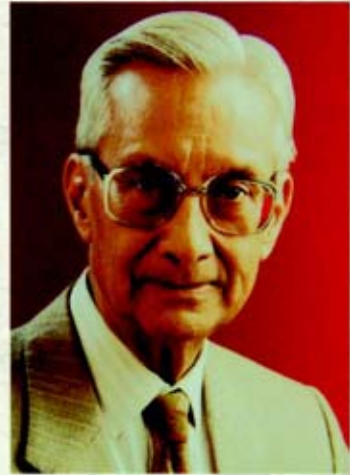


62nd ANNUAL REPORT
2007-08



Jay Shree Tea & Industries Limited



B. K. BIRLA GROUP OF COMPANIES

Our Chairman Syt. B. K. Birla

STRONG FOUNDATION SUSTAINED GROWTH PROVEN LEADERSHIP

The Group Logo

As represented by the 21st Century Atlas

Atlas, the Titan

Collective Strength

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

The Sun

Enlightenment and Growth

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

The Earth Segments

Diversified Activities

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

The Globe

Global Vision

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

The Base

Solid Foundations

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

The Symmetry

The Resilience, Versatility and Stability

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



JAY SHREE TEA & INDUSTRIES LIMITED
62nd ANNUAL REPORT FOR THE YEAR ENDED 31ST MARCH, 2008

DIRECTORS

Shri B. K. Birla, *Chairman*
Shri B. M. Khaitan
Shri G. P. Goenka
Shri S. S. Kothari
Shri S. K. Tapuriah
Smt. Jayashree Mohta
Shri Asis Bandyopadhyay
(*Nominee of GIPSA*)
Shri D. M. Jain
(*Managing Director*)

EXECUTIVES

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

SOLICITORS

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

AUDITORS

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

BRANCH AUDITORS

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

BANKERS

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

REGISTRARS

M/s. Maheshwari Datamatics
Pvt. Ltd., 6, Mangoe Lane,
Kolkata - 700 001
Ph.: 91(033)2243-5029/5809
Fax: (033)22484787
E-mail : mdpl@cal.vsnl.net.in

SHARE DEPTT.

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

**STOCK EXCHANGES
WHERE SHARES ARE
LISTED**

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

AUDIT COMMITTEE

Shri S.S. Kothari (Chairman)
Shri S.K. Tapuriah
Shri Asis Bandyopadhyay

**SHAREHOLDERS'/
INVESTORS GRIEVANCES
COMMITTEE**

Shri S.K. Tapuriah (Chairman)
Shri S.S. Kothari
Shri Asis Bandyopadhyay

**REMUNERATION
COMMITTEE**

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

REGISTERED & HEAD OFFICE

"Industry House", (15th Floor),
10, Camac Street,
Kolkata - 700 017
Phone : (033) 22827531-34 Fax : 22827535
Website : www.jayshreetea.com
E-mail : birlatea@giasl01.vsnl.net.in

MUMBAI OFFICE

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

AHMEDABAD OFFICE

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

NEW DELHI OFFICE

B-205/7, 2nd Floor, DDA Community Centre,
R.G. Complex, Motia Khan, Pahargunj
New Delhi - 110 055
Phone : (011) 23633717/23522149 Fax : 23633747

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MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW

Indian Tea production in 2007 was lower at 945 m.kgs. compared to 956 m.kgs. in 2006 i.e. a decrease of 11 m.kgs. The world crop was higher by around 52 m.kgs. mainly due to increase in crop in Kenya. Your Company produced 184.99 lac kgs. tea against 197.94 lac kgs. last year. The company produced lower quantity of tea from bought leaf as the prices of bought leaf was unremunerative. Your Company's initiatives helped in increasing the export by around 19.87% in value terms and 27.82% in quantity terms.

SEGMENT ANALYSIS AND REVIEW

The Company is engaged in the manufacture of tea, chemicals & fertilisers, besides tea warehousing and investment activities. The core business of the Company is TEA. This accounts for 74.63% of gross turnover during 2007-08. The other segments i.e. Chemicals & Fertilisers account for 24.55% and others 0.82% of the gross turnover.

TEA

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

(Quantity in million kgs.)

District	Tea Manufactured by the Company (April to March)			All India Production* (Jan. to December)		
	2007-2008 **	2006-07 **	Increase/ Decrease %	2007	2006	Increase/ Decrease %
Cachar	7.44	6.72	(+) 10.71	49.38	45.47	(+) 8.60
Assam Valley	5.91	7.71	(-) 23.34	430.55	438.18	(-) 1.74
Total Assam	13.35	14.43	(-) 7.48	479.93	483.65	(-) 0.77
Darjeeling	0.96	1.00	(-) 4.00	11.36	11.73	(-) 3.15
Dooars	0.66	0.67	(-) 1.49	142.14	144.54	(-) 1.66
Terai	1.65	1.67	(-) 1.20	77.94	77.01	(+) 1.21
Total West Bengal	3.27	3.34	(-) 2.10	231.44	233.28	(-) 0.79
Others	-	-	-	13.33	12.68	(+) 5.13
Total North India	16.62	17.77	(-) 6.47	724.70	729.61	(-) 0.67
Tamilnadu	1.88	2.02	(-) 6.93	153.13	152.27	(+) 0.56
Kerala	-	-	-	61.83	68.76	(-) 10.08
Karnataka	-	-	-	5.02	5.26	(-) 4.56
Total South India	1.88	2.02	(-) 6.93	219.98	226.29	(-) 2.79
Total Production	18.50	19.79	(-) 6.52	944.68	955.90	(-) 1.17

* All India figures on calendar year basis and estimated for 2007.

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

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

(Quantity in million kgs.)

Tea Areas	This year			Dist. Average Rs.P.	Previous year		Dist. Average Rs. P.
	Qty.	Rate Rs.P.	Rate Rs.P.		Qty.	Rate Rs.P.	
Cachar	7.33	67.36	59.92	6.85	64.36	57.69	
Assam	5.77	89.54	73.44	7.69	79.61	73.67	
Darjeeling	0.93	245.13	154.72	0.95	232.37	155.28	
Dooars / Terai	2.23	74.94	65.57	2.27	70.16	65.56	
South India	1.89	65.23	50.91	2.22	61.31	52.55	
	18.15	84.23		19.98	78.57		

Jay Shree Tea & Industries Limited



OUTLOOK

The domestic demand for teas is increasing year after year. In absence of any carry forward stock in the current year market should start with strong note. The production of orthodox teas is increasing because of strong enquiries from overseas buyers. This shift in production pattern will tighten availability of CTC Tea in the market and should boost up prices with Kenyan political imbroglio, the export demand should also improve. So after a long period of diminishing return, we can look forward to the future with renewed optimism.

CHEMICALS & FERTILISERS

REVIEW OF OPERATIONS

At Khardah plant the cost of raw materials and other costs for manufacturing Single Super Phosphate are increasing every year, and the issue of rational fixation of subsidy remain unsettled. The future of the industry depends upon the policies of the Central Government for upward revision in subsidy and unless corrective and effective measures are taken, it will be difficult for Super phosphate industry to survive. During the year, the realization from sale of sulphuric acid was better in your Khardah plant and with effective cost control, the profitability was sustained to some extent. In Haryana plant, the prices of sulphuric acid increased and with better inventory management profitability has improved.

OUTLOOK

The concerned authorities of the Govt. of India are aware of the situation of SSP industry and further upward revision in subsidy rate is under consideration of the government. The sooner it is done, it will be better as it will help the industry as well as poor farmers who are dependent on SSP to maintain production and quality of soil.

RISKS AND CONCERNS

- (a) Vagaries of nature on which production depends.
- (b) Emergence of local brand operation.
- (c) Uncertainty of green leaf prices for manufacturing tea from bought leaf.
- (d) Currency movements and foreign exchange risk in relation to export revenue.
- (e) Stiff competition in export with countries having lower cost of production

The Government and the industry are aware of the risks & concerns but till now the measures are not effective enough to bring the tea industry out of trouble.

FINANCIAL REVIEW AND ANALYSIS

The guiding principles of our investment strategies are of prudence. The company continued to manage its treasury to minimise working capital requirement and cost of fund and invested accretion of surpluses in mutual funds under debt and equity schemes. As the market was fluctuating at the end of the year, the returns were not as expected, but were marginal. The investment profile is well balanced and market value of the portfolio should improve in near future. So the investment should give reasonable return in the current year.

INTERNAL CONTROL

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

MATERIAL DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

CAUTIONARY STATEMENT

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

CORPORATE GOVERNANCE REPORT

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

In accordance with revised clause 49 of the Listing Agreement with the Stock Exchanges, the details of Corporate Governance compliance by the Company are as under:

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

2. BOARD OF DIRECTORS

Composition:

Your Company is having a Non-Executive Chairman. As per modification to existing Clause 49 of the Listing Agreement, atleast one half of the Board should comprise of Independent Directors. Five out of total eight Directors Shri B. M. Khaitan, Shri G.P. Goenka, Shri S.S.Kothari, Shri S.K.Tapuriah and Shri Asis Bandyopadhyay (Nominee of GIPSA) are Independent-Non-Executive Directors. Shri B.K. Birla, Chairman is a Promoter-Non-Executive Director and Smt. Jayashree Mohta is a Non-Executive Director. Shri D.M. Jain, the Managing Director is an Executive Director of the Company.

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

Five Board Meetings were held in 2007-2008 on 27th April, 2007, 28th June, 2007, 26th July, 2007, 31st October, 2007 and 29th January, 2008.

Directors	Categories of Directors	No. of Board Meetings Attended	Attendance of the last AGM	No. of outside Directorship held	No. of outside Committee Membership held	No. of outside Committee Chairmanship held	No. of Shares held in the company
Shri B.K. Birla (Chairman)	Promoter - Non-Executive	5	Yes	4	-	-	13500
Shri B.M. Khaitan	Independent - Non-Executive	5	Yes	7	-	-	100
Shri G.P. Goenka	Independent - Non-Executive	2	No	8	1	-	300
Shri S.S. Kothari	Independent - Non-Executive	5	Yes	4	3	1	2300
Shri S.K. Tapuriah	Independent - Non-Executive	4	Yes	4	-	-	284
Smt. Jayashree Mohta	Non-Executive	3	Yes	8	-	-	3972
Shri D.K. Pant * (Nominee of GIC) (up to 26.07.07)	Independent - Non-Executive	2	Yes	-	-	-	-
Shri Asis Bandyopadhyay (Nominee of GIPSA)** (w.e.f. 29.01.08)	Independent - Non-Executive	-	-	2	1	-	-
Shri D.M. Jain	Executive - Managing Director	5	Yes	4	-	-	100

* The nomination of Directorship of Shri D. K. Pant (Nominee of GIC) has been withdrawn by GIC vide their letter dated 09.07.2007 which was accepted by the Board of Directors of the company in their meeting held on 26.07.07.

** Shri Asis Bandyopadhyay joined the Board on 29.01.2008 as a nominee of General Insurers' (Public Sector) Association of India.

Jay Shree Tea & Industries Limited



All the Directors affirmed that apart from receiving sitting fees and / or commission in case of profit / or remuneration by the Managing Director, they do not have any pecuniary relationships or transactions with the Company, its promoters, its Directors, its Senior management or its subsidiaries i.e. Birla Tea Ltd. & Jay Shree IT Consultants Ltd., and associates (as defined in AS 23) which might affect independence of directorship in the Company.

3. AUDIT COMMITTEE

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

The Audit Committee comprises of Shri S.S.Kothari, Chairman of the Committee, Shri S.K.Tapuriah, Independent Director, Shri D.K.Pant, the nominee of GIC ceased to be a member of the committee since 26.07.2007 and Shri Asis Bandyopadhyay, nominee Director was inducted in the committee on 25.04.2008 and Shri D.M.Jain, Managing Director of the Company. Shri R.K.Ganeriwala, President & Secretary, the Internal Auditors and Statutory Auditors are permanent invitees to the meeting.

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

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

Four Meetings of the Audit Committee were held in 2007-2008 on 27th April, 2007, 23rd July, 2007, 31st October, 2007 and 29th January, 2008.

Attendance record of the Audit Committee Meetings.

Name of Directors	No. of Meetings Attended
Shri S.S. Kothari	4
Shri S.K. Tapuriah	4
Shri D.K. Pant	1
Shri D.M. Jain	4

4. DIRECTORS' REMUNERATION COMMITTEE

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

The Remuneration Committee consists of Shri B.M. Khaitan, Chairman of the Committee, Shri S.S.Kothari and Shri S.K.Tapuriah being Independent Directors. Shri R.K. Ganeriwala, President & Secretary acts as Secretary to this Committee. Terms of reference of this committee include determination of the Company's policy regarding remuneration packages, commission payable to Directors/ Managing Director of the Company and sitting fees and other expenses payable to the Directors for attending meeting of the Board/ or Committee thereof within the limits approved by the shareholders from time to time. The committee had no meeting in the year 2007-2008.

5. REMUNERATION OF DIRECTORS

The details of sitting fees paid to the Directors and salary and perks paid to the Managing Director of the company during the year 2007-2008 are given below :-

Name of Directors	Sitting Fees (Rs. in '000)		TOTAL (Rs. in '000)
	Board Meeting	Committee Meeting	
Shri B.K. Birla	45	–	45
Shri B.M. Khaitan	45	–	45
Shri G.P. Goenka	20	–	20
Shri S.S. Kothari	45	30	75
Shri S.K. Tapuriah	35	30	65
Smt. Jayashree Mohta	30	–	30
Shri D.K. Pant (Nominee of GIC)	15	10	25
	235	70	305
	Salary	Value of perquisites	Retirement Benefits
Shri D.M. Jain (Managing Director)	2160	243	486
Service Contract			3 years from 29th April, 2005
Notice Period			3 months
			Total

6. INVESTORS' / SHAREHOLDERS' GRIEVANCE COMMITTEE

The Investors' / Shareholders' Grievance Committee comprises of Shri S.K. Tapuriah, Chairman of the committee, Shri S.S. Kothari, Independent Director, Shri D.K. Pant, the nominee of GIC ceased to be a member of the committee since 26.07.2007 and Shri Asis Bandyopadhyay, nominee Director was inducted in the committee on 25.04.2008 and Shri D.M. Jain, Managing Director, Shri R.K. Ganeriwala, President & Secretary is the Compliance Officer of the Company. The Company had received 33 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, 2008.

Position of the Shareholders' Complaints received and redressed during the financial year 2007-08.

Types of Grievances	Total Complaints received during the year 2007-08	Total redressed	No. of Complaints pending as on 31.03.2008
Non-receipt of Dividend Warrant	16	16	Nil
Non-receipt of ECS Intimation Letter	4	4	Nil
Non-receipt of Annual Report	13	13	Nil
Total	33	33	Nil

Two Meetings of the Investors' / Shareholders' Grievance Committee were held in 2007-2008 on 27th April, 2007 and 31st October, 2007.

Jay Shree Tea & Industries Limited



Attendance record of the Investors' / Shareholders' Grievance Committee Meetings.

Name of Directors	No. of Meetings Attended
Shri S.S. Kothari	2
Shri S.K. Tapuriah	2
Shri D.K. Pant	1
Shri D. M. Jain	2

7. GENERAL BODY MEETINGS

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

Annual General Meeting

AGM	Year	Venue	Date	Time
Fifty ninth	2004-2005	Kala Kunj 48, Shakespeare Sarani Kolkata-700017	29th June, 2005	10.30 A.M.
Sixtieth	2005-2006	-do-	27th June, 2006	10.30 A.M.
Sixty first	2006-2007	-do-	28th June, 2007	10.30 A.M.

- No special resolutions passed in the last three AGMs
- All the resolutions set out in the respective notices were passed by the shareholders
- A court convened Extra-ordinary General Meeting was held at 'Kala Kunj', 48, Shakespeare Sarani, Kolkata-700017 on 22nd January, 2008 to approve Scheme of Amalgamation and Arrangement between Birla Tea Ltd., Darjeeling Consolidated Tea Co.Ltd., Marionbarie Tea Co.Ltd., Jay Shree IT Consultants Ltd., and the company.
- For sale/transfer and/or otherwise deal with the Bought Leaf manufacturing factory at Ledo, Mergherita in the state of Assam and Infotech Centre at Kolkata as required u/s.293(1)(a) of the Companies Act, 1956, approval of Shareholders was obtained through Postal Ballot. The Company appointed Shri R.S.Jhanwar, a practicing Chartered Accountant of repute as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

8. DISCLOSURES

- 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.
- 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.
- There is no Whistle Blower mechanism in the Company.
- 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 (Bengal – 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, 2008. 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,
25th April, 2008

For Jay Shree Tea & Industries Limited
D. M. JAIN
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, 2008 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 to compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

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

1-B, Old Post Office Street,
Kolkata, the 25th Day of April, 2008

For SINGHI & CO.
Chartered Accountants
PRADEEP KUMAR SINGHI
Partner
(Membership No. 50773)

Jay Shree Tea & Industries Limited



SHAREHOLDERS' INFORMATION

1. ANNUAL GENERAL MEETING

Date and time : 27th June, 2008 at 10.30 A.M.
Venue : Kala Kunj, 48, Shakespeare Sarani, Kolkata-700017

2. FINANCIAL CALENDAR (Tentative)

Financial Reporting for the Quarter Ending : By end of
June 30, 2008 : July, 2008
September 30, 2008 : October, 2008
December 31, 2008 : January, 2009
March 31, 2009 : April, 2009

Annual General Meeting for the Year ending 31st March, 2009 : By end of June, 2009

3. DATE OF BOOK CLOSURE

: 20th June, 2008 to 27th June, 2008
(both days inclusive)

4. DIVIDEND PAYMENT DATE

: By 1st week of July, 2008
(after declaration at AGM)

5. LISTING ON STOCK EXCHANGES

: CSE, BSE & NSE. The Company has paid listing fee for 2007-08.

6. STOCK CODE

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

ISIN Number for NSDL & CDSL

INE364A01012

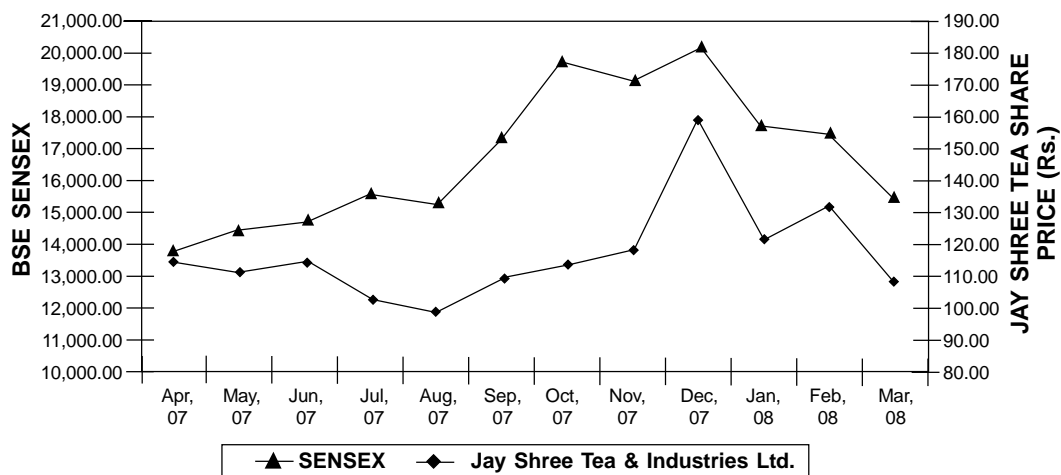
7. STOCK MARKET DATA

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

Month	Bombay Stock Exchange (BSE)				National Stock Exchange (NSE)			
	High	Low	Close	Total Volume Traded in the month (No. of Shares)	High	Low	Close	Total Volume Traded in the month (No. of Shares)
April 2007	128.00	108.30	114.70	778248	128.00	110.10	114.60	1476688
May 2007	119.00	107.00	112.45	596422	120.90	106.10	112.50	764220
June 2007	117.00	103.00	114.10	379391	116.90	102.00	114.30	587476
July 2007	116.95	100.20	103.85	288575	116.80	102.00	103.85	439407
Aug. 2007	111.00	93.50	98.90	224832	110.95	91.50	98.70	368538
Sept. 2007	125.00	99.00	108.15	774291	123.25	98.70	108.60	804557
Oct. 2007	116.00	96.25	112.95	309827	115.00	95.00	112.05	418050
Nov. 2007	140.00	101.05	116.60	818132	144.45	95.10	116.70	1131400
Dec. 2007	159.50	119.70	154.15	956681	165.00	119.00	155.10	1544711
Jan. 2008	185.00	94.95	120.95	965346	184.90	92.75	120.60	1408999
Feb. 2008	154.50	107.00	132.35	1346889	154.75	108.00	131.00	2564338
March 2008	129.80	96.15	109.15	414927	129.30	96.00	108.25	556103

8. STOCK PERFORMANCE

Performance of Jay Shree Tea Shares in Comparison to BSE Sensex



9. REGISTRAR & TRANSFER AGENTS

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

10. SHARE TRANSFER SYSTEM

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

11. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2008

No. of equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Share holdings
1 to 500	10274	88.38	1228399	11.51
501 to 1000	684	5.88	539360	5.06
1001 to 2000	331	2.85	496232	4.65
2001 to 3000	129	1.11	312876	2.93
3001 to 4000	64	0.55	228768	2.14
4001 to 5000	33	0.28	153536	1.44
5001 to 10000	51	0.44	372539	3.50
10001 & above	59	0.51	7336214	68.77
	11625	100.00	10667924	100.00

Jay Shree Tea & Industries Limited



12. CATEGORIES OF SHAREHOLDING AS ON 31ST MARCH, 2008

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shares holding
Promoters	6	0.05	3100608	29.06
Financial Institutions, Banks & Mutual Funds	40	0.34	1502617	14.09
NRI / OCB	81	0.70	807818	7.57
Private Body Corporates	562	4.84	1719930	16.12
Individuals	10936	94.07	3536951	33.16
Total	11625	100.00	10667924	100.00

13. DEMATERIALISATION OF SHARES AND LIQUIDITY

The shares of the Company are compulsorily traded in dematerialised form under depository systems of both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). 8892353 equity shares representing 83.36% of the paid up capital of the Company were held in demat form with NSDL and CDSL as on 31st March, 2008.

