

The Bormah Jan Tea Company (1936) Limited

DIRECTORS :

B. BAJORIA *Mg. Director*
R. K. DIXIT
A. K. MAJUMDER
ALOK KUMAR ROY
MUDIT BAJORIA

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 Saturday, the 28th September, 2013 at 11.00 a.m. to transact the following business :-

Ordinary Business

1. To consider and adopt the Profit & Loss Account for the year ended 31st March, 2013, the Balance Sheet as at that date and the Directors' and Auditors' Report thereon.
2. To declare a dividend on Equity Shares for the year ended 31st March, 2013.
3. To declare a dividend on Preference Shares for the year ended 31st March, 2013.
4. To appoint a Director in place of Mr. A. K. Majumder, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.
6. To appoint Branch Auditors and to fix their remuneration.

Special Business

7. To Consider and, if thought fit, to pass, with or without modification (s), the following Resolution as an ORDINARY RESOLUTION :
"RESOLVED that Mudit Bajoria be and is hereby appointed a Director of the Company liable to retire by rotation."
8. To Consider and if thought fit, to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION :
"RESOLVED that pursuant to the provisions of section 293 (1)(e) and all other applicable provisions, if any, of the Companies Act, 1956 the Board of Directors of the company be and is hereby authorized to contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees from time to time in any financial year to the extent of Rs. 30,00,000/- (Rupees Thirty Lacs only) or 5% of its average net profits as determined in accordance with the provisions of section 349 and 350 of the Act during the three financial years immediately preceding, whichever is higher."
9. To Consider and if thought fit, to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION :
"RESOLVED that pursuant to the provisions of section 293(1)(d) and all other applicable provisions, if any, of the Companies Act, 1956, Board of Directors of the Company be and is hereby authorized to borrow moneys and obtain loans for the business of the Company from time to time from any one or more of the Company's Bankers and/or from any one or more other persons, firms, bodies corporate, or financial institutions whether by way of cash credit, advance or otherwise and whether secured or unsecured not withstanding that moneys to be borrowed together with the moneys already borrowed and outstanding (apart from temporary loans obtained from the company's bankers in the ordinary course of business) may exceed the aggregate of the Paid-up Capital and Free Reserves, that is to say, Reserves not set apart for any specific purpose provided that the total of such borrowing outstanding at any time shall not exceed a sum of Rs. 40 Crores. (Rupees Forty Crore Only)."

Registered Office :

"McLeod House"

3, Netaji Subhas Road,

Kolkata-700 001.

Dated : the 26th day of August, 2013

By Order of the Board

The Bormah Jan Tea Co. (1936) Ltd.

R. K. DIXIT

Director

- Notes :**
1. Explanatory Statement pursuant to section 173(2) is annexed herewith.
 2. 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.
 3. The Proxy Form is to be submitted at the Registered Office of the Company not later than 48 hours before holding the said Annual General Meeting.
 4. The Share Transfer Books and Register of Members of the Company will remain closed from 27th September, 2013 to 28th September, 2013 both days inclusive.
 5. Members are requested to notify change in their address.

The Bormah Jan Tea Company (1936) Limited

ANNEXURE TO NOTICE

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

Resolution No. 7

Mr. Mudit Bajoria was appointed as Additional Director on 26th August, 2013. Pursuant to Section 260 of the Companies Act, 1956 he holds his office as Director till the date of the forth coming Annual General Meeting, but is eligible for appointment. A notice has been received from a member as required by section 257 of the Act signifying his intention to propose the candidature of Mr. Mudit Bajoria for the office of Director. The Board considers it desirable that the Company should continue to avail itself the service of Mr Mudit Bajoria and accordingly commend the Resolution for approval by the members.

None of the Directors except Mr Mudit Bajoria is interested in the Resolution.

Resolution No. 8

The Company is often called upon to fulfill certain obligations for the social welfare and to further charity work of charitable organizations. In the larger interest of the business of the Company and also for fulfillment of social responsibilities it is necessary to make certain contributions / donations and other payments to the institutions, organizations, trusts, companies or other persons, not directly relating to the business of the Company or the welfare of the employees. It is proposed to authorize the Board of Directors, to make such contribution from time to time, in any financial year to the extent of Rs. 30, 000,00/- (Rs. Thirty Lacs) or 5% of the Company's average net profit as determined in accordance with the provisions of section 349 & 350 of the Companies Act, 1956 during the three financial years immediately preceding whichever is higher.

