

The Bormah Jan Tea Company (1936) Limited

DIRECTORS :

B. BAJORIA *Mg. Director*
R. K. DIXIT
A. K. MAJUMDER

AUDITORS :

B. C. KUNDU & CO.
Chartered Accountants

BRANCH AUDITORS :

G. BASU & CO.
Chartered Accountants

REGISTERED OFFICE :

'McLEOD HOUSE'
3, NETAJI SUBHAS ROAD,
KOLKATA - 700 001.

GARDEN :

BORMAH JAN TEA GARDEN
P. O. — HALEM
DIST. — SONITPUR
ASSAM

OUPHULIA TEA GARDEN
P. O. — MORANHAT
DIST. — DIBRUGARH
ASSAM

The Bormah Jan Tea Company (1936) Limited

NOTICE

NOTICE is hereby given that the Annual General Meeting of The Bormah Jan Tea Co. (1936) Limited will be held at its Registered Office at "McLeod House", 3, Netaji Subhas Road, Kolkata-700 001 on Friday, the 28th September, 2012 at 3.30 p.m. to transact the following business :-

1. To consider and adopt the Profit & Loss Account for the year ended 31st March, 2012, the Balance Sheet as at that date and the Directors' and Auditors' Report thereon.
2. To declare a dividend for the year ended 31st March, 2012
3. To appoint a Director in place of Mr. R. K. Dixit, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Statutory Auditor and to authorize the Board of Directors to fix their remuneration.
5. AS A SPECIAL BUSINESS & SPECIAL RESOLUTION

To approve the Appointment and fixation of remuneration, terms and conditions of Shri Aloke Kumar Roy, as whole-time Director of Company for a period of 5 years.

Registered Office :

"McLeod House"

3, Netaji Subhas Road,
Kolkata-700 001.

Dated : the 6th day of August, 2012

By Order of the Board
The Bormah Jan Tea Co. (1936) Ltd.
R. K. DIXIT
Director

-
- Notes :**
1. The Proxy Form is to be submitted at the Registered Office 48 hours before holding the said Annual General Meeting.
 2. Members are requested to notify change in their address.
 3. **Listing :**
The equity Shares of the Company are listed at The Kolkata Stock Exchange Association Ltd.,
 4. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A Proxy need not be a Member of the Company.
 5. The Share Transfer Books and Register of Members of the Company will remain closed from 27th September, 2012 to 28th September, 2012 both days inclusive.

The Bormah Jan Tea Company (1936) Limited

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No. 5

At the Meeting of the Board of Directors of the Company held on 6th August 2012, appointed Mr. Alok Kumar Roy as Whole-time Director of the company for a period of 5 (five) years with effect from 1st September, 2012. The remuneration of Shri Alok Kumar Roy is fixed at Rs. 40,000/- per month and perquisites and other terms and conditions of his appointment are detailed in the draft agreement, proposed to be entered between the company and Shri Alok Kumar Roy, subject to the approval of Shareholders at the Annual General Meeting of the Company.

The resolution seeking his appointment as Whole-time Director of the Company and remuneration payable to him is in accordance with the provisions of part I & II of Schedule XII and other applicable provisions, if any, under Companies Act, 1956, is recommended for the approval of the members.

A copy of the aforesaid draft Agreement will be available for inspection at the Registered Office of the Company till 28th September 2012.

None of the Directors except Mr. Alok Kumar Roy is interested in the resolution.

Your Board of Directors proposed to pass this resolution as a Special Resolution.

The Bormah Jan Tea Company (1936) Limited

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the Annual Report together with the Audited Accounts for the year ended 31st March, 2012.

CROP

The total production of Black Tea of both the tea gardens (Bormahjan Tea Garden and Ouphulia Tea Garden) for the accounting year ended 31st March, 2012 was 13,97,613 Kgs. (Previous year 12,54,791 Kgs)

FINANCIAL RESULTS

	Rs.	Rs.
Profit before Tax		2,62,55,459
Add : Deferred Tax		1,13,306
Profit for the year		2,63,68,765
Balance brought forward from previous years		2,84,62,664
Balance available for Appropriation		5,48,31,429
Less :		
Proposed Dividend :		
dividend on equity share	3,12,500	
dividend on preference share	2,70,000	5,82,500
Tax on Proposed Dividend		94,496
Transfer to General Reserve		40,00,000
Balance carried forward		5,01,54,433

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs. 2.50 on Rs. 10/- per Equity Share (i.e. 25%) for 1,25,000 Equity Shares amounting to Rs. 3,12,500/- for this financial year.

In the current year, the production of tea as well as the average realisation was higher than the previous years. We have been able to produce better quality by which Company achieved better price realisation.

The Company's emphasis on quality production will continue to be a guiding factor for the current year. This should ensure the premium prices commanded by the Company. The amounting pressure on cost resulting from Wages Agreements, Government Taxes and Levies and general inflation of inputs will be a predominant factor.

The development of our tea gardens is an on-going process in the field and factory and this results in increasing further improvements in both quality and crop.

PARTICULARS OF EMPLOYEES

During the year under review none of the employees of the Company was paid remuneration over the limit prescribed under Section 217(2A) of the Companies Act, 1956.

The Bormah Jan Tea Company (1936) Limited

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

The particulars in terms of Section 217(1)(e) of the Companies Act, 1956 are annexed, forming part of the Report.

FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no Foreign Exchange earnings & outgo during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 of the Companies Act, the Directors hereby confirm that :-

1. In the preparation of the Annual Accounts, the applicable accounting standards have been followed and there has been no material departure.
2. The Directors had 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/loss of the Company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors had prepared the Annual Accounts on a going concern basis.

DEMATERIALISATION OF SHARES

Your Company's Shares are tradable compulsorily in electronic form under ISIN NO INE 720E01017 and your Company has established connectivity with Central Depository Services (India) Limited (CDSL).

COMPLIANCE CERTIFICATE

Pursuant to the Proviso of Sub-Section (1) of Section 383A of the Companies Act, 1956, the Compliance Certificate dated 6th August, 2012 is attached and forms part of the Directors' Report.

DIRECTORS

Mr. R. K. Dixit Director of the Company, shall retire by rotation and being eligible offers himself for re-appointment.

AUDITORS

M/s. B. C. Kundu Co., Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

M/s. G. Basu & Company, Chartered Accountants, are the Branch Auditors of the Company for the period under review.

AUDITOR'S REPORT

Observation if any, in the Auditor's Report are self-explanatory.

"McLeod House"
3, Nefaji Subhas Road,
Kolkata-700 001.

