

# Singhi & Co.

## Chartered Accountants

EMERALD HOUSE, 4th Floor, 1B, OLD POST OFFICE STREET, KOLKATA-700 001

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**To The Board of Directors of James Warren Tea Limited (Formerly James Warren Tea Private Limited / Dashabhooja Mercantile & Tourism Private Limited)**

### **Independent Auditors Report**

We have audited the accompanying financial statements of **James Warren Tea Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2012 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

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

### **Auditor's responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us the said accounts read together with the notes thereon *in particular note no. 2.26.a inter-alia referring the purpose of preparation of these financial statements* and attached thereto give, give a true and fair view in conformity with the accounting principles generally accepted in India.

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

**Report on other legal and regulatory requirements**

1. As required by section 227(3) of the Act, we report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) 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 Companies Act, 1956;
- e) On the basis of written representations received from the directors as on March 31<sup>st</sup>, 2012, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31<sup>st</sup>, 2012, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Singhi & Co.  
Chartered Accountants  
Firm Registration Number: 302049E



(Pradeep Kumar Singhi)  
Partner  
Membership No. 50773



Place: Kolkata  
Date: the 24<sup>th</sup> Day of February 2014

**JAMES WARREN TEA LIMITED (Formerly James Warren Tea Private Limited/ Dashabhooja Mercantile Tourism Private Limited)**

**BALANCE SHEET As at 31st March 2012**

	Notes	As at 31st March, 2012 Rs in Lakhs	As at 31st March, 2011 Rs in Lakhs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2.1	1.00	1.00
Share Suspense	2.2	1,195.08	-
Reserves and Surplus	2.3	6,120.60	-
		<u>7,316.68</u>	<u>1.00</u>
<b>Non-current Liabilities</b>			
Long-term Provisions	2.4	664.46	-
		<u>664.46</u>	<u>-</u>
<b>Current Liabilities</b>			
Short-term Borrowings	2.5	0.35	-
Trade Payables	2.6	449.12	0.04
Other Current Liabilities	2.7	819.12	-
Short-term Provisions	2.8	197.46	-
		<u>1,466.05</u>	<u>0.04</u>
		<u>9,447.19</u>	<u>1.04</u>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	2.9	4,881.49	-
Intangible Assets	2.10	7.20	-
Capital Work-in-Progress		15.59	-
Non-current Investments	2.11	159.63	-
Deferred Tax Assets (Net)	2.12	93.30	-
Long-term Loans and Advances	2.13	784.91	0.55
		<u>5,942.12</u>	<u>0.55</u>
<b>Current Assets</b>			
Inventories	2.14	535.98	-
Trade Receivables	2.15	1,039.96	-
Cash and Cash Equivalent	2.16	883.46	0.49
Short-term Loans and Advances	2.17	963.58	-
Other Current Assets	2.18	82.09	-
		<u>3,505.07</u>	<u>0.49</u>
		<u>9,447.19</u>	<u>1.04</u>

**Significant Accounting Policies**

Notes on Accounts

1


2.26

The Notes referred to above form an integral part of the Financial Statements.

As per our Report of even date.

For and on behalf of the Board of Directors

Singhi & Co.  
Chartered Accountants  
Firm Registration Number - 302049E

  
(Pradeep Kumar Singhi)  
Partner

Membership Number - 50773  
Kolkata, the 24th day of February 2014



  
Director

  
Company Secretary

  
Director

**JAMES WARREN TEA LIMITED (Formerly James Warren Tea Private Limited/ Dashabhooja Mercantile Tourism Private Limited)**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012**

	Notes	Year ended 31st March, 2012 Rs in Lakhs
<b>Income</b>		
Revenue from Operations	2.19	10,456.84
Other Income	2.20	156.10
<b>Total Income</b>		<b>10,612.94</b>
<b>Expenses</b>		
Cost of material consumed		42.53
(Increase)/Decrease in Inventories of Finished Goods	2.21	332.53
Employee Benefits Expense	2.22	5,235.10
Finance Costs	2.23	43.80
Depreciation and Amortisation Expense	2.24	463.00
Other Expenses	2.25	4,006.22
<b>Total Expenses</b>		<b>10,123.18</b>
<b>Profit before Tax</b>		489.76
Tax Expense		
Current Tax		344.04
Deferred Tax		(153.18)
<b>Profit for the Year</b>		<b>298.90</b>
<b>Earnings per Equity Share</b>		
Basic and Diluted Earnings per Share of Rs 10 each (Rs)		2.50
(Refer Note No. 2.26.p)		

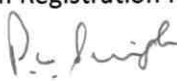
**Significant Accounting Policies**

	1
Notes on Accounts	2.26

The Notes referred to above form an integral part of the Financial Statements.

