



CHAIRMAN EMERITUS	<ul style="list-style-type: none">• P. D. Bangur
BOARD OF DIRECTORS	<ul style="list-style-type: none">• G. D. Bangur Chairman• Hemant Bangur Managing Director• M. K. Daga Director• Amitabha Ghosh Director• J. K. Surana Director• M. M. Pyne Director• K. C. Mohta Executive Director
AUDITORS	<ul style="list-style-type: none">• Singhi & Co. Chartered Accountants Kolkata
CHIEF FINANCIAL OFFICER	<ul style="list-style-type: none">• B. L. Dhanuka
MANAGER (FINANCE) & COMPANY SECRETARY	<ul style="list-style-type: none">• S. Bagree
BANKERS	<ul style="list-style-type: none">• State Bank of Bikaner & Jaipur• Corporation Bank• United Bank of India
REGISTRARS & SHARE TRANSFER AGENT	<ul style="list-style-type: none">• Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, 2nd Floor Kolkata-700 001
REGISTERED OFFICE	<ul style="list-style-type: none">• 21, Strand Road, Kolkata-700 001 West Bengal
GARDENS	<ul style="list-style-type: none">• Joonktollee Tea Estate Assam• Nilmoni Tea Estate Assam• Goomankhan Estate Karnataka• Cowcoody Estate Karnataka
BRANCHES	<ul style="list-style-type: none">• Ahmedabad, Coimbatore, Hubli, Jaipur, Kolhapur, Mumbai & New Delhi



ANNUAL GENERAL MEETING

Day	: Saturday
Date	: 29th November, 2008
Time	: 10.30 A.M.
Venue	: Shripati Singhanian Hall Rotary Sadan 94/2, Chowringhee Road Kolkata-700 020

INDEX

CONTENTS	PAGE NO.
Directors' Report	6
Auditors' Report	15
Balance Sheet	18
Profit & Loss Account	19
Cash Flow Statement	20
Schedule to Accounts	21
Consolidated Balance Sheet	38
Consolidated Profit & Loss Account	39
Consolidated Cash Flow Statement	40
Subsidiary Companies	52



DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting their 134th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2008.

FINANCIAL PERFORMANCE :

March, 31st

	2008 Rs.	2007 Rs.
Profit for the year before Depreciation	2,46,62,738	2,33,76,855
Deduct : Depreciation	1,69,78,514	1,68,28,104
Profit before Tax	76,84,224	65,48,751
Deduct : Provision for Corporate Taxation		
Current Year	4,00,000	6,00,000
Excess Tax provision in respect of earlier years written back	(3,799)	(10,95,004)
Deferred Tax written back	–	(3,92,000)
Fringe Benefit Tax	4,54,710	4,10,772
Net impact on Profit from 01.10.06 to 31.03.07 due to Scheme of Arrangement / Amalgamation	(15,82,357)	–
Net Profit	52,50,956	70,24,983
Add : Balance of Profit brought forward from previous year	32,79,926	81,78,320
Profit available for Appropriations	85,30,882	1,52,03,303
Appropriations:		
General Reserve	5,00,000	1,00,00,000
Proposed Dividend	64,53,715	16,43,982
Tax on Dividend	10,96,808	2,79,395
Balance Carried to Balance Sheet	4,80,359	32,79,926
	85,30,882	1,52,03,303

DIVIDEND :

Your Directors have recommended for your approval, a dividend of Rs.1.50 per share for the year ended 31st March, 2008. Your Directors have also recommended payment of dividend @ 15% to the Shareholders of the Amalgamating Companies for the year 2006-07 on prorata basis.

SCHEME OF ARRANGEMENT :

The Shareholders of the Company passed the Resolution in the Extra Ordinary General Meeting held on 08.06.2007 approving the Scheme of Arrangement w.e.f. 01.10.2006. The Hon'ble High Courts of Judicature at Kolkata, Chennai & Guwahati have vide their orders dated 09.04.2008, 25.01.2008 & 24.07.2008 respectively sanctioned the Scheme of Arrangement as per the terms consented by the Shareholders.

The aforesaid results include financials of erstwhile amalgamating Companies from 01.10.2006 to 31.03.2008,

which stands amalgamated with your company. The financial figures and the table above relating to 2007-08 are therefore not strictly comparable with those of the previous year.

The Real Estate properties as mentioned in the Scheme of Arrangement have been demerged to the 100% Subsidiary Companies.

The accounting for the scheme of amalgamation has been done under purchase method as well as pooling of interest method of accounting and the surplus arising on amalgamation has been credited to Reserves arising out of Amalgamation in terms of the Scheme of Arrangement sanctioned by the Hon'ble High Courts of Judicature at Kolkata, Chennai & Guwahati.

SHARE CAPITAL :

The authorized share capital of the Company has gone up to Rs.1115 lacs from Rs.500 lacs in terms of the approved Scheme of Arrangement referred to earlier in the report.



The paid-up equity share capital of the Company increased to Rs.323.36 Lacs of Rs.10/- each on issue of 2137659 shares of Rs.10/- each to the Shareholders of the amalgamating Companies in terms of the said Scheme of Arrangement as sanctioned by the Hon'ble High Courts of Judicature at Kolkata, Chennai & Guwahati.

ACQUISITION OF JAMIRAH TEA COMPANY LIMITED :

The company has invested Rs.1,089 lacs for acquiring the controlling stake in M/s. Jamirah Tea Company Limited during the current year. The Company had complied with all the requirements of SEBI for the aforesaid acquisition. With this acquisition, M/s. Jamirah Tea Company Limited has become the subsidiary of the Company w.e.f. 23.07.2008.

REVIEW OF OPERATIONS :

Your Company produced 3464354 Kgs. of Tea and 289495 Kgs. of Coffee during the last fiscal. The production of minor crops (comprising black pepper, areca & cardamom) was 5250 Kgs.

During the year under review, price realization of Tea remained subdued due to the lack of export inquiries and record world production. There was a drop in Tea production compared to the last year due to the helopeltis attack.

TEA DIVISION :

Joonktollee Tea Factory in Assam

The Estate produced 2690511 Kgs. of Teas as against 2956501 Kgs. produced during the year 2006-07. The Company is making efforts to increase productivity and also taking pre-emptive measures by using the pesticides to check the helopeltis attack. The Company expects to get better results by way of quantity and quality in the current year. The certificates of ISO 22000 & HACCP for Joonktollee Tea Factory is expected to be received shortly.

Goomankhan Tea Factory in Karnataka

The Estate produced Tea crop of 773843 Kgs. as against 787330 Kgs. produced during the year 2006-07 which includes tea made out of bought leaf 102805 kgs. (2006-07 : 66643 Kgs.). The increase is due to production of Tea crop from Ukhada division of Goomankhan Tea Estate. The Company expects to increase further in the Tea crop in the current year.

COFFEE DIVISION :

Cowcoody Coffee Estate in Karnataka

The Estate produced 289495 Kgs. as compared to 223050

produced during the year 2006-07. The Coffee prices ruled firm during the year. The company could achieve better price realization for its ROBUSTA & ARABICA Coffee. Estate's ROBUSTA & ARABICA Coffee command premium in the market. The company has recently received the 3rd cash prize of \$3,000 presented by the Coffee Board on behalf of illy's Sixth Indian Coffee Quality Prize for Espresso to the best Arabica growers.

PROSPECTS :

The estimate for the current year of tea and coffee production is approximately 34,00,000 Kgs. of and 2,60,000 Kgs. respectively. The Tea Industry has almost come out of the bad phase of a decade. Prices of Tea & Coffee have increased substantially during the current year and are likely to remain firm throughout the year. Export inquiry for the Tea has increased abnormally due to fall in the crop in Kenya and huge shortage in the world crop.

SUBSIDIARY COMPANIES :

The Company has been exempted by the Central Government vide its letter no. 47/564/2008-CL-III dated 05.11.2008 under Section 212(8) of the Companies Act, 1956 from attaching a copy of the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and the Report of the Auditors of the Subsidiary Companies namely Gloster Real Estates Pvt. Ltd., Cowcoody Builders Pvt. Ltd. and Pranav Infradev Co. Pvt. Ltd. Consequent to the sanction of the Scheme of Arrangement, Shyam Sundar Tea Co. Pvt. Ltd., a subsidiary of the Company, has been amalgamated with the Company and as such no separate account for the Company has been prepared. However, pursuant to Accounting Standard 21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial information of such Subsidiary Companies.

ASSOCIATE COMPANY :

Consequent to the sanction of the Scheme of Arrangement by the Hon'ble High Courts of Judicature at Kolkata, Chennai & Guwahati, The Cochin Malabar Estates & Industries Limited has become the Associate Company w.e.f. 01.10.2006. The Cochin Malabar Estates & Industries Limited has rubber estates namely Chemoni Estate and Pudukad Estate and tea estate namely Pullikanam Estate. The Company is also the owner of Kinalur Estate which is presently under the receivership of the Hon'ble High Court of Kerala.

Rubber crop harvested in Chemoni Estate and Pudukar



Estate during the year was 986 MT compared to 1040 MT during the previous year. The crop was lower owing to reduction in planted area due to replantation of older and uneconomic areas. The production of Made Tea has gone upto 396 MT during the year compared to 74 MT of the previous year. The Cochin Malabar Estates & Industries Limited has made a profit after tax of Rs.127.75 lacs during the year ended 31st March, 2008.

CONSOLIDATED FINANCIAL STATEMENTS :

As prescribed by Accounting Standard 21 issued by the Institute of Chartered Accountants of India, the audited consolidated financial statements of the Company for the year ended 31st March, 2008 are annexed.

CORPORATE GOVERNANCE :

Consequent upon implementation of the Scheme of Arrangement as sanctioned by Hon'ble High Courts of Judicature at Kolkata, Chennai & Guwahati the paid-up share capital of the Company will be increased from Rs.109.60 lacs to Rs.323.36 lacs.

The Company is implementing the Scheme of Arrangement and as such pursuant to Clause 49 of the Listing Agreement, reporting of Corporate Governance alongwith Auditors' Certificate of its compliance becomes effective for the current financial year ending 31st March, 2009. However, the Company has taken all necessary steps towards constitution of various committees during the current year.

SOCIAL WELFARE :

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

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE :

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

PARTICULARS OF EMPLOYEES :

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

DIRECTORS' RESPONSIBILITY STATEMENT :

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

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

DIRECTORS :

Shri G.D. Bangur and Shri M.M. Pyne retire by rotation and being eligible, offer themselves for re-appointment.

AUDITORS :

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

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

ACKNOWLEDGEMENT :

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

On behalf of the Board

Kolkata
Dated : 5th November, 2008

G. D. Bangur
Chairman



ANNEXURE TO THE DIRECTORS' REPORT

INFORMATION AS PER SECTIO 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2008.

CONSERVATION OF ENERGY

(A) POWER AND FUEL CONSUMPTION

		2007-2008	2006-2007
1	Electricity		
(a)	Purchased		
	Unit (KWH)	966,142	839,988
	Total Amount (Rs.)	5,751,521	5,226,987
	Rate/Unit (Rs./KWH)	5.95	6.22
(b)	Own Generation		
(i)	Through Diesel		
	Generator - Unit (KWH)	393,698	496,616
	Unit per Ltr. H.S.D. Oil (KWH)	2.98	3.01
	Fuel Cost/Unit (Rs./KWH)	10.60	10.85
(ii)	Through Natural Gas		
	Generator - Unit (KWH)	1,231,200	1,302,517
	Units per Scm. of Gas (KWH)	1.83	3.27
	Fuel Cost/Unit (Rs./KWH)	3.16	1.73
2	Others : For Tea Processing in Withering & Drying		
a.	Furnace Oil, L.D./H.S.D. (Qty./Ltr.)	7,853	2,069
	Total Cost (Rs.)	247,210	66,529
	Average. Rate (Rs./Ltr.)	31.48	32.16
b.	Natural Gas (Scum)	1,045,436	1,789,320
	Total Cost (Rs.)	6,058,365	9,626,359
	Rate/Unit (Rs./Scum)	5.80	5.38
c.	Solid Fuel		
	Quantity (Kgs.)	22,330	20,080
	Total Cost (Rs.)	80,716	68,380
	Average Cost per Kg. (Rs.)	3.61	3.41
d.	Firewood		
	Quantity (Kgs.)	1,189,260	1,112,205
	Total Cost (Rs.)	1,315,420	1,171,399
	Average Cost per Kg. (Rs.)	1.11	1.05



		2007-2008	2006-2007
3	Others : For Transport & Material Handling etc.		
	a. H.S.D. Oil		
	Quantity (Ltr.)	26,856	21,920
	Total Cost (Rs.)	904,561	720,754
	Rate/Unit (Rs./Ltr.)	33.68	32.88
	b. Petrol		
	Quantity (Ltr.)	11,777	8,050
	Total Cost (Rs.)	538,298	389,420
	Rate/Unit (Rs./Ltr.)	45.71	48.38
4	Coffee Stumps used in Drier		
	Quantity (Kgs.)	192,300	166,770
	Total Cost (Rs.)	230,760	156,194
	Avg. Rate/Kg. (Rs.)	1.20	0.94
(B) CONSUMPTION PER UNIT PRODUCTION			
	Products - Tea (Gross) (Kgs.)	3,464,354	3,683,831
	Energy Used: Electricity (KWH/Kg.) (including own Generation)	0.75	0.72
	Other Fuels for processing of Tea :		
	Furnace/L.D./H.S.D. Oil (Ltr.)	0.003	0.0007
	Gas (Scum/Kg.)	0.39	0.61
	Solid Fuel/Firewood (Kg./Kg.)	0.55	0.56

RESEARCH AND DEVELOPMENT (R & D)

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

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

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

- | | |
|---|----------------|
| <p>1 Efforts, in brief, made towards technology absorption, adaptation and innovation</p> <p>2 Benefits derived as a result of the above efforts e.g.</p> <p>Products improvement, cost reduction.</p> <p>Products development, import substitution etc.</p> <p>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:</p> <p>(a) Technology imported</p> <p>(b) Year of import</p> <p>(c) Has technology been fully absorbed?</p> <p>(d) If not fully absorbed, areas where this has not taken place, reasons therefore, and future plans of action.</p> | Not Applicable |
|---|----------------|

FOREIGN EXCHANGE EARNINGS AND OUTGO

- | | |
|---|---|
| <p>(i) Activities relating to exports, initiatives taken to increase exports</p> <p>(ii) Development of new export markets for products and services, and export plan</p> <p>(iii) Total foreign exchange earned (Gross)
Used</p> | <p>: Directors' Report Refers</p> <p>: Not Applicable</p> <p>: Rs. Nil</p> <p>: Rs. 0.51 Lacs</p> |
|---|---|

Kolkata
Dated : 5th November, 2008

On behalf of the Board
G. D. Bangur
Chairman



AUDITORS' REPORT

To,

The Members of

JOONKTOLLEE TEA & INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of Joonktollee Tea & Industries Limited, as at 31st March, 2008 and the related Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act.
 - (e) On the basis of written representations received from the directors, as on 31st March, 2008 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
5. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of
Singhi & Co.
 Chartered Accountants

Gopal Jain
 Partner

Kolkata
 Dated : 25th October, 2008

Membership No. 059147

**ANNEXURE TO AUDITORS' REPORT**

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Joonktolee Tea & Industries Limited on the financial statements for the year ended 31st March, 2008]

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanation given to us, based on a phased manner, the fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (a) According to the information and explanation given to us, the inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. (a) As per the information and explanations given to us, the Company has not granted any loans secured/unsecured to companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act 1956. Hence, clauses 3(b), (c) and (d) of the order are not applicable to the Company.
- (e) As per information and explanations given to us, the Company has taken unsecured loans from two body corporates covered in the register maintained u/s 301 of the Companies Act 1956. The amount of loan taken during the year and the maximum amount outstanding during the year was Rs. 37,35,751/- (net) and 2,67,17,472/- respectively. The year end balances of such loans was Rs. 2,29,10,000/.
- (f) The aforesaid loans are payable on demand and there is no repayment schedule. In our opinion the terms and conditions of the loans are not prima facie prejudicial to the interest of the Company.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.