Your directors recommend to pass the resolution as set out in the notice, to empower to the Board of Directors to make necessary charitable contribution for fulfillment of the social obligations of the Company.

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

Resolution No. 9

To enable the Directors to borrow, pursuant to Section 293(1)(d) of the Companies Act 1956, moneys and obtain loans for the business of the Company from time to time from any one or more of the Company's Bankers and/or from any one or more other persons, firms, bodies corporate, or financial institutions whether by way of cash credit, advance or otherwise and whether secured or unsecured not withstanding that moneys to be borrowed together with the moneys already borrowed and outstanding (apart from temporary loans obtained from the company's bankers in the ordinary course of business) may exceed the aggregate of the Paid-up Capital and Free Reserves, that is to say, Reserves not set apart for any specific purpose provided that the total of such borrowing outstanding at any time shall not exceed a sum of Rs. 40 Crores (Rupees Forty Crore Only).

Registered Office :

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

Dated : the 26th day of August, 2013

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

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, 2013.

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, 2013 was 13,27,960 Kgs. (Previous year 13,97,613 Kgs)

FINANCIAL RESULTS

	Rs.	Rs.
Profit before Tax		2,01,33,700
Less: Provision for Deferred Tax	94,176	"
Provision for Taxation	43,00,000	43,94,176
Profit for the year		1,57,39,524
Balance brought forward from previous year		5,01,54,434
Balance available for Appropriation		6,58,93,958
Less:		
Proposed Dividend :		
dividend on equity share	3,12,500	
dividend on preference share	2,70,000	5,82,500
Tax on Proposed Dividend		98,996
Transfer to General Reserve		40,00,000
Balance carried forward		6,12,12,462

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/- and a dividend of Rs. 6% on Rs. 45,000 Redeemable Cumulative Preference Shares of Rs. 100/- each amounting to Rs. 2,70,000/- for this financial year.

PERFORMANCE

In the current year the production of Tea was lower than the previous year because of the better quality control we were able to achieve higher average realization than the previous years. We have been able to produce better quality by which Company achieved better price realization.

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 & 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.

SOCIAL RESPONSIBILITIES

The Company continued with its welfare activities for development in the field of education, culture and other welfare measures to improve the general standard of living in and around the Tea Estates. The emphasis was on improvement of health, development of education, culture and sports. Medical assistance was also provided to the nearby villages through medical camps. The Company also conducts out-reach programmes to cover the medical needs of certain remote areas accessible from its Tea Estates. The Company continues to render assistance both monetarily and with man power, to hold regular camps for eye-related needs.

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.

DEMATERIALIZATION 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 26th August, 2013 is attached and forms part of the Directors' Report.

DIRECTORS

Mr. A. K. Majumder 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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industrial Structure, Development opportunity and Outflow

We were able to improve upon Tea qualities by undertaking sound agricultural formalities timely. The production of Tea Estates in Assam as a whole was satisfactory during the year. Due to implementation of better agricultural technology your company was able to achieve higher price realization during the year. The company has both short-term and long-term vision to keep the tea bushes in good heart by uprooting and replanting the old ones. For which price realization was better than the previous year.

The factories on both the gardens are large, spacious and equipped with the latest machineries in each department. In fact, out two factories should serve as model tea factories in the State of Assam.

With cheerful workers and staff, with beautiful plantation and with excellent factories on both the gardens, the future of the property will continue to remain bright and cheerful.

AUDITOR'S REPORT

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

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

Dated, the 26th day of August, 2013.

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, 2013

(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 2013	31st March 2012
1. Electricity		
(a) Purchased		
Unit	8,84,404	9,84,279
Total Amount (Rs.)	62,90,530	65,43,435
Rate/Unit (Rs.)	7.11	6.65
(b) Own Generator		
i) Through Diesel Generator		
Unit	3,18,959	2,26,815
Unit per Ltr. of Diesel Oil	3.34	3.36
Cost/Unit (Rs.)	6.48	6.48
ii) Through Steam Turbine Generator		
Units	—	—
Units per Ltr. of Fuel Oil/Gas	—	—
2. Coal		
Quantity	5,43,610	5,72,950
Total Cost	42,11,890	34,05,042
Average Rate	7.75	5.94
3. Furnace Oil		
Quantity (K. Lts.)	—	—
Total Amount	—	—
Average Rate	—	—
4. Other/Internal Generation		
Quantity	1,49,62,320	1,59,74,700
Total Cost	19,45,482	19,88,949
Average Rate/Unit	0.13	0.12
(B) Consumption per Unit of Production		
Unit - Kgs. TEA	13,27,960	13,97,613
Electricity	0.67	0.70
Own Generation	0.24	0.16
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. Benefits, derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution.
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 26th day of August, 2013