Dated, the 6th day of August, 2012.

B. BAJORIA Mg. Director

R. K. DIXIT Director

The Bormah Jan Tea Company (1936) Limited

ANNEXURE TO THE DIRECTORS' REPORT

Particulars of Conservation of energy and technology absorption in terms of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of their Board of Directors), Rules, 1988 forming part of Directors' Report for the year ended 31st March, 2012

(A) CONSERVATION OF ENERGY

Appropriate steps have been taken for conservation, vis-a-viz improved utilisation of energy by adopting better techniques and replacing old machinery and/or equipment where necessary.

FORM "A"

Power and Fuel Consumption

	31st March 2012	31st March 2011
1. Electricity		
(a) Purchased		
Unit	9,84,279	11,71,488
Total Amount (Rs.)	65,43,435	69,49,085
Rate/Unit (Rs.)	6.65	5.93
(b) Own Generator		
i) Through Diesel Generator		
Unit	2,26,815	1,57,874
Unit per Ltr. of Diesel Oil	3.36	3.31
Cost/Unit (Rs.)	6.48	6.51
ii) Through Steam Turbine Generator		
Units	—	—
Units per Ltr. of Fuel Oil/Gas	—	—
2. Coal		
Quantity (Kg.)	5,72,950	5,91,390
Total Cost (Rs.)	34,05,042	28,43,255
Average Rate (Rs.)	5.94	4.81
3. Furnace Oil		
Quantity (Ltrs.)	—	—
Total Amount (Rs.)	—	—
Average Rate (Rs.)	—	—
4. Other/Internal Generation Gas		
Quantity (cft.)	1,59,74,700	1,33,02,330
Total Cost (Rs.)	19,88,949	21,59,209
Average Rate/Unit	0.12	0.16
(B) Consumption per Unit of Production		
Unit - Kgs. TEA	13,97,613	12,54,791
Electricity	0.70	0.93
Own Garden	0.16	0.13
Furnace Oil	—	—
Coal	0.07	0.07
Others	30.00	30.00

The Bormah Jan Tea Company (1936) Limited

FORM "B"

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 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.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.
2. Benefit, derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished :-
 - a) Technology imported
 - b) Year of Import
 - c) Has technology been fully absorbed?
 - d) If not fully absorbed, area where has not taken place, reasons therefore, and future plans of action.

FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Activities relating to exports, initiative taken to increase exports.
- b) Development of new export markets for product and service, and export plan.
- c) Total foreign exchange used and earned.

The Company has no inhouse R & D facility for improvement, or innovation and absorption and/or adaptation of technology, for company's products. The Company subscribes to Tea Research Association and other recognised institutions within the meaning of Section 35(1) of the Income Tax Act and avails of the technological expertise received from such bodies from time to time.

Not Applicable

"McLeod House"

3, Netaji Subhas Road,
Kolkata-700 001.

Dated, the 6th day of August, 2012

B. BAJORIA

Mg. Director

R. K. DIXIT

Director

The Bormah Jan Tea Company (1936) Limited

ANNEXURE TO THE DIRECTOR'S REPORT COMPLIANCE CERTIFICATE

Registration No. of the Company : L01132WB1936PLC008535

Nominal Capital : Rs. 123.50 Lacs

To

The Members of

The Bormah Jan Tea Company (1936) Limited

3, Netaji Subhas Road, Kolkata-700 001

I have examined the registers, records, books and papers of **THE BORMAH JAN TEA COMPANY (1936) LIMITED** as required to be maintained under the Companies Act, 1956, (the Act) and the Rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the **financial year ended on 31st March, 2012**. In my opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, I certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act, and the Rules made there under and all entries therein have been duly recorded.
2. The Company has duly filled the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company, being a Public Limited Company, having the minimum paid up capital, comments are not required.
4. The Board of Directors duly met **Eight times** respectively on **08.06.11, 16.08.11, 30.09.11, 01.12.11, 18.01.12, 06.02.12, 11.02.12 and 15.02.12** in respect of which meetings proper notices were given and the proceedings were properly recorded and signed.
5. The Company closed its Register of Members from **29th September, 2011 to 30th September, 2011 both days inclusive** in compliance of Section 154 of the Act.
6. The **Annual General Meeting for the financial year ended on 31st March, 2011, was held on 30.09.2011** after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. As explained, the Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. As explained, the company has made entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13.
 - i) The Company has made transfer of shares on lodgement thereof but has not made any allotment/ transmission during the financial year.
 - ii) The Company has deposited amount in separate Dividend account during the year for the dividend declared for the financial year 31st March 2011.
 - iii) The company has posted Dividend Warrants to the member of the Company for the dividend declared for the financial year 31st March, 2011.
 - iv) The Company has not transferred unpaid dividend amount to Investor Education and Protection Fund during the Financial Year.
 - v) As explained the Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. Further the Company has not appointed any alternate directors, additional directors and directors to fill casual vacancies during the financial year.

The Bormah Jan Tea Company (1936) Limited

15. Mr. Bharat Bajoria has been re-appointed as Managing Director of the Company for a period of 5 years w.e.f. 1st April 2011, during the period under review.
16. The Company has not appointed any sole selling agents during the financial year.
17. As informed by the Management, the company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the Rules made there under.
19. There were no issue of Shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares / debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits falling within the purview of section 58A during the financial year.
24. The Company has not made any fresh borrowings during the year under review. However, the Company has to comply with the provisions of Section 293(1) (d) for the existing borrowings.
25. The Company has not made any loans and investments to other bodies corporate.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to Share capital of the company during the year under scrutiny.
30. The Company has altered its Articles of Association by passing Special Resolution in the Annual General Meeting held on 30.09.2011 during the year under review.
31. There were no prosecution initiated against or show cause notices received by the company and no fines or penalties for any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company was regular in deposit of contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

It is stated that the compliance of all applicable provisions of the Companies Act, 1956 is the responsibility of the management. Our examination, in a test-check basis, was limited to procedures followed by the Company for ensuring the compliance with the said provisions. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with the management has conducted its affairs. We further state that this is neither an audit nor an expression of opinion on the financial activities / statements of the company. Moreover, we have not covered any matter related to any other law, which may be applicable to the company except the Companies Act, 1956. We have not covered any matter under the Listing Agreement that may be applicable to this Company.

Commerce House,
7th Floor, Room No. 10
2A, Ganesh Chandra Avenue
Kolkata-700 013
Date : 6th day of August, 2012.