8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2008 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
10. The Company has no accumulated losses as at 31st March, 2008 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/societies are not applicable to the Company.
14. In our opinion and according to the explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debenture and there is no debenture outstanding at the year-end.
20. The Company has not raised any money by public issue during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For and on behalf of
Singhi & Co.
Chartered Accountants

Gopal Jain

Partner

Kolkata
Dated : 25th October, 2008

Membership No. 059147

**BALANCE SHEET AS AT 31ST MARCH, 2008**

	Schedule	As at 31.03.2008		As at 31.03.2007	
		Rs.	Rs.	Rs.	Rs.
I. SOURCES OF FUNDS					
(1) Shareholders' Funds :					
(a) Share Capital	1	10,959,880		10,959,880	
(b) Share Suspense	1A	21,376,591		–	
(c) Reserves and Surplus	2	<u>629,012,496</u>	661,348,967	<u>182,720,961</u>	193,680,841
(2) Loan Funds :					
Secured Loan	3		196,042,673		98,352,436
Unsecured Loan	3A		80,510,000		–
TOTAL			<u>937,901,640</u>		<u>292,033,277</u>
II. APPLICATION OF FUNDS					
(1) Fixed Assets :					
(a) Gross Block	4	365,137,989		292,205,355	
(b) Less : Depreciation		<u>155,618,814</u>		<u>135,488,308</u>	
(c) Net Block		209,519,175		156,717,047	
(d) Capital Work-in-Progress		<u>3,363,517</u>	212,882,692	<u>4,137,182</u>	160,854,229
(2) Investments					
	5		457,629,892		34,405,685
(3) Current Assets, Loans & Advances :					
(a) Inventories	6	43,216,798		51,190,221	
(b) Sundry Debtors	7	20,778,727		26,920,457	
(c) Cash and Bank Balances	8	138,865,051		6,037,670	
(d) Loans and Advances	9	<u>115,419,560</u>		<u>42,756,109</u>	
		<u>318,280,136</u>		<u>126,904,457</u>	
Less : Current Liabilities & Provisions :					
(a) Current Liabilities	10	32,708,624		24,557,717	
(b) Provisions	11	<u>18,182,456</u>		<u>5,573,377</u>	
		<u>50,891,080</u>		<u>30,131,094</u>	
Net Current Assets			267,389,056		96,773,363
TOTAL			<u>937,901,640</u>		<u>292,033,277</u>

Notes on Accounts

15

Schedules referred to above form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

for and behalf of

SINGHI & CO.

Chartered Accountants

Gopal Jain

Partner

Mem. No. 059147

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

Directors

H. Bangur

Managing Director

K. C. Mohta

Executive Director

B. L. Dhanuka

Chief Financial Officer

S. Bagree

Manager (Finance) & Company Secretary

Kolkata

Date: 25th October, 2008


PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	Schedule	For the year ended 31.03.2008		For the year ended 31.03.2007	
		Rs.	Rs.	Rs.	Rs.
INCOME					
Gross Sales	12	289,608,200		287,569,028	
Less: Excise Duty		208,536		201,380	
Net Sales		<u>289,399,664</u>		<u>287,367,648</u>	
Other Income	13	<u>10,525,704</u>	299,925,368	<u>19,831,229</u>	307,198,877
EXPENDITURE					
(Increase)/Decrease of Finished Goods	12A	6,252,871		14,411,867	
Cultivation, Manufacturing, Administration and Selling Expenses	14	257,744,769		258,160,819	
Interest (Refer Note No.22 of Schedule 15)		11,264,990		11,249,336	
Depreciation		<u>16,978,514</u>	<u>292,241,144</u>	<u>16,828,104</u>	<u>300,650,126</u>
Profit before Taxation			7,684,224		6,548,751
Provision for Taxation					
Current Year			400,000		600,000
Adjustment for (Excess) /Short Tax Provision in respect of earlier years written back			(3,799)		(1,095,004)
Deferred Tax written back			–		(392,000)
Fringe Benefit Tax			454,710		344,290
Fringe Benefit Tax for earlier year			–		66,482
Profit after Taxation			6,833,313		7,024,983
Balance brought forward from last Account		3,279,926			8,178,320
Less: Net Impact on profit for 1.10.2006 to 31.03.2007 due to scheme of Arrangement/Amalgamation (Refer Note No. 3 (ix) in Schedule-15)		<u>(1,582,357)</u>	<u>1,697,569</u>		<u>–</u>
			<u>8,530,882</u>		<u>15,203,303</u>
APPROPRIATIONS					
Proposed Dividend (Refer Note No. 3 (v) of Schedule - 15)		6,453,715		1,643,982	
Tax on Proposed Dividend (Refer Note No. 3 (v) of Schedule - 15)		1,096,808	7,550,523	279,395	1,923,377
General Reserve			<u>500,000</u>		<u>10,000,000</u>
Balance Carried forward			<u>480,359</u>		<u>3,279,926</u>
Earnings per Equity Shares of Rs.10/- each					
Basic & Diluted (Rs.)			2.11		6.41
(Refer Note No. 13 of Schedule - 15)					

Notes on Accounts

15

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

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

for and behalf of

SINGHI & CO.

Chartered Accountants

Gopal Jain

Partner

Mem. No. 059147

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

Directors

H. Bangur

Managing Director

K. C. Mohta

Executive Director

B. L. Dhanuka

Chief Financial Officer

S. Bagree

Manager (Finance) & Company Secretary

Kolkata

Date: 25th October, 2008

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008**

	As at 31.03.2008		As at 31.03.2007	
	Rs.	Rs.	Rs.	Rs.
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax and and extra ordinary items		7,684,224		6,548,751
Adjustments for :				
Depreciation	16,978,514		16,828,104	
Provision for diminution in value of investments written back	–		(11,589,928)	
Profit on Sale of Fixed Assets	(1,468,447)		(153,313)	
Interest and Dividend Income	(13,018,806)		(105,744)	
Interest charged	23,899,779		11,354,728	
Sundry Credit Bal. no longer required written back	(659,968)		(155,205)	
Bad Debts & Provision for doubtful debts/Advances	333,173	26,064,245	861,057	17,039,699
Operating Profit before working capital changes		33,748,469		23,588,450
Adjustments for :				
Trade and other Receivables	27,167,710		(5,047,671)	
Inventories	9,916,320		13,843,615	
Trade Payables	(3,076,061)		(39,212)	
		34,007,969		8,756,732
Cash Generated from Operations		67,756,438		32,345,182
Direct Taxes (Paid)/Refund received (Net)		1,418,617		632,440
Net Cash from operating activities		66,337,821		31,712,742
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets/WIP	(21,054,452)		(17,593,478)	
Sale of Fixed Assets	4,153,121		1,166,039	
Purchase of Investments	–		(300,000)	
Sale of Investments	–		25,000	
Advance to subsidiary	5,000		(8,063,867)	
Interest Received	8,620,491		128,227	
Dividend Received	384,017		352	
Net cash used in Investing Activities		(7,891,823)		(24,637,727)
		58,445,998		7,075,015
C) CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings (Net)	93,374,500		(7,806,000)	
Proceeds from Other Borrowings (Net)	(1,288,467)		14,213,678	
Interest paid	(20,838,100)		(10,884,834)	
Dividends Paid (including Tax on Dividend)	1,923,377		(1,840,950)	
Net Cash from/(used in) Financing Activities		73,171,310		(6,318,106)
Net Change in Cash and Cash Equivalents		131,617,308		756,909
Cash and Cash Equivalents - Opening Balance	6,037,670		5,280,761	
Cash and Cash Equivalents - Closing Balance	137,654,978		6,037,670	

Notes :

- Cash and cash equivalents consists of cash, cheques in hand and balances with banks and are available for use.
- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on Cash Flow Statement as notified under The Companies Accounting Standard Rules 2006
- Previous year's figures have been regrouped/rearranged wherever necessary and not comparable with previous year figure due to impact of Scheme arrangement/amalgamation

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

for and behalf of

SINGHI & CO.

Chartered Accountants

Gopal Jain

Partner

Mem. No. 059147

G. D. Bangur

M. K. Daga

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Manager (Finance) & Company Secretary

Kolkata

Date: 25th October, 2008


SCHEDULES ANNEXED TO THE BALANCE SHEET AS AT 31ST MARCH, 2008 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	As at 31.03.2008		As at 31.03.2007	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE - 1				
SHARE CAPITAL				
Authorised				
1,07,49,000 (Previous Year - 50,00,000)				
Ordinary shares of Rs 10/-each		107,490,000		50,000,000
35,000 Ordinary shares of Rs.100/-each		3,500,000		–
50,000 Redeemable Cumulative Preference Shares of Rs.10/-each		500,000		–
100 13.5% Redeemable Cumulative Pref. Shares of Rs.100/-each		10,000		–
(Refer Note No.3 (vi) of Schedule - 15)		<u>111,500,000</u>		<u>50,000,000</u>
Issued and Subscribed				
10,95,988 Ordinary shares of Rs. 10/- each fully paid up		10,959,880		10,959,880
		<u>10,959,880</u>		<u>10,959,880</u>
Of the above				
1) 4,42,000 shares have been allotted as fully paid up by way of bonus shares upon capitalisation of reserves.				
2) 3,51,825 shares have been allotted to the shareholders of the erstwhile The Kalasa Tea and Produce Company Ltd and 2,94,163 shares have been allotted to the shareholders of the erstwhile Cowcoody Estate Limited as per a scheme of amalgamation.				
SCHEDULE - 1A				
SHARE SUSPENSE				
2,137,659 Fully Paid up equity shares of Rs.10/- each to be issued pursuant to scheme of arrangement and amalgamation for consideration other than cash		21,376,591		–
(Refer Note No. 3 (v) of Schedule - 15)		<u>21,376,591</u>		<u>–</u>

**SCHEDULE - 2
RESERVES AND SURPLUS**

	Balance as on 31.03.2007	Adjustment due to scheme of Arrangement \$	Additions during the year	Deductions / Adjustments during the year	Balance as on 31.03.2008
Capital Reserve	3,056,246	394,934,385	–	–	397,990,631
Capital Redemption Reserve	36,000	5,600	–	–	41,600
Revaluation Reserve (Created on revaluation of land)	–	40,386,019	–	–	40,386,019
Securities Premium Account	23,951,440	750,000	–	–	24,701,440
General Reserve	152,397,349	14,686,098	500,000	2,171,000 #	165,412,447
Profit and Loss Account	3,279,926		480,359	3,279,926	480,359
	<u>182,720,961</u>	<u>450,762,102</u>	<u>980,359</u>	<u>5,450,926</u>	<u>629,012,496</u>

Represents the amount adjusted with Opening reserves as required by the transitional provisions of revised Accounting Standard -15 on Employee Benefits (Also Refer Note No 7 in Schedule -15)

\$ (Refer Note No. 3 (iii), (iv) & (viii) in Schedule-15)



SCHEDULE - 3

SECURED LOAN

From Banks

Over draft/ Cash credit

Overdraft from State Bank of Bikaner and Jaipur, Kolkata

(Secured by hypothecation of all the tea manufactured or in process including green leaf before and after plucking, book debts both present and future, moveable plant & machinery, furniture and other equipments, moveable property of any kind including book debts of tea and equitable mortgage / charge created by depositing title deeds of the tea estate at Assam.)

Overdraft from United Bank of India, Kolkata

(Secured by hypothecation of crop, present and future, book debts, various other movable assets and equitable mortgage created by depositing title deeds pertaining to Nilmoni Tea Estate)

Cash credit from Corporation Bank, Coimbatore

(Secured by hypothecation of coffee, cardamom, pepper crops and machinery purchased out of term loan and equitable mortgage of title deeds of the property of the company at Coimbatore.)
(Refer Note No.3 (xi) of Schedule-15)

Term Loans

Term Loan from State Bank of Bikaner & Jaipur, Kolkata

(Secured by hypothecation of all the tea manufactured or in process including green leaf before and after plucking, book debts both present and future, moveable plant & machinery, furniture and other equipments, moveable property of any kind including book debts of tea and equitable mortgage / charge created by depositing title deeds of the tea estate at Assam.)
(Loan repayable within one year Rs.54,00,000/-)

Term Loan from Corporation Bank, Coimbatore

(Secured by hypothecation of coffee, cardamom, pepper crops and machinery purchased out of term loan and equitable mortgage of title deeds of the property of the company at Coimbatore.)
(Refer Note No.3 (xi) of Schedule-15)
(Loan repayable within one year Rs.19,22,337/-)

Term Loan from United Bank of India, Kolkata

(Secured by hypothecation of crop, present and future, book debts, various other movable assets and equitable mortgage created by depositing title deeds pertaining to Nilmoni Tea Estate)
(Loan repayable within one year Rs.28,50,000/-)

Corporate Loan (Old)

Corporate Loan from State Bank of Bikaner & Jaipur, Kolkata

(Secured by hypothecation of all the tea manufactured or in process including green leaf before and after plucking, book debts both present and future, moveable plant machinery, furniture and other equipments, moveable property of any kind including book debts of tea and equitable mortgage / charge created by depositing title deeds of the tea estate at Assam.)
(Loan repayable within one year Rs.50,00,000/-)

Corporate Loan (New)

Corporate Loan from State Bank of Bikaner & Jaipur, Kolkata

(Secured by hypothecation of all the tea manufactured or in process including green leaf before and after plucking, book debts both present and future, moveable plant & machinery, furniture and other equipments, moveable property of any kind including book debts of tea and equitable mortgage / charge created by depositing title deeds of the tea estate at Assam.)
(Loan repayable within one year Rs.1,00,00,000/-)

Short Term Loan from Others

(Against assignment of insurance policy in favour of the lender)

SCHEDULE - 3A

UNSECURED LOANS

Other Loans

From Bodies Corporate

(Repayable within one year Rs. Nil)

	As at 31.03.2008		As at 31.03.2007	
	Rs.	Rs.	Rs.	Rs.
<u>Overdraft from State Bank of Bikaner and Jaipur, Kolkata</u>		40,850,557		37,156,892
<u>Overdraft from United Bank of India, Kolkata</u>		5,101,401		—
<u>Cash credit from Corporation Bank, Coimbatore</u>		3,188,770		9,440,976
<u>Term Loan from State Bank of Bikaner & Jaipur, Kolkata</u>		9,488,731		14,888,731
<u>Term Loan from Corporation Bank, Coimbatore</u>		8,352,337		10,680,337
<u>Term Loan from United Bank of India, Kolkata</u>		8,797,877		—
<u>Corporate Loan from State Bank of Bikaner & Jaipur, Kolkata</u>		10,000,000		15,000,000
<u>Corporate Loan from State Bank of Bikaner & Jaipur, Kolkata</u>		100,000,000		—
Short Term Loan from Others		10,263,000		11,185,500
		<u>196,042,673</u>		<u>98,352,436</u>
Other Loans				
From Bodies Corporate		80,510,000		—
		<u>80,510,000</u>		<u>—</u>



