:		
i) Demand from Sales Tax authority :		
Certain disallowances in the Sales Tax were confirmed against the company and an appeal before the Commissioner/ Tribunal Appellate and revisional Board has been filed and the management is of the opinion that it will obtain full relief	221.60	291.49
ii) Income Tax demand under appeal	198.17	107.82
iii) Demand from a lessor for interest on differential rent	70.14	70.14
IV) Demand of Provident Fund Damages by the Provident Fund Authorities, West Bengal	24.39	24.39
v) Electricity duty demanded by Government of Bihar appealed in Supreme Court	103.10	103.10
vi) Demand from Custom Authorities for non fulfillments of export obligations in respect of an erstwhile unit	105.00	105.00
vii) Demand of additional provident fund contribution on food grain concession provided to daily rated plantation workers in Assam Tea estates against which stay has been obtained from Hon'ble High Court at Guwahati.	30.34	-
B) i) Capital Commitments outstanding (Net of Advances) (including ₹ 489.34 (Previous Year - Nil) towards share of Joint Venture)	650.10	280.27
ii) Bank Guarantees Outstanding (Pledge of Fixed Deposit of ₹ 111.28) (Previous Year ₹ 34.62)	773.73	724.60
C) Other Commitments		
Letter of credit issued against Import of materials	220.81	-
D) The list of subsidiaries and joint venture which are included in the CFS of the group and the group's effective ownership interest therein are as under:		

Name of the Company	Relationship	Country of Incorporation	Group's Proportion of Ownership Interest (%)	
			2011-12	2010-11
North Tukvar Tea Company Limited	Subsidiary	India	90.50	90.50
Parvati Tea Company Private Limited	Subsidiary	India	100.00	100.00
Birla Holdings Limited	Subsidiary	United Arab Emirates	100.00	100.00
Tea Group Investment Company Limited	Joint Venture	United Arab Emirates	50.00	50.00

Notes to Consolidated Financial Statements for the year ended 31st March, 2012 (₹ in lacs)

E. For the purpose of consolidation, the CFS of Birla Holdings Ltd. reflecting consolidation for following entities as at 31st March, 2012 which have been prepared in accordance with International Financial Reporting Standards have been restated, where considered material, to comply with Generally Accepted Accounting Principles in India and other recognized accounting practices and policies followed by the group except as disclosed in Note 2.26 G.

Name of the Company	Relationship	Country of Incorporation	Group's Proportion of Ownership Interest (%)	
			2011-12	2010-11
Kijujra Tea Company Limited	Subsidiary	Uganda	100.00	100.00
Bondo Tea Estates Limited	Subsidiary	Uganda	100.00	100.00

F. For the purpose of proportionate consolidation, the CFS of Tea Group Investment Company Limited (Joint Venture) reflecting consolidation for following entities as at 31st March, 2012 have been prepared in accordance with International Financial Reporting Standards and have been restated, where considered material, to comply with Generally Accepted Accounting Principles in India and other recognized accounting practices and policies followed by the Group except as disclosed in Note 2.26 G.

Name of the Company	Relationship	Country of Incorporation	Group's Proportion of Ownership Interest (%)	
			2011-12	2010-11
Mata Tea Company Limited	Subsidiary	Rwanda	30%	30%
Gisakura Tea Company Limited	Subsidiary	Rwanda	30%	30%

G. The accounting policy in respect of depreciation followed by the Company's subsidiary North Tukvar Tea Company Limited and sub-subsidiary namely Kijujra Tea Estates Limited and Bondo Tea Estates Limited are on written down value method which is different from the accounting policy followed by the group, i.e. straight line method except for written down value method on vehicles. In view of different sets of environment in which foreign subsidiaries operate in their respective countries, provision for depreciation is made to comply with respective country's laws and by use of management estimate. It is not practical to align rates and method of charging of depreciation of such subsidiaries with those of the Group. The gross value of depreciable tangible assets (excluding motor vehicle) in Note 2.10 includes ₹ 702.64 (Previous year ₹ 626.55) on which depreciation has been charged on written down value method.