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

None.

15. INSIDER TRADING REGULATIONS

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

16. LOCATION OF COMPANY'S UNITS

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

17. INVESTORS CORRESPONDENCE

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

REPORT OF THE DIRECTORS For the year ended 31st March, 2008

Dear Shareholders,

We present the 62nd Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March 2008:

Scheme of amalgamation and demerger

During the year, the Company has pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 and with the approvals of the shareholders and the Hon'ble High Court at Kolkata, has amalgamated Darjeeling Consolidated Tea Co. Ltd. and Marionbarie Tea Co. Ltd. with effect from 1st April 2007. Under the said scheme of arrangement, the entire undertakings/businesses pertaining to Sungma & Turzum Tea Estates and all the assets, properties, investments and benefits of Birla Tea Ltd. (BTL) (excluding North Tukvar Tea Estate) stands demerged from BTL and amalgamated with the Company with effect from the said date. Further, the Infotech Division of the Company shall stand transferred to and vest in Jay Shree IT Consultants Ltd. (JSICL) formed for the purpose with effect from 1st September 2007. Upon the scheme being operative, the Company shall issue and allot to the members of BTL, one (1) equity share of Rs.10/- each for every 20 (twenty) equity shares of Rs.10/- each held in the said Company. Similarly, JSICL shall issue and allot 9.50 lac equity shares of Rs.10/- each at a premium of Rs.40/- per share to the Company for the value of assets being transferred to them. The scheme for amalgamation and demerger is expected to strengthen the position of the Company and should have beneficial results for the shareholders, employees and all concerned.

The financial results of the company after giving effect to the said scheme of amalgamation and demerger for

the year ended 31.3.2008 are enumerated below and hence not comparable with the figures of the previous year :

Financial Results

	31st March, 2008	31st March, 2007
	[Rs.]	[Rs.]
Gross Profit for the year	19,74,27,410	12,56,35,484
Add:		
i. Balance brought forward from previous year	17,25,04,968	16,73,81,574
ii. Excess Provision of Tax for earlier years written back	20,56,138	69,05,934
iii. Deferred Tax Credit`	71,80,324	4,30,560
	37,91,68,840	30,03,53,552
Deduct:		
i. Gratuity	1,48,59,868	1,07,32,000
ii. Depreciation	6,92,90,527	6,26,14,240
iii. Provision for taxation	80,00,000	33,00,000
	9,21,50,395	7,66,46,240
Profit available for appropriation	28,70,18,445	22,37,07,312
We recommend that the above amount be dealt with as under:		
	31st March, 2008	31st March, 2007
	[Rs.]	[Rs.]
A) i) Proposed Dividend on Equity Shares	2,66,69,810	2,66,69,810
ii) Tax (including surcharge & education cess) @ 16.995% on proposed dividend	45,32,534	45,32,534
B) Transfer to General Reserve	5,00,00,000	2,00,00,000
C) Balance carried forward to next year	20,58,16,101	17,25,04,968
	28,70,18,445	22,37,07,312

Equity Dividend

The Board recommends to distribute a dividend of Rs.2.50 per share same as was paid last year. The dividend tax including surcharge and education cess amounting to Rs.45.32 lac shall be payable by the

Jay Shree Tea & Industries Limited



company on the amount of dividend. The total outflow on this account shall be Rs.312.02 lacs.

Review of Performance

As compared to the previous year, the result for the current year is slightly better as :

- the better cultivation practices adopted in your tea estates helped in improving quality in Upper Assam, Cachar & Dooars area .
- prices improved due to increase in domestic demand and the better quality teas consistently met with enquiry at remunerative prices.
- timely procurement of raw materials in fertilizer units helped in improved profitability despite very high increase in cost thereof.

Tea Estates

Indian crop at 945 m.kgs. in the year 2007 saw a deficit of 11 mn. kgs. over the figure of 956 m. kgs. in 2006 because of lower crop both in North and South India. Total production of your company was 184.99 lac kg. during 2007-08 against 197.94 lac kg. last year. The lower crop was because the company reduced its bought leaf production from 39.02 lac kgs. last year to 24.29 lac. kgs. this year as the prices of green leaf continued to remain unattractive in some of the areas. The own crop was higher at 160.70 lac kgs. as against 159.14 lac kg. last year. Your Company increased its production of Orthodox tea in Assam as the demand for this variety of tea from international market was higher. A robust economy and the increase in spending power of the Indian consumer was reflected in the strong demand for good and best quality teas which fetched premium prices throughout the year. However, the common tea prices suffered a setback during the period of June to September after which the prices improved. and well-made teas were in favour with the buyers. Though the general tea market has improved, it is far below the prices achieved during 1998-99.

Modernisation and Development Programmes of Tea Estates:

Your tea estates follow the up-to-date field practices, to improve upon the quality standards. Regular uprooting & replanting / rejuvenation of old bushes is being done in our Assam, Cachar and Dooars Gardens. Latest energy saving machineries have been installed

to reduce cost of production. The emphasis is to produce quality teas catering to the needs of domestic as well as international buyers. The certification for HACCP & SQF for your Assam Estates is in final stage. As reported earlier, two gardens in Darjeeling have adopted Bio-Organic conversion practices which should improve price realisation in future. Based on the results, we are planning to adopt this conversion process in two more gardens.

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 retail chain in India and abroad. Various measures have been taken to ensure hygiene in all its work places.

The tea estates have undertaken various social and welfare activities including afforestation, sports meet, health camp, pulse polio programme, literacy drive for workers, cleanliness and adult education programmes.

The Jay Shree Chemicals & Fertilisers, Khardah:

The production of Single Super Phosphate was curtailed as the international prices of raw materials, rockphosphate and sulphur were skyrocketing with no revision in subsidy. . The Government authorities are aware of the plight of the industry and hopefully something positive will be announced in the near future. The Sulphuric Acid produced by the unit achieved better realization and the year recorded its highest ever sales. This coupled with timely procurement of raw materials helped in improving the profitability of the unit.

The figures of production and dispatches are as under:

	Production (M.T.)		Despatches (M.T.)	
	2007-08	2006-07	2007-08	2006-07
Single Super Phosphate	56035	85154	68041	86764
Sulphuric Acid	51785	52544	36246*	30760*

{*14729 (previous year 20698) Captive Consumption}

The Jay Shree Chemicals & Fertilisers, Gurgaon

The unit achieved higher sales realization from the sale of Sulphuric Acid resulting in improved profitability. The rising cost of Sulphur and availability of by-product acid from smelters in nearby areas are cause of concern.

The unit manufactured 32010 M.T. of acid compared to 31982 M.T. last year and sold 30901 M.T. compared to 32499 M.T. last year.

Information Technology

A separate company has been formed to hive off this division after obtaining approval from the shareholders and the Hon'ble High Court at Kolkata to the scheme of arrangement and demerger. Accordingly, the division has been demerged for renewed focus and attention w.e.f. 1.9.2007.

Export of Tea

All India exports suffered a set back and was one of the lowest in recent years. It was pegged at 157 m. kgs. as against 219 m. kgs (as revised by Tea Board) last year. South Indian tea export accounted for the bulk of this deficit. In value terms the realization was higher than last year. There was sharp decline in shipments to Iraq due to payment problem and lower offtake by Kenya and Pakistan. The CIS countries continued to be the major importers of Indian teas. With vigorous marketing efforts your company increased its presence in CIS countries and added Egypt to its new list of customers. The F.O.B. value of current year export was higher by 20% at Rs.48.60 crore compared to Rs.40.62 crore last year.

Subsidiary

As reported above, under the scheme for overall restructuring of its subsidiaries and other businesses, Birla Tea Ltd., retained its status of subsidiary to the Company and Jay Shree IT Consultants Ltd. became wholly owned subsidiary of the company.

As per requirements of Clause 32 of the Listing Agreement, the Consolidated Financial Statements of the said subsidiaries duly audited by the Statutory Auditors of the Company are annexed to the Annual Report.

Revaluation

Rs.33,60,485/- representing depreciation for the current year on the enhanced value of fixed assets and Rs.27,484/- lying credited to Revaluation Reserve for Assets sold / discarded / retired during the year have been written back from the Revaluation of Fixed Assets Reserve.

Corporate Governance

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

Prospects

In absence of any carry forward stocks, the markets started with a strong note. The production of Orthodox teas is poised to increase on the back of the anticipated strong export enquiry from CIS and Middle East countries. The shortfall in crop and increase in domestic consumption year after year should lead to improvement in prices. The Government of India is aware of the social burden on tea industry. The committee formulated by it has submitted its recommendations for sponsoring of social schemes in tea garden areas. This is a long pending demand of the industry and has to be met by the government, sooner the better, to make the cost competitiveness of Indian tea in international arena. With opening up of electronic auction system and expansion of retail outlets, the major packeteers are expected to source teas in a more competitive environment. So, after a long spell of downward trend, the tea industry can look forward to future with optimism.

Directors' Responsibility Statement

Your Directors would like to inform members that the audited accounts containing the financial statements for the year 2007 - 08 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 ;
- II. the accounting policies are consistently followed and applied to give a true and fair view of the state of affairs of the Company;

Jay Shree Tea & Industries Limited



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

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

Particulars of employees

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

Deposits

None of the deposits, which are due for payment, remained unpaid as on 31.3.2008.

Disclosure of particulars with regard to conservation of energy etc.

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

Pollution Control and Afforestation

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

Insurance

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

Directors

On withdrawal of nomination of directorship by GIC, Shri D. K. Pant ceased to be a Director of the Company w.e.f. 26th July, 2007. The Board expressed its appreciation for the valuable guidance and co-operation extended by him during the tenure of his Directorship. Shri Asis Bandyopadhyay joined the Board on 29.1.2008 as a nominee of General Insurers' (Public Sector) Association of India (GIPSA). The Board welcomes his appointment.

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

Auditors' Report

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

Auditors

Messrs Singhi & Co., Chartered Accountants, retire at the forthcoming Annual General Meeting and Messers Salarpuria Jajodia & Co., Chartered Accountants, who were appointed by the Board as Branch Auditors of Sungma, Singbulli, Balasun and Marionbarie Tea Estates for the year 2007-08, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment for the year 2008-09, which we recommend.

Kolkata,
25th April, 2008

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, 2008.

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 utilization of available power, adequate power capacitors have been installed and optimum power factor is being maintained to avoid surcharge on power factor as well as to get maximum rebate on electricity consumption bills.

Form – A

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

(A) Power and Fuel Consumption

	Tea		Chemicals & Fertilisers	
	Current Year	Previous Year	Current Year	Previous Year
1. Electricity				
a) Purchased				
Units (KWH)	14007168	12414315	2999092	3543378
Total Amount (in Rs.)	81976729	71473669	13071141	15091365
Rate/Unit (in Rs.)	5.85	5.76	4.36	4.26
b) Own Generation				
i) Through diesel generator				
Units (KWH)	3683803	4868798	44972	38097
Unit per Ltr. diesel	3.01	2.71	2.18	2.83
Cost/Unit (in Rs.)	10.82	11.23	11.71	10.64
ii) Through steam turbine/generator				
Unit (KWH)	78526	61879	5211344	5256430
Unit per Ltr. Oil/Gas	–	–	–	–
Cost/Unit (in Rs.)	–	–	–	–
2. Coal (specify quality and where used)				
Quantity (MT)	14323	13259	–	–
Total cost (in Rs.)	38348915	35993705	–	–
Average rate (in Rs.)	2677	2715	–	–
Quality – Dust, Khasi, B.Grade, Margherita, Leco & Agni, used in Tea Drying Machines.				

Jay Shree Tea & Industries Limited



	Tea		Chemicals & Fertilisers	
	Current Year	Previous Year	Current Year	Previous Year
3. Furnace Oil				
Quantity (K.Ltrs.)	157	184	113	123
Total Amount (in Rs.)	4069354	4584952	2456754	2468032
Average Rate (in Rs.)	25860	24898	21732	20041
4. Other/Internal Generation				
a) Gas				
Quantity (SCM)	3550297	4194512	-	-
Total Cost (in Rs.)	21091721	21903175	-	-
Rate/Unit (in Rs.)	5.94	5.22	-	-
b) Firewood				
Quantity (MT)	163	299	-	-
Total cost (in Rs.)	261186	630587	-	-
Rate/Unit (in Rs.)	1599	2112	-	-

(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)		0.96	0.87
Furnace Oil (in Ltr.)		0.01	0.01
Coal (Quality as above) (in kg.)		0.77	0.67
Others: Gas (SCM)		0.19	0.21
Firewood (kg.)		0.01	0.02
ii) For Superphosphate (per MT)			
Electricity (in KWH)		26	25
iii) For Sulphuric Acid (per MT)			
Electricity (in KWH)		56	54

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)

- | | |
|---|--|
| <p>1. Specific Area in which R&D carried out by the Company</p> | <p>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.</p> |
| <p>2. Benefits derived as a result of the above R & D</p> | <p>a) Improving yields and productivity
b) Pruning cycle optimised.</p> |

- | | |
|--|--|
| 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 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 | Not separately ascertained. |
| b) Recurring | Rs.15,46,791/- being amount paid to TRA and UPASI as above. |
| c) Total R & D Expenditure as a percentage of total turnover | Not ascertained. |

Technology absorption, adaptation and innovation :

- | | |
|--|--|
| 1. Efforts in brief, made towards technology absorption, adaptation and innovation | Managerial staff are encouraged to attend seminars and training programmes for agricultural practices in the field and manufacturing process in the factories. |
| 2. Benefit derived as a result of the above e.g. product, improvement, cost reduction. Product development, import substitution etc. | Increase in productivity and cost reductions were achieved in some tea estates. |
| 3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished : | |
| a) Technology imported | |
| b) Year of import | |
| c) Has technology been fully absorbed ? | None |
| d) If not fully absorbed, areas where this has not taken place, reasons, therefore and future plans of action. | |
| 4. Foreign exchange earnings and outgoings : | The Company is net foreign exchange earner for the country. |
| Total Foreign Exchange used | Rs. 24,00,30,870/- |
| Total Foreign Exchange earned | Rs. 49,03,80,775/- |

For and on behalf of the Board

Kolkata,
25th April, 2008

B.K. BIRLA
Chairman

Jay Shree Tea & Industries Limited



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

Name of Subsidiary Company	Birla Tea Limited	Jay Shree IT Consultants Ltd.
1. The financial year of the Subsidiary Company Ended on	31.03.2008	31.03.2008
2. a) No.of Equity Shares held by Jay Shree Tea & Industries Limited and its nominees in the Subsidiary on 31st March, 2008.	21,75,450 Equity Shares of Rs. 10/- each	10,00,000 Equity Shares of Rs. 10/- each
b) Extent of interest of Jay Shree Tea & Industries Ltd. in the Capital of the Subsidiary	90.50%	100%
3. Net aggregate amount of Profits/(Losses) of the Subsidiary so far as it concerns the members of Jay Shree Tea & Industries Ltd.and is not dealt with in the Company's Accounts		
a) Profit/(Loss) for the financial year ended on 31st March, 2008 of the Subsidiary	(Rs.92,96,577/-)	(Rs.43,45,744/-)
b) Profits/(Losses) (after tax) for the previous financial years of the Subsidiary of Jay Shree Tea & Industries Ltd.	Rs. 4,11,209/-	-
4. Net aggregate amount of Profits/(Losses) of the Subsidiary so far as dealt with or provision is made for those Profits/(Losses) in Jay Shree Tea & Industries Ltd.'s Accounts :		
a) For the Subsidiary's Financial year ended on 31st March, 2008.	Nil	Nil
b) For its previous financial years since it became the Subsidiary of Jay Shree Tea & Industries Ltd.	Nil	Nil

R. K. GANERIWALA
President & Secretary

For and on behalf of the Board of Directors
B.K. BIRLA
Chairman
D.M. JAIN
Managing Director

FINANCIAL HIGHLIGHTS for the last five years

	(Rs. in Lacs)				
	As at 31.03.2008	As at 31.03.2007	As at 31.03.2006	As at 31.03.2005	As at 31.03.2004
A Assets Owned by the Company					
1 Fixed Assets :					
Gross Block * (Incl. Capital work in progress)	22565.99	19074.54	17726.28	16872.87	16505.16
Less : Depreciation	<u>7916.32</u>	<u>7552.12</u>	<u>7086.12</u>	<u>6685.23</u>	<u>6328.82</u>
Net Block	14649.67	11522.42	10640.16	10187.64	10176.34
2 Investments	9468.05	10585.70	9996.14	7893.18	7991.33
3 Current Assets	11689.01	10515.47	10612.27	10617.11	9229.60
4 Miscellaneous Expenditure (to the extent not written off or adjusted)	—	0.70	10.77	62.65	114.53
Total Assets	<u>35806.73</u>	<u>32624.29</u>	<u>31259.34</u>	<u>28760.58</u>	<u>27511.80</u>
B Dues to be paid by the Company					
1 Loans	15115.49	14451.97	12513.55	11334.61	9703.45
2 Current liabilities & provisions	4218.32	2851.33	3725.82	3207.84	3920.52
3 Deferred Tax Liability	495.34	742.65	746.96	746.96	749.66
Total Liabilities	<u>19829.15</u>	<u>18045.95</u>	<u>16986.33</u>	<u>15289.41</u>	<u>14373.63</u>
C Company's Net Worth	<u>15977.58</u>	<u>14578.34</u>	<u>14273.01</u>	<u>13471.17</u>	<u>13138.17</u>
D Equity Shareholders' Fund Represented By:					
a) Share Capital	1066.79	1066.79	1066.79	1066.79	1066.79
b) Share Suspense	1.14	—	—	—	—
c) Reserve & Surplus	14909.65	13511.55	13206.22	12404.38	12071.38
	<u>15977.58</u>	<u>14578.34</u>	<u>14273.01</u>	<u>13471.17</u>	<u>13138.17</u>
Net Worth per Equity Share of Rs.10/- each (in Rs.)	149.61	136.66	133.79	126.28	123.16
Dividend per Equity Share of Rs.10/- each (in Rs.)	2.50	2.50	2.50	2.00	1.75

* After Revaluation of Fixed Assets

Figures for previous years have been regrouped / rearranged.

Jay Shree Tea & Industries Limited



(Rs. in lacs)

	As at 31.03.2008	As at 31.03.2007	As at 31.03.2006	As at 31.03.2005	As at 31.03.2004
A INCOME:					
1 Sales (excluding excise duty)	26853.82	23958.81	21447.55	21144.45	17754.44
2 Miscellaneous Receipts	2025.92	1457.28	2044.41	1158.87	1723.63
3 Increase/Decrease in stock	(184.89)	26.79	117.45	(201.15)	(316.42)
TOTAL INCOME	28694.85	25442.88	23609.41	22102.17	19161.65
B EXPENDITURE:					
1 Raw materials & other purchases	8835.17	7984.30	6079.51	6217.83	4515.11
2 Stores & Power	3863.25	3703.42	3626.91	3318.53	2878.06
3 Salary, Wages, Gratuity & other amenities	8412.74	7588.76	7561.49	7047.00	6752.62
4 Manufacturing & other Misc. exp.	2563.96	2160.30	2320.04	2331.71	2259.07
5 Sales exp.	2410.75	2210.11	1884.25	1647.18	1593.88
6 Interest (Net)	754.41	620.52	474.07	339.72	406.48
7 Manager's/Managing Director's Commission & Remuneration	28.89	26.44	22.98	20.09	17.92
8 Depreciation	692.91	626.14	572.15	547.06	479.58
TOTAL EXPENDITURE	27562.08	24919.99	22541.40	21469.12	18902.72
Profit before Taxation	1132.77	522.89	1068.01	633.05	258.93
Provision for Taxation – Current Tax	(80.00)	(33.00)	(3.00)	(7.00)	(3.00)
Deferred Tax – Credit	71.80	4.31	–	2.70	62.41
Income Tax related to earlier years.	20.56	69.06	–	–	–
Profit after Taxation	1145.13	563.26	1065.01	628.75	318.34
Add:					
Loss of amalgamating companies for the year ended 31.03.03	–	–	–	–	(211.62)
Balance brought forward from previous year	1725.05	1673.82	1576.92	1259.45	1332.35
Debenture redemption reserve no longer required written back	–	–	136.00	132.00	194.50
Balance of Profit & Loss account of amalgamating companies as on 31.03.02	–	–	–	–	(63.51)
Balance available for appropriation	2870.18	2237.08	2777.93	2020.20	1570.06
C APPROPRIATION:					
1 General Reserve	500.00	200.00	800.00	200.00	100.00
2 Proposed Equity Dividend	266.70	266.70	266.70	213.36	186.69
3 Tax on Dividend	45.32	45.33	37.41	29.92	23.92
4 Balance carried to Balance Sheet	2058.16	1725.05	1673.82	1576.92	1259.45
TOTAL	2870.18	2237.08	2777.93	2020.20	1570.06

Figures for previous years have been regrouped / rearranged.

