



# JAY SHREE TEA & INDUSTRIES LIMITED



67<sup>TH</sup> ANNUAL REPORT 2012 - 2013



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 Stength

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**

Enlightment 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**

### **67TH ANNUAL REPORT FOR THE YEAR ENDED 31ST MARCH 2013**

#### **DIRECTORS**

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

#### **EXECUTIVES**

Shri R.K.Ganeriwala  
*President, CFO & Secretary*  
Shri S.Basu  
*President (Tea Marketing & Exports)*  
Shri P.K.Agrawal  
*President (Darjeeling & Dooars Tea Estates)*  
Shri H.G.Singh  
*Vice President*  
(*Upper Assam Gardens*)  
Shri B.K.Chaturvedi  
*Vice President (Taxation)*  
Shri Rajan Goyal  
*Vice President (Tea Exports)*

#### **SOLICITORS**

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

#### **AUDITORS**

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

#### **REGISTRARS**

Maheshwari Datamatics  
Pvt.Ltd.,6, Mangoe Lane,  
Kolkata - 700 001  
Ph : (033) 22435029/5809  
Fax : (033) 22484787  
E-mail : mdpl@cal.vsnl.net.in

#### **BANKERS**

Axis Bank Ltd.  
DBS Bank Ltd.  
Development Credit Bank Ltd.  
HDFC Bank Ltd.  
ICICI Bank Ltd.  
IndusInd Bank Ltd.  
ING Vysya Bank Ltd.  
Kotak Mahindra Bank Ltd.  
Punjab National Bank  
Rabobank International  
State Bank of India  
UCO Bank  
Yes Bank Ltd.

#### **SHARE DEPTT.**

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

#### **STOCK EXCHANGES WHERE SHARES ARE LISTED**

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

#### **AUDIT COMMITTEE**

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

#### **SHAREHOLDERS'/INVESTORS GRIEVANCES COMMITTEE**

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

#### **REMUNERATION COMMITTEE**

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

#### **REGISTERED & HEAD OFFICE**

"Industry House" (15th Floor)  
10, Camac Street,  
Kolkata - 700017  
Ph : (033) 22827531-34  
Fax : (033) 22827535/22825830  
E-mail : webmaster@jayshreetea.com  
website : www.jayshreetea.com

#### **MUMBAI OFFICE**

708, Embassy Centre, Nariman Point,  
Mumbai - 400 021  
Ph : (022)22830915/22823474  
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#### **AHMEDABAD OFFICE**

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

#### **NEW DELHI OFFICE**

620-A, Faiz Road,  
2nd Floor, Karol Bagh,  
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## **NOTICE**

### **To the Shareholders**

NOTICE is hereby given that the Sixty Seventh Annual General Meeting of the shareholders of the Company will be held on Monday, the 29th July 2013 at 10.30 A.M. at 'Kala Kunj' 48, Shakespeare Sarani, Kolkata - 700 017 to transact the following business :

1. To receive and consider the Report of the Directors to the Shareholders and adopt the audited accounts for the year 2012-13
2. To declare dividend for the year 2012-13.
3. To appoint a Director in place of Shri B.M.Khaitan, who retires by rotation but being eligible offers himself for re-election.
4. To appoint a Director in place of Shri S.S.Kothari, who retires by rotation but being eligible offers himself for re-election
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

### **AS SPECIAL BUSINESS**

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

“RESOLVED that in supersession of the Resolution passed at the Annual General Meeting of the shareholders held on 25th June, 2010, consent of the Company be and is hereby accorded in terms of Section 293(1)(d) and all other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company for borrowing from time to time, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not at any time exceed the limit of ₹ 500 crores.

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

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

“RESOLVED that pursuant to the provisions of Sections 198, 309 and other applicable provisions, if any, of the Companies Act, 1956 (the Act), the Company, be and is hereby authorized to pay commission to its Directors not exceeding 1% of the net profits of the company calculated in accordance with the provisions of sections 198 & 349 of the Act. The remuneration will be distributed amongst the Directors of the company in such manner or proportion as may be determined by the Board of Directors for a period of five years from the financial year commencing 1st April, 2014.

“RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board be and is hereby authorized to take all actions and do all such deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable in this regard and to vary or increase the commission as may be permitted or authorized in accordance with any provisions under the Act, for the time being in force or any statutory modifications or re-enactment thereof and/or any rules or regulations framed thereunder”.

**Registered & Head Office :**

“INDUSTRY HOUSE”

10, Camac Street,

Kolkata - 700 017

Dated, the 6th May, 2013

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

## Notes :

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. The Equity Share Transfer Registers will remain closed from 22nd July, to 29th July 2013 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend.
3. The dividend on Equity Shares as recommended by the Board, if declared, will be payable on or after 29th July 2013 to those members whose names appear on the Register of Members of the Company as on 29th July 2013 or to their mandatees. In respect of dematerialised shares, the dividend will be payable on the basis of beneficial ownership details to be furnished by NSDL and CDSL for the purpose.
4. Members are requested to intimate before hand to the Company query/ies, if any, regarding these accounts/notice at least ten days before the meeting to enable the management to keep the required information readily available at the meeting.
5. Pursuant to Section 205A (5) of the Companies Act, 1956 (as amended) any money transferred to the unpaid dividend account of a Company remaining unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred to Investor Education and Protection Fund and thereafter no claims shall lie against the fund or the Company. So, you are advised to claim the same from the Company immediately. The due dates of transfer of the following dividend to the Fund are as under :

<b><u>Dividends for the year</u></b>	<b><u>Date of declaration of dividend</u></b>	<b><u>Due date of transfer to the Fund</u></b>
2005-2006	27.06.2006	2nd August, 2013
2006-2007	28.06.2007	2nd August, 2014
2007-2008	27.06.2008	2nd August, 2015
2008-2009	29.06.2009	2nd August, 2016
2009-2010	25.06.2010	30th July, 2017
2010-2011	22,09.2011	26th October, 2018
2011-2012	25.07.2012	29th August, 2019

6. The Company's shares are enlisted with NSDL and CDSL for participation into Electronic Depository System operated by them. Its shares are compulsorily to be traded in Electronic Form and the security bears Code No.INE 364A01020.
7. Members are requested to notify immediately change of address, if any, to the Company in case shares are held in physical form or to the DPs, where the account is maintained, if held in demat form.
8. The members who have not yet registered their e-mail address are requested to do so to support the green initiative in the Corporate Governance.
9. Information about the Directors retiring by rotation as required under Clause 49 of the Listing Agreement with the Stock Exchanges :

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

Shri B.M.Khaitan, aged 85 years, holding 200 shares, is a renowned Industrialist having interest in Tea, Batteries and Engineering. Shri Khaitan has great contributions to the Tea Industry with which he has been associated for around six decades. He is the Non-Executive Chairman of McLeod Russel India Ltd., a major Tea Plantation Company in the world and also on the Boards of certain other renowned companies having diversified business interests.

Directorships held in other Companies :

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

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

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

Shri S.S.Kothari, aged about 83 years, holding 4600 shares, is an eminent Chartered Accountant and former Member of Parliament. He was Director of Bank of India (1989-95)

Directorships held in other companies:

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

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

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By Order of the Board  
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**R.K.GANERIWALA**  
**(President, CFO & Secretary)**

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

### **Item No.6**

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

At the Annual General Meeting of the Company held on 25th June, 2010 the shareholders had authorized the Board of Directors to borrow monies for the purpose of the business of the company not exceeding ₹ 300 crores in the aggregate.

Now, in view of the increased requirement of the company, it is proposed to enhance the borrowing powers of the Board of Directors to ₹ 500 crores.

The Directors recommend the Resolution for approval of the members.

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

### **Item No.7**

As the shareholders are aware, the entire management of the company except for the powers vested in the Managing Director, vests in the Board of Directors which acts through a number of Committees on which the directors are represented. In view of the greater involvement of the Directors in the affairs of the company, it is proposed that in terms of section 309(4) of the Act, 1956, the Directors (apart from the Managing director) be paid, for a period of five years from the financial year commencing 1st April, 2014. remuneration by way of commission not exceeding one per cent of the net profit of the company computed in accordance with the provisions of the Act. The exact remuneration payable will be determined by the Directors every year within the overall limit of 1% of the net profit and shall be distributed amongst the directors in accordance with the decision of the Board.

Section 309(4) of the Act states that a Director who is neither in whole time employment of the company, nor a Managing Director may be paid remuneration by way of commission if the company by Special Resolution authorizes such payment, provided the remuneration payable to all the Directors shall not exceed one percent of the net profits of the company, if the company has a Managing Director.

Hence this resolution is proposed for your acceptance.

All the Directors of the company except the Managing Director and whole time Directors are concerned or interested in the resolution to the extent of the remuneration that may be received by them.

### **Registered & Head Office :**

"INDUSTRY HOUSE"

10, Camac Street,

Kolkata - 700 017

Dated, the 6th May, 2013

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



## Management's Discussion and Analysis

### OVERVIEW

Indian Tea production in 2012 was lower at 1112 million kg. compared to 1116 million kg. in 2011 i.e., a decrease of 4 million kg. The methodology adopted for computation of all India crop has been revised by Tea Board of India from the year 2011 based on payment of cess on made tea by all manufacturers. This has resulted in the revision of last year crop from 988 million kg. to 1116 million kg. i.e. an increase of 128 million kg. Your Company produced 206.60 lac kg. of tea against 237.60 lac kg. last year. Out of this your own crop was 171.47 lac kg against 190.34 lac kg. To improve quality of Tea, the bought leaf production was reduced from 47.26 lac kg to 35.16 lac kg. Upper Assam crop was lower by 23%, Cachar by 6% and Dooars by 30%. Darjeeling crop was a little short of last year's level. Apart from wage increase, the higher cost of power, fertilisers and other inputs are also affecting the industry.

### SEGMENT ANALYSIS AND REVIEW

The Company is engaged in the manufacture of tea, chemicals & fertilisers, sugar besides tea warehousing and investment activities. Tea accounts for 64%, chemicals & fertilisers 14%, sugar 21% and others 1 % of the gross turnover during 2012-13.

### TEA

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

(Quantity in million kg.)

District	Tea Manufactured by the Company (April to March)			All India Production* (Jan. to December)		
	2012-13**	2011-12**	Increase/ Decrease (%)	2012	2011	Increase/ Decrease (%)
Cachar	7.97	8.52	(-) 6.46	52.85	50.29	(+) 5.09
Assam Valley	6.56	8.54	(-) 23.19	535.42	538.82	(-) 0.63
<b>Total Assam</b>	<b>14.53</b>	<b>17.06</b>	<b>(-) 14.83</b>	<b>588.27</b>	<b>589.11</b>	<b>(-) 0.14</b>
Darjeeling	0.96	0.99	(-) 3.03	8.61	9.14	(-) 5.80
Dooars	0.63	0.90	(-) 30.00	153.31	148.42	(+) 3.29
Terai	2.68	2.95	(-) 9.15	113.91	114.04	(-) 0.11
<b>Total West Bengal</b>	<b>4.27</b>	<b>4.84</b>	<b>(-) 11.78</b>	<b>275.83</b>	<b>271.60</b>	<b>(+) 1.56</b>
<b>Others</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16.00</b>	<b>14.86</b>	<b>(-) 7.67</b>
<b>Total North India</b>	<b>18.80</b>	<b>21.90</b>	<b>(-) 14.16</b>	<b>880.10</b>	<b>875.57</b>	<b>(+) 0.52</b>
Tamilnadu	1.86	1.86	-	162.84	165.89	(-) 1.84
Kerala	-	-	-	63.10	68.83	(-) 8.32
Karnataka	-	-	-	5.72	5.43	(+) 5.34
<b>Total South India</b>	<b>1.86</b>	<b>1.86</b>	<b>-</b>	<b>231.66</b>	<b>240.15</b>	<b>(-) 3.54</b>
<b>Total Production</b>	<b>20.66</b>	<b>23.76</b>	<b>(-) 13.05</b>	<b>1111.76</b>	<b>1115.72</b>	<b>(-) 0.35</b>

\*All India figures on calendar year basis and estimated for 2012.

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

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

(Quantity in million kgs)

Tea Areas	This year			Previous year		
	Qty.	Rate (₹)	Dist. Average (₹)	Qty.	Rate (₹)	Dist. Average (₹)
Cachar	7.85	125.70	115.76	8.62	94.65	87.16
Assam	6.46	181.14	150.16	9.13	123.15	122.64
Darjeeling	0.90	498.62	372.92	0.94	397.61	344.93
Dooars/ Terai	3.11	134.74	126.24	3.81	103.37	104.89
South India	2.21	112.10	99.78	2.24	94.32	88.84
	20.53	159.49		24.74	117.96	

## OUTLOOK

Dry weather conditions in Assam, Dooars & Terai in early part of the season have affected the crop. Kenyan crop is very high compared to last year. This has subdued the market to some extent. The 2013 season augurs well for tea prices, both Orthodox and CTC with better quality teas likely to perform better. With cost of production having increased significantly in 2012, any erosion in prices will adversely impact the bottom line. The premium available for good quality will cushion cost increase.

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

## CHEMICALS & FERTILISERS

### Review Of Operations

Nutrient based subsidy is reduced by ₹ 500/- per M.T. w.e.f. 1st April, 2013. This is further to decrease of ₹ 1686/- per M.T. last year. The producers are trying to compensate the above by increasing the price realisation but the off take is adversely affected. The consumers are taking time to adjust to the real market situation. Fluctuation in Rupee/Dollar rate increases the raw material cost and is a cause of concern for the current year.

## RISKS AND CONCERNS

- Substantial crop loss due to bad weather.
- Increased wages and sharp inflation in coal, fertilisers and chemicals.
- Availability of good quality leaf to be outsourced.
- Foreign exchange fluctuations for import/export/loan transaction.

## SUGAR

India's sugar industry is 2nd largest agro based industry after cotton. The rural economy of India is dependent on the farmers, and livelihood for 7.5% of India's rural population is provided by sugar mills. The sugar production in India was 24.63 million tonnes in 2012-13 as against 24.30 million tonnes in 2011-12. The continuous higher cane prices fixed by the State Government resulted in more acreage under sugar cane and pressure on cost.

In the state of Maharashtra, the drought like situation is prevailing and this might reduce sugarcane crop again by 10 to 15%.

The Central Government has decontrolled sugar by abolishing levy and withdrawal of market release mechanism. This augurs well for the industry in the long run. India has allowed exports of 3 million tonnes so far.

Your company produced 42460 tonnes of White sugar in 2012-13 compared to 41688 tonnes in 2011-12. The sugarcane crushed was 491678 tonnes compared to 448414 tonnes last year. The recovery percentage was 8.64% as compared to 9.30% last year due to deterioration in quality of sugarcane caused by root borer in the state of Bihar.

## **OPPORTUNITIES AND THREATS**

### **Strengths**

- High value of by-product for downstream industries.
- Government's effort to make ethanol blending mandatory.
- Growing population and rapid socio economic development particularly in rural area with no major increase in acreage is going to create mismatch in demand and supply situation of every agricultural produce.
- Determination of the Government to free every sector from unwanted control.

### **Threats**

- (i) State Government policies regarding cane pricing.
- (ii) Industry cycle.

Indian sugar industry is passing through a difficult phase with increased production and higher cost with stagnant sale price. However the long term prospects are bright with steady increase in consumption every year and opportunities from by-products.

## **RISK MITIGATION**

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

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

## **FINANCIAL REVIEW AND ANALYSIS**

Your Company has switched over to risk free deployment of its surpluses. The day to day treasury operation is being regularly monitored to save on interest.

## **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 program 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.

## **BUSINESS RESPONSIBILITY STATEMENT (BR)**

### **HEALTH, SAFETY, SECURITY AND ENVIRONMENT**

Health, safety, security and environment (HSSE) is a key priority for your Company. Simply stated, our goals are: no accidents, no harm to people and no damage to environment. The health, safety and security of everyone who works for your Company, is critical to the success of business.

The Khardah plant has completed 50 years without any lost time, injury case (Days Away From Work case). All fertilisers factories of your Company are following full Environment Management System and Occupational Health & Safety Management System

All the tea estates follow green environment policy. Afforestation is being carried out on regular basis.

### **DEVELOPMENT IN HUMAN RESOURCES MANAGEMENT**

The industrial relation in all tea estates and other units continued to be cordial. The Company carries out various program 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.

During the year under review, the focus continued to be on the development of leadership capability and talent management with a view to ensure alignment to the overall business strategy. The focus this year was on engaging employees for improvement in quality. Using interactive sessions, your Company engaged all its employees on Safety, Respect, Excellence, Courage and One Team and is now actively seeking to embed these values. Your Company's updated performance and reward system now creates an explicit link between its values and behaviours and the way individuals are judged and rewarded within your Company.

Continuing its journey of building a diverse and inclusive workforce, your Company's key initiatives in this area included training program to equip workers to succeed in the workplace.

Workshops were also conducted for Managers by senior management team to enable them to effectively manage and interact with each other. In addition, there is a continuous endeavour to ensure that your Company is hiring and retaining diverse talent.

Your Company continued to maintain high standards of employee relations and 2012-13 saw many achievements on this front. All the employees were motivated with their grievances sorted out by the top management to give their 100% to the Company.

The total number of people employed in your Company as on 31st March, 2013 was 25656.

### **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, sugar and chemicals industries depend upon the vagaries of nature and any adverse/ favourable situation can change the whole situation.

## CORPORATE GOVERNANCE REPORT

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

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company is committed to good Corporate Governance and transparency in all its dealing 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:

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

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

Five Board Meetings were held in 2012-2013 i.e. on 30th April, 2012 ; 30th May, 2012 ; 25th July, 2012; 5th November, 2012 and 1st February, 2013.

Directors	Categories of Directors	No. of Board Meetings Attended	Attendance of the last AGM	No. of outside Directorship held	No. of outside Committee Membership held	No. of outside Committee Chairmanship Held	No. of shares held in the company as on 31.03.2013
Shri B.K.Birla	Promoter-Non-Executive (Chairman)	4	Yes	4	-	-	46000
Smt. Jayashree Mohta	Promoter-Executive (Vice Chairperson)	5	Yes	2	-	-	851401
Shri B.M.Khaitan	Independent-Non-Executive	3	No	5	1	-	200
Shri G.P.Goenka	Independent-Non-Executive	-	No	5	-	-	600
Shri S.S.Kothari	Independent-Non-Executive	4	No	2	-	1	4600
Shri S.K.Tapuriah	Independent-Non-Executive	4	Yes	1	-	-	768
Shri Vikash Kandoi	Executive (Executive Director)	5	Yes	-	-	-	1126
Shri D.P.Maheshwari	Executive (Managing Director)	5	Yes	2	-	-	41500

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

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

#### **Code of Conduct :**

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

### **3. AUDIT COMMITTEE**

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

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

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

Four Meetings of the Audit Committee were held in 2012-2013 on 30th May 2012; 25th July 2012, 5th November 2012, and 1st February 2013.

#### **Attendance record of the Audit Committee Meetings.**

<b>Name of Directors</b>	<b>No. of Meetings</b>
Shri S.S. Kothari (Chairman)	4
Shri S.K. Tapuriah (Member)	4
Shri D.P.Maheshwari (Member)	4

### **4. DIRECTORS' REMUNERATION COMMITTEE**

The Remuneration Committee comprises of three Non-Executive Directors and Shri R.K. Ganeriwala, President, CFO & 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/Executives and Managing Director of the Company and sitting fees and other expenses payable to the Directors for attending meeting of the Board/ or Committee thereof within the limits approved by the shareholders from time to time. The committee had met once in the year 2012-2013 on 30th May, 2012.

#### **Attendance record of the Directors' Remuneration Committee Meetings.**

<b>Name of Directors</b>	<b>No. of Meetings</b>
Shri B.M. Khaitan (Chairman)	1
Shri S.S. Kothari (Member)	1
Shri S.K. Tapuriah (Member)	1

## 5. REMUNERATION OF DIRECTORS

The details of sitting fees/commission paid to the Directors and salary and perks paid to the Executive Directors and Managing Director of the Company during the year 2012-2013 are given below :-

(₹in '000)

Name of Directors	Sitting Fees		Total	* Commission for the Financial Year 2011-2012 paid in Financial Year 2012-2013
	Board Meeting	Committee Meeting		
Shri B.K. Birla	80	-	80	250
Shri B.M. Khaitan	60	10	70	250
Shri G.P. Goenka	-	-	-	250
Shri S.S. Kothari	80	70	150	250
Shri S.K. Tapuriah	80	70	150	250
Shri Vikash Kandoi	-	-	-	250
	<b>300</b>	<b>150</b>	<b>450</b>	<b>1500</b>

	Salary	Value of perquisites	Retirement Benefits		Total
<b>Smt. Jayashree Mohta (Vice-Chairperson)</b>	8400	-	-		8400
Service Contract				5 years from 1st April, 2011	
Notice Period				3 months	
<b>Shri Vikash Kandoi (Executive Director)</b>	3000				3000
Service Contract				3 years from 1st April, 2012	
Notice Period				3 months	
<b>Shri D.P.Maheshwari (Managing Director)</b>	5400	2293	1458		9151
Service Contract				Re-appointment for 3 years from 27th June 2013.	
Notice Period				3 months	

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

Commission payable to the Non Executive Directors for the financial year 2012-2013 is ₹ 20 Lacs and is to be paid equally.

## 6. INVESTORS/SHAREHOLDERS GRIEVANCE COMMITTEE

The Investors/Shareholders Grievance Committee comprises of two Non-Executive Independent Director and Shri D.P.Maheshwari, Managing Director of the company, Shri R.K.Ganeriwala, President, CFO & Secretary is the Compliance Officer of the Company. The Company had received 44 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, 2013.

### POSITION OF THE SHAREHOLDERS' COMPLAINTS RECEIVED AND REDRESSED DURING THE FINANCIAL YEAR 2012-2013.

Types of Grievances	Total Complaints received during the year 2012-2013	Total redressed	No. of Complaints pending As on 31.03.2013
Non-receipt of Dividend Warrant	33	33	Nil
Non-receipt of ECS Intimation Letter	7	7	Nil
Non-receipt of Annual Report	4	4	Nil
Total	44	44	Nil

Two Meetings of the Investors/Shareholders Grievance Committee were held in 2012-2013 on 30th May 2012, and 1st February 2013.

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

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

## 7. GENERAL BODY MEETINGS

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

AGM	Year	Venue	Date	Time
Sixty Fourth	2009-2010	Kala Kunj 48, Shakespare Sarani Kolkata-700017	25th June, 2010	10.30 A.M.
Sixty Fifth	2010-2011	-do-	22nd Sept, 2011	10.30 A.M.
Sixty Sixth	2011-2012	-do-	25th July, 2012	10.30 A.M.

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

#### a) In the AGM on 25th July, 2012 :

Two Special Resolution were proposed and approved:

- Appointment of Shri Vikash Kandoi as whole-time Director designated as Executive Director for a period of three years w.e.f; 01.04.2012 and fixing his remuneration.
- Re-appointment of Shri D.P.Maheshwari as managing Director of the company for a period of three years w.e.f; 27.06.2013 to 26.06.2016 and fixing his remuneration.

**b) In the AGM on 22nd September, 2011:** No Special Resolution was transacted

**c) In the AGM on 25th June, 2010:** No Special Resolution was transacted.

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

iv) No Resolution was put through postal ballot during the year 2012-2013.



## 8. DISCLOSURES

- i) There were no materially significant transactions with related parties as defined in Accounting Standard 18, "Related Party Transactions" entered into by the Company that may have potential conflict with the interests of the Company at large. The Register of Contracts containing the transactions in which Directors are interested is regularly placed at the Board meetings. Attention of Members is drawn to the disclosures of transactions with the related parties set out in note no (P) of the Standalone Financial Statements, forming part of the Annual Report.
- ii) The Company has followed all Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 while preparing Financial Statements.
- iii) No money was raised by the Company through any public issue, right issue, preferential issue etc. in the last financial year.
- iv) There were no strictures or penalties imposed on the Company by Stock Exchanges or SEBI, or any statutory authority for non-compliance of any matter related to capital markets, during the last three years.
- v) There is no Whistle Blower mechanism in the Company.
- vi) The investor complaints are processed electronically on SCORES, and the resultant action is uploaded in Action Taken Report (ATRs) for as live viewing by investors of actions taken as the complaint and its current status.
- vii) 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 <a href="http://www.jayshreetea.com">www.jayshreetea.com</a>
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 (all India edition) Kalantar/ Ekdin ( Bengali - local edition )
Whether Management Discussion & Analysis Report is a part of Annual Report or not	Yes

## DECLARATION REGARDING CODE OF CONDUCT

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

The said "Code" has been circulated to the members of the Board and senior management personnel, who have confirmed compliance of the same for the year ended 31st March, 2013. The said "Code" is also posted on [www.jayshreetea.com](http://www.jayshreetea.com), the website of the Company. Based on the above, it is hereby declared that the Code has been complied with by all.

Kolkata,  
the 6th day of May, 2013

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

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

We have examined the compliance of Corporate Governance by **Jay Shree Tea & Industries Limited** for the year ended on 31st March, 2013 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 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 6th day of May, 2013.

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

## SHAREHOLDERS' INFORMATION

### 1. ANNUAL GENERAL MEETING

Date and time	: 29th July, 2013 at 10:30 A.M.
Venue	: Kala Kunj 48, Shakespeare Sarani Kolkata-700017

### 2. FINANCIAL CALENDER (Tentative)

Financial Reporting for the Quarter Ending :

June 30, 2013	: By 14th August, 2013
September 30, 2013	: By 14th November, 2013
December 31, 2013	: By 14th February, 2014

Audited Yearly Results for the

Year Ended 31st March, 2014 : By 30th May, 2014.