Further Gisakura Tea Company Limited and Mata Tea Company Limited (subsidiaries) of Tea Group Investment Company Limited (Joint Venture) charge depreciation on vehicles on straight line method which is different from the accounting policy followed by the group, i.e. written down value method. The gross value of motor vehicles under tangible assets in Note 2.10 includes ₹ 27.72 (Previous year ₹ 6.97) on which depreciation has been charged on straight line method. Furthermore these subsidiaries have changed the rate of depreciation prospectively in respect of Plant & Machineries. Consequently depreciation for the year is lower by ₹ 125.22 and fixed assets are higher to that extent and profit for the year after minority interest is higher by ₹ 75.13.

Notes to Consolidated Financial Statements for the year ended 31st March, 2012 (₹ in lacs)

H. The CFS for the year ended 31st March 2011 was drawn up after taking into consideration unaudited accounts of Tea Group Investment Company Limited, Gisakura Tea Company Limited and Mata Tea Company Limited as per the then available financial statements. However for the purpose of consolidation for the current year, the audited accounts of Gisakura Tea Company Limited and Mata Tea Company Limited as available now have been considered. The impact of differences in the then unaudited accounts and currently available audited numbers of Gisakura Tea Company Ltd have been carried out in the current year. The summary of differences (the group's share) are as under.

Particulars	Original Figure (Previous year)	Restated Figure (Previous year)
Share Capital	1306.72	1300.90
Surplus	118.23	173.30
Foreign Currency Translation Reserve	(3.89)	(5.71)
Deferred Tax Liability	0	72.59
Trade & Other Payables	30.15	19.23
Amount Due to Related Party	157.91	62.51
Total	1609.12	1622.82
Fixed Asset (Net Block)	1265.66	1277.74
Amount Due from Related Party	51.28	50.94
Trade & Other Receivables	41.60	19.10
Cash & Bank Balance	138.58	138.57
Inventories	112.00	136.47
Total	1609.12	1622.82

- I. In view of initiation of recovery of outstanding dues, the group has recognized a sum of ₹ 181.25 lacs (including ₹ 36.25 lacs related to current year) as interest income on an Inter-Corporate Deposit which was hitherto not recognized in the books till previous year. The management is confident of recovery the entire principal of ₹ 250.00 (Previous year ₹ 250.00) and interest of ₹ 169.17 (Previous year ₹ 145).
- J. i. Fringe Benefit Tax has been abolished from accounting year 2009-10. However in view of the interim stay granted by the Hon'ble High Court at Calcutta, no liability has been provided for earlier years.
- ii. In view of the favourable order from the Hon'ble Supreme Court, the liability of dividend tax has been provided to the extent of 40% of the proposed dividend. Furthermore provision of dividend tax amounting to ₹ 215.63 in excess of 40% of the proposed dividend as made in earlier years has been reversed during the year.
- iii. During the year the Group has further assessed the recoverability of Minimum Alternate Tax (MAT) for set off with future normal taxes and a sum of ₹ 230.16 (Previous year ₹ 241.81) for earlier year have been reversed. Based on projections made by the management and current trend of working of the Group the management is virtually certain of recovering the MAT credit entitlements and a sum of ₹ 372.78 as on 31.03.2012 (Previous year ₹ 407.01) has been carried forward as MAT credit available for set off in future years.
- iv. Deferred Tax Assets has been recognized on capital loss incurred based on the profit available in future as ascertained by the management.
- K. No provision for dividend and corresponding dividend distribution tax has been recognized in respect to 71,35,730 equity shares held by the beneficiary trusts in view of waiver letter received from them.

Notes to Consolidated Financial Statements for the year ended 31st March, 2012

L. During the year, the Company has exercised the option under paragraph 46A(1) of Accounting Standard – 11 'The Effects of Changes in Foreign Exchange Rates' as notified by Ministry of Company Affairs vide notification dated 29-12-2011. Consequently the foreign exchange loss arising on reporting / settlement of long term foreign currency monetary items (other than related to acquisition of depreciable fixed assets) amounting to ₹ 375.80 for the year ended 31st March 2012 has been accumulated in "Foreign Currency Monetary Translation Difference Account", out of which ₹ 230.22 remains to be amortized as at 31.3.2012.