For **D. RAUT & ASSOCIATES**
(Company Secretary)
Name of the Company Secretary : **DEBENDRA RAUT, ACS**
(Proprietor)
C. P. : 5232

The Bormah Jan Tea Company (1936) Limited

Annexure - "A"

Date : Registers as maintained by the Company

1. Register of Transfers u/s 108 (maintained by RTA)
2. Register of Members u/s 150 (maintained by RTA)
3. Minutes of Share Holders Meetings u/s 193
4. Minutes of Board Meeting u/s 193
5. Register of Contract u/s 301
6. Register of Directors etc. u/s 303
7. Register of Directors Shareholdings u/s 307
8. Register of Charges u/s 143

Annexure - "B"

Forms and Returns as filed by the Company with Registrar of Companies, during the financial year ended 31st March, 2012.

Sl. No.	Form No./Return	Filed under section	For the Period	Date of filing	Whether filed within prescribed time (Yes/No)	If delay in filing whether requisite additional Fee paid (Yes/No)
1.	Annual Return (Form 20B)	U/s 159	FY ended 31.03.2011	14/12/2011	No	Yes
2.	Balance Sheet (Form 23 ACXBRL & 23 ACAXBRL)	U/s 220	FY ended 31.03.2011	30/12/2011	Yes	No
3.	Compliance Certificate (Form 66)	U/s 383A	FY ended 31.03.2011	23/11/2011	No	Yes
4.	Form 23 (Resolution for Change of article)	U/s 31	AGM dated 30.9.2011	15/12/2011	No	Yes
5.	Form 23 (Resolution for appointment of Managing Director)	U/s 192	AGM dated 30.9.2011	16/12/2011	No	Yes
6.	Form 25C (Appointment of Managing Director)	U/s 269	AGM dated 30.9.2011	16/12/2011	No	Yes

AUDITOR'S REPORT TO THE SHARE HOLDERS
OF
THE BORMAH JAN TEA COMPANY (1936) LIMITED

We have audited the attached Balance Sheet of THE BORMAH JAN TEA COMPANY (1936) LIMITED as at 31st March, 2012, the Statement of Profit and Loss and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

The report on the audit of accounts of the Garden of the Company by G. Basu & Co., Chartered Accountants under section 228 of the Companies Act, 1956 has been forwarded to us as required by clause (c) of sub section (3) of that Section which has been considered in preparing our report and we entirely relied on the Branch Auditors in regard to their checking, observations and comments on the accounts and other related matters pertaining to the Company.

We have 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 misstatement. 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. We further report that :

1. 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.
2. In our opinion proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books and proper audited returns adequate for the purpose of audit, have been received from the units / gardens not visited by us.
3. The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
4. Save and except complying with the Accounting Standard-15 on Accounting for Retirement Benefits of employees, in our opinion, the Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.
5. Based on written representations received from the directors as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the directors were disqualified as on 31st March, 2012 from being appointed as directors in terms of Section 274(1)(g) of the Companies Act, 1956.
6. *Attention is invited to the Note No. 26(B) (4) regarding non provision of liability for gratuity and bonus, the impact of which has not been ascertained.*
7. 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 the information required by the Companies Act, 1956, in the manner as required and give a true and fair view in conformity with the accounting principles generally accepted in India :-

(a) in the case of Balance Sheet of the state of affairs of the Company as at 31st March, 2012;

The Bormah Jan Tea Company (1936) Limited

- (b) in the case of the Statement Profit & Loss of the Profit of the Company for the year ended on that date, and
 - (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.
8. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks of books and other records of the company as we considered appropriate and on the basis of information and explanations given to us during the course of audit, we report that :-
- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) As per explanations given to us, fixed assets were physically verified by the management at reasonable intervals, having regard to the size of the Company and the nature of its Fixed Assets. No material discrepancies were noticed on such verification.
 - (c) There is no sale of substantial part of fixed assets affecting the going concern status of the Company.
 - (ii) (a) The inventory has been physically verified by the management at regular intervals during the year.
 - (b) The procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The company is maintaining proper records of its inventory and no material discrepancies were noticed on such physical verification.
 - (iii) (a) In our opinion, the rate of interest and other terms and conditions on which loans have been given by the Company are not *prima facie*, prejudicial to the interest of the company.
 - (b) The company is regular in realising principal amount as well as interest as stipulated.
 - (c) The Company has taken unsecured loans from a party covered in the register maintained under section 301 of the Companies Act, 1956.
 - (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
 - (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

The Bormah Jan Tea Company (1936) Limited

- (vi) According to the information and explanations given to us, the company has not accepted any deposits within the meaning of Sections 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 save and except to the extent permissible under Rule 3(1)(a) and/or Rule 3(2)(ii) of the Companies (Acceptance of Deposits) Rules, 1975.
- (vii) The company has an internal audit system during the year commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us, the cost records are not prescribed by the Central Government under cost record rules under Section 209 (1) (d) of the Companies Act, 1956 has been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- (ix) (a) The Company is regular in depositing undisputed statutory dues including Provident fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Cess, Excise Duty and any other Statutory dues with the appropriate authorities. According to the informations and explanations given to us, the arrears of outstanding statutory dues as at the last day of financial year for a period of more than six months from the date they became payable, which are being paid as per installments granted by the P.F. Department, are as under :

Nature of Dues	Amount Rs.
Provident Fund	Rs. 29,81,187
Other Statutory Dues	Rs. 4,57,716
Total	Rs. 34,38,903

- (b) According to the information and explanation given to us, save and except Income tax there are no dues of Customs duty, Wealth tax, Excise duty and Cess which have not been deposited on account of any dispute. The details of disputed dues in connection with Income Tax are as under :

Nature of Dues	Amount	Period of dues	Forum where Dispute is pending
Income Tax	Rs. 4,31,229	Asst. Year 2003-04	CIT(A)-IV, Kolkata

- (x) The company does not have any accumulated losses and has not incurred any cash losses during the period covered by this report and had not incurred cash losses in the financial year immediately preceeding this financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks and financial institutions. The Company has not issued any debentures.
- (xii) According to the information and explanations given to us, and the records examined by us, the company has not granted loans and advances on the basis of securities by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a *nidhi* mutual benefit fund, society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.