SCHEDULE - 4												
FIXED ASSETS												
Particulars of Assets	COST				DEPRECIATION				NET BLOCK			
	Original Cost as on 31.3.2007	Adj. on account of scheme (Net)\$	Additions	Disposal/ Adjust-ments	Total as on 31.3.2008	Upto 31.3.2007	Adj. on account of scheme (Net) \$	For The Year	Disposal/ Adjust-ments	Total as on 31.3.2008	As at 31.3.2008	As at 31.3.2007
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land-Freehold & Leasehold *	13,322,574	40,264,683	-	-	53,587,257	-	-	-	-	-	53,587,257	13,322,574
Plantation/ Development	26,828,952	6,749,437	3,362,243	-	36,940,632	-	-	-	-	-	36,940,632	26,828,952
Buildings, Factory & Water Supply	93,200,230	1,309,861	5,242,174	2,768,114	96,984,151	32,465,464	1,320,310	4,106,419	1,068,716	36,823,477	60,160,674	60,734,766
Plant & Machinery & Electrical Installation	134,195,082	736,558	5,372,554	2,227,370	138,076,824	86,067,614	699,387	9,217,647	1,706,666	94,277,982	43,798,842	48,127,468
Furniture, Fittings & Office Equipments	6,792,181	1,459,365	6,440,468	1,089,690	13,602,324	5,403,565	886,960	1,292,225	933,050	6,649,700	6,952,624	1,388,616
Vehicles †	15,966,336	7,959,362	3,139,799	3,018,696	24,046,801	11,381,966	6,664,531	1,982,223	2,710,764	17,317,956	6,728,845	4,584,370
Intangible Assets	1,900,000	-	-	-	1,900,000	169,699	-	380,000	-	549,699	1,350,301	1,730,301
Total	292,205,355	58,479,266	23,557,238	9,103,870	365,137,989	135,488,308	9,571,188	16,978,514	6,419,196	155,618,814	209,519,175	156,717,047
Previous Year	278,517,834	-	15,847,958	2,160,437	292,205,355	119,807,915	-	16,828,104	1,147,711	135,488,308	156,717,047	
Capital Work-in-Progress											3,363,517	4,137,182

* Land-Freehold & Leasehold as on 31.03.2008 includes freehold land Rs.1,20,14,091/- (Previous Year - Rs.1,22,55,408/-), Lease hold land Rs. 4,05,06,000/- and the balance Rs.10,67,166/- (Previous Year - Rs.10,67,166/-) cannot be distinguished between freehold and leasehold.

† WDV of vehicles acquired under hire purchase Rs. 3,14,943/- (Previous Year - Rs.4,24,967/-)

\$ Refer Note No. 3 in Schedule-15

Including additions of amalgamating units during 01.10.2006 to 31.03.2007.



SCHEDULE - 5
INVESTMENTS :- LONG TERM

Particulars	Nominal Value Rs.	As at 31.03.2007		Adj. on account of Scheme		Additions during the year		Disposals during the year		As at 31.03.2008	
		No. of Shares	Amount Rs.	No. of Shares	Amount Rs.	No. of Shares	Amount Rs.	No. of Shares	Amount Rs.	No. of Shares	Amount Rs.
Trade Investment :											
In Subsidiary Company (Unquoted-Fully Paid) :											
Shyam Sundar Tea Company Private Limited	100	23,210	16,726,693	(23,210)	(16,726,693)	-	-	-	-	-	-
Gloster Real Estate Private Limited	10	10,000	100,000	53,135	53,135,000	-	-	-	-	63,135	53,235,000
Cowcoody Builders Private Limited	10	10,000	100,000	146,982	146,982,000	-	-	-	-	156,982	147,082,000
Pranav Infradev Company Private Limited	10	10,000	100,000	202,271	202,271,000	-	-	-	-	212,271	202,371,000
Non-Trade at Cost :											
Quoted-in fully paid Equity Shares of :											
The Cochin Malabar Estates & Ind. Ltd.	10	99,275	15,560,928	307,145	33,426,159	-	-	-	-	406,420	48,987,087
Camphor & Allied Products Ltd.	10	200	4,740	-	-	-	-	-	-	200	4,740
Duncon Industries Ltd.	10	100	1,665	-	-	-	-	-	-	100	1,665
Gloster Jute Mills Ltd.	10	-	-	77,116	2,077,110	-	-	-	-	77,116	2,077,110
The Phosphate Company Ltd.	10	-	-	138,680	3,859,645	-	-	-	-	138,680	3,859,645
Goodrick Group Ltd.	10	70	3,245	-	-	-	-	-	-	70	3,245
Unquoted - Fully Paid :											
Sri Sitaram Investments Ltd.	10	180,000	1,800,014	(180,000)	(1,800,014)	-	-	-	-	-	-
Government Securities :											
National Saving Certificates			5,400								5,400
(Deposited with Excise Authorities)											
National Saving Certificates			3,000								3,000
			<u>34,405,685</u>		<u>423,224,207</u>						<u>457,629,892</u>
Quoted Investments - Book Value		Rs.	15,570,578							Rs.	54,933,492
Quoted Investments - Market Value *		Rs.	10,143,798							Rs.	48,498,898
Aggregate Book Value of Un-quoted Investments		Rs.	18,535,107							Rs.	402,696,400

* Based on last traded price/market price



SCHEDULE - 6	As at 31.03.2008		As at 31.03.2007	
	Rs.	Rs.	Rs.	Rs.
INVENTORIES				
Stores and Spare Parts - At Cost		11,940,679		13,661,231
Stock – At realised/realisable value				
Tea *	13,004,525		20,506,584	
Coffee	17,879,350		16,562,171	
Minor Produce	–		460,235	
Timber - Rosewood	392,244	31,276,119	–	37,528,990
		<u>43,216,798</u>		<u>51,190,221</u>
* Stock of Tea includes Nil kgs. Tea in transit (Previous Year - 1,52,135 kgs)				
SCHEDULE - 7				
SUNDRY DEBTORS (Unsecured)				
Debts outstanding over six months-				
Considered Good		3,266,913		708,715
Considered Doubtful		847,203		847,203
Other Debts-				
Considered Good		17,511,814		26,211,742
		<u>21,625,930</u>		<u>27,767,660</u>
Less : Provision for Doubtful Debts		847,203		847,203
		<u>20,778,727</u>		<u>26,920,457</u>
SCHEDULE - 8				
CASH AND BANK BALANCES				
Cheques / Cash in hand		597,651		220,399
With Scheduled Banks				
Current Accounts		36,633,860		5,267,497
Unpaid Dividend Accounts		511,576		446,923
Preference Share Redemption Fund Account		11,410		11,842
Deposit Accounts (under lien Rs. 66,736/- – Previous Year Rs. 61,009/-)		101,110,554		91,009
		<u>138,865,051</u>		<u>6,037,670</u>
SCHEDULE - 9				
LOANS AND ADVANCES				
(Unsecured - Considered Good unless otherwise stated)				
Dues from Subsidiary Companies				
Shyam Sundar Tea Company Private Limited		–		23,122,993
Pranav Infradev Company Private Limited (Maximum Amount outstanding during the year Rs.30,939/- - Previous Year Rs. 10,000/-)		30,939		10,000
Gloster Real Estate Private Limited (Maximum Amount outstanding during the year Rs.10,000/- - Previous Year Rs. 10,000/-)		10,000		10,000
Cowcoody Builders Private Limited (Maximum Amount outstanding during the year Rs.10,000/- - Previous Year Rs. 10,000/-)		10,000		10,000
Loans to Bodies Corporate				
- Secured	61,953,052			
- Unsecured	18,107,189	80,060,241		–
Advances recoverable in cash or in kind or for value to be received * #		19,040,883		16,366,368
Fixed Assets Held for Disposal (at net book value or estimated net realisable value , whichever is lower)		859,061		245,912
Balance with Excise Authority		8,062		6,458
Interest Accrued and Due on Loans		4,026,907		12,609
Advance Tax/ Tax Deducted at Source		11,373,467		2,971,769
		<u>115,419,560</u>		<u>42,756,109</u>

* Includes amount due from an officer of the Company Rs. 3,51,000/- (Previous Year - Rs. 3,20,000/-)
Maximum amount outstanding at any point of time during the year Rs. 4,20,000/- (Previous Year - Rs. 3,80,000/-)

Includes Rs.3,250,062/- (Previous Year - Rs3,250,062/-), on account of Excise duty refundable recognised on the basis of an order issued by the Hon'ble Guwahati High Court on 28.06.2004.



	As at 31.03.2008		As at 31.03.2007	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE - 10				
CURRENT LIABILITIES				
Dues to Micro Small and Medium Enterprises		–		–
Other Sundry Creditors		25,280,936		23,198,869
Advance due to Subsidiaries		2,943,221		–
Unclaimed Dividend (Interest due Rs.Nil) (No Amount is required to be transferred to Investor Education & Protection Fund as on 31.03.2008)		467,436		403,496
Unclaimed Redeemed Preference Shares		6,930		6,930
Interest accrued but not due on loans		4,010,101		948,422
		<u>32,708,624</u>		<u>24,557,717</u>
SCHEDULE - 11				
PROVISIONS				
Proposed Dividend		6,453,715		1,643,982
Tax on Proposed Dividend		1,096,808		279,395
Leave		1,224,000		1,550,000
Gratuity		3,952,000		–
Taxation		5,455,933		2,100,000
		<u>18,182,456</u>		<u>5,573,377</u>
SCHEDULE - 12				
SALES				
Tea *		264,375,188		252,564,726
Coffee		24,104,792		32,295,829
Minor Produce/Timber		1,128,220		2,708,473
		<u>289,608,200</u>		<u>287,569,028</u>
* Sale includes Rs.10,11,682/- insurance claim received / receivable on 10,742.69 Kgs.of Tea (Previous Year - Rs.18,484/- on 213.80 Kgs.)				
SCHEDULE - 12A				
(INCREASE)/DECREASE OF FINISHED GOODS				
Opening Stock				
Tea		20,506,584		24,758,211
Coffee		16,562,171		24,735,376
Minor Produce		460,235		1,082,830
Timber - Rosewood		–	37,528,990	<u>1,364,440</u> 51,940,857
Less: Closing Stock				
Tea		13,004,525		20,506,584
Coffee		17,879,350		16,562,171
Minor Produce		392,244		460,235
Timber - Rosewood		–	31,276,119	– 37,528,990
(Increase) / Decrease of Finished Goods		<u>6,252,871</u>		<u>14,411,867</u>



	For the year ended 31.03.2008		For the year ended 31.03.2007	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE - 13				
OTHER INCOME :				
Rent (TDS Rs. Nil, Previous Year - 3,79,811/-)		9,631		3,526,874
Interest Subsidy		–		2,824,072
Replantation Subsidy /Subsidy from Tea Board		34,460		162,300
Dividend from Long Term Non Trade Investment		384,017		352
Provision for diminution in value of investment written back		–		11,589,928
Profit on Sale of Fixed Assets		1,468,447		153,313
Insurance Claim Received		–		20,373
Sundry Credit Balances no longer required written back		659,968		155,205
Received on Maturity of Keyman Insurance Policy		5,700,000		–
Miscellaneous Receipts		2,269,181		1,398,812
		<u>10,525,704</u>		<u>19,831,229</u>
SCHEDULE - 14				
CULTIVATION, MANUFACTURING				
ADMINISTRATION & SELLING EXPENSES				
Cultivation		19,962,376		16,446,634
Consumption of Stores and Spare Parts		5,106,362		5,343,653
Purchase of Green Leaf		60,103,140		83,001,064
Cess		2,939,297		2,585,020
Power & Fuel		22,490,400		25,711,989
Vehicles Maintenance Expenses		4,503,354		4,293,774
Salaries, Wages & Bonus		74,560,624		59,976,173
Contribution to Provident, Gratuity & Other Funds		12,712,334		7,948,160
Labour & Staff welfare		13,109,836		10,668,792
Repairs - Buildings		4,338,590		4,389,710
- Machinery		4,417,036		4,841,753
- Others		139,533		183,101
Commission, Brokerage, Discount on sales		5,621,330		4,755,863
Freight & Delivery Charges, Transport Charges		11,541,783		11,300,595
Insurance		3,429,928		3,332,550
Rent		190,362		302,904
Rates & Taxes		818,213		1,042,223
Directors Fees		97,000		28,000
Doubtful debts/Advances written off		333,173		861,057
Auditor's Remuneration				
For Audit Fees		280,900		168,360
For Tax Audit		39,326		35,000
For Misc. Certificate		334,833		364,347
For Expenses		13,000		58,975
Prior Period Expenses		–		140,356
Travelling Expenses		1,296,468		1,461,646
Miscellaneous Expenses		9,365,571		8,919,120
		<u>257,744,769</u>		<u>258,160,819</u>

**Schedule: 15****Significant Accounting Policies and Notes on Accounts:****Accounting Policies:-****a) Accounting Convention**

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

b) Fixed assets and Depreciation

Fixed Assets:-

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

c) Investment:-

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

d) Inventories:-

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

e) Foreign Currency Transactions:-

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

f) Revenue Recognition:-

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

g) Employee Benefits:**Short Term Employee Benefits:**

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

Long Term Employee Benefits:Defined Contribution Scheme

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

Defined Benefit Scheme

For defined benefit scheme the cost of providing benefit is determined using the Projected Unit Credit

**SCHEDULE : 15 (Contd...)**

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

Other Long Term Benefits:

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

h) Borrowing Costs:

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

i) Taxes on Income :

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

j) Leases:

- i) For assets acquired under operating lease, rentals payable are charged to the Profit & Loss Account.
- ii) For assets acquired under finance lease/ hire purchase agreement, the assets are capitalized at lower of their respective fair value and present value of minimum lease payments after discounting them at an appropriate discount rate.

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

k) Impairment:

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

l) Provisions and Contingent Liabilities:

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



Notes on Accounts annexed to and forming part of the Balance Sheet as at 31st March, 2008 and Profit & Loss Account for the year ended on that date.

1. Estimated amount of contract remaining to be executed on Capital Account and not provided for Rs. 4,950,000/- (31.03.2007 - 3,351,447/-) (Net of Advances).
2. Title Deeds in respect of land purchased in Assam during the years 1985, 1986, 1998 and 1999 amounting to Rs. 225,320/- (31.03.2007 - Rs. 225,320/-) are under Registration. However the company is in the possession of the said land and is already under plantation. Such delay is on the part of relevant authorities.
3. Pursuant to the scheme of Arrangement and Amalgamation (the Scheme) between Shyam Sundar Tea Company Private Limited, Gold Company Limited, Joonktolee Enterprises Limited, The Oceanic Navigation Company Limited, Shree Luxmi Packaging & Allied Products Limited, Abhyudaya Agrotech Private Limited, Sri Sitaram Investment Limited, Cowcoody Builders Private Limited, Gloster Real Estate Private Limited, Pranav Infradev Company Private Limited and the company as approved by Shareholders of the respective companies on 8th June 2007 and sanctioned by the Hon'ble High Courts of Chennai, Kolkata and Guwahati on 25th January 2008, 9th April 2008 and 24th July 2008 respectively, under the provisions of The Companies Act, 1956, the following companies merged with the company w.e.f. 30.09.2006 (appointed date).
 - Shyam Sundar Tea Company Private Limited, Gold Company Limited, Joonktolee Enterprises Limited, The Oceanic Navigation Company Limited, Shree Luxmi Packaging & Allied Products Limited, Abhyudaya Agrotech Private Limited and Sri Sitaram Investment Limited has been merged with the company w.e.f. 30.09.2006.