### 3. DATE OF BOOK CLOSURE

: 22nd July 2013 to 29th July, 2013  
(both days inclusive)

### 4. DIVIDEND PAYMENT DATE

: By 1st week of August, 2013  
(after declaration at AGM )

### 5. LISTING ON STOCK EXCHANGES

: CSE, BSE & NSE. The Company has paid  
listing fee for 2012-13

### 6. STOCK CODE

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

ISIN Number for NSDL & CDSL

INE364A01020

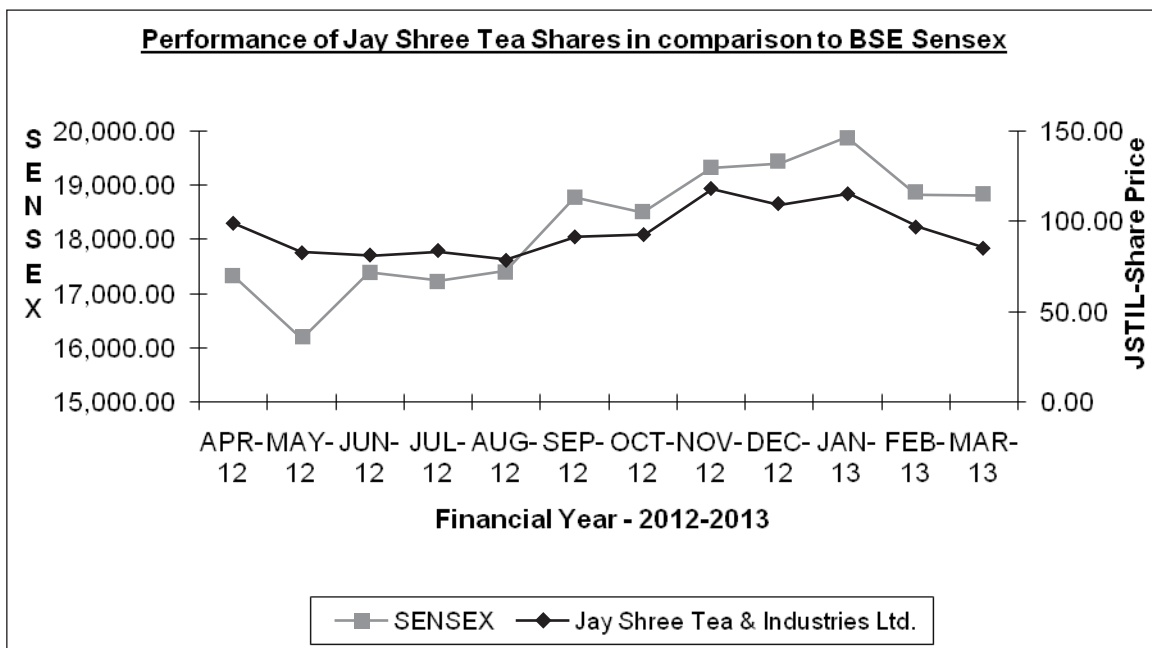
### 7. STOCK MARKET DATA

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

(In ₹ 5/- Per Share)

Month	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	High	Low	Close	High	Low	Close
April 2012	109.35	88.50	99.45	109.35	87.05	99.55
May 2012	100.50	82.20	83.55	100.60	82.10	83.75
June 2012	90.60	78.00	81.70	90.70	79.10	81.75
July 2012	96.50	82.00	83.85	96.50	81.20	83.85
Aug. 2012	88.35	78.00	79.00	87.90	77.75	78.45
Sept. 2012	94.70	78.00	91.80	95.00	78.50	91.80
Oct. 2012	96.90	88.00	93.00	97.00	88.20	93.10
Nov. 2012	123.90	92.90	118.90	123.80	93.00	118.70
Dec. 2012	119.00	108.00	110.15	120.40	109.00	110.60
Jan. 2013	128.00	110.80	116.05	128.00	109.15	116.85
Feb. 2013	120.00	96.50	97.65	119.00	96.90	97.40
March 2013	103.00	83.60	85.65	104.70	82.00	85.20

## 8. STOCK PERFORMANCE



## 9. REGISTRAR & TRANSFER AGENTS

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

## 10. SHARE TRANSFER SYSTEM

The shares received for transfer in physical mode, if in order in all respects are registered and returned within 2 weeks from the date of lodgment.

## 11. DISTRIBUTION OF SHAREHOLDING

The shareholding distribution of equity shares of face value of ₹5/- per share as on 31st March, 2013 is given below:

No. of Shares held	No. of Shareholder	% Shareholders	No. of Shares	% of Shareholdings
1 to 500	21337	88.88	2501271	8.66
501 to 1000	1288	5.36	1019689	3.53
1000 to 2000	686	2.86	1050771	3.64
2001 to 3000	221	0.92	561769	1.95
3001 to 4000	119	0.50	428464	1.48
4001 to 5000	96	0.40	441069	1.53
5001 to 10000	147	0.61	1046523	3.62
10001 & Above	113	0.47	21827932	75.59
	24007	100.00	28877488	100.00

**12. SHARE HOLDING PATTERN AS ON 31st MARCH, 2013**

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shares holding
Promoters & Promoters Group	16	0.07	15712709	54.41
Financial Institutions, Banks & Mutual Funds	32	0.13	661832	2.29
Foreign Institutional Investors	5	0.02	1568011	5.43
Private Body Corporates	762	3.17	2787560	9.66
NRI / OCB	412	1.72	405674	1.40
Individuals	22780	94.89	7741702	26.81
TOTAL	24007	100	28877488	100

**13. DEMATERIALISATION OF SHARES AND LIQUIDITY**

About 96.82% of the total equity share capital is held in demat form with NSDL & CDSL as on 31st March, 2013.

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

## REPORT OF THE DIRECTORS

For the year ended 31st March, 2013

Dear Shareholders,

We present the 67th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March 2013.

### Financial Results

	31st March 2013 [₹]	31st March 2012 [₹]
Gross Profit for the year	71,94,66,363	35,46,81,306
Add:		
i. Balance brought forward from previous year	59,49,51,185	54,96,35,272
ii. MAT credit entitlement (Net)	45,65,083	--
iii. Deferred Tax Assets	--	1,15,96,517
	<u>1,31,89,82,631</u>	<u>91,59,13,095</u>
Deduct:		
i. Gratuity	5,80,34,153	3,17,16,279
ii. Depreciation	13,10,10,973	14,98,33,026
iii. Provision for taxation		
Current Tax	9,60,00,000	3,85,00,000
Earlier year (Net)	4,06,507	(-) 4,05,246
iv. Deferred Tax Liabilities	3,79,05,501	--
v. MAT credit entitlement reversal (Net)	--	34,23,256
	<u>32,33,57,134</u>	<u>22,30,67,315</u>
Profit available for appropriation	<u>99,56,25,497</u>	<u>69,28,45,780</u>
We recommend that the above amount be dealt with as under:		
A) i) Proposed Dividend on Equity shares	8,69,67,032	6,52,25,274
ii) Tax (including surcharge & education cess) @ 16.9950% on proposed dividend (40% of Dividend amount)	59,12,019	42,32,468
B) Dividend Tax related to earlier years	--	(2,15,63,147)
C) Transfer to General Reserve	25,00,00,000	5,00,00,000
D) Balance carried forward to next year	65,27,46,446	59,49,51,185
	<u>99,56,25,497</u>	<u>69,28,45,780</u>

### Equity Dividend

The Board is pleased to recommend the distribution of dividend of ₹ 4/- on face value of ₹ 5/- each per share compared to ₹ 3/- each per share paid last year. The dividend tax including surcharge and education cess amounting to ₹ 59.12 lac shall be payable by the company on the said dividend.

### Review of Performance

Last year was a difficult year for the nation. India's economic growth rate continued its downward journey to a nine year low of 6.5% for 2011-12. The impact of global crisis, high inflations and interest rates and a slowdown in investment and industrial growth was felt everywhere.

The tea industry started the year with a positive note. There was robust demand for quality teas with improved realization. However, the production was down in India as well as all major tea producing countries. The company's policy initiatives to concentrate on quality paid rich dividend. In order to make best quality teas, it sacrificed its own crop in Assam and Dooars and did not venture out for outsourced leaf in big way, to maintain its quality standards. The following factors contributed effectively for the improved working of the company:

- There was marked improvement in quality and the market sentiment for tea was positive.
- Higher price realization per unit compensated more than the loss of production.
- The performance of Sugar unit was better with improved realization and effective working capital management.

The negative factors were:

- Higher inflation and interest rates with volatile rupee/dollar exchange rate.
- Substantial reduction in crop of Upper Assam and Dooars
- Burden of forex volatility on cost of import of raw materials for the fertiliser unit at Khardah.

### Tea Estates

As per the new methodology adopted by Tea Board of India, for calculating figures of production, all India crop was 1112 mn. Kg. during the year 2012 as against 1116 mn.kg. in previous year. Drought in the Assam valley and unfavourable weather in Dooars resulted in crop loss in that region. Cachar experienced favourable growing conditions and production was ahead than last year.

Your company laid emphasis on improving quality standards to command premium in the market. It sacrificed its crop and produced 206.60 lac kg. during 2012-13 against 237.60 lac kg. in 2011-12. The own crop was down by 9.9%, i.e. 171.47 lac kg. against 190.34 lac kg. last year. The bought leaf production was reduced by 12.1% from 47.26 lac kg. to 35.16 lac kg. for improving quality of all tea estates.

The lack of carry forward stock at the start of the season in North India resulted in strong opening levels for CTC. Production shortfall during the year ensured strong demand throughout the season. Quality teas in North India recorded maximum gains. Medium categories also recorded gains following strong internal enquiry. Plainer categories met with export and internal enquiry and recorded sharp increases.

The overall price realization of your company was higher by ₹ 41/- per kg., with Darjeeling up by ₹ 101/- per kg. Assam up by ₹ 58/- per kg., Cachar and Dooars by ₹ 31/- per kg. and South India by ₹ 18/- per kg.

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

### The Jay Shree Chemicals & Fertilisers, Khardah

Under Nutrient based subsidy policy, the Government of India reduced subsidy on P&K fertilisers. The subsidy on SSP was lowered from ₹ 5559/- per MT last year to ₹ 3673/- per MT in the current year. With volatility in rupee/dollar exchange rate, the cost of raw materials went up which was difficult to be absorbed in the market. Both these factors had a major impact on sale of all phosphatic fertilisers in the country and affected the unit adversely.

The figures of production and despatches are as under :

	Production (M.T.)		Despatch (M.T.)	
	2012-13	2011-12	2012-13	2011-12
Single Super Phosphate	<b>62959</b>	82994	<b>58342</b>	93539
Sulphuric Acid	<b>46705</b>	48500	<b>31976 *</b>	23140 *
(* <b>15564</b> [Previous year 24077] Captive Consumption)				

### The Jay Shree Chemicals & Fertilisers, Gurgaon

During the year production and sale of Sulphuric Acid and Oleum was marginally lower. With the reduction in raw material prices, there was improvement in the profitability for the year.

The figures of production and despatches are as under:

The figures of production and despatches are as under :

	Production (M.T.)		Despatch (M.T.)	
	2012-13	2011-12	2012-13	2011-12
Sulphuric Acid	<b>26238</b>	27498	<b>25974</b>	28366
Oleum	<b>3042</b>	3226	<b>3015</b>	3289

### Sugar

The long standing demand of sugar industry for decontrol has been accepted by the Central Government partially as per the recommendation of the Committee under the Chairmanship of Dr. C. Rangarajan, Advisor to the Prime Minister of India. The burden to supply 10% of sugar at a discounted price has been discontinued w.e.f. 1st October, 2012. The regulated release mechanism has been abolished. These measures augur well in the long term interest of the industry. The abolition of levy sugar will reduce the cost burden and withdrawal of market release mechanism would enhance mill flexibility and help raise cash to address cane arrears, loan repayment and reduce interest costs. However, the market may pass through turbulent situation initially and may take some time to adjust to the free environment. The control on the sugarcane side i.e. pricing and area reservations etc. has been left to be decided by the respective state governments. Cane costs account for 70% of sugar and its by-product production costs. Therefore, the state government should rise to the occasion and should link the price payable to cane growers on actual sugar realization making this stable and independent of government control.

During the year, your company produced 42460 tonnes of White Sugar compared to 41688 tonnes in 2011-12. The sugarcane crushed was 491678 tonnes compared to 448414 tonnes last year. The recovery this year was 8.64% as compared to 9.30% last year due to root borer in sugarcane in the state of Bihar and continuous dense fog during most of the winter months.

Your company has achieved significant success in cane development in the area and we expect the crop to go up by at least 10% in the coming season with much better varietal pattern. Your company has good relations with the farmers and our agriculture teams ensure supply of good quality seeds to them which will ensure better varietal pattern in the future.



## Export of Tea

A payment settlement system has been put in place for exports to Iran, which has paved the way for increased exports to this vital destination.

All India net export was at 201 million kg. as against 220 million kg. last year. There is strong demand from Russia, UK and UAE. Your company now exports teas to 29 countries in the world and exported tea worth ₹ 94.43 crore as against ₹ 77.38 crore last year.

## Subsidiary Companies and consolidated financial statements

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

Birla Holdings Ltd. (BHL), as a wholly owned subsidiary of the company in Dubai (UAE), Kijura Tea Co. Ltd. and Bondo Tea Estates Ltd., Uganda are subsidiaries of BHL. Kijura Tea Estate owned by these companies manufactured 14.93 lac kg. of made tea against 14.10 lac kg. last full year. The average sale price realized was \$ 1.80 per kg. against last year US \$ 1.54 per kg. During the year the company recorded operating profit of US \$ 375 thousand (INR 203.44 lac) on sales turnover of US\$ 2.58 mn. (INR 1403.72 lac) as against last year profit of US\$ 290 thousand on sales turnover of US\$ 2.19 mn. (INR 1113.31 lac).

Tea Group Investment Co. Ltd. (TGIC), Dubai, a joint venture company with Rwanda Mountain Tea SARL, Rwanda, in East Africa owning 60% stake in Mata Tea Co. Ltd., & Gisakura Tea Co. Ltd. manufactured 37.44 lac kg. of tea during 2012 and the average realization was US \$ 2.88 per kg. for Mata and US \$ 2.42 per kg. for Gisakura.

Mata Tea Co. Ltd. declared dividend of 60% of its retained profit and Gisakura Tea Co. Ltd. declared dividend of 40% of its retained profit for the year 2012.

## 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.

The declaration by the Managing Director stating that all the Board members and Senior Management personnel have affirmed their compliance with the Company's Code of Conduct for the year ended 31st March 2013 is forming part in this Annual Report.

## Corporate Social Responsibility

The Companies Bill 2012 as passed by the Lok Sabha provides for specific provisions for spending on corporate social responsibility. It stipulates expenditure of 2% of the average profit of past three years on CSR activities. The Bill further requires the Board to give a note on such activities in its reports and in the event of shortfall, reasons therefor. "BIRLA GROUP" is well known for its contribution to the society in the sphere of education, art and culture, sports activities since several decades.

Following the same, your company has carried out in its social responsibility in the following ways:

- Setting up of an English medium high school at Guwahati, Assam with world class infrastructure.
- Providing assistance for setting up schools in adjoining areas of its operation.
- Assistance to self help centres for vocational training programmes.

- Setting up of fully equipped hospitals with experienced doctors providing specialized medical treatment in its tea estates to provide benefit to the people of local area.
- Holding of medical camps for sterilization, child immunization etc. in the rural areas.
- To create pollution free environment in its areas of operation.
- Afforestation/vegetation on non-tea areas.
- Setting up and maintenance of the places of worships by the members of all communities.
- Financial assistances to sports club.
- Providing computer education via special classes to workers children in estates at primary and middle school level.

## **Prospects**

The 2013 season augurs well for tea prices both Orthodox and CTC with better quality teas likely to fetch further premium. Negative carry forward of old season stock into the new season will ensure strong markets. The quality initiatives taken by the company has resulted in best quality Assam and Darjeeling teas being made available, which has been appreciated by the market as is evident from the price realization.

In fertilisers the market is likely to stabilize at the price levels of SSP after reduction in subsidy. It is abundantly clear that the government is not going to increase any subsidy in near future. The company has taken steps to improve volumes with reduction in cost. This should improve the working of the unit.

Thus barring unforeseen circumstances, the company is expected to strengthen its profitability in coming years.

## **Directors' Responsibility Statement**

Your Directors would like to inform members that the audited accounts containing the financial statements for the year 2012-13 are in conformity with the requirements of the Companies Act and they believe that the financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operations. The Statutory Auditors, M/s. Singhi & Co., Chartered Accountants, Kolkata have audited these financial statements.

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

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

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

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

## **Business Responsibility Report (BR)**

In terms of new clause 55 of the Listing Agreement, listed entities shall submit as part of their Annual Reports, Business Responsibility Reports, describing the initiatives taken by them from an environmental, social and Governance perspective. Accordingly, BR Report on environment, human resources and principle wise performance form part of the management discussion and analysis report.

### Appreciation

The Board wishes to place on record its sincere appreciation of the efforts put in by your company's workers, staff and executives for achieving good results under difficult conditions.

### Particulars of employees

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

### Deposits

None of the deposits, which were due for payment, remained unpaid as on 31.3.2013. In view of the high rate of interest the company and management has discontinued its scheme for acceptance of fixed deposits.

### Disclosure of particulars with regard to conservation of energy etc.

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

### Cost Audit

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

### Insurance

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

### Directors

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

### Auditor's Report & Accounts

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

Regarding auditors emphasis in their report, it is clarified that the carry forward of MAT credit entitlement for ₹ 45.65 lac (net) and deferred tax assets of ₹ 112.78 lac (net) recognised during the year is based on the estimate of future taxable income of the company which is to be realised based on profit available in future years. Further, non-provision of diminution in value of investment, advances and security deposits given to a subsidiary is because of the reason that the investment is of long term and strategic in nature.

### Auditors

Messrs Salarpuria Jajodia & Co. Chartered Accountants, Branch Auditors, retire at the forthcoming annual general meeting and have expressed their unwillingness to act as such from the year 2013-14. Messrs Singhi & Co., Chartered Accountants, Auditors of the Company retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment for company as a whole for the year 2013-14 which we recommend.

Kolkata

Dated, the 6th May, 2013

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, 2013 .**

### Conservation of Energy :

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

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

### Form – A

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

#### (A) Power and Fuel Consumption

	Tea		Chemicals & Fertilisers		Sugar	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>1. Electricity</b>						
a) Purchased						
Units(KWH)	<b>16932270</b>	18924325	<b>2953030</b>	3882734	—	—
Total Amount(in ₹)	<b>132383897</b>	128465357	<b>23416407</b>	24987627	—	—
Rate/Unit (in ₹)	<b>7.82</b>	6.79	<b>7.93</b>	6.44	—	—
b) Own Generation						
i) Through diesel generator						
Units(KWH)	<b>4157260</b>	4072217	<b>105370</b>	133002	<b>815268</b>	846296
Unit per Ltr.diesel	<b>3.06</b>	3.03	<b>1.97</b>	2.49	<b>3.29</b>	3.34
Cost/Unit(in ₹)	<b>14.86</b>	13.65	<b>20.43</b>	16.19	<b>15.36</b>	13.45
ii) Through steam turbine/generator						
Unit(KWH)	<b>511969</b>	350367	<b>4504548</b>	4161342	<b>9435994</b>	11004916
Unit per Ltr. Oil/Gas	—	—	—	—	—	—
Cost/Unit(in ₹)	—	—	—	—	—	—
<b>2. Coal (specify quality and where used)</b>						
Quantity(MT)	<b>14397</b>	17588	—	—	—	—
Total cost (in ₹)	<b>93134705</b>	89109072	—	—	—	—
Average rate (in ₹)	<b>6469</b>	5067	—	—	—	—
Quality – Dust, Khasi, B.Grade, Margherita, Leco & Agni, used in Tea Drying Machines.						

	Tea		Chemicals & Fertilisers		Sugar	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
3. Furnace Oil						
Quantity (K.Ltrs.)	271	47	—	—	—	—
Total Amount(in ₹)	2252693	1411543	—	—	—	—
Average Rate (in ₹)	8311	30077	—	—	—	—
4. Other/ Internal Generation						
a) Gas						
Quantity (SCM)	3023094	3089701	—	—	—	—
Total Cost(in ₹)	31079886	26602426	—	—	—	—
Rate/Unit (in ₹)	10.28	8.61	—	—	—	—
b) Firewood						
Quantity(MT)	819	196	—	—	—	3
Total cost(in ₹)	1726778	422812	—	—	—	14911
Rate/Unit(in ₹)	2108	2157	—	—	—	5124
c) Bagasse						
Quantity(MT)	—	—	—	—	53	67
Total cost(in ₹)	—	—	—	—	58552	73538
Rate/Unit(in ₹)	—	—	—	—	1100	1100

**(B) Consumption per unit of production**

	Standards (if any)	Current Year	Previous Year
<b>i) For Black Tea(per Kg.)</b>	<b>There is no Prescribed Standard</b>		
Electricity(in KWH)		1.02	0.97
Furnace Oil(in Ltr.)		0.013	0.002
Coal (Quality as above (in kg.))		0.70	0.74
Others: Gas (SCM)		0.15	0.13
Firewood(kg.)		0.39	0.09
<b>ii) For Superphosphate (per MT)</b>			
Electricity (in KWH)		22	22
<b>iii) For Sulphuric Acid (per MT)</b>			
Electricity (in KWH)		56	56
<b>iv) For White Sugar (per MT)</b>			
Electricity(in KWH)		1.92	2.03
Firewood(kg.)		-	0.01
Bagasses(kg.)		0.13	0.16

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

## Form-B

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

### Research and Development (R & D)

1. Specific Area in which R&D carried out by the Company  
Comprehensive R & D programme continues to provide strong scientific support to all the tea estates. Clonal trials, tea processing methods, development of high yielding quality plants, mechanised plucking of green leaves and pruning of tea bushes and mechanisation of factory practices are the thrust areas of research affecting productivity as well as quality.
2. Benefits derived as a result of the above R & D
  - a) Improving yields and productivity
  - b) Pruning cycle optimised.
3. Future plan of action
  - a) Trials especially concerning nutrients are long term and hence will continue.
  - b) Better agronomy practices to be developed for field particularly where the yield is low and optimise manufacturing methods for improvement in quality.
  - c) Your company is complying with the stringent requirements of minimum residual limits for chemicals in teas and producing teas in conformity with the requirements of rising Consumer safety requirement norms.
4. Expenditure on R & D  
The aforesaid activities are being carried out as part of the Company's normal business activities. Hence, no separate expenditure figures are available. In addition, the Company contributes for the activities of Tea Research Association and United Planters Association of Southern India's Scientific Development regularly
  - a) Capital  
NIL (Previous year NIL)
  - b) Recurring  
₹ 26,04,592/- ( Previous year ₹ 25,59,156/-) being amount paid to TRA and UPASI as above.
  - c) Total R & D Expenditure as a percentage of total turnover  
0.04% (Previous year 0.04%)

### Technology absorption, adaptation and innovation :

1. Efforts in brief, made towards technology absorption, adaptation and innovation  
Managerial staff are encouraged to attend seminars and training programmes for agricultural practices in the field and manufacturing process in the factories.
2. Benefit derived as a result of the above e.g. product, improvement, cost reduction.  
Product development, import substitution etc.  
Increase in productivity and cost reductions were achieved in some tea estates.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished :

None

a) Technology imported

b) Year of import

c) Has technology been fully absorbed?

d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.

4. Foreign exchange earnings and outgoings :

The Company used and earned the foreign exchange as under:

Total Foreign Exchange used ₹ 43,91,85,648/-

Total Foreign Exchange earned ₹ 93,82,95,495/-

Kolkata

Dated, the 6th May, 2013.