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

Paid Up Capital : Rs. 57.50 Lacs

To

The Members of

The Bormah Jan Tea Company (1936) Limited

3, Netaji Subhas Road, Kolkata-700 001

We 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, 2013**. In our 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, We 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 filed 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 had met **7 (Seven) times** respectively on **20.06.2012, 06.08.2012, 05.09.2012, 28.09.2012, 12.11.2012, 01.02.2013 and 22.03.2013** 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 **27th September, 2012 to 28th September, 2012 both days inclusive** in compliance of Section 154 of the Act.
6. The **Annual General Meeting for the financial year ended on 31/03/12 was held on 28.09.2012** 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 the 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 2012.
 - iii) The company has posted Dividend Warrants to the member of the Company for the dividend declared for the financial year 31st March, 2012.
 - iv) The Company was not required to transfer the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for period of seven years to Investor and protection fund.
 - v) The Company has duly complied with the requirements of Section 217 of the Act.

The Bormah Jan Tea Company (1936) Limited

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.
15. During the financial year Mr. Aloke Kumar Roy, was appointed as Whole-time Director of the Company for a period of 5 years with effect from 1st September, 2012.
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 not altered its Articles of Association with respect of Remuneration of Directors during the financial year under Scrutiny.
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, on 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 : the 26th day of August, 2013.

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"

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, 2013.

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	For AGM held On 28/09/2012	09/02/2013	No	Yes
2.	Balance Sheet (Form 23 ACXBRL & 23 ACAXBRL)	U/s 220	For the FY ending 31.03.2013	12/12/2012	Yes	No
3.	Compliance Certificate (Form 66)	U/s 383A	For the FY ending 31.03.2012	25/10/2012	Yes	No
5.	Form 23 (Resolution for appointment of Whole-Time Director)	U/s 269	Resolution for Appointment of Whole-Time Director	27/10/2012	Yes	No
5.	Form 32 (Appointment of Additional Director)	U/s 269	Board Resolution Dated 06.08.2012	19/11/2012	No	Yes
6.	Form 23C (Appointment of Cost Auditor)	U/s 233B(2)	Appointment of Cost Auditor for the Financial year ending 31.03.2013	30/08/2012	No	Yes

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
THE BORMAH JAN TEA COMPANY (1936) LIMITED

1. Report on the Financial Statements :

We have audited the accompanying financial statements of THE BORMAH JAN TEA COMPANY (1936) LIMITED, ("The Company") which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year ended, and summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements :

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

3. Auditor's Responsibility :

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

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

4. Basis for Qualified Opinion :

Neither any provision has been made against liabilities on account of gratuity and bonus nor the same have been determined. This is not in continuity with AS-15 (revised). The impacts thereof are not readily ascertainable.

5. Qualified Opinion :

In our opinion and to the best of our information and according to the explanations given to us, except for possible effects of the matter referred to in 4, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

The Bormah Jan Tea Company (1936) Limited

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

6. Report on Other Legal and Regulatory Requirements :

- A. 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 Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- B. As required by section 227(3) of the Companies Act, 1956, we report that;
 - i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us,
 - iii. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us.
 - iv. Except for the possible effects of the matter described in the basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act.
 - v. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Place : Kolkata,
Dated : 26th day of August, 2013

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

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

Referred to in paragraph 6 of the Independent Auditor's Report of even date to the members of The Bormah Jan Tea Company (1936) Limited on the Financial Statements as of and for the year ended March 31, 2013.

- (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) In our opinion, and according to the information and explanations given to us there was no substantial disposal of fixed assets during the year.
- (ii) (a) The inventory has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
- (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) On the basis of our examination of the inventory records, the company is maintaining proper records of its inventory. The discrepancies noticed on verification between physical stocks and the book records were not material.
- (iii) (a) The company has not granted unsecured loans to any Company, covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) The company has taken unsecured loans from one Director, listed in the Register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 94 lacs and the year-end balance was Rs. NIL, including interest dues.
- (c) In our opinion, the rate of interest and other terms and conditions on which loans have been taken by the companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not *prima facie* prejudicial to the interest of the company.
- (c) The Company is regular in repaying the principal amount as stipulated and the interest has also since been regularized.
- (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.