M. i. The Hon'ble High Court at Calcutta had passed an order in the year 2009-10 in favour of landlord of a tenanted property enhancing the rent w.e.f. from April 2000 over and above its interim order issued earlier, as a result of which an additional rent of ₹ 410.82 and interest and cost thereon to the extent of ₹ 182.59 accrues to the landlord. The Company has filed an appeal before the Division Bench of Hon'ble High Court at Calcutta and has obtained a stay on the execution of the decree awarded in favour of the landlord. However, in compliance to the earlier interim order the company has paid the enhanced rent and hence does not envisage any further liability.

ii. A matter of industrial dispute against a unit with regard to 12 workers is subjudice. The company has provided an estimated liability of ₹ 12.00 and does not anticipate any more liability.

iii. In earlier years 146.92 acres of land around Majhulia related to Sugar division has been surrendered to the Government of Bihar "The Bihar Land Reforms (fixation of ceiling area and acquisition of surplus land) Act and Rules, 1961". Since the compensation in this respect has not been determined, the same will be accounted upon receipt.

N. During the year, the agreement with Assam Tea Corporation Ltd. (ATCL) for purchase of Green Leaf of Longai and Ishabheel tea estates and operating the Longai tea factory was renewed for a further period of one year. The company had also agreed to fund the Working Capital and Capital Expenditure requirement. For the season 2012, the company is now required to pay to ATCL, ₹ 2.55 (full figure) per kg of made tea towards usage charges for operating the longai factory and disbursement of ₹ 50 as interest free security deposit. Accordingly a sum of ₹ 350.11 (previous year ₹ 382.99) is recoverable from ATCL which is being realized on a systematic basis from the proceeds of green leaf procured. A sum of ₹ 7.02 (Previous year ₹ 5.07) has been paid as usage charge as per the agreement.

O. Pre Operative Expenditure

In respect to expenditure incurred in Bio- Mass Briquette factory up to 31.03.2012, included under Capital work in progress:

Particulars	(₹ in lacs)
2011-12	
Opening Balance	-
Expenditure as transferred from Statement of Profit & Loss	31.21
Less: Closing stock of Briquettes as at 31.03.2012 (Included in Inventories in Note 2.13)	0.17
Less: Sales/Own Consumption of Briquettes	27.45
Net Pre Operative Expenditure as per Note No: 2.10	3.59

Notes to Consolidated Financial Statements for the year ended 31st March, 2012

- P. a. The Group's significant leasing agreements (as lessee) are in respect of lease for Land & Premises (residential, office, stores, godowns etc). These Leasing arrangements which are non-cancellable ranging between one month and three years generally or longer and are usually renewable by mutual agreement. The aggregate lease rentals payable are charged as Rent.
- b. Certain land and building has been given on operating lease to a society at a lease rental of ₹ 17.00 per month (Previous year ₹ 15.00 per month) for the building and ₹ 0.50 (Previous year ₹ 0.50) per annum for the land to be reviewed annually.

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

(₹ in lacs)

Class of Assets	2011-12			2010-11		
	Gross Carrying Amount	Accumulated Depreciation	Depreciation for Current Year	Gross Carrying Amount	Accumulated Depreciation	Depreciation for Current Year
Land	37.91	-	-	37.91	-	-
Building	1680.75	157.62	27.38	1678.92	130.23	27.12
Plant & Machinery	153.57	54.73	9.84	149.09	44.88	7.26
Furniture & Fixture	188.32	81.52	17.89	188.33	63.63	15.53
Motor Vehicle	9.40	6.86	0.89	9.40	5.98	1.20
Total	2069.95	300.73	56.00	2063.65	244.72	51.11

- Q. Disclosure as per Accounting Standard-29 "Provisions, Contingent Liabilities & Contingent Assets":

Particulars	2011-12			2010-11		
	Disputed Statutory Matters	Other Obligations	Total	Disputed Statutory Matters	Other Obligations	Total
Opening Balance	123.06	34.60	157.66	112.31	27.23	139.54
Addition	33.58	20.42	54.00	28.44	7.37	35.81
Utilization	63.04	-	63.04	17.69	-	17.69
Reversal	0.20	-	0.20	-	-	-
Closing Balance	93.40	55.02	148.42	123.06	34.60	157.66