For and on behalf of the Board

**B.K. Birla**  
(Chairman)

**INFORMATION RELATED TO THE SUBSIDIARY COMPANIES  
CONSOLIDATED FOR THE YEAR ENDED 31ST MARCH, 2013.**

(₹ In lacs)

<b>Name of the subsidiary</b>	<b>North Tukvar Tea Co.Ltd.</b>	<b>Parvati Tea Co. Ltd.</b>	<b>Birla Holdings Ltd.</b>
Capital	240.38	129.50	1.51
Reserve	(286.90)	6248.99	783.02
Total Assets	260.68	6641.42	6969.42
Total Liabilities	307.20	262.93	6184.89
Details of Investment (except in case of investment in subsidiaries)	-	6304.59	-
Revenue from Operations	197.31	213.36	2025.62
Profit/(Loss) before taxation	(2.28)	54.80	140.99
Provision for taxation	-	7.85	(2.44)
Profit/(Loss) after taxation	(2.28)	46.95	143.43
Proposed Dividend	-	-	-

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

<b>1. Name of Subsidiary Company</b>	<b>North Tukvar Tea Co.Ltd.</b>	<b>Parvati Tea Co.Ltd.</b>	<b>Birla Holdings Ltd.</b>
<b>2. The financial year of the Subsidiary Company Ended on</b>	<b>31.03.2013</b>	<b>31.03.2013</b>	<b>31.03.2013</b>
<b>3. a) No.of Equity Shares held by Jay Shree Tea &amp; Industries Limited and its nominees in the Subsidiary on 31st March, 2013.</b>	<b>2175450 Equity Shares of ₹ 10/- each</b>	<b>995000 Equity Shares of ₹ 10/-each</b>	<b>10000 Shares of AED 1 each</b>
<b>b) Extent of interest of Jay Shree Tea &amp; Industries Ltd. in the Capital of the Subsidiary</b>	<b>90.50%</b>	<b>100%</b>	<b>100%</b>
<b>4. Net aggregate amount of Profits/(Losses) of the Subsidiary so far as it concerns the members of Jay Shree Tea &amp; Industries Ltd. and is not dealt with in the Company's Accounts</b>			
a) Profit/(Loss) for the financial year ended on 31st March, 2013 of the Subsidiary	( 2.28 )	46.95	143.43
b) Profits/(Losses) (after tax) for the previous financial years of the Subsidiary of Jay Shree Tea & Industries Ltd.	( 211.22 )	( 248.57 )	440.88
<b>5. Net aggregate amount of Profits/(Losses) of the Subsidiary so far as dealt with or provision is made for those Profits/(Losses) in Jay Shree Tea &amp; Industries Ltd.'s Accounts :</b>			
a) For the Subsidiary's Financial year ended on 31st March, 2013.	Nil	Nil	Nil
b) For its previous financial years since it became the Subsidiary of Jay Shree Tea & Industries Ltd.	Nil	Nil	Nil

For and on behalf of Board of Directors

**R.K.GANERIWALA**  
(President, CFO & Secretary)

**D.P.MAHESHWARI**  
(Managing Director)

**B.K.BIRLA**  
(Chairman)



FINANCIAL HIGHLIGHTS FOR FIVE YEARS

(₹ in lacs)

	2012-13	2011-12	2010-11	2009-10	2008-09
<b>A Assets Owned by the Company</b>					
1) Fixed Assets :					
Gross Block	41807.04	40513.81	38214.20	25728.66	24408.66 *
(Incl.Capital Work in Progress)					
Less:Accumulated Depreciation /Amortisation	12158.50	11140.37	9884.54	9014.76	8445.67
Net Block	29648.54	29373.44	28329.66	16713.90	15962.99
2) Non-Current & Current Investments	24278.45	21929.59	20453.82	8484.60	10070.63
3) Non-Current & Current Assets	47521.08	44131.47	42955.27	33472.27	15749.11
<b>Total Assets</b>	<b>101448.07</b>	<b>95434.50</b>	<b>91738.75</b>	<b>58670.77</b>	<b>41782.73</b>
<b>B Dues to be paid by the Company</b>					
1) Long Term & Short Borrowings	42450.07	42327.46	43972.41	25964.41	15203.87
2) Long & Short Term liabilities & provision	18550.67	15835.53	11101.81	9894.15	9345.68
3) Deferred Tax Liability	1312.49	933.44	1049.40	1027.50	874.39
<b>Total Liabilities</b>	<b>62313.23</b>	<b>59096.43</b>	<b>56123.62</b>	<b>36886.06</b>	<b>25423.94</b>
<b>C Company's Net Worth</b>	<b>39134.84</b>	<b>36338.07</b>	<b>35615.13</b>	<b>21784.71</b>	<b>16358.79</b>
<b>D Equity Shareholders' Fund</b>					
Represented By:					
1) Share Capital	1443.87	1443.87	1117.43	1117.43	1067.93
2) Share Suspense	-	-	326.44	-	49.50
3) Reserves & Surplus	37690.97	34894.20	34171.26	20667.28	15241.36*
	39134.84	36338.07	35615.13	21784.71	16358.79
Net Worth per Equity Share of ₹ 5/- each (in ₹)	135.52	125.84	123.33	97.48	73.20
Dividend per Equity Share of ₹ 5/- each (in ₹)	4.00	3.00	3.00	3.00	1.50

\* After write back of Revaluation Reserve

Figures for Previous years have been regrouped/rearranged

## FINANCIAL HIGHLIGHTS FOR FIVE YEARS

(₹ in lacs)

	2012-13	2011-12	2010-11	2009-10	2008-09
<b>A INCOME:</b>					
1 Revenue from Operation (Net)	66947.34	61695.12	48843.95	40412.34	41230.30
2 Other Income	1481.06	1034.29	700.78	1313.96	(1497.61)
<b>TOTAL INCOME :</b>	<b>68428.40</b>	<b>62729.41</b>	<b>49544.73</b>	<b>41726.30</b>	<b>39732.69</b>
<b>B EXPENDITURE :</b>					
1 Increase/Decrease in stock	(3804.39)	(1722.31)	(7565.41)	(2560.56)	(1601.93)
2 Purchases	7865.60	8011.80	4973.69	8079.44	5265.36
3 Raw Materials Consumed	22549.27	20612.25	18588.59	6490.50	13598.80
4 Employees Cost	16278.48	14634.03	12417.41	10944.32	9600.31
5 Consumption of Stores & Spare Parts	3816.75	3594.72	3389.94	2596.99	2231.21
6 Power & Fuel	3680.29	3526.13	3199.69	2708.64	2443.40
7 Manufacturing & Other Miscellaneous Exp.	5785.47	4964.59	3917.74	3019.63	2682.62
8 Selling & Distribution Expenses	3132.78	3552.09	2691.13	2241.31	2032.62
9 Depreciation/Amortisation	1310.11	1497.18	1152.07	780.68	676.16
10 Interest ( Net)	2509.83	2327.61	1612.13	556.01	1026.74
<b>TOTAL EXPENDITURE</b>	<b>63124.19</b>	<b>60998.09</b>	<b>44376.98</b>	<b>34856.96</b>	<b>37955.29</b>
<b>Profit before Taxation</b>	<b>5304.21</b>	<b>1731.32</b>	<b>5167.75</b>	<b>6869.34</b>	<b>1777.40</b>
Provision for Taxation-Current Tax	960.00	385.00	940.00	900.00	10.00
MAT Credit Entitlement (Net)	(45.65)	34.23	(350.12)	(354.11)	-
Tax Adjustment for earlier years	4.07	(4.05)	-	-	-
Provision for Taxation-Deferred Tax	379.05	(115.96)	(52.91)	153.10	379.05
<b>Profit after Taxation</b>	<b>4006.74</b>	<b>1432.10</b>	<b>4630.78</b>	<b>6170.35</b>	<b>1388.35</b>
Balance B/F from previous year	5949.52	5496.36	4623.64	2197.72	2058.16
<b>Balance available for appropriation</b>	<b>9956.26</b>	<b>6928.46</b>	<b>9254.42</b>	<b>8368.07</b>	<b>3446.51</b>
<b>C APPROPRIATION :</b>					
1 General Reserve	2500.00	500.00	3000.00	3000.00	1000.00
2 Proposed Equity Dividend	869.67	652.25	652.25	652.25	335.23
3 Tax on Dividend(incl.surcharge on dividend)	59.12	42.32	105.81	108.34	56.97
4 Dividend Tax related to earlier years	-	(215.63)	-	-	(143.70)
5 Dividend (in respect of Amalgamated Company for Previous Year)	-	-	-	-	0.29
6 Dividend waived by Beneficiary Trust	-	-	-	(13.81)	-
7 Dividend Tax on dividend waived by Beneficiary Trust	-	-	-	(2.35)	-
8 Balance carried to Balance Sheet	6527.47	5949.52	5496.36	4623.64	2197.72
	<b>9956.26</b>	<b>6928.46</b>	<b>9254.42</b>	<b>8368.07</b>	<b>3446.51</b>

Figures for Previous years have been regrouped/rearranged

**Independent Auditors' Report**

To the Members of Jay Shree Tea & Industries Limited

**Report on the Financial Statements**

We have audited the accompanying financial statements of JAY SHREE TEA & INDUSTRIES LTD ('the Company'), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date, and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Emphasis of Matter

1. Refer note no. 2.28.E.iii & 2.28.E.iv regarding recognition and carry forward of minimum alternate tax (MAT) credit entitlement of ₹ 418.43 lacs (including ₹ 45.65 lacs (net) further recognised during the year) and deferred tax assets (DTA) of ₹ 340.11 Lacs (including ₹ 112.78 lacs (net) further recognised during the year) on carry forward capital loss up to 31st March 2013 based on the future taxable income projected by the Company.
2. Refer note no. 2.28.I.ii regarding non-provision for diminution in value of investment of a Subsidiary Company amounting to ₹ 356.20 lacs and non-provision for advances and security deposits given to such subsidiary amounting to ₹ 266.44 lacs.

Our opinion is not qualified in respect of above matters.

## Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - 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. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - IV. In our opinion, the Balance sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - V. On the basis of written representations received from the directors as on 31st March 2013, and taken on record by the board of directors, we report that none of the directors are disqualified as on 31st March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

## Other Matter

We have incorporated the financial position as at 31st March 2013 and financial performance for the year then ended of Sungma Tea Estate, North Tukvar 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 and our opinion is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of other matter.

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

**PRADEEP KUMAR SINGHI**  
Partner  
(Membership No.50773)

1-B, Old Post Office Street  
Kolkata, the 6th day of May, 2013

**The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Jay Shree Tea & Industries Limited on the financial statements of the company for the year ended 31st March, 2013.**

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the management which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The Company has not disposed off substantial part of fixed assets during the year.
- (ii) In respect of its inventories:
  - (a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has granted unsecured loans /advances to 2 (two) Subsidiary Companies and 1 (one) step down subsidiary Company amounting to ₹ 278.47 lacs (balance at the year-end)(maximum amount outstanding during the year was ₹ 2527.76 lacs) which is repayable on demand. The terms and conditions of the loans/advances are prima-facie not prejudicial to the interest of the Company.
- (b) Since there is no overdue amount of principal and interest, hence clause 4 (iii) (d) of this Order is not applicable.
- (c) The company has taken unsecured loans from one subsidiary company amounting to ₹ 83.43 lacs (balance at the year end) (maximum amount outstanding during the year was ₹ 83.43 lacs) which is repayable on demand. The terms and conditions of the loans are prima-facie not prejudicial to the interest of the company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
- (v) In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956:
  - (a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register have been so entered.
  - (b) According to the information and explanations given to us, certain transactions for purchase and sale of goods and materials with the subsidiary Companies for which alternate quotations were not available, have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.

- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A, 58AA or any other relevant provisions of the Act, and the rules framed there under and the directives issued by the Company Law Board, National Company Law Tribunal or the Reserve Bank of India, or any Court or any other Tribunal where applicable, with regard to the deposits accepted from the public.
- (vii) In our opinion, the internal audit functions carried out during the year by firms of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- (viii) We have broadly reviewed the books of account and records maintained by the Company relating to plantation and the manufacture of Sulphuric Acid & Sugar pursuant to the order made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.
- (ix) According to the information and explanations given to us in respect of statutory and other dues:
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income tax, Sales tax, Wealth tax, Service tax and other material statutory dues have generally regularly been deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Income tax, Sales tax, Wealth tax and other material statutory dues for a period of more than six months from the date they become payable.

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

Statute	Nature of dues	Forum where dispute is pending	Amount involved (in lacs)	Period to which relates
Income Tax Act	Income Tax	Commissioner of Income Tax (Appeals)	569.43	Assessment Year 2007-08 to 2010-11
W.B. Sales Tax Act	Sales Tax	First Appellate Authorities / Revisional Board.	135.72	1996-97, 1997-98, 1999-00, 2001-02, 2005-06, 2006-07, 2007-08, 2008-09 & 2009-10.
W. B. Sales Tax Act	Sales Tax	W.B. Taxation Tribunal	20.30	2003-04

- (x) The Company does not have accumulated losses as at the end of the year and the Company has not incurred cash losses during the current and the immediately preceding financial year.
- (xi) Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks.
- (xii) According to the information and explanations given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the nature of activities of the company is such that the provisions of any special statute including chit fund/nidhi/mutual benefit fund/societies are not applicable to it.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities. The Company has invested surplus funds in marketable securities and mutual funds. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts relating to purchase of investments and timely entries have been made therein. All the investments have been held by the Company in its own name.

- (xv) According to the information and explanations given to us, the Company has given corporate guarantee to banks amounting to ₹ 6301.12 lacs and pledged its own investment amounting to ₹ 2700.00 lacs for banking facilities taken by a wholly owned subsidiary Company and a step-down subsidiary Company from the banks and being subsidiaries the terms & conditions whereof are prima facie not prejudicial to the interest of the Company.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained.
- (xvii) According to the information and explanations given to us, on an overall basis, no funds raised on short-term basis been used during the year for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956, during the year and hence the question of whether the price at which shares have been issued is prejudicial to the interest of the Company does not arise.
- (xix) The Company did not have any outstanding debenture during the year.
- (xx) The Company has not raised monies by public issue during the year and hence the question of disclosure and verification of end use of such monies does not arise.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

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

**PRADEEP KUMAR SINGHI**  
Partner  
(Membership No.50773)

1-B, Old Post Office Street  
Kolkata, the 6th day of May, 2013

# BALANCE SHEET AS AT 31ST MARCH, 2013

(₹ in lacs)  
As at  
31.03.2012

	Note No.		As at 31.03.2013	
<b>EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS' FUNDS</b>				
Share Capital	2.1	1443.87	1443.87	
Reserves and Surplus	2.2	37690.97	34894.20	
			39134.84	36338.07
<b>NON-CURRENT LIABILITIES</b>				
Long-Term Borrowings	2.3	7272.89	10952.35	
Deferred Tax Liabilities (Net)	2.4	1312.49	933.44	
Other Long-Term Liabilities	2.5	133.00	99.85	
Long-Term Provisions	2.6	360.54	390.79	
			9078.92	12376.43
<b>CURRENT LIABILITIES</b>				
Short-Term Borrowings	2.7	27537.04	27338.65	
Trade Payables	2.8	12142.90	9963.11	
Other Current Liabilities	2.9	10100.59	6682.82	
Short-Term Provisions	2.6	3453.78	2735.42	
			53234.31	46720.00
<b>TOTAL</b>			<b>101448.07</b>	<b>95434.50</b>
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Fixed Assets				
Tangible Assets	2.10	29405.97	28729.68	
Capital Work-In-Progress	2.10	242.57	643.76	29373.44
			29648.54	
Non-Current Investments	2.11	22483.61	20918.03	
Long-Term Loans and Advances	2.12	1358.91	1469.02	
Other Non-Current Assets	2.13	8.30	4.10	
			23850.82	22391.15
<b>CURRENT ASSETS</b>				
Current Investments	2.14	1794.84	1011.56	
Inventories	2.15	24788.02	21344.50	
Trade Receivables	2.16	8086.04	7171.39	
Cash and Bank Balances	2.17	6339.60	1113.65	
Short-Term Loans and Advances	2.12	4689.57	10933.94	
Other Current Assets	2.13	2250.64	2094.87	
			47948.71	43669.91
<b>TOTAL</b>			<b>101448.07</b>	<b>95434.50</b>
Significant Accounting Policies	1			
The Notes are an integral part of the Financial Statements				

## As per our report of even date annexed

For SINGHI & CO.

Chartered Accountants

Firm Registration No.302049E

**PRADEEP KUMAR SINGHI**

Partner

(Membership No.50773)

1-B, Old Post Office Street

Kolkata, the 6th day of May, 2013

**R.K.GANERIWALA**  
(President, CFO & Secretary)

For and on behalf of Board of Directors

**D.P.MAHESHWARI**  
(Managing Director)

**B.K.BIRLA**  
(Chairman)



# STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in lacs)

INCOME	Note No.	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Revenue from Operations (Gross)	2.18	68052.83	62647.68
Less: Excise duty		1105.49	952.56
Revenue from Operations (Net)		66947.34	61695.12
Other Income	2.19	2792.53	2661.87
Total Revenue		69739.87	64356.99
<b>EXPENSES</b>			
Cost of Materials Consumed	2.20	22549.27	20612.25
Purchases of Traded Goods	2.21	7865.60	8011.80
(Increase)/ Decrease in Inventories of Finished Goods,	2.22	(3804.39)	(1722.31)
Work-in-Progress and Traded Goods			
Employee Benefits Expense	2.23	16278.48	14634.03
Finance Costs	2.24	3821.30	3955.19
Other Expenses	2.25	16415.29	15637.53
		63125.55	61128.49
<b>Profit before Tax, Depreciation and Amortization</b>		6614.32	3228.50
Depreciation and Amortization Expense	2.26	1310.11	1497.18
<b>Profit before Tax</b>		5304.21	1731.32
<b>Tax Expense:</b>	2.27		
Current Tax		918.42	415.18
Deferred Tax		379.05	(115.96)
<b>Profit for the year</b>		4006.74	1432.10
<b>Basic &amp; Dilutive Earnings Per Share (₹) [nominal value ₹ 5 /-]</b>		13.87	4.96
(Refer Note . 2.28.S)			

Significant Accounting Policies 1

The Notes are an integral part of the Financial Statements

## As per our report of even date annexed

For SINGHI & CO.

Chartered Accountants

Firm Registration No.302049E

## PRADEEP KUMAR SINGHI

Partner

(Membership No.50773)

1-B, Old Post Office Street

Kolkata, the 6th day of May, 2013

## R.K.GANERIWALA

(President, CFO & Secretary)

For and on behalf of Board of Directors

## D.P.MAHESHWARI

(Managing Director)

## B.K.BIRLA

(Chairman)

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2013

(₹ in lacs)

Particulars	2012-13	2011-12	
<b>A. Cash flow from operating activities :</b>			
Net Profit before tax and extraordinary items	5304.21	1731.32	
<b>Adjustments for -</b>			
Depreciation/Amortisation	1310.54	1498.33	
Dividend income	(153.23)	(196.57)	
Finance Cost	3821.30	3955.19	
Interest Income	(1311.47)	(1627.58)	
(Profit) / loss on sale / discard of fixed assets (net)	(357.50)	(15.19)	
Unclaimed balances written back	(249.33)	(203.93)	
Excess / Short Provision related to earlier year	(5.47)	(2.68)	
Advances & claims written off (net)	1.28	13.64	
(Profit) / loss on sale of Investment (net)	(229.61)	(151.34)	
Exchange difference (net)	995.84	483.98	
<b>Operating profit before working capital changes</b>	<b>9126.56</b>	<b>5485.17</b>	
<b>Adjustments for -</b>			
Trade Receivables and Loans & Advances	(1022.25)	579.57	
Inventories	(3443.51)	(2700.70)	
Trade payables, Other liabilities & Provisions	2528.25	5102.70	
<b>Cash generated from / (used in) operations</b>	<b>7189.05</b>	<b>8466.74</b>	
Direct taxes (paid) / refund ^	(887.28)	(825.47)	
Exchange difference realised (net)	(229.98)	(123.84)	
<b>Net cash from / (used in ) operating activities</b>	<b>6071.79</b>	<b>7517.43</b>	
<b>B. Cash flow from investing activities :</b>			
Purchase of/advance for Fixed Assets/capital work in progress	(2151.63)	(2973.97)	
Sale of Fixed Assets	791.15	42.69	
Receipt of capital subsidy	380.53	88.86	
Investment in Subsidiaries & Joint Venture	-	(1800.00)	
Loans & Advances to Subsidiaries and Joint Venture (net)	1602.26	302.73	
(Purchase) / sale of long term investments (net)	(2557.81)	905.69	
(Purchase) / sale of current investments (net)	411.14	(457.53)	
Loans and Advances to companies (net)	4700.00	(1800.00)	
Interest received	1199.48	621.28	
Dividend Income	153.23	196.57	
<b>Net cash from / (used in) investing activities</b>	<b>4528.35</b>	<b>(4873.68)</b>	

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2013**

(₹ in lacs)

	2012-13	2011-12
<b>C. Cash flow from financing activities :</b>		
Proceeds of long term borrowings	3146.27	1000.00
Repayments of long term borrowings	(4251.90)	(2116.68)
Proceeds from short term borrowings (net)	198.40	(1110.72)
Dividend including dividend tax paid	(694.57)	(694.57)
Interest paid	(3783.55)	(3681.81)
<b>Net cash from / (used in) financing activities</b>	<b>(5385.35)</b>	<b>(6603.78)</b>
Net increase / (decrease) in cash and cash equivalent (A+B+C)	<b>5214.79</b>	<b>(3960.03)</b>
Cash and cash equivalents as at 01.04.2012	<b>946.79</b>	4906.82
Cash and cash equivalents as at 31.03.2013 \$	<b>6161.58</b>	946.79
	<b>5214.79</b>	<b>(3960.03)</b>

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

\$ Cash and cash equivalent consist of :-

**Cash & Cash Equivalents \***

	As at	As at
	31.03.2013	31.03.2012
Cash , cheques, drafts in hand etc.	1290.63	260.00
Balance and Fixed deposits with Banks	4870.95	686.79
Total	<b>6161.58</b>	<b>946.79</b>

The aforesaid statement is prepared on indirect method.

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

The Notes are an integral part of the Financial Statements

**As per our report of even date annexed**

For SINGHI & CO.

Chartered Accountants

Firm Registration No.302049E

**PRADEEP KUMAR SINGHI**

Partner

(Membership No.50773)

1-B, Old Post Office Street

Kolkata, the 6th day of May, 2013

**R.K.GANERIWALA**

(President, CFO & Secretary)

For and on behalf of Board of Directors

**D.P.MAHESHWARI**

(Managing Director)

**B.K.BIRLA**

(Chairman)

# Notes to Financial Statements for the year ended 31st March 2013

## 1. Statement of Accounting Policies

### i. Convention

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

### ii. Use of Estimates

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

### iii. Basis of Accounting

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

### iv. Recognition of Revenue & Expenses

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

### v. Government Grants

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

### vi. Fixed Assets & Depreciation / Amortization

#### A. Tangible Fixed Assets

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

#### B. Intangible Fixed Assets

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

#### C. Capital Work-In-progress

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

#### D. Intangible assets under development

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

## Notes to Financial Statements for the year ended 31st March 2013

### vii. Impairment of Assets

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

### viii. Leases

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

### ix. Investments

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

### x. Inventories

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

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

### xi. Employment Benefits

#### a) Short term Employees Benefits

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

#### b) Long Term Employee Benefits:

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

## Notes to Financial Statements for the year ended 31st March 2013

## **xii. Borrowing Costs**

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

## **xiii. Foreign Currency Transactions**

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

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

## **xiv. Derivative Transactions**

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

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

## **xv. Taxes on Income**

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

## **xvi. Provisions, Contingent Liabilities & Contingent Assets**

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

## Notes to Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

	As at 31.03.2013	As at 31.03.2012
<b>2.1 : SHARE CAPITAL</b>		
<b>Authorized:</b>		
58000000 Shares of ₹ 5/- each	<u>2900.00</u>	<u>2900.00</u>
<b>Issued:</b>		
28902786 Equity Shares of ₹ 5/- each	<u>1445.14</u>	<u>1445.14</u>
(Previous year 28902796 Equity Shares of ₹ 5/- each)		
<b>Subscribed and Paid up:</b>		
28877488 Equity Shares of ₹ 5/- each	<u>1443.87</u>	<u>1443.87</u>
(Previous year 28877488 Equity Shares of ₹ 5/- each)	<u>1443.87</u>	<u>1443.87</u>
<b>a) Reconciliation of Shares outstanding at the beginning and at the end of year</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
Shares outstanding at the beginning of the year	<u>28877488</u>	<u>22348678</u>
Shares issued during the year pursuant to scheme of Amalgamation and Arrangement	<u>-</u>	<u>6528810</u>
Shares outstanding at the end of the year	<u>28877488</u>	<u>28877488</u>

- b) The Company has only one class of issued shares i.e. Equity Shares having par value of ₹ 5/- per share. Each holder of Ordinary Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the ordinary shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.
- c) The Company does not have any Holding Company/ultimate Holding Company.
- d) Details of shareholders holding more than 5% shares in the Company:

	As at 31.03.2013		As at 31.03.2012	
Ordinary Equity Shares of ₹ 5/- each fully paid	No. of Shares	%	No. of Shares	%
JPM Merchandise Agencies Limited *	6114108	21.17	-	-
Padmavati Investment Limited	-	-	6114108	21.17
Jay shree Beneficiary Trust	6528810	22.61	6528810	22.61

\* Formed through demerger of Padmavati Investment Limited

- e) No Equity Shares have been reserved for issue under options and contracts/commitments for the sale of shares/ disinvestment as at the Balance Sheet date.
- f) No shares have been bought back by the Company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.
- g) 7518810 (Previous year 7541640 )Equity shares of ₹ 5/-each fully paid up have been issued pursuant to scheme of amalgamation and arrangement for consideration other than cash in preceeding five years.
- h) No securities convertible into Equity/Preference shares issued by the Company during the year.
- i) No calls are unpaid by any director or officer of the Company during the year.