The Bormah Jan Tea Company (1936) Limited

- (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 during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (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.
- (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 as prescribed by the Central Government under cost record rules under Section 209 (1) (d) of the Companies Act, 1956 has been maintained.
- (ix) (a) The Company is regular in depositing undisputed dues on account of Provident fund and Income Tax with appropriate authorities. The company is also regular in depositing other undisputed statutory dues as applicable to it including Investor Education & Protection Fund, Employees State Insurance, Wealth Tax, Service Tax, Custom Duty and Excise Duty. According to the information 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 are as under.

Nature of Dues	Amount Rs.
Provident Fund	Rs. 9,67,856
Other Statutory Dues	Rs. 2,23,796
Total	Rs. 11,91,652

- (b) According to the information and explanation given to 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 other than the following :

Name of the Statute	Nature of Dues	Amount Rs.	Period of dues	Forum where Dispute is pending
Income Tax Act	Assessment Demand	Rs. 4,31,229	Assl. Year 2003-04	CIT(A)-IV, Kolkata

- (x) The company has not incurred cash loss during the year as well as in immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not made any material default in repayment of dues Financial institutions and banks. 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 / *nidhi* / mutual benefit fund / society and as such clause (xiii) of the Order is 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 is 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 during the year.
- (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.
- (xxii) Other para of the order are not applicable to the Company.

Place : Kolkata.

Dated : 26th day of August, 2013

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

The Bormah Jan Tea Company (1936) Limited

Balance Sheet as at 31st March, 2013

	Note	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a) Share Capital	1	57,50,000	57,50,000
b) Reserves & Surplus	2	15,84,01,901	14,39,41,644
2. Non-current liabilities			
a) Long-term borrowings	3	66,29,653	1,20,41,747
b) Deferred Tax Liabilities (Net)	4	10,10,763	9,16,587
c) Long-term provisions	5	28,98,868	28,98,868
3. Current Liabilities			
a) Short-term borrowings	6	6,99,06,160	6,15,21,772
b) Trade payables	7	3,25,74,992	3,01,94,152
c) Other current liabilities	8	65,06,647	87,37,205
d) Short-term provisions	9	49,81,496	6,76,996
Total		28,86,60,479	26,66,78,971
II. ASSETS			
1. Non-current assets			
a) Fixed Assets			
Tangible assets	10	23,15,00,014	21,67,90,362
b) Non-current Investments	11	34,52,976	69,52,976
c) Long-term loans and advances	12	1,26,58,711	1,04,52,980
2. Current assets			
a) Inventories	13	1,71,00,212	1,25,35,957
b) Trade receivables	14	88,13,164	89,61,867
c) Cash and cash equivalents	15	7,28,036	2,78,857
d) Short-term loans and advances	16	1,05,86,377	68,84,982
e) Other current assets	17	38,20,990	38,20,990
Total		28,86,60,479	26,66,78,971

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 26th day of August, 2013

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, 2013

	Note	For the year ended 31st March, 2013 Rs.	For the year ended March, 2012 Rs.
INCOME			
Revenue from Operations	18	24,23,49,286	22,21,17,290
Other Income	19	19,75,085	29,21,589
Total Revenue		24,43,24,371	22,50,38,879
EXPENSES			
Change in Inventories of Finished Goods	20	(35,77,320)	28,54,959
Employee Benefits Expense	21	10,35,84,307	8,46,30,769
Finance Costs	22	1,04,57,491	1,08,21,246
Depreciation & Amortisation Expense	23	63,07,897	57,20,788
Other Expenses	24	10,74,18,296	9,47,55,658
Total Expenses		22,41,90,672	19,87,83,420
Profit before exceptional items and tax		2,01,33,700	2,62,55,459
Exceptional items	25	—	—
Profit before tax		2,01,33,700	2,62,55,459
Tax expenses :			
Current Tax		43,00,000	—
Deferred Tax		94,176	(1,13,306)
Profit for the year		1,57,39,524	2,63,68,765
Earnings per equity share :			
Basic (Face value Rs. 10/- each)		125.92	210.95
Diluted (Face value Rs. 10/- each)		125.92	210.95
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 26th day of August, 2013

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

		(Amount in Rs.)	
Particulars	31st March, 2013	31st March, 2012	
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	
	1,23,50,000	1,23,50,000	
Issued, Subscribed & Fully Paid-up			
1,25,000 Equity Shares of Rs. 10/- each fully paid up	12,50,000	12,50,000	
	No. of Shares	No. of Shares	
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	1,25,000	1,25,000	
Details of Equity Shares held by shareholders holding more than 5% of the equity shares in the Company :	No. of Shares (% of holding)	No. of Shares (% of holding)	
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 :	No. of Shares (% of holding)	No. of Shares (% of holding)	
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	57,50,00	57,50,000	