The Bormah Jan Tea Company (1936) Limited

- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) The Company has not given any guarantees for loan taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Companies (Auditor's) Order, 2003 is not applicable to the Company.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that the company has not used funds raised on short-term basis for long-term investment.
- (xviii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) The Company has not issued any debentures that were outstanding at any time during the year.
- (xx) The Company has not raised money by public issues during the year.
- xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

Place : Kolkata,

Dated : 6th day of August, 2012

For B. C. KUNDU & CO.
Chartered Accountants
Firm Registration No. 301007E
S. N. MUKHOPADHYAY
Partner
Membership No. 2909

STATEMENT OF ACCOUNT

The Bormah Jan Tea Company (1936) Limited

Balance Sheet as at 31st March, 2012

	Note	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a) Share Capital	1	57,50,000	57,50,000
b) Reserves & Surplus	2	14,39,41,644	11,88,98,469
2. Non-current liabilities			
a) Long-term borrowings	3	1,20,41,747	1,66,05,301
b) Deferred Tax Liabilities (Net)	4	9,16,587	10,29,893
c) Long-term provisions	5	28,98,868	12,98,868
3. Current Liabilities			
a) Short-term borrowings	6	6,15,21,772	6,07,39,559
b) Trade payables	7	3,01,94,152	3,67,19,212
c) Other current liabilities	8	87,37,205	1,49,18,372
d) Short-term provisions	9	6,76,996	30,10,211
Total		26,66,78,971	25,89,69,885
II. ASSETS			
1. Non-current assets			
a) Fixed Assets			
Tangible assets	10	21,67,90,362	20,94,86,719
b) Non-current Investments	11	69,52,976	69,52,976
c) Long-term loans and advances	12	1,04,52,980	89,49,275
2. Current assets			
a) Inventories	13	1,25,35,957	1,38,04,956
b) Trade receivables	14	89,61,867	87,75,383
c) Cash and cash equivalents	15	2,78,857	10,19,857
d) Short-term loans and advances	16	68,84,982	60,51,025
e) Other current assets	17	38,20,990	39,29,676
Total		26,66,78,971	25,89,69,885

Notes to Financial Statements

26

The Notes are an integral part of these Financial Statements.

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

For and on behalf of the Board of Directors

P-17, Mission Road Extn.
Kolkata-700 013
This 6th day of August, 2012

For B. C. KUNDU & CO.
Chartered Accountants
Firm Reg. No. 301007E
S. N. MUKHOPADHYAY
Partner
Membership No. 2909

B. BAJORIA *Mg. Director*
R. K. DIXIT *Director*

The Bormah Jan Tea Company (1936) Limited

Statement of Profit & Loss for the Year ended 31st March, 2012

	Note	For the year ended 31st March, 2012 Rs.	For the year ended March, 2011 Rs.
INCOME			
Revenue from Operations	18	22,21,17,290	18,63,44,513
Other Income	19	29,21,589	28,48,183
Total Revenue		22,50,38,879	18,91,92,697
EXPENSES			
Change in Inventories of Finished Goods	20	28,54,959	(23,65,954)
Employee Benefits Expense	21	8,46,30,769	7,50,77,344
Finance Costs	22	1,06,95,234	1,07,27,443
Depreciation & Amortisation Expense	23	57,20,788	49,96,439
Other Expenses	24	9,48,81,670	8,14,85,170
Total Expenses		19,87,83,420	16,99,20,442
Profit before exceptional items and tax		2,62,55,459	1,92,72,255
Exceptional items	25	—	(2,452)
Profit before tax		2,62,55,459	1,92,69,803
Tax expenses :			
Current Tax		—	16,00,000
Deferred Tax		(1,13,306)	(72,591)
Profit for the year		2,63,68,765	1,77,42,394
Earnings per equity share :			
Basic (Face value Rs. 10/- each)		210.95	141.94
Diluted (Face value Rs. 10/- each)		210.95	141.94

Notes to Financial Statements 26

The Note are an integral part of these Financial Statements

This is the Statement of Profit & Loss referred to in our Report of even date.

For and on behalf of the Board of Directors

P-17, Mission Road Extn.
Kolkata-700 013
This 6th day of August, 2012

For B. C. KUNDU & CO.
Chartered Accountants
Firm Reg. No. 301007E
S. N. MUKHOPADHYAY
Partner
Membership No. 2909

B. BAJORIA Mg. Director
R. K. DIXIT Director

The Bormah Jan Tea Company (1936) Limited

Notes annexed to and forming part of the Financial Statements

Particulars	(Amount in Rs.)	
	31st March, 2012	31st March, 2011
1 Share Capital		
Authorised		
4,85,000 (Previous year 4,85,000) Equity Shares of Rs. 10/- each	48,50,000	48,50,000
75,000 (Previous year 75,000) 6% Redeemable Cumulative Preference Shares of Rs. 100/- each	75,00,000	75,00,000
	<u>1,23,50,000</u>	<u>1,23,50,000</u>
Issued, Subscribed & Fully Paid-up		
1,25,000 Equity Shares of Rs. 10/- each fully paid up	12,50,000	12,50,000
	<u>No. of Shares</u>	<u>No. of Shares</u>
Ordinary Shares allotted as fully paid up pursuant to a contract without being payment in cash	74,894	74,894
Ordinary Shares allotted as fully paid up by way of Bonus Shares	25,000	25,000
Reconciliation of the number of shares :		
Number of Equity shares at the beginning of the year	1,25,000	1,25,000
Movement during the year	—	—
Number of Equity shares at the end of the year	<u>1,25,000</u>	<u>1,25,000</u>
Details of Equity Shares held by shareholders holding more than 5% of the equity shares in the Company :	<u>No. of Shares (% of holding)</u>	<u>No. of Shares (% of holding)</u>
Bharat Bajoria, Managing Director	17615 (14.09%)	17615 (14.09%)
Teesta Valley Exports Ltd.	25750 (20.60%)	25750 (20.60%)
Abha Bajoria	20300 (16.24%)	20300 (16.24%)
Birdie Trading Private Limited	10000 (08.00%)	10000 (08.00%)
45000, 6% Redeemable Cumulative Preference Shares of Rs. 100/- each	45,00,000	45,00,000
6% Redeemable Cumulative Preference Shares are redeemable any time after expiry of five years and before expiry of twenty years. Respective date of allotment of Preference Shares numbering 25,000 and 20,000 were 27.03.2007 and 28.03.2008		
Details of Preference Shares held by shareholders holding more than 5% of the Preference shares in the Company :	<u>No. of Shares (% of holding)</u>	<u>No. of Shares (% of holding)</u>
Trishul Company Limited	11,000 (24.44%)	11,000 (24.44%)
Bharat Bajoria, Managing Director	10,000 (22.22%)	10,000 (22.22%)
Teesta Valley Exports Limited	7,550 (16.78%)	7,550 (16.78%)
Zen Industrial Services Limited	7,250 (16.11%)	7,250 (16.11%)
Abha Bajoria	7,000 (15.56%)	7,000 (15.56%)
Total	<u>57,50,000</u>	<u>57,50,000</u>