## Notes to Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

### 2.2 : RESERVES AND SURPLUS

	As at 31.03.2013	As at 31.03.2012
<b>Capital Reserves</b>		
(Not Available for Dividend)		
As per the last Financial Statements	<u>10858.86</u>	<u>10858.86</u>
<b>Capital Redemption Reserve</b>		
As per the last Financial Statements	<u>165.21</u>	<u>165.21</u>
<b>Storage Reserve for Molasses</b>		
As per the last Financial Statements	<u>188.10</u>	<u>188.10</u>
<b>General Reserve</b>		
As per the last Financial Statements	17962.73	17462.73
Add: Transferred from Surplus	2500.00	500.00
	<u>20462.73</u>	<u>17962.73</u>
<b>Foreign Currency Monetary Items Translation Difference Account</b>		
As per the last Financial Statements	(230.22)	-
Addition during the year	(1029.84)	(375.80)
(including ₹ 215.44 related to 2011-12)(refer note no.2.28.F)		
Less: Amortised during the year	748.66	145.58
	<u>(511.40)</u>	<u>(230.22)</u>
<b>Surplus</b>		
As per the last Financial Statements	5949.52	5496.36
Add: Profit for the year	4006.74	1432.10
	<u>9956.26</u>	<u>6928.46</u>
Less: Appropriations		
Proposed Dividend	869.67	652.25
Corporate Dividend Tax	59.12	42.32
General Reserve	2500.00	500.00
Dividend Tax for Earlier years written back	-	(215.63)
<b>Net Surplus</b>	<u>6527.47</u>	<u>5949.52</u>
<b>Total Reserve and Surplus</b>	<u>37690.97</u>	<u>34894.20</u>



# Notes to Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

## 2.3 : LONG-TERM BORROWINGS

	Non-current portion		Current Maturities	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
<b>Secured</b>				
Term Loan from bank	1750.00	4416.66	2666.67	3166.67
External Commercial Borrowings from Banks	5092.50	6518.80	4956.70	763.20
Sugar Development Fund Loan	430.27	-	-	-
Total Secured Borrowings	7272.77	10935.46	7623.37	3929.87
<b>Unsecured</b>				
Employees Deposits	-	16.75	16.75	106.57
From Government of West Bengal under Plantation Labour Housing Scheme	0.02	0.04	0.02	0.02
From Government of Assam under plantation labour housing scheme	0.10	0.10	-	-
Total Unsecured Borrowings	0.12	16.89	16.77	106.59
Amount disclosed under the head "Other Current Liabilities" (Note 2.9)	-	-	(7640.14)	(4036.46)
	7272.89	10952.35	-	-

### Security:

- Term Loan from Banks and External Commercial Borrowings are secured/to be secured by equitable mortgage by deposit of title deeds of tea estates along with all immovable properties thereon ranking *pari-passu*, interse, with working capital lenders for tea division.
- External Commercial Borrowings amounting to ₹ 1901.20 is also secured by pledge of certain investments of the company.
- Sugar Development loan fund is secured/to be secured by way of equitable mortgage of immovable/movable properties of Jay Shree Sugar division ranking *pari-passu*.
- Maturity profile :

### Secured

Nature of Loans	Loan Amount	Repayment Term	Repayment Years					
			2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019 to 2021-22
Rupee Term Loan	1000.00	Remaining one yearly installment	1000.00	-	-	-	-	-
Rupee Term Loan	1666.67	Remaining two yearly installments	833.34	833.33	-	-	-	-
Rupee Term Loan	750.00	Remaining three half yearly installments	500.00	250.00	-	-	-	-
Rupee Term Loan	1000.00	Payable in three equal yearly installments	333.33	333.33	333.34	-	-	-
Rupee Term Loan	430.27	Payable after five years in ten half yearly installments	-	-	-	-	86.05	344.22
External Commercial Borrowings	1901.20	Remaining two installments	1901.20	-	-	-	-	-
External Commercial Borrowings	5432.00	In two equal installments	2716.00	2716.00	-	-	-	-
External Commercial Borrowings	2716.00	Payable in eight half yearly installments	339.50	679.00	679.00	679.00	339.50	-
	14896.14		7623.37	4811.66	1012.34	679.00	425.55	344.22

### Unsecured

Employees deposit	16.75	As per terms of Receipts	16.75	-	-	-	-	-
Government of West Bengal under Plantation labour housing scheme	0.04	Remaining equal yearly installment	0.02	0.02	-	-	-	-
Government of Assam under Plantation labour housing scheme	0.10	As per terms of loan	-	0.10	-	-	-	-
	16.89		16.77	0.12	-	-	-	-

## Notes to Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

### 2.4 : DEFERRED TAX LIABILITIES (NET)

	As at 31.03.2013	As at 31.03.2012
<b>Deferred Tax Liabilities</b>		
Arising on account of :		
Accumulated Depreciation	1956.76	1805.99
Others	<u>162.63</u>	<u>75.33</u>
	2119.39	1881.32
Less: Deferred Tax Assets		
Arising on account of :		
Section 43B of Income-tax Act	453.80	693.97
Provision for doubtful debts	12.75	13.44
Others	0.24	13.14
Carry over capital losses	<u>340.11</u>	<u>227.33</u>
Deferred Tax Liabilities (Net)	<u>1312.49</u>	<u>947.88</u>
		<u>933.44</u>

### 2.5 : OTHER LONG TERM LIABILITIES

Trade and Security Deposits	115.75	99.85
Interest accrued but not due	<u>17.25</u>	<u>-</u>
	<u>133.00</u>	<u>99.85</u>

### 2.6 : PROVISIONS

	Long Term		Short Term	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
<b>Provision for Employee Benefits</b>				
Leave	360.54	390.79	193.11	69.91
Gratuity	-	-	516.37	509.93
Bonus	-	-	1534.19	1288.75
<b>Other Provisions</b>				
Provisions for Contingency	-	-	146.13	148.42
Provisions for Taxation (Net of advance)	-	-	135.19	23.84
Proposed Dividend	-	-	869.67	652.25
Corporate Dividend Tax	-	-	59.12	42.32
	<u>360.54</u>	<u>390.79</u>	<u>3453.78</u>	<u>2735.42</u>

### 2.7 : SHORT TERM BORROWINGS

#### Working Capital Borrowings From Banks

Working Capital Loan ( Secured)	2424.97	795.04
Working Capital Loan ( Unsecured)	112.07	13.34
Packing Credit in Foreign Currency (Secured )	-	1310.53
FCNR-B loan ( Unsecured)	-	1719.74
	<u>2537.04</u>	<u>3838.65</u>

## Notes to Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

## 2.7 : SHORT TERM BORROWINGS (Contd.)

	As at 31.03.2013	As at 31.03.2012
<b>Other Loans &amp; Advances From Banks</b>		
Rupee Loans (Secured)	2500.00	3250.00
Rupee Loans (Unsecured)	21500.00	20250.00
Commercial Papers (Unsecured)	1000.00	-
	<u>25000.00</u>	<u>23500.00</u>
<b>Total</b>	<u>27537.04</u>	<u>27338.65</u>
<b>The above amount includes</b>		
Secured Borrowings	4924.97	5355.57
Unsecured Borrowings	22612.07	21983.08
<b>Total</b>	<u>27537.04</u>	<u>27338.65</u>

**Security:**

i) Secured working capital borrowings and other secured rupee loans are secured by first charge by way of hypothecation over entire current assets of the company ranking *pari-passu* with other consortium banks as primary security & second charge by way of hypothecation of entire movable plant & machinery of the company ranking *pari-passu* with other consortium banks as collateral .

ii) Above secured loans are also secured by equitable Mortgage over the immovable properties of Company's 21 tea estates ranking *pari-passu* with term lenders for tea division.

## 2.8 : TRADE PAYABLES

For Goods and Services	12142.90	9963.11
	<u>12142.90</u>	<u>9963.11</u>

## 2.9 : OTHER CURRENT LIABILITIES

Current maturities of Long Term Debt (refer note no.2.3)	7640.14	4036.46
Interest accrued but not due on Borrowings	323.38	375.16
Interest accrued and due on Borrowings	1.05	5.91
For Salary & Wages	380.42	544.35
Unpaid and unclaimed dividends	66.18	55.93
Statutory Dues	905.02	969.32
Book Overdraft	9.97	-
Dues to a Subsidiary	83.43	79.12
Amount payable for Capital Goods	127.16	203.26
Trade and Security Deposits	16.33	4.66
Advances Received from Customers	302.13	296.18
Others #	245.38	112.47
	<u>10100.59</u>	<u>6682.82</u>

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

## Notes to Financial Statements for the year ended 31st March, 2013

### 2.10 : Fixed Assets

(₹ in lacs)

Particulars	G R O S S B L O C K		D E P R E C I A T I O N / A M O R T I S A T I O N			N E T B L O C K				
	Value as on 31/03/2012	Additions/ Adjustment	Sales/ Adjustment	Total value as on 31/03/2013	Upto 31/03/2012	For the year	Sales/ adjustment	Upto 31/03/2013	As at 31/03/2013	As at 31/03/2012
Land	7800.96 (1)	27.56 (2)	362.74	7465.78	-	-	-	-	7465.78	7800.96
Leasehold Land & Plantation	5354.58	-	-	5354.58	2.32	-	-	2.32	5352.26	5352.26
Leasehold Land Others	122.54	-	-	122.54	10.89	8.17	-	19.06	103.48	111.65
Building & Flats (including those on Leasehold & Rented Land), Electric Installation, Water Line, Tubewell, Fencing, Road , Bridge etc.	6745.75	551.29	3.52	7293.52	2431.09	133.12	3.34	2560.87	4732.65	4314.66
Plant & Machinery, X-ray units, Electric Installation, Air Conditioning Units Refrigerators, Road Rollers, Gas Pipe Lines , Roadways etc.	17090.05	1355.24 (3)	196.86	18248.43	7006.85	873.51	141.80	7738.56	10509.87	10083.20
Motor Lorries, Cars, Trailors, Tractors, Trolleys, Cycles, Vans, Loaders etc.	1959.87	316.88 (3)	134.81	2141.94	1301.42	215.36	119.15	1397.63	744.31	658.45
Furniture & Fixtures	681.66	108.31	0.71	789.26	334.15	37.66	0.70	371.11	418.15	347.51
Live Stock	0.19	-	-	0.19	-	-	-	-	0.19	0.19
Office Equipments	114.45	33.78	-	148.23	53.65	15.30	-	68.95	79.28	60.80
Total	39870.05	2393.06	698.64	41564.47	11140.37	1283.12	264.99	12158.50	29405.97	28729.68
Capital Work in Proress Add:Preoperative expenditure									242.57	640.17
									-	3.59
									29648.54	29373.44
Corresponding figures for previous year	37899.87	2212.77	242.59	39870.05	9884.54	1470.92	215.09	11140.37	28729.68	
Capital Work in Proress Add:Preoperative expenditure									640.17	
									3.59	
									29373.44	

**Notes to Financial Statements for the year ended 31st March, 2013**

(₹ in lacs)

**2.10 : FIXED ASSETS (Contd.)**

- 1) a) Land of Tribeni, West Bengal - Appeal for the final determination of compensation was decided in favour of the Company by the District Court of Hooghly and final compensation determined at ₹8.33 (Including interest ₹ 0.50) against which a sum of ₹ 2.05 was received in a previous year and credited to fixed assets. ₹ 6.28 including ₹ 1.50 released during the year 1967 against hypothecation of Khardah Land by the District Court has been shown in Current Liabilities. The Hon'ble High Court at Calcutta has decided the appeal against the Company in a previous year by reducing the amount of compensation for which an appeal before the Hon'ble Supreme Court of India was filed. Hon'ble Supreme Court has upheld the decision of the Hon'ble High Court and accordingly the adjustments will be carried out when the amount to be refunded is ascertained.
- b) Land at Guwahati measuring 2 hectares and related building including furniture & fixture and related equipment has been given on registered lease to a Society for operating a School.
- 2) Includes estimated cost of New Extension of area under tea ₹ 27.56 (Previous Year ₹ 24.63) capitalized during the year as certified.
- 3) Excluding ₹ 75.60 (Previous Year ₹ 73.44) on account of subsidy received from Tea Board under Tea Quality Upgradation & Product Diversification Scheme, ₹ 19.70 (Previous Year ₹ 15.42) on account of transport subsidy received against vehicles from Tea Board and ₹285.23 (previous year ₹NIL) on account of capital subsidy received from Cane Ministry, Bihar.
- 4) Land, Buildings and Plant & Machinery include ₹ 1.18, ₹ 6.43 and ₹ 0.81 respectively (Previous Year ₹ 1.18, ₹ 6.43, and ₹ 0.81 respectively) being 5.18% share of cost of Land, Buildings and Plant & Machinery held on co-ownership by the Company with other parties.
- 5) Land & Plantation include ₹ 29.28 (Previous year ₹ 29.28) and Building include ₹ 1.55 (Previous year ₹ 1.55) (being cost of floor of a leasehold building) in the name of the nominees of the Company on co-ownership basis, pending execution of conveyance deed.
- 6) Land & Plantation includes 2.431 Hectare of land at tea estates for which possession handed over for construction of schools and 6 hectares for which execution of conveyance deed in favour of the company is pending.
- 7) The Jayshree Sugar division of the company is holding 1070.57 acre of land which is in dispute under "Bihar Land Reforms (Fixation of Ceiling Area and Acquisition of Surplus Land) Act, 1961 & Rules 1963. Vide order dated 29/12/2012, the Additional Collector, Bettiah had declared 970.57 acre of land as surplus and ordered for surrender of such land. The company has filed an appeal against the order of the collector and matter is subjudice. Further compensation of 146.92 acres of land which was surrendered under the above Act in earlier years is yet to be determined and shall be accounted for in the year of receipt.
- 8) Depreciation during the year includes of ₹ 0.43 (Previous year ₹ 1.15) towards assets of farm.
- 9) Borrowing cost capitalized in accordance with Accounting Standard (AS) - 16 is ₹ Nil (Previous Year ₹ Nil).

# Notes to Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

## 2.11 :Non Current Investments

As at 31.03.2013	As at 31.03.2012		As at 31.03.2013	As at 31.03.2012
Number of Shares/ Securities/ Bonds/Units				
		<b>TRADE INVESTMENT-LONG TERM</b>		
		(Valued at cost unless otherwise stated)		
		<b>FULLY PAID SHARES / SECURITIES / BONDS / UNITS</b>		
		(Face Value of ₹ 10/- each unless otherwise stated)		
		<b>INVESTMENT IN EQUITY INSTRUMENT</b>		
		<b>IN SUBSIDIARY COMPANIES - UNQUOTED</b>		
2175450	2175450	North Tukvar Tea Company Ltd.	356.20	356.20
		(60 shares held jointly with the nominee(s))		
10000	10000	Birla Holdings Ltd. (Face value of AED 1 each)	1.25	1.25
		<b>IN JOINT VENTURE COMPANY - UNQUOTED</b>		
5000	5000	Tea Group Investment Company Ltd. (Face value of AED 1 each)	0.65	0.65
		<b>IN JOINT STOCK COMPANIES - UNQUOTED</b>		
		Beneficial interest in shares	332.29	332.29
		held by JSTI Beneficiary Trust (Face value ₹ 5 each)		
		Beneficial interest in shares	9637.41	9637.41
		held by Jay Shree Beneficiary Trust (Face value ₹ 5 each)		
		<b>OTHER INVESTMENT - LONG TERM</b>		
		(Valued at cost unless otherwise stated)		
		<b>INVESTMENT PROPERTY</b>		
		(At cost less accumulated depreciation)		
		Cost of Land & Building	1721.41	1721.41
		Less: Accumulated Depreciation/Amortisation	185.33	157.91
		Net Block	1536.08	1563.50
		<b>FULLY PAID SHARES / SECURITIES / BONDS / UNITS</b>		
		(Face Value of ₹ 10/- each unless otherwise stated)		
		<b>INVESTMENT PROPERTY - UNQUOTED</b>		
25	25	Embassy centre Premises Co. Op. Society Ltd. (Face value ₹ 50/- each)	0.01	0.01
55	55	The Bayside Co. Op. Housing Society Ltd. (Face value ₹ 50/- each)	0.03	0.03
460	460	Paramount Owners Syndicate Pvt. Ltd.	0.05	0.05
		<b>EQUITY SHARES IN SUBSIDIARY COMPANY - UNQUOTED</b>		
995000	995000	Parvati Tea Company Ltd.	994.64	994.64
		(600 shares held jointly with the nominee(s))		
		<b>EQUITY SHARES IN ASSOCIATE COMPANIES - UNQUOTED</b>		
2500	2500	Birla International Ltd. (Face value 100 CHF each)	52.25	52.25
20	20	Essel Mining & Industries Ltd.	8.35	8.35
68560	68560	Padmavati Investment Ltd.	122.00	131.60
205680	-	JPM Merchandise Agencies Limited	9.60	-
		(Allotted on demerger of Padmavati Investment Ltd.)		
25000	25000	Kesoram Insurance Broking Services Ltd.	0.50	0.50
4600	4600	Vasavadatta Services Ltd.	0.46	0.46
10	10	The Coimbatore & Nilgiris Dist. Small Scale Service Ind. Co-Op. Society Ltd.(face value ₹ 100/-)	0.01	0.01
1	1	The Tamilnadu Tea Manufacturers' Service Industrial Co-Op. Society Ltd.(face value ₹ 5000/-)	0.05	0.05
		<b>EQUITY SHARES IN COMPANIES - QUOTED</b>		
75	75	McLeod Russel India Ltd.	0.02	0.02
-	1530420	Electrosteel Steels Ltd.	-	182.46

# Notes to Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

## 2.11 : Non Current Investments (Contd.)

As at 31.03.2013	As at 31.03.2012		As at 31.03.2013	As at 31.03.2012
		<b>5% CUMULATIVE REDEEMABLE PREFERENCE SHARES IN SUBSIDIARY COMPANY - UNQUOTED</b>		
30000	30000	Parvati Tea Company Ltd. (Face Value ₹ 100/- each)	1800.00	1800.00
		<b>INVESTMENT IN GOVERNMENT &amp; TRUSTED SECURITIES - UNQUOTED</b> (Face Value of ₹ 1000/- each)		
3	3	National Savings Certificates	0.03	0.03
		<b>INVESTMENT IN SECURED DEBENTURES - UNQUOTED</b>		
-	15	Barclays Investments & Loans (India) Ltd. SR-117 (Face Value ₹ 10 lacs each)	-	150.00
-	29	Zero Coupon Tata Housing Development Company Ltd. (Face Value ₹ 10 lacs)	-	314.83
4	-	16% Lodha Pranik Landmark developers (P) Ltd. (Face Value of ₹ 100 lacs each) (₹ 56 lacs received as pre-payment)	344.00	-
1	-	20.4% Navjyoti Overseas Private Ltd. (Face Value ₹ 100 lacs)	100.00	-
2	-	17% Almond Infrabuild Private Limited (Face Value ₹ 50 lacs each)	100.00	-
		<b>INVESTMENT IN BONDS - QUOTED</b> (Face Value of ₹ 1000/- each)		
12362	12362	15 years, 8.30% Tax Free Bonds of National Highways Authorities of India Ltd. **	123.62	123.62
14239	14239	15 years, 8.30% Tax Free Bonds of Power Finance Corp. Ltd. **	142.39	142.39
30000	30000	15 years, 8.20% Tax Free Bonds of HUDCO Ltd. Tranche - I Series 2 **	300.00	300.00
		<b>INVESTMENTS IN MUTUAL FUNDS - UNQUOTED</b>		
1000000.000	1000000.000	Axis Triple Advantage Fund	100.00	100.00
1957514.114	1957514.114	Reliance Regular Savings Fund -Equity Fund	500.00	500.00
1500915.558	1500915.558	HDFC Prudence Fund	500.00	500.00
2522591.000	2522591.000	HDFC Balanced Fund	500.00	500.00
-	8937389.161	Edelweiss Gilt Fund - Growth	-	1000.00
-	4000000.000	Tata Fixed Maturity Plan Series 32 - Growth	-	400.00
-	4000000.000	Reliance Fixed Horizon Fund Series XIX - Series 21- Growth	-	400.00
-	4000000.000	ICICI Prudential FMP Series 58-2 yrs-Plan A - Growth	-	400.00
5015670.097	1920233.500	IDFC Dynamic Bond Fund Plan A - Growth	705.84	400.00
2847482.757	2845334.718	Reliance Dynamic Bond Fund - Growth **	446.96	400.00
1594987.910	-	Reliance Dynamic Bond Fund - Growth	250.00	-
7933433.193	-	Edelweiss Short Term Income Fund - Growth **	1046.80	-
1888802.424	-	HDFC Income Fund - Growth *	500.00	-
1811659.843	-	IDFC Super Saver Income Fund - Investment Plan - Growth - Regular Plan *	500.00	-
1372551.711	-	ICICI Prudential Income Regular Plan - Growth *	500.00	-
		<b>INVESTMENTS IN PORTFOLIO MANAGEMENT SERVICES - UNQUOTED</b>		
		Reliance Capital Asset Management Company Ltd.	8.31	8.31
		Reliance Capital Asset Management Company Ltd. (Yield Maximiser Fund)	733.88	-
		India Business Excellence Trust	229.93	217.12
		<b>TOTAL NON CURRENT INVESTMENT</b>	<b>22483.61</b>	<b>20918.03</b>
		Aggregate Book Value of Non Current Quoted Investments	566.03	748.49
		Aggregate Book Value of Non Current Unquoted Investments	21917.58	20169.54
		Total	22483.61	20918.03
		Aggregate Market Value of Non Current Quoted Investments	616.43	649.26

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

\*\*Pledged as security to secure External Commercial Borrowing.

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

## Notes to Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

	Long-term		Short-term	
<b>2.12 : LOANS &amp; ADVANCES</b>	<b>As at 31.03.2013</b>	<b>As at 31.03.2012</b>	<b>As at 31.03.2013</b>	<b>As at 31.03.2012</b>
(Unsecured, considered good)				
<b>Capital Advances</b>	<b>397.68</b>	618.45	-	-
<b>Security Deposits</b>				
Subsidiary	<b>251.00</b>	251.00	-	-
Others	<b>378.52</b>	306.08	<b>115.49</b>	65.95
	<b>629.52</b>	557.08	<b>115.49</b>	65.95
<b>Loan &amp; Advances to Related Parties</b>				
To Subsidiaries / Step Down Subsidiaries	-	-	<b>278.47</b>	1743.53
(Refer Note No 2.28.I)				
	-	-	<b>278.47</b>	1743.53
<b>Share Application Money with Related Parties</b>				
To a Subsidiary	-	137.20	-	-
To a Joint Venture Company	<b>51.30</b>	51.30	-	-
	<b>51.30</b>	188.50	-	-
<b>Other Loans and Advances</b>				
Loans & Deposit to Companies	-	-	<b>1550.00</b>	6250.00
Deposit with Nabard	-	-	<b>90.16</b>	844.63
Advance Tax and TDS (Net of provisions)	-	-	<b>592.50</b>	557.93
Advance against supply of Goods and Services	-	-	<b>1134.63</b>	847.69
Prepaid Expenses / Unamortised Premium	<b>83.05</b>	0.62	<b>171.32</b>	80.24
Insurance , excise and other claims				
Considered Good	-	-	<b>306.29</b>	70.13
Considered Doubtful	-	-	-	2.83
Less: Provision	-	-	-	(2.83)
Loan / Advance to Employees	<b>158.35</b>	104.37	<b>80.06</b>	70.36
Balances with Government & Statutory Authorities	-	-	<b>234.41</b>	216.66
Other Deposits and Advances				
Considered Good	<b>39.01</b>	-	<b>136.24</b>	186.82
Considered Doubtful	-	-	<b>3.89</b>	3.89
Less: Provision	-	-	<b>(3.89)</b>	(3.89)
	<b>280.41</b>	104.99	<b>4295.61</b>	9124.46
	<b>1358.91</b>	1469.02	<b>4689.57</b>	10933.94
	<b>Non-Current</b>		<b>Current</b>	
<b>2.13 : OTHER ASSETS</b>	<b>As at 31.03.2013</b>	<b>As at 31.03.2012</b>	<b>As at 31.03.2013</b>	<b>As at 31.03.2012</b>
Bank Fixed Deposit (Including ₹ 0.35, Previous year ₹ 0.35 pledged as margin money)	<b>8.30</b>	4.10	-	-
Interest accrued on Deposits	-	-	<b>15.25</b>	9.71
Interest accrued on Investments	-	-	<b>75.22</b>	16.08
Interest accrued on loans / Inter corporate Deposits	-	-	<b>110.00</b>	259.05
Incentive and Subsidy Receivable	-	-	<b>1622.43</b>	1428.48
Rent Receivable	-	-	<b>9.31</b>	8.77
MAT Credit Entitlement (refer note no. 2.28.E.iii)	-	-	<b>418.43</b>	372.78
	<b>8.30</b>	4.10	<b>2250.64</b>	2094.87



# Notes to Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

## 2.14 :Current Investments

As at 31.03.2013	As at 31.03.2012		As at 31.03.2013	As at 31.03.2012
Number of Shares/ Securities/ Bonds/Units				
		<b>"CURRENT INVESTMENTS - OTHER THAN TRADE"</b>		
		<b>(Valued at cost unless otherwise stated)</b>		
		<b>FULLY PAID SHARES/SECURITIES/BONDS/UNITS</b>		
		<b>(Face Value of ₹ 10 each unless otherwise stated)</b>		
		<b><u>CURRENT PORTION OF LONG TERM INVESTMENTS AS PER</u></b>		
		<b><u>ACCOUNTING STANDARD (AS)-13</u></b>		
		<b>INVESTMENT IN SECURED NON CONVERTIBLE DEBENTURES -</b>		
		<b>UNQUOTED</b>		
-	5	Barclays Investments & Loans (India) Ltd. DS-195 (Face Value ₹ 40 lacs each)	-	200.00
29	-	Zero Coupon Tata Housing Development Company Ltd. (Face Value ₹ 10 lacs) **	314.84	-
		<b>INVESTMENT IN MUTUAL FUND - UNQUOTED</b>		
-	2000000	BNP Paribas Fixed Term Fund Ser 21 F - Growth	-	200.00
4000000	-	Tata Fixed Maturity Plan Series 32 - Growth*	400.00	-
4000000	-	ICICI Prudential FMP Series 58-2 yrs-Plan A - Growth*	400.00	-
4000000	-	Reliance Fixed Horizon Fund Series XIX - Series 21- Growth*	400.00	-
		<b>OTHER CURRENT INVESTMENTS - UNQUOTED</b>		
		<b>INVESTMENT IN SECURED NON CONVERTIBLE DEBENTURES -</b>		
		<b>UNQUOTED</b>		
-	15	13% Future Corporate Resources Ltd. (Face Value ₹ 20 lacs each)	-	301.12
-	5	Zero Coupon Sky Deck Properties & Developers Ltd.(Face Value ₹ 10 lacs each)	-	62.65
2	-	18% Devadatta Build Tech Private Ltd. (Face Value ₹ 50 lacs each)	80.00	-
200	-	12.95% Gold Loan Receivables Trust - II Sr. - A PTC (Face Value ₹ 100 lac each)	200.00	-
		<b>OTHER INVESTMENTS (COMMERCIAL PAPERS) UNQUOTED</b>		
-	56	13% ABG Shipyard Limited (Face value ₹ 50 lacs each)	-	247.79
		<b>TOTAL CURRENT INVESTMENT</b>	<b>1794.84</b>	<b>1011.56</b>
		Aggregate Book Value of Current Quoted Investments	-	-
		Aggregate Book Value of Current Unquoted Investments	1794.84	1011.56
		Aggregate Market Value of Current Quoted Investments	-	-
		Aggregate Book Value of Current & Non-Current Quoted Investments	566.03	748.49
		Aggregate Book Value of Current & Non-Current Unquoted Investments	23712.42	21181.10
		Aggregate Market Value of Current & Non-Current Quoted Investments	616.43	649.26

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

\*\*Pledged as security to secure External Commercial Borrowing.