The Bormah Jan Tea Company (1936) Limited

Notes annexed to and forming part of the Financial Statements

		(Amount in Rs.)	
Particulars	31st March, 2013	31st March, 2012	
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	5,32,87,211	5,39,35,805	
Less : Transferred from Depreciation	5,97,772	6,48,594	
	5,26,89,439	5,32,87,211	
General Reserve :			
As per last Balance Sheet	2,15,00,000	1,75,00,000	
Add : Transferred from Surplus in Statement of Profit and Loss	40,00,000	40,00,000	
	2,55,00,000	2,15,00,000	
Surplus in Statement of Profit and Loss :			
As per last Balance Sheet	5,01,54,434	2,84,62,664	
Add : Profit for the year	1,57,39,524	2,63,68,765	
	6,58,93,958	5,48,31,429	
Less : Transfer to General Reserve	40,00,000	40,00,000	
Proposed Dividend	5,82,500	5,82,500	
Tax on Dividend	98,996	94,496	
	6,12,12,462	5,01,54,433	
Total	15,84,01,901	14,39,41,644	
3 Long Term Borrowings			
Secured :			
From Oriental Bank of Commerce			
Term Loan No. 1	—	—	
Interest Accrued thereon	—	18,693	
Term Loan No. 2	27,55,000	44,95,000	
Interest Accrued thereon	2,40,990	3,93,310	
a. Nature of Security			
Hypothecation of fixed assets with estimated cost of (Rs. 180.65 lacs in the 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	21,37,854	19,01,390	
a. Nature of Security :			
Hypothecation of Vehicles purchased			
b. Terms of Repayment			
EMI of Rs. 34,267/- from April 2013 to May 2015			
EMI of Rs. 24,700/- from April 2013 to March 2015			
EMI of Rs. 29,570/- from April 2013 to Oct 2015			
	66,29,653	83,04,202	
Unsecured :			
From Other Body Corporates	—	36,00,000	
Interest Accrued thereon	—	1,97,545	
	—	37,37,545	
Total	66,29,653	1,20,41,747	

The Bormah Jan Tea Company (1936) Limited

Notes annexed to and forming part of the Financial Statements

Particulars	(Amount in Rs.)	
	31st March, 2013	31st March, 2012
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 #	10,10,763	9,16,587
# Deferred Tax Liabilities have been calculated in accordance with AS-22 as notified by the Companies (Accounting Standard) Rules, 2008		
Total	10,10,763	9,16,587
5 Long Term Provisions		
Provision for Income Tax	28,98,868	28,98,868
Total	28,98,868	28,98,868
6 Short Term Borrowings		
Secured :		
Cash Credit from Oriental Bank of Commerce	4,33,59,391	3,97,26,181
Interest Accrued thereon	12,88,526	13,87,387
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.		
b. Cash Credit from Punjab National Bank:	2,52,58,243	1,92,69,149
Secured by hypothecation of Stock of Raw Material, stock in process, finished goods, receivables and other current assets present and future of Ouphulla Tea Estate. Further collaterally secured by way of 1st Charge over entire fixed assets including EQM over Ouphulla Tea Estate and personal guarantee of Sri Bharat Bajoria, Managing Director and Smt. Abha Bajoria.		
	6,99,06,160	6,03,82,717
Unsecured :		
From Directors	—	9,00,000
Interest Accrued thereon	—	2,39,055
	—	11,39,055
Total	6,99,06,160	6,15,21,772

The Bormah Jan Tea Company (1936) Limited

Notes annexed to and forming part of the Financial Statements

Particulars	(Amount in Rs.)	
	31st March, 2013	31st March, 2012
7 Trade Payable		
For Goods	2,90,06,612	2,50,82,641
For Services and others	35,68,380	51,11,511
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	3,25,74,992	3,01,94,152
8 Other Current Liabilities		
Advance from Customers	—	26,53,398
Employees dues Payables	39,13,953	25,27,554
Statutory Liabilities :		
Tax Deducted at Source	68,491	92,363
Provident Fund	15,81,427	29,81,187
Other Statutory dues	8,92,324	4,57,716
Unpaid Dividend*	50,452	24,987
* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund		
Total	65,06,647	87,37,205
9 Short Term Provisions		
Provision for Income Tax	18,00,000	—
Provision for Agriculture Income Tax	25,00,000	—
Proposed Dividend	5,82,500	5,82,500
Tax on Dividend	98,996	94,496
Total	49,81,496	6,76,996