The Bormah Jan Tea Company (1936) Limited

Notes annexed to and forming part of the Financial Statements

		(Amount in Rs.)	
Particulars	31st March, 2012	31st March, 2011	
2 Reserves and Surplus			
Capital Redemption Reserve	1,00,000	1,00,000	
Securities Premium Reserve	1,89,00,000	1,89,00,000	
Revaluation Reserve :			
As per last Balance Sheet	5,39,35,805	5,46,41,037	
Less : Transferred from Depreciation	6,48,594	7,05,232	
	5,32,87,211	5,39,35,805	
General Reserve :			
As per last Balance Sheet	1,75,00,000	1,50,00,000	
Add : Transferred from Surplus in Statement of Profit and Loss	40,00,000	25,00,000	
	2,15,00,000	1,75,00,000	
Surplus in Statement of Profit and Loss :			
As per last Balance Sheet	2,84,62,664	1,40,30,481	
Add : Profit for the year	2,63,68,765	1,77,42,394	
	5,48,31,429	3,23,72,875	
Less : Transfer to General Reserve	40,00,000	25,00,000	
Proposed Dividend	5,82,500	12,13,371	
Tax on Dividend	94,496	1,96,840	
	5,01,54,433	2,84,62,664	
Total	14,39,41,644	11,88,98,469	
3 Long Term Borrowings			
Secured :			
From Oriental Bank of Commerce			
Term Loan No. 1	—	27,00,000	
Interest Accrued thereon	18,693	1,10,864	
Term Loan No. 2	44,95,000	62,35,000	
Interest Accrued thereon	3,93,310	4,90,576	
a. Nature of Security			
Hypothecation of fixed assets with estimated cost of (Rs. 180.65 lacs in factory of Bormah Jan Tea Estate)			
b. Terms of Repayment			
Monthly Instalment of Rs. 1,45,000/-			
From Tea Board (Plantation Development Scheme)	5,95,899	5,95,899	
Interest Accrued thereon	8,99,910	8,99,910	
a. Nature of Security			
Secured by pari passu charges on the Title Deeds of Bormah Jan Tea Estate, pledged with Oriental Bank of Commerce			
Hire Purchase Finance for Vehicles	19,01,390	16,88,132	
a. Nature of Security :			
Hypothecation of Vehicles purchased			
b. Terms of Repayment			
EMI of Rs. 34,267/- from April 2012 to May 2015			
EMI of Rs. 24,700/- from April 2012 to March 2015			
	83,04,202	1,27,20,381	
Unsecured :			
From Other Body Corporates	36,00,000	38,00,000	
Interest Accrued thereon	1,37,545	84,920	
	37,37,545	38,84,920	
Total	1,20,41,747	1,66,05,301	

The Bormah Jan Tea Company (1936) Limited

Notes annexed to and forming part of the Financial Statements

Particulars	31st March, 2012	(Amount in Rs.) 31st March, 2011
4 Deferred Tax Liabilities (Net)		
Deferred tax liabilities being the tax impact on difference of written down value of Fixed Assets as per Income Tax Laws & Books #	9,16,587	10,29,893
# Deferred Tax Liabilities have been calculated in accordance with AS-22 as notified by the Companies (Accounting Standard) Rules, 2006		
Total	9,16,587	10,29,893
5 Long Term Provisions		
Provision for Income Tax	28,98,868	12,98,868
Total	28,98,868	12,98,868
6 Short Term Borrowings		
Secured :		
Cash Credit from Oriental Bank of Commerce	3,97,26,181	3,70,29,645
Interest Accrued thereon	13,87,387	13,73,894
a. Nature of Security :		
Secured by hypothecation of Stock of Raw Material, stock in process, finished goods, receivables and other current assets present and future of Bormah Jan Tea Estate. Further collaterally secured by way of 1st Charge over entire fixed assets including EQM over Bormah Jan Tea Estate and personal guarantee of Sri Bharat Bajoria, Managing Director and Smt. Abha Bajoria.		
b. Cash Credit from Punjab National Bank	1,92,69,149	2,23,36,020
Secured by hypothecation of Stock of Raw Material, stock in process, finished goods, receivables and other current assets present and future of Ouphulia Tea Estate. Further collaterally secured by way of 1st Charge over entire fixed assets including EQM over Ouphulia Tea Estate and personal guarantee of Sri Bharat Bajoria, Managing Director and Smt. Abha Bajoria.		
6,03,62,717		6,07,39,559
Unsecured :		
From Directors	9,00,000	—
Interest Accrued thereon	2,39,055	—
11,39,055		—
Total	6,15,21,772	6,07,39,559

The Bormah Jan Tea Company (1936) Limited

Notes annexed to and forming part of the Financial Statements

Particulars:	(Amount in Rs.)	
	31st March, 2012	31st March, 2011
7 Trade Payable		
For Goods	2,50,82,641	2,94,30,509
For Services and others	51,11,511	72,88,703
Payment against supplies from small scale and ancillary undertaking are made in accordance with agreed credit terms and to the extent ascertained from available sources. There was no amount due/overdue for payment at the end of the period as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006		
Total	3,01,94,152	3,67,19,212
8 Other Current Liabilities		
Advance from Customers	26,53,398	32,81,444
Employees dues Payables	25,27,554	20,03,682
Statutory Liabilities :		
Tax Deducted at Source	92,363	25,224
Provident Fund	29,81,187	78,51,119
Other Statutory dues	4,57,716	17,56,903
Unpaid Dividend*	24,987	—
* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund		
Total	87,37,205	1,49,18,372
9 Short Term Provisions		
Provision for Income Tax	—	16,00,000
Proposed Dividend	5,82,500	12,13,371
Tax on Dividend	94,496	1,96,840
Total	6,76,996	30,10,211