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

## Notes to Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

### 2.15 : INVENTORIES

(As valued and certified by the Management)

	As at 31.03.2013	As at 31.03.2012
Raw Materials ( including stock of farm ₹ 0.60, Previous year ₹ 0.01)	1091.12	1820.07
Work in Progress	433.44	43.77
Finished Goods	16513.74	13586.15
Traded Goods	4320.46	3833.33
Stores and Spares	2424.12	2030.26
Loose Tools & Others	5.14	30.92
	<u>24788.02</u>	<u>21344.50</u>

Details of Inventories :	Finished / Traded Goods		Work-in-Progress	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Tea ( Finished Goods)	1459.92	1161.12	-	-
Tea ( Traded Goods)	4320.46	3833.33	-	-
Chemicals	1811.50	1280.25	53.25	42.85
Sugar	13242.32	11144.78	380.19	0.92
	<u>20834.20</u>	<u>17419.48</u>	<u>433.44</u>	<u>43.77</u>

### 2.16 : TRADE RECEIVABLES

Outstanding for a period exceeding six months

Secured, considered good

Unsecured, considered good

Doubtful

Provision for doubtful receivables

Other Receivables

Secured, considered good

Unsecured, considered good

-	-
339.68	308.44
36.37	36.37
376.05	344.81
36.37	36.37
339.68	308.44
10.13	15.33
7736.23	6847.62
7746.36	6862.95
8086.04	7171.39

### 2.17 : CASH AND BANK BALANCES

Cash and Cash Equivalents

Balances With Banks :

In Current / Cash Credit Account

In Fixed Deposit Accounts with original maturity of less than three months

Cheques/drafts on hand and Remittances in transit

Cash on hand

1220.63	469.74
3650.32	217.05
1105.41	124.60
185.22	135.40
6161.58	946.79

Other Bank Balances

Earmarked balances with Banks ( unpaid Dividend Account)

Other Fixed Deposit with Banks

(Including ₹ 111.84, Previous year ₹ 110.93 pledged as margin Money)

66.18	55.93
111.84	110.93
178.02	166.86
6339.60	1113.65

## Notes to Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

### 2.18 : REVENUE FROM OPERATIONS (GROSS)

	For the Year ended	
	31.03.2013	31.03.2012
Sales of Finished Goods & Other Products	64553.37	56612.38
Less: Excise Duty	1105.49	952.56
	<u>63447.88</u>	<u>55659.82</u>
Government rebate on Fertilizers	2128.45	4807.10
Sale of Services (Warehousing Charges)	250.52	390.68
	<u>65826.85</u>	<u>60857.60</u>
<b>Other Operating Revenues</b>		
Incentives & Subsidies	379.54	212.23
Export Benefits	519.25	481.18
Insurance and Other Claims (Net)	27.69	43.44
Income from Farm Product ( details as below)	49.67	10.60
Miscellaneous Sale	144.34	90.07
	<u>1120.49</u>	<u>837.52</u>
	<u>66947.34</u>	<u>61695.12</u>
<b>Details of Sale of Products</b>		
Tea	42522.34	38330.21
Chemicals	7506.24	7544.74
Sugar	14462.40	10651.91
Others	62.39	85.52
	<u>64553.37</u>	<u>56612.38</u>
<b>Income from Farm Products :</b>		
Sales of Agricultural Product	147.34	176.24
Closing Stock	0.60	0.01
Lease Rent	2.67	2.75
	<u>150.61</u>	<u>179.00</u>
Less: Opening Stock	0.01	0.20
Agricultural Farming Expenses (towards cultivation & other expenses)	100.36	166.97
Other Repairs	0.08	0.02
Rent, Rates & Taxes	0.06	0.06
Depreciation	0.43	1.15
	<u>100.94</u>	<u>168.40</u>
	<u>49.67</u>	<u>10.60</u>

### 2.19 : OTHER INCOME

Interest Income		
On Investments		
Long term	133.95	21.40
Current	101.06	191.94
On Bank Deposits	15.53	54.49
On Loans & Other Deposits,etc	700.25	931.22
On Subsidiary	160.68	70.37
Interest Subsidy	200.00	358.16
Dividend Income		
On Long term	150.46	196.57
On Current	2.77	-
Net gain/ (loss) on sale of Investments		
On Long term	150.02	(2.69)
On Current	79.59	154.03

# Notes to Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

## 2.19 : OTHER INCOME (Contd.)

### Other Non Operating Income

	For the Year ended 31.03.2013	31.03.2012
Profit on sale of Fixed Assets (Net)	357.50	15.19
Rent	327.72	298.89
Unclaimed Balances written back	249.33	203.93
Excess provisions, receipts & adjustments relating to previous years	27.26	47.12
Less: Short provisions, payments & adjustments relating to previous years	(21.79)	(43.94)
Add : Excess/(Short) provision of bonus for previous years (Net)	-	(0.50)
Miscellaneous Income	158.20	165.69
	<u>2792.53</u>	<u>2661.87</u>

## 2.20 : COST OF MATERIALS CONSUMED

### Raw Material Consumed

Opening Inventories	1820.06	1220.57
Add : Purchase	21963.68	21216.53
	<u>23783.74</u>	<u>22437.10</u>
Less: Closing Inventories	1090.52	1820.06
Sales	143.95	-
Claims	-	4.79
	<u>22549.27</u>	<u>20612.25</u>

### Details of Raw Material Consumed

Green Tea Leaves	2885.10	3181.19
Chemicals	7067.52	7334.74
Sugarcane	12596.65	10096.23
Others	-	0.09
	<u>22549.27</u>	<u>20612.25</u>

## 2.21 : PURCHASE OF TRADED GOODS

Traded Goods :- Tea	7719.24	7354.53
Chemicals	146.36	657.27
	<u>7865.60</u>	<u>8011.80</u>

## 2.22 : (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

### Inventories at the beginning of the year

Finished Goods	13586.15	12902.73
Work-in-Progress	43.77	38.57
Traded Goods	3833.33	2799.64
	<u>17463.25</u>	<u>15740.94</u>

### Inventories at the end of the year

Finished Goods	16513.74	13586.15
Work-in-Progress	433.44	43.77
Traded Goods	4320.46	3833.33
	<u>21267.64</u>	<u>17463.25</u>
	<u>(3804.39)</u>	<u>(1722.31)</u>

## Notes to Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

	For the Year ended	
	31.03.2013	31.03.2012
<b>2.23 : EMPLOYEE BENEFIT EXPENSE</b>		
Salaries & Wages	13508.23	12297.84
Contribution to Provident Funds and Others	1091.32	1004.06
Contribution to Gratuity Fund	580.34	317.16
Contribution to Superannuation Fund	63.46	57.47
Staff Welfare Expenses	1035.13	960.91
	<u>16278.48</u>	<u>14637.44</u>
Less: Amount transferred to Preoperative Expenditure	-	3.41
	<u>16278.48</u>	<u>14634.03</u>
<b>2.24 : FINANCE COST</b>		
Interest Expenses		
To Fixed Loans & Deposits	925.25	1057.81
To Bank & Others	2831.62	2388.69
	<u>3756.87</u>	<u>3446.50</u>
Other Borrowing Cost		
Other Financial Charges	123.82	105.44
Applicable net gain/loss on foreign currency transactions and translations account (Net of reversal of ₹ 215.44 ( Previous Year - ₹ Nil) refer note no 2.28.F)	(59.39)	403.25
	<u>3821.30</u>	<u>3955.19</u>
Less: Borrowing cost Capitalized	-	-
	<u>3821.30</u>	<u>3955.19</u>
<b>2.25 : OTHER EXPENSES</b>		
<b>MANUFACTURING EXPENSES</b>		
Stores, Spare Parts & Packing Materials Consumed	2265.61	2330.99
Power & Fuel	3680.29	3526.13
Consumption of Manures/Pesticides	1551.14	1263.73
Repairs to Buildings	533.72	460.72
Repairs to Machinery	1088.63	898.59
Repairs to Other Assets	378.69	343.68
Increase/(Decrease) in Excise Duty & Cess on Finished Goods	34.46	109.02
	<u>9532.54</u>	<u>8932.86</u>
Less: Amount transferred to Preoperative Expenditure	-	23.25
	<u>9532.54</u>	<u>8909.61</u>

# Notes to Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

## 2.25 : OTHER EXPENSES (Contd.)

	For the Year ended	
	31.03.2013	31.03.2012
<b>SELLING AND ADMINISTRATION</b>		
Freight & Cartage	1466.13	1556.62
Insurance	133.31	100.89
Brokerage & Commission	590.08	592.63
Warehousing Charges	87.27	235.01
Other Selling Expenses (including packing material ₹15.16, previous year ₹9.06)	855.99	1066.94
Rent	261.29	197.50
Rates & Taxes ( Duty & Cess)	259.99	272.46
Insurance (excluding on sales)	124.14	105.68
Charity & Donation	0.60	5.82
Auditors' Remuneration -		
Statutory Auditors -		
Auditor	27.50	24.50
Tax Audit Fees	6.75	5.75
Issue of Certificates	14.46	15.15
Other Services	4.00	9.00
Reimbursement of Expenses	0.83	0.53
Reimbursement of Service Tax	5.23	5.73
Cost Auditors -		
Audit Fees	1.62	0.83
Travelling Expenses	0.26	0.37
Branch Auditors -		
Auditor	2.75	2.50
Issue of Certificates	1.60	0.15
Other Services	0.26	0.26
Reimbursement of Expenses	0.29	0.74
Reimbursement of Service tax	0.54	0.41
Bad Debts & Irrecoverable Loans, Advances & Claims written off	4.11	13.64
Less : Reserve	(2.83)	-
Amortization of Foreign currency monetary translation difference account	748.66	145.58
Net loss /(Gain)on Foreign Currency Transaction and Translation	247.18	338.40
Swap Premium Charges on Currency Option	103.38	121.40
Directors' Remuneration	205.52	147.79
Directors' Commission	20.00	15.00
Other Miscellaneous Expenses	1711.84	1751.19
	<b>6882.75</b>	<b>6732.47</b>
Less: Amount transferred to Preoperative Expenditure	-	4.55
	<b>6882.75</b>	<b>6727.92</b>
	<b>16415.29</b>	<b>15637.53</b>

## 2.26: DEPRECIATION AND AMORTIZATION EXPENSES

On Tangible Assets	1282.69	1469.77
On Investment Property	27.42	27.41
	<b>1310.11</b>	<b>1497.18</b>

## 2.27 : TAX EXPENSE

Current Tax for the year	960.00	385.00
MAT Credit Entitlement ( Net)	(45.65)	34.23
Add/Less : Adjustment of Tax related to earlier years	4.07	(4.05)
Current Tax	918.42	415.18
Deferred Tax	379.05	(115.96)
	<b>1297.47</b>	<b>299.22</b>

## Notes to Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

### 2.28: NOTES:

As at  
31.03.2013

As at  
31.03.2012

#### A) Contingent Liabilities not provided for in respect of:-

Claims/Disputes/Demands not acknowledged as debts:

i) Demand from Sales Tax authority : **156.02** 184.59

Certain disallowances of Sales Tax were confirmed against the company and an appeal before the Commissioner/ Tribunal Appellate and revisional Board has been filed and the management is of the opinion that it will obtain full relief

ii) Income Tax demand under appeal **648.06** 198.17

iii) Demand from a lessor for interest on differential rent **70.14** 70.14

iv) Demand of Provident Fund Damages by the Provident Fund Authorities, West Bengal **24.39** 24.39

v) Electricity duty demanded by Government of Bihar appealed in Hon'ble Supreme Court **103.10** 103.10

vi) Demand of additional provident fund contribution on food grain concession provided to daily rated plantation workers in Assam Tea estates till September 2012 against which stay has been obtained from Hon'ble High Court at Guwahati. **50.37** 30.34

B) i) Capital Commitments outstanding (Net of Advances) **86.24** 612.41  
(including shares of Joint Venture ₹ Nil (previous year ₹484.94)

ii) Bank Guarantees Outstanding (Pledge of Fixed Deposit of ₹112.19) **838.29** 773.73  
(Previous Year ₹111.28)

iii) Corporate guarantee outstanding given to a Bank against loan acquired by a subsidiary company from the bank (US\$ 5.6 million) (previous year US\$ 8.0 million) **3041.92** 4070.40

iv) Corporate guarantee outstanding given to a Bank against banking facility taken by a subsidiary and step down subsidiary from the bank (US\$ 6.0 million) (previous year US\$ Nil) **3259.20** NIL

C) Other Commitments **301.59** 220.81  
Letter of credit issued against Import of materials

D) Interest Income of ₹59.85 for the year (previous year- ₹Nil) on an Intercompany Deposit of ₹500 has not been recognized in view of uncertainty in realization. The Company is confident of recovering the principal and interest.

E) i) Fringe Benefit Tax has been abolished from accounting year 2009-10. However in view of the interim stay granted by the Hon'ble High Court at Calcutta, no liability has been provided for earlier years.

ii) No provision for dividend and corresponding dividend distribution tax has been recognized in respect to 7135730 equity shares held by the beneficiary trusts in view of waiver letter received from them.

## Notes to Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

- iii) During the year the Company has further assessed the recoverability of Minimum Alternate Tax (MAT) for set off with future normal taxes and a sum of ₹45.65(net) have been further recognized. Based on projections made by the management and current trend of working of the Company the management is virtually certain of recovering the MAT credit entitlements and a sum of ₹418.43 as on 31.03.2013 ( previous Year ₹372.78 ) has been carried forward as MAT credit available for set off in future years.
- iv) During the year the Company has further recognized deferred tax credit on capital losses amounting to ₹112.78 (net of utilization) and the aggregate balance as at the year end is ₹340.11. The management of the Company is confident of realizing the same based on profit available in future years.
- F) In view of clarification issued by the Ministry of Company Affairs vide its Circular No.25/2012 dated 09.08.2012 on Para 46A of Accounting Standard -11 on 'The Effects of Changes in Foreign Exchange Rates', the Company has reversed finance cost amounting to ₹215.44 related to previous year and adjusted the same with 'Foreign Currency Monetary Item Translation Difference Account'. Out of which a sum of ₹162.92 (including ₹82.58 related to previous year) has been amortized during the year.
- G) The Hon'ble High Court at Calcutta had passed an order in the year 2009-10 in favour of landlord of a tenanted property enhancing the rent w.e.f. from April 2000 over and above its interim order issued earlier, as a result of which an additional rent of ₹410.82 and interest and cost thereon to the extent of ₹182.59 accrues to the landlord. The Company has filed an appeal before the Division Bench of Hon'ble High Court at Calcutta and has obtained a stay on the execution of the decree awarded in favour of the landlord and furnished the bank guarantee for the additional rent and interest. However, in compliance to the earlier interim order the company has provided the enhanced rent and hence does not envisage any further liability on account of enhanced rent amounting to ₹140.48 (previous year ₹101.27) and interest thereon
- H) i) The agreement with Assam Tea Corporation Ltd. (ATCL) for purchase of entire green leaves of Longai and Ishabheel tea estates and operating the Longai tea factory were renewed for (the season 2013) a period of one year by bidding through tender. A sum of ₹281.20 (previous year ₹350.11) is recoverable from ATCL which is being realized on a systematic basis from the proceeds of green leaf procured.
- ii) During the year, the Company has entered into an agreement with Assam Tea Corporation Ltd. (ATCL) for operating Amluckie Tea Factory for the season 2013 and purchasing entire green leaves of Amluckie Tea Estate for the season 2013. The Company has funded ₹386.59 towards working capital and capex, which will be recovered from the proceeds of green leaf to be procured and payable usage charges to Assam Tea Corporation Ltd. (ATCL) in an agreed manner.



## Notes to Financial Statements for the year ended 31st March, 2013

l) i) Particulars in respect of Loans and advances as per the listing agreement: (₹ in lacs)

Name of the Company	Relationship	Nature	Closing Balance as on 31.03.2013	Closing Balance as on 31.03.2012	Maximum Balance outstanding during 2012-13	Maximum Balance outstanding during 2011-12
North Tukvar tea Company Limited #	Subsidiary	Security deposit	251.00	251.00	251.00	251.00
North Tukvar tea Company Limited #	Subsidiary	Advance in nature of loans	15.44	41.63	108.31	480.53
Parvati tea Company Limited #	Subsidiary	Advance in nature of loans	229.15	1684.50	2379.22	3281.30
Birla Holding Limited	Subsidiary	Advance	-	-	-	184.10
Kijura Tea Company Limited #	Step down Subsidiary	Advance	33.88	17.40	40.23	17.40

# Repayable on demand

ii) The Net Worth of the subsidiary company M/s North Tukvar Tea Company Ltd. is negative. No provision in value of the investment amounting to ₹356.20 and for advances /security deposit of ₹266.44 is envisaged /provided, being strategic in nature.

Note: Loans to employees under various schemes of the Company (i.e. housing loan etc) is considered outside the purview of disclosure requirements.

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

K) The Company has no overdue amounts due to suppliers under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED) as at 31.03.2013. The disclosure as required under the said act is as under :-

i) Principal amount due to suppliers under MSMED Act and remaining unpaid	1.35
ii) Interest due to suppliers on above	NIL
iii) Any Payment made to suppliers beyond appointed date (under Section 16 of the Act)	NIL
iv) Interest due and payable to suppliers under MSMED Act	NIL
v) Interest Accrued & remaining unpaid as at 31.03.13	NIL
vi) Interest remaining due & payable as per section 23 of the Act	NIL

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

L) i) The Company's significant leasing agreements (as lessee) are in respect of lease for Land & Premises (residential, office, stores, godowns etc). These Leasing arrangements which are non-cancellable ranging between one month and three years generally or longer and are usually renewable by mutual agreement. The aggregate lease rentals payable are charged as Rent.

ii) Certain land and building has been given on operating lease to a society at a lease rental of ₹17.00 Per month (Previous Year ₹17.00 per month) for the building and ₹0.50 (Previous Year ₹0.50) per annum for the land to be reviewed annually.

## Notes to Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

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

Particulars	2012-13			2011-12		
Class of Assets	Gross Carrying Amount	Accumulated Depreciation	Depreciation for the Year	Gross Carrying Amount	Accumulated Depreciation	Depreciation for the Year
Land	37.91	-	-	37.91	-	-
Building	1680.75	185.02	27.40	1680.75	157.62	27.38
Plant & Machinery	153.57	60.92	6.19	153.57	54.73	9.84
Furniture & Fixture	188.32	99.37	17.85	188.32	81.52	17.89
Motor Vehicle	9.40	7.52	0.66	9.40	6.86	0.89
Total	2069.95	352.83	52.10	2069.95	300.73	56.00

iii) The Company has taken over the operation and management control of North Tukvar Tea Estate on leave & license basis till 31.03.2015 from its subsidiary North Tukvar Tea Company Limited at an yearly charge of ₹9.00. The annual lease charge has been waived by the subsidiary from the current year. The results for the current financial year include a loss of ₹21.84 (Previous year ₹106.78) from the said tea estate.

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

Particulars	2012-13			2011-12		
	Disputed Statutory Matters	Other Obligations	Total	Disputed Statutory Matters	Other Obligations	Total
Opening Balance	93.40	55.02	148.42	123.06	34.60	157.66
Addition	5.75	13.48	19.23	33.58	20.42	54.00
Utilization	9.01	-	9.01	63.04	-	63.04
Reversal	12.32	0.19	12.51	0.20	-	0.20
Closing Balance	77.82	68.31	146.13	93.40	55.02	148.42

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

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

i) The particulars of derivative contracts entered into for hedging purposes outstanding as at 31.03.2013 are as under:

Category of Derivative Instruments		Amount of Exposures Hedged	
		As at 31.03.2013	As at 31.03.2012
a)	Forward contract for receivables	NIL	166.40
b)	Forward contract for payables	NIL	NIL
c)	Forward contract for long term borrowings	2716.00	4738.00
d)	Forward contract for firm commitments of future sales	2071.57	2019.32

**Notes to Financial Statements for the year ended 31st March, 2013**

(₹ in lacs)

ii) Unhedged foreign currency exposures as at 31.03.2013 are as under:

		As at 31.03.2013	As at 31.03.2012
a)	Receivables	2072.83	2193.77
b)	Loans/Payables/ Buyers Credit	10940.51	10195.93

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

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

During the year the company has recognized ₹1091.32 (Previous Year ₹1004.06) for provident fund contribution, ₹29.75 (Previous Year ₹29.72) for ESIC and ₹63.46 (Previous Year ₹57.47) for Superannuation Contribution. The Contribution payables to these plans by the Company are at the rates specified in the rules of the scheme.

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

**ii) Defined benefit plans:**

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

# Notes to Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

Disclosures as per Accounting Standard – 15		2012-2013 Gratuity Plan	2011-2012 Gratuity Plan
<b>A</b>	<b>Expenses recognized in the Statement of Profit &amp; Loss for the year ended 31st March 2013</b>		
i	Current Service Cost	299.25	228.93
ii	Interest Cost	246.48	242.48
iii	Expected return on Plan Assets	234.16	195.18
iv	Actuarial (Gains)/Losses	268.77	40.93
v	Past Service Cost	-	-
vi	Expenses recognized in statement of Profit & Loss	580.34	317.16
<b>B</b>	<b>Net (Assets)/Liabilities recognized in Balance Sheet as at 31st March 2013</b>		
i	Present Value of the Defined Benefit Obligation	3519.10	3112.76
ii	Fair Value of Plan Assets	3002.73	2602.83
iii	Net (Assets)/Liabilities recognized in Balance Sheet	516.37	509.93
<b>C</b>	<b>Changes in the Present Value of Defined Benefit Obligation during the year ended 31st March 2013</b>		
i	Present Value of Defined Benefit Obligation as at 1st April 2012	3112.76	2974.28
ii	Current Service Cost	299.25	228.93
iii	Interest Cost	246.48	242.48
iv	Past Service Cost	-	-
v	Actuarial (Gains)/Losses	286.57	(89.73)
vi	Benefits Paid	425.96	243.20
vii	Present Value of obligation as at 31st March 2013	3519.10	3112.76
<b>D</b>	<b>Changes in fair value of Plan Assets during the year ended 31st March 2013</b>		
i	Fair Value of Plan Assets as at 1st April 2012	2602.83	2439.81
ii	Expected return on Plan Assets	234.16	195.18
iii	Actuarial Gains/(Losses)	17.80	(130.66)
iv	Benefits paid	425.96	242.11
v	Contributions	575.00	340.61
vi	Settlement/ Amalgamation	1.10	-
vii	Fair Value of Plan Assets as at 31st March 2013	3002.73	2602.83
viii	Actual return on Plan Assets	250.87	64.52
<b>E</b>	<b>Principle Actuarial Assumptions used</b>		
i	Discount rates as at 31st March 2013	8.50%	8.50%
ii	Expected Return on Plan Assets	9.00%	8.00%
iii	Expected Salary increase rates	5.00%	5.00%
iv	Mortality Rates	LIC (1994 - 96) Mortality Table	LIC (1994 - 96) Mortality Table
<b>F</b>	<b>Major categories of Plan Assets as a percentage of Fair Value of Plan Assets</b>	<b>Qualified Insurance Policy</b>	<b>Qualified Insurance Policy</b>

**Notes to Financial Statements for the year ended 31st March, 2013**

(₹ in lacs)

**Notes:**

- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply & demand in the employment market.
- The expected rate of return on Plan Assets is determined based on the portfolio of assets, existing investments along with the Strategic changes in the portfolio and market scenario. The Plan Assets are diversified reasonable to maximize the return within acceptable risk parameters.
- The Company expects to contribute ₹500.00 to its gratuity fund in 2013-14.
- The amounts for the current annual period and previous four annual periods are as follows:

Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
Present value of defined obligation	3519.10	3112.76	2974.28	2728.31	2599.17
Fair Value of Plan Assets	3002.73	2602.83	2439.81	2087.38	1899.60
Excess of obligation over Plan Assets	516.37	509.93	534.47	640.93	699.57

## Notes to Financial Statements for the year ended 31st March, 2013

### (P) Related Party Disclosure

(₹ in lacs)

Sl. No.	Name of the Related Party	Relationship	Remuneration Paid	Dividend		Loans & Advances (Net)		Equity/Preference Contribution Share Application Money	Interest		Goods & Services		Others Expenditure	Amount	
				Paid	Received	Paid	Received		Paid	Received	Sale	Purchase		Receivable	Payable
1	North Tukvar Tea Co.Ltd.	Subsidiary				-	26.19 (-)			3.36 (21.69)	138.06 (56.33)			266.44* (292.63)	
2	Birita Holdings Ltd.	Subsidiary					(109.95)	1.25 (138.45)						83.43* (79.12)	
3	Parvati Tea Co. Ltd.	Subsidiary					1455.35 (130.41)	- (1800.00)		157.32 (48.68)				229.15* (1684.50)	
4	Kijura Tea Co.Ltd.	Step down Subsidiary				16.49 (14.90)								33.88* (17.40)	
5	Tea Group Investment Co.Ltd.	Joint Venture					(17.19)	51.30 (51.30)							
#6	Century Textiles & Ind.Ltd.	Associate	9.00 (9.00)									5.90 (3.23)		0.54 (0.13)	
#7	Kesoram Industries Ltd.	Associate	11.64 (11.64)									2.01 (6.84)		0.32 (0.06)	
#8	Padmavati Investment Ltd.	Associate	183.42 (183.42)	6.86 (6.86)										- (1.25)	
9	Shri D.P.Maheshwari	Key Management Personnel	91.52 (75.79)	0.48 (0.42)										- (1.00)	

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

\* Represents year end balance of Current Account.

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

Figures in bracket indicate for previous year.

## Notes to Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

### Q) Interest in Joint Venture:

The Company has 50% ownership interest in Tea Group Investment Company Limited. The proportionate share in the assets, liabilities, income and expenses (each without elimination of the effect of transactions between the company and the joint venture) related to its interest in jointly controlled entity are given below:

Accounting period ended on	31.12.2012 *	31.03.2012
Country of Incorporation	U.A.E.	U.A.E.
Assets	5231.99	4904.10
Liabilities	4360.76	4177.99
Income	1964.78	2748.46
Expenses (including tax)	1717.17	2335.33

\*Represents position of assets / liability of Joint Venture Company (JVC) as on 31.12.2012 and performance for the nine months ended on that date to align with the financial year closing of JVC. Next year onwards disclosure based on the full calendar year will follow consistently.