The Bormah Jan Tea Company (1936) Limited

10 Fixed Assets

Particulars of Assets	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK		
	Gross Cost Value as on 01.04.12	Additions on Revaluation on 31.03.94.	Additions during the year	Sale / Adjustment during the year	Gross Cost as on 31.03.13	Total as on 01.04.12	For the year	Sale / Adjustment during the year	Total as on 31.03.13	W.D.V as on 31.03.13	W.D.V as on 31.03.12
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible Assets											
Leasehold Land & Development	11,63,04,928	4,37,63,630	67,21,354	—	16,67,89,912	—	—	—	—	16,67,89,912	16,00,68,559
Buildings	4,19,08,948	2,33,03,216	18,12,548	—	6,70,22,112	3,76,30,514	15,12,640	—	3,91,43,154	2,78,78,958	2,75,79,050
Plant & Machinery	5,78,92,483	1,42,72,480	97,12,078	—	8,16,77,041	5,44,13,177	25,99,194	—	5,70,12,371	2,46,84,670	1,75,51,786
Electrification	24,44,857	18,20,252	—	—	42,65,109	37,11,803	76,966	—	37,88,769	4,76,340	5,53,306
Furniture & Fixtures	60,64,206	—	42,750	—	61,06,956	49,77,198	2,04,375	—	51,81,573	9,25,383	10,87,008
Vehicles	1,69,03,117	—	35,35,073	10,73,329	1,93,64,862	87,81,220	24,12,727	8,64,846	1,03,29,101	90,35,761	81,21,897
Road, Bridges & Fencing	22,19,294	—	—	—	22,19,284	5,34,572	84,160	—	6,18,732	16,00,552	16,84,712
Farm Account	11,127	—	—	—	11,127	11,000	—	—	11,000	127	127
Water Supply System	97,777	—	—	—	97,777	97,486	—	—	97,000	291	291
Irrigation	16,46,464	—	—	—	16,46,464	14,50,938	13,202	—	14,64,140	182,324	35,526
Temple	2,60,227	—	—	—	2,60,227	2,12,126	2,405	—	2,14,531	45,696	48,101
TOTAL	24,54,50,818	8,31,59,578	2,18,29,803	10,73,328	34,93,60,371	11,16,20,034	69,05,060	0,04,000	11,70,00,057	23,15,00,814	21,67,90,362
Previous Year	23,20,06,310	8,31,59,578	1,37,39,380	3,85,375	32,86,10,396	10,57,69,772	63,69,382	3,10,100	11,18,20,034	21,67,90,362	20,94,66,719

The Bormah Jan Tea Company (1936) Limited

Notes annexed to and forming part of the Financial Statements

Particulars:	(Amount in Rs.)	
	<u>31st March, 2013</u>	<u>31st March, 2012</u>
11 Non-Current Investment (held at cost unless stated otherwise)		
INVESTMENTS - Other than Trade (at cost)		
Investment in Quoted Equity Shares :		
Teesla Valley Tea Co. Ltd.	30,533	30,533
2,445 Equity Shares of Rs. 10/- each		
Kelvin Jule 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 :		
Teesla Valley Tea Co. Ltd.		
50,000 6% Preference Shares of Rs. 100/- each	15,00,000	50,00,000
Investment in Government Securities :		
National Savings Plan Certificate (Deposited with Collector of Central Excise, Tezpur)	1,000	1,000
Total	<u>34,52,976</u>	<u>69,52,976</u>
12 Long Term Loans & Advances (Unsecured & Considered good)		
Advance payment of Income Tax	1,07,78,372	85,72,641
Sundry Deposits	18,80,339	18,80,339
Total	<u>1,26,58,711</u>	<u>1,04,52,980</u>
13 Inventories (Valued at lower of cost and net realisable value)		
Stock of Stores	98,41,101	89,01,828
Stock of Finished Goods (Stock of Tea)	69,78,183	34,00,863
Stock of Foodstuff	2,80,928	2,33,266
Total	<u>1,71,00,212</u>	<u>1,25,35,957</u>