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

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

- i) The particulars of derivative contracts entered into for hedging purposes outstanding as at March 31, 2012 are as under:

Category of Derivative Instruments	Amount of Exposures Hedged	
	As at 31.03.2012	As at 31.03.2011
a) Forward contract for receivables	166.40	899.82
b) Forward contract for payables	-	489.50
c) Loans ##	4738.00	4460.50

Partially Hedged under currency option agreement

Notes to Consolidated Financial Statements for the year ended 31st March, 2012 (₹ in lacs)

ii) Unhedged foreign currency exposures as at March 31, 2012 are as under:

Unhedged Foreign Currency Exposures	As at 31.03.2012	As at 31.03.2011
a) Receivables **	2193.77	740.39
b) Loans/Payables/ Buyers Credit	10195.93	4803.24

** hedged to the extent of ₹ 2,019.32 by way of forward contract of firm commitments.

S. Employee Benefits (Accounting Standard - 15)

i) Defined Contribution Plan:

The Company makes contribution towards Provident Fund, ESIC and Superannuation Fund to a defined contribution retirement benefit plan for qualifying employees. The provident fund plan is operated partly by Regional Provident Fund Commissioner and partly by an independent Trust, ESIC by government agencies and Superannuation Fund by a trust created for the purpose. Under the said schemes the company is required to contribute a specific percentage of pay roll costs in respect of eligible employees to the retirement benefit scheme to fund the benefits.

During the year the company has recognized ₹ 954.59 (Previous year ₹ 707.23) for provident fund contribution, ₹ 29.72 (Previous year ₹ 27.51) for ESIC and ₹ 64.22 (Previous year ₹ 55.69) for Superannuation Contribution. The Contribution payables to these plans by the Company are at the rates specified in the rules of the scheme. In keeping with the Guidance on implementing Accounting Standard (AS) 15 on Employees Benefits issued by the Accounting Standards Board of the Institute of Chartered Accountants of India (ASB Guidance), employer-established provident fund trusts are treated as Defined Benefit Plans since the company is obligated to meet interest shortfall, if any, with respect to covered employees. In view of year-end position of the fund (for covered employees) and confirmation from the Trustees' of such fund, there is no shortfall as at the year end.

ii) Defined benefit plans:

- a) The Company makes annual contribution of gratuity to JSTI Gratuity Fund & other private administrated Gratuity Fund schemes created for the purpose of qualifying employees. The scheme provides for a lump sum payment to vested employees upon retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of 5 years of continuous service.
- b) Certain employees of the Company are also eligible for encashment of leave upon retirement up to 30 days for each year (maximum 240 days).
- c) The present value of defined benefit obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date.
- d) Liability in respect of gratuity of North Tukvar Tea Company Limited (a subsidiary) in accordance with Accounting Standard 15 (Revised 2005) has not been provided for in the books of accounts upto 31.03.2009 amounting to ₹ 96.68.

Notes to Consolidated Financial Statements for the year ended 31st March, 2012 (₹ in lacs)