	2012-13	2011-12
<b>R) (i) C.I.F. Value of Imports</b>		
Raw Materials (Including in-transit)	3900.66	5619.67
Filter Paper	1.18	20.34
	<b>3901.84</b>	<b>5640.01</b>
<b>(ii) Expenditure in Foreign Currency</b>		
Travelling	11.71	30.12
Brokerage & Commission	44.11	80.04
Foreign Bank Charges	5.11	24.99
Interest & Swap Charges	381.47	337.97
Others	39.59	58.86
<b>(iii) Earnings in Foreign Currency</b>		
FOB Value of Exports (Excluding to Nepal)		
Black Tea	9425.11	7738.20

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

	Raw Materials Consumed				Spares – Parts Consumed			
	2012-13		2011-12		2012-13		2011-12	
	Value	%	Value	%	Value	%	Value	%
Imported	5159.55	22.43	5362.52	26.02	0.84	0.12	-	-
Indigenous	17389.72	77.57	15249.73	73.98	690.54	99.88	638.91	100.00
<b>Total</b>	<b>22549.27</b>	<b>100.00</b>	<b>20612.25</b>	<b>100.00</b>	<b>691.38</b>	<b>100.00</b>	<b>638.91</b>	<b>100.00</b>

## Notes to Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

	2012-13	2011-12
<b>S) <u>Earnings per Share</u></b>		
Profit after taxation as per statement of Profit & Loss	<b>4006.74</b>	1432.10
Weighted average number of equity shares outstanding at the year end	<b>28877488</b>	28877488
Basic and diluted earnings per Share of Face Value of ₹5/- (in ₹)	<b>13.87</b>	4.96
<b>T) <u>Remittance on account of Dividend to Non-Resident Shareholders</u></b>		
a) Remitted in Foreign Currency		
	<b>Year ended</b>	Year ended
Year to which Dividend relates	<b>31.03.2012</b>	31.03.2011
Net amount of Dividend remitted	<b>31.94</b>	31.94
Number of Shareholders	<b>1</b>	1
Number of Shares held	<b>1064800</b>	1064800
b) Remitted in their Banks in India		
	<b>Year ended</b>	Year ended
Year to which Dividend relates	<b>31.03.2012</b>	31.03.2011
Net amount of Dividend remitted	<b>23.14</b>	99.43
Number of Shareholders	<b>432</b>	391
Number of Shares held	<b>771413</b>	3314386
<b>U) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.</b>		

### As per our report of even date annexed

For SINGHI & CO.

Chartered Accountants

Firm Registration No.302049E

### PRADEEP KUMAR SINGHI

Partner

(Membership No.50773)

1-B, Old Post Office Street

Kolkata, the 6th day of May, 2013

### R.K.GANERIWALA

(President, CFO & Secretary)

For and on behalf of Board of Directors

### D.P.MAHESHWARI

(Managing Director)

### B.K.BIRLA

(Chairman)



## Independent Auditors' Report on Consolidated Financial Statements

To the Board of Directors of Jay Shree Tea & Industries Limited

### Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **JAY SHREE TEA & INDUSTRIES LIMITED** ("the Company") and its subsidiaries and a jointly controlled entity (collectively referred to as "Group"), which comprise the consolidated Balance Sheet as at 31st March, 2013, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the group in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true & fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### Basis of qualified opinion

*Note No 2.26.R.ii.d regarding non provision of accumulated gratuity liability up to 31<sup>st</sup> March, 2009 of ₹ 96.68 lacs in a subsidiary as per the requirement of Accounting Standard – 15 on "Employees benefits".*

*Had the above impact be considered, profit for the year would have been ₹ 4374.12 lacs as against the reported profit of ₹ 4470.80 lacs and the reserve and surplus balance as on 31st March 2013 would have been ₹ 42708.13 lacs as against the reported figure of ₹ 42804.81 lacs.*

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph*, and based on consideration of the reports of the other auditors on the financial statements, the aforesaid consolidated

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

- a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013
- b) In the case of the Consolidated Statement of Profit and Loss, of the **Profit** of the Group for the year ended on that date, and
- c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

#### **Emphasis of Matter**

- I) Refer note no 2.26.I.iii & 2.26.I.iv regarding recognition and carry forward of Minimum Alternate Tax (MAT) Credit Entitlement of ₹ 418.43 (including ₹ 45.65 lacs (net) further recognised during the year) and deferred tax assets (DTA) of ₹ 340.11 lacs (including ₹ 112.78 lacs (net) further recognised during the year) on carry forward capital loss up to 31st March 2013 based on the future taxable income projected by the Company.
- II) Refer note no. 2.26.F regarding consolidation of consolidated financial statements of the jointly controlled entity for the period from 1<sup>st</sup> April 2012 to 31<sup>st</sup> December 2012.

Our opinion is not qualified in respect to above matters.

#### **Other Matters**

- 1) We did not audit the financial statements of two Indian subsidiaries, whose financial statements reflects total assets (net) of ₹ 6902.10 lacs as at 31<sup>st</sup> March 2013, total revenue (net) of ₹ 186.96 lacs and net cash outflow amounting to ₹ 8.33 lacs for the year ended on that date as considered in the Consolidated Financial Statement. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to amounts included in respect of these subsidiaries is based solely on the reports of other auditors.
- 2) We have relied on the unaudited consolidated financial statements of a foreign subsidiary and a jointly controlled entity, whose consolidated financial statements reflects total assets (net) of ₹ 12201.42 lacs as at 31<sup>st</sup> March 2013 / 31<sup>st</sup> December 2012, total revenue (net) of ₹ 3958.58 lacs and net cash outflow amounting to ₹ 38.16 lacs for the year ended on that date. These unaudited consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India and other recognized accounting practices and policies (Indian GAAP) followed by the Company and are approved by the management. Our report in so far as it relates to the amounts included in respect to above consolidated financial statements is based solely on such approved unaudited financial statements.

Our opinion is not qualified in respect to above matters.

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

**PRADEEP KUMAR SINGHI**  
Partner  
(Membership No.50773)

1-B, Old Post Office Street  
Kolkata, the 6th day of May, 2013

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

	Note No.		As at 31.03.2013	(₹ in lacs) As at 31.03.2012
<b>EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS' FUNDS</b>				
Share Capital	2.1	1443.87	1443.87	
Reserves and Surplus	2.2	42804.81	39755.73	41199.60
			44248.68	
<b>MINORITY INTEREST</b>				
			1927.55	1748.70
<b>NON-CURRENT LIABILITIES</b>				
Long-Term Borrowings	2.3	10219.28	14952.59	
Deferred Tax Liabilities (Net)	2.4	1306.27	776.91	
Other Long-Term Liabilities	2.5	133.00	99.85	
Long-Term Provisions	2.6	362.00	392.25	
			12020.55	16221.60
<b>CURRENT LIABILITIES</b>				
Short-Term Borrowings	2.7	30570.61	29004.80	
Trade Payables	2.8	12319.81	10064.63	
Other Current Liabilities	2.9	11763.87	8008.05	
Short-Term Provisions	2.6	3466.51	2787.68	
			58120.80	49865.16
<b>TOTAL</b>			<b>116317.58</b>	<b>109035.06</b>
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Fixed Assets	2.10			
Tangible Assets		33344.89	32488.64	
Intangible assets		1599.69	1446.54	
Capital Work-In-Progress		477.22	652.27	34587.45
			35421.80	
Non-Current Investments		25760.48	24194.90	
Long-Term Loans and Advances	2.11	1984.98	2207.03	
Other Non-Current Assets	2.12	8.30	4.10	
			27753.76	26406.03
<b>CURRENT ASSETS</b>				
Current Investments		3784.53	2633.68	
Inventories	2.13	26069.23	22552.07	
Trade Receivables	2.14	8195.48	7481.32	
Cash and Bank Balances	2.15	7398.57	2172.38	
Short-Term Loans and Advances	2.11	5412.34	11074.25	
Other Current Assets	2.12	2281.87	2127.88	
			53142.02	48041.58
<b>TOTAL</b>			<b>116317.58</b>	<b>109035.06</b>

Significant Accounting Policies

1

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

**As per our report of even date annexed**

For SINGHI &amp; CO.

Chartered Accountants

Firm Registration No.302049E

**PRADEEP KUMAR SINGHI**

Partner

(Membership No.50773)

1-B, Old Post Office Street

Kolkata, the 6th day of May, 2013

**R.K.GANERIWALA**

(President, CFO &amp; Secretary)

For and on behalf of Board of Directors

**D.P.MAHESHWARI**

(Managing Director)

**B.K.BIRLA**

(Chairman)

# **CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

(₹ in lacs)

	<u>Note No.</u>	<u>For the year ended 31st March, 2013</u>	<u>For the year ended 31st March, 2012</u>
<b>INCOME</b>			
Revenue from Operations (Gross)	2.16	<b>72071.82</b>	67255.06
Less: Excise duty		<b>1105.49</b>	952.56
Revenue from Operations (Net)		<b>70966.33</b>	66302.50
Other Income	2.17	<b>2983.26</b>	2835.14
Total Revenue		<b>73949.59</b>	69137.64
<b>EXPENSES</b>			
Cost of Materials Consumed	2.18	<b>23370.46</b>	21346.14
Purchases of Traded Goods	2.19	<b>8397.12</b>	8696.37
(Increase)/ Decrease in Inventories of Finished Goods, Work-in-Progress and Traded Goods	2.20	<b>(3853.64)</b>	(1646.43)
Employee Benefits Expense	2.21	<b>16848.65</b>	15162.17
Finance Costs	2.22	<b>4156.51</b>	4169.48
Other Expenses	2.23	<b>17723.96</b>	17493.80
		<b>66643.06</b>	65221.53
<b>Profit before Tax, Depreciation and Amortisation</b>		<b>7306.53</b>	3916.11
Depreciation and Amortisation Expense		<b>1488.46</b>	1681.72
Less: Transferred from Revaluation Reserve		<b>52.77</b>	68.00
	2.24	<b>1435.69</b>	1613.72
<b>Profit before Tax</b>		<b>5870.84</b>	2302.39
<b>Tax Expense:</b>	2.25		
Current Tax		<b>862.22</b>	490.44
Deferred Tax		<b>537.82</b>	(426.35)
<b>Profit after Tax</b>		<b>4470.80</b>	2238.30
Share of Minority Interest		<b>28.35</b>	197.98
<b>Profit attributable to Shareholders after Minority Interest</b>		<b>4442.45</b>	2040.32
<b>Basic &amp; Diluted Earnings Per Share (₹) [Nominal Value ₹ 5 /-]</b>		<b>15.38</b>	7.06
(Refer Note No. 2.26.V)			

Significant Accounting Policies

1

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

**As per our report of even date annexed**

For SINGHI & CO.

Chartered Accountants

Firm Registration No.302049E

**PRADEEP KUMAR SINGHI**

Partner

(Membership No.50773)

1-B, Old Post Office Street

Kolkata, the 6th day of May, 2013

**R.K.GANERIWALA**  
(President, CFO & Secretary)

For and on behalf of Board of Directors

**D.P.MAHESHWARI**  
(Managing Director)

**B.K.BIRLA**  
(Chairman)

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

(₹ in lacs)

Particulars	2012-13	2011-12
<b>A. Cash flow from operating activities :</b>		
Net Profit before tax and extraordinary items	5870.84	2302.39
<b>Adjustments for -</b>		
Depreciation/Amortisation	1436.12	1614.87
Dividend income	(183.45)	(229.43)
Finance Cost	4156.51	4169.48
Interest Income	(1443.10)	(1678.26)
(Profit) / loss on sale / discard of fixed assets (net)	(357.50)	(16.04)
Unclaimed balances written back	(249.33)	(285.91)
Excess / Short provision related to earlier year	(5.47)	(2.68)
Advances & claims written off (net)	1.28	95.54
(Profit) / loss on sale of Investment (net)	(257.54)	(150.64)
Preliminary Expenses Written off	-	5.53
Foreign Currency Translation Reserve	7.64	(5.27)
Exchange difference (net)	951.04	443.66
<b>Operating profit before working capital changes</b>	<b>9927.04</b>	<b>6263.24</b>
<b>Adjustments for -</b>		
Trade Receivables and Loans & Advances	676.30	(1356.11)
Inventories	(3461.17)	(2831.22)
Trade payables, Other liabilities & Provisions	2855.18	5338.93
<b>Cash generated from / (used in) operations</b>	<b>9997.35</b>	<b>7414.84</b>
Miscellaneous/ Preliminary Expenditure paid	-	(5.53)
Direct taxes (paid) / refund ^	(901.28)	(851.56)
Exchange difference realised (net )	(211.32)	(83.53)
<b>Net cash from / (used in ) operating activities</b>	<b>8884.75</b>	<b>6474.22</b>
<b>B. Cash flow from investing activities :</b>		
Purchase of/advance for Fixed Assets/capital work in progress	(2615.82)	(3011.35)
Sale of Fixed Assets	791.15	43.94
Receipt of capital subsidy	380.53	88.86
Investment in Subsidiaries & Joint Venture	-	(184.43)
(Purchase) / sale of non current investments (net)	(803.29)	(613.20)
(Purchase) / sale of current investments (net)	(1583.36)	(453.23)
Loans and Advances to companies (net)	4700.00	(1800.00)
Interest received	1344.66	645.26
Dividend Income	183.45	229.43
<b>Net cash from / (used in) investing activities</b>	<b>2397.32</b>	<b>(5054.72)</b>

# **CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)**

(₹ in lacs)

	2012-13	2011-12
<b>C. Cash flow from financing activities :</b>		
Proceeds of long term borrowings	1515.80	1141.80
Repayments of long term borrowings	(4251.90)	(2116.68)
Proceeds from short term borrowings (net)	1498.71	407.16
Dividend including dividend tax paid	(759.54)	(725.96)
Interest paid	(4116.82)	(3893.69)
<b>Net cash from / (used in) financing activities</b>	<b>(6113.75)</b>	<b>(5187.37)</b>
Net increase/(decrease) in cash and cash equivalent (A+B+C)	<b>5168.32</b>	<b>(3767.87)</b>
Cash and cash equivalents as at 01.04.2012	2005.52	5676.08
Add: Exchange Variation on Cash & Cash Equivalents	46.71	97.31
Cash and cash equivalents as at 31.03.2013 \$	<b>7220.55</b>	2005.52
	<b>5168.32</b>	<b>(3767.87)</b>

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

\$ Cash and cash equivalent consist of :-

## **Cash & Cash Equivalents \***

Cash, cheques, drafts in hand, remittance in transit etc.	1421.21	511.30
Balance and Fixed deposits with Banks	5799.34	1494.22
<b>Total</b>	<b>7220.55</b>	<b>2005.52</b>

The aforesaid statement is prepared on indirect method.

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

The Notes are an integral part of the Financial Statements

## **As per our report of even date annexed**

For SINGHI & CO.

Chartered Accountants

Firm Registration No.302049E

## **PRADEEP KUMAR SINGHI**

Partner

(Membership No.50773)

1-B, Old Post Office Street

Kolkata, the 6th day of May, 2013

## **R.K.GANERIWALA**

(President, CFO & Secretary)

For and on behalf of Board of Directors

## **D.P.MAHESHWARI**

(Managing Director)

## **B.K.BIRLA**

(Chairman)

**Notes to Consolidated Financial Statements for the year ended 31st March, 2013****1) SIGNIFICANT ACCOUNTING POLICIES****I. Principles of Consolidation**

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

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

**II. Convention**

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

**III. Use of Estimates**

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

## **Notes to Consolidated Financial Statements for the year ended 31st March, 2013**

### **IV. Basis of Accounting**

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

### **V. Recognition of Revenue & Expenses**

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

### **VI. Government Grants**

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

### **VII. Fixed Assets & Depreciation / Amortization**

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

Intangible Assets are stated at cost on initial recognition after which the same are stated at cost less accumulated amortization and accumulated impairment loss, if any.
- c) Capital Work In progress:

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

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

### **VIII. Impairment of Assets**

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

### **IX. Leases**

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



## Notes to Consolidated Financial Statements for the year ended 31st March, 2013

### X. Investments

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

### XI. Inventories

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

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

### XII. Employment Benefits

- a) Short term Employees Benefits:

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

- b) Long Term Employee Benefits:

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

### XIII. Borrowing Costs

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

## **Notes to Consolidated Financial Statements for the year ended 31st March, 2013**

### **XIV. Foreign Currency Transactions**

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

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

### **XV. Derivative Transactions**

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

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

### **XVI. Taxes on Income**

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

### **XVII. Provisions, Contingent Liabilities & Contingent Assets**

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

**Notes to Consolidated Financial Statements for the year ended 31st March, 2013**

(₹ in lacs)

**2.1. SHARE CAPITAL**

**Authorised:**

58000000 Shares of ₹ 5/- each

As at 31.03.2013	As at 31.03.2012
---------------------	---------------------

2900.00	2900.00
---------	---------

**Issued:**

28902786 Equity Shares of ₹ 5/- each

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

1445.14	1445.14
---------	---------

**Subscribed and Paid up:**

28877488 Equity Shares of ₹ 5/- each

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

1443.87	1443.87
---------	---------

1443.87	1443.87
---------	---------

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

Shares outstanding at the beginning of the year

Shares issued during the year pursuant to Scheme of

Amalgamation and Arrangement

Shares outstanding at the end of the year

No. of Shares	No. of Shares
28877488	22348678
-	6528810
28877488	28877488

- b) The Company has only one class of issued shares i.e., Equity Shares having par value of ₹ 5/- per share. Each holder of Ordinary Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the ordinary shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

- c) The Company does not have any Holding Company/ultimate Holding Company.

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

	As at 31.03.2013		As at 31.03.2012	
	No. of Shares	%	No. of Shares	%
Ordinary Equity Shares of ₹ 5/- each fully paid up				
JPM Merchandise Agencies Limited *	6114108	21.17	-	-
Padmavati Investment Limited	-	-	6114108	21.17
Jay Shree Beneficiary Trust	6528810	22.61	6528810	22.61

\*Formed through demerger of Padmavati Investment Limited

- e) No Equity Shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment as at the Balance Sheet date.
- f) No shares have been bought back by the Company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.
- g) 7518810 (Previous year 7541640) Equity shares of ₹ 5/- each fully paid up have been issued pursuant to Scheme of Amalgamation and Arrangement for consideration other than cash in preceeding five years.
- h) No securities convertible into Equity/Preference shares issued by the Company during the year.
- i) No calls are unpaid by any director or officer of the Company during the year.

## Notes to Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

	As at 31.03.2013	As at 31.03.2012
<b>2.2 : RESERVES AND SURPLUS</b>		
<b>Capital Reserves</b>		
(Not Available for Dividend)		
As per last Consolidated Financial Statements	<u>10865.28</u>	<u>10865.28</u>
<b>Capital Redemption Reserve</b>		
As per last Consolidated Financial Statements	<u>165.21</u>	<u>165.21</u>
<b>Capital Reserve arising on accounting of investment in associate</b>		
As per last Consolidated Financial Statements	<u>78.11</u>	<u>78.11</u>
<b>Storage Reserve for Molasses</b>		
As per last Consolidated Financial Statements	<u>188.10</u>	<u>188.10</u>
<b>Investment Reserve</b>		
As per last Consolidated Financial Statements	<u>1895.22</u>	<u>1895.22</u>
<b>Revaluation Reserve</b>		
As per last Consolidated Financial Statements	<u>219.40</u>	<u>261.06</u>
Add: Foreign Currency Translation Reserve	<u>6.34</u>	<u>26.34</u>
Less: Adjustment of depreciation on revalued assets	<u>52.77</u>	<u>68.00</u>
	<u>172.97</u>	<u>219.40</u>
<b>Foreign Currency Translation Reserve</b>		
As per last Consolidated Financial Statements	<u>100.01</u>	<u>(14.64)</u>
Add: Adjustment during the year	<u>(115.50)</u>	<u>116.47</u>
Add: Addition due to restated figures	<u>-</u>	<u>(1.82)</u>
	<u>(15.49)</u>	<u>100.01</u>
<b>Other Reserve</b>		
As per last Consolidated Financial Statements	<u>20.43</u>	<u>18.57</u>
Add: Foreign Currency Translation Reserve	<u>-</u>	<u>1.86</u>
Less: Adjusted during the year	<u>20.43</u>	<u>-</u>
	<u>-</u>	<u>20.43</u>
<b>Foreign Currency Monetary Item Translation Difference Account</b>		
As per last Consolidated Financial Statements	<u>(230.22)</u>	<u>-</u>
Add: During the year (Including ₹ 215.44 related to 2011-12 (Refer Note No.2.26.J))	<u>(1029.84)</u>	<u>(375.80)</u>
Less: Amortised during the year	<u>748.66</u>	<u>145.58</u>
	<u>(511.40)</u>	<u>(230.22)</u>
<b>General Reserve</b>		
As per last Consolidated Financial Statements	<u>17966.72</u>	<u>17466.72</u>
Add: Transferred from Surplus	<u>2500.00</u>	<u>500.00</u>
	<u>20466.72</u>	<u>17966.72</u>
<b>Surplus</b>		
As per last Consolidated Financial Statements	<u>8487.47</u>	<u>7420.39</u>
Add: Profit for the previous year	<u>-</u>	<u>55.07</u>
Add: Profit for the year	<u>4442.45</u>	<u>2040.32</u>
Add: Foreign Currency Translation Reserve	<u>165.40</u>	<u>12.15</u>
	<u>13095.32</u>	<u>9527.93</u>
Less: Appropriations		
Proposed Dividend	<u>1036.11</u>	<u>713.77</u>
Corporate Dividend Tax	<u>59.12</u>	<u>42.32</u>
General Reserve	<u>2500.00</u>	<u>500.00</u>
Dividend Tax for Earlier years written back	<u>-</u>	<u>(215.63)</u>
<b>Net Surplus</b>	<u>9500.09</u>	<u>8487.47</u>
<b>Total Reserves and Surplus</b>	<u>42804.81</u>	<u>39755.73</u>

Notes to Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

2.3 : LONG-TERM BORROWINGS

	Non-current portion		Current Maturities	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
<b>Secured</b>				
Term Loan from Banks	1750.00	4416.66	2666.67	3166.67
Foreign Currency Loan from Banks	268.99	125.14	45.49	25.03
External Commercial Borrowings from Banks	5092.50	6518.80	4956.70	763.20
Sugar Development Fund Loan	430.27	-	-	-
Total Secured Borrowings	<u>7541.76</u>	<u>11060.60</u>	<u>7668.86</u>	<u>3954.90</u>
<b>Unsecured</b>				
Foreign Currency Loan from Banks (Secured by Corporate Guarantee of the Company) From Related Party - Joint Venture Partner	1738.24	2864.76	1303.68	1227.76
	939.16	1010.34	-	-
Employees Deposits	-	16.75	16.75	106.57
From Government of West Bengal under Plantation Labour Housing Scheme	0.02	0.04	0.02	0.02
From Government of Assam under plantation labour housing scheme	0.10	0.10	-	-
Total Unsecured Borrowings	<u>2677.52</u>	<u>3891.99</u>	<u>1320.45</u>	<u>1334.35</u>
Amount disclosed under the head "Other Current Liabilities" (Refer Note No.2.9)	-	-	(8989.31)	(5289.25)
	<u>10219.28</u>	<u>14952.59</u>	<u>-</u>	<u>-</u>

Security:

- Term Loan from Banks and External Commercial Borrowings 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, with working capital lenders for tea division.
- Foreign Currency Loan from Bank is secured against fixed assets of Gisakura Tea Factory.
- External Commercial Borrowings amounting to ₹1901.20 is also secured by pledge of certain investments of the Company.
- Sugar Development Fund Loan is secured/to be secured by way of equitable mortgage of immovable/movable properties of Jay Shree Sugar division ranking *pari-passu*.