As per our Report of even date.

Singhi & Co.  
Chartered Accountants  
Firm Registration Number - 302049E

  
(Pradeep Kumar Singhi)  
Partner

Membership Number - 50773  
Kolkata, the 24th day of February 2014



For and on behalf of the Board of Directors

  
Director

  
Director

  
Company Secretary

**JAMES WARREN TEA LIMITED (Formerly James Warren Tea Private Limited/ Dashabhooja Mercantile Tourism Private Limited)**

**Cash Flow Statement for the year ended 31st March, 2012**

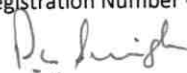
PARTICULARS	For the Year Ended 31.03.2012 Rs in Lakhs
<b>A. Cash Flow from operating activities</b>	
Profit / (Loss) before Taxation	489.76
Adjustment for-	
Depreciation and Amortisation	463.00
Interest Income	(69.53)
Dividend Income	(0.05)
Finance Cost	43.80
Liabilities no longer required written back	(0.41)
(Profit)/Loss on Sale of Fixed Assets (Net)	(1.25)
<b>Operating profit before Working Capital changes</b>	<b>925.32</b>
Adjustments for changes in	
Trade and Other Receivables	(1672.62)
Inventories	239.96
Trade Payables and other liabilities	290.62
<b>Cash generated from Operations</b>	<b>(216.72)</b>
Direct Tax Paid	(373.50)
<b>Net Cash from operating activities</b>	<b>(590.22)</b>
<b>B. Cash Flow from investing activities</b>	
Purchase of Fixed Assets/ Advance for fixed assets	(596.14)
Sale of Fixed Assets	1.25
Dividend Income	0.05
Interest Income	71.44
<b>Net Cash from/ (used) in investing activities</b>	<b>(523.40)</b>
<b>C. Cash Flow from financing activities</b>	
Repayment of current maturity of long term debt	(59.91)
Repayment of short term borrowing	(518.56)
Finance cost paid	(46.03)
<b>Net Cash from / (used) in financing activities</b>	<b>(624.50)</b>
<b>Net increase / (decrease) in Cash and Cash Equivalent</b>	<b>(1738.12)</b>
<b>Cash and Cash Equivalent</b>	
<b>Opening Balance of cash and cash equivalent</b>	<b>2621.58</b>
(Includes Rs 2621.09 transferred under the scheme of arrangement)	
<b>Closing Balance of cash and cash equivalent</b>	<b>883.46</b>

1. The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 on Cash Flow Statement prescribed under the Companies Act , 1956.
2. The Notes referred to above form an integral part of the Cash Flow Statement.
3. In view of preparation of Cash Flow Statement for the first time, comparative figures for previous year has not been furnished

As per our Report of even date.

For and on behalf of the Board of Directors

Singhi & Co.  
Chartered Accountants  
Firm Registration Number - 302049E



(Pradeep Kumar Singhi)  
Partner  
Membership Number - 50773  
Kolkata, the 24th day of February 2014



   
Director Director  
  
Company Secretary

**Note No.1: Significant Accounting Policies**

- (a) The financial statements have been prepared in accordance with the Companies Act, 1956 of India and the rules framed there under.

All asset and liabilities have been classified as Current or Non-Current as per the Company's normal operating cycle and other criteria set out in the revised schedule VI to the Companies Act, 1956.

- (b) Fixed Assets and Depreciation / Amortization

Written down value of Fixed Assets (both Tangible and Intangible) represents cost of acquisition/valuation of such assets after deduction of depreciation (including amortization) on Straight Line Method at rates indicated in Note no. 2.26.f Rights are carried at cost of acquisition less amortization, basis of which is indicated in Note no. 2.26.f.

Although Tea Plantation is an item of wasting asset, no depreciation is charged on such assets as it is customary in the Tea Industry and also because the Infilling costs of Tea Bushes, Replanting of Tea and other long term development expenditure in the plantation areas are charged to revenue Expenditure upon completion of the composite activities which are allowed by the Indian Taxation Authorities. Thus, no depreciation has been charged on New Planting.

For additions to Assets during the course of the year depreciation/amortization is being charged on a fully year basis. In case of acquisition of any undertaking, depreciation is charged from the effective date of such acquisition.

Assets costing upto Rs. 5000/- each are fully depreciated in the same year.

Compensation received for acquisition of Assets of the Company is accounted for upon acceptance of the Company's claim by the appropriate authorities.