Financial Information of Subsidiary Company

(Rs. in lacs)

Particulars	31.03.2008				31.03.2007			
	BTL		JSICL		BTL		JSICL	
(a) Capital	240.38		100.00		740.38		—	
(b) Reserve (excluding debit balance in Profit & Loss Account)	(162.25)		336.54		229.29		—	
(c) Other liabilities	86.02	164.15	48.53	485.07	<u>1323.64</u>	2293.31	—	—
(d) Investment in Shares	0.10		—		43.28		—	
(e) Investment in Mutual Fund	47.98		—		664.75		—	
(f) Other Assets	116.07	164.15	485.07	485.07	<u>1585.28</u>	2293.31	—	—
(g) Turnover		124.82		59.20		995.84		—
(h) Profit/(Loss) before Taxation		(94.88)		(43.37)		13.05		—
(i) Provision for Taxation								
Current Tax	—		—		—		—	
Fringe Benefit Tax	(0.60)		(0.09)		(1.31)		—	
Income Tax related to earlier year	2.51	1.91	—	(0.09)	<u>(3.20)</u>	(4.51)	—	—
(j) Profit after Taxation		(92.97)		(43.46)		8.54		—
(k) Proposed Dividend		—		—		—		—

N.B.

In view of the approval received u/s. 212(8) of the Companies Act, 1956 from the Ministry of Company Affairs, Govt. of India, the Balance Sheet and Profit & Loss Account of the Subsidiaries, Birla Tea Ltd. and Jay Shree IT Consultants Ltd. are not annexed hereto. However, the same will be available to the investors seeking such information at any point of time.

Current year figures are not comparable as the previous year includes Consolidated Financial Statements of Birla Tea Ltd.

Jay Shree Tea & Industries Limited



AUDITORS' REPORT

To the Shareholders

We have audited the attached Balance Sheet of **JAY SHREE TEA & INDUSTRIES LIMITED** as at 31st March, 2008, the Profit and Loss Account and the Cash Flow Statement of the said Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- iii) We have incorporated the audited accounts of Sungma Tea Estate, Singbulli Tea Estate, Balasun Tea Estate and Marionbarie Tea Estate as audited by the Branch Auditor as required by clause (c) of sub-section (3) of section 228 of the Companies Act, 1956.
- iv) The Balance Sheet and the Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of Account.
- v) In our Opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- vi) On the basis of written representations received from the directors as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vii) We report that in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with Notes thereon *in particular note no L of Schedule 24 giving impact to the scheme of amalgamation and arrangement pending completion of certain formalities and non provision for dividend arising out of further issue of shares to the shareholders of Birla Tea Limited*, 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 Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
 - b) In the case of Profit and Loss Account, of the profit for the year ended on that date and
 - c) In the case of Cash Flow Statement, of the Cash flow for the year ended on that date.

1-B, Old Post Office Street,
Kolkata, the 25th day of April, 2008

For SINGHI & CO.
Chartered Accountants
PRADEEP KUMAR SINGHI
Partner
(Membership No. 50773)

Annexure to the Auditors' Report

(Referred to in paragraph 4 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 interest free loan to two Subsidiaries Company aggregating to Rs. 73.24 lacs (balance at the year end) (maximum amount outstanding during the year was Rs. 134.29 lacs) which is repayable on demand.
 - (b) Since there is no overdue amount of principal and interest, hence clause 4 (iii) (d) of this order is not applicable.
 - (c) The company has not taken any loans secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the act, hence clause (f) & (g) of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services;
- (v) In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956;
 - (a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register, have been so entered.
 - (b) According to the information and explanations given to us, certain transactions for purchase and sale of goods and materials with the subsidiary Companies for which alternate quotations were not available, have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A, 58AA or any other relevant provisions of the Act, and the rules framed thereunder and the directives issued by the Company Law Board, National Company Law Tribunal or the Reserve Bank of India, or any Court or any other Tribunal where applicable, with regard to the deposits accepted from the public.
- (vii) In our opinion, the internal audit functions carried out during the year by firms of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- (viii) We have broadly reviewed the books of account and records maintained by the Company relating to plantation and the manufacture of Sulphuric Acid pursuant to the order made by the Central Government for the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.

Jay Shree Tea & Industries Limited



- (ix) According to the information and explanations given to us in respect of Statutory and other dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities during the year.
- (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 (Rs. in lac)</u> | <u>Related year</u> |
|--------------------|----------------|----------------------------------|-------------------------------------|---------------------|
| W B Sales Tax Act | Sales Tax | W.B Appellate & Revisional Board | 204.52 | 1996-97 to 2003-04 |
| W B Sales Tax Act | Sales Tax | Assistant Commissioner | 0.69 | 2001-02 |
| Provident Fund Act | Provident Fund | Kolkata High Court | 26.39 | 1999 to 2005 |
| Central Excise Act | Excise Duty | Guwahati High Court | 16.10 | 1998-99 to 2002-03 |
- (x) The Company does not have accumulated losses as at the end of the year and the Company has not incurred cash losses during the current and the immediately preceding financial year.
- (xi) Based on our audit procedures and on the basis of information and explanations given by the Management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (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, except an inter corporate deposit to a company of Rs. 200 lacs granted against pledge of shares. The company has maintained adequate documents in this regard.
- (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) We have broadly reviewed the books of Accounts and records maintained by the Company and state that prima facie, proper records have been maintained of the transactions and contracts relating to purchase of investments and timely entries have been made therein. All the investments have been held by the Company in its own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending applications.
- (xvii) According to the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956, during the year and hence the question of whether the price at which shares have been issued is prejudicial to the interest of the Company does not arise.
- (xix) No debentures have been issued during the year or exist on the Balance Sheet date. Hence, the clause is not applicable.
- (xx) The Company has not raised monies by public issues 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.

1-B, Old Post Office Street,
Kolkata, the 25th day of April, 2008

For SINGHI & CO.
Chartered Accountants
PRADEEP KUMAR SINGHI
Partner
(Membership No. 50773)

BALANCE SHEET as at 31st March, 2008

				(Rs. in '000)	
				As at	As at
SOURCES OF FUNDS	(Schedule)			31.03.2008	31.03.2007
Shareholders' Funds:					
Share Capital	1a	10,66,79		10,66,79	
Share Suspense	1b	1,14		-	
Reserves & Surplus	2	<u>1,49,09,65</u>	1,59,77,58	<u>1,35,11,55</u>	1,45,78,34
Loan Funds:					
Secured Loans	3	1,25,15,03		1,05,25,05	
Unsecured Loans	4	<u>26,00,46</u>	1,51,15,49	<u>39,26,92</u>	1,44,51,97
Deferred Tax Liability	14		4,95,34		7,42,65
			<u>3,15,88,41</u>	<u>2,97,72,96</u>	
APPLICATION OF FUNDS					
Fixed Assets:					
Gross Block	5	2,23,69,77		1,80,83,76	
Less : Depreciation		<u>79,16,32</u>		<u>75,52,12</u>	
Net Block		1,44,53,45		1,05,31,64	
Capital Work-in-progress		<u>1,96,22</u>	1,46,49,67	<u>9,90,78</u>	1,15,22,42
Investments	6		94,68,05		1,05,85,70
Current Assets, Loans & Advances:					
Inventories	7	37,45,70		34,41,82	
Sundry Debtors	8	25,88,52		20,00,33	
Cash & Bank Balances	9	25,47,98		12,77,71	
Other Current Assets	10	1,03,51		41,55	
Loans & Advances	11	<u>27,03,30</u>		37,54,06	
		<u>1,16,89,01</u>		<u>1,05,15,47</u>	
Less: Current Liabilities & Provisions					
Liabilities	12	22,02,51		16,70,56	
Provisions	13	<u>20,15,81</u>		<u>11,80,77</u>	
		<u>42,18,32</u>		<u>28,51,33</u>	
Net Current Assets			74,70,69		76,64,14
Miscellaneous Expenditure	15		-		70
			<u>3,15,88,41</u>	<u>2,97,72,96</u>	
Statement of Accounting Policies	23				
Notes	24				

Schedules 1 to 15 and Schedules 23 & 24 referred to above form an integral part of the Balance Sheet.

As per our report annexed

FOR SINGHI & CO.

Chartered Accountants

PRADEEP KUMAR SINGHI

Partner

(Membership No. 50773)

1-B, Old Post Office Street

Kolkata, the 25th day of April, 2008

R.K. GANERIWALA

President & Secretary

For and on behalf of the Board of Directors

B.K. BIRLA

Chairman

D.M. JAIN

Managing Director

Jay Shree Tea & Industries Limited



PROFIT & LOSS ACCOUNT for the year ended 31st March, 2008

	(Schedule)	2007-2008	2006-2007
(Rs. in '000)			
INCOME			
Sales, Warehousing etc. (excluding excise duty Rs. 5,87,45) (previous year Rs. 2,92,33)	16	2,68,53,82	2,39,58,81
Other Sources	17	20,25,92	14,57,28
Closing Stock	18	22,20,59	23,71,12
TOTAL (A)		3,11,00,33	2,77,87,21
EXPENDITURE			
Opening Stock	19	24,05,48	23,44,33
Purchases		46,47,69	44,63,58
Raw Materials Consumed	20	41,87,48	35,20,72
Expenses	21	1,72,79,59	1,56,89,03
Interest (Net)	22	7,54,41	6,20,52
Depreciation		7,26,51	6,59,34
Less : Transfer from Fixed Assets Revaluation Reserve		33,60	33,20
		6,92,91	6,26,14
TOTAL (B)		2,99,67,56	2,72,64,32
Profit before Taxation (A-B)		11,32,77	5,22,89
Provision for Taxation:			
Current Tax		(80,00)	(33,00)
Deferred Tax - Credit		71,80	4,31
Income Tax related to earlier years		20,56	69,06
		12,36	40,37
Profit after Taxation		11,45,13	5,63,26
Balance brought forward from previous year		17,25,05	16,73,82
Balance available for appropriation		28,70,18	22,37,08
Appropriation:			
Proposed Dividend on Equity Shares @ Rs. 2.50 per share		2,66,70	2,66,70
Tax on Dividend (including surcharge on dividend tax)		45,32	45,33
Transfer to General Reserve		5,00,00	2,00,00
Balance Carried to Balance Sheet		20,58,16	17,25,05
		28,70,18	22,37,08
Basic & Diluted earning per share (refer note 'Q' Schedule 24)		10.72	5.28
Statement of Accounting Policies	23		
Notes	24		

As per our report annexed

FOR SINGHI & CO.

Chartered Accountants

PRADEEP KUMAR SINGHI

Partner

(Membership No. 50773)

1-B, Old Post Office Street

Kolkata, the 25th day of April, 2008

For and on behalf of the Board of Directors

B.K. BIRLA

Chairman

D.M. JAIN

Managing Director

R.K. GANERIWALA

President & Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008

(Rs. in '000)

	For the year ended	
	31.03.2008	31.03.2007
A. Cash Flow From Operating Activities :		
Net Profit before tax and extraordinary items	11,32,77	5,22,89
Adjustments for –		
Depreciation	6,92,91	6,26,14
Dividend Income	(5,23,36)	(5,47,43)
Interest (Net)	7,54,41	6,20,52
Profit on sale / discard of fixed assets (Net)	(8,70)	(69,42)
Unclaimed balances written back	(34,28)	(19,95)
Provision for doubtful debts & advances	4,17	38,96
Advances & claims written off	87,90	3,17
Profit on sale of Investment (Net)	(7,56,84)	(4,40,05)
Provision for diminution in value of		
Current Investment (Net)	3,57,14	–
Exchange Difference (Net)	(1,76,67)	(18,28)
Compensation under voluntary retirement scheme written off	70	10,07
Operating Profit before working	15,30,15	7,26,62
Capital changes		
Adjustments for –		
Trade and other receivable	(10,91,83)	(3,20,25)
Inventories	(2,38,02)	42,59
Trade payable	3,54,00	(6,67,56)
Other Liabilities & Provisions	(29,47)	(1,34,62)
Cash generated from/(used in) operations	5,24,83	(3,53,22)
Direct taxes paid / refund ^	(10,69)	(16,21)
Exchange Difference realised (Net)	2,99,03	(42,75)
Net Cash from/(used in) operating activities	8,13,17	(4,12,18)
B. Cash Flow from investing Activities :		
Purchase of / Advances for Fixed Assets	(14,36,63)	(14,95,26)
Receipt of Capital subsidy	75,92	87,61
Sale of Fixed Assets	32,51	1,01,11
(Purchase) / Sale of long term Investments (Net)	9,44,78	10,55,60
(Purchase) / Sale of current Investments (Net)	11,75,12	(11,97,73)
Loans to Companies (Net)	1,57,50	6,50,00
Dues from Subsidiary Company	(73,24)	(6,07,37)
Interest Received	2,00,63	2,02,18
Dividend Received	4,61,28	4,99,09
Net Cash from/(used in) investing activities	15,37,87	(7,04,77)

Jay Shree Tea & Industries Limited



(Rs. in '000)

	For the year ended	
	31.03.2008	31.03.2007
C. Cash Flow from Financing Activities :		
Payment of unclaimed Buy back of shares	-	(60)
Proceeds from Long Term Borrowings (net)	(17,38,30)	5,13,76
Proceeds from Short Term Borrowing (net)	(3,35,87)	4,22,82
Increase in Bank Borrowings for Working Capital	21,25,11	10,62,86
Dividend Paid	(2,66,70)	(2,68,05)
Dividend tax paid	(18,14)	(37,41)
Interest paid	(8,79,77)	(8,59,00)
Net Cash from/(used in) financing activities	(11,13,67)	8,34,38
Net increase/(decrease) in cash and cash equivalent (A+B+C)	<u>12,37,37</u>	<u>(2,82,57)</u>
Cash and cash equivalents as at 01.04.2007 #	12,55,99	15,23,59
Cash and cash equivalents as at 31.03.2008 §	<u>24,93,36</u>	<u>12,41,02</u>
	<u>12,37,37</u>	<u>(2,82,57)</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 equivalents as at 01.04.2007 includes Rs. 14,97 on account of addition due to scheme of amalgamation and arrangement w.e.f. from 01.04.2007.

§ Cash and cash equivalent consist of :-

	As at 31.03.2008	As at 31.03.2007
Cash, Cheques, Drafts in hand etc.	1,02,07	1,32,80
Balance with Banks	23,91,29	11,08,22
	<u>24,93,36</u>	<u>12,41,02</u>

The aforesaid statement is prepared on indirect method.

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

As per our report annexed

FOR SINGHI & CO.

Chartered Accountants

PRADEEP KUMAR SINGHI

Partner

(Membership No. 50773)

1-B, Old Post Office Street

Kolkata, the 25th day of April, 2008

For and on behalf of the Board of Directors

B.K. BIRLA

Chairman

D.M. JAIN

Managing Director

R.K. GANERIWALA

President & Secretary

SCHEDULES TO BALANCE SHEET

	As at 31.03.2008	(Rs. in '000) As at 31.03.2007
1a. Share Capital		
Authorised		
75,000 Shares of Rs.100/- each	75,00	75,00
2,42,50,000 Shares of Rs. 10/- each	24,25,00	24,25,00
	<u>25,00,00</u>	<u>25,00,00</u>
Issued:		
1,06,80,573 Equity Shares of Rs.10/- each	<u>10,68,05</u>	<u>10,68,05</u>
Subscribed and paid up:		
1,06,67,924 Equity Shares of Rs.10/- each	<u>10,66,79</u>	<u>10,66,79</u>

Note :

1,17,95,458 Equity Shares (Prior to Buy Back of 16,32,034 Equity shares) have been allotted as Bonus Shares by capitalisation of General Reserve Rs.11,06,16 Capital Redemption Reserve Rs. 57,61 and Capital Reserve Rs. 15,78.

1b. Share Suspense

11,415 Fully paid up Equity shares of Rs. 10/- each, to be issued pursuant to scheme of Amalgamation for consideration other than cash (Refer Note 'L' of schedule 24)	1,14	—
	<u>1,14</u>	<u>—</u>

2. Reserves & Surplus

	Balance as on 31.03.2007 Rs.	Additions Rs.	Deductions/ Adjustments Rs.	Balance as on 31.03.2008 Rs.
Capital Reserve (Not available for Dividend)	2,70,28	8,42,25 [^]	—	11,12,53
Fixed Assets Revaluation Reserve	11,44,90	—	33,88 [@]	11,11,02
General Reserve	1,02,08,11	5,00,00	2,45,38 [#]	1,04,62,73
Capital Redemption Reserve	1,63,21	2,00 [§]	—	1,65,21
Profit & Loss Account - Balance	17,25,05	20,58,16	17,25,05	20,58,16
	<u>1,35,11,55</u>	<u>34,02,41</u>	<u>20,04,31</u>	<u>1,49,09,65</u>

[^] Includes addition of Rs. 7,66,34 (net) on account of amalgamation / demerger (refer note 'L' of schedule 24) and balance represents Capital Subsidy.

[@] Rs. 33,60 represents transferred to Profit & Loss Account and Rs. 28 adjusted on sale/discard of revalued fixed assets.

[#] Represents the amount adjusted with opening reserves as required by the transitional provision of Revised Accounting Standard - 15 on "Employees Benefits" net of deferred tax of Rs. 95,16 (refer note no 'K' (b)(iii) of Schedule 24).

[§] Added on amalgamation.

Jay Shree Tea & Industries Limited



SCHEDULES TO BALANCE SHEET

(Rs. in '000)

	As at 31.03.2008	As at 31.03.2007
3. Secured Loans:		
I. a) Term Loan from Banks (Repayable within one year Rs. 46,33,33)	62,66,67	60,00,00
b) Term Loan from a Bank *	10,00,00	10,00,00
II. External Commercial Borrowings (Repaid during the year)	–	4,93,00
III. From Banks for Working Capital :		
a) In Indian Rupee	12,58,38	9,92,85
b) In Foreign Currency		
– FCNR (B) Loan (US \$ 8.75 million)* (Previous year US \$ 3 million)	35,10,50	13,05,00
– Buyers' Credit (US \$ 0.799 million)* (Previous year US \$ 0.825 million)	3,20,48	3,58,88
– Packing Credit Loan (Euro 0.251 million)* (Previous year US \$ 0.863 million)	1,59,00	3,75,32
	<u>1,25,15,03</u>	<u>1,05,25,05</u>

* Repayable within one year

Security:

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

4. Unsecured Loans

Term loan from a Bank	–	15,00,00
Short term loan from a Bank*	25,00,00	23,00,00
From Government of Assam under Plantation Labour Housing Schemes in Five Estates, guaranteed by Banks (including interest accrued and due Rs.1,64) (Repayable within one year Rs. 1,25)	1,86	1,84
From Government of West Bengal under Plantation Labour Housing Scheme in Three Estates (Repayable within one year Rs. 15)	1,50	43
Deposits (Repayable within one year Rs. 53,85)	69,42	94,37
Security Deposits	27,68	30,28
	<u>26,00,46</u>	<u>39,26,92</u>

* Repayable within one year

SCHEDULES TO BALANCE SHEET

5. Fixed Assets

(Rs. in '000)

PARTICULARS	GROSS BLOCK					DEPRECIATION			NET BLOCK			
	Value as on 31.03.2007	Additions/ adjustments	*Addition on Amalgamation	Sales/ adjustments	*Adjustment on Demerger	Total Value as at 31.03.2008	Upto 31.03.2007	For the year	Sales/ *Adjustment on Demerger	Upto 31.03.2008	As at 31.03.2008	As at 31.03.2007
Land	3,07.32 (1)	2,30.87	-	-	-	5,38.19	-	-	-	-	5,38.19	3,07.32
Leashold Land & Plantations	23,88,18 (2)	6,03 (3)	25,11,63	-	-	49,05,84	2,32	-	-	2,32	49,03,52	23,85,86
Buildings & Flats (including those on Leasehold & Rented Land), Electric Installation, Water Line, Tube-Well, Fencing, Road, Bridges etc.	53,00,57	10,85,94	2,93,04	7,70	-	66,71,85	19,87,43	1,39,58	4,22	21,22,79	45,49,06	33,13,14
Estate Development up to 31.12.1926												
Rishihat Tea Estate	1,33	-	-	-	-	1,33	33	-	-	33	1,00	1,00
Plant & Machinery, X-Ray Units, Electric Installation, Air Conditioning Units, Refrigerators, Road Rollers, Gas Pipe Lines, Ropeway etc.	83,87,41	5,62,70 (4)	1,86,34	63,06	5,28,95	85,24,44	44,83,96	4,15,02	59,54	46,87,47	38,36,97	38,83,45
Motor Lorries, Cars, Trailors, Tractors, Trolleys, Cycles, Vans, Loaders etc.	12,73,28	1,62,85	23,66	1,26,61	-	13,32,98	8,44,36	1,39,22	1,10,53	8,73,05	4,59,93	4,28,92
Furniture & Fixtures, Office Equipments, Telephones, Tools & Implements etc.	4,45,67	87,59	3,09	5,97	1,35,24	3,95,14	2,33,72	32,69	4,96	2,30,36	1,64,78	2,11,95
Total	1,80,83,76	21,35,78	30,17,76	2,03,34	6,64,19	2,23,69,77	75,52,12	7,26,51	1,79,25	79,16,32	1,44,53,45	1,05,31,64
Capital Work-in-Progress											1,96,22	9,90,78
Corresponding figures for previous year	1,75,37,20	7,71,90	-	2,25,34	-	1,80,83,76	70,86,12	6,59,34	1,83,34	75,52,12	1,05,31,64	1,15,22,42
Capital Work-in-Progress											9,90,78	1,15,22,42

* Refer note 'L' of schedule 24

Jay Shree Tea & Industries Limited



SCHEDULES TO BALANCE SHEET

5. Fixed Assets (contd...)

NOTES TO FIXED ASSETS :

(Rs. in '000)

- (1) a) Land of Tribeni, West Bengal - Appeal for the final determination of compensation was decided in favour of the Company by the District Court of Hooghly and final compensation determined at Rs. 8,33 (including interest Rs. 1,50) against which a sum of Rs. 2,05 was received in a previous year and credited in Block. Rs. 6,28 including Rs. 1,50 released during the year 1967 against hypothecation of Khardah Land by the District Court has been shown in Current Liabilities. The Hon'ble High Court at Kolkata has decided the appeal against the Company in a previous year by reducing the amount of compensation for which an appeal before the Hon'ble Supreme Court of India was filed. Hon'ble Supreme Court has upheld the decision of the Hon'ble High Court and accordingly the adjustments will be carried out when the amount to be refunded is ascertained.
- b) Land at Guwahati measuring 15 Bighas and related building including furniture & fixture and related equipment has been given on registered lease to a society for operating a School.
- (2) After reducing Rs. 19,83 being Land Compensation received in earlier years for eight tea estates against land surrendered and Rs.1,03 compensation received in earlier years in respect of tea bushes abandoned, as cost of land and bushes can not be separately ascertained.
- (3) Includes estimated cost of New Extension of area under tea Rs. 6,03 capitalised during the year as certified.
- (4) Excluding Rs. 33,18 on account of Capital Subsidy received during the year.
- (5) Land, Buildings and Plant & Machinery include Rs.1,18 Rs.6,43 and Rs.81 respectively being 5.18% share of cost of Land, Buildings and Plant & Machinery held on co-ownership by the Company with other parties.
- (6) Land & Plantation include Rs. 29,28 and Buildings include Rs. 1,55 (being cost of floor of a leasehold building) in the name of the nominees of the Company on co-ownership basis, pending execution of conveyance deed.
- (7) Land & Plantation includes 2.431 Hectare of land at tea estates for which possession handed over for construction of schools and 14.84 acres are pending execution of conveyance deed in favour of the Company.