Pursuant to the Scheme the following divisions were demerged from the company w.e.f. 01.10.2006.

- The property division of the transferee company as on the closing of 30th September 2006 comprising of Estate A, B & C having designated properties have been demerged and stand merged with the wholly owned subsidiaries of the company namely Cowcoody Builders Private Limited, Gloster Real Estate Private Limited and Pranav Infradev Company Private Limited respectively.

The Certified copies of the order of Hon'ble High Courts at Chennai, Kolkata, and Guwahati have been filed with the concerned Registrars of the Companies on 13th February 2008, 9th July 2008, and 30th September 2008 respectively. The accounts for the year have been prepared by giving the effect of the scheme. According to the scheme, with effect from the appointed date, all the transferor companies and demerged units have carried out all their business activities in trust till the scheme becomes effective.

The Salient Features of the scheme are as under:

- I. All the assets and liabilities of Shyam Sundar Tea Company Private Limited, Gold Company Limited, Joonktolee Enterprises Limited, The Oceanic Navigation Company Limited, Shree Luxmi Packaging & Allied Products Limited, Abhyudaya Agrotech Private Limited and Sri Sitaram Investment Limited as on the appointed date have been incorporated in the books of the company at their respective book values on the basis of their audited books.

In terms of the Scheme, the following equity shares, ranking parri passu, are to be issued to the share holders of the above Seven Companies.



Name of the Company	Nature of Business	No of the Shares issued by the Transferee Company
Shyam Sundar Tea Company Private Limited	Tea Plantation	2 equity shares of Rs. 10 each for 1 share held in transferor company
Joonktollee Enterprises Limited	Real Estate	2 equity shares of Rs. 10 each for 1 share held in transferor company
Gold Company Limited	Real Estate	38 equity shares of Rs. 10 each for 1 share held in transferor company
The Oceanic Navigation Company Limited	Investment Company	1 equity shares of Rs. 10 each for 5 shares held in transferor company
Shree Luxmi Packaging & Allied Products Limited	Real Estate	5 equity shares of Rs. 10 each for 2 shares held in transferor company
Abhyudaya Agrotech Private Limited	Investment Company	1 equity shares of Rs. 10 each for 8 shares held in transferor company
Sri Sitaram Investment Limited	Investment Company	1 equity shares of Rs. 10 each for 3 shares held in transferor company

The equity shares held by the company in the capital of the above seven companies and inter company equity shares holdings of the above companies have been cancelled.

- II. As per the scheme 3.13 no. of fractional shares will be allotted to two nominees of the company upon trust who will sell them and distribute the sale proceeds.
- III. The combined balance of capital reserve of Rs. 1,20,000/-, Capital redemption reserve of Rs. 5,600/-, Revaluation reserve of Rs. 4,03,86,109/- and Securities premium account of Rs. 7,50,000/- of Shyam Sundar Tea Company Private Limited, The Oceanic Navigation Company Limited, Abhyudaya Agrotech Private Limited and Sri Sitaram Investment Limited as on the appointed date has been added to the respective heads of Company's Reserve & Surplus. Further the balance in General Reserve of Rs. 2,57,96,101/- and Rs. 1,11,10,003/- lying as debit balance of Profit & Loss account of the above company's has been added with General Reserve of the company as on appointed date.
- IV. The accounting treatment as set out in the aforesaid scheme is in keeping view with the pooling of interest method in case of amalgamation of Shyam Sundar Tea Company Private Limited, The Oceanic Navigation Company Limited, Abhyudaya Agrotech Private Limited and Sri Sitaram Investment Limited as per Accounting standard 14 "Accounting for Amalgamation". Further in case of Gold Company Limited, Joonktollee Enterprises Limited and Shree Luxmi Packaging & Allied Products Limited, in view of non continuance of businesses of these companies, Purchase method as per Accounting standard 14 "Accounting for Amalgamation" has been followed. The difference of Rs. 28,71,96,365/- (Rs. 51,08,548/- arising on merger method and Rs.28,20,87,817/- arising on purchase method) between the consideration and value of net assets as stated in note no I above has been treated as Capital Reserve. In case of transferor companies falling under merger method, the company will issue 11.03 % of its post amalgamated equity base for entire share capital of those transferor companies.
- V. Shares Suspense represents 21,37,659 shares of Rs. 10/- each to be issued to the shareholders of the transferor companies which will rank parri passu with the shareholders of the company as per the scheme effective from appointed date. The shares will be allotted on completion of necessary formalities under the Companies Act and Listing agreements. These shareholders are entitled to pro rata dividend for the financial year 2006-07 which comes to Rs. 16,03,244/- and dividend tax thereon Rs. 2,72,471/-. Such dividend shall be payable to them upon allotment of shares and has been provided in the accounts of the current year.



- VI. Pursuant to the scheme, the authorized share capital of transferor companies shall be added to the authorized capital of the company and the increase in the authorized share capital in the current year represents the same.
- VII. All the assets and liabilities of Estate A, B, & C of the transferee company, as decided and approved by the board of directors, stands merged with the wholly owned subsidiaries Cowcoody Builders Private Limited, Gloster Real Estate Private Limited and Pranav Infradev Co. Private Limited respectively. All the assets and liabilities of the estates have been transferred at book value save & except one of the property of Estate A which is valued at Rs.1115.58 Lacs.
- VIII. As per the scheme, the following shares have been issued to the company in the process of demerger.

Name of the Company	No. of Shares issued to the Company
Cowcoody Builders Private Limited	1,46,982 equity shares of Rs. 10/- each at a premium of Rs. 990/- each
Gloster Real Estate Private Limited	53,135 equity shares of Rs. 10/- each at a premium of Rs.990/- each
Pranav Infradev Company Private Limited	2,02,271 equity shares of Rs. 10/- each at a premium of Rs. 990/- each

The difference of Rs. 10,76,18,020/- between the book value of demerged properties and consideration received as stated in note no VII and VIII above has been treated as capital reserve.

- IX. In the above accounts, impact has been given for all the transactions of transferor companies and demerged units held in between the period from 01.04.2007 to 31.03.2008. The net accounting impact for all transactions of transferor companies and demerged units held in between the period from 01.10.2006 to 31.03.2007 and accounting for amalgamation/demerger has been carried on 01.04.2007. In view of the above a sum of Rs. 15,82,357/- (inclusive of tax) has been adjusted with the balance of Profit & Loss Account as on 01.04.2007 due to effect of scheme for the six months ending on 31.03.2007.
- X. Pending completion of the relevant formalities of transfer of certain assets and liabilities of transferor companies and demerged units pursuant to scheme as mentioned in points I & VI above, such assets and liabilities remain included in the books of the company and wholly owned subsidiaries under the name of transferor companies and company respectively.
- XI. Necessary approvals/confirmations from the banks are being taken with whom the demerged properties were hypothecated.
4. There are no outstanding dues to Suppliers/ Service providers covered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'). The disclosures as required under the said Act are as under:-

	Particulars	Amount
a)	Principal Amount due to Supplier under MSMED	NIL
b)	Interest due to Supplier on above	NIL
c)	Any payment made to supplier beyond appointed date (under section 16 of the Act)	NIL
d)	Interest due and payable to Suppliers under MSMED	NIL
e)	Interest accrued and remaining unpaid as at 31st March, 2008	NIL
f)	Interest remaining due and payable under section 23 of the Act	NIL

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



5. The Company is mainly engaged in the production of Tea, Coffee and Minor Produces. In the opinion of the management the above product relate to plantation activities only and therefore do not form separate Segment for the purpose of Segment Reporting under Accounting Standard - 17 on Segment Reporting as notified under "The Companies Accounting Standard Rule 2006". None of the income from other sources falls under the criteria of reportable segment as per the relevant provision of the Accounting Standard.

6. In the previous year, the company had credited a sum of Rs.28,24,072/- as Interest Subsidy in other income, which the company was entitled to under the Government of India's Central Interest Subsidy Scheme, 1997 on the basis of their claim sanctioned by the concerned authorities of the Government of Assam. Due to delay in completion of procedural formalities by the appropriate authority, the disbursement is still pending and the same is expected to be cleared in the current financial year.

7. Employee Benefits (Revised Accounting Standard 15)

a) Defined Contribution Plan :

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

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

During the year the Company has introduced contribution to Superannuation Fund for eligible employees with retrospective effect from 01.04.2002 @ 15% of Basic plus D.A. on annual basis. The current year charge to Profit & Loss Account includes Rs.1,685,971/- for earlier year.

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

b) Defined Benefit Plans:

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

ii) The employees of the Company are also eligible for encashment of leave upon retirement up to 30 days for each year (maximum 120 days). The company does not maintain any fund to pay for compensated absences.

iii) The present value of defined obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date.

Being the first year of adoption of Accounting Standard 15 (Revised), the following adjustments in the opening liabilities have been carried out:

In accordance with the transitional provision of Accounting Standard 15 on employee benefit, an amount of Rs. 21,71,000/- (net) being difference between relevant liability as on 31st March, 2007 and as computed in accordance with Accounting Standard has been adjusted against opening balance of General Reserves.


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

Particulars	Gratuity		Leave Encashment
	Funded	Unfunded	Unfunded
Expenses recognised in the Statement of Profit and Loss Account for the year ended 31st March, 2008			
A. Current Service Cost	11.84	2.45	1.59
Interest Cost	15.06	3.11	0.78
Expected return on Plan Assets	(17.05)	–	–
Actuarial (Gain) / Losses	11.42	(3.31)	0.63
Past Service Cost	–	–	–
Effect of any Curtailment / Settlement	–	–	–
Unrecognised Defined Benefit Obligation	–	–	–
Expenses recognised in Profit and Loss Account	21.27	2.25	3.00
B. Net (Asset) / Liabilities recognised in Balance Sheet as at 31st March, 2008			
Present Value of the Defined Benefit Obligation	209.20	39.52	12.24
Fair value of Plan Assets	216.22	–	–
Unrecognised Defined Obligation	–	–	–
Net (Asset) / Liabilities recognised in Balance Sheet	(7.02)	39.52	12.24
C. Changes in the Present Value of Defined Benefit Obligation during the year ended 31st March, 2008			
Present Value of Defined Benefit Obligations at 1st April, 2007	195.83	40.60	9.24
Current Service Cost	11.84	2.45	1.59
Interest Cost	15.06	3.11	0.78
Actuarial Gain / (Losses)	12.67	(3.31)	0.63
Benefits Paid	(26.20)	(3.33)	–
Present Value of Obligation as at 31st March, 2008	209.20	39.52	12.24
D. Changes in Fair Value of Plan Assets during the year ended 31st March, 2008			
Fair Value of Plan Assets as at 1st April, 2007	208.46	–	–
Expected return on Plan Assets	17.05	–	–
Actuarial Gain / (Losses)	1.25	–	–
Benefits Paid	(26.20)	(3.33)	–
Settlements	–	–	–
Contributions	15.66	3.33	–
Fair Value of Plan Assets as at 31st March, 2008	216.22	–	–
E. Principal Actuarial Assumptions used			
Discount rates as at 31st March, 2008	8.40%	8.00%	8.60%
Expected return on Plan Assets	8.00%	–	–
Expected salary increase rates	5.00%	5.00%	5.00%
Mortality Rates	LIC (94-96) Ultimate Rate	LIC (94-96) Ultimate Rate	LIC (94-96) Ultimate Rate
F. Major categories of Plan Assets as a percentage of Fair Value of Plan Assets	Fund with LIC of India	–	–

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



8. In accordance with the requirements of Accounting Standard - 22 "Taxes on Income", deferred tax assets on carry forward losses & unabsorbed depreciation should be recognised only in case of virtual certainty of realisation of the same. However in the case of Company in absence of any virtual certainty, no deferred tax asset has been recognised.
9. There are no contingent liabilities existing as on the Balance Sheet date.
10. The amount of borrowing cost capitalized during the year is Nil.
11. The company did not have any transaction in foreign currency, hence exposure in foreign currency at the end of the year is Nil (Previous year Nil).
12. Related party disclosures as required by AS - 18 "Related Party Disclosures" are given below:

Relationships:

- (a) Subsidiaries of the Company.
 - Gloster Real Estate Private Limited (GREPL)
 - Cowcoody Builders Private Limited (CBPL)
 - Pranav Infradev Co. Private Limited (PICPL)
- (b) Other Companies over which the Key Management Personnel are able to exercise a significant influence:
 - Gloster Jute Mills Ltd. (GJML)*
 - The Cochin Malabar Estate & Industries Limited (CMEI) (Also associate of the company)
 - Kettlewell Bullen & Company Limited (KBCL)
 - The Phosphate Company Limited*
 - Port Shipping Company Limited*
 - The Oriental Company Limited (TOCL)
 - The Kamala Company Limited*
 - Laxmi Asbestos Products Limited*
 - Marwar Textile (Agency) Limited*
 - PD GD Investments & Trading Private Limited*
 - Jagdishpur Company Limited*
 - Madhav Trading Corporation Limited (MTCL)
 - The Cambay Investment Corporation Limited (TCICL)
 - Bombay Agency Company Private Limited*
 - Credwyn Holdings (I) Private Limited (CHPL)
 - Kherapati Vanijya Limited (KVL)
 - Wind Power Vinimay Private Limited (WPVPL)

* No transactions during the year.
- (c) Key Management Personnel
 - Mr. G. D. Bangur - Chairman
 - Mr. Hemant Bangur - Managing Director
 - Mr. K. C. Mohta - Executive Director
- (d) Relatives of Key Management Personnel
 - Mr. Purushottam Das Bangur (Father of Mr. G. D. Bangur)
 - Mrs. Pushpa Devi Bangur (Wife of Mr. G. D. Bangur)
 - Mrs. Vinita Bangur (Wife of Mr. Hemant Bangur)

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

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

Sl.	PARTICULARS	CMEI	TCICL	KVL	WPVPL	CHPL	MTCL	TOCL	KBCL	KMP	Relatives of KMP	CBPL	GREPL	PICPL
1.	Loans Given / (Received) ** during the year (Net) Previous Year	(21,914,976)	2,004,242	240,000	16,000	-	-	-	-	-	-	-	-	-
2.	Loans Received / (Refunded) (Net) ** Previous Year	-	-	17,007,724	9,281,584	7,543,223	(3,807,472)	-	-	(23,200,000)	(25,000,000)	-	-	-
3.	Closing balance as on 31.03.2008 ** - (Loan including Interest Accrued) Previous Year	67,014,762 (Dr)	13,584,241 (Dr)	14,110,000 (Cr)	10,014,000 (Cr)	14,430,000 (Cr)	8,480,000 (Cr)	-	-	-	-	-	-	-
4.	Advances Given / (Received) during the year Previous Year	-	-	-	-	-	-	-	-	-	-	-	-	-
5.	Closing balance of advance receivable/ (payable) as at 31.03.2008 Previous Year	-	-	-	-	-	-	-	-	-	-	(2,601,625) 10,000	(321,596) 10,000	30,939 10,000
6.	Interest Income Previous Year	10,831,270	1,478,119	305,000	20,400	-	-	-	-	-	-	-	-	-
7.	Interest Expenditure Previous Year	-	-	602,224	606,766	2,411,593	1,050,115	-	-	2,216,200	2,453,654	-	-	-
8.	Rent Paid Previous Year	-	-	-	-	-	-	-	24,300 97,200	-	-	-	-	-
9.	Rent Deposit as at 31.03.2008 Previous Year	-	-	-	-	-	-	-	16,200 16,200	-	-	-	-	-
10.	Dividend Paid Previous Year	1,080 1,080	97,468 97,468	-	7,500 7,500	-	34,278 34,278	94,825 94,825	573,733 573,733	43,792 43,792	50,659 47,611	-	-	-

** Relates to transactions held in transferor companies.

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

Remuneration / sitting fees Rs.2,807,979/- (31.03.2007 - Rs.1,713,934/-)

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



13. Earnings per share	2007-08	2006-07
a) Profit / (Loss) after taxation as per Profit and Loss Account	68,33,313	70,24,983
b) Number of equity shares outstanding	32,33,647	10,95,988
c) Basic and diluted earnings per share in Rs. (Face value Rs.10/- per share)	2.11	6.41
- Includes 2,137,659 equity shares to be issued by the Company pursuant to the Scheme of Arrangement/Amalgamation referred to in Note No. 3(v) of Schedule 15.		