The Bormah Jan Tea Company (1936) Limited

10 Fixed Assets

Particulars of Assets	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	Gross Cost Value as on 01.04.11	Additions on Revaluation on 31.03.94	Additions during the year	Sale / Adjustment during the year	Gross Cost as on 31.03.12	Total as on 01.04.11	For the year	Sale / Adjustment during the year	Total as on 31.03.12	W.D.V. as on 31.03.12	W.D.V. as on 31.03.11
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible Assets											
Leasehold Land & Development	11,00,78,479	4,37,63,630	32,26,449	—	16,00,68,558	—	—	—	—	16,00,68,558	15,38,42,109
Buildings	4,15,30,448	2,33,03,216	3,75,900	—	6,52,09,564	3,60,45,481	15,85,039	—	3,76,30,514	2,75,79,050	2,87,88,183
Plant & Machinery	5,53,76,744	1,42,72,480	23,15,739	—	7,19,64,963	5,16,71,678	27,41,499	—	5,44,13,177	1,75,51,786	1,79,77,546
Electrification	24,44,857	18,20,252	—	—	42,65,109	36,22,402	89,401	—	37,11,803	5,53,306	6,42,707
Furniture & Fixtures	59,19,787	—	1,44,419	—	60,64,206	47,82,357	2,14,841	—	49,77,198	10,87,008	11,57,430
Vehicles	1,26,11,719	—	46,77,373	3,85,975	1,69,03,117	74,68,273	16,32,067	3,19,120	97,81,220	81,21,897	51,43,446
Road, Bridges & Fencing	22,19,284	—	—	—	22,19,284	4,45,967	88,605	—	5,34,572	16,84,712	17,73,317
Farm Account	11,127	—	—	—	11,127	11,000	—	—	11,000	127	127
Water Supply System	97,777	—	—	—	97,777	97,486	—	—	97,486	291	291
Irrigation	15,46,484	—	—	—	15,46,484	14,35,534	15,404	—	14,50,938	95,526	1,10,930
Temple	2,60,227	—	—	—	2,60,227	2,09,594	2,532	—	2,12,126	48,101	50,633
TOTAL	23,20,96,913	8,31,59,578	1,37,39,880	3,85,975	32,86,10,396	10,57,69,772	63,69,382	3,19,120	11,18,20,034	21,67,90,362	20,34,86,719
Previous Year's Total	22,57,25,528	8,31,59,578	71,42,597	7,71,212	31,52,56,491	10,07,50,866	57,01,671	6,82,565	10,57,69,772	20,94,86,719	20,81,34,440

The Bormah Jan Tea Company (1936) Limited

Notes annexed to and forming part of the Financial Statements

Particulars	(Amount in Rs.)	
	<u>31st March, 2012</u>	<u>31st March, 2011</u>
11 Non-Current Investent (held at cost unless stated otherwise)		
INVESTMENTS - Other than Trade (at cost)		
Investment in Quoted Equity Shares :		
Teesta Valley Tea Co. Ltd.	30,533	30,533
2,445 Equity Shares of Rs. 10/- each		
Kelvin Jute Co. Ltd.	46,321	46,321
1,050 Equity Shares of Rs. 10/- each		
Dejoo Valley Investment Co. Ltd.	10,000	10,000
1,600 Equity Shares of Rs. 10/- each		
Amluckie Investment Co. Ltd.	42,780	42,780
4,250 Equity Shares of Rs. 10/- each		
Vegetable Products Ltd.,	2,000	2,000
200 Equity Shares of Rs. 10/- each		
Zen Industrial Services Ltd.	50,800	50,800
20,000 Equity Shares of Rs. 10/- each		
Investment in Unquoted Equity Shares :		
The Tingamira Tea Seed Co. Ltd.	18,542	18,542
1,851 Equity Shares of Rs. 10/- each		
Orlando Holdings Ltd.		
70,000 Equity Shares of Rs. 10/- each	17,50,000	17,50,000
100 Shares of G.I.C. Fortune - 94	1,000	1,000
Investment in Preference Shares :		
Teesta Valley Tea Co. Ltd.		
50,000 6% Preference Shares of Rs. 100/- each	50,00,000	50,00,000
Investment in Government Securities :		
National Savings Plan Certificate (Deposited with Collector of Central Excise, Tezpur)	1,000	1,000
Total	<u>69,52,976</u>	<u>69,52,976</u>
12 Long Term Loans & Advances (Unsecured & Considered good)		
Advance payment of Income Tax	85,72,641	70,68,936
Sundry Deposits	18,80,339	18,80,339
Total	<u>1,04,52,980</u>	<u>89,49,275</u>
13 Inventories (Valued at lower of cost and net realisable value)		
Stock of Stores	89,01,828	73,55,240
Stock of Finished Goods (Stock of Tea)	2,33,266	1,93,894
Stock of Foodstuff	34,00,863	62,55,822
Total	<u>1,25,35,957</u>	<u>1,38,04,956</u>

The Bormah Jan Tea Company (1936) Limited

Notes annexed to and forming part of the Financial Statements

(Amount in Rs.)

Particulars	31st March, 2012	31st March, 2011
14 Trade Receivables (Unsecured and Considered Good)		
Debtors outstanding for a period exceeding six months	70,81,203	67,56,146
Others	18,80,664	20,19,237
Total	89,61,867	87,75,383
15 Cash & Cash Equivalents		
Balances with Scheduled Banks on -		
Current Account	2,26,811	5,53,562
Dividend Account	29,987	—
Remittance in transit	—	4,40,000
Cash in hand	22,059	26,313
Total	2,78,857	10,19,875
16 Short Term Loans & Advances (Unsecured, Considered good)		
Staff Advances	6,12,179	1,58,769
Other Advances	62,72,803	58,92,256
Total	68,84,982	60,51,025
17 Other Current Assets		
Interest accrued on Loan to Body Corporate	38,20,990	39,29,676
Total	38,20,990	39,29,676
18 Revenue from operations		
From Sale of Goods		
Tea	22,21,17,290	18,63,44,513
Total	22,21,17,290	18,63,44,513
19 Other Income		
Miscellaneous Income	37,400	10,93,383
Dividend	—	7,000
Tea Board SPTF Subsidy	9,58,161	73,301
Central Interest Subsidy	16,94,421	15,59,573
Other non-operating income::		
Liabilities written back (written off)	1,88,462	27,256
Profit on sale of Fixed Assets	43,145	87,671
Total	29,21,589	28,48,184

The Bormah Jan Tea Company (1936) Limited

Notes annexed to and forming part of the Financial Statements

(Amount in Rs.)