SCHEDULES TO BALANCE SHEET

(Rs. in '000)

6. Investments

	Face Value	Nos.	As at 31.03.2008		As at 31.03.2007	
Long Term Investments (At Cost)						
GOVERNMENT & TRUST SECURITIES :						
National Savings Certificates (At Face Value) (3 NSCs of Rs. 30 encashed during the year)		4	<u>4</u>	4	<u>34</u>	34
SHARES & UNITS						
Subsidiary Companies (in trade)						
Unquoted						
Fully Paid up Equity Shares						
Birla Tea Ltd. (Formerly North Tukvar Tea Co. Ltd.) [60 shares held jointly with the nominee(s)]	10	2175450	3,56,20		3,56,20	
Jay Shree IT Consultants Ltd. [50000 shares held jointly with the nominee(s)]	10	1000000	4,80,00		–	
Fully Paid up Preference Shares						
Birla Tea Ltd. (Formerly North Tukvar Tea Co. Ltd.) (9% Cumulative redeemable non convertible Preference Shares) (Refer note 'L' in schedule 24)			–	8,36,20	<u>5,00,00</u>	8,56,20
Fully Paid up Equity Shares (Other than Trade)						
Quoted :						
Kesoram Industries Ltd. (35000 shares**)	10	1059089	6,09,61		5,66,44	
HGI Industries Ltd.	10	86200	35,56		35,56	
ECE Industries Ltd.	10	198625	62,29		62,29	
Manjushree Plantations Ltd.	10	80155	1,49		1,49	
Mangalam Timber Products Ltd.	10	83462	8,35		8,35	
McLeod Russel India Ltd.	5	75	2		2	
Mangalam Cement Ltd.	10	820500	2,59,59		2,59,59	
Century Enka Limited	10	100000	2,00,00		2,00,00	
Kesoram Textile Mills Ltd. (Allotted in earlier year on hive off of Textile Division of Kesoram Industries Ltd.)	2	569089	–		–	
Pilani Investment Corporation Ltd.	10	6700	<u>97,30</u>	12,74,21	<u>97,30</u>	12,31,04
Unquoted :						
Birla International Ltd. (Swiss Francs)	100	2500	52,25		52,25	
Essel Mining & Industries Ltd.	10	20	8,35		8,35	
Padmavati Investment Ltd.	10	68560	1,31,60		1,31,60	
Kesoram Insurance Broking Services Ltd. (Formerly Kesoram Insurance Management Ltd.)	10	25000	50		50	
Vasavadatta Services Ltd.	10	4600	<u>46</u>	1,93,16	<u>46</u>	<u>1,93,16</u>
Carried Over				23,03,61		22,80,74

Jay Shree Tea & Industries Limited



SCHEDULES TO BALANCE SHEET

(Rs. in '000)

6. Investments (contd...)	Face Value	Nos.	As at 31.03.2008		As at 31.03.2007	
	Rs.		Rs.		Rs.	
Brought Forward			23,03,61		22,80,74	
Shares in Co-operative Societies :						
The Coimbatore & Nilgiri District Small Scale Service Industrial Co-operative Society Ltd. The Tamilnadu Tea Manufacturers' Service Industrial Co-operative Society Ltd.	100	10	1		1	
	5000	1	<u>5</u>	6	<u>5</u>	6
INVESTMENT PROPERTIES:						
Embassy Centre Premises Co-operative Society Ltd.	50	25	1		1	
The Bayside Co-operative Housing Society Ltd.	50	55	3		3	
Paramount Owners' Syndicate Pvt. Ltd.	10	460	<u>5</u>	9	<u>5</u>	9
UNITS IN MUTUAL FUND						
ABN AMRO Future Leaders Fund			-		2,00,00	
AIG India Equity Fund Regular Plan (pledged)	10	1466992.665	1,50,00		-	
DSP Merrill Lynch Small & Mid Regular Plan	10	624141.805	1,00,00		-	
Franklin India Opportunities Fund			-		3,21,52	
Templeton India Equity Income Fund			-		3,00,00	
Franklin India Prima Plus Fund			-		2,50,00	
HDFC Premier Multi-Cap Fund	10	1406010.403	2,25,00		1,50,00	
(884851.345 units pledged)(521159.058 units**)						
HDFC Core & Satellite Fund (Pledged)	10	483746.130	1,00,00		1,00,00	
HDFC Equity Fund			-		2,50,00	
HDFC Midcap Opportunity Fund	10	2500000.000	2,50,00		-	
HDFC Growth Fund	10	511548.201	2,00,00		-	
HDFC Infrastructure Fund	10	3000000.000	3,00,00		-	
ICICI Prudential Income Multiplier Regular Plan*	10	4230147.141	4,41,57		9,41,59	
ICICI Prudential Infrastructure Fund			-		1,50,00	
ICICI Prudential Power Fund			-		2,50,00	
JM Agri & Infra Fund	10	1500000.000	1,50,00		-	
Kotak Flexi Fund of Funds Series II			-		5,73,89	
Kotak Wealth Builder Fund Series I*	10	4822982.885	4,82,30		4,82,30	
Kotak Blended Fund of Funds	10	7182221.810	7,18,22		-	
Kotak Opportunities Fund	10	2996603.849	4,50,00		-	
Kotak Dynamic Asset Allocation Fund**	10	568225.900	56,82		-	
Principal Long Term Equity Sr. II Fund*	10	2000000.000	2,00,00		-	
Reliance Growth Fund			-		6,24,34	
Reliance Equity Fund			-		4,00,00	
Reliance Fixed Horizon Fund - III Annual Plan*	10	2000000.000	2,00,00		2,00,00	
Reliance Banking Fund	10	342700.480	1,00,00		-	
Reliance Diversified Power Fund**	10	204802.200	75,00		-	
Standard Chartered SME Fund	10	2000000.000	2,00,00		-	
Sundaram Energy Opportunies Fund	10	1500000.000	1,50,00		-	
Sundaram Equity Multiplier Fund	10	959506.800	95,95		95,95	
Sundaram Select Small Cap Fund (500000 units**)	10	1500000.000	1,50,00	47,94,86	1,00,00	53,89,59
Carried Over				70,98,62		76,70,48

SCHEDULES TO BALANCE SHEET

(Rs. in '000)

6. Investments (contd...)	Face Value Rs.	Nos.	As at	As at
			31.03.2008	31.03.2007
Brought Forward			70,98,62	76,70,48
Investment under Portfolio Management Services:				
Reliance Capital Asset Management Company Ltd.		6,64,25		2,40,47
Kotak Securities Ltd.		1,99,47		2,36,54
JM Financial Services Pvt. Ltd. (Formerly JM Morgan Stanley Financial Services Pvt. Ltd.)		1,72,73		1,33,38
Next Trillion Dollar Opportunity Fund		97,31		—
India Business Excellence Fund (Private Equity Fund)		42,73	11,76,49	6,10,39
Current Investments :				
UNITS IN MUTUAL FUND				
HDFC Fixed Maturity Quarterly Plan *		—		5,00,00
Principal Fixed Maturity Quarterly Plan *		—		8,04,83
Reliance Fixed Horizon Fund-II Quarterly Plan *		—		10,00,00
Reliance Monthly Interval Sr.II Inst. Plan *	10	2999235.368	3,00,08	—
ICICI Prudential Infrastructure Fund	10	2719033.233	4,50,00	—
JM Basic Fund	10	602516.712	2,00,00	—
HSBC Equity Fund	10	482994.290	2,00,00	—
Reliance Vision Fund	10	2085,94.076	1,50,00	—
Reliance Growth Fund	10	183755.972	1,50,00	—
Tata Infrastructure Fund	10	324609,981	1,00,00	—
		15,50,08		23,04,83
Less : Diminuation in value		3,57,14	11,92,94	23,04,83
			94,68,05	1,05,85,70

* Growth option

	As at 31.03.2008		As at 31.03.2007	
	Book Value	Market Value	Book Value	Market Value
Quoted Investments	12,74,21	61,79,61	12,31,04	46,21,45
Unquoted Investments	81,93,84		93,54,66	
	94,68,05		1,05,85,70	

Notes:

- Government Securities of Book Value Rs. 2 deposited with Government Departments.
- Investment of book value Rs. 40000 pledged in favour of a bank.
- Following units of Mutual Funds of Face Value of Rs. 10/- each were purchased & sold during the year.

Name of Fund	No. of Units
Reliance Floating Rate Fund - Growth	12133872.966
Birla Sun Life Liquid Plus Retail - Growth	2050623.048
Reliance Liquid Plus Fund - Growth	229699.376
Reliance Liquidity Fund - Growth	23115426.129

- **Transferred under scheme of arrangement (refer note 'L' in schedule 24)
- 9,50,000 equity shares of Jay Shree IT Consultants Ltd. are yet to be issued in terms of scheme approved as detailed in note 'L' in schedule 24.

7. Inventories	As at	As at
(Including in-Transit)	31.03.2008	31.03.2007
At lower of Cost or Net realisable Value		
Stores & Spares Parts	8,29,18	6,86,25
Finished Products and Other Goods	21,53,47	23,50,11
Work in progress	67,12	18,57
Raw Materials	6,95,93	3,84,45
Green Tea Leaf	—	2,44
	37,45,70	34,41,82

Jay Shree Tea & Industries Limited



SCHEDULES TO BALANCE SHEET

(Rs. in '000)

	As at 31.03.2008	As at 31.03.2007
8. Sundry Debtors		
Secured:		
Other Debts	1,08	1,18
Unsecured:		
More than six months	80,52	1,06,14
Other Debts	<u>25,38,34</u>	<u>19,83,77</u>
	26,19,94	20,91,09
Less : Reserve for Doubtful Debts / Debts under Litigation	<u>39,81</u>	<u>94,76</u>
	25,80,13	19,96,33
 Classification:		
Good	25,77,44	19,93,43
Bad & Doubtful	39,81	94,76
Under Litigation – Considered Good	2,69	2,90
	26,19,94	20,91,09
Warehousing Income accrued and considered good	8,39	4,00
	<u>25,88,52</u>	<u>20,00,33</u>
 9. Cash & Bank Balances		
Cash in Hand	8,01	7,12
Cheques, Drafts & Stamps in hand	94,06	1,22,33
Remittance in Transit	–	3,35
Balance with Scheduled Banks:		
In Current Account	3,74,00	36,42
In Current Account (Foreign Currency)	24	26
In Cash Credit Account	16,30	21,54
In Unpaid Dividend Account	31,02	32,47
In Fixed / Term Deposit Account (including interest accrued but not due Rs. 6,32) (Previous year Rs. 89)	20,24,35	10,54,22
	<u>25,47,98</u>	<u>12,77,71</u>
 10. Other Current Assets		
Interest & Dividend Accrued	1,03,51	41,55
	<u>1,03,51</u>	<u>41,55</u>

SCHEDULES TO BALANCE SHEET

(Rs. in '000)

	As at 31.03.2008	As at 31.03.2007
11. Loans & Advances		
(Unsecured unless otherwise stated)		
Loans & Deposits		
To Companies (Note 'D' in Schedule 24)		
Considered Good	6,12,50	7,70,00
Doubtful / Under Litigation	-	12,38
	6,12,50	7,82,38
Less: Reserve for doubtful debts	-	12,38
	6,12,50	7,70,00
Secured	2,00,00	-
Unsecured	4,12,50	7,82,38
Interest Accrued on Loans & Deposits	29,54	38,94
Dues from Subsidiary Companies		
a) Birla Tea Ltd. (maximum amount outstanding during the the year Rs. 60,39) (previous year Rs. 6,21,70)	46,67	6,21,70
b) Jay Shree IT Consultants Ltd. (maximum amount outstanding during the year Rs. 73,90) (previous year Rs. Nil)	26,57	-
Bills Purchased (Unsecured)		
Doubtful / Under Litigation	-	11,84
Less: Reserve	-	11,84
	-	-
Advances (recoverable in cash or in kind and for value to be received)		
(Unsecured)		
Considered Good	10,96,77	16,05,02
Considered Doubtful	4,01	42
Under Litigation	26	26
	11,01,04	16,05,70
Less : Reserve	4,01	42
	10,97,03	16,05,28
Prepaid Expenses	68,03	70,41
Insurance, Excise & Other Claims		
Considered Good	79,45	66,03
Subsidies & Incentives Receivable		
Considered Good	4,89,87	3,36,34
Balances in Account with Port Trust, Customs, Excise etc.	6,75	13,27
Security & Other Deposits and Rent Advances		
Considered Good	2,45,52	2,28,72
Sales Tax & Octroi paid under protest	1,37	3,37
	<u>27,03,30</u>	<u>37,54,06</u>

Jay Shree Tea & Industries Limited



SCHEDULES TO BALANCE SHEET

(Rs. in '000)

	As at 31.03.2008	As at 31.03.2007
12. Liabilities		
Sundry Creditors		
Others	19,35,61	14,88,68
Dues to micro, small and medium enterprises	–	–
Advances from Agents & Customers	1,05,01	74,03
Compensation received from District Court against Tribeni Land	6,28	6,28
Investors Education & Protection Fund (not due)	31,02	32,47
Interest accrued but not due on Loans	1,24,59	69,10
	<u>22,02,51</u>	<u>16,70,56</u>
13. Provisions		
Proposed Dividend	2,66,70	2,66,70
Provision for Tax on Dividend	72,52	45,33
Provision for Taxation less advance	6,58	(49,05)
Others (Refer Note 'F' of Schedule 24)	84,78	84,71
For Salaries, Wages, Bonus etc.	6,83,31	6,68,63
Provision for Gratuity	6,57,80	7,32
Provision for Leave	2,44,12	1,57,13
	<u>20,15,81</u>	<u>11,80,77</u>
14. Deferred Tax Liability		
Liabilities:		
Accumulated Depreciation	13,60,92	14,09,92
Less : Assets		
Provision for doubtful debts	12,82	36,69
Provision for Retirement Benefits	2,04,40	–
Accrued expenses deductible on payment basis	2,30,40	1,47,76
Carry over tax losses	4,17,96	4,82,82
	<u>4,95,34</u>	<u>7,42,65</u>
15. Miscellaneous Expenditure		
(To the extent not written off or adjusted)		
Voluntary Retirement Scheme		
Opening Balance	70	10,77
Less : Written off during the year	70	10,07
	<u>–</u>	<u>70</u>

SCHEDULES TO PROFIT & LOSS ACCOUNT

(Rs. in '000)

	2007-2008	2006-2007
16. Sales, Warehousing etc.		
Finished Products & Other Goods (net of Discount)	2,63,57,63	2,29,93,59
Less: Excise Duty	5,87,45	2,92,33
	<u>2,57,70,18</u>	<u>2,27,01,26</u>
Agency Sales	–	1,02,10
	<u>2,57,70,18</u>	<u>2,28,03,36</u>
Income from Infotech Activities	43,85	95,38
Government Rebate on Fertilizers	7,64,67	8,44,89
Warehousing Charges	1,69,33	1,24,79
Export Incentives	90,54	18,13
Claims	15,25	72,26
	<u>2,68,53,82</u>	<u>2,39,58,81</u>
17. Other Sources		
Dividend:		
Long Term Investments–Other than Trade	3,42,01	4,30,69
Current Investment–Other than Trade	1,81,35	1,16,74
Rent (Gross)(Tax Deducted at Source Rs. 16,52) (previous year Rs. 3,84)	2,33,83	1,89,31
Miscellaneous Income & Receipts	1,28,35	99,09
Tea Board subsidies	1,05,14	60,27
Incentive under duty drawback & target plus scheme	30,59	–
Unclaimed Balances Written Back	34,28	19,95
Profit on Sale of Investments – Long Term Investment	5,96,47	5,11,71
– Current Investment	1,60,37	(1,75,17)
Provision for diminution in value of Current Investment written back	–	1,03,51
	<u>7,56,84</u>	<u>4,40,05</u>
Profit/Loss on Assets Sold / Discarded (Net)	8,70	69,42
Exchange Difference	1,76,67	18,28
Excess provisions, receipts & adjustments pertaining to previous years	36,23	11,72
Less : Short provisions, sundry payments & adjustments relating to previous years	7,74	9,47
Add : Excess / (Short) provision of bonus for previous years (Net)	(33)	11,23
	<u>28,16</u>	<u>13,48</u>
	<u>20,25,92</u>	<u>14,57,28</u>

Jay Shree Tea & Industries Limited



SCHEDULES TO PROFIT & LOSS ACCOUNT

(Rs. in '000)

	2007-2008	2006-2007
18. Closing Stock		
Finished Products & Other Goods	21,53,47	23,50,11
Work-in-Progress	67,12	18,57
Green Tea Leaf	–	2,44
	<u>22,20,59</u>	<u>23,71,12</u>
19. Opening Stock		
Finished Products & Other Goods	23,50,11	
Addition on Amalgamation (Refer note 'L' of schedule 24)	<u>34,36</u>	
Work-in-Progress	18,57	23,88
Green Tea Leaf	2,44	1,89
	<u>24,05,48</u>	<u>23,44,33</u>
20. Raw Materials Consumed :		
(Fertilisers & Chemicals)		
Opening Stock	3,84,45	4,77,03
Purchases	46,04,11	34,61,19
	<u>49,88,56</u>	<u>39,38,22</u>
Less:		
Closing Stock	6,95,93	3,84,45
Sales	42,88	17,36
Claims	62,27	15,69
	<u>8,01,08</u>	<u>4,17,50</u>
	<u>41,87,48</u>	<u>35,20,72</u>
21. Expenses:		
Manufacturing Expenses		
Stores, Spare-parts & Tools Consumed (including packing materials Rs. 6,84,25) (previous year Rs. 6,45,01)	18,07,26	16,42,42
Power & Fuel	20,55,99	20,61,00
Connectivity Charges	22,77	83,15
Repairs, Renovations & Replacements :		
Machinery	3,16,82	3,10,28
Buildings	2,04,33	1,96,28
Other Assets	1,87,87	1,98,25
	<u>7,09,02</u>	<u>7,04,81</u>
	<u>45,95,04</u>	<u>44,91,38</u>
Payments to and provisions for Employees		
Salaries, Wages, Bonus & Gratuity (including Provision of Rs. 6,63,67 and Gratuity Rs. 1,48,60)	74,93,77	67,44,42
Compensation under Voluntary Retirement Scheme written off	70	10,07
Contribution to Provident fund, Superannuation fund		
Family pension scheme & Administrative charges	6,26,15	5,74,89
Workers & Staff Welfare Expenses	2,92,12	2,59,38
	<u>84,12,74</u>	<u>75,88,76</u>

SCHEDULES TO PROFIT & LOSS ACCOUNT

(Rs. in '000)

21. Expenses (contd...)	2007-2008	2006-2007
Others:		
Rent	60,25	1,25,35
Rates & Taxes	48,50	45,41
Assam (Specified Lands) Tax	1,51,61	1,46,81
Insurance (excluding on sales)	81,75	91,29
Miscellaneous Expenses	9,95,13	8,69,87
Managing Directors Remuneration (Refer note 'P' Schedule 24)	28,89	26,44
Directors' Fees & Travelling Expenses (Including Fees Rs. 3,05) (previous year Rs. 2,20)	5,05	4,56
Auditors' Remuneration:		
Audit Fee	19,84	17,40
Tax Audit Fee	3,85	3,93
For Certificates	8,65	7,95
Travelling & Stay Expenses	3,23	3,07
Branch Auditor's Fee	1,96	–
Provision for Diminution in value of Investment	3,57,14	–
Bad Debts & Irrecoverable Loans, Advances & Claims written off	1,67,65	4,40
Less : Reserve	79,75	1,23
	87,90	3,17
Reserve for Doubtful Debts & Advances further created	5,18	39,06
Less : Written Back	1,01	10
	4,17	38,96
Loss on Sale/Write off of unusable stores (Net)	3,14	9,06
Donation & Charity	–	5,51
	18,61,06	13,98,78
Selling & Distribution Expenses		
Duty & Cess	28,08	17,90
Freight & Cartage	11,32,16	9,93,77
Others (including Packing Materials Rs. 98)(Previous year Rs. 28)	3,80,74	4,29,88
Warehousing Charges	51,93	45,60
Insurance	35,68	40,65
Commission, Brokerage, Discount & Incentive Bonus:		
Other Selling Agents (including Depot Maintenance)	1,55,46	1,14,58
Others	2,05,28	2,13,02
Sales Tax / VAT	4,21,42	3,54,71
	24,10,75	22,10,11
	1,72,79,59	1,56,89,03
22. Interest:		
On Fixed Loans & Deposits	4,08,16	4,62,57
To Banks & Others	5,27,11	3,87,17
	9,35,27	8,49,74
Less : Income on Loans & Deposits (Tax Deducted at Source Rs. 9,57) (Previous year Rs. 9,47)	1,80,86	2,29,22
	7,54,41	6,20,52

Jay Shree Tea & Industries Limited



SCHEDULES TO PROFIT & LOSS ACCOUNT

(Rs. in '000)

23. Statement of Accounting Policies

1 Convention

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

2 Basis of Accounting

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

3 Sales

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

4 Government Rebate on Sale of Fertilisers

Government Rebate on sale of Superphosphate is recognised in the Profit & Loss Account based on sale made by the units.