	31.03.2008		31.03.2007	
	Quantity Kg.	Value Rs.	Quantity Kg.	Value Rs.
14. Turnover:-				
Tea (excluding issued to Labour and Staff, Sales Promotion and Tea Waste etc. 13926 kgs. 31.03.07- 17681 kgs.)	3,573,782	264,375,188	3,706,480	252,564,726
Coffee	251,472	24,104,792	358,957	32,295,829
Minor Produce	8,924	1,128,220	15,584	2,708,473
15. Raw Materials Consumed				
i) Being raw materials harvested in the Company's own gardens as agricultural produce involving integrated activities of Nursery, Cultivation, Growth etc. and utilized in the manufacture of tea, its value at the intermediate stage could not be ascertained.	9,382,369	-	8,049,153	-
ii) Green Leaf purchased	6,509,573	60,103,140	8,851,088	83,001,064
16. Stock of Finished Goods :				
a) Opening Stock -				
Tea (Includes 101 Kgs. issued as B.T. staff in 2007-08)	347,021	20,506,584	387,352	24,758,211
Coffee	210,287	16,562,171	312,072	24,735,376
Minor Produce	8,951	460,235	15,457	2,447,270
b) Closing Stock -				
Tea	223,667	13,004,525	347,021	20,506,584
Coffee	248,310	17,879,350	210,287	16,562,171
Minor Produce	5,277	392,244	8,951	460,235
17. a) Licensed Capacity - Tea	Not Applicable		Not Applicable	
b) Installed Capacity (in terms of made tea)	Not Ascertainable		Not Ascertainable	
c) Actual Production during the year -				
For sale of Tea (excluding issued to Labour and Staff, Sales Promotion and Tea Waste etc. 13926 kgs. 31.03.2007 - 16428 kgs.)	3,464,354	-	3,683,831	-
For sale of Coffee	289,495	-	257,172	-
For sale of Minor Produce	5,250	-	9,077	-
18. CIF Value of Import	-	-	-	-
19. Value of Stores and Spares parts consumed :	Value Rs.	Percentage	Value Rs.	Percentage
Indigenous	30,030,813	100	26,440,709	100
Imported	-	-	-	-
20. a) Earning in Foreign Currency	-		-	
b) Expenditure in Foreign Currency				
Travelling	-		139,034	
Others	50,602		50,765	



SCHEDULE - 15 (Contd...)

	31.03.2008 Rs.	31.03.2007 Rs.
21. Interest paid includes interest on Fixed Loans Rs.1,15,83,098/- (31.03.2007 - Rs. 50,58,178/-)		
22. Interest expense is net off interest income Rs.12,634,789/- TDS - Rs. 3,077,596/- (31.03.2007- Rs.1,05,392/- TDS- Rs. Nil)		
23. Directors' Remuneration : Computation of Net Profit for the purpose of Directors' Commission:		
Profit before Taxation as per Profit & Loss Account	7,745,170	6,548,751
Less: Director's Commission	60,946	-
Add : Director's Remuneration	<u>2,807,979</u>	<u>948,558</u>
	10,492,203	7,497,309
Less : Provision for diminution in value of investments written back	-	11,589,928
Excess of expenditure over income u/s 349	4,092,619	-
Capital Profit on sale of Fixed Assets	<u>304,978</u>	-
Net Profit for the purpose of Directors' Commission	<u>6,094,606</u>	<u>(4,092,619)</u>
Non Whole time Directors' Commission @ 1% of Net Profit	60,946	Nil
Directors' Fees:	97,000	28,000
Remuneration to Managing Director -		
i) Salary	960,000	720,000
ii) Company's Contribution of PF & other funds	662,700	86,400
iii) Monetary value of perquisites & other benefits	63,149	114,158
Remuneration to Executive Director *-		
i) Salary	599,677	-
ii) Company's Contribution of PF & other funds	284,243	-
iii) Monetary value of perquisites & other benefits	<u>80,264</u>	-
	<u>2,807,979</u>	<u>948,558</u>

* Appointed from 04.05.2007

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

24. Due to effect of scheme of arrangement/amalgamation during the year, the current year's figures are not comparable with previous year figures. Previous year figures have been arranged / regrouped wherever necessary.

for and behalf of

SINGHI & CO.

Chartered Accountants

Gopal Jain

Partner

Mem. No. 059147

G. D. Bangur

M. K. Daga

Amitabha Ghosh

J. K. Surana

M. M. Pyne

Directors

H. Bangur

Managing Director

K. C. Mohta

Executive Director

B. L. Dhanuka

Chief Financial Officer

S. Bagree

Manager (Finance) & Company Secretary

Kolkata

Date: 25th October, 2008


BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE
(AS PER SCHEDULE VI PART (IV) OF THE COMPANIES ACT, 1956)
I. REGISTRATION DETAILS

Registration No.	292	State Code	21
Balance Sheet Date	31 March, 2008		

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

Public Issue	Nil	Bonus Issue	Nil
Right Issue	Nil	Private Placement	Nil

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

Total Liabilities	937,902	Total Assets	937,902
Source of Funds:		Application of Funds:	
Paid - up Capital	32,337	Net Fixed Assets	212,883
Reserves & Surplus	629,012	Investments	457,630
Secured Loan	196,043	Net Current Assets	267,389
Unsecured Loans	80,510	Misc. Expenditure	–
Deferred Tax Liability	–	Accumulated Losses	–

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

Turnover	229,925
Total Expenditure	292,241
Profit/Loss Before Tax	7,684
Profit/Loss After Tax	6,833
Earnings per Share in Rs.	2

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

Item Code No. (ITC Code)	90230
Product Description	TEA

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

	Financial Year ended	Holding Company's Interest
SECTION 212 (1) (e)		
Name of the Subsidiary Companies		
Gloster Real Estates Pvt. Ltd.	31st March, 2008	100.00%
Pranav Infradev Company Pvt. Ltd.	31st March, 2008	100.00%
Cowcoody Builders Pvt. Ltd.	31st March, 2008	100.00%

	For the Financial year ended 31st March, 2008 (Rs.)	For the previous Financial Years (Rs.)
SECTION 212 (3) (b)		
Net aggregate amount of Subsidiaries Profit which concern the members of the Holding Company and not dealt with in the Company's Accounts:		
Shyam Sundar Tea Co. Pvt. Ltd. *	Nil	1,231,325
Gloster Real Estates Pvt. Ltd.	(2,300,328)	Nil
Pranav Infradev Company Pvt. Ltd.	(61.997)	Nil
Cowcoody Builders Pvt. Ltd.	589,657	Nil

SECTION 212 (3) (c)		
Net aggregate amount of Subsidiaries Profit dealt with in the Company's Account:		
Shyam Sundar Tea Co. Pvt. Ltd. *	Nil	Nil
Gloster Real Estates Pvt. Ltd.	Nil	Nil
Pranav Infradev Company Pvt. Ltd.	Nil	Nil
Cowcoody Builders Pvt. Ltd.	Nil	Nil

SECTION 212 (5)

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

* Merged with the Company with effect from 30.09.2006 pursuant to the scheme of arrangement and amalgamation.

G. D. Bangur	H. Bangur
M. K. Daga	Managing Director
Amitabha Ghosh	K. C. Mohta
J. K. Surana	Executive Director
M. M. Pyne	B. L. Dhanuka
Directors	Chief Financial Officer

S. Bagree

Manager (Finance) & Company Secretary

Kolkata
Date: 25th October, 2008



AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO

THE BOARD OF DIRECTORS OF JOONKTOLLEE TEA & INDUSTRIES LIMITED, IT'S SUBSIDIARIES AND ITS ASSOCIATE

1. We have audited the attached consolidated Balance Sheet of **JOONKTOLLEE TEA & INDUSTRIES LIMITED, its subsidiaries and associate** as at 31st March, 2008 and the consolidated Profit and Loss Account and consolidated Cash Flow Statement for the year ended on that date and annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiaries whose financial statements reflect total assets of Rs. 40,27,56,603/- as at 31st March, 2008, total revenues of Rs 43,77,586/- and net cash outflow of Rs. 54,958/- for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries is based solely on the report of the other auditors.
4. The company share of profit in associate aggregating to Rs. 28,61,366/- for the year ended 31st March 2008 have been accounted based on the financial accounts of the associate audited by other auditors whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of this associate, is based solely on the report of the other auditor.
5. The statutory auditors of the Associate has drawn the following qualifications in their audit report dated 29th July, 2008 for the year ended 31st March, 2008.

- i) The auditors are unable to express an opinion about the profitability of the Kinalur Estate and also the physical conditions of the assets of the estate. (Refer Note No. 4 in schedule 15)
- ii) The Federal Bank Limited has not confirmed the balance outstanding in their account and hence interest has been provided on the balance outstanding OTS amount of Rs. 3.79 Crores. (Refer Note No. 4 in schedule 15)
- iii) Depreciation in respect of Aqua culture and rubber wood divisions and Kinalur Estate of Rubber division has not been provided during the year. (Refer Note No. 4 in schedule 15)

6. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements", and Accounting Standard (AS) 23 "Accounting for Investments in Associates in Consolidated Financial Statements" as notified under "The Company Accounting Standard Rules 2006" and on the basis of the separate audited financial statements of Joonktollee Tea & Industries Limited, its subsidiaries and associate included in the consolidated financial statements.
7. On the basis of the information and explanation given to us and on consideration of the separate audit reports on individual audited financial statements of JOONKTOLLEE TEA & INDUSTRIES LIMITED, its subsidiaries, and associate, we are of the opinion, subject to impact of point 5 above to the extent of Company's share in the associate, the consolidated financial statements read with notes to account, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the consolidated Balance Sheet, of the consolidated state of affairs of Joonktollee Tea & Industries Limited, its subsidiaries and associate as at 31st March, 2008;
 - b) In the case of the consolidated Profit and Loss Account, of the consolidated profit of Joonktollee Tea & Industries Limited, its subsidiaries and associate for the year ended on that date and
 - c) In the case of the consolidated Cash Flow Statement, of the consolidated cash flow of Joonktollee Tea & Industries Limited, its subsidiaries and associate for the year ended on that date.

For and on behalf of
Singhi & Co.
Chartered Accountants

Gopal Jain
Partner
Membership No. 059147

Kolkata
Dated : 25th October, 2008



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008

	Schedule	As at 31.03.2008		As at 31.03.2007	
		Rs.	Rs.	Rs.	Rs.
I. SOURCES OF FUNDS					
(1) Shareholders' Funds :					
(a) Share Capital	1	10,959,880		10,959,880	
(b) Share Suspense	1A	21,376,591			
(c) Reserves and Surplus	2	<u>629,193,601</u>	661,530,072	<u>192,812,052</u>	203,771,932
Minority Interest			–		653,409
(2) Loan Funds :					
Secured Loan	3		196,042,673		110,981,640
Unsecured Loan	3A		<u>80,510,000</u>		–
TOTAL			<u>938,082,745</u>		<u>315,406,981</u>
II. APPLICATION OF FUNDS					
Goodwill on Consolidation			7,977,277		–
Fixed Assets :					
(a) Gross Block	4	771,863,686		364,642,694	
(b) Less : Depreciation		<u>165,040,489</u>		<u>150,717,717</u>	
(c) Net Block		<u>606,823,197</u>		<u>213,924,977</u>	
(d) Capital Work-in-Progress		<u>3,363,517</u>	610,186,714	<u>5,866,303</u>	219,791,280
Investments	5		49,825,981		24,999,803
Current Assets, Loans & Advances :					
(a) Inventories	6	43,216,798		53,133,118	
(b) Sundry Debtors	7	21,465,132		26,920,457	
(c) Cash and Bank Balances	8	139,011,957		6,575,489	
(d) Loans and Advances	9	<u>117,044,669</u>		<u>19,838,917</u>	
		<u>320,738,556</u>		<u>106,467,981</u>	
Less : Current Liabilities & Provisions :					
(a) Current Liabilities	10	31,631,927		30,416,213	
(b) Provisions	11	<u>19,013,856</u>		<u>5,573,377</u>	
		<u>50,645,783</u>		<u>35,989,590</u>	
Net Current Assets			270,092,773		70,478,391
Miscellaneous Expenditure			–		137,507
TOTAL			<u>938,082,745</u>		<u>315,406,981</u>
Notes on Accounts	15				

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

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

for and behalf of

SINGHI & CO.

Chartered Accountants

Gopal Jain

Partner

Mem. No. 059147

G. D. Bangur

M. K. Daga

Amitabha Ghosh

J. K. Surana

M. M. Pyne

Directors

H. Bangur

Managing Director

K. C. Mohta

Executive Director

B. L. Dhanuka

Chief Financial Officer

S. Bagree

Manager (Finance) & Company Secretary

Kolkata

Date: 25th October, 2008



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	Schedule	For the year ended 31.03.2008		For the year ended 31.03.2007	
		Rs.	Rs.	Rs.	Rs.
INCOME					
Gross Sales	12	289,608,200		287,569,028	
Less: Excise Duty		208,536		201,380	
Net Sales		289,399,664		287,367,648	
Other Income	13	14,903,290	304,302,954	19,854,253	307,221,901
EXPENDITURE					
(Increase)/Decrease of Finished Goods	12A	6,252,871		14,411,867	
Cultivation, Manufacturing, Administration, and Selling Expenses	14	258,932,867		253,281,239	
Interest (Refer Note No.18 in Schedule 15)		11,264,990		13,026,019	
Depreciation		21,368,370	297,819,098	17,847,711	298,566,836
Profit before Taxation			6,483,856		8,655,065
Provision for Taxation					
Current Year			972,300		600,000
Adjustment for (Excess) /Short Tax Provision in respect of earlier years written back			(3,799)		(1,095,004)
Deferred Tax written back			–		(392,000)
Fringe Benefit Tax			454,710		344,290
Fringe Benefit Tax for earlier year			–		66,482
Profit after Taxation			5,060,645		9,131,297
Balance brought forward from last Account		6,431,353		7,332,133	
Less: Minority Interest		–		(69,333)	
Add: Share of Profit / (Loss) in associate					
For the Year		2,861,366		1,315,950	
For Earlier Years		–		644,683	
Less: Net Impact on profit for 1.10.2006 to 31.03.2007 due to scheme of Arrangement/Amalgamation (Refer Note No. 7 (ix) in Schedule-15)		1,582,357	7,710,362	–	9,223,433
			12,771,007		18,354,730
APPROPRIATIONS					
Proposed Dividend (Also Refer Note No. 7 (v) of Schedule - 15)		6,453,715		1,643,982	
Tax on Proposed Dividend (Also Refer Note No. 7 (v) of Schedule - 15)		1,096,808	7,550,523	279,395	1,923,377
General Reserve			500,000		10,000,000
Balance Carried forward			4,720,484		6,431,353
Earnings per Equity Shares of Rs.10/- each Basic & Diluted (Rs.)			2.45		10.06
(Refer Note No 17 in Schedule 15)					

Notes on Accounts

15

Schedules referred to above form an integral part of the Profit & Loss Account.
This is the Profit & Loss Account referred to in our report of even date.

for and behalf of

SINGHI & CO.