The Bormah Jan Tea Company (1936) Limited

Notes annexed to and forming part of the Financial Statements

Particulars	(Amount in Rs.)	
	31st March, 2013	31st March, 2012
14 Trade Receivables (Unsecured and Considered Good)		
Outstanding for a period exceeding six months	85,64,312	70,81,203
Others	2,48,852	18,80,664
Total	<u>88,13,164</u>	<u>89,61,867</u>
15 Cash & Cash Equivalents		
Balances with Scheduled Banks on -		
Current Account	5,81,257	2,26,811
Dividend Account	58,722	29,987
Remittance in Transit	—	—
Cash in hand	17,057	22,059
Total	<u>7,28,036</u>	<u>2,78,857</u>
16 Short Term Loans & Advances (Unsecured, Considered good)		
Staff Advances	4,34,479	6,12,179
Other Advances	1,01,51,898	62,72,803
Total	<u>1,05,86,377</u>	<u>68,84,982</u>
17 Other Current Assets		
Interest Accrued on Loan to Body Corporate	38,20,990	38,20,990
Total	<u>38,20,990</u>	<u>38,20,990</u>
18 Revenue from operations		
From Sale of Goods		
Tea	24,23,49,286	22,21,17,290
Total	<u>24,23,49,286</u>	<u>22,21,17,290</u>
19 Other Income		
Miscellaneous Income (CLAIM)		
Dividend	44,479	37,400
Tea Board Replantation Subsidy	—	—
Central Interest Subsidy	18,49,088	9,58,161
Other non-operating Income :	—	16,94,421
Liabilities Written back (written off)	—	1,88,462
Profit on sale of Fixed Assets	81,518	43,145
Total	<u>19,75,085</u>	<u>29,21,589</u>

The Bormah Jan Tea Company (1936) Limited

Notes annexed to and forming part of the Financial Statements

(Amount in Rs.)

Particulars	31st March, 2013	31st March, 2012
20 Change in Inventory of Finished Goods and Stock in Trade		
Opening Stock	34,00,863	62,55,822
Closing Stock	69,78,183	34,00,863
Total	(35,77,320)	28,54,959
 21 Employees Benefit Expenses		
Salaries, Wages & Bonus	6,94,25,599	5,83,14,908
Contribution to P.F. and Other Funds	65,57,532	56,89,792
Gratuity	46,24,654	26,00,000
Staff & Labour Welfare Expenses	2,29,76,521	1,80,26,069
Total	10,35,84,307	8,46,30,769
 22 Finance Cost		
Interest Expenses		
a. On Fixed Loans	5,72,462	11,50,874
b. On Cash Credit Account	84,48,870	84,72,109
c. On Other Loans	10,89,243	10,72,251
d. Bank Charges	3,46,916	1,26,012
Total	1,04,57,491	1,08,21,246
 23 Depreciation and Amortisation Expenses		
Depreciation during the year	69,05,669	63,69,382
Less : Transferred to Asset Revaluation Reserve	5,97,772	6,48,594
Total	63,07,897	57,20,788

The Bormah Jan Tea Company (1936) Limited

Notes annexed to and forming part of the Financial Statements

		(Amount in Rs.)	
Particulars		31st March, 2013	31st March, 2012
24 Other Expenses			
Payment to Auditors			
For Statutory Audit		30,899	30,899
For Tax Audit		5,618	5,618
For Other Services		39,944	16,854
Consumption of Stores and Spare parts (100% domestic)		3,62,68,056	3,50,08,000
Power and Fuel		1,76,98,497	1,83,65,045
Rent		8,14,741	6,45,308
Repairs to Buildings		49,65,070	62,14,745
Repairs to Machinery		96,10,295	27,28,171
Repairs to Others		88,36,064	37,73,900
Insurance		5,98,367	5,49,834
Rates & Taxes (excluding Income Tax)		2,51,305	7,26,157
Tea Cess & Excise Duty		29,96,008	30,85,215
Purchase of Green Leaf		—	9,78,775
Sales Expenses (including Broker's Commission Rs. 23,92,668/- (Previous Year Rs. 11,30,483/))		1,74,58,082	1,52,28,726
Directors Fees		70,000	80,000
Telephone, Telex & Other Expenses		1,20,837	1,03,990
Bad Debts written off		38,284	42,153
Miscellaneous Expenses		76,14,318	71,72,268
Total		10,74,18,296	9,47,55,658
Details of Miscellaneous Expenses			
Legal & Professional Charges		4,18,094	4,98,016
Motor Car Expenses		3,93,095	3,53,256
Printing & Stationery		2,42,274	2,49,242
R O C Filing Fees		15,000	13,500
Subscription		4,09,954	4,17,357
Travelling & Conveyance Expenses		5,93,714	9,64,473
Donation		9,00,000	10,24,308
Advertisement		13,281	21,281
Entertainment Expenses		64,446	73,500
Other Miscellaneous Expenses		45,64,461	35,57,335
Total		76,14,318	71,72,268
25 Exceptional Items			
Prior Period Items related to Miscellaneous Expenses		—	—
Total		—	—

The Bormah Jan Tea Company (1936) Limited

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

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.