5 Subsidies & Incentives

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

6 Fixed Assets & Depreciation

- (a) Fixed assets are stated at cost / revalued amounts.
- (b) The Company had revalued its land, land & plantations, buildings, plant & machinery and ropeway of all tea estates as on 31.3.1983 and its units viz., the Jay Shree Chemicals & Fertilisers (Khardah), Tea Warehouse and Sales Department and Tea Export Department as on 1.4.1983 on net replacement cost basis by an external valuer. The net increase Rs. 23,82,35 was transferred to Fixed Assets Revaluation Reserve.
- (c) i) Depreciation for the year on fixed assets excluding Motor Vehicles has been provided on Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956. In respect of amount added on revaluation of assets as mentioned in (b) above, depreciation has been calculated on such amount at the rates considered applicable by the valuers. Such additional charge on account of revaluation has been withdrawn from the Fixed Assets Revaluation Reserve and credited to Profit & Loss Account.
ii) Depreciation of assets held in Marionbarie Tea Estate is provided on Written Down Value method at the rates specified in Schedule XIV of the Companies Act, 1956.
- (d) Depreciation on Motor Vehicles has been provided on Written Down Value Method at the rates specified in Schedule XIV to the Companies Act, 1956.
- (e) Depreciation on residential building and ITI house of Sungma Tea Estate as on 01.04.1997 has been charged @4.75% and 19% respectively as per the residual useful life determined by the valuer.
- (g) Items of machinery spares to be used in connection with an item of fixed assets are amortised over the useful life of the assets.

7 Investments

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

8 Inventories

Inventories are valued at lower of cost and net reliable value. Cost is determined on weighted average

basis. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to their location and condition and includes appropriate overheads. Provision is made for obsolete and slow moving stocks where necessary.

9 Foreign Currency Transactions

- (i) Transactions in foreign exchange are accounted for at the exchange rates prevailing on the date of the transactions. All foreign currency liabilities/assets not covered by forward contracts are stated at the rates ruling at the year end and any exchange difference arising on such transactions are dealt with in the Profit and Loss Account. Premium in respect of forward contracts is accounted for over the period of contract.
- (ii) Changes in fair value of derivative instruments that do not qualify for hedge accounting are recognised in Profit and Loss Account as they arise.

10 Employment Benefits

- (i) *Short Term Employees Benefits :*

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

- (ii) *Long Term Employee Benefits :*

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

11 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying assets are being capitalised as part of the cost of those assets and other borrowing costs are recognised as an expense in the year in which they are incurred.

12 Impairment of Assets

Impairment of Assets are assessed at Balance Sheet date and if any indicators of impairment exist, the same is assessed and provided for.

13 Taxes on Income

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

14 Miscellaneous Expenditure

Compensation paid under Voluntary Retirement Scheme is amortised over a period of five years.

15 Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognised in respect of present obligations arising out of past events where there are reliable estimate 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.

Jay Shree Tea & Industries Limited



SCHEDULES TO BALANCE SHEET

	As at 31.03.2008	(Rs. in '000) As at 31.03.2007
24. Notes		
(A) Contingent Liabilities not provided for in respect of :-		
i) Outstanding Bills Discounted with Banks	-	2,60,50
ii) Outstanding Letter of Credit	5,50	4,62
iii) Demand from Sales Tax authority :		
a) An appeal was decided by the Appellate Tribunal in favour of the company and the Department filed an appeal against the order of the Appellate Tribunal	3,94	3,94
b) Certain disallowances in the Sales Tax were confirmed against the company and an appeal before the Appellate and Revisional Board has been filed and the Management is of the opinion that it will obtain full relief.	1,71,97	1,79,40
c) Other Sales Tax cases under appeal	33,24	-
iv) Demand from a lessor for Interest on differential rent.	70,14	70,14
v) In respect of refund of excise duty under incentive scheme in an earlier year a sum of Rs. 16,10 was refunded by the Department, subsequently a claim by department that the refund wrongly made was rejected by the Appellate Tribunal. Further appeal by the Department against the order of the Tribunal is not provided as Company does not expect any liability in this regard.	16,10	16,10
vi) Claim against the company not acknowledged as debt	-	56,00
vii) Demand of Provident Fund Damages by the Provident Fund Authorities, West Bengal (in respect of a subsidiary merged with the Company)	26,39	-
(B) Capital Commitments outstanding (net of advances Rs. 2,45,35 previous year Rs. 49,94)	2,40,46	1,96,93
(C) Bank Guarantees Outstanding	68,38	69,36
(D) Interest income of Rs. 36,25 has not been recognised on an Inter Corporate Deposit of Rs. 2,50,00 paid in earlier year. In view of non recovery of interest for earlier period, interest for the current year has not been recognized as a matter of prudence. The Company is confident of recovering the principal and interest (recognised in earlier years).		
(E) Workers & Staff Welfare Expenses include Rs. 24,93 (Previous Year Rs. 26,12) being net loss of B.P. Kedia Central Hospital, Labac consists of following expenses & income.		
	2007-2008	2006-2007
Salaries & Wages	22,39	20,38
Provident Fund	1,50	1,73
Staff Welfare Exp	3,48	3,16
Stores consumed	95	94
Repairs	30	1,07
Insurance Charges	33	21
Miscellaneous Expenses	6,54	7,35
	35,49	34,84
Less : Income	10,56	8,72
	24,93	26,12

(F) Disclosure required by Accounting Standard-29

(Rs. in '000)

"Provisions, Contingent, Liabilities & Contingent Assets"

Particulars	Disputed	Other	Total
	Statutory Matters	Obligations	
Opening Balance	39,39	45,32	84,71
Addition	4,85	–	4,85
	<u>44,24</u>	<u>45,32</u>	<u>89,56</u>
Utilisation	4,78	–	4,78
	<u>39,46</u>	<u>45,32</u>	<u>84,78</u>
Reversal	–	–	–
Closing Balance	<u>39,46</u>	<u>45,32</u>	<u>84,78</u>

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

- (G) (i) The Company's significant leasing agreements (as lessee) are in respect of lease for Land & Premises (residential, office, stores, godowns etc.). These leasing arrangements which are non-cancellable ranging between one month and three years generally, or longer, and are usually renewable by mutual agreement. The aggregate lease rentals payable are charged as Rent under Schedule 21.
- (ii) The educational activities of the company have been carried out by a society w.e.f. 1st April 2006. The land and building for operating these activities has been given on operating lease to the society at a lease rental of Rs. 13,00 per month (previous year Rs. 10,50 per month) for the building and Rs. 50 (previous year Rs. 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:

Class of Assets	2007-08			2006-07		
	Gross Carrying Amount	Accumulated Depreciation	Depreciation for Current Year	Gross Carrying Amount	Accumulated Depreciation	Depreciation for Current Year
Land	37,91	–	–	37,91	–	–
Building	15,95,87	50,19	24,50	5,60,74	25,69	9,14
Plant & Machinery	94,91	24,30	6,79	85,95	17,51	6,07
Furniture & Fixture	1,12,73	24,40	8,81	68,43	15,59	6,45
Motor Vehicle	3,92	2,73	41	3,92	2,32	0,56
	<u>18,45,34</u>	<u>1,01,62</u>	<u>40,51</u>	<u>7,56,95</u>	<u>61,11</u>	<u>22,22</u>

- (H) On the basis of the Interim Order of the Hon'ble High Court at Kolkata, the Company has provided for and paid Rs. 48.50 in an earlier year towards additional rent from April 2000. The matter is subjudice and no further liability is envisaged at this stage.
- (I) a) Fringe Benefit Tax has not been ascertained/ provided in view of the interim stay granted by the Hon'ble High Court at Kolkata.
- b) Dividend Tax : As abundant caution the Company continues to provide dividend tax at the applicable rates, however in view of order the Hon'ble High Court at Kolkata this has been paid to the extent of 40% thereof.
- (J) The Company has entered into the following derivative transactions : The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The use of such contracts is consistent with the Company's risk management policy. The Company does not use forward contracts for speculative purposes.

Jay Shree Tea & Industries Limited



The following are the outstanding foreign exchange forward contracts which have been designated as cash flow hedges as on 31.03.2008.

Foreign Currency	No. of Contracts	Amount	
		In Foreign Currency	Rupee Equivalent
Euro	2	5,00	3,17,25
US Dollar	1	10,00	4,01,20

These cash flow hedges have been marked to market as per the directive issued by ICAI and expense of Rs. 24,66 has been provided in the Profit & Loss Account.

As at balance sheet date, the company has net foreign currency exposure that are not hedged by derivative instruments or otherwise amounting to Rs. 39,89,98.

(K) Employee Benefits (Revised Accounting Standard 15)

(a) Defined Contribution Plan :

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

During the year the company has recognised Rs. 5,86,35 for provident fund contribution, Rs. 20,03 for ESIC and Rs. 37,77 for Superannuation Fund Contribution. The Contribution payable to these plans by the Company are at the rates specified in the rules of the scheme.

(b) Defined benefit plans :

- i) The Company makes annual contribution of gratuity to JSTI Gratuity Fund, a Scheme created for the purpose for qualifying employees. The scheme provides for a lump sum payment to vested employees upon retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of 5 years of continuous service.
- ii) The employees of the Company are also eligible for encashment of leave upon retirement upto 30 days for each year (maximum 240 days).
- iii) The present value of defined obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Being the first year of adoption of Accounting Standard 15 (Revised), the following adjustments in the opening liabilities have been carried out :
 - a) As per the scheme of arrangement sanctioned by The Hon'ble High Court at Kolkata and detailed in Note 'L' of Schedule 24 subsequently, the entire unprovided gratuity liability of Rs. 2,30,66 and leave encashment of Rs. 2,67 (net of deferred tax Rs. 80,35) of transferor companies / units as on 01.04.07 has been adjusted with Capital Reserve.
 - b) As per Accounting Standard 15 (Revised), the company has applied the transitional provision and adjusted the change in revised liability of Rs. 2,45,38 (net off deferred tax of Rs. 95,16) as on 01.04.07 with the General Reserve.

(K) Employees Benefits as per AS 15 (Revised) (contd.)

(Rs. in '000)

	Gratuity Plan		Leave Encashment
	Funded	Unfunded	Unfunded
A. Expenses recognised in the Statement of Profit & Loss Account for the Yr. ended 31st March, 2008			
i. Current Service Cost	1,07,62	18,02	55
ii. Interest Cost	1,53,26	16,37	19,25
iii. Expected return on Plan Assets	(1,27,82)	—	—
iv. Actuarial (Gain) / Losses	(20,38)	1,53	(90)
v. Past Service Cost	—	—	—
vi. Effect of any Curtailment / Settlement	—	—	—
vii. Unrecognised defined benefit obligation	—	—	—
viii. Expenses Recognised in Profit & Loss Account	1,12,68	35,92	18,90
B. Net (Asset) / Liabilities recognised in Balance Sheet as at 31st March, 2008			
i. Present Value of the Defined Benefit Obligation	20,30,76	3,45,98	2,44,12
ii. Fair Value of Plan Assets	17,18,94	—	—
iii. Unrecognised Defined Obligation (Note 'K' of Schedule 24)	—	—	—
iv. Net (Asset)/Liabilities recognised in Balance Sheet*	3,11,82	3,45,98	2,44,12
C. Changes in the Present Value of Defined Benefit Obligation during the Yr. ended 31st March, 2008			
i. Present Value of Defined Benefit Obligation as at 1st April, 2007	19,04,14	3,19,20	2,39,29
ii. Current Service Cost	1,07,62	18,02	55
iii. Interest Cost	1,53,26	16,37	19,25
iv. Actuarial Gain / (Losses)	50,19	1,53	(90)
v. Benefits Paid	1,84,45	9,14	14,07
vi. Present Value of Obligation as at 31st March, 2008	20,30,76	3,45,98	2,44,12
D. Changes in fair value of Plan Assets during the year ended 31st March, 2008			
i. Fair Value of Plan Assets as at 1st April, 2007	15,97,69	—	—
ii. Expected return on Plan Assets	1,27,82	—	—
iii. Actuarial Gain / (Losses)	70,56	—	—
iv. Benefits paid	1,84,45	—	—
v. Settlements	—	—	—
vi. Contributions	1,07,32	—	—
vii. Fair Value of Plan Assets as at 31st March, 2008	17,18,94	—	—
viii. Actual return on Plan Assets	1,50,35	—	—
E. Principle Actuarial Assumptions used			
i. Discount rates as at 31st March, 2008	7.50%		
ii. Expected Return on Plan Assets	8%		
iii. Expected Salary increase rates	5%		
iv. Mortality Rates	LIC (1994-96) Mortality Table		
F. Major categories of Plan Assets as a percentage of Fair Value of Plan Assets			
Govt. Loans	0.92%		
PSU Bonds	0.55%		
Mutual Fund & Other Current Assets	98.53%		
	<u>100.00%</u>		

As this is the first year of adoption of Revised Accounting Standard 15 of Employee Benefits, only the current year figures have been given.

*the Opening Obligation of Unprovided Gratuity and Leave calculated as per the Revised AS 15 amounting to Rs. 2,30,66, and Rs. 2,67 respectively has been adjusted with Capital Reserve as per the Scheme of Amalgamation sanctioned by The Hon'ble Kolkata High Court.

Jay Shree Tea & Industries Limited



(Rs. in '000)

(L) Pursuant to the Scheme of Amalgamation and Arrangement (hereinafter called 'the scheme') between Birla Tea Limited (BTL), Darjeeling Consolidated Tea Co. Ltd. (DCTCL), Marionbarie Tea Co. Limited (MTCL), Jay Shree IT Consultants Limited (JSICL) and the Company approved by the shareholders of the respective companies on 22nd January, 2008 and sanctioned by the Hon'ble High Court at Kolkata, the following companies / units stands merged with the company w.e.f. 1st April, 2007 :

- 1) Sungma & Turzum Tea Estates of BTL (a subsidiary), engaged in the business of tea.
- 2) DCTCL, comprising Singbulli & Tingling and Balasun & Murmah Tea Estates, engaged in the business of tea.
- 3) MTCL (a subsidiary of BTL), comprising Marionbarie Tea Estate, engaged in the business of tea.

Pursuant to the scheme, the following unit stands demerged from the company w.e.f. 1st September, 2007:

- a) Jay Shree Infotech Consultants (Infotech Division) a unit of the company, dealing with call centre services, stands merged with JSICL.

The certified copy of order of the Hon'ble High Court at Kolkata is awaited. As the scheme has been sanctioned and is effective from 1st April, 2007 it is thought prudent to give effect to the same in the financial statements pending completion of formalities and filing of certified copy of the order with Registrar of Companies, West Bengal which shall be done in due course.

The salient features of the scheme are as under :

- i) All the assets & liabilities pertaining to the said Sungma & Turzum Tea Estates stands transferrred from BTL to the company.
In terms of the scheme, 9% Cumulative Preference Shares of BTL amounting to Rs. 5,00,00 held as investment in the Books of the company has been cancelled, and
The minority Equity Shareholders of BTL are to be issued shares in the ratio of 1 Equity Share in the company for every 20 Equity shares held in BTL. As a consequence, 11,415 (Eleven Thousand Four Hundred Fifteen) Equity shares of the company are to be issued to the minority shareholders of BTL. Pending allotment of shares, the amount has been shown under the head '*Share Suspense Account*'.
- ii) All the assets & liabilities pertaining to DCTCL stands merged with the company at Book Value, save and except Land & Plantation which is valued at Rs. 15,05,00.
- iii) All the assets & liabilities pertaining to MTCL stands merged with the company at Book Value, save and except Land & Plantation, which is valued at Rs. 6,25,00.
- iv) All the assets & liabilities pertaining to the Infotech Division of the company stands merged with JSICL w.e.f. 01.09.2007. In terms of the scheme, JSICL will issue 9,50,000 (Nine Lacs Fifty Thousand) Equity Shares of Rs. 10/- (Ten) each at a premium of Rs. 40/- (Forty) per share to the company. As per the scheme of arrangement, the company has adjusted for (1), (2) & (3) above the entire amount of unprovided / revised gratuity with Capital Reserve as detailed in para 'K'(b)(iii) above. In terms of the scheme, a sum of Rs. 7,66,34 being the difference between consideration and value of net assets as stated in (2) & (3) above has been treated as Capital Reserve as the amalgamation is in the nature of purchase as per Accounting Standard 14 (accounting for amalgamation), using the purchase method of accounting.
- 4) Shares Suspense Represent 11,415 shares to be issued to the shareholders of Birla Tea Limited which shall rank pari passu with the shareholders of the Company. Accordingly these shareholders will be entitled to dividend for the financial year 2007-08 which comes to Rs. 28 and dividend tax thereon Rs. 5. Such dividend shall be payable to them upon allotment of shares, hence no provision has been made in the books of accounts.

(M) The Company has no amounts due to suppliers under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED) as at 31.03.08. The disclosure as required under the said act is as under :-

a) Principal Amount due to Suppliers under MSMED Act	NIL
b) Interest due to Suppliers on above	NIL
c) Any Payment made to suppliers beyond appointed date (under Section 16 of the Act)	NIL
d) Interest due and payable to suppliers under MSMED Act	NIL
e) Interest Accrued & remaining unpaid as at 31.03.08	NIL
f) Interest remaining due & payable as per section 23 of the Act	NIL

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

(N) Due to the effect of amalgamation / demerger under the Scheme of amalgamation / arrangement during the year, the current year figures are not comparable with the previous year figures.