Chartered Accountants

Gopal Jain

Partner

Mem. No. 059147

G. D. Bangur

M. K. Daga

Amitabha Ghosh

J. K. Surana

M. M. Pyne

Directors

H. Bangur

Managing Director

K. C. Mohta

Executive Director

B. L. Dhanuka

Chief Financial Officer

S. Bagree

Manager (Finance) & Company Secretary

Kolkata

Date: 25th October, 2008



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

	As at 31.03.2008		As at 31.03.2007	
	Rs.	Rs.	Rs.	Rs.
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax and extra ordinary items		6,483,856		8,655,065
Adjustments for :				
Depreciation	21,368,370		17,847,711	
Provision for diminution in value of investments written back	–		(11,589,928)	
Profit on Sale of Fixed Assets	(1,468,447)		(153,313)	
Interest and Dividend Income	(13,018,806)		(105,744)	
Interest charged	23,899,779		13,131,411	
Sundry Credit Balance no longer required written back	(659,968)		(178,229)	
Bad Debts & Provision for doubtful debts/Advances	333,173	30,454,101	861,057	19,812,965
Operating Profit before working capital changes		<u>36,937,957</u>		<u>28,468,030</u>
Adjustments for :				
Trade and other Receivables	24,510,106		(5,044,725)	
Inventories	9,916,320		13,347,630	
Trade Payables	(3,657,903)		(2,045,543)	
		<u>30,768,523</u>		<u>6,257,362</u>
Cash Generated from Operations		67,706,480		34,725,392
Direct Taxes (Paid)/Refund received (Net)		1,418,617		725,890
Misc Expenditure		–		137,507
Net Cash from operating activities		<u>66,287,863</u>		<u>33,861,995</u>
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets/WIP	(21,054,452)		(19,908,341)	
Sale of Fixed Assets	4,153,121		1,166,039	
Sale of Investments	–		25,000	
Interest Received	8,620,491		128,227	
Dividend Received	384,017		352	
Net cash used in Investing Activities		<u>(7,896,823)</u>		<u>(18,588,723)</u>
		<u>58,391,040</u>		<u>15,273,272</u>
C) CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings (Net)	93,374,500		(10,713,372)	
Proceeds from Other Borrowings (Net)	(1,288,467)		10,927,777	
Interest paid	(20,838,100)		(12,661,517)	
Dividends Paid (including Tax on Dividend)	1,923,377		(1,840,951)	
Net Cash from/(used in) Financing Activities		<u>73,171,310</u>		<u>(14,288,063)</u>
Net Change in Cash and Cash Equivalents		<u>131,562,350</u>		<u>985,209</u>
Cash and Cash Equivalents - Opening Balance	6,239,534		5,590,280	
Cash and Cash Equivalents - Closing Balance	137,801,884		6,575,489	

Notes :

- Cash and cash equivalents consists of cash, cheques in hand and balances with banks and are available for use.
- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on Cash Flow Statement as notified under The Companies Accounting Standard Rules 2006
- Opening cash balance is after adjustment due to Scheme of arrangement/amalgamation.
- Previous year's figures have been regrouped/rearranged wherever necessary and not comparable with previous year figure due to impact of Scheme arrangement/amalgamation

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

G. D. Bangur**H. Bangur****M. K. Daga**

Managing Director

Amitabha Ghosh**K. C. Mohta****J. K. Surana**

Executive Director

M. M. Pyne**B. L. Dhanuka**

Directors

Chief Financial Officer

S. Bagree

Manager (Finance) & Company Secretary

Kolkata

Date: 25th October, 2008



SCHEDULES ANNEXED TO THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	As at 31.03.2008		As at 31.03.2007	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE - 1				
SHARE CAPITAL				
Authorised				
1,07,49,000 (Previous Year - 50 00 000)				
Ordinary shares of Rs 10/- each		107,490,000		50,000,000
35,000 Ordinary shares of Rs.100/- each		3,500,000		–
50,000 Redeemable Cumulative Preference Shares of Rs.10/- each		500,000		–
100 13.5% Redeemable Cumulative Preference Shares of Rs.100/- each (Refer Note No. 7 (vi) in Schedule 15)		10,000		–
		<u>111,500,000</u>		<u>50,000,000</u>
Issued and Subscribed				
10,95,988 Ordinary shares of Rs. 10/- each fully paid up		10,959,880		10,959,880
		<u>10,959,880</u>		<u>10,959,880</u>
Of the above				
1) 4,42,000 shares have been allotted as fully paid up by way of bonus shares upon capitalisation of reserves.				
2) 3,51,825 shares have been allotted to the shareholders of the erstwhile The Kalasa Tea and Produce Company Ltd and 2,94,163 shares have been allotted to the shareholders of the erstwhile Cowcoody Estates Limited as per a scheme of amalgamation.				
SCHEDULE - 1A				
SHARE SUSPENSE				
2,137,659 Fully Paid up equity shares of Rs.10/- each to be issued pursuant to scheme of arrangement and amalgamation for consideration other than cash (Refer Note No. 7 (v) of Schedule - 15)		21,376,591		–
		<u>21,376,591</u>		<u>–</u>

**SCHEDULE - 2
RESERVES & SURPLUS**

Particulars	Balance as on 31.03.2007	Adjustments due to scheme of Arrangement \$	Addition on Consolidation	Additions during the year	Deductions / Adjustements during the year	Balance as on 31.03.2008
Capital Reserve	9,995,910	394,934,385	1,627,521	–	6,939,663 ^	399,618,153
Capital Redemption Reserve	36,000	5,600	–	–	–	41,600
Revaluation Reserve (Created on Revaluation of Land)	–	40,386,019	–	–	–	40,386,019
Securities Premium Account	23,951,440	750,000	–	–	–	24,701,440
General Reserve	152,397,349	14,686,098	–	500,000	2,171,000 #	165,412,447
Profit and Loss Account	6,431,353	–	(2,535,113)	4,720,484	9,582,782 *	(966,058)
	192,812,052	450,762,102	(907,592)	5,220,484	18,693,445	629,193,601

Represents the amount adjusted with Opening reserves as required by the transitional provisions of revised Accounting Standard -15 on Employee Benefits (Also refer note no. 11 in Schedule 15)

\$ Refer note no. 7 in Schedule 1

^ Represents deduction of Rs. 56,60,177/- & Rs. 12,79,486/- due to amalgamation of Associates and subsidiary with the holding company in the current year due to impact of scheme of arrangement /amalgamation

* Includes deduction of Rs. 19,60,633/- & Rs.11,90,796/- due to amalgamation of Associates and subsidiary with the holding company in the current year due to impact of scheme of arrangement /amalgamation


SCHEDULE - 3
SECURED LOAN
From Banks
Over draft/ Cash credit
Overdraft from State Bank of Bikaner and Jaipur, Kolkata

(Secured by hypothecation of all the tea manufactured or in process including green leaf before and after plucking, book debts both present and future, moveable plant & machinery, furniture and other equipments, moveable property of any kind including book debts of tea and equitable mortgage / charge created by depositing title deeds of the tea estate at Assam.)

Overdraft from United Bank of India, Kolkata

(Secured by hypothecation of crop, present and future, book debts, various other movable assets and equitable mortgage created by depositing title deeds pertaining to Nilmoni Tea Estate)

Cash credit from Corporation Bank, Coimbatore

(Secured by hypothecation of coffee, cardamom, pepper crops and machinery purchased out of term loan and equitable mortgage of title deeds of the property of the company at Coimbatore.)
(Refer Note No.7 (xi) of Schedule-15)

Term Loans
Term Loan from State Bank of Bikaner & Jaipur, Kolkata

(Secured by hypothecation of all the tea manufactured or in process including green leaf before and after plucking, book debts both present and future, moveable plant & machinery, furniture and other equipments, moveable property of any kind including book debts of tea and equitable mortgage / charge created by depositing title deeds of the tea estate at Assam.)
(Loan repayable within one year Rs.54,00,000/-)

Term Loan from Corporation Bank, Coimbatore

(Secured by hypothecation of coffee, cardamom, pepper crops and machinery purchased out of term loan and equitable mortgage of title deeds of the property of the company at Coimbatore.)
(Refer Note No.7 (xi) of Schedule-15)
(Loan repayable within one year Rs.19,22,337/-)

Term Loan from United Bank of India, Kolkata

(Secured by hypothecation of crop, present and future, book debts, various other movable assets and equitable mortgage created by depositing title deeds pertaining to Nilmoni Tea Estate)
(Loan repayable within one year Rs.28,50,000/-)

Corporate Loan (Old)
Corporate Loan from State Bank of Bikaner & Jaipur, Kolkata

(Secured by hypothecation of all the tea manufactured or in process including green leaf before and after plucking, book debts both present and future, moveable plant machinery, furniture and other equipments, moveable property of any kind including book debts of tea and equitable mortgage / charge created by depositing title deeds of the tea estate at Assam.)
(Loan repayable within one year Rs.50,00,000/-)

Corporate Loan (New)
Corporate Loan from State Bank of Bikaner & Jaipur, Kolkata

(Secured by hypothecation of all the tea manufactured or in process including green leaf before and after plucking, book debts both present and future, moveable plant & machinery, furniture and other equipments, moveable property of any kind including book debts of tea and equitable mortgage / charge created by depositing title deeds of the tea estate at Assam.)
(Loan repayable within one year Rs.10,00,000/-)

Tea Board Plantation Loan

(Secured against second charge on company's plantation)

Short Term Loan from Others

(Against assignment of insurance policy in favour of the lender)

SCHEDULE - 3A
UNSECURED LOANS
Other Loans

From Bodies Corporate

(Repayable within one year Rs. Nil)

	As at 31.03.2008		As at 31.03.2007	
	Rs.	Rs.	Rs.	Rs.
		40,850,557		37,156,892
		5,101,401		1,124
		3,188,770		9,440,976
		9,488,731		14,888,731
		8,352,337		10,680,337
		8,797,877		12,142,825
		10,000,000		15,000,000
		100,000,000		—
		—		485,255
		10,263,000		11,185,500
		<u>196,042,673</u>		<u>98,352,436</u>
		80,510,000		—
		<u>80,510,000</u>		<u>—</u>



SCHEDULE - 4															
FIXED ASSETS															
Particulars of Assets	COST							DEPRECIATION						NET BLOCK	
	Original Cost as on 01.04.2007 Rs.	Adj.on account of scheme (Net) \$# Rs.	Additions Rs.	Addition on Con-solidation Rs.	Disposal/ Adjust-ments Rs.	Total as on 31.03.2008 Rs.	Upto 31.03.2007 Rs.	Adj. on acc-ount of scheme (Net) \$ Rs.	Addition Con-solidation Rs.	For The Year Rs.	Disposal/ Adjust-ments Rs.	Total as on 31.03.2008 Rs.	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.	
Land-Freehold & Leasehold *	53,828,574	(241,317)	-	315,028,442	-	368,615,699	-	-	-	-	-	368,615,699	368,615,699	53,828,574	
Land & Building															
Plantation/ Development	33,578,389	-	3,362,243	53,162,230	-	53,162,230	-	2,782,916	2,518,965	-	5,301,881	47,860,349	-	-	
Buildings, Factory & Water Supply	105,776,067	(11,265,976)	5,242,174	37,703,897	2,768,114	134,688,048	37,290,583	(3,504,809)	5,889,101	1,068,716	40,656,400	36,940,632	33,578,389	68,485,484	
Plant & Machinery & Electrical Installation	136,393,830	(1,462,190)	5,372,554	815,621	2,227,370	138,892,445	88,001,062	(1,234,061)	9,305,798	1,706,666	94,549,872	44,342,573	48,392,768	48,392,768	
Furniture, Fittings & Office Equipments	9,240,136	(988,590)	6,440,468	15,507	1,089,690	13,617,831	7,209,876	(919,351)	1,292,283	933,050	6,664,681	6,953,150	2,030,260	2,030,260	
Vehicles !	23,925,698	-	3,139,799	-	3,018,696	24,046,801	18,046,497	-	1,982,223	2,710,764	17,317,956	6,728,845	5,879,201	5,879,201	
Intangible Assets	1,900,000	-	-	-	-	1,900,000	169,699	-	380,000	-	549,699	1,350,301	1,730,301	1,730,301	
Total	364,642,694	(13,958,073)	23,557,238	406,725,697	9,103,870	771,863,686	150,717,717	(5,658,221)	21,368,370	6,419,196	165,040,489	606,823,197	213,924,977	213,924,977	
Previous Year	349,390,226	-	17,412,905	-	2,160,437	364,642,694	134,017,717	-	17,847,711	1,147,711	150,717,717	213,924,977			

* Land- Freehold & Leasehold as on 31.03.2008 includes freehold land Rs.12,46,67,756/- (Previous Year - Rs.1,22,55,408/-), Lease hold land Rs. 24,27,77,000/- and the balance Rs.10,67,166/- (Previous Year - Rs.10,67,166/-) cannot be distinguished between freehold and leasehold.

! WDV of vehicles acquired under hire purchase Rs. 3,14,943/- (Previous Year - Rs.4,24,967/-)

\$ Refer Note No. 7 in Schedule-15

Including additions of amalgamating units during 01.10.2006 to 31.03.2007.