Particulars	<u>31st March, 2012</u>	<u>31st March, 2011</u>
20 Change in Inventory of Finished Goods and Stock in Trade		
Opening Stock	62,55,822	38,89,868
Closing Stock	<u>34,00,863</u>	<u>62,55,822</u>
Total	<u>28,54,959</u>	<u>(23,65,954)</u>
21 Employees Benefit Expenses		
Salaries, Wages & Bonus	5,83,14,908	5,43,18,131
Contribution to P.F. and Other Funds	56,89,792	49,69,925
Gratuity	26,00,000	26,00,000
Staff & Labour Welfare Expenses	<u>1,80,26,069</u>	<u>1,31,89,288</u>
Total	<u>8,46,30,769</u>	<u>7,50,77,344</u>
22 Finance Cost		
Interest Expenses		
a. On Fixed Loans	11,50,874	15,03,174
b. On Cash Credit Account	84,72,109	77,97,869
c. On Other Loans	<u>10,72,251</u>	<u>14,26,400</u>
Total	<u>1,06,95,234</u>	<u>1,07,27,443</u>
23 Depreciation and Amortisation Expenses		
Depreciation during the year	63,69,382	57,01,671
Less : Transferred to Asset Revaluation Reserve	<u>6,48,594</u>	<u>7,05,232</u>
Total	<u>57,20,788</u>	<u>49,96,439</u>

The Bormah Jan Tea Company (1936) Limited

Notes annexed to and forming part of the Financial Statements

(Amount in Rs.)

Particulars	<u>31st March, 2012</u>	<u>31st March, 2011</u>
24 Other Expenses		
Payment to Auditors		
For Statutory Audit	30,899	30,333
For Tax Audit	5,618	5,515
For Other Services	16,854	49,635
Consumption of Stores and Spare parts (100% domestic)	3,50,08,000	2,72,14,115
Power and Fuel	1,83,65,045	1,68,25,227
Rent	6,45,308	8,49,312
Repairs to Buildings	62,14,745	81,84,510
Repairs to Machinery	27,28,171	28,52,886
Repairs to Others	37,73,900	18,53,323
Insurance	5,49,834	3,90,800
Rates & Taxes (excluding Income Tax)	7,26,157	6,75,372
Bank Charges	1,26,012	3,29,564
Loss on Sale of Assets	—	38,647
Tea Cess & Excise Duty	30,85,215	25,60,597
Purchase of Green Leaf	9,78,775	1,22,034
Sales Expenses (including Broker's Commission Rs. 11,30,483/- (Previous Year Rs. 9,58,646/-))	1,52,28,726	1,36,44,306
Directors Fees	80,000	8,000
Telephone, Telex & Other Expenses	1,03,990	84,383
Bad Debts written off	42,153	5,11,287
Miscellaneous Expenses	71,72,268	52,55,324
Total	<u>9,48,81,670</u>	<u>8,14,85,170</u>
Details of Miscellaneous Expenses		
Legal & Professional Charges	4,98,016	3,07,645
Motor Car Expenses	3,53,256	4,00,311
Printing & Stationery	2,49,242	2,24,794
R O C Filing Fees	13,500	6,500
Subscription	4,17,357	5,14,284
Travelling & Conveyance Expenses	9,64,473	2,59,516
Donation	10,24,308	12,759
Advertisement	21,281	45,781
Entertainment Expenses	73,500	19,600
Other Miscellaneous Expenses	35,57,335	34,64,134
Total	<u>71,72,268</u>	<u>52,55,324</u>
25 Exceptional Items		
Prior Period items related to Miscellaneous Expenses *	—	2,452
Total	<u>—</u>	<u>2,452</u>

The Bormah Jan Tea Company (1936) Limited

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

Note No. 26

A. SIGNIFICANT ACCOUNTING POLICIES

GENERAL :

The Accounts are prepared on historical cost basis and on the accounting principles of going concern.

All expenses and income to the extent considered payable and receivable respectively unless specifically stated to be otherwise, are accounted for on mercantile basis.

Accounting policies unless specifically stated to be otherwise, are consistent and are in consonance with generally accepted accounting principles.

USE OF ESTIMATES :

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affects the reported amounts of Assets, Liabilities, Revenues and Expenses and disclosure of contingent liabilities on the date of the financial statements. Actual results may differ from those estimates.

FIXED ASSETS AND DEPRECIATION :

- i) Fixed Assets revalued on 31st March, 1994 are stated at revalued amount less depreciation on such amount. Fixed Assets other than above are stated at cost, which includes inward Freight, Duties, Taxes and Expenses incidental to acquisition and installation, less depreciation.
- ii) Depreciation on additions/sale/discard of Fixed Assets have been provided for and/or adjusted on written down value method at the rates specified in Schedule XIV of the Companies Act, 1956 (As amended) on pro rata basis. No Depreciation is charged on Lease Hold Land and Development.
- iii) Profit/Loss on Sale of revalued Fixed Assets is being ascertained on the basis of original cost and sale price and the difference with the revalued price is being transferred to Revaluation Reserve.
- iv) Subsidy from Government and/or other authorities is accounted for on accrual basis.
- v) Expenses incurred on extension of planting, uprooting and replanting are capitalized except for expenses relating to infilling which are charged to Profit & Loss Account.

INVESTMENTS : (Long Term)

Investments are valued at cost.

INVENTORIES :

Stock of made tea is valued at Cost or Market Price, whichever is lower.

Stock of Stores & Spare Parts and of Foodstuff is valued at Cost. Cost comprises inward Freight, Duties, and Taxes and is calculated on monthly weighted averages. Necessary provision is made for obsolete slow-moving and defective stocks.

CONTINGENT LIABILITIES :

Contingent Liabilities are not provided for in the accounts but are separately shown in the Schedule of Notes on Accounts except the uncertainties, which are likely to affect the future outcome, are provided for and specifically mentioned in accounts.

The Bormah Jan Tea Company (1936) Limited

SALES :

- a) Sales include Excise Duty, Rebates, Discounts, Claims and other non-recoverables are excluded there from.
- b) Sales are recognized in the accounts on passing of title to the goods i.e. delivery as per terms of sale or on completion of auction in case of auction sale.

RETIREMENT BENEFITS :

- a) Liability for retirement gratuity is being accounted for on Cash basis i.e., as and when paid and/or transferred to the Gratuity Fund Account.
- b) Bonus is being accounted for as and when paid.
- c) Leave encashment and Other Retirement benefits are not applicable to the employees of the Company.

RESEARCH AND DEVELOPMENT :

Subscription to Tea Research Association is charged in the Profit & Loss Account under the Head "Subscription & Donation."

GOVERNMENT GRANTS :

Revenue grants including subsidy/rebates are credited to Profit & Loss Accounts under "Other Income" or deducted from the related expenses.

TAXATION :

Provision for Current Tax is estimated on taxable income for the accounting year in accordance with Income Tax Rules. Deferred Tax for timing difference between Book Profit and Tax Profit is accounted for using the Tax rates laws substantially, enacted by the Balance Sheet date.