SCHEDULES TO PROFIT & LOSS ACCOUNT

24. Notes (contd...)

Class of Goods	UNIT	Capacity (1)		Production (2)			Sales (4)			Stocks			Value		
		Licensed	Installed	2006-2007	Qty	Value	2006-2007	Qty	Value	2007-2008	Qty	Value		01.04.2007	Qty
Superphosphate	M.T.	29,77,21	22,57,21	8,51,54	5,60,35	8,01,20	6,07,99	27,58,68	1,33,08	4,07,84	1,18,90	3,62,71	4,06	14,02	
Sulphuric Acid	M.T.	12,07,00	9,57,00	8,45,27	8,37,95	6,32,59	6,71,47	16,12,24	15,37	39,15	21,07	48,92	40,25	1,80,39	
Granulated Single Superphosphate & NPK Granulated Fertilisers	M.T.	3,40,00	3,40,00	64,20	66,87	66,44	72,42	2,54,35	7,80	28,57	5,56	20,35	1	2	
Cyoelite	M.T.	3,00	1,50	-	-	-	-	-	-	-	-	-	-	-	
Sodium Silico Fluoride	M.T.	3,50	-	-	-	-	-	-	-	-	-	-	-	-	
Sodium Hydro Sulphate	M.T.	13,00	-	-	-	-	-	-	-	-	-	-	-	-	
Black Tea	Kgs.	N.A.	23,70,00,00 (3)	19,08,65,11	18,49,91,04	22,73,97,04	23,96,34,13 (4)	1,81,78,09	2,91,89,19	1,99,42,24	18,43,00	2,89,42,89 (7)	19,18,13	3,02,51,49 (6)	19,59,04
Green Tea Leaf (Own)	Kgs.	-	-	64,57,92,64	68,56,78,82	-	-	-	1,53,51	-	1,89	2,44	-	(5)(6)	
								2,28,03,36	2,57,70,18	23,20,45	23,52,55			21,53,47	

(1) Licensed Capacity is same as in the previous year & installed capacity is as certified by the Management. (2) Gross (Quantity of Rejection, Waste, Gratis etc. not excluded) Sulphuric Acid includes 14729 M.T. for production of Superphosphate, Water Treatment Plant, Superphosphate 6720 M.T. for production of GS Superphosphate. (3) Recomputed on estimated drier output basis per shift. (4) Excluded Tea Waste, Claim, Grasis etc. 493831 Kgs. (P.Y. 627322). (5) Consumed 7897872 Kgs. (Including Green Leaf Purchase) (P.Y. 62565558 Kgs). (6) Includes 5998800 Kgs. Tea Purchased & Physical found excess (P.Y. 4305716 Kgs). (7) Includes 40169 Kgs. of tea of Rs. 3,44,60,35 of tea estates merged during the year as per Scheme of Amalgamation.

Jay Shree Tea & Industries Limited



SCHEDULES TO PROFIT & LOSS ACCOUNT

(Rs. in '000)

24. Notes (contd...)

(O) (i) Quantitative Information (contd...)

(ii) Purchases

	Unit	2007-2008		2006-2007	
		Quantity	Value	Quantity	Value
Black Tea	Kgs.	5,99,88,00	36,45,77	4,18,43,67	24,54,15
Agency Purchase	Kgs.	-	-	12,13,49	1,02,10
Green Tea Leaf	Kgs.	11,29,29,21	10,01,92	19,00,34,06	19,07,33
			<u>46,47,69</u>		<u>44,63,58</u>

	Unit	2007-2008		2006-2007	
		Quantity	Value	Quantity	Value
(iii) Raw Materials Consumed					
Rock Phosphate	M.T.	3,20,35	14,15,01	5,08,69	20,81,05
Sulphur	M.T.	2,80,51	26,50,01	2,80,94	12,53,60
Sulphuric Acid	M.T.	61,20	1,21,93	1,42,36	1,82,36
Other Items	M.T.	3,81	53	6,11	55
Reishigano Powder	Kgs.	-	-	78	3,16
			<u>41,87,48</u>		<u>35,20,72</u>

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

Raw Materials (Including in-transit)		24,80,35	22,56,90
Capital Goods (Including in-transit)		1,28,84	-
		<u>26,09,19</u>	<u>22,56,90</u>

(v)

	Raw Materials Consumed				Spare-Parts Consumed			
	2007-2008		2006-2007		2007-2008		2006-2007	
	Value	%	Value	%	Value	%	Value	%
Imported	27,67,07	66.08	27,62,08	78.45	-	-	1	-
Indigenous	14,20,41	33.92	7,58,64	21.55	3,12,02	100.00	2,96,51	100.00
	<u>41,87,48</u>	<u>100.00</u>	<u>35,20,72</u>	<u>100.00</u>	<u>3,12,02</u>	<u>100.00</u>	<u>2,96,52</u>	<u>100.00</u>

SCHEDULES TO PROFIT & LOSS ACCOUNT

(Rs. in '000)

24. Notes (contd...)

(vi) Expenditure in Foreign Currency	2007-2008	2006-2007
Travelling	10,51	15,69
Commission & Brokerage	24,88	23,82
Foreign Bank Charges	1,94	2,79
Interest on ECB loan	54,22	70,30
Others	28,73	87,61
(vii) Earnings in Foreign Currency		
FOB value of Exports (Excluding to Nepal)		
Black Tea & Other Products	48,59,96	40,53,29
Others from Infotech activities	43,85	82,58
(viii) Non-Resident Shareholders etc.		
(a) Number of Non-Resident Shareholders	108	147
(b) Number of Shares held by Non-Residents	8,17,577	8,50,463
(c) Amount of Dividend for the year 2006-2007 declared Rs.2.50 out of this paid to Indian Bankers of Non-Residents	20,44	21,26
Amount unpaid Rs. 2		
Previous year Rs. 2		
(P) Remuneration to Managing Director		
Salary	22,50	21,06
Contribution to Provident Fund	2,16	1,94
Contribution to Superannuation Fund	2,70	2,43
Perquisites	1,53	1,01
	<u>28,89</u>	<u>26,44</u>

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

(Q) Earnings per share

Profit (Loss) after taxation as per Profit and Loss Account	11,45,13	5,63,26
Number of equity shares outstanding	1,06,79,339*	1,06,67,924
Basic and diluted earnings per share in rupees (face value-Rs.10 per share)	10.72	5.28

* Includes 11,415 Equity Shares to be issued by the Company pursuant to the Scheme of Amalgamation referred to in Note 'L' of Schedule 24

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

Jay Shree Tea & Industries Limited



(S) Related party Disclosure		(Rs. in '000)											
		Name of the Company	Relationship	Remuneration Paid		Dividend		Loans & Advances (Net)		Goods & Services		Amount	
				Paid	Received	Paid	Received	Loans & Advances (Net)	Received	Goods & Services	Purchase	Other Expenditure	Receivable
Sl No.													(As on 31.03.2008)
1	Birla Tea Ltd.	Subsidiary				60.39 (6,07.37)	- (-)	73 (2,02)	39.36 (97.52)			46.67 * (6,21,70) *	
2	Jay Shree IT Consultants Ltd.	Subsidiary				26.57 (-)						26.57 * (-)	
^ 3	Marionbarie Tea Co. Ltd.	Subsidiary to Birla Tea Ltd.											
# 4	Century Textiles & Ind. Ltd.	Associate	3.75 (3.75)					1 (1.32)	1 (1,03.89)				
# 5	Century Enka Ltd.	Associate		6.00 (6,00)				4 (-)					
# 6	Kesoram Industries Ltd.	Associate	5.25 (5.25)					30.23 (6.59)	4.13 (3.87)			2 (-)	18 (-)
7	Padmavati Investment Ltd.	Associate	76.43 (76.43)	10.28 (10.28)							1,00 (1,00)		
^ 8	Darjeeling Consolidated Tea Co. Ltd.	Associate											
9	Sri D.M. Jain	Key Management Personnel	28.89 (26,44)										

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.

^ These companies have been merged with the company during the year

Figures in bracket indicate for previous year.

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

I Registration Details

Registration No.	0012771	State Code	21
Balance Sheet Date	31.03.2008		

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

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Pvt. Placement on amalgamation	114*

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

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

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

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

Total Liabilities	3,15,88,41	Total Assets	3,15,88,41
Source of funds :			
Paid-up Capital	10,67,93	Reserve & Surplus	1,49,09,65
Secured Loans	1,25,15,03	Unsecured Loans	26,00,46
Deferred Tax Liabilities	4,95,34		
Application of Funds :			
Net Fixed Assets	1,46,49,67	Investments	94,68,05
Net Current Assets	74,70,69	Misc. Expenditure	-
Accumulated Losses	NIL		

V Performance of Company (Amount in Rs. Thousand)

Turnover and other Income	2,88,79,74	Total Expenditure	2,77,46,97
Profit before Tax	11,32,77	Profit after Tax	11,45,13
Earning per Share in Rs.	10.72	Dividend Rate	Rs. 2.50 Per Share

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

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

For and on behalf of the Board of Directors

B.K. BIRLA
Chairman

R. K. GANERIWALA
President & Secretary

D.M. JAIN
Managing Director

Jay Shree Tea & Industries Limited



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

1. We have examined the attached Balance Sheet of JAY SHREE TEA & INDUSTRIES LIMITED and its subsidiaries as at 31st March, 2008, the consolidated Profit and Loss Account and the Cash Flow Statement for the year ended on that date.

These financial statements are the responsibility of Jay Shree Tea & Industries Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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 prepared in all respects, in accordance with an identified financial reporting framework and are free of material mis-statement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

2. We did not audit the financial statements of the subsidiaries, whose financial statements reflects total assets of Rs. 559.91 Lacs as at 31st March, 2008 and total revenues of Rs. 242.53 Lacs for the year then ended. The financial statements of the subsidiaries have been audited by the other auditors whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the report of the other auditors.
3. We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21 on "Consolidated Financial Statements" prescribed under The Companies Accounting Standard Rules, 2006 and on the basis of separate audited financial statements of Jay Shree Tea & Industries Limited and its subsidiaries included in consolidated financial statements.
4. Attention is invited to Note No. L of Schedule 24 giving impact to the scheme of amalgamation and arrangement pending completion of certain formalities.
5. We further report that:

- a) *Liability for Gratuity as on 31st March, 2008 remains unprovided in one of the subsidiary. Amount of such non-provision in the books of accounts is Rs.84.41 lacs upto 31st March 2007 and Rs. 6.00 lacs for the year ended 31st March 2008 and its impact on profit for the year being higher by Rs. 90.41 lacs (Note K (b) (c) of Schedule 24).*

We report that had the observation made in point "b" above been considered, profit for the year would have been Rs. 927.13 lacs (as against reported profit of Rs 1017.54 lacs), Reserve & Surplus would have been Rs. 14834.24 lacs (as against reported figure of Rs 14924.65 lacs). Current Liabilities would have been Rs. 4360.62 lacs (as against reported figure of Rs 4270.21 lacs).

6. On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of Jay Shree Tea & Industries limited and its subsidiaries, we are of the opinion that subject to para 5 above.
 - a) the Consolidated Balance Sheet gives a true and fair view of the consolidated statement of affairs of Jay Shree Tea & Industries Limited and its subsidiaries as at 31st March, 2008 and
 - b) the Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of the operations of Jay Shree Tea & Industries Limited and its subsidiaries for the year then ended and
 - c) the Consolidated Cash Flow for the year then ended gives a true and fair view.

For SINGHI & CO.
Chartered Accountants
PRADEEP KUMAR SINGHI
Partner
(Membership No. 50773)

1-B, Old Post Office Street,
Kolkata, the 25th day of April, 2008

CONSOLIDATED BALANCE SHEET as on 31st March, 2008

		(Rs. in '000)	
SOURCES OF FUNDS	(Schedule)	As at 31.03.2008	As at 31.03.2007
Shareholders Funds			
Share Capital	1a	10,66,79	10,66,79
Share Suspense	1b	1,14	-
Reserves & Surplus	2	<u>1,49,24,65</u>	<u>1,39,24,35</u>
Minority Interest	3	7,42	44,62
Loan Funds			
Secured Loans	4	1,25,15,03	1,05,25,05
Unsecured Loans	5	<u>26,00,46</u>	<u>44,27,08</u>
Deferred Tax Liabilities	14	4,95,34	7,42,65
		<u>3,16,10,83</u>	<u>3,07,30,54</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	6	2,34,59,65	2,03,33,34
Less : Depreciation		<u>82,53,68</u>	<u>82,12,96</u>
Net Block		1,52,05,97	1,21,20,38
Capital work in Progress		<u>1,96,22</u>	<u>9,93,18</u>
Investments		88,05,16	1,05,62,76
Current Assets, Loans & Advances			
Inventories	7	37,73,17	35,44,12
Sundry Debtors	8	25,97,68	20,27,08
Cash & Bank Balances	9	25,54,33	12,99,23
Other Current Assets	10	1,03,51	41,55
Loans & Advances	11	<u>26,43,58</u>	<u>31,81,01</u>
		<u>1,16,72,27</u>	<u>1,00,92,99</u>
Less : Current Liabilities & Provisions			
Liabilities	12	22,40,61	17,59,19
Provisions	13	<u>20,29,60</u>	<u>12,80,28</u>
		<u>42,70,21</u>	<u>30,39,47</u>
Net Current Assets:		74,02,06	70,53,52
Miscellaneous Expenditure	15	1,42	70
(to the extent not written off or adjusted)		<u>3,16,10,83</u>	<u>3,07,30,54</u>
Statement of Accounting Policies	23		
Notes	24		

Schedules 1 to 15 and Schedule 23 & 24 referred to above form an integral part of the Balance Sheet.

As per our report annexed

FOR SINGHI & CO.

Chartered Accountants

PRADEEP KUMAR SINGHI

Partner

(Membership No. 50773)

1-B, Old Post Office Street

Kolkata, the 25th day of April, 2008

R.K. GANERIWALA
President & Secretary

For and on behalf of the Board of Directors

B.K. BIRLA

Chairman

D.M. JAIN

Managing Director

Jay Shree Tea & Industries Limited



CONSOLIDATED PROFIT & LOSS ACCOUNT with its subsidiaries for the year ended 31st March, 2008

	(Schedule)	2007-2008	(Rs. in '000) 2006-2007
INCOME			
Sales, Warehousing etc. [excluding excise duty (Rs. 5,88,08)]	16	2,69,97,12	2,47,51,00
Other Source	17	20,84,32	15,02,70
Closing Stock	18	22,42,74	24,36,39
TOTAL (A)		3,13,24,18	2,86,90,09
EXPENDITURE			
Opening Stock	19	24,36,39	23,73,82
Purchases		46,08,33	42,62,16
Raw Materials Consumed	20	41,87,48	35,20,72
Expenses	21	1,76,15,41	1,67,03,26
Interest (Net)	22	7,54,31	6,25,15
Depreciation		7,61,33	7,02,24
Less : Transfer from Fixed Assets Revaluation Reserve		33,60	33,20
		7,27,73	6,69,04
TOTAL (B)		3,03,29,65	2,81,54,15
Profit before Taxation (A-B)		9,94,53	5,35,94
Provision for Taxation			
Current Tax		(80,69)	(37,51)
Deferred Tax : Credit		71,80	4,31
Income tax related to earlier years		23,07	69,06
		14,18	35,86
Profit after Taxation		10,08,71	5,71,80
Share of Minority Interest		8,83	(81)
Profit attributable to shareholders after Minority Interest		10,17,54	5,70,99
Transfer From :			
Balance brought forward from previous year		17,86,66	17,27,70
Less : Adjustment in the opening balance due to Scheme of arrangement / amalgamation		(7,55)	—
		17,79,11	17,27,70
Balance available for appropriation		27,96,65	22,98,69
Appropriation :			
Proposed Dividend on Equity Shares @ Rs. 2.50 per share		2,66,70	2,66,70
Tax on Dividend (including surcharge on dividend tax)		45,32	45,33
Transfer To General Reserve		5,00,00	2,00,00
Balance Carried to Balance Sheet		19,84,63	17,86,66
		27,96,65	22,98,69
Basic & Diluted earnings per Share (Rs.)		9.53	5.35
Statement of Accounting Policies	23		
Notes	24		

As per our report annexed

FOR SINGHI & CO.

Chartered Accountants

PRADEEP KUMAR SINGHI

Partner

(Membership No. 50773)

1-B, Old Post Office Street

Kolkata, the 25th day of April, 2008

For and on behalf of the Board of Directors

B.K. BIRLA

Chairman

D.M. JAIN

Managing Director

R.K. GANERIWALA

President & Secretary

CONSOLIDATED CASH FLOW STATEMENT

(Rs. in '000)

	For the year ended	
	31.03.2008	31.03.2007
A. Cash Flow from Operating Activities :		
Net Profit before tax and extraordinary items	9,94,53	5,35,94
Adjustments for –		
Depreciation	7,27,73	6,69,04
Dividend Income	(5,37,83)	(5,49,98)
Interest (Net)	7,54,30	6,25,15
Profit on sale / discard of fixed assets (Net)	(8,70)	(70,80)
Unclaimed balances written back	(34,37)	(19,95)
Provision for doubtful debts & advances	4,17	38,96
Advances & claims written off	87,90	3,17
Profit on sale of Investment (Net)	(7,63,14)	(4,59,56)
Provision for diminution in value of current investments (Net)	3,57,14	–
Exchange Difference (Net)	(2,10,25)	(18,28)
Preliminary expenses written off	36	–
Compensation under Voluntary Retirement Scheme written off	70	10,07
Operating Profit before Working Capital changes	13,72,54	7,63,76
Adjustments for –		
Trade and other receivable	(10,94,14)	(3,30,76)
Inventories	(2,29,05)	(3,35)
Trade payable	3,77,20	(7,34,39)
Other Liabilities & Provisions	(55,67)	(1,48,04)
Cash generated from Operations	3,70,88	(4,52,78)
Direct taxes paid / refund*	(12,03)	(23,51)
Exchange Difference realised (Net)	3,32,61	(42,75)
Net Cash from (used in) Operating Activities	6,91,46	(5,19,04)
B. Cash Flow from Investing Activities :		
Purchase of / Advances for Fixed Assets	(14,47,11)	(15,97,27)
Receipt of Capital subsidy	75,92	87,61
Sale of Fixed Assets/Sale	32,51	1,10,16
Purchase of long term Investments (Net)	9,76,08	3,06,05
Purchase of current Investments (Net)	11,75,12	(10,80,47)
Loans to Companies (Net)	1,57,50	6,50,00
Interest Received	2,00,83	2,01,87
Dividend Received	4,75,75	5,01,64
Net Cash from (used in) investing activities	16,46,60	(8,20,41)

Jay Shree Tea & Industries Limited



(Rs. in '000)

	For the year ended	
	31.03.2008	31.03.2007
C. Cash Flow from Financing Activities :		
Payment of unclaimed buy back of shares	–	(60)
Proceeds from Long Term Borrowings (Net)	(17,33,30)	3,30,27
Proceeds from Short Term Borrowings (Net)	(3,35,87)	8,47,08
Increase in Bank Borrowings for Working Capital	21,25,11	10,62,86
Dividend Paid	(2,66,70)	(2,68,05)
Dividend tax Paid	(18,14)	(37,41)
Interest Paid	(8,79,87)	(8,63,65)
Net Cash from / (used in) Financing Activities	(11,08,77)	10,70,50
Net increase/(decrease) in cash and cash equivalent (A+B+C)	<u>12,29,29</u>	<u>(2,68,95)</u>
Cash and cash equivalents as at 01.04.2007**	12,70,42	15,25,22
Cash and cash equivalents as at 31.03.2008#	<u>24,99,71</u>	<u>12,56,27</u>
	<u>12,29,29</u>	<u>(2,68,95)</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 equivalents as at 01.04.2007 includes Rs. 14,15 on account of addition due to scheme of amalgamation and arrangement w.e.f. 01.04.2007.

Cash and cash equivalent consist of:

	As at 31.03.2008	As At 31.03.2007
Cash, Cheques, Drafts in hand etc.	1,02,11	1,38,97
Balance with Banks	23,97,60	11,17,30
	<u>24,99,71</u>	<u>12,56,27</u>

The aforesaid statement is prepared on Indirect method.

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

As per our report annexed

FOR SINGHI & CO.

Chartered Accountants

PRADEEP KUMAR SINGHI

Partner

(Membership No. 50773)

1-B, Old Post Office Street

Kolkata, the 25th day of April, 2008

R.K. GANERIWALA
President & Secretary

For and on behalf of the Board of Directors

B.K. BIRLA

Chairman

D.M. JAIN

Managing Director

SCHEDULES TO CONSOLIDATED BALANCE SHEET

(Rs. in '000)

	As at 31.03.2008	As at 31.03.2007
1a.Share Capital		
Authorised		
75,000 Shares of Rs.100/- each	75,00	75,00
2,42,50,000 Shares of Rs.10/- each	<u>24,25,00</u>	<u>24,25,00</u>
	<u>25,00,00</u>	<u>25,00,00</u>
Issued:		
1,06,80,573 Equity Shares of Rs.10/- each	<u>10,68,05</u>	<u>10,68,05</u>
Subscribed and Paid up:		
1,06,67,924 Equity Shares of Rs.10/- each	<u>10,66,79</u>	<u>10,66,79</u>
1b.Share Suspense		
11,415 Fully paid up Equity Shares of Rs. 10/- each, to be issued pursuant to scheme of Amalgamation for consideration other than cash (Refer Note 'L' of Schedule 24)	<u>1,14</u>	—
	<u>1,14</u>	—

2. Reserves & Surplus

	Balance as on 01.04.2007 Rs.	Additions Rs.	Deductions / Adjustments Rs.	Balance as on 31.03.2008 Rs.
Capital Reserve (Not available for Dividend)	5,39,37	8,42,25 [^]	2,62,66 [#]	11,18,96
Capital Reserve arising on accounting of investment in associate	78,11	—	—	78,11
Capital Redemption Reserve	1,63,21	2,00 [@]	—	1,65,21
Fixed Assets Revaluation Reserve	11,44,90	—	33,88 [~]	11,11,02
General Reserve	1,02,12,10	5,00,00	2,45,38 [@]	1,04,66,72
Profit & Loss Account - Balance	17,86,66	19,84,63	17,86,66	19,84,63
	<u>1,39,24,35</u>	<u>33,28,88</u>	<u>23,28,58</u>	<u>1,49,24,65</u>

[^] Includes addition of Rs. 7,66,34 (net) on account of amalgamation / demerger (Refer note 'L' of schedule 24) and balance represents Capital Subsidy.