SCHEDULE - 5
INVESTMENTS :- LONG TERM

Particulars	Nominal Value Rs.	As at 31.03.2007		Adj. on account of Scheme		Additions during the year		Disposals during the year		As at 31.03.2008	
		No. of Shares	Amount Rs.	No. of Shares	Amount Rs.	No. of Shares	Amount Rs.	No. of Shares	Amount Rs.	No. of Shares	Amount Rs.
Trade at Cost :											
Quoted-in fully paid Equity Shares of :											
The Cochin Malabar Estates & Ind. Ltd.	10	99,275	15,560,928	307,145	33,426,159	-	-	-	-	406,420	43,871,176
Camphor & Allied Products Ltd.	10	200	4,740	-	-	-	-	-	-	200	4,740
Duncon Industries Ltd.	10	100	1,665	-	-	-	-	-	-	100	1,665
Gloster Jute Mills Ltd.	10	-	-	77,116	2,077,110	-	-	-	-	77,116	2,077,110
The Phosphate Company Ltd.	10	-	-	138,680	3,859,645	-	-	-	-	138,680	3,859,645
Goodrick Group Ltd.	10	70	3,245	-	-	-	-	-	-	70	3,245
Non Trade – Unquoted - Fully Paid :											
Sri Sitaram Investments Ltd.	10	180,000	9,420,825	(180,000)	(9,420,825)	-	-	-	-	-	-
Government Securities :											
National Saving Certificates		-	5,400	-	-	-	-	-	-	-	5,400
(Deposited with Excise Authorities)											
National Saving Certificates		-	3,000	-	-	-	-	-	-	-	3,000
			<u>24,999,803</u>		<u>29,942,089</u>						<u>49,825,981</u>
Quoted Investments – Book Value		Rs.	15,570,578							Rs.	49,817,581
Quoted Investments – Market Value *		Rs.	10,143,798							Rs.	48,498,898
Aggregate Book Value of Un-quoted Investments		Rs.	9,429,225							Rs.	8,400

* Based on Last Traded price/Market Price

Excluding Rs. 79,77,277/- for Goodwill on account of consolidation of Associates and including Rs. 28,61,366/- for company's share of current year profit in the Associates



SCHEDULE - 6

INVENTORIES

(At Lower of Cost or Net Realisable Value)

	As at 31.03.2008		As at 31.03.2007	
	Rs.	Rs.	Rs.	Rs.
Stores and Spare Parts - At Cost		11,940,679		15,604,128
Stock -				
Tea *	13,004,525		20,506,584	
Coffee	17,879,350		16,562,171	
Minor Produce	—		460,235	
Timber - Rosewood	392,244	31,276,119	—	37,528,990
		<u>43,216,798</u>		<u>53,133,118</u>

* Stock of Tea includes Nil Kgs in Transit
(Previous Year 152135 kgs.)

SCHEDULE - 7

SUNDRY DEBTORS (Unsecured)

Debts outstanding over six months-				
Considered Good		3,266,913		708,715
Considered Doubtful		847,203		847,203
Other Debts-				
Considered Good		18,198,219		26,211,742
		<u>22,312,335</u>		<u>27,767,660</u>
Less : Provision for Doubtful Debts		847,203		847,203
		<u>21,465,132</u>		<u>26,920,457</u>

SCHEDULE - 8

CASH AND BANK BALANCES

Cheques / Cash in hand		605,263		253,993
With Scheduled Banks				
Current Accounts		36,773,154		5,634,722
Unpaid Dividend Accounts		511,576		446,923
Preference Share Redemption Fund Account		11,410		11,842
Deposit Accounts (under lien Rs.66,736/-		101,110,554		228,009
- Previous Year Rs.61,009/-)		<u>139,011,957</u>		<u>6,575,489</u>

SCHEDULE - 9

LOANS AND ADVANCES

(Unsecured -Considered Good unless otherwise stated)

Loans to Bodies Corporates				
- Secured	61,953,052			
- Unsecured	<u>18,107,189</u>	80,060,241		—
Advances recoverable in cash or in kind or for value to be received * #		19,402,598		16,602,169
Fixed Assets Held for Disposal (at net book value or estimated net realisable value , whichever is lower)		859,061		245,912
Balance with Excise Authority		8,062		6,458
Interest Accrued and Due on Loans		4,026,907		12,609
Advance Tax/ Tax Deducted at Source		12,687,800		2,971,769
		<u>117,044,669</u>		<u>19,838,917</u>

* Includes amount due from an officer of the Company Rs. 3,51,000/- (31.03.2007 - Rs. 3,20,000/-)

Maximum amount outstanding at any point of time during the year Rs. 4,20,000/- (31.03.2007 - Rs. 380,000/-)

Includes Rs.3,250,062/- (31.03.2007- Rs3,250,062/-), on account of Excise duty refundable recognised on the basis of an order issued by the Hon'ble Guwahati High Court on 28.06.2004.

**SCHEDULE - 10****CURRENT LIABILITIES**

	As at 31.03.2008		As at 31.03.2007	
	Rs.	Rs.	Rs.	Rs.
Dues to Micro Small and Medium Enterprises		–		–
Other Sundry Creditors		27,614,896		29,057,365
Unclaimed Dividend (Interest due Rs. Nil) (No Amount is required to be transferred to Investor Education & Protection Fund as on 31.03.2008)		467,436		403,496
Unclaimed Redeemed Preference Shares		6,930		6,930
Interest accrued but not due on loans		4,010,101		948,422
		<u>31,631,927</u>		<u>30,416,213</u>

SCHEDULE - 11**PROVISIONS**

Proposed Dividend		6,453,715		1,643,982
Tax on Proposed Dividend		1,096,808		279,395
Leave		1,224,000		1,550,000
Gratuity		3,952,000		–
Taxation		6,287,333		2,100,000
		<u>19,013,856</u>		<u>5,573,377</u>

SCHEDULE - 12**SALES**

Tea *		264,375,188		252,564,726
Coffee		24,104,792		32,295,829
Minor Produce/Timber		1,128,220		2,708,473
		<u>289,608,200</u>		<u>287,569,028</u>

* Sale includes Rs.10,11,682/- insurance claim received/
receivable on 10742.69 Kgs. of Tea
(31.03.2007 - Rs.18,484/- on 213.80 Kgs.)

SCHEDULE - 12A**(INCREASE)/DECREASE OF FINISHED GOODS**

Opening Stock				
Tea	20,506,584		24,758,211	
Coffee	16,562,171		24,735,376	
Minor Produce	460,235		1,082,830	
Timber - Rosewood	–	37,528,990	1,364,440	51,940,857
Less: Closing Stock				
Tea	13,004,525		20,506,584	
Coffee	17,879,350		16,562,171	
Minor Produce	392,244		460,235	
Timber - Rosewood	–	31,276,119	–	37,528,990
(Increase) / Decrease of Finished Goods		<u>6,252,871</u>		<u>14,411,867</u>



SCHEDULE - 13

OTHER INCOME :

	For the year ended 31.03.2008		For the year ended 31.03.2007	
	Rs.	Rs.	Rs.	Rs.
Rent		4,387,217		3,526,874
Interest Subsidy		–		2,824,072
Replantation Subsidy /Subsidy from Tea Board		34,460		162,300
Dividend from Long Term Non Trade Investment		384,017		352
Provision for diminution in value of investment written back		–		11,589,928
Profit on Sale of Fixed Assets		1,468,447		153,313
Insurance Claim Received		–		20,373
Sundry Credit Balances no longer required written back		659,968		178,229
Received on Maturity of Keyman Insurance Policy		5,700,000		–
Miscellaneous Receipts		2,269,181		1,398,812
		<u>14,903,290</u>		<u>19,854,253</u>

SCHEDULE - 14

**CULTIVATION, MANUFACTURING,
ADMINISTRATION & SELLING EXPENSES**

Cultivation		19,962,376		18,480,974
Consumption of Stores and Spare Parts		5,106,362		5,343,653
Purchase of Green Leaf		60,103,140		59,971,224
Cess		2,939,297		3,322,085
Power & Fuel		22,532,013		26,635,014
Vehicles Maintenance Expenses		4,503,354		4,634,715
Salaries, Wages & Bonus		74,716,856		70,276,690
Contribution to Provident, Gratuity & Other Funds		12,637,211		9,129,275
Labour & Staff welfare		13,096,369		12,589,819
Repairs - Buildings		4,345,020		4,558,654
- Machinery		4,689,289		4,866,958
- Others		139,533		188,726
Commission, Brokerage, Discount on sales		5,621,330		4,755,863
Freight & Delivery Charges, Transport Charges		11,541,783		11,317,463
Insurance		3,429,928		3,455,460
Rent		190,362		302,904
Rates & Taxes		1,116,706		1,074,143
Directors Fees		103,000		28,000
Doubtful debts/Advances written off		333,173		861,057
Auditor's Remuneration				
For Audit Fees		290,271		168,360
For Tax Audit		39,326		35,000
For Misc. Certificate		334,833		364,347
For Expenses		13,000		58,975
Prior Period Expenses		–		140,356
Travelling Expenses		1,300,758		1,461,646
Miscellaneous Expenses		9,847,577		9,259,878
		<u>258,932,867</u>		<u>253,281,239</u>

**Schedule: 15****Significant Accounting Policies and Notes on Consolidated Accounts:****Accounting Policies:-****a) Accounting Convention**

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

b) Fixed assets and Depreciation

Fixed Assets:-

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

c) Investment:-

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

d) Inventories:-

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

e) Foreign Currency Transactions:-

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

f) Revenue Recognition:-

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

g) Employee Benefits:**Short Term Employee Benefits:**

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

Long Term Employee Benefits:Defined Contribution Scheme

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



SCHEDULE : 15 (Contd...)

Defined Benefit Scheme

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

Other Long Term Benefits:

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

h) Borrowing Costs:

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

i) Taxes on Income :

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

j) Leases:

- i) For assets acquired under operating lease, rentals payable are charged to the Profit & Loss Account.
- ii) For assets acquired under finance lease/ hire purchase agreement, the assets are capitalized at lower of their respective fair value and present value of minimum lease payments after

discounting them at an appropriate discount rate.

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

k) Impairment:

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

l) Provisions and Contingent Liabilities:

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

**Schedule : 15****Notes on Accounts annexed to and forming part of the Balance Sheet as at 31st March, 2008 and Profit & Loss Account for the year ended on that date.**

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

Name of the Company	Country of Incorporation	Proportion of Ownership Interest	Reporting Period and Date
Gloster Real Estate Pvt. Ltd. (GREPL)	India	100.00%	year end 31-Mar-08
Cowcoody Builders Pvt. Ltd. (CBPL)	India	100.00%	year end 31-Mar-08
Pranav Infradev Co. Pvt. Ltd. (PICPL)	India	100.00%	year end 31-Mar-08

2. Goodwill amounting to Rs. 79,77,277/- has arisen on consolidation of accounts between Joonkoll Tea & Industries Limited and its associate. Such goodwill represents excess of cost to Joonkoll Tea & Industries Limited of its investments over shares of equity in its associate.
3. Accounting for Investment in associate has been done using equity method in accordance with the requirement of Accounting Standard 23 "Accounting for Investment in Associates" as notified under The Companies Accounting Standard Rule 2006.

The Associate considered in the Consolidated Financial Statements is as under:-

Name of the Company	Country of Incorporation	Proportion of Ownership Interest	Reporting Period and Date
The Cochin Malabar Estates and Industries Limited	India	22.94%	year end 31-Mar-08

4. The consolidated financial statements have been prepared using the same accounting policies as that of Joonkoll Tea & Industries Limited. However in case of associate, as per the audited financial statements for 2007-08, depreciation of two divisions to the tune of Rs. 29.60 lacs has not been provided in the books, in view of no operation in the divisions. Further in case of loan from The Federal Bank Limited, interest on loan and loan balance has not been confirmed by the bank.

In associate, one of the Estate 'Kinalur' continues to be in possession of the Advocate Receiver appointed by the court as reported earlier. Since the bidder Mr. P. K. C. Ahamedkutty has failed to make payment towards the balance sale consideration, the associate has approached the Hon'ble High Court of Kerala for cancellation of MOU with Mr. P. K. C. Ahamedkutty and forfeiture of advance paid by him and to permit the associate to sell Kinalur Estate on conditions as may be decided by the Hon'ble High Court of Kerala.

Further "The Cochin Malabar Estates and Industries Limited" has become associate of the company from 01.10.2006. In absence of the financial statements of the associate as on 30.09.2006, the audited financial statements of associate as on 31.03.2008 has been considered for application of equity method as prescribed under the Accounting Standard.

5. Estimated amount of contract remaining to be executed on Capital Account and not provided for Rs. 4,950,000/- (31.03.2007 - 3,351,447/-) (Net of Advances).
6. Title Deeds in respect of land purchased in Assam during the years 1985, 1986, 1998 and 1999 amounting to Rs. 225,320/-(31.03.2007 - Rs. 225,320/-) are under Registration. However the company is in the possession of the said land and is already under plantation. Such delay is on the part of relevant authorities.



7. Pursuant to the scheme of Arrangement and Amalgamation (the Scheme) between Shyam Sundar Tea Company Private Limited, Gold Company Limited, Joonktolee Enterprises Limited, The Oceanic Navigation Company Limited, Shree Luxmi Packaging & Allied Products Limited, Abhyudaya Agrotech Private Limited, Sri Sitaram Investment Limited, Cowcoody Builders Private Limited, Gloster Real Estate Private Limited, Pranav Infradev Company Private Limited and the company as approved by Shareholders of the respective companies on 8th June, 2007 and sanctioned by the Hon'ble High Courts of Chennai, Kolkata and Guwahati on 25th January, 2008, 9th April, 2008 and 24th July, 2008 respectively, under the provisions of The Companies Act, 1956, the following companies merged with the company w.e.f. 30.09.2006 (appointed date).

- Shyam Sundar Tea Company Private Limited, Gold Company Limited, Joonktolee Enterprises Limited, The Oceanic Navigation Company Limited, Shree Luxmi Packaging & Allied Products Limited, Abhyudaya Agrotech Private Limited and Sri Sitaram Investment Limited has been merged with the company w.e.f. 30.09.2006.

Pursuant to the Scheme the following divisions were demerged from the company w.e.f. 01.10.2006.

- The property division of the transferee company as on the closing of 30th September 2006 comprising of Estate A, B & C having designated properties have been demerged and stand merged with the wholly owned subsidiaries of the company namely Cowcoody Builders Private Limited, Gloster Real Estate Private Limited and Pranav Infradev Company Private Limited respectively.

The Certified copies of the order of Hon'ble High Courts at Chennai, Kolkata, and Guwahati have been filed with the concerned Registrars of the Companies on 13th February, 2008, 9th July, 2008, and 30th September, 2008 respectively. The accounts for the year have been prepared by giving the effect of the scheme. According to the scheme, with effect from the appointed date, all the transferor companies and demerged units have carried out all their business activities in trust till the scheme becomes effective.

The Salient Features of the scheme are as under:

- I. All the assets and liabilities of Shyam Sundar Tea Company Private Limited, Gold Company Limited, Joonktolee Enterprises Limited, The Oceanic Navigation Company Limited, Shree Luxmi Packaging & Allied Products Limited, Abhyudaya Agrotech Private Limited and Sri Sitaram Investment Limited as on the appointed date have been incorporated in the books of the company at their respective book values on the basis of their audited books. In terms of the Scheme, the following equity shares, ranking parri passu, are to be issued to the share holders of the above Seven Companies.

Name of the Company	Nature of Business	No of the Shares issued by the Transferee Company
Shyam Sundar Tea Company Private Limited	Tea Plantation	2 equity shares of Rs. 10 each for 1 share held in transferor company
Joonktolee Enterprises Limited	Real Estate	2 equity shares of Rs. 10 each for 1 share held in transferor company
Gold Company Limited	Real Estate	38 equity shares of Rs. 10 each for 1 share held in transferor company
The Oceanic Navigation Company Limited	Investment Company	1 equity shares of Rs. 10 each for 5 shares held in transferor company
Shree Luxmi Packaging & Allied Products Limited	Real Estate	5 equity shares of Rs. 10 each for 2 shares held in transferor company
Abhyudaya Agrotech Private Limited	Investment Company	1 equity shares of Rs. 10 each for 8 shares held in transferor company
Sri Sitaram Investment Limited	Investment Company	1 equity shares of Rs. 10 each for 3 shares held in transferor company



The equity shares held by the company in the capital of the above seven companies and inter company equity shares holdings of the above companies have been cancelled.

