



JAY SHREE TEA & INDUSTRIES LIMITED

66TH ANNUAL REPORT



2011-12



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

The group Logo

As represented by the 21st Century Atlas

Atlas, the Titan

Collective Strength

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

The Sun

Enlightenment and Growth

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

The Earth Segments

Diversified Activities

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

The Globe

Global Vision

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

The Base

Solid Foundations

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

The Symmetry

The Resilience, Versatility and Stability

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





JAY SHREE TEA & INDUSTRIES LIMITED

66TH ANNUAL REPORT FOR THE YEAR ENDED 31ST MARCH, 2012

DIRECTORS

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

EXECUTIVES

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

SOLICITORS

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

AUDITORS

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

BRANCH AUDITORS

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

BANKERS

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

REGISTRARS

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

SHARE DEPTT.

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

STOCK EXCHANGES WHERE SHARES ARE LISTED

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

AUDIT COMMITTEE

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

SHAREHOLDERS'/INVESTORS GRIEVANCES COMMITTEE

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

REMUNERATION COMMITTEE

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

REGISTERED & HEAD OFFICE

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

MUMBAI OFFICE

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

AHMEDABAD OFFICE

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

NEW DELHI OFFICE

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

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NOTICE to the Shareholders

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

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

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

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

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

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

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

Registered & Head Office :

“INDUSTRY HOUSE”

10, Camac Street,

Kolkata 700 017

Dated, the 30th May, 2012

By Order of the Board

For Jay Shree Tea & Industries Limited

R.K.GANERIWALA

(President & Secretary)

Notes :

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

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

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

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

a) Shri B.K.Birla

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

Directorships held in other companies:

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

b) Shri G.P.Goenka

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

Directorships held in other companies :

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

Registered & Head Office :

"INDUSTRY HOUSE"

10, Camac Street,

Kolkata 700 017

Dated, the 30th May, 2012

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

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

Item No.6

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

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

He also holds directorships in the following other companies:

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

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

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

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

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

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

Item No.7

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

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

TERMS & CONDITIONS

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

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

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

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

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

I GENERAL INFORMATION

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

(₹ in lacs)

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

- 5 Export performance and net foreign exchange earnings

(₹ in lacs)

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

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