[~] Rs. 33,60 represents transferred to Profit & Loss Account and Rs. 28 adjusted on sale/discard of revalued fixed assets.

[@] Represents the amount adjusted with opening reserves as required by the transitional provision of Revised Accounting Standard -15 on "Employees Benefits" net of deferred tax of Rs. 95,16 (Refer note no 'K'(b)(iii) of schedule 24)

[#] Represents deduction of Rs. 2,90,23 due to amalgamation of a unit of a subsidiary company with the holding company in the current year and Rs. 27,57 in minority interest due to reduction in opening reserves of subsidiary company due to impact of scheme of arrangement / amalgamation.

	As at 31.03.2008	As at 31.03.2007
3. Minority Interest		
Opening Balance	44,62	43,81
Less : Due to change in opening reserves in subsidiary	27,57	—
Less : Due to increase in opening brought forward loss in subsidiary company	80	—
Add : Share of Profit / (loss) in subsidiary during the year	<u>(8,83)</u>	<u>81</u>
	<u>7,42</u>	<u>44,62</u>

Jay Shree Tea & Industries Limited



SCHEDULES TO CONSOLIDATED BALANCE SHEET

	As at 31.03.2008	As at 31.03.2007
4. Secured Loans		
I. a) Term Loan from a Bank (Repayable within one year Rs. 46,33,33)	62,66,67	60,00,00
b) Term loan from a Bank*	10,00,00	10,00,00
II. External Commercial Borrowings (Repaid during the year)	–	4,93,00
III. From Banks for Working Capital		
a) In Indian Rupee	12,58,38	9,92,85
b) In Foreign Currency		
– FCNR(B) Loan (US\$8.75 million)* (Previous year US \$ 3 million)	35,10,50	13,05,00
– Buyers' Credit (US\$ 0.799 million)* (Previous year US\$0.825 million)	3,20,48	3,58,88
– Packing Credit loan (Euro 0.251 million)* (Previous year US\$ 0.863 million)	1,59,00	3,75,32
	<u>1,25,15,03</u>	<u>1,05,25,05</u>

* Repayable within one year

Security:

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

5. Unsecured Loans

Term Loan from a Bank	–	15,00,00
Short Term Loan from Bank*	25,00,00	28,00,00
From Government of Assam under Plantation Labour Housing Schemes in five Estates, guaranteed by Banks (including interest accrued and due Rs.1,64) (Repayable within one year Rs. 1,25)	1,86	1,84
From Government of West Bengal under Plantation Labour Housing Scheme in three Estates (Repayable within one year Rs. 15)	1,50	59
Deposits (Repayable within one year Rs. 53,85)	69,42	94,37
Security Deposits	27,68	30,28
	<u>26,00,46</u>	<u>44,27,08</u>

*Repayable within one year

SCHEDULES TO CONSOLIDATED BALANCE SHEET

(Rs. in '000)

6. Fixed Assets

P A R T I C U L A R S	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Value as on 01.04.2007	Adjustment on A/c on Amalgamation/ demerger	Additions/ adjustments	Sales/ adjustments	Total Value as at 31.03.2008	Up to 01.04.2007	For the year	Sales/ adjustments	Upto 31.03.2008	As at 31.03.2008	As at 31.03.2007
Goodwill	4,00,26	-1,81,54	12,05	—	2,30,77	—	—	—	—	2,30,77	4,00,26
Land	6,94,03 (1)	—	2,30,87	—	9,24,90	—	—	—	—	9,24,90	6,94,03
Leasehold Land & Plantations	27,30,62 (2)	17,87,56	15,44 (3)	—	45,33,62 (2)	2,32	—	—	2,32	45,31,30	27,28,30
Buildings & Flats (including those on Leasehold & Rented Land), Electric Installation, Water Line Tube-Well, Fencing, Road Bridges etc.	58,16,05	-1,31,08	10,85,94	7,70	67,63,21	22,57,05	1,41,90	4,22	21,79,85	45,83,36	35,59,00
Estate Development upto 31.12.1026 Risheehat Tea Estate	1,33	—	—	—	1,33	33	—	—	33	100	100
Plant & Machinery, X-Ray Units, Electric Installation, Air Conditioning units, Refrigerators, Road Rollers, Gas Pipe Lines, Ropeway etc.	88,71,37	-7,81,91	10,92,72 (4)	63,06	91,19,12	48,11,35	4,38,82	59,52	49,11,25	42,07,87	40,60,02
Motor Lorries, Cars, Trailers, Tractors, Trolleys, Cycles, Vans, Loaders etc.	13,60,00	-45,56	1,62,65	1,26,61	13,50,48	8,98,00	1,42,97	1,10,53	8,89,48	4,61,00	4,62,00
Furniture & Fixtures, Office Equipments, Telephones, Tools & Implements etc.	4,59,68	-1,40,32	2,22,83	5,97	5,36,22	2,43,91	37,64	4,96	2,70,45	2,65,77	2,15,77
Total	2,03,33,34	5,07,15	28,22,50	2,03,34	2,34,59,65	82,12,96	7,61,33	1,79,23	82,53,68	1,52,05,97	1,21,20,38
Capital Work in Progress	9,93,18	—	—	—	9,93,18	—	—	—	—	9,93,18	—
	<u>2,13,26,52</u>	—	—	—	<u>2,03,33,34</u>	<u>73,70,52</u>	<u>7,02,25</u>	<u>2,06,56</u>	<u>82,12,96</u>	<u>1,31,13,56</u>	<u>1,31,13,56</u>
Corresponding figures for previous year	1,87,02,30	8,24,21	10,53,05	2,46,22	2,03,33,34	73,70,52	7,02,25	2,06,56	82,12,96	1,31,13,56	—

Jay Shree Tea & Industries Limited



SCHEDULES TO CONSOLIDATED BALANCE SHEET

6. Fixed Assets (Contd....)

(Rs. in '000)

NOTES TO FIXED ASSETS :

- (1) a) Land of Tribeni, West Bengal - Appeal for the final determination of compensation was decided in favour of the Company by the District Court of Hooghly and final compensation determined at Rs. 8,33 (Including interest Rs. 1,50) against which a sum of Rs. 2,05 was received in a previous year and credited in Block. Rs. 6,28 including Rs. 1,50 released during the year 1967 against hypothecation of Khardah Land by the District Court has been shown in Current Liabilities. The Hon'ble High Court at Kolkata has decided the appeal against the Company in a previous year by reducing the amount of compensation for which an appeal before the Hon'ble Supreme Court of India was filed. Hon'ble Supreme Court has upheld the decision of the Hon'ble High Court and accordingly the adjustments will be carried out when the amount to be refunded is ascertained.
- b) Land at Guwahati measuring 15 Bighas and related building including furniture & fixture and related equipment has been given on registered lease to a society for operating a School.
- (2) After reducing Rs. 19,83 being Land Compensation received in earlier years for eight Tea Estates against land surrendered and Rs. 1,03 compensation received in earlier years in respect of tea bushes abandoned, as cost of land and bushes can not be separately ascertained.
- (3) Includes estimated cost of New Extension of area under tea Rs. 6,03 capitalised during the year as certified.
- (4) Excluding Rs. 33,18 on account of Capital Subsidy received during the year.
- (5) Land, Buildings and Plant & Machinery include Rs. 1,18, Rs. 6,43 and Rs. 81 respectively being 5.18% share of cost of Land, Buildings and Plant & Machinery held on co-ownership by the Company with other parties.
- (6) Land & Plantation include Rs. 29,28 and Buildings include Rs. 1,55 (being cost of floor of a leasehold building) in the name of the nominees of the Company on co-ownership basis, pending execution of conveyance deed.
- (7) Land & Plantation includes 2.431 Hectare of land at tea estates for which possession handed over for construction of schools and 14.84 acres are pending execution of conveyance deed in favour of the Company.

SCHEDULES TO CONSOLIDATED BALANCE SHEET

(Rs. in '000)

	As at 31.03.2008	As at 31.03.2007
7. Inventories		
(Including in-Transit)		
At lower of Cost or Net realisable Value		
Stores & Spares Parts	8,32,61	7,19,59
Finished Products and Other Goods	21,75,62	24,19,07
Work in progress	67,12	18,57
Raw Materials	6,95,93	3,84,45
Green Tea Leaf	1,89	2,44
	<u>37,73,17</u>	<u>35,44,12</u>
8. Sundry Debtors		
Secured:		
Other Debts	1,08	1,18
Unsecured:		
More than six months	80,72	1,06,31
Other Debts	<u>25,47,30</u>	<u>20,10,35</u>
	26,29,10	21,17,84
Less : Reserve for Doubtful Debts/Debts under Litigation	<u>39,81</u>	94,76
	25,89,29	<u>20,23,08</u>
Classification :		
Good	<u>25,86,60</u>	20,20,18
Bad & Doubtful	39,81	94,76
Under Litigation-Considered Good	<u>2,69</u>	2,90
	26,29,10	<u>21,17,84</u>
Warehousing Income accrued and considered good	8,39	4,00
	<u>25,97,68</u>	<u>20,27,08</u>
9. Cash & Bank Balances		
Cash in Hand	8,05	7,58
Cheques, Drafts & Stamps in hand	94,06	1,28,04
Remittance in Transit	-	3,35
Balance with Scheduled Banks :		
In Current Account	3,80,29	36,42
In Current Account (Foreign Currency)	24	9,32
In Cash Credit Account	16,32	21,56
In Unpaid Dividend Account	31,02	32,47
In Fixed Deposit Account (including interest accrued but not due Rs. 6,32)	<u>20,24,35</u>	10,60,49
	25,54,33	<u>12,99,23</u>
10. Other Current Assets		
Interest & Dividend Accrued	<u>1,03,51</u>	41,55

Jay Shree Tea & Industries Limited



SCHEDULES TO CONSOLIDATED BALANCE SHEET

(Rs. in '000)

	As at 31.03.2008	As at 31.03.2007
11. Loans & Advances		
(Unsecured unless otherwise stated)		
Loans & Deposits		
To Companies (Note 'D' in Schedule 24)		
Considered Good	6,12,50	7,70,00
Doubtful/Under Litigation	—	12,38
	6,12,50	7,82,38
Less : Reserve for doubtful debts	—	12,38
	6,12,50	7,70,00
Secured	2,00,00	—
Unsecured	4,12,50	7,82,38
Interest Accrued on Loan & Deposits	29,54	38,94
Bills Purchased (Unsecured)		
Doubtful/Under Litigation	—	11,84
Less : Reserve	—	11,84
	—	—
Advances (recoverable in cash or in kind and for value to be received)		
(Unsecured)		
Considered Good	11,00,07	16,34,50
Considered Doubtful	4,01	42
Under Litigation	26	26
	11,04,34	16,35,18
Less : Reserve	4,01	42
	11,00,33	16,34,76
Prepaid Expenses	69,43	76,37
Insurance, Excise & Other Claims		
Considered Good	79,45	66,13
Subsidies & Incentives Receivable		
Considered Good	4,91,46	3,46,03
Balances in Account with Port Trust, Customs, Excise etc.	13,67	13,27
Deposit with NABARD	1	1
Security & Other Deposits and Rent Advances		
Considered Good	2,45,82	2,32,14
Sales Tax & Octroi paid under protest	1,37	3,36
	26,43,58	31,81,01

SCHEDULES TO CONSOLIDATED BALANCE SHEET

(Rs. in '000)

	As at 31.03.2008	As at 31.03.2007
12. Liabilities		
Sundry Creditors		
Others	19,72,24	15,77,31
Dues to micro, small and medium enterprises	—	—
Advances from Agents & Customers	1,06,48	74,03
Compensation received from District Court against Tribeni Land	6,28	6,28
Investors Education & Protection Fund (not due)	31,02	32,47
Interest accrued but not due on Loans	1,24,59	69,10
	<u>22,40,61</u>	<u>17,59,19</u>
13. Provisions		
Proposed Dividend	2,66,70	2,66,70
Provision for Tax on Dividend	72,52	45,33
Provision for Tax less advance	5,17	(49,55)
Others (Refer Note 'F' of Schedule 24)	84,78	84,71
For Salaries, Wages, Bonus etc.	6,94,58	7,68,64
Provision for Gratuity	6,60,61	7,32
Provision for Leave	2,45,24	1,57,13
	<u>20,29,60</u>	<u>12,80,28</u>
14. Deferred Tax Liability		
Liabilities:		
Accumulated Depreciation	13,60,92	14,09,92
Less : Assets		
Provision for doubtful debts	12,82	36,69
Provision for Retirement Benefits	2,04,40	—
Accrued expenses deductible on payment basis	2,30,40	1,47,76
Carry over tax losses	4,17,96	4,82,82
	<u>4,95,34</u>	<u>7,42,65</u>
15. Miscellaneous Expenditure		
(To the extent not written off or adjusted)		
Opening Balance	70	
Add : Addition due to consolidation	1,78	
Less : Written off during the year		
	<u>1,42</u>	<u>70</u>

Jay Shree Tea & Industries Limited



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

	2007-2008	2006-2007
16. Sales, Warehousing etc.		
Finished Products & Other Goods (Net of Discount)	2,64,43,00	2,38,89,07
Less: Excise Duty	5,88,08	2,92,33
	2,58,54,92	2,35,96,74
Income from Infotech Activities	1,03,05	95,38
Government Rebate on Fertilizers	7,64,67	8,44,89
Warehousing Charges	1,68,60	1,22,56
Export Incentives	90,54	18,13
Claims	15,34	73,30
	2,69,97,12	2,47,51,00
17. Other Sources		
Dividend :		
Long Term Investments-Other than Trade	3,56,48	4,33,24
Current Investment	1,81,35	1,16,74
Rent (Gross) (Tax Deducted at Source Rs. 16,52)	2,33,83	1,89,31
Miscellaneous Income & Receipts	1,30,00	1,10,80
Tea Board Subsidies	1,07,28	69,27
Incentive under duty drawback & target plus scheme	30,59	-
Unclaimed Balances Written Back	34,37	19,95
Profit on Sale of Investments - Long Term Investment	6,02,77	5,39,03
- Current Investment	1,60,37	(1,82,98)
Prov. for diminution in value of current investment written back	-	1,03,51
	7,63,14	4,59,56
Profit /Loss on Assets Sold/Discarded (Net)	8,70	70,80
Exchange Difference	2,10,25	18,28
Excess provisions, receipts & adjustments pertaining to previous years	36,40	12,99
Less : Short provisions, sundry payments & adjustments relating to previous years	7,74	9,47
Add : Excess/(short) provision of bonus for previous years (Net)	(33)	11,23
	28,33	14,75
	20,84,32	15,02,70
18. Closing Stock		
Finished Products & Other Goods	21,75,62	24,15,38
Work in Progress	67,12	18,57
Green Tea Leaf	-	2,44
	22,42,74	24,36,39

SCHEDULES TO CONSOLIDATED PROFIT & LOSS ACCOUNT

	(Rs. in '000)	
19. Opening Stock	2007-2008	2006-2007
Finished Products & Other Goods	24,15,38	23,48,05
Work in Progress	18,57	23,88
Green Tea Leaf	2,44	1,89
	24,36,39	23,73,82
20. Raw Materials Consumed (Fertilisers & Chemicals)		
Opening Stock	3,84,45	4,77,03
Purchases	46,04,11	34,61,19
	49,88,56	39,38,22
Less :		
Closing Stock	6,95,93	3,84,45
Sales	42,88	17,36
Claims	62,27	15,69
	8,01,08	4,17,50
	41,87,48	35,20,72
21. Expenses		
Manufacturing Expenses		
Stores, Spare-parts & Tools Consumed (including packing materials Rs. 6,86,33)	18,23,18	17,41,08
Power & Fuel	20,67,41	21,51,50
Connectivity Charges	55,42	83,15
Repairs, Renovation & Replacements:		
Machinery	3,20,64	3,23,84
Buildings	2,05,26	2,02,39
Other Assets	1,91,73	2,16,25
	7,17,63	7,42,48
	46,63,64	47,18,21
Payment to and Provision for Employees		
Salaries, Wages, Bonus & Gratuity (including provision of Rs. 6,74,95 and Gratuity Rs. 1,54,15)	76,82,26	73,52,27
Compensation under Voluntary Retirement Scheme written off	70	10,07
Contribution to Provident fund, Superannuation fund Family pension scheme & Administrative charges etc.	6,42,40	6,30,64
Workers & Staff Welfare Expenses	2,94,63	2,72,68
	86,19,99	82,65,66

Jay Shree Tea & Industries Limited



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

21. Expenses (contd.)	2007-2008	2006-2007
Others:		
Rent	77,87	1,25,35
Rates & Taxes	48,57	50,06
Assam (Specified Lands) Tax	1,51,61	1,46,81
Insurance (excluding on sales)	84,46	94,55
Miscellaneous Expenses	10,27,97	9,30,54
Managing Director's Remuneration	30,39	26,44
Directors' Remuneration	3	1,50
Directors' Fees & Travelling Expenses (including Fees Rs. 3,05)	5,05	4,60
Auditors' Remuneration:		
Audit Fee	20,44	18,12
Tax Audit Fee	3,85	4,14
For Certificates	8,65	7,97
Travelling & Stay Expenses	3,23	3,34
Branch Auditor's Fees	1,96	-
Provision for diminution in value of Current Investment (Net)	3,57,14	-
Bad Debts & Irrecoverable Loans, Advances & Claims written off	1,67,65	4,40
Less : Reserve	79,75	1,23
	87,90	3,17
Reserve for Doubtful Debts & Advances further created	5,18	39,06
Less : Written Back	1,01	10
	4,17	38,96
Loss on Sale / Write off of unusable stores (Net)	3,14	9,06
Preliminary Expenses written off	36	-
Donation & Charity	-	5,51
	19,16,79	14,70,12
Selling & Distribution Expenses		
Duty & Cess	27,54	19,88
Freight & Cartage	11,33,15	10,08,11
Others (including Packing Materials Rs. 98)	3,80,74	4,34,34
Warehousing Charges	51,92	45,35
Insurance	35,68	40,65
Commission, Brokerage, Discount & Incentive Bonus:		
Other Selling Agent (including Depot Maintenance)	1,56,72	1,14,58
Others	2,05,28	2,23,46
Sales Tax / VAT	4,23,96	3,62,90
	24,14,99	22,49,27
	1,76,15,41	1,67,03,26
22. Interest:		
On Fixed Loans & Deposit	4,08,16	4,62,57
To Banks & Others	5,27,21	3,91,82
	9,35,37	8,54,39
Less: Income on Loans & Deposits (Tax deducted at source Rs. 9,57)	1,81,06	2,29,24
	7,54,31	6,25,15

SCHEDULES TO CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in '000)

23. Statement of Accounting Policies

1 Principles of Consolidation

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

2 Convention

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

3 Basis of Accounting

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

4 Sales

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

5 Government Rebate On Sale of Fertilisers

Government Rebate on sale of Superphosphate is recognised in the Profit & Loss Account based on sale made by the units.

6 Subsidies & Incentives

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

7 Fixed Assets & Depreciation

- (a) Fixed assets are stated at cost / revalued amounts.
- (b) The Company had revalued its land, land & plantations, buildings, plant & machinery and ropeway of all tea estates as on 31.3.1983 and its units viz. The Jay Shree Chemicals & Fertilisers (Khardah), Tea Warehouse and Sales Department and Tea Export Department as on 1.4.1983 on net replacement cost basis by an external valuer. The net increase Rs. 23,82,35 was transferred to Fixed Assets Revaluation Reserve.
- (c) i) Depreciation for the year on fixed assets excluding Motor Vehicles has been provided on Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956. In respect of amount added on revaluation of assets as mentioned in (b) above, depreciation has been calculated on such amount at the rates considered applicable by the valuers. Such additional charge of on account of revaluation has been withdrawn from the Fixed Assets Revaluation Reserve and credited to Profit & Loss Account.
ii) Depreciation of assets held in Marionbarie Tea Estate is provided on Written Down Value method at the rates specified in Schedule XIV of the Companies Act, 1956.
- (d) Depreciation on Motor Vehicles has been provided on Written Down Value Method at the rates specified in Schedule XIV of the Companies Act, 1956.
- (e) Depreciation on residential building and ITI house of Sungma Tea Estate as on 1.4.1997 charged @4.75% & 19% respectively as per the residual useful life determined by the valuer.
- (f) Items of machinery spares to be used in connection with an item of fixed assets are amortised over the useful life of the parent asset.

Jay Shree Tea & Industries Limited



8 Investments

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

9 Inventories

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

10 Foreign Currency Transactions

- i) Transactions in foreign exchange are accounted at the exchange rates prevailing on the date of the transactions. All foreign currency liabilities/assets not covered by forward contracts are stated at the rates ruling at the year end and any exchange difference arising on such transactions are dealt with in the Profit and Loss Account. Premium in respect of forward contracts is accounted for over the period of contract.
- ii) Changes in fair value of derivative instruments that do not qualify for hedge accounting are recognised in Profit & Loss account as they arise.