- (c) Impairment of Assets

Loss of account of Impairment of Fixed Assets is to be recognized if and when the carrying amount of the Fixed Assets exceeds the recoverable amount i.e higher of net selling price and value in use.

- (d) Investments

Long term Investments made by the Company have been stated at cost, except in certain cases where these have been brought down upon commercial and keeping with the applicable Accounting Standard. Current Investments are stated at lower of cost and fair value.

- (e) Inventories

Inventories of Stores, as existing at the year-end, represent weighted average cost of procurements. Obsolete and slow moving inventories are fully depreciated in the Accounts.

Unsold but saleable Stock of Tea are valued at weighted average cost of production including attributable charges and levies or net realisable value, whichever is lower.



**JAMES WARREN TEA LIMITED (Formerly James Warren Tea Private Limited/ Dashabhooja Mercantile Tourism Private Limited)**

**Note to the Financial Statements for the year ended 31<sup>st</sup> March, 2012.**

**Rs in lakhs**

**(f) Sales and Revenue Recognition**

Disposal of Company's produce is accounted for as Sales whenever appropriate documents are received even when the proceeds are received after the accounting period.

Items of income including Export Benefits are recognized on accrual and conservative basis.

**(g) Government Grants**

Government Grants related to specific depreciable fixed asset are deducted from gross value of the related fixed asset in arriving at their book value.

Government Grants related to revenue are recognized in the Accounts on prudent basis.

**(h) Foreign Currencies Transactions**

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year-end exchange rates.

Gains/Losses arising out of fluctuations in the exchange rates are recognized in the Accounts in the period in which they arise. Differences between the forward exchange rates and the exchange rates at the date of transactions are accounted for as income/expense over the life of the contracts.

**(i) Employees Benefits**

**a) Short Term Employee Benefits**

The amount of Short Term Employee Benefits payable in terms of employment for the services rendered by such employees is recognized during the period when the employee renders services.

**b) Post Employment Benefits**

(i) The Company operates defined Contribution Schemes of Provident Funds and makes regular contributions to Provident Funds which are fully funded and administered by the Trustees/Government and are independent of the Company's finance. Such contributions are recognized in the Accounts on accrual basis. Interests accruing to the Fund administered by the Trustees are credited to respective members' accounts based on the rates stipulated by the Government and shortfall if any, recognized on the basis of actuarial valuation report in this regard, is borne by the Company.

(ii) The Company operates defined benefit Superannuation and Gratuity Schemes administered by the Trustees, which are independent of the Company's finance. Such obligations are recognized in the accounts on the basis of actuarial valuation applying Projected Unit Credit Method including gains and losses at the year-end.

(iii) The Company operates a defined benefit Pension Scheme and Additional Retiral Benefit for certain categories of employees for which obligations are recognized in the accounts based on actuarial valuation applying Projected Unit Credit Method including gains and losses at the year-end.





**JAMES WARREN TEA LIMITED (Formerly James Warren Tea Private Limited/ Dashabhooja Mercantile Tourism Private Limited)**

**Note to the Financial Statements for the year ended 31<sup>st</sup> March, 2012.**

**Rs in lakhs**

**c) Other Long Term Employee Benefits**

Other Long Term Employee Benefits are recognized in the accounts based on actuarial valuation applying Projected Unit Credit Method including gains and losses at the year-end.

**(j) Expenditure**

As is customary in the Tea Industry, maintenance expenditure incurred at Gardens, for which accruing benefits may not be relatable in terms of periods, are charged off to revenue expenditure in the year these are incurred.

Operational Borrowing Costs are recognized as revenue expenditure in the year in which these are incurred.

**(k) Corporate Taxation**

Current Tax is determined as the amount of income-tax payable/recoverable in respect of the taxable income for the current period.

Deferred Tax is recognized as the tax effect of timing differences being the difference between taxable income and accounting income that originated in one period and is capable of reversal in one or more subsequent periods.

Deferred Tax Assets are recognized subject to the consideration of prudence only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**(l) Contingent Liabilities**

Contingent Liabilities are disclosed when there is a possible obligation which may arise from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or reliable or estimate of the amount cannot be made.