Disclosures as per Accounting Standard - 15		2011-2012	2010-2011
		Gratuity Plan	Gratuity Plan
A	Expenses recognized in the Statement of Profit & Loss Account for the year ended 31st March 2012		
i	Current Service Cost	228.93	162.31
ii	Interest Cost	242.48	230.55
iii	Expected return on Plan Assets	195.18	177.09
iv	Actuarial (Gain)/Losses	40.93	-22.99
v	Past Service Cost	-	64.59
vi	Expenses recognized in Profit & Loss Account	317.16	257.37
B	Net (Assets)/Liabilities recognized in Balance Sheet as at 31st March 2012		2974.28
			2439.81
i	Present Value of the Defined Benefit Obligation	3112.76	534.47
ii	Fair Value of Plan Assets	2602.83	
iii	Net (Assets)/Liabilities recognized in Balance Sheet	509.93	2838.40
			162.31
C	Changes in the Present Value of Defined Benefit Obligation during the year ended 31st March 2012		230.55
			64.59
i	Present Value of Defined Benefit Obligation as at 1st April 2011	2974.28	(47.46)
ii	Current Service Cost	228.93	274.11
iii	Interest Cost	242.48	2974.28
iv	Past Service Cost	-	
v	Actuarial (Gain)/Losses	(89.73)	2218.34
vi	Benefits Paid	243.20	177.09
vii	Present Value of obligation as at 31st March 2012	3112.76	(24.47)
			274.11
D	Changes in fair value of Plan Assets during the year ended 31st March 2012		342.96
			2439.81
i	Fair Value of Plan Assets as at 1st April 2011	2439.81	2218.34
ii	Expected return on Plan Assets	195.18	177.09
iii	Actuarial Gain/(Losses)	(130.66)	(24.47)
iv	Benefits paid	242.11	274.11
v	Contributions	340.61	342.96
vi	Fair Value of Plan Assets as at 31st March 2012	2602.83	2439.81
vii	Actual return on Plan Assets	64.52	152.62
E	Principle Actuarial Assumptions used		
i	Discount rates as at 31st March 2012	8.50%	8.50%
ii	Expected Return on Plan Assets	8.00%	8.00%
iii	Expected Salary increase rates	5.00%	4.00%
iv	Mortality Rates	LIC (1994 -96) Mortality Table	LIC (1994 - 96) Mortality Table
F	Major categories of Plan Assets as a percentage of Fair Value of Plan Assets	Qualified Insurance Policy	Qualified Insurance Policy

Notes to Consolidated Financial Statements for the year ended 31st March, 2012 (₹ in lacs)

Notes:

- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply & demand in the employment market.
- The expected rate of return on Plan Assets is determined based on the portfolio of assets, existing investments along with the Strategic changes in the portfolio and market scenario. The Plan Assets are diversified reasonable to maximize the return within acceptable risk parameters.
- Fair value of plan assets does not include any amount for companies own financial instruments or any property occupied by, or other assets used by, the company.
- The Company expects to contribute ₹ 250.00 to its gratuity fund in 2012-13.
- The amounts for the current annual period and previous four annual periods are as follows:

Particulars	2011-12	2010-11	2009-10	2008-09	2007-08
Present value of defined obligation	3112.76	2974.28	2728.31	2599.17	2376.74
Fair Value of Plan Assets	2602.83	2439.81	2087.38	1899.6	1718.94
Excess of obligation over Plan Assets	509.93	534.47	640.93	699.57	657.80

T. Earnings per share (EPS)

	31.03.2012	31.03.2011
Profit after Tax	2040.32	4809.66
Weighted average number of equity shares outstanding	28877488	25613083
Basic & Diluted EPS (₹) (Face Value ₹ 5 per share)	7.06	18.78

- U. As per the requirements of Accounting standard -28 on "Impairment of Assets", the company has assessed the carrying amount of the assets vis a vis their recoverable values and no impairment has been envisaged at the balance sheet date.

Notes to Consolidated Financial Statements for the year ended 31st March, 2012

V. Related party

(₹ in lacs)

Sl. No.	Name of the Party	Relationship	Remuneration Paid	Loans & Advances(Net)		Dividend		Interest Received	Goods & Services		Others Expenditure		Balance	
				Paid	Received	Paid	Received		Sale	Purchase	Receivable	Payable		
1	Tea Group Investment Co.Ltd.	Joint Venture	-	-	-	-	-	-	177.96	-	-	-	1,010.34	-
			-	(887.88)	-	-	-	-	-	-	-	-	(887.88)	-
2	Rwanda Mountain Tea SARL	Investor in Joint Venture	-	4.86	-	-	-	-	-	264.22	-	-	-	1,015.20
			-	(881.84)	-	-	-	-	-	-	-	-	-	(881.84)
# 3	Century Textiles & Industries Limited	Associate	-	-	-	9.00	-	-	-	3.23	-	-	-	0.13
# 4	Kesoram Industries Limited	Associate	-	-	-	(9.00)	-	-	-	(3.26)	-	-	-	(0.73)
			-	-	-	11.64	-	-	-	6.84	-	1.25	-	0.06
# 5	Padmavati Investment Limited	Associate	-	(4,800.00)	(4,800.00)	(12.6)	-	(25.40)	-	(8.93)	-	(1.33)	-	(1.75)
			-	-	-	183.42	6.86	-	-	-	-	1.00	-	-
6	Smt. Jayashree Mohta	Key Management Personnel	72.00	-	(10.28)	(183.42)	(10.28)	-	-	-	-	(1.00)	-	-
			-	-	-	23.12	-	-	-	-	-	-	-	-
7	Mr. D.P. Maheswari	Key Management Personnel	75.79	-	-	(21.03)	-	-	-	-	-	-	-	-
			(63.01)	-	-	0.42	-	-	-	-	-	-	-	-
			-	-	-	(0.24)	-	-	-	-	-	-	-	-