11 Employment Benefits

- i) *Short term Employees Benefits :*
The undiscounted amount of short term employee benefit expected to be paid in exchange for the services rendered by employee is recognised during the period when the employee render the service. This benefit includes salary, wages, short term compensatory absences and bonus.
- ii) *Long Term Employee Benefits :*
 - a) *Defined Contribution Scheme :* This benefit includes contribution to Superannuation Scheme, ESIC (Employees' State Insurance Corporation) and Provident Fund Schemes. The contribution is recognised during the period in which the employee renders service.
 - b) *Defined Benefit Scheme :* For defined benefit scheme the cost of providing benefit is determining using the projected unit credit method with actuarial valuation being carried out at each balance sheet date. The retirement benefit obligation recognised in the Balance Sheet represents value of defined benefit obligation as reduced by the fair value of planned assets. Actuarial gains and losses are recognised in full during the period in which they occur.
 - c) *Other Long Term Benefit :* Long term compensated absence is provided for on the basis of an actuarial valuation, using the Projected unit Credit Method as at the date of Balance Sheet.

12 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are being capitalised as part of the cost of those assets and other borrowing costs are recognised as an expense in the year in which they are incurred.

13 Impairment of Assets

Impairment of Assets are assessed at Balance Sheet date and if any indicators of impairment exist, the same is assessed and provided for.

14 Taxes on Income

Current tax is determined on the basis of the amount of tax payable for the year under Income Tax Act and Agriculture Income Tax of the respective States. Deferred tax is calculated at the applicable tax rate and is recognised on timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets subject to consideration of prudence, are recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

15 Segment Reporting

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

16 Miscellaneous Expenditure

Compensation paid under Voluntary Retirement Scheme and Preliminary Expenses are amortised over a period of five years.

17 Provisions, Contingent Liabilities & Contingent Assets

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

SCHEDULES TO CONSOLIDATED BALANCE SHEET

(Rs. in '000)

24. Notes	As at 31.03.2008	At at 31.03.2007
(A) Contingent Liabilities not provided for in respect of:		
i) Outstanding Bills Discounted with Banks	–	2,60,50
ii) Outstanding Letter of Credit	5,50	4,62
iii) Demand from Sales Tax authority:		
a) An appeal was decided by the Appellate Tribunal in favour of the Company and the Department filed an appeal against the order of the Appellate Tribunal	3,94	6,83
b) Certain disallowances in the Sales Tax were confirmed against the Company and an appeal before the Appellate and Revisional Board has been filed and the Management is of the opinion that it will obtain full relief	1,71,97	1,79,40
c) Other Sales Tax cases under appeal	35,23	–
iv) Demand from a lessor for Interest on differential rent	70,14	70,14
v) In respect of refund of excise duty under incentive scheme in an earlier year a sum of Rs. 16,10 was refunded by the Department, subsequently a claim by department that the refund wrongly made was rejected by the Appellate Tribunal. Further appeal by the Department against the order of the Tribunal is not provided as the Company does not expect any liability in this regard.	16,10	16,10
vi) Claim against the company not acknowledged as debt	–	56,00
vii) Demand of Provident Fund Damages by the Provident Fund Authorities, West Bengal (in respect of subsidiary merged with the Company)	26,39	–
(B) Capital Commitments outstanding (net of advances Rs. 2,45,35 previous year Rs. 49,94)	2,40,46	1,97,82
(C) Bank Guarantees Outstanding	68,38	73,91
(D) Interest income of Rs. 36,25 has not been recognised on an Inter Corporate Deposit of Rs. 2,50,00 paid in an earlier year. In view of non recovery of interest for earlier period, interest for the current year has not been recognized as a matter of prudence. The company is confident of recovering the principal and interest (recognised in earlier years).		
(E) Workers & Staff Welfare Expenses include Rs. 24,93 (Previous Year Rs. 26,12) being net loss of B.P. Kedia Central Hospital, Labac consists of following expenses & income.		

Particulars	2007-2008	2006-2007
Salaries & Wages	22,39	20,38
Provident Fund	1,50	1,73
Staff Welfare Expenditure	3,48	3,16
Stores consumed	95	94
Repairs	30	1,07
Insurance Charges	33	21
Miscellaneous expenses	6,54	7,35
	<u>35,49</u>	<u>34,84</u>
Loss : Income	10,56	8,72
	<u>24,93</u>	<u>26,12</u>

Jay Shree Tea & Industries Limited



(Rs. in '000)

(F) Disclosure as per Accounting Standard-29

Particulars	Disputed	Other	Total
	Statutory Matters	Obligations	
Opening Balance	39,39	45,32	84,71
Addition	4,85	—	4,85
	44,24	45,32	89,56
Utilisation	4,78	—	4,78
	39,46	45,32	84,78
Reversal	—	—	—
Closing Balance	39,46	45,32	84,78

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

- (G) (i) The Companies significant leasing agreements (as lessee) are in respect of lease for Land & Premises (residential, office, stores, godowns etc.). These leasing arrangements which are non-cancellable ranging between one month and three years generally, or longer, and are usually renewable by mutual agreement. The aggregate lease rentals payable are charged as Rent under Schedule 21.
- (ii) The educational activities of the company have been carried out by a society w.e.f. 1st April 2006. The land and building for operating these activities has been given on operating lease to the society at a lease rental of Rs. 13,00 per month (previous year Rs. 10,50 per month) for the building and Rs. 50 (previous year Rs.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 :

Class of Assets	2007-08			2006-07		
	Gross Amount	Accumulated Depreciation	Depreciation for Current Year	Gross Carrying Amount	Accumulated Depreciation	Depreciation for Current Year
Land	37,91	—	—	37,91	—	—
Building	15,95,87	50,19	24,50	560,74	25,69	9,14
Plant & Machinery	94,91	24,30	6,79	85,95	17,51	6,07
Furniture & Fixture	1,12,73	24,40	8,81	68,43	15,59	6,45
Motor Vehicle	3,92	2,73	41	3,92	2,32	56
	18,45,34	101,62	40,51	756,95	61,11	22,22

- (H) On the basis of the Interim Order of the Hon'ble High Court at Kolkata, the company has provided for and paid Rs. 48,50 in an earlier year towards additional rent from April, 2000. The matter is in subjudice and no further liability is envisaged at this stage.
- (I) a) Fringe Benefit Tax has not been ascertained / provided in view of the interim stay granted by the Hon'ble High Court at Kolkata in the parent company. However the same has been accounted for in the subsidiary companies and is reflected in the consolidated financial statements.
- b) Dividend Tax : As abundant caution the Company continues to provide dividend tax at the applicable rates, however in view of order of the Hon'ble High Court at Kolkata this has been paid to the extent of 40% thereof.
- (J) The Company has entered into the following derivative transactions : The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The use of such contracts is consistent with the Company's risk management policy. The Company does not use forward contracts for speculative purposes.

(Rs. in '000)

The following are the outstanding foreign exchange forward contracts which have been designated as cash flow hedges as on 31.03.2008.

Foreign Currency	No. of Contracts	Amount	
		in Foreign Currency	Rupee Equivalent
Euro	2	5,00	3,17,25
US Dollar	1	10,00	4,01,20

These cash flow hedges have been marked to market as per the directive issued by Institute of Chartered Accountants of India and an expense of Rs. 24,66 has been provided in the Profit & Loss Account.

As at balance sheet date, the company has net foreign currency exposure that are not hedged by derivative instruments or otherwise amounting to Rs. 39,89,98.

(K) Employee Benefits (Revised Accounting Standard 15)

a) Defined Contribution Plan :

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

During the year the company has recognised Rs. 6,01,00 for provident fund contribution, Rs. 20,03 for ESIC and Rs. 37,77 for Superannuation Contribution. The Contribution payable to these plans by the Company are at the rates specified in the rules of the scheme.

b) Defined Benefit Plan :

i) The Company makes annual contribution of gratuity to JSTI Gratuity Fund, a Scheme created for the purpose of qualifying employees. The scheme provides for a lump sum payment to vested employees upon retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of 5 years of service.

ii) The employees of the Company are also eligible for encashment of leave upon retirement upto 30 days for each year (maximum 240 days.)

iii) 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. [Being the first year of adoption of Accounting Standard 15 (revised)], the following adjustments in the opening liabilities have been carried out :

a) As per the scheme of arrangement sanctioned The Hon'ble High Court at Kolkata and detailed in Note 'L' of Schedule 24 subsequently, the entire unprovided gratuity liability of Rs. 230,66 and leave encashment of Rs. 2,67 (net of deferred tax Rs. 80,35) of transferor companies / units as on 01.04.07 has been adjusted with Capital Reserve.

b) As per Accounting Standard 15 (Revised), the Company has applied the transitional provision and adjusted the change in revised liability of Rs. 2,45,38 (net off deferred tax of Rs. 95,16) as on 01.04.07 with the General Reserve.

c) The Liability in respect of Gratuity in one of the subsidiary has not been provided as per actuarial valuation amounting to Rs. 84,41 upto 31.03.07 and Rs. 6,00 for the year ended 31.03.08 due to which loss for the year is lower by Rs. 6,00 and both the accumulated Losses and Provisions would have been higher by Rs. 90,41.

Jay Shree Tea & Industries Limited



SCHEDULES TO CONSOLIDATED BALANCE SHEET

(K) Employees Benefits as per AS 15 (Revised) (Contd.)

(Rs. in '000)

	Gratuity		Leave
	Funded	Unfunded	Encashment Unfunded
A. Expenses recognised in the Statement of Profit & Loss Account for the Year ended 31st March, 2008			
i. Current Service Cost	1,07,62	23,06	56
ii. Interest Cost	1,53,26	20,90	19,44
iii. Expected return on Plan Assets	(1,27,82)	-	-
iv. Actuarial (Gain) / Losses	(20,38)	3,51	(97)
v. Past Service Cost	-	-	-
vi. Effect of any Curtailment / Settlement	-	-	1,00
vii. Unrecognised defined benefit obligation	-	6,00	-
viii. Expenses Recognised in Profit & Loss Account	1,12,68	41,47	20,03
B. Net (Asset) / Liabilities recognised in Balance Sheet as at 31st March, 2008			
i. Present Value of the Defined Benefit Obligation	20,30,76	4,39,20	2,45,24
ii. Fair Value of Plan Assets	17,18,94	-	-
iii. Unrecognised Defined Obligation (Note 'K' of Schedule 24)	-	90,41	-
iv. Net (Asset)/Liabilities recognised in Balance Sheet*	3,11,82	3,48,79	2,45,24
C. Changes in the Present Value of Defined Benefit Obligation during the Year ended 31st March, 2008			
i. Present Value of Defined Benefit Obligation as at 1st April, 2007	19,04,14	4,06,41	2,40,54
ii. Current Service Cost	1,07,62	23,06	56
iii. Interest Cost	1,53,26	20,90	19,44
iv. Actuarial Gain / (Losses)	50,19	3,51	(97)
v. Benefits Paid	1,84,45	14,68	14,33
vi. Present Value of Obligation as at 31st March, 2008	20,30,76	4,39,20	2,45,24
D. Changes in fair value of Plan Assets during the year ended 31st March, 2008			
i. Fair Value of Plan Assets as at 1st April, 2007	15,97,69	-	-
ii. Expected return on Plan Assets	1,27,82	-	-
iii. Actuarial Gain / (Losses)	70,56	-	-
iv. Benefits paid	1,84,45	-	-
v. Settlements	-	-	-
vi. Contributions	1,07,32	-	-
vii. Fair Value of Plan Assets as at 31st March, 2008	17,18,94	-	-
viii. Actual Return on Plan Assets	1,50,35		
E. Principle Actuarial Assumptions used			
i. Discount rates as at 31st March, 2008	7.50%		
ii. Expected Return on Plan Assets	8.00%		
iii. Expected Salary increase rates	5.00%		
iv. Mortality Rates		LIC (1994-96)	
		Mortality Table	
F. Major categories of Plan Assets as a percentage of Fair Value of Plan Assets			
Govt. Loans	0.92%		
PSU Bonds	0.55%		
Mutual Fund & Other Current Assets	98.53%		
	<u>100.00%</u>		

As this is the first year of adoption of Revised Accounting Standard 15 of Employee Benefits, only the current year figures have been given.

*the Opening Obligation of Unprovided Gratuity and Leave calculated as per the Revised AS 15 amounting to Rs. 2,30,66, and Rs. 2,67 respectively has been adjusted with Capital Reserve as per the Scheme of Amalgamation sanctioned by The Hon'able Kolkata High Court.

(L) Pursuant to the Scheme of Amalgamation and Arrangement (hereinafter called 'the scheme') between Birla Tea Limited (BTL), Darjeeling Consolidated Tea Co. Ltd. (DBTCL), Marionbarie Tea Co. Limited (MTCL), Jay Shree IT Consultants Limited (JSICL) and the Company approved by the shareholders of the respective companies on 22nd January, 2008 and sanctioned by the Hon'ble High Court at Kolkata, the following companies / units stands merged with the company w.e.f. 1st April, 2007.

1. Sungma & Turzum Tea Estates of BTL (a subsidiary), engaged in the business of tea.
2. DCTCL, comprising Singbulli & Tingling and Balasun & Murmah Tea Estates, engaged in the business of tea.
3. MTCL (a subsidiary of BTL), comprising Marionbarie Tea Estate, engaged in the business of Tea.

Pursuant to the scheme, the following unit stands demerged from the company w.e.f. 1st September, 2007.

- a) Jay Shree Infotech Consultants (Infotech Division), a unit of the Company, dealing with call centre services, stands merged with JSICL.

The certified copy of order of the Hon'ble High Court at Kolkata is awaited. As the scheme has been sanctioned and is effective from 1st April, 2007, it is thought prudent to give effect to the same in the financial statements pending completion of formalities and filing of certified copy of the order with the Registrar of Companies, West Bengal, which shall be done in due course.

The salient features of the scheme are as under :

- i) All the assets & liabilities pertaining to the said Sungma & Turzum Tea Estates stands transferred from BTL to the Company.

In terms of the scheme, 9% Cumulative Preference Shares of BTL amounting to Rs. 5,00,00 held as investment in the Books of the company has been cancelled, and

The minority Equity Shareholders of BTL are to be issued shares in the ratio of 1 Equity share in the company for every 20 Equity shares held in BTL. As a consequence, 11,415 (Eleven Thousand Four Hundred Fifteen) Equity shares of the company are to be issued to the minority shareholders of BTL. Pending allotment of shares, the amount has been shown under the head '*Share Suspense Account*'.

- ii) All the assets and liabilities pertaining to DCTCL stands merged with the company at Book Value, save and except Land & Plantation which is valued at Rs. 15,05,00.
- iii) All the assets and liabilities pertaining to MTCL stands merged with the company at Book Value, save and except Land & Plantation, which is valued at Rs. 6,25,00.
- iv) All the assets and liabilities pertaining to the Infotech Division of the company stands merged with JSICL w.e.f 01.09.2007. In terms of the scheme, JSICL will issue 9,50,000 (Nine Lacs Fifty Thousands) Equity Shares of Rs. 10/- (Ten) each at a premium of Rs. 40/- (Forty) per share to the Company.

- a) As per the scheme of arrangement, the company has adjusted for (1), (2) & (3) above the entire amount of unprovided / revised gratuity with Capital Reserve as detailed in para 'K' (b)(iii) above.

In terms of the scheme, a sum of Rs. 7,66,34 being the difference between consideration and value of net assets as treated in (2) & (3) above has been treated as Capital Reserve as the amalgamation is in the nature of purchase as per Accounting Standard 14 (accounting for amalgamation), using the purchase method of accounting.

Jay Shree Tea & Industries Limited



4. Share Suspense represent 11,415 shares to be issued to the shareholders of Birla Tea Limited which shall rank pari-passu with the shareholders of the Company. Accordingly these shareholders will be entitled to dividend for the financial year 2007-08 which comes to Rs. 28 and dividend tax thereon Rs. 5. Such dividend shall be payable to them upon allotment of shares, hence no provision has been made in the books of accounts.
- (M) The Company has disposed off its Infotech division w.e.f. 01.09.2007 and as a result following assets and liabilities were transferred to Jay Shree IT Consultants Limited (wholly owned subsidiary company) as a consideration which is met by issue of 9,50,000 (Nine lac fifty thousand) shares of Rs. 10/-.

Fixed Assets	48,113
Current Assets	3,53
Total Assets	48,466
Current Liabilities	2,171
Net Assets	46,295
Purchase Consideration	47,500
Capital Reserve	1,205

The loss reported by the subsidiary company is Rs. 43.46 for the period from 1st September, 2007 to 31st March, 2008.

(N) Computation of earnings per share	31.03.2008	31.03.2007
Profit	10,17,54	5,70,99
No. of shares (weighted average)	10,67,93,39	10,66,79,24
Basic & diluted earnings per share (in Rs.)	9.53	5.35

- (O) The subsidiaries (which alongwith Jay Shree Tea & Industries Ltd., the parent, constitute the Group) considered in the preparation of these consolidated financial statements are :

Name	Country of Incorporation	Percentage of ownership interest in Equity
Birla Tea Limited (erstwhile North Tukvar Tea Company Ltd.)	India	90.50
Jay Shree IT Consultants Ltd.	India	100.00

- (P) The Company has no amounts due to suppliers under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED) as at 31.03.08. The disclosure as required under the said act is as under :

a) Principal Amount due to Suppliers under MSMED Act	NIL
b) Interest due to Suppliers on above	NIL
c) Any Payment made to suppliers beyond appointed date (under Section 16 of the Act)	NIL
d) Interest due to payable to suppliers under MSMED Act	NIL
e) Interest Accrued & remaining unpaid as at 31.03.08	NIL
f) Interest remaining due & payable as per section 23 of the Act	NIL

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

- (Q) Due to the effect of amalgamation / demerger under the Scheme of amalgamation / arrangement during the year the figures for the current year are not comparable with the previous year figures.

SCHEDULES TO CONSOLIDATED BALANCE SHEET

(Rs. in '000)

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

Segment wise Information for the year ended 31st March, 2008

(A) PRIMARY SEGMENT

	31.03.2008		31.03.2007	
1 Segment Revenue (Net Sales / Income from each segment)				
a) Tea	2,01,24,95		1,90,56,02	
b) Chemicals & Fertilisers	65,92,61		54,70,15	
c) Infotech	1,03,05		95,38	
d) Others	2,40,97		1,99,08	
Less : Inter-segmental Revenue	64,46		69,63	
Total	2,69,97,12		2,47,51,00	
2 Segment Results {Profit / (Loss) before Tax & Interest}				
a) Tea	5,73,95		3,52,46	
b) Chemicals & Fertilisers	5,86,30		2,19,82	
c) Infotech	(1,11,09)		(2,02,61)	
d) Others	60,81		(15,21)	
Total	11,09,97		3,54,46	
Less : Interest (Net)	7,54,31		6,25,15	
Add : Unallocable Income net of unallocable expenditure	6,38,87		8,06,63	
Total Profit / (Loss) before Tax	9,94,53		5,35,94	
3 Segment Assets (Including revaluation reserve) & Segment Liabilities				
	Assets	Liabilities	Assets	Liabilities
a) Tea	1,60,57,59	29,86,39	1,40,61,73	17,34,94
b) Chemicals & Fertilisers	33,59,88	6,35,75	23,49,89	4,64,63
c) Infotech	4,85,07	48,44	5,73,01	21,05
d) Others	1,11,12	57,35	90,07	43,12
e) Unallocable	1,58,67,38	10,37,62	1,67,44,86	15,67,93
Total	3,58,81,04	47,65,55	3,38,19,56	38,31,67
4 Capital expenditure including capital work-in-progress and depreciation (excluding on revaluation reserve) for the year				
	Capital Exp.	Depreciation	Capital Exp.	Depreciation
a) Tea	11,71,28	5,61,38	8,81,96	5,25,45
b) Chemicals & Fertilisers	45,80	48,67	46,58	46,69
c) Infotech	13,01	49,09	71,01	45,84
d) Others	1,31,26	68,59	8,57,58	51,06
Total	13,61,35	7,27,73	18,57,13	6,69,04
5 Non cash expenses of Rs. 70 relating to Other Division towards Voluntary Retirement Scheme has been amortised & considered in other segments.				

(B) SECONDARY SEGMENT

	Domestic	Export	Total
Segment Revenue	2,15,82,72 (2,03,26,19)	54,14,40 (44,24,81)	2,69,97,12 (2,47,51,00)
Segment Assets	3,55,27,27 (3,35,71,24)	3,53,77 (2,48,32)	3,58,81,04 (3,38,19,56)
Capital Expenditure	13,61,35 (18,57,13)	— (—)	13,61,35 (18,57,13)

The company has disclosed business segment as the Primary Segment.

TEA ESTATES

Towkok
Manjushree
Mangalam
Nahorhabi
Sibsagar, Assam

Meleng
Jorhat, Assam

Dewan
Burtoll
Labac
Kalline
Jellalpure
Cachar, Assam

Risheehat
Tukvar
Singbulli
Balasun
Sungma
Marionbarie
Darjeeling, West Bengal

Aryaman
Jalpaiguri, West Bengal

Ananyashree
Uttar Dinajpur, West Bengal

Sholayar Estate
Kallyar Estate
Coimbatore, Tamil Nadu

TEA FACTORY

Vinayak Tea Factory
Ledo, Margherita, Assam

CHEMICALS & FERTILISERS UNIT

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

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

OTHERS

Warehousing & Tea Export Deptt.,
Kolkata, West Bengal

Tea Warehouse & Sales Deptt.,
Kochi, Kerala

SUBSIDIARIES

Biria Tea Ltd.
Jay Shree IT Consultants Ltd.





If undelivered please return to :



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Website : www.jayshreetea.com