## Notes to Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

### 2.3 : LONG-TERM BORROWINGS (Contd.)

#### v) Maturity Profile

##### Secured

Nature of Loans	Loan Amount	Repayment Term	Repayment Years					
			2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019 to 2021-22
Rupee Term Loan	1000.00	Remaining one yearly installment	1000.00	-	-	-	-	-
Rupee Term Loan	1666.67	Remaining two yearly installments	833.34	833.33	-	-	-	-
Rupee Term Loan	750.00	Remaining three half yearly installments	500.00	250.00	-	-	-	-
Rupee Term Loan	1000.00	Payable in three equal yearly installments	333.33	333.33	333.34	-	-	-
Foreign Currency Term Loan	314.48	Payable in six yearly installments	45.49	53.80	53.80	53.80	53.80	53.79
Rupee Term Loan	430.27	Payable after five years in ten half yearly installments	-	-	-	-	86.05	344.22
External Commercial Borrowings	1901.20	Remaining two installments	1901.20	-	-	-	-	-
External Commercial Borrowings	5432.00	In two equal installments	2716.00	2716.00	-	-	-	-
External Commercial Borrowings	2716.00	Payable in eight half yearly installments	339.50	679.00	679.00	679.00	339.50	-
	15210.62		7668.86	4865.46	1066.14	732.80	479.35	398.01

##### Unsecured

Foreign Currency Term Loan	3041.92	Payable in four half yearly installments	1303.68	1738.24	-	-	-	-
Joint Venture Partner	939.16	Repayable on demand	-	939.16	-	-	-	-
Employees deposit	16.75	As per terms of receipts	16.75	-	-	-	-	-
Government of West Bengal under Plantation labour housing scheme	0.04	Remaining equal yearly installments	0.02	0.02	-	-	-	-
Government of Assam under Plantation labour housing scheme	0.10	As per terms of loan	-	0.10	-	-	-	-
	3997.97		1320.45	2677.52	-	-	-	-

Notes to Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

2.4 : DEFERRED TAX LIABILITIES (NET)

	As at 31.03.2013	As at 31.03.2012
<b>Deferred Tax Liabilities</b>		
Arising on account of :		
Accumulated Depreciation	1959.06	1805.99
Others	162.63	75.33
Less: Deferred Tax Assets		
Arising on account of :		
Section 43B of Income-tax Act	453.80	693.97
Provision for doubtful debts	12.75	13.44
Carry over capital losses	344.82	227.33
Others (Includes ₹ 3.81 (Previous Year ₹156.53) related to Foreign Joint Venture)	4.05	169.67
	815.42	1104.41
	<u>1306.27</u>	<u>776.91</u>

2.5 : OTHER LONG TERM LIABILITIES

Trade and Security Deposits	115.75	99.85
Interest accrued but not due	17.25	-
	<u>133.00</u>	<u>99.85</u>

2.6 : PROVISIONS

	Long Term		Short Term	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
<b>Provision for Employee Benefits</b>				
Leave	362.00	392.25	193.11	69.91
Gratuity	-	-	516.37	509.93
Bonus	-	-	1534.44	1288.99
<b>Other Provisions</b>				
Provisions for Contingency	-	-	146.13	148.42
Provisions for Taxation (Net of advance)	-	-	147.67	75.86
Proposed Dividend	-	-	869.67	652.25
Corporate Dividend Tax	-	-	59.12	42.32
	<u>362.00</u>	<u>392.25</u>	<u>3466.51</u>	<u>2787.68</u>

2.7 : SHORT TERM BORROWINGS

Working Capital Borrowings From Banks

Working Capital Loan ( Secured)	4044.79	2201.09
Working Capital Loan ( Unsecured)	112.07	13.34
Packing Credit in Foreign Currency (Secured )	-	1310.53
FCNR (B) loan ( Unsecured)	-	1719.74
	<u>4156.86</u>	<u>5244.70</u>

## Notes to Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

### 2.7 : SHORT TERM BORROWINGS (Contd.)

	As at 31.03. 2013	As at 31.03. 2012
<b>Other Loans &amp; Advances from Banks</b>		
Rupee Loan (Secured)	2500.00	3250.00
Rupee Loan (Unsecured)	21500.00	20250.00
Overdraft with Bank (Unsecured)	1413.75	206.70
Commercial Papers (Unsecured)	1000.00	-
From Related Parties (Unsecured)	-	4.86
From Other Parties (Unsecured)	-	48.54
	<u>26413.75</u>	<u>23760.10</u>
	<u>30570.61</u>	<u>29004.80</u>
<b>The above amount includes</b>		
Secured Borrowings	6544.79	6761.62
Unsecured Borrowings	24025.82	22243.18
	<u>30570.61</u>	<u>29004.80</u>

#### Security:

- Secured working capital loan of ₹ 2424.97 and other secured rupee loan are secured by first charge by way of hypothecation over entire current assets of the Company ranking *pari-passu* with other consortium banks as primary security & second charge by way of hypothecation of entire movable plant & machinery of the Company ranking *pari-passu* with other consortium banks as collateral.
- Secured working capital loan of ₹1619.82 is secured by Stand-By Letter of Credit issued against pledge of investment.
- Above secured loans are also secured by equitable mortgage over the immovable properties of Company's 21 Tea Estates ranking *pari-passu* with term lenders for tea division.

### 2.8 : TRADE PAYABLES

For Goods and Services	12319.81	10064.63
	<u>12319.81</u>	<u>10064.63</u>

### 2.9 : OTHER CURRENT LIABILITIES

Current maturities of Long Term Debt (Refer Note No. 2.3)	8989.31	5289.25
Interest accrued but not due on Borrowings	347.48	396.09
Interest accrued and due on Borrowings	1.05	5.91
For Salary & Wages	410.76	573.10
Unpaid and unclaimed dividends	66.18	55.93
Statutory Dues	956.97	992.17
Bank Overdraft with Banks	9.97	-
Amount payable for Capital Goods	148.03	227.10
Trade and Security Deposits	16.33	7.21
Advances Received from Customers	331.37	296.18
Others #	486.42	165.11
	<u>11763.87</u>	<u>8008.05</u>

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



## Notes to Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

### 2.10 : FIXED ASSETS

Particulars	G R O S S B L O C K		D E P R E C I A T I O N / A M O R T I S A T I O N		N E T B L O C K					
	Value as on 31/03/2012	Additions/ Adjustment	Sales/ Adjustment	Total value as on 31/03/2013	Upto 31/03/2012	For the year	Sales/ adjustment	Upto 31/03/2013	As at 31/03/2013	As at 31/03/2012
TANGIBLE ASSETS										
Land	8083.59 (1)	37.62(2)	362.74	7758.47	-	-	-	-	7758.47	8083.59
Leasehold Land & Plantation	6850.02	105.53	-	6955.55	2.32	-	-	2.32	6953.23	6847.70
Leasehold Land Others	122.54	-	-	122.54	10.89	8.17	-	19.06	103.48	111.65
Building & Flats (including those on Leasehold & Rented Land), Electric Installation, Water Line, Tubewell, Fencing, Road, Bridge, etc.	7900.90	625.45	3.52	8522.83	2571.03	178.72	3.34	2746.41	5776.42	5329.87
Plant & Machinery, X-ray units, Electric Installation, Air Conditioning Units, Refrigerators, Road Rollers, Gas Pipe Lines, Roadways, etc.	18356.23	1525.99 (3)	196.85	19685.37	7380.61	997.49	141.81	8236.29	11449.08	10975.62
Motor Lorries, Cars, Trailors, Tractors, Trolleys, Cycles, Vans, Loaders, etc.	2072.01	322.06 (3)	134.81	2259.26	1348.42	231.47	119.14	1460.75	798.51	723.59
Furniture & Fixtures, Tools & Implements, etc.	687.11	108.42	0.72	794.81	337.32	38.11	0.70	374.73	420.08	349.79
Live Stock	0.19	-	-	0.19	-	-	-	-	0.19	0.19
Office Equipment	124.77	38.35	0.04	163.08	58.13	19.53	0.01	77.65	85.43	66.64
Total	44197.36	2763.42	698.68	46262.10	11708.72	1473.49	265.00	12917.21	33344.89	32488.64
Capital Work in Progress	-	-	-	-	-	-	-	-	477.22	648.68
Add:Preoperative Expenditure	-	-	-	-	-	-	-	-	-	3.59
	44197.36	2763.42	698.68	46262.10	11708.72	1473.49	265.00	12917.21	33822.11	33140.91
INTANGIBLE ASSETS										
Goodwill on Consolidation	1446.54	153.15	-	1599.69	-	-	-	-	1599.69	1446.54
	45643.90	2916.57	698.68	47861.79	11708.72	1473.49	265.00	12917.21	35421.80	34587.45
Corresponding figures for previous year	42792.82	3097.60	246.52	45643.90	10257.15	1670.19	218.62	11708.72	33935.18	
Capital Work in Progress									648.68	
Add:Preoperative Expenditure									3.59	
									34587.45	

## Notes to Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

### 2.10 : FIXED ASSETS (Contd.)

- 1) a) Land of Tribeni, West Bengal - Appeal for the final determination of compensation was decided in favour of the Group by the District Court of Hooghly and final compensation determined at ₹ 8.33 (Including interest ₹ 0.50) against which a sum of ₹ 2.05 was received in a previous year and credited to fixed assets. ₹ 6.28 including ₹ 1.50 released during the year 1967 against hypothecation of Khardah Land by the District Court has been shown in Current Liabilities. The Hon'ble High Court at Calcutta has decided the appeal against the Group in a previous year by reducing the amount of compensation for which an appeal before the Hon'ble Supreme Court of India was filed. Hon'ble Supreme Court has upheld the decision of the Hon'ble High Court and accordingly the adjustments will be carried out when the amount to be refunded is ascertained.  
b) Land at Guwahati measuring 2 hectares and related building including furniture & fixture and related equipment has been given on registered lease to a Society for operating a School.
- 2) Includes estimated cost of New Extension of area under tea ₹ 27.56 (Previous Year ₹ 24.63) capitalized during the year as certified.
- 3) Excluding ₹ 75.60 (Previous Year ₹ 73.44) on account of subsidy received from Tea Board under Tea Quality Upgradation & Product Diversification Scheme and ₹ 19.70 (Previous Year ₹ 15.42) on account of transport subsidy received against vehicles from Tea Board and ₹ 285.23 (Previous Year NIL) on account of capital subsidy received from Cane Ministry, Bihar.
- 4) Land, Buildings and Plant & Machinery include ₹ 1.18, ₹ 6.43 and ₹ 0.81 respectively (Previous Year ₹ 1.18, ₹ 6.43, and ₹ 0.81 respectively) being 5.18% share of cost of Land, Buildings and Plant & Machinery held on co-ownership by the Group with other parties.
- 5) Land & Plantation include ₹ 29.28 (Previous Year ₹ 29.28) and Building includes ₹ 1.55 (Previous Year ₹ 1.55) (being cost of floor of a leasehold building) in the name of the nominees of the Group on co-ownership basis, pending execution of conveyance deed.
- 6) Land & Plantation includes 2.431 Hectare of land at tea estates for which possession handed over for construction of schools and 6 hectares for which execution of conveyance deed in favour of the Group is pending.
- 7) The Jayshree Sugar division of the Group is holding 1070.57 acre of land which is in dispute under Bihar Land Reforms (Fixation of Ceiling Area and Acquisition of Surplus Land) Act, 1961 & Rules, 1963. Vide order dated 29.12.2012, the Additional Collector, Bettiah had declared 970.57 acre of land as surplus and ordered for surrender of such land. The Group has filed an appeal against the order of the Collector and the matter is subjudice. Further compensation of 146.92 acres of land which was surrendered under the above Act in earlier years is yet to be determined and shall be accounted for in the year of receipt.
- 8) Depreciation during the year includes ₹ 0.43 (Previous year ₹ 1.15) towards assets of farm.
- 9) Plant & Machinery and Vehicles of a sub-subsidiary were revalued in 2009 which resulted in an increase of ₹ 462.42.
- 10) Addition to Fixed Assets and Depreciation/Amortisation during the year includes ₹ 302.30 (Previous Year ₹ 631.98) and ₹ 12.02 (Previous Year ₹ 30.78) respectively on account of Foreign Currency Translation Reserve.
- 11) Borrowing cost capitalized in accordance with Accounting Standard-16 is ₹ Nil (Previous Year ₹ Nil).

Notes to Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

2.11 : LOANS & ADVANCES (Unsecured, considered good)	Long-term		Short-term	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
<b>Capital Advances</b>	<b>587.71</b>	785.62	-	-
<b>Security Deposits</b>	<b>378.52</b>	306.08	<b>117.09</b>	65.95
<b>Loan &amp; Advances to Related Parties</b>				
To a Joint Venture Partner	<b>738.34</b>	1010.34	<b>2.59</b>	-
<b>Other Loans and Advances</b>				
Loans & Deposit to Companies	-	-	<b>2352.56</b>	7972.55
Deposit with NABARD	-	-	<b>90.16</b>	844.63
Advance Tax and TDS (Net of provisions)	-	-	<b>653.44</b>	586.13
Advance against supply of Goods and Services	-	-	<b>1163.90</b>	850.35
Prepaid Expenses	<b>83.05</b>	0.62	<b>180.74</b>	89.31
Insurance , excise and other claims				
Considered Good	-	-	<b>306.29</b>	70.13
Considered Doubtful	-	-	-	2.83
Less: Provision	-	-	-	(2.83)
Loan / Advance to Employees	<b>158.35</b>	104.37	<b>80.91</b>	72.18
Balances with Government & Statutory Authorities	-	-	<b>280.47</b>	234.51
Other Deposits and Advances				
Considered Good	<b>39.01</b>	-	<b>184.19</b>	288.51
Considered Doubtful	-	-	<b>3.89</b>	3.89
Less: Provision	-	-	<b>(3.89)</b>	(3.89)
	<b>280.41</b>	104.99	<b>5292.66</b>	11008.30
	<b>1984.98</b>	2207.03	<b>5412.34</b>	11074.25

2.12 : OTHER ASSETS

	Non-Current		Current	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Bank Fixed Deposit (Including ₹ 0.35, Previous Year ₹ 0.35 pledged as margin money)	<b>8.30</b>	4.10	-	-
Interest accrued on Deposits	-	-	<b>15.25</b>	9.71
Interest accrued on Investments	-	-	<b>91.91</b>	44.57
Interest accrued on loans / Inter corporate Deposits	-	-	<b>110.00</b>	259.05
Incentive and Subsidy Receivable	-	-	<b>1636.97</b>	1433.00
Rent Receivable	-	-	<b>9.31</b>	8.77
MAT Credit Entitlement (Refer Note No. 2.26.I.iii)	-	-	<b>418.43</b>	372.78
	<b>8.30</b>	4.10	<b>2281.87</b>	2127.88

## Notes to Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

### 2.13 : INVENTORIES

(As valued and certified by the Management)

	As at 31.03.2013	As at 31.03.2012
Raw Materials (Including stock of farm ₹ 0.60) (Previous Year ₹ 0.01)	1091.12	1820.07
Work in Progress	433.44	43.77
Finished Goods	16963.66	13936.50
Traded Goods	4850.70	4369.86
Stores and Spares	2725.17	2350.95
Loose Tools & Others	5.14	30.92
	<u>26069.23</u>	<u>22552.07</u>

Details of Inventories :	Finished / Traded Goods		Work-in-Progress	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Tea ( Finished Goods)	1909.84	1511.47	-	-
Tea ( Traded Goods)	4850.70	4369.86	-	-
Chemicals	1811.50	1280.25	53.25	42.86
Sugar	13242.32	11144.78	380.19	0.91
	<u>21814.36</u>	<u>18306.36</u>	<u>433.44</u>	<u>43.77</u>

### 2.14 : TRADE RECEIVABLES

Outstanding for a period exceeding six months

Secured, considered good

Unsecured, considered good

Doubtful

Less: Provision for doubtful receivables

	-	-
	339.68	317.83
	<u>36.37</u>	<u>36.37</u>
	<u>376.05</u>	<u>354.20</u>
	36.37	36.37
	<u>339.68</u>	<u>317.83</u>
Other Receivables		
Secured, considered good	10.13	15.33
Unsecured, considered good	<u>7845.67</u>	<u>7148.16</u>
	<u>7855.80</u>	<u>7163.49</u>
	<u>8195.48</u>	<u>7481.32</u>

### 2.15 : CASH AND BANK BALANCES

Cash and Cash Equivalents

Balances With Banks :

In Current/Cash Credit Account

In Fixed Deposit Accounts with original maturity of less than three months

Cheques/drafts on hand and Remittances in transit

Cash on hand

Other Bank Balances

Earmarked balances with Banks ( unpaid Dividend Account)

Other Fixed Deposit with Banks (Including ₹111.84

(Previous Year ₹110.93 pledged as margin money)

	2149.02	1277.17
	3650.32	217.05
	1224.65	373.01
	196.56	138.29
	<u>7220.55</u>	<u>2005.52</u>
	66.18	55.93
	111.84	110.93
	178.02	166.86
	<u>7398.57</u>	<u>2172.38</u>

## Notes to Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

	For the Year ended	
	31.03.2013	31.03.2012
<b>2.16 : REVENUE FROM OPERATIONS (GROSS)</b>		
Sales of Finished Goods & Other Products	68562.02	61037.20
Less: Excise Duty	1105.49	952.56
	<u>67456.53</u>	<u>60084.64</u>
Government rebate on Fertilisers	2128.45	4807.10
Sale of Services (Warehousing Charges)	250.52	568.65
	<u>69835.50</u>	<u>65460.39</u>
<b>Other Operating Revenues</b>		
Incentives & Subsidies	379.54	212.23
Export Benefits	529.59	485.77
Insurance and Other Claims (Net)	27.69	43.44
Income from Farm Product ( details as below)	49.67	10.60
Miscellaneous Sale	144.34	90.07
	<u>1130.83</u>	<u>842.11</u>
	<u>70966.33</u>	<u>66302.50</u>
<b>Details of Sale of Products</b>		
Tea	46530.99	42755.04
Chemicals	7506.24	7544.74
Sugar	14462.40	10651.91
Others	62.39	85.51
	<u>68562.02</u>	<u>61037.20</u>
<b>Income from Farm Products :</b>		
Sales of Agricultural Product	147.34	176.24
Closing Stock	0.60	0.01
Lease Rent	2.67	2.75
	<u>150.61</u>	<u>179.00</u>
Less: Opening Stock	0.01	0.20
Agricultural Farming Expenses (towards cultivation & other expenses)	100.36	166.97
Other Repairs	0.08	0.02
Rent, Rates & Taxes	0.06	0.06
Depreciation	0.43	1.15
	<u>100.94</u>	<u>168.40</u>
	<u>49.67</u>	<u>10.60</u>
<b>2.17 : OTHER INCOME</b>		
Interest Income		
On Investments		
Long term	133.95	69.80
Current	190.08	191.94
On Bank Deposits	15.63	54.87
On Loans & Other Deposits, etc.	903.44	1003.49
Interest Subsidy	200.00	358.16
Dividend Income		
On Long term	180.68	229.43
On Current	2.77	-

## Notes to Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

### 2.17 : OTHER INCOME (Contd.)

	For the Year ended	
	31.03.2013	31.03.2012
Net gain/ (loss) on sale of Investments		
On Long term	177.95	4.20
On Current	79.59	146.44
<b>Other Non Operating Income</b>		
Profit on sale of Fixed Assets (Net)	357.50	16.04
Rent	328.57	300.05
Unclaimed Balances written back	249.33	285.91
Excess provisions, receipts & adjustments relating to previous years	27.26	47.12
Less: Short provisions, payments & adjustments relating to previous years	(21.79)	(44.60)
Add : Excess/(Short) provision of bonus for previous years (Net)	-	(0.50)
Miscellaneous Income	158.30	172.79
	<u>2983.26</u>	<u>2835.14</u>

### 2.18 : COST OF MATERIALS CONSUMED

Raw Material Consumed		
Opening Inventories	1820.06	1220.57
Add : Purchase	<u>22784.87</u>	<u>21950.42</u>
	24604.93	23170.99
Less: Closing Inventories	1090.52	1820.06
Sales	143.95	-
Claims	-	4.79
	<u>23370.46</u>	<u>21346.14</u>

#### Details of Raw Material Consumed

Green Tea Leaves	3706.29	3915.07
Chemicals	7067.52	7334.74
Sugarcane	12596.65	10096.24
Others	-	0.09
	<u>23370.46</u>	<u>21346.14</u>

### 2.19 : PURCHASE OF TRADED GOODS

Traded Goods :- Tea	8250.76	8039.10
Chemicals	146.36	657.27
	<u>8397.12</u>	<u>8696.37</u>

### 2.20 : (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

Inventories at the beginning of the year		
Finished Goods	13936.50	13209.72
Work-in-Progress	43.77	38.57
Traded Goods	4369.86	3339.91
	<u>18350.13</u>	<u>16588.20</u>
Inventories at the end of the year		
Finished Goods	16963.66	13936.50
Work-in-Progress	433.44	43.77
Traded Goods	4850.70	4369.86
	<u>22247.80</u>	<u>18350.13</u>
Fluctuation in Exchange Rate carried to Foreign Currency Translation Reserve	44.03	115.50
	<u>(3853.64)</u>	<u>(1646.43)</u>

**Notes to Consolidated Financial Statements for the year ended 31st March, 2013**

(₹ in lacs)

	<b>For the Year ended</b>	
	<b>31.03.2013</b>	<b>31.03.2012</b>
<b>2.21 : EMPLOYEE BENEFITS EXPENSE</b>		
Salaries & Wages	<b>14015.68</b>	12810.75
Contribution to Provident Funds and Others	<b>1104.99</b>	1008.90
Contribution to Gratuity Fund	<b>580.34</b>	317.16
Contribution to Superannuation Fund	<b>63.46</b>	57.47
Staff Welfare Expenses	<b>1084.18</b>	971.30
	<b>16848.65</b>	15165.58
Less: Amount transferred to Pre-operative Expenditure	-	3.41
	<b>16848.65</b>	15162.17
<b>2.22 : FINANCE COST</b>		
Interest Expenses		
On Fixed Loans & Deposits	<b>1166.01</b>	1258.80
To Bank & Others	<b>2896.60</b>	2401.98
	<b>4062.61</b>	3660.78
Other Borrowing Cost		
Other Financial Charges	<b>153.29</b>	105.45
Applicable net gain/loss on foreign currency transactions and translations account (Net of reversal of ₹ 215.44 (Previous Year ₹ Nil) Refer Note No.2.26.J)	<b>(59.39)</b>	403.25
	<b>4156.51</b>	4169.48
Less: Borrowing cost Capitalised	-	-
	<b>4156.51</b>	4169.48
<b>2.23 : OTHER EXPENSES</b>		
<b>MANUFACTURING EXPENSES</b>		
Stores, Spare Parts & Packing Materials Consumed	<b>2432.83</b>	2400.82
Power & Fuel	<b>4005.58</b>	3909.62
Consumption of Manures/ Pesticides	<b>1615.53</b>	1381.79
Repairs to Buildings	<b>538.60</b>	471.49
Repairs to Machinery	<b>1135.87</b>	946.51
Repairs to Other Assets	<b>422.92</b>	373.50
Increase/(Decrease) in Excise Duty & Cess on Finished Goods	<b>34.46</b>	109.02
Other Manufacturing Expenses	-	34.81
	<b>10185.79</b>	9627.56
Less: Amount transferred to Pre-operative Expenditure	-	23.25
	<b>10185.79</b>	9604.31

# Notes to Consolidated Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

	For the Year ended	
	31.03.2013	31.03.2012
<b>2.23 : OTHER EXPENSES (Contd.)</b>		
<b>SELLING AND ADMINISTRATION</b>		
Freight & Cartage	1625.93	1713.47
Insurance	133.31	100.89
Brokerage & Commission	616.60	620.61
Warehousing Charges	120.55	274.03
Other Selling Expenses (Including packing material ₹ 15.16) (Previous Year ₹ 9.06)	939.21	1069.52
Rent	263.46	200.20
Rates & Taxes (Duty & Cess)	450.04	661.62
Insurance excluding on sales	139.22	117.67
Charity & Donation	0.60	5.82
Auditors' Remuneration -		
Statutory Auditors -		
Auditor	41.61	27.67
Tax Audit Fees	6.83	6.03
Issue of Certificates	14.46	15.15
Other Services	4.00	9.00
Reimbursement of Expenses	0.83	0.53
Reimbursement of Service Tax	5.30	5.80
Cost Auditors -		
Audit Fees	1.62	0.83
Travelling Expenses	0.26	0.37
Branch Auditors -		
Auditor	2.75	2.50
Issue of Certificates	1.60	-
Other Services	0.26	0.26
Reimbursement of Expenses	0.29	0.89
Reimbursement of Service tax	0.54	0.41
Bad Debts & Irrecoverable Loans, Advances & Claims written off	4.11	95.54
Less : Reserve	(2.83)	-
Amortisation of Foreign Currency Monetary Translation Difference Account	748.66	145.58
Net Loss /(Gain) on Foreign Currency Transaction and Translation	202.38	298.08
Swap Premium Charges on Currency Option	103.38	121.40
Directors' Remuneration	205.52	147.79
Directors' Commission	20.00	15.00
Management Fees	-	264.22
Preliminary Expenses written off	-	5.53
Other Miscellaneous Expenses	1887.68	1967.63
	<u>7538.17</u>	<u>7894.04</u>
Less: Amount transferred to Pre-operative Expenditure	-	4.55
	<u>7538.17</u>	<u>7889.49</u>
	<u>17723.96</u>	<u>17493.80</u>
<b>2.24 : DEPRECIATION AND AMORTIZATION EXPENSES</b>		
On Tangible Assets	1461.04	1654.31
On Investment Property	27.42	27.41
	<u>1488.46</u>	<u>1681.72</u>
<b>2.25 : TAX EXPENSE</b>		
Current Tax for the year	967.85	446.26
MAT Credit Entitlement ( Net)	(45.65)	34.23
Add/Less : Adjustment of Tax related to earlier years	(59.98)	9.95
Current Tax	<u>862.22</u>	<u>490.44</u>
Deferred Tax	537.82	(426.35)
	<u>1400.04</u>	<u>64.09</u>



**Notes to Consolidated Financial Statements for the year ended 31st March, 2013**

(₹ in lacs)

**2.26: Notes**

**As at**  
**31.03.2013**      **As at**  
**31.03.2012**

**A. Contingent Liabilities not provided for in respect of:**

Claims/Disputes/Demands not acknowledged as debts:

i) Demand from Sales Tax authority : **199.33**      221.60

Certain disallowances of Sales Tax were confirmed against the group and an appeal before the Commissioner/Tribunal Appellate and Revisional Board has been filed and the management is of the opinion that it will obtain full relief

ii) Income Tax demand under appeal **648.06**      198.17

iii) Demand from a Lessor for interest on differential rent **70.14**      70.14

iv) Demand of Provident Fund Damages by the Provident Fund Authorities, West Bengal **24.39**      24.39

v) Electricity duty demanded by Government of Bihar appealed in Hon'ble Supreme Court **103.10**      103.10

vi) Demand of additional provident fund contribution on food grain concession provided to daily rated plantation workers in Assam Tea estates till September 2012 against which stay has been obtained from Hon'ble High Court at Guwahati **50.37**      30.34

B. i) Capital Commitments outstanding (Net of Advances) **123.33**      650.10  
(Including share of Joint Venture ₹ Nil (Previous Year ₹ 484.94))

ii) Bank Guarantees Outstanding (Pledge of Fixed Deposit of ₹ 112.19) **838.29**      773.73  
(Previous Year ₹ 111.28)

iii) Corporate guarantee outstanding given to a Bank against loan acquired by a subsidiary company from the bank (US\$ 5.6 million) **3041.92**      4070.40  
(Previous Year US\$ 8.0 million)

iv) Corporate guarantee outstanding given to a Bank against banking facility taken by a subsidiary and step down subsidiary from the bank (US\$ 6.0 million) (Previous Year US\$ Nil) **3259.20**      Nil

**C. Other Commitments**

Letter of credit issued against Import of materials **301.59**      220.81

**D. The list of subsidiaries and joint venture which are included in the CFS of the group and the group's effective ownership interest therein are as under:**

Name of The Company	Relationship	Country of Incorporation	Group's Proportion of Ownership Interest (%)	
			2012-13	2011-12
North Tukvar Tea Company Limited	Subsidiary	India	90.50	90.50
Parvati Tea Company Limited	Subsidiary	India	100.00	100.00
Birla Holding Limited	Subsidiary	United Arab Emirates	100.00	100.00
Tea Group Investment Company Limited	Joint Venture	United Arab Emirates	50.00	50.00

## Notes to Consolidated Financial Statements for the year ended 31st March, 2013 (₹ in lacs)

- E. The financial statement of Birla Holdings Limited (BHL) is unaudited as the audit is not compulsory in the particular country hence certified by the management of the Company. The financial statements of its subsidiaries i.e., Kijura Tea Company Limited (KTCL) and Bondo Tea Estates Limited (BTCL) are audited as per laws of the respective country. For the purpose of consolidation, the CFS of BHL reflecting consolidated accounts as at 31st March, 2013 which have been prepared in accordance with International Financial Reporting Standards, have been restated wherever considered material to comply with Generally Accepted Accounting Principles in India and other recognized accounting practices and policies followed by the group except as disclosed in Note No.2.26.G. The details of subsidiaries of BHL are as follows:

Name of The Company	Relationship	Country of Incorporation	Group's Proportion of Ownership Interest (%)	
			2012-13	2011-12
Kijura Tea Company Limited	Subsidiary	Uganda	100.00	100.00
Bondo Tea Estates Limited	Subsidiary	Uganda	100.00	100.00

- F. The financial statement of Tea Group Investment Company Limited (TGICL) is unaudited as the audit is not compulsory in the particular country hence certified by the management of the Company. The financial statements of its subsidiaries i.e., Mata Tea Company Limited (MTCL) and Gisakura Tea Company Limited (GTCL) are audited on calendar year basis as per the law of the respective country. During the year, for the purpose of consolidation, CFS of TGICL consisting of consolidated balance sheet as at 31.12.2012 and statement of profit and loss and cash flow statement for the period from 01.04.2012 to 31.12.2012 have been considered to align with financial year closing of MTCL and GTCL. From next financial year onwards, the group shall incorporate the results of CFS of TGICL on 12 months basis consistently. In view of this, CFS of the group for the current year is not strictly comparable with the previous year. Further no significant transactions, other than of routine nature, took place in TGICL, MTCL and GTCL during 01.01.2013 and 31.03.2013.