SALES :

- a) Sales include Excise Duty, Rebates, Discounts, Claims and other non-recoverables are excluded there from.

The Bormah Jan Tea Company (1936) Limited

- 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 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.
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. Raw Material Produced & Consumed –

Green Leaf (in Kgs)

31.3.2013

58,00,226

31.3.2012

61,07,940

The Bormah Jan Tea Company (1936) Limited

7. Finished Goods (Quantity in Kgs)	31.3.2013	31.3.2012
Opening Stock of Tea	35,053	58,785
Actual Production of Tea	13,27,960	13,97,613
Sale of Tea	12,71,309	13,90,667
Samples, Garden use, Shortage, etc.	33,570	30,678
Closing Stock of Tea	58,134	35,053
8. 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		
Teesta Valley Tea Co. Ltd.		
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	8,06,400	
Rent paid		1,26,000
Miscellaneous Expenses		1,08,000
Electricity Charges		48,000
Interest Paid	4,34,728	—
(ii) FINANCE & INVESTMENTS		
Loans taken	85,00,000	—
Loans refunded back	94,00,000	—
(iii) OUTSTANDING AS ON 31ST MARCH, 2013		
Investment in Shares		32,99,075
Deposit paid		4,500
	As on 31.3.2013 Rs.	As on 31.3.2012 Rs.
9. Estimated amount of contract remaining to be executed on Capital Account and not provided for	30,00,000	25,00,000
10. Contingent liability not provided for in respect of :		
Income Tax for the Assessment Year 2003-04	4,31,229	4,31,229

P-17, Mission Road Extn.
Kolkata-700 013
This 26th day of August, 2013

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 31.3.2013 Pursuant to clause 32 of the Listing Agreement

	Rs.	As at 31st March, 2013 Rs.	Rs.	As at 31st March, 2012 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before taxation and exceptional items		2,01,33,700		2,62,55,459
Adjustments for :-				
1. Depreciation & amortization expense	63,07,897		57,20,788	
3. Interest (Paid)	1,01,10,575		1,06,95,234	
6. Profit on sale of Assets	(81,518)	1,63,36,954	(43,145)	1,63,72,877
Operating Profit before Working Capital changes		3,64,70,654		4,26,28,336
Adjustments for :-				
1. Trade & Other Receivables	1,48,703		(1,86,484)	
2. Loans and Advances	(37,01,395)		(8,33,954)	
3. Inventories	(45,64,255)		12,68,999	
4. Trade Payables	99,831	(80,17,116)	(1,25,17,959)	(1,22,69,398)
Cash Generated from Operations		2,84,53,538		3,03,58,938
1. Interest Paid	(1,07,57,049)		(1,05,79,498)	
2. Direct Taxes Paid	(23,00,227)	(1,30,57,276)	(17,00,545)	(1,22,80,043)
Cash Flow before Exceptional Items		1,53,96,262		1,80,78,895
Exceptional Items :				
1. Expenses for previous years	—		—	
2. Irrecoverable Debts Written off	—		—	
3. Liabilities no longer required W/back	—	—	—	—
Net Cash Flow from Operating activities		1,53,96,262		1,80,78,895
B. CASH FLOW FROM INVESTING ACTIVITIES				
1. Purchase of Fixed Assets	(2,18,23,803)		(1,37,39,880)	
2. Interest Received	—		1,08,686	
3. Sale of Fixed Assets	2,90,000		1,10,000	
4. Sale of Investments	35,00,000		—	
Net Cash used in Investing Activities		(1,80,33,803)		(1,35,21,194)
		(26,37,541)		45,57,701

The Bormah Jan Tea Company (1936) Limited

C. CASH FLOW FROM FINANCING ACTIVITIES

1. Proceeds Short Term Borrowings	87,22,304	3,29,665
2. Proceeds Long Term Borrowings	(51,03,536)	(44,40,000)
3. Dividend Paid	(5,32,048)	(11,88,384)
Net cash used in Financing Activities	30,86,720	(52,98,719)
Net Increase / (Decrease) in Cash & Cash Equivalents	4,49,179	(7,41,018)
Cash & Cash Equivalents (Opening Balance)	2,78,857	10,19,875
Cash & Cash Equivalents (Closing Balance)	7,28,036	2,78,857
	4,49,179	(7,41,018)

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 26th day of August, 2013

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

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