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

	As at 31st March, 2012 Rs in Lakhs	As at 31st March, 2011 Rs in Lakhs
<b>Note No. 2.1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
50,000 (P.Y- 50,000) Equity Shares of Rs 10/- each (Refer note below)	5.00	5.00
<b>Issued, Subscribed and Fully Paid-up</b>		
10,000 (P.Y- 10,000) Equity Shares of Rs 10/- each (Refer note below)	1.00	1.00
	1.00	1.00
<b>Reconciliation of the number of Equity Shares</b>		
Outstanding at the beginning of the year (in nos.)	10000	10000
Shares issued during the year (in nos.)	-	-
Outstanding at the end of the year (in nos.)	10000	10000

**Shareholders holding more than 5% shares of the Company**

Name of the Shareholders	<u>As on 31.03.2012</u>		<u>As on 31.03.2011</u>	
	No. of Shares	%	No. of Shares	%
Subash Lama	6000	60.00	-	-
Mr Mahaveer Prasad Mundhra	4000	40.00	-	-
Mr Dhruvajyoti Borah	-	-	2000	20.00
Mr Alokjyoti Borthakur	-	-	2000	20.00
Mr Narayan Barman	-	-	2000	20.00
Mr Dhiru Borah	-	-	2000	20.00
Mr Munti Baruah	-	-	2000	20.00

- a) Rights, preferences and restrictions attached to shares  
 The Company has only one class of shares being Equity Shares having a par value of Rs 10/- each. Each holder of the Equity Share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of Equity Shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.
- b) The Company does not have any Holding or Ultimate Holding Company.
- c) No ordinary shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.
- d) The Company has not allotted any shares as fully paid up by way of bonus shares nor has bought back any shares during the period of five years immediately preceding the date at which the Balance Sheet is prepared.
- e) No securities convertible into Equity/ Preference shares issued by the Company during the year.
- f) No calls are unpaid by any Director or Officer of the Company during the year.

*Note: The authorised Share Capital of the Company has been increased to 130 lacs share of Rs. 10 each on 30th December, 2013. Further the Committee of board of directors have approved the further issuance of 1,19,50,804 equity shares of Rs. 10 each fully paid in pursuance of the scheme in their meeting dated 14th February, 2014. Also refer note no. 2.26. a*

**Note No. 2.2**  
**SHARE SUSPENSE**

1,19,50,804 Equity Shares of Rs 10 each fully paid up	1195.08	0.00
(Shares to be issued in pursuant to a scheme of arrangement)	1195.08	0.00
(Refer note no. 2.26.a)		



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

	As at 31st March, 2012 Rs in Lakhs	As at 31st March, 2011 Rs in Lakhs
<b>Note No. 2.3</b>		
<b>RESERVES AND SURPLUS</b>		
General Reserve (Refer note no. 2.26 a)	3821.70	-
<u>Surplus</u>		
Balance as at the beginning of the year	-	-
Add : Addition in pursuance of scheme of arrangement (Refer note no. 2.26.a)	2000.00	-
Add : Profit for the Year	298.90	-
Balance as at the end of the year	<u>2298.90</u>	<u>-</u>
	<u>6120.60</u>	<u>-</u>
<b>Note No. 2.4</b>		
<b>LONG-TERM PROVISIONS</b>		
Provision for Employee Benefits	664.46	-
	<u>664.46</u>	<u>-</u>
<b>Note No. 2.5</b>		
<b>SHORT-TERM BORROWINGS</b>		
<b>SECURED</b>		
Working Capital Facilities from Banks	0.35	-
[Secured by joint equitable mortgage/charge on the current assets and fixed assets (movable and immovable) ranking pari passu first charge amongst the Banks severally]	<u>0.35</u>	<u>-</u>
<b>Note No. 2.6</b>		
<b>TRADE PAYABLES</b>		
-For Goods & Services	449.12	0.04
(Nil dues to Micro & Small Enterprise)	<u>449.12</u>	<u>0.04</u>
<b>Note No. 2.7</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Advances from Customers	2.21	-
Other Payables -		
Employee Benefits Payable	756.96	-
Statutory Dues	53.23	-
Retention Money	6.72	-
	<u>819.12</u>	<u>-</u>
<b>Note No. 2.8</b>		
<b>SHORT-TERM PROVISIONS</b>		
Provision for Employee Benefits	197.46	-
	<u>197.46</u>	<u>-</u>