- II. As per the scheme 3.13 no. of fractional shares will be allotted to two nominees of the company upon trust who will sell them and distribute the sale proceeds.
- III. The combined balance of capital reserve of Rs. 1,20,000/-, Capital redemption reserve of Rs. 5,600/-, Revaluation reserve of Rs. 4,03,86,109/- and Securities premium account of Rs. 7,50,000/- of Shyam Sundar Tea Company Private Limited, The Oceanic Navigation Company Limited, Abhyudaya Agrotech Private Limited and Sri Sitaram Investment Limited as on the appointed date has been added to the respective heads of Company's Reserve & Surplus. Further the balance in General Reserve of Rs. 2,57,96,101/- and Rs. 1,11,10,003/- lying as debit balance of Profit & Loss account of the above company's has been added with General Reserve of the company as on appointed date.
- IV. The accounting treatment as set out in the aforesaid scheme is in keeping view with the pooling of interest method in case of amalgamation of Shyam Sundar Tea Company Private Limited, The Oceanic Navigation Company Limited, Abhyudaya Agrotech Private Limited and Sri Sitaram Investment Limited as per Accounting Standard 14 "Accounting for Amalgamation". Further in case of Gold Company Limited, Joonktolee Enterprises Limited and Shree Luxmi Packaging & Allied Products Limited, in view of non continuance of businesses of these companies, Purchase method as per Accounting Standard 14 " Accounting for Amalgamation" has been followed. The difference of Rs. 28,71,96,365/- (Rs. 51,08,548/- arising on merger method and Rs.28,20,87,817/- arising on purchase method) between the consideration and value of net assets as stated in note no. I above has been treated as capital reserve. In case of transferor companies falling under merger method, the company will issue 11.03 % of its post amalgamated equity base for entire share capital of those transferor companies.
- V. Share Suspense represents 21,37,659 shares of Rs. 10/- each to be issued to the shareholders of the transferor companies which will rank parri passu with the shareholders of the company as per the scheme effective from appointed date. The shares will be allotted on completion of necessary formalities under the Companies Act and Listing agreements. These shareholders are entitled to pro rata dividend for the financial year 2006-07 which comes to Rs. 16,03,244/- and dividend tax thereon Rs. 2,72,471/-. Such dividend shall be payable to them upon allotment of shares and has been provided in the accounts of the current year.
- VI. Pursuant to the scheme, the authorized share capital of transferor companies shall be added to the authorized capital of the company and the increase in the authorized share capital in the current year represents the same.
- VII. All the assets and liabilities of Estate A, B, & C of the transferee company, as decided and approved by the board of directors, stands merged with the wholly owned subsidiaries Cowcoody Builders Private Limited, Gloster Real Estate Private Limited and Pranav Infradev Co. Private Limited respectively. All the assets and liabilities of the estates have been transferred at books value save & except one of the property of Estate A which is valued at Rs.1115.58 Lacs.
- VIII. As per the scheme, the following shares have been issued to the company in the process of demerger.

Name of the Company	No. of Shares issued to the Company
Cowcoody Builders Private Limited	1,46,982 equity shares of Rs. 10/- each at a premium of Rs. 990/- each
Gloster Real Estate Private Limited	53,135 equity shares of Rs. 10/- each at a premium of Rs.990/- each
Pranav Infradev Company Private Limited	2,02,271 equity shares of Rs. 10/- each at a premium of Rs. 990/- each



The difference of Rs. 10,76,18,020/- between the book value of demerged properties and consideration received as stated in note no. VII and VIII above has been treated as capital reserve.

- IX. In the above accounts, impact has been given for all the transactions of transferor companies and demerged units held in between the period from 01.04.2007 to 31.03.2008. The net accounting impact for all transactions of transferor companies and demerged units held in between the period from 01.10.2006 to 31.03.2007 and accounting for amalgamation/demerger has been carried on 01.04.2007. In view of the above a sum of Rs. 15,82,357/- (inclusive of tax) has been adjusted with the balance of Profit & Loss Account as on 01.04.2007 due to effect of scheme for the six months ending on 31.03.2007.
- X. Pending completion of the relevant formalities of transfer of certain assets and liabilities of transferor companies and demerged units pursuant to scheme as mentioned in points I & VI above, such assets and liabilities remain included in the books of the company and wholly owned subsidiaries under the name of transferor companies and company respectively.
- XI. Necessary approvals/confirmations from the banks are being taken with whom the demerged properties were hypothecated.

- 8. There are no outstanding dues to Suppliers/ Service providers covered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'). The disclosures as required under the said Act are as under:-

Particulars		Amount
a)	Principal Amount due to Supplier under MSMED	NIL
b)	Interest due to Supplier on above	NIL
c)	Any payment made to supplier beyond appointed date (under section 16 of the Act)	NIL
d)	Interest due and payable to Suppliers under MSMED	NIL
e)	Interest accrued and remaining unpaid as at 31st March 2008	NIL
f)	Interest remaining due and payable under section 23 of the Act	NIL

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

- 9. The Company is mainly engaged in the production of Tea, Coffee and Minor Produces. In the opinion of the management the above product relate to plantation activities only and therefore do not form separate Segment for the purpose of Segment Reporting under Accounting Standard - 17 on Segment Reporting as notified under "The Companies Accounting Standard Rule 2006". None of the income from other sources falls under the criteria of reportable segment as per the relevant provision of the Accounting Standard.
- 10. In the previous year, the company had credited a sum of Rs.28,24,072/- as Interest Subsidy in other income, which the company was entitled to under the Government of India's Central Interest Subsidy Scheme, 1997 on the basis of their claim sanctioned by the concerned authorities of the Government of Assam. Due to delay in completion of procedural formalities by the appropriate authority, the disbursement is still pending and the same is expected to be cleared in the current financial year.

11. Employee Benefits (Revised Accounting Standard 15)

a) Defined Contribution Plan :

The Company makes contribution towards Provident Fund and Superannuation Fund to a defined contribution retirement benefit plan for qualifying employees. The Provident fund plan is operated by duly constituted and



approved independent Trustees /Governments. Under the said scheme the company is required to contribute a specific percentage of pay roll costs in respect of eligible employees to the retirement benefit scheme to fund the benefits.

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

During the year the Company has introduced contribution to Superannuation Fund for eligible employees with retrospective effect from 01.04.2002 @ 15% of Basic plus D.A. on annual basis. The current year charge to Profit & Loss Account includes Rs.1,685,971/- for earlier year.

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

b) Defined Benefit Plans:

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

Being the first year of adoption of Accounting Standard 15 (Revised), the following adjustments in the opening liabilities have been carried out:

In accordance with the transitional provision of Accounting Standard 15 on employee benefit, an amount of Rs.21,71,000/- (net) being difference between relevant liability as on 31st March, 2007 and as computed in accordance with Accounting Standard has been adjusted against opening balance of General Reserves.



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

Particulars	Gratuity		Leave Encashment
	Funded	Unfunded	Unfunded
Expenses recognised in the Statement of Profit and Loss Account for the year ended 31st March, 2008			
A. Current Service Cost	11.84	2.45	1.59
Interest Cost	15.06	3.11	0.78
Expected return on Plan Assets	(17.05)	-	-
Actuarial (Gain) / Losses	11.42	(3.31)	0.63
Past Service Cost	-	-	-
Effect of any Curtailment / Settlement	-	-	-
Unrecognised Defined Benefit Obligation	-	-	-
Expenses recognised in Profit and Loss Account	21.27	2.25	3.00
B. Net (Assets) / Liabilities recognised in Balance Sheet as at 31st March, 2008			
Present Value of the Defined Benefit Obligation	209.20	39.52	12.24
Fair value of Plan Assets	216.22	-	-
Unrecognised Defined Obligation	-	-	-
Net (Asset) / Liabilities recognised in Balance Sheet	(7.02)	39.52	12.24
C. Changes in the Present Value of Defined Benefit Obligation during the year ended 31st March, 2008			
Present Value of Defined Benefit Obligations at 1st April, 2007	195.83	40.6	9.24
Current Service Cost	11.84	2.45	1.59
Interest Cost	15.06	3.11	0.78
Actuarial Gain / (Losses)	12.67	(3.31)	0.63
Benefits Paid	(26.20)	(3.33)	-
Present Value of Obligation as at 31st March, 2008	209.20	39.52	12.24
D. Changes in Fair Value of Plan Assets during the year ended 31st March, 2008			
Fair Value of Plan Assets as at 1st April, 2007	208.46	-	-
Expected return on Plan Assets	17.05	-	-
Actuarial Gain / (Losses)	1.25	-	-
Benefits Paid	(26.20)	(3.33)	-
Settlements	-	-	-
Contributions	15.66	3.33	-
Fair Value of Plan Assets as at 31st March, 2008	216.22	-	-
E. Principal Actuarial Assumptions used			
Discount rates as at 31st March, 2008	8.40%	8.00%	8.60%
Expected return on Plan Assets	8.00%	-	-
Expected salary increase rates	5.00%	5.00%	5.00%
Mortality Rates	LIC (94-96) Ultimate Rate	LIC (94-96) Ultimate Rate	LIC (94-96) Ultimate Rate
F. Major categories of Plan Assets as a percentage of Fair Value of Plan Assets	Fund with LIC of India	-	-

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



12. In accordance with the requirements of Accounting Standard - 22 "Taxes on Income", deferred tax assets on carry forward losses & unabsorbed depreciation should be recognised only in case of virtual certainty of realisation of the same. However in the case of Company in absence of any virtual certainty, no deferred tax asset has been recognised.
13. There are no contingent liabilities existing as on the Balance Sheet date.
14. The amount of borrowing cost capitalized during the year is Nil
15. The company did not have any transaction in foreign currency, hence exposure in foreign currency at the end of the year is Nil (Previous year Nil).
16. Related party disclosures as required by AS - 18 "Related Party Disclosures" are given below:

Relationships:

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

Gloster Jute Mills Ltd. (GJML)*

The Cochin Malabar Estate & Industries Limited (CMEI) (Also associate of the company)

Kettlewell Bullen & Company Limited (KBCL)

The Phosphate Company Limited*

Port Shipping Company Limited*

The Oriental Company Limited (TOCL)

The Kamala Company Limited*

Laxmi Asbestos Products Limited*

Marwar Textile (Agency) Limited*

PD GD Investments & Trading Private Limited*

Jagdishpur Company Limited*

Madhav Trading Corporation Limited (MTCL)

The Cambay Investment Corporation Limited (TCICL)

Bombay Agency Company Private Limited*

Credwyn Holdings (I) Private Limited (CHPL)

Kherapati Vanijya Limited (KVL)

Wind Power Vinimay Private Limited (WPVPL)

* No transactions during the year.

- (b) Key Management Personnel

Mr. G. D. Bangur - Chairman

Mr. Hemant Bangur - Managing Director

Mr. K. C. Mohta - Executive Director

- (c) Relatives of Key Management Personnel

Mr. Purushottam Das Bangur (Father of Mr. G. D. Bangur)

Mrs. Pushpa Devi Bangur (Wife of Mr. G. D. Bangur)

Mrs. Vinita Bangur (Wife of Mr. Hemant Bangur)



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

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

Sl. PARTICULARS	CMEI	TCICL	KVL	WVPVPL	CHPL	MTCL	TOCL	KBCL	KMP	Relatives of KMP
1. Loans Given / (Received) ** during the year (Net) Previous Year	(21,914,976)	2,004,242	240,000	16,000	-	-	-	-	-	-
2. Loans Received / (Refunded) (Net)** Previous Year	-	-	17,007,724	9,281,584	7,543,223	(3,807,472)	-	-	(23,200,000)	(25,000,000)
3. Closing balance as on 31.03.2008 ** - (Loan including Interest Accrued) Previous Year	67,014,762 (Dr)	13,584,241 (Dr)	14,110,000 (Cr)	10,014,000 (Cr)	14,430,000 (Cr)	8,480,000 (Cr)	-	-	-	-
4. Advances Given/(Received) during the year Previous Year	-	-	-	-	-	-	-	-	-	-
5. Closing balance of advance receivable/ (payable) as at 31.03.2008 Previous Year	-	-	-	-	-	-	-	-	-	-
6. Interest Income Previous Year	10,831,270	1,478,119	305,000	20,400	-	-	-	-	-	-
7. Interest Expenditure Previous Year	-	-	602,224	606,766	2,411,593	1,050,115	-	-	2,216,200	2,453,654
8. Rent Paid Previous Year	-	-	-	-	-	-	-	24,300	-	-
9. Rent Deposit as at 31.03.2008 Previous Year	-	-	-	-	-	-	-	97,200	-	-
10. Dividend Paid Previous Year	1,080	97,468	-	7,500	-	34,278	94,825	16,200	43,792	50,659
	1,080	97,468	-	7,500	-	34,278	94,825	16,200	43,792	47,611

** Relates to transactions held in transferor companies.

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

Remuneration / sitting fees Rs.2,807,979/- (31.03.2007 - Rs.1,713,934/-)

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



17. Earnings per share	2007-08	2006-07
a) Profit / (Loss) after taxation as per Profit and Loss Account	79,22,011	11,022,597
b) Number of equity shares outstanding	32,33,647	10,95,988
c) Basic and diluted earnings per share in Rs. (Face value Rs.10/- per share)	2.45	10.06

– Includes 2,137,659 equity shares to be issued by the Company pursuant to the Scheme of Arrangement/ Amalgamation referred to in Note No. 7 of Schedule 15.

18. Interest expense is net of interest income Rs.12,634,789/-, TDS - Rs. 3,077,596/-.

19. Due to effect of scheme of arrangement/amalgamation during the year, the current year's figures are not comparable with previous year figures. Previous year figures have been arranged / regrouped wherever necessary.

for and behalf of

SINGHI & CO.

Chartered Accountants

Gopal Jain

Partner

Mem. No. 059147

G. D. Bangur

M. K. Daga

Amitabha Ghosh

J. K. Surana

M. M. Pyne

Directors

H. Bangur

Managing Director

K. C. Mohta

Executive Director

B. L. Dhanuka

Chief Financial Officer

S. Bagree

Manager (Finance) & Company Secretary

Kolkata

Date: 25th October, 2008



STATEMENT CONTAINING BRIEF FINANCIAL DETAILS OF THE WHOLLY OWNED SUBSIDIARIES OF THE COMPANY

The Company has obtained exemption from the Ministry of Corporate Affairs, Government of India pursuant to Section 212(8) of the Companies Act, 1956 vide its letter no. 47/564/2008-CL-III dated 05.11.2008 from attaching to its Balance Sheet, the Annual Report and Accounts of its subsidiaries in respect of the financial year ended 31st March, 2008. In term of the letter of exemption issued by the Ministry of Corporate Affairs, a Statement containing brief financial details of the Subsidiaries for the year ended 31st March, 2008 is given hereunder.

Item	Gloster Real Estate Pvt. Ltd.	Cowcoody Builders Pvt. Ltd.	Pranav Infradev Co. Pvt. Ltd.
1. Capital	631,350	1,569,820	2,122,710
2. Reserves	47,858,296	146,935,685	201,017,415
3. Total Assets	48,499,646	148,515,505	203,171,064
4. Total Liabilities	10,000	10,000	30,939
5. Investments	–	–	–
6. Turnover	441,665	3,935,921	–
7. Profit before Taxation	(2,260,028)	1,121,657	(61,997)
8. Provision for Taxation	40,300	532,000	–
9. Profit after Taxation	2,300,328	589,657	(61,997)
10. Proposed Dividend	–	–	–
Reporting Currency	Indian Rupees	Indian Rupees	Indian Rupees

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