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

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

Notes to Consolidated Financial Statements for the year ended 31st March, 2012 (₹ in lacs)

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

(A) PRIMARY SEGMENT

31.03.2012

31.03.2011

1 Segment Revenue (Net Sales/Income from each segment)

a) Tea	43401.55	37922.27
b) Chemicals & Fertilisers	12002.10	9081.72
c) Sugar	10383.06	3897.63
d) Others	720.58	561.60
Less : Inter-segmental Revenue	204.79	169.70
Total	66302.50	51293.52

2 Segment Results {Profit / (Loss) before Tax & Interest}

a) Tea	4773.85	5865.93
b) Chemicals & Fertilisers	691.40	769.53
c) Sugar	(379.91)	667.70
d) Others	165.08	86.33
Total	5250.42	7389.49
Less : Interest (Net)	2491.23	1643.93
Add : Unallocable Income net of unallocable expenditure	(456.80)	(258.62)
Total Profit/(Loss) before Tax	2302.39	5486.94

3 Segment Assets (Including revaluation reserve) & Segment Liabilities

	Assets	Liabilities	Assets	Liabilities
a) Tea	35663.27	4481.54	30186.42	4390.58
b) Chemicals & Fertilisers	7106.68	4808.84	5932.08	3678.60
c) Sugar	25082.14	4489.07	22478.40	1253.89
d) Others	259.65	146.33	187.69	88.32
e) Unallocable	40923.32	2927.68	43284.57	3119.68
Total	109035.06	16853.46	102069.16	12531.07

4 Capital expenditure including capital work-in-progress and depreciation (excluding on revaluation reserve) for the year

	Capital Exp.	Depreciation	Capital Exp.	Depreciation
a) Tea	1633.25	979.31	5552.91	998.15
b) Chemicals & Fertilisers	158.99	63.79	225.91	53.35
c) Sugar	885.59	537.94	1349.81	255.63
d) Others	3.47	2.51	4.69	2.16
e) Unallocable	119.06	99.32	354.05	87.15
Total	2800.36	1682.87	7487.37	1396.44

(B) SECONDARY SEGMENT

	India	Rest of World	Total
Segment Revenue	53201.91	13100.59	66302.50
	(40412.62)	(10880.90)	(51293.52)
Segment Assets	96373.86	12661.20	109035.06
	(93359.16)	(8710.00)	(102069.16)
Capital Expenditure	2544.04	256.32	2800.36
	(2989.31)	(4498.06)	(7487.37)

Note :

The company has disclosed business segment as the Primary Segment.

Notes to Consolidated Financial Statements for the year ended 31st March, 2012 (₹ in lacs)

X. Disclosure of Interest in Joint Venture

The group has 50% ownership interest in Tea Group Investment Company Limited.

The proportionate share in the assets, liabilities, income and expenses (each without elimination of the effect of transactions between the group and the joint venture) related to its interest in jointly controlled entities included in these CFS are given below:

	As at 31.03.2012	As at 31.03.2011
Assets:		
Non-Current Assets		
Fixed Assets:		
Tangible Assets	3305.04	2972.49
Intangible Assets	134.64	41.99
Capital Work-in-Progress	8.51	-
Deferred Tax Assets (Net)	156.52	-
Current Assets		
Inventories	470.95	211.07
Trade Receivables	81.09	40.04
Cash and Bank Balances	722.10	295.99
Short Term Loans and Advances	25.25	172.10
Liabilities:		
Minority Interest	1748.70	1323.94
Non-Current Liabilities		
Long Term Borrowing	2145.81	1763.68
Current Liabilities		
Short Term Borrowings	53.40	-
Trade Payables	102.57	58.10
Other Current Liabilities	80.12	259.39
Short Term Provisions	47.39	-
	For the year ended	
	31.03.2012	31.03.2011
Income:		
Revenue from Operations	2525.26	1312.23
Other Income	223.20	25.98
Expenses:		
Cost of Material Consumed	403.22	265.67
(Increase)/Decrease in Inventories of Finished Goods & Traded Goods	(5.18)	(160.39)
Employee Benefit Expense	361.45	49.12
Finance Costs	-	156.40
Other Expenses	1531.26	632.82
Depreciation / Impairment	99.65	60.51
Profit before Tax	358.06	334.08
Tax Expense	(253.05)	35.94
Profit After Tax Before Minority Interests	611.11	298.14
Minority Interests	(197.98)	(102.66)
Net Profit / (Loss)	413.13	195.48

Notes to Consolidated Financial Statements for the year ended 31st March, 2012

Y. The CFS for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements. Furthermore during the previous year, M.P. Chini Industries Limited was merged with the group w.e.f. 01.10.2010, hence current year figures are not comparable with that of previous year.

As per our report of even date annexed

For SINGHI & CO.

Chartered Accountants

Firm Registration No.302049E

PRADEEP KUMAR SINGHI

Partner

(Membership No.50773)

Place: Kolkata

Date: The 30th day of May, 2012

For and on behalf of the Board of Directors

R.K.GANERIWALA
(President & Secretary)

D.P.MAHESHWARI
(Managing Director)

B. K. BIRLA
(Chairman)

JAY SHREE TEA & INDUSTRIES LIMITED

Regd. & Head Office: Industry House,(15th Floor), 10,Camac Street, Kolkata 700017

PROXY FORM

I/We.....of

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

of or failing him

of

as my/our proxy to attend and vote for me/us and on my/our behalf at the Sixty Sixth Annual General Meeting of the Company to be held on Wednesday, the 25th July, 2012 at "Kala Kunj", 48 Shakespeare Sarani, Kolkata 700 017 at 10.30 A.M. and at any adjournment thereof.

As witness my/our hand(s) this day of 2012.

Affix
Thirty Paise
Revenue
Stamp
Here

Signature of shareholder

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

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

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



JAY SHREE TEA & INDUSTRIES LIMITED

Regd. & Head Office: Industry House,(15th Floor), 10,Camac Street, Kolkata 700017

ADMISSION SLIP

SIXTY SIXTH ANNUAL GENERAL MEETING at
"Kala Kunj", 48 Shakespeare Sarani, Kolkata 700 017
on 25th July, 2012 at 10.30 A.M.

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

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

.....
Signature

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

.....
Signature

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



TEA ESTATES

Towkok
Manjushree
Mangalam
Nahorhabi
Sibsagar, Assam

Meleng
Jorhat, Assam

Dewan
Burtoll
Labac
Kalline
Jellalpure
Cachar, Assam

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

Aryaman
Jalpaiguri, West Bengal

Ananyashree
Uttar Dinajpur, West Bengal

Sholayer Estate
Kallyar Estate
Coimbatore, Tamil Nadu

TEA FACTORY

Vinayak Tea Factory
Ledo, Margharita, Assam

Parvati Tea Factory
Makum, Tinsukia, Assam

CHEMICALS & FERTILISERS UNIT

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

The Jay Shree Chemicals & Fertilisers, Pataudi
Gurgaon, Haryana

SUGAR UNIT

Jay Shree Sugar Mill, Majhulia
Bihar

OTHERS

Warehousing & Tea Export Deptt.
Kolkata, West Bengal

Tea Warehouse & Sales Deptt.
Kochi, Kerala

SUBSIDIARY COMPANIES

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

OVERSEAS JOINT VENTURE

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



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JAY SHREE TEA & INDUSTRIES LIMITED

Industry house, 15th floor

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

E-mail : webmaster@jayshreetea.com

Website : www.jayshreetea.com