IMPAIRMENT OF ASSETS :

Consideration is given at the balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds the recoverable amount. The recoverable amount is the greater of the net selling price and value in use.

B. NOTES TO FINANCIAL STATEMENTS :

1. Additions to Leasehold Land and Development includes the cost of New Extension of plantation area and it is in accordance with past practice. No depreciation has been provided for on Leasehold Land and Developments.
2. Depreciation on Fixed Assets for the year has been calculated on written down value basis in accordance with Schedule XIV of the Companies (Amendment) Act, 1988.
3. Assets acquired upto 31.03.1993 and costing Rs.5,000 or less stands included under respective block of assets and have accordingly been depreciated at the usual prescribed rate of depreciation instead of charging it off fully as required as per Schedule XIV of the Companies Act, 1956 amended with effect from 16.12.1993. Though the impact of under charge of depreciation in this respect has not been ascertained, the same is not likely to be material.
4. As per consistent policy of the company Gratuity and Bonus are accounted for as and when paid. As such liability on account of the same for the year has neither been ascertained nor provided for.

The Bormah Jan Tea Company (1936) Limited

5. The Company operates in a single business segment i.e. tea and hence, no further disclosure is required to be made as per AS-17 on Segmental reporting.

6. Related Party Disclosures ;

a. List of Related Parties :

- i) Key Management Personnel – Sri Bharat Bajoria
- ii) Associates where significant influence/control exists
The Tingamira Tea Seed Co. Limited
Mohanbari Investments Co. Pvt. Limited
Banarhat Investment Co. Pvt. Limited
Birdie Trading Pvt. Ltd.
Orlando Holdings Limited

b. Transaction with Related Parties	(a)(i) above	(a)(ii) above
(i) EXPENDITURE		
Remuneration	7,39,200	
Rent paid		1,14,000
Miscellaneous Expenses		1,08,000
Electricity Charges		48,000
Interest Paid	2,39,055	22,303
(ii) FINANCE & INVESTMENTS		
Loans taken	30,00,000	3,00,000
Loans refunded back	21,00,000	3,00,000
(iii) OUTSTANDING AS ON 31ST MARCH, 2012		
Investment in Shares		67,99,075
Deposit paid		4,500
Loans Payable	9,00,000	
Interest Payable	2,39,055	
	As on 31.3.2012 Rs.	As on 31.3.2011 Rs.
7. Estimated amount of contract remaining to be executed on Capital Account and not provided for	NIL	25,00,000
8. Contingent liability not provided for in respect of :		
a) Income Tax for the Assessment Year 2003-04	4,31,229	4,31,229

P-17, Mission Road Extn.
Kolkata-700 013
This 6th day of August, 2012

For B. C. KUNDU & CO.
Chartered Accountants
Firm Reg. No. 301007E
S. N. MUKHOPADHYAY
Partner
Membership No. 2909

B. BAJORIA Mg. Director
R. K. DIXIT Director

The Bormah Jan Tea Company (1936) Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.3.2012 Pursuant to clause 32 of the Listing Agreement

	Rs.	As at 31st March, 2012 Rs.	Rs.	As at 31st March, 2011 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before taxation and extra-ordinary items		2,62,55,459		1,92,72,255
Adjustments for :-				
1. Depreciation & amortization expense	57,20,788		49,96,439	
2. Dividend (Received)	—		(7,000)	
3. Interest (Paid)	1,06,95,234		1,07,27,443	
4. Loss on Sale of Assets	—		38,647	
5. Profit on Sale of Investments	—		(87,671)	1,56,67,858
6. Profit on sale of Assets	(43,145)	1,63,72,877	—	—
Operating Profit before Working Capital changes		4,26,28,336		3,49,40,113
Adjustments for :-				
1. Trade & Other Receivables	(1,86,484)		(12,21,938)	
2. Loans and Advances	(8,33,954)		2,07,211	
3. Inventories	12,68,999		(55,78,410)	
4. Trade Payables	(1,25,17,959)	(1,22,69,398)	(4,65,130)	(70,58,267)
Cash Generated from Operations		3,03,58,938		2,78,81,846
1. Interest Paid	(1,05,79,498)		(1,22,96,360)	
2. Direct Taxes Paid	(17,00,545)	(1,22,80,043)	(3,75,309)	(1,26,71,669)
Cash Flow before Exceptional Items		(1,80,78,895)		1,52,10,177
Exceptional Items :-				
1. Expenses for previous years	—		(2,451)	
2. Irrecoverable Debts written off	—		—	
3. Liabilities no longer required W/back	—	—	—	(2,451)
Net Cash Flow from Operating activities		1,80,78,895		1,52,07,726
B. CASH FLOW FROM INVESTING ACTIVITIES				
1. Purchase of Fixed Assets	(1,37,39,880)		(71,42,597)	
2. Interest Received	1,08,686		—	
3. Sale of Fixed Assets	1,10,000		50,000	
4. Sale of Investments	—		2,97,671	
6. Dividend Received	—		7,000	
Net Cash used in Investing Activities		(1,35,21,194)		(67,87,926)
		45,57,701		84,19,800

The Bormah Jan Tea Company (1936) Limited

C. CASH FLOW FROM FINANCING ACTIVITIES

1. Proceeds Short Term Borrowings	3,29,665	(28,54,159)	
2. Proceeds Long Term Borrowings	(44,40,000)	(44,40,000)	
3. Dividend Paid	(11,88,384)	(55,445)	
4. Security Deposits	—	(6,50,408)	
Net cash used in Financing Activities		(52,98,719)	(80,00,012)
Net Increase / (Decrease) in Cash & Cash Equivalents		(7,41,018)	4,19,788
Cash & Cash Equivalents (Opening Balance)		10,19,875	6,00,087
Cash & Cash Equivalents (Closing Balance)		2,78,857	10,19,875
		(7,41,018)	4,19,788

NOTES:

1. Above statements have been prepared in indirect method except in case of interest, dividend, purchase & sale of investments and taxes which have been considered on the basis of actual movement of cash, with corresponding adjustments in assets & liabilities.
2. Cash and Cash Equivalents consist of cash in hand, balance with Banks and Remittance in transit.
3. Additions to Fixed Assets are stated inclusive of movements of Capital work in progress between beginning and end of the year and treated as part of investing activities

P-17, Mission Road Extn.
Kolkata-700 013
This 6th day of August, 2012

For B. C. KUNDU & CO.
Chartered Accountants
Firm Reg. No. 301007E
S. N. MUKHOPADHYAY
Partner
Membership No. 2909

B. BAJORIA *Mg. Director*
R. K. DIXIT *Director*