For the purpose of proportionate consolidation, the CFS of TGICL reflecting consolidated accounts as at 31st December, 2012 have been prepared in accordance with International Financial Reporting Standards and have been restated wherever considered material to comply with Generally Accepted Accounting Principles in India and other recognized accounting practices and policies followed by the group except as disclosed in Note No.2.26.G. The details of subsidiaries of TGICL are as follows:

Name of The Company	Relationship	Country of Incorporation	Group's Proportion of Ownership Interest (%)	
			2012-13	2011-12
Mata Tea Company Limited	Subsidiary	Rwanda	30%	30%
Gisakura Tea Company Limited	Subsidiary	Rwanda	30%	30%

- G. The accounting policy in respect of depreciation followed by the group's subsidiary North Tukvar Tea Company Limited and sub-subsidiary namely Kijura Tea Company Limited and Bondo Tea Estates Limited are on written down value method which is different from the accounting policy followed by the Group, i.e., straight line method except for written down value method on vehicles. In view of different sets of environment in which foreign subsidiaries operate in their respective countries, provision for depreciation is made to comply with respective country's laws and by use of management estimate. It is not practical to align rates and method of charging of depreciation of such subsidiaries with those of the Group. The gross value of depreciable tangible assets (excluding motor vehicle) in Note 2.10 includes ₹ 798.72 (Previous Year ₹702.64) on which depreciation has been charged on written down value method.

Further Gisakura Tea Company Limited and Mata Tea Company Limited, subsidiaries of Tea Group Investment Company Limited (Joint Venture) charge depreciation on vehicles on straight line method which is different from the accounting policy followed by the Group, i.e., written down value method. The gross value of motor vehicles under tangible assets in Note 2.10 includes ₹ 30.95 (Previous year ₹ 27.72) on which depreciation has been charged on straight line method.

**Notes to Consolidated Financial Statements for the year ended 31st March, 2013** (₹ in lacs)

- H. Interest Income of ₹ 59.85 for the year (Previous Year ₹ Nil) on an Inter Corporate Deposit of ₹ 500.00 has not been recognized in view of uncertainty in realization. The Group is confident of recovering the principal and interest.
- I. i) Fringe Benefit Tax has been abolished from accounting year 2009-10. However in view of the interim stay granted by the Hon'ble High Court at Calcutta, no liability has been provided for earlier years.
- ii) No provision for dividend and corresponding dividend distribution tax has been recognized in respect to 7135730 equity shares held by the beneficiary trusts in view of waiver letter received from them.
- iii) During the year the Group has further assessed the recoverability of Minimum Alternate Tax (MAT) for set off with future normal taxes and a sum of ₹ 45.65 (net) have been further recognised. Based on projections made by the management and current trend of working of the Group the management is virtually certain of recovering the MAT credit entitlements and a sum of ₹ 418.43 as on 31.03.2013 (Previous Year ₹ 372.78 ) has been carried forward as MAT credit available for set off in future years.
- iv) During the year the Group has further recognized deferred tax credit on capital losses amounting to ₹112.78 (net of utilisation) and the aggregate balance as at the year end is ₹ 340.11. The management of the Group is confident of realizing the same based on profit available in future years.
- J. In view of clarification issued by the Ministry of Corporate Affairs vide its Circular No.25/2012 dated 09.08.2012 on Para 46A of Accounting Standard-11 on 'The Effects of Changes in Foreign Exchange Rates', the Group has reversed finance cost amounting to ₹ 215.44 related to previous year and adjusted the same with 'Foreign Currency Monetary Item Translation Difference Account'. Out of which a sum of ₹ 162.92 (including ₹ 82.58 related to Previous Year) has been amortised during the year.
- K. The Hon'ble High Court at Calcutta had passed an order in the year 2009-10 in favour of landlord of a tenanted property enhancing the rent w.e.f. from April 2000 over and above its interim order issued earlier, as a result of which an additional rent of ₹ 410.82 and interest and cost thereon to the extent of ₹ 182.59 accrues to the landlord. The group has filed an appeal before the Division Bench of Hon'ble High Court at Calcutta and has obtained a stay on the execution of the decree awarded in favour of the landlord and furnished the bank guarantee for the additional rent and interest. However, in compliance to the earlier interim order the group has provided the enhanced rent and hence does not envisage any further liability on account of enhanced rent amounting to ₹ 140.48 (Previous Year ₹ 101.27) and interest thereon.
- L. i) The agreement with Assam Tea Corporation Ltd. (ATCL) for purchase of entire green leaves of Longai and Ishabheel tea estates and operating the Longai tea factory were renewed for (the season 2013) a period of one year by bidding through tender. A sum of ₹ 281.20 (Previous year ₹ 350.11) is recoverable from ATCL which is being realized on a systematic basis from the proceeds of green leaf procured.
- ii) During the year, the Group has entered into an agreement with Assam Tea Corporation Ltd. (ATCL) for operating Amluckie Tea Factory for the season 2013 and purchasing entire green leaves of Amluckie Tea Estate for the season 2013. The Group has funded ₹ 386.59 towards working capital and capex which will be recovered from the proceeds of green leaf to be procured and payable usage charges to Assam Tea Corporation Ltd. (ATCL) in an agreed manner.
- M. As per the requirements of Accounting Standard-28 on 'Impairment of Assets', the group has assessed the carrying amount of the assets vis-a-vis their recoverable values and no impairment is envisaged at the balance sheet date.

## Notes to Consolidated Financial Statements for the year ended 31st March, 2013 (₹ in lacs)

N. The Group has no overdue amounts due to suppliers under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED) as at 31.03.2013. The disclosure as required under the said act is as under:-

i) Principal amount due to suppliers under MSMED Act and remaining unpaid	1.35
ii) Interest due to suppliers on above	NIL
iii) Any payment made to suppliers beyond appointed date (under Section 16 of the Act)	NIL
iv) Interest due and payable to suppliers under MSMED Act	NIL
v) Interest accrued & remaining unpaid as at 31.03.13	NIL
vi) Interest remaining due & payable as per Section 23 of the Act	NIL

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

O. a) The Group's significant leasing agreements (as lessee) are in respect of lease for Land & Premises (residential, office, stores, godowns, etc.) These Leasing arrangements which are non-cancellable ranging between one month and three years generally or longer and are usually renewable by mutual agreement. The aggregate lease rentals payable are charged as Rent.

b) Certain land and building has been given on operating lease to a society at a lease rental of ₹ 17.00 per month (Previous Year ₹ 17.00 per month) for the building and ₹ 0.50 (Previous Year ₹ 0.50) per annum for the land to be reviewed annually.

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

Class of Assets	2012-13			2011-12		
	Gross Carrying Amount	Accumulated Depreciation	Depreciation for the year	Gross Carrying Amount	Accumulated Depreciation	Depreciation for the year
Land	37.91	-	-	37.91	-	-
Building	1680.75	185.02	27.40	1680.75	157.62	27.38
Plant & Machinery	153.57	60.92	6.19	153.57	54.73	9.84
Furniture & Fixture	188.32	99.37	17.85	188.32	81.52	17.89
Motor Vehicle	9.40	7.52	0.66	9.40	6.86	0.89
<b>Total</b>	<b>2069.95</b>	<b>352.83</b>	<b>52.10</b>	<b>2069.95</b>	<b>300.73</b>	<b>56.00</b>

P. Disclosure as per Accounting Standard-29 on 'Provisions, Contingent Liabilities & Contingent Assets':

Particulars	2012-13			2011-12		
	Disputed Statutory Matters	Other Obligations	Total	Disputed Statutory Matters	Other Obligations	Total
Opening Balance	93.40	55.02	148.42	123.06	34.60	157.66
Addition	5.75	13.48	19.23	33.58	20.42	54.00
Utilization	9.01	-	9.01	63.04	-	63.04
Reversal	12.32	0.19	12.51	0.20	-	0.20
Closing Balance	77.82	68.31	146.13	93.40	55.02	148.42

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

**Notes to Consolidated Financial Statements for the year ended 31st March, 2013** (₹ in lacs)

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

i) The particulars of derivative contracts entered into for hedging purposes outstanding as at 31.03.2013 are as under:

Category of Derivative Instruments	Amount of Exposures Hedged	
	As at 31.03.2013	As at 31.03.2012
a) Forward contract for receivables	Nil	166.40
b) Forward contract for payables	Nil	Nil
c) Forward contract for long term borrowings	2716.00	4738.00
d) Forward contract for firm commitments of future sales	2071.57	2019.32

ii) Unhedged foreign currency exposures as at 31.03.2013 are as under:

	As at 31.03.2013	As at 31.03.2012
a) Receivables	2072.83	2193.77
b) Loans/Payables/ Buyers Credit	10940.51	10195.93

R. Disclosure as per Accounting Standard-15 on 'Employee Benefits':

**i) Defined Contribution Plan:**

The Group makes contribution towards Provident Fund, ESIC and Superannuation Fund to a defined contribution 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 group 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 group has recognized ₹1104.99 (Previous Year ₹1008.90) for provident fund contribution, ₹29.75 (Previous Year ₹29.72) for ESIC and ₹63.46 (Previous Year ₹57.47) for Superannuation Contribution. The Contribution payables to these plans by the Group are at the rates specified in the rules of the scheme.

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

**ii) Defined benefit plans:**

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

**Notes to Consolidated Financial Statements for the year ended 31st March, 2013** (₹ in lacs)

Disclosures as per Accounting Standard – 15		2012-2013 Gratuity Plan	2011-2012 Gratuity Plan
<b>A</b>	<b>Expenses recognized in the Statement of Profit &amp; Loss for the year ended 31st March 2013</b>		
i	Current Service Cost	299.25	228.93
ii	Interest Cost	246.48	242.48
iii	Expected return on Plan Assets	234.16	195.18
iv	Actuarial (Gains)/Losses	268.77	40.93
v	Past Service Cost	-	-
vi	Expenses recognized in statement of Profit & Loss	580.34	317.16
<b>B</b>	<b>Net (Assets)/Liabilities recognized in Balance Sheet as at 31st March 2013</b>		
i	Present Value of the Defined Benefit Obligation	3519.10	3112.76
ii	Fair Value of Plan Assets	3002.73	2602.83
iii	Net (Assets)/Liabilities recognized in Balance Sheet	516.37	509.93
<b>C</b>	<b>Changes in the Present Value of Defined Benefit Obligation during the year ended 31st March 2013</b>		
i	Present Value of Defined Benefit Obligation as at 1st April 2012	3112.76	2974.28
ii	Current Service Cost	299.25	228.93
iii	Interest Cost	246.48	242.48
iv	Past Service Cost	-	-
v	Actuarial (Gains)/Losses	286.57	(89.73)
vi	Benefits Paid	425.96	243.20
vii	Present Value of obligation as at 31st March 2013	3519.10	3112.76
<b>D</b>	<b>Changes in fair value of Plan Assets during the year ended 31st March 2013</b>		
i	Fair Value of Plan Assets as at 1st April 2012	2602.83	2439.81
ii	Expected return on Plan Assets	234.16	195.18
iii	Actuarial Gains/(Losses)	17.80	(130.66)
iv	Benefits paid	425.96	242.11
v	Contributions	575.00	340.61
vi	Settlement/ Amalgamation	1.10	-
vii	Fair Value of Plan Assets as at 31st March 2013	3002.73	2602.83
viii	Actual return on Plan Assets	250.87	64.52
<b>E</b>	<b>Principle Actuarial Assumptions used</b>		
i	Discount rates as at 31st March 2013	8.50%	8.50%
ii	Expected Return on Plan Assets	9.00%	8.00%
iii	Expected Salary increase rates	5.00%	5.00%
iv	Mortality Rates	LIC (1994 - 96) Mortality Table	LIC (1994 - 96) Mortality Table
<b>F</b>	<b>Major categories of Plan Assets as a percentage of Fair Value of Plan Assets</b>	<b>Qualified Insurance Policy</b>	<b>Qualified Insurance Policy</b>

**Notes to Consolidated Financial Statements for the year ended 31st March, 2013** (₹ in lacs)

## Notes:

- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply & demand in the employment market.
- The expected rate of return on Plan Assets is determined based on the portfolio of assets, existing investments along with the Strategic changes in the portfolio and market scenario. The Plan Assets are diversified reasonable to maximize the return within acceptable risk parameters.
- The Group expects to contribute ₹ 500.00 to its gratuity fund in 2013-14.
- The amounts for the current annual period and previous four annual periods are as follows:

<b>Particulars</b>	<b>2012-13</b>	2011-12	2010-11	2009-10	2008-09
Present value of defined obligation	<b>3519.10</b>	3112.76	2974.28	2728.31	2599.17
Fair Value of Plan Assets	<b>3002.73</b>	2602.83	2439.81	2087.38	1899.60
Excess of obligation over Plan Assets	<b>516.37</b>	509.93	534.47	640.93	699.57

## Notes to Consolidated Financial Statements for the year ended 31st March, 2013

S. Disclosure as per Accounting Standard-18 on 'Related Party Disclosure':

(₹ in lacs)

Sl. No.	Name of the Related Party	Relationship	Remuneration paid	Loans & Advances (Net)		Dividend		Interest Received	Goods & Services		Other Expenditure	Balance as on 31st March, 2013	
				Paid	Received	Paid	Received		Sale	Purchase		Receivable	Payable
1	Tea Group Investment Co. Ltd.	Joint Venture	-	-	528.50	-	-	-	-	-	-	540.09	-
			(-)	(-)	(-)	(-)	(-)	(-)	(177.96)	(-)	(-)	(1010.34)	(-)
2	Rwanda Mountain Tea SARL	Investor in Joint Venture	-	142.08	-	-	-	-	-	-	-	-	939.16
			(-)	(-)	(4.86)	(-)	(-)	(-)	(-)	(264.22)	(-)	(-)	(1015.20)
#3	Century Textiles & Industries Limited	Associate	-	-	-	9.00	-	-	-	5.90	-	-	0.54
			(-)	(-)	(-)	(9.00)	(-)	(-)	(-)	(3.23)	(-)	(-)	(0.13)
#4	Kesoram Industries Limited	Associate	-	-	-	11.64	-	-	-	2.01	-	-	0.32
			(-)	(-)	(-)	(11.64)	(-)	(-)	(-)	(6.84)	(1.25)	(-)	(0.06)
#5	Padmavati Investment Limited	Associate	-	-	-	183.42	6.86	-	-	-	-	-	-
			(-)	(-)	(-)	(183.42)	(6.86)	(-)	(-)	(-)	(1.00)	(-)	(-)
6	Shri D.P. Maheshwari	Key Management Personnel	91.52	-	-	0.48	-	-	-	-	-	-	-
			(75.79)	(-)	(-)	(0.42)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

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

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



**Notes to Consolidated Financial Statements for the year ended 31st March, 2013** (₹ in lacs)

T. Based on the guiding principles given in Accounting Standard-17 on 'Segment Reporting' as prescribed by the Companies Accounting Standard Rules 2006, the Company's primary business segments are tea, chemicals & fertilisers and sugar business.

**(A) PRIMARY SEGMENT**

**31.03.2013**

**31.03.2012**

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

a) Tea	<b>47094.48</b>	43401.55
b) Chemicals & Fertilisers	<b>9205.69</b>	12002.10
c) Sugar	<b>14307.46</b>	10383.06
d) Others	<b>632.15</b>	720.58
Less: Inter-segmental Revenue	<b>273.45</b>	204.79
<b>Total</b>	<b>70966.33</b>	66302.50

**2 Segment Results [Profit/(Loss) before Tax & Interest]**

a) Tea	<b>7681.33</b>	4773.85
b) Chemicals & Fertilisers	<b>78.95</b>	691.40
c) Sugar	<b>1637.18</b>	(379.91)
d) Others	<b>139.96</b>	165.08
<b>Total</b>	<b>9537.42</b>	5250.42
Less: Interest (Net)	<b>2713.41</b>	2491.23
Add: Unallocable income net of unallocable expenditure	<b>(953.17)</b>	(456.80)
<b>Total Profit/(Loss) before Tax</b>	<b>5870.84</b>	2302.39

**3 Segment Assets (Including revaluation reserve) & Segment Liabilities**

	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>
a) Tea	<b>37547.09</b>	<b>5174.58</b>	34041.15	4481.54
b) Chemicals & Fertilisers	<b>7302.15</b>	<b>4272.35</b>	7106.68	4808.84
c) Sugar	<b>28431.79</b>	<b>7358.19</b>	25082.14	4475.73
d) Others	<b>222.67</b>	<b>109.91</b>	259.65	146.33
e) Unallocable	<b>42813.88</b>	<b>3447.12</b>	42545.44	2927.68
<b>Total</b>	<b>116317.58</b>	<b>20362.15</b>	109035.06	16840.12

**4 Capital Expenditure including capital work-in-progress and depreciation/amortization (excluding on revaluation reserve) for the year**

	<b>Capital Expenditure</b>	<b>Depreciation / Amortisation</b>	<b>Capital Expenditure</b>	<b>Depreciation / Amortisation</b>
a) Tea	<b>1816.75</b>	<b>1002.57</b>	1633.25	979.31
b) Chemicals & Fertilisers	<b>120.01</b>	<b>66.45</b>	158.99	63.79
c) Sugar	<b>395.49</b>	<b>319.48</b>	885.59	537.94
d) Others	<b>15.54</b>	<b>2.78</b>	3.47	2.51
e) Unallocable	<b>393.73</b>	<b>97.61</b>	119.06	99.32
<b>Total</b>	<b>2741.52</b>	<b>1488.89</b>	2800.36	1682.87

**(B) SECONDARY SEGMENT**

**India**

**Rest of World**

**Total**

Segment Revenue	<b>57170.70</b>	<b>13795.63</b>	<b>70966.33</b>
(Previous Year)	(53201.91)	(13100.59)	(66302.50)
Segment Assets	<b>102800.97</b>	<b>13516.61</b>	<b>116317.58</b>
(Previous Year)	(96373.86)	(12661.20)	(109035.06)
Capital Expenditure	<b>1991.87</b>	<b>749.65</b>	<b>2741.52</b>
(Previous Year)	(2544.04)	(256.32)	(2800.36)

Note: The group has disclosed business segment as the Primary Segment.

## Notes to Consolidated Financial Statements for the year ended 31st March, 2013 (₹ in lacs)

### U. Disclosure of Interest in Joint Ventures:

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

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

	As at 31.12.2012	As at 31.03.2012
<b>Assets:</b>		
<b>Non-Current Assets</b>		
Fixed Assets:		
Tangible Assets	3425.52	3305.04
Intangible Assets	217.73	134.64
Capital Work-in-Progress	234.65	8.51
Deferred Tax Assets (Net)	3.82	156.52
<b>Current Assets</b>		
Inventories	481.96	470.95
Trade Receivables	78.96	81.09
Cash and Bank Balances	739.28	722.10
Short Term Loans and Advances	50.08	25.25
<b>Liabilities:</b>		
Minority Interest	1927.55	1748.70
<b>Non-Current Liabilities</b>		
Long Term Borrowing	2147.31	2145.81
<b>Current Liabilities</b>		
Short Term Borrowings	-	53.40
Trade Payables	165.29	102.57
Other Current Liabilities	120.61	80.12
Short Term Provisions	-	47.39
<b>Reserves and Surplus*</b>	815.70	680.83

\* Represents Company's share in post acquisition reserve of consolidated TGICL

	For the 9 months ended 31.12.2012	For the year ended 31.03.2012
<b>Income:</b>		
Revenue from Operations	1932.97	2525.26
Other Income	31.81	223.20
<b>Expenses:</b>		
Cost of Material Consumed	327.78	403.22
(Increase)/Decrease in Inventories of Finished Goods & Traded Goods	(22.34)	(5.18)
Employee Benefit Expense	373.33	361.45
Finance Costs	25.16	-
Other Expenses	791.73	1531.26
Depreciation / Impairment	96.00	99.65
<b>Profit before Tax</b>	373.12	358.06
Tax Expense	97.16	(253.05)
<b>Profit After Tax Before Minority Interests</b>	275.96	611.11
Minority Interests	28.35	197.98
<b>Net Profit / (Loss)</b>	247.61	413.13

**Notes to Consolidated Financial Statements for the year ended 31st March, 2013** (₹ in lacs)

	<b>31.03.2013</b>	31.03.2012
V. Earnings per share (EPS)		
Profit after Tax as per statement of Profit & Loss	<b>4442.45</b>	2040.32
Weighted average number of equity shares outstanding	<b>28877488</b>	28877488
Basic & Diluted EPS (₹) (Face Value ₹ 5/- per share)	<b>15.38</b>	7.06

W. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

**As per our report of even date annexed**

For SINGHI & CO.

Chartered Accountants

Firm Registration No.302049E

**PRADEEP KUMAR SINGHI**

Partner

(Membership No.50773)

1-B, Old Post Office Street

Kolkata, the 6th day of May, 2013

**R.K.GANERIWALA**

(President, CFO & Secretary)

For and on behalf of Board of Directors

**D.P.MAHESHWARI**

(Managing Director)

**B.K.BIRLA**

(Chairman)

**JAY SHREE TEA & INDUSTRIES LIMITED**

**Remarks.**This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

# JAY SHREE TEA & INDUSTRIES LIMITED

Regd. Office: Industry House, 15th Floor, 10, Camac Street, Kolkata – 700017

## PROXY FORM

I/We ..... of

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

..... or failing him .....

of .....

as my/our proxy to attend and vote for me/us and on my/our behalf at the Sixty Seventh Annual General Meeting of the Company to be held on Monday, the 29th July, 2013 at “Kala Kunj”, 48 Shakespeare Sarani, Kolkata 700 017 at 10.30 A.M. and at any adjournment thereof.

As witness my/our hand(s) this ..... day of .....2013

Affix  
Thirty Paise  
Revenue  
Stamp  
Here

Signature of Shareholder .....

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

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

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

## JAY SHREE TEA & INDUSTRIES LIMITED

Regd. Office: Industry House, 15th Floor, 10, Camac Street, Kolkata – 700017

## ADMISSION SLIP

### SIXTY SEVENTH ANNUAL GENERAL MEETING at

“Kala Kunj”, 48 Shakespeare Sarani, Kolkata 700 017

on 29th July 2013 at 10.30 A.M.

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

Full name of the member in block letters

Signature

Full name of the proxy in block letters

Signature

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



Towkok  
Manjushree  
Mangalam  
Nahorhabi  
**Sibsagar, Assam**

Meleng  
**Jorhat, Assam**

Dewan  
Burtoll  
Labac  
Kalline  
Jellalpole  
**Cachar, Assam**

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

Aryaman  
**Jalpaiguri, West Bengal**

Ananyashree  
**Uttar Dinajpur, West Bengal**

Sholayer Estate  
Kallyar Estate  
**Coimbatore, Tamil Nadu**

#### TEA FACTORY

Vinayak Tea Factory  
**Ledo, Margharita, Assam**

Parvati Tea Factory  
**Makum, Tinsukia, Assam**

#### CHEMICALS & FERTILISERS UNIT

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

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

#### SUGAR UNIT

Jay Shree Sugar Mill, Majhauria  
**Bihar**

#### OTHERS

Warehousing & Tea Export Deptt  
**Kolkata, West Bengal**

Tea Warehouse & Sales Deptt.  
**Kochi, Kerala**

#### SUBSIDIARY COMPANIES

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

#### OVERSEAS JOINT VENTURE

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



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If undelivered please return to

# JAY SHREE TEA & INDUSTRIES LIMITED

Industry house, 15th floor

10, Camac Street, Kolkata 700017, India

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

E-mail : [webmaster@jayshreetea.com](mailto:webmaster@jayshreetea.com)

Website : [www.jayshreetea.com](http://www.jayshreetea.com)