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

Note no. 2.9

FIXED ASSETS - TANGIBLE

Rs in lakhs

Particulars	GROSS BLOCK - AT COST/VALUATION				DEPRECIATION				NET BLOCK		
	As At 1st April 2011	Addition on account of Scheme#	Additions	Sales/Adjustment	As At 31st March 2012	As At 1st April 2011	Addition on account of Scheme#	For The Year		Sales	As At 31st March 2012
Estate and Development	-	796.10	-	-	796.10	-	-	-	-	-	796.10
Building Roads And Bridges	-	5,986.13	512.50	-	6,498.63	-	2,948.77	280.13	-	3,228.90	3,269.73
Plant & Machinery	-	2,942.11	59.95	-	3,002.06	-	2,128.18	148.62	-	2,276.80	725.26
Airconditions, Refrigerators & other Office Equipments	-	20.92	1.00	0.37	21.55	-	17.53	0.67	0.37	17.83	3.72
Furniture And Fixtures	-	35.86	0.80	0.00	36.66	-	33.45	0.73	0.00	34.18	2.48
Vehicles*	-	350.91	9.24	6.36	353.79	-	278.74	21.56	6.36	293.94	59.85
Computer	-	39.23	2.72	0.05	41.90	-	36.93	1.95	0.05	38.83	3.07
Networking Equipments	-	23.91	4.66	-	28.57	-	5.15	2.14	-	7.29	21.28
<b>Total</b>	-	<b>10,195.17</b>	<b>590.87</b>	<b>6.78</b>	<b>10,779.26</b>	-	<b>5,448.75</b>	<b>455.80</b>	<b>6.79</b>	<b>5,897.76</b>	<b>4,881.49</b>

Note no. 2.10

FIXED ASSETS - INTANGIBLE

Particulars	GROSS BLOCK - AT COST/VALUATION				AMORTISATION				NET BLOCK		
	As At 1st April 2011	Addition on account of Scheme#	Additions	Sales/Adjustment	As At 31st March 2012	As At 1st April 2011	Addition on account of Scheme#	For The Year		Sales	As At 31st March 2012
Computer Software	-	66.62	-	-	66.62	-	52.21	7.20	-	59.41	7.20
Excise Duty Relief Right	-	100.00	-	-	100.00	-	100.00	-	-	100.00	-
<b>Total</b>	-	<b>166.62</b>	<b>-</b>	<b>-</b>	<b>166.62</b>	-	<b>152.21</b>	<b>7.20</b>	<b>-</b>	<b>159.41</b>	<b>7.20</b>

# Transferred under the scheme of arrangement. Refer note no. 2.26.a.



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

	As at 31st March, 2012 Rs in Lakhs	As at 31st March, 2011 Rs in Lakhs
<b>Note No. 2.11</b>		
<b>NON-CURRENT INVESTMENTS</b>		
(Valued at Cost unless stated otherwise)		
<b>Long Term (Unquoted)</b>		
<b>Equity Instruments- Trade</b>		
10000 Equity Shares of Rs 10/- each fully paid-up in ABC Tea Workers Welfare Services (Net of Provision for diminution in the value of Investments - Rs 1.00)	-	
<b>Other than Trade Investments (Quoted)</b>		
<b>Equity Instruments</b>		
15150 Equity Shares of Rs 10/- each fully paid-up in Pal Peugeot Limited (Net of Provision for diminution in the value of Investments - Rs 1.515 )	-	
3497 Equity Shares of Rs 10/- each fully paid-up in Malanpur Steel Limited (Net of Provision for diminution in the value of Investments - Rs 0.35 )	-	
225 Equity Shares of Rs 5/- each fully paid-up in McLeod Russell India Limited	0.05	
864 Equity Shares of Rs 10/- each fully paid-up in Syndicate Bank	0.44	
<b>Other than Trade Investments (Un Quoted)</b>		
<b>Government Securities</b>		
* Rs 8800/- 3% Government of India Conversion Loan	0.01	
<b>Equity Instruments</b>		
1,67,500 Equity Shares of Rs 10/- each fully paid-up in Warren Steels Private Limited (Net of Provision for diminution in the value of Investments - Rs 50.25)	159.12	
<b>Debentures and Bonds</b>		
73 nos 5% ten Year Debentures of Rs 100/- each fully paid-up of Shillong Club Limited	- +	
Rs 64500/- 5% Debentures Stock of The East India Clinic Limited	0.01	
15 nos 1.5 % Debentures of Rs 100/- each in The East India Clinic Limited	- +	
	<u>159.63</u>	<u>-</u>
Less :		
1 Market Value of Quoted Investments	1.60	
2 Aggregate Book Value of Quoted Investments	0.49	
3 Aggregate Book Value of Unquoted Investments	159.14	
4 Aggregate Provision for diminution in the value of Non-Current Investments	53.12	
*5 Deposited with Excise Authorities		
+6 Amount is below the rounding off norm adopted by the company.		
<b>Note No. 2.12</b>		
<b>DEFERRED TAX ASSETS / (LIABILITIES) (NET)</b>		
<b>Deferred Tax Assets</b>		
Timing difference on account of :		
Expenses allowable on payment	262.86	-
Less :		
Deferred Tax Liability		
Timing difference on account of Depreciation	<u>169.56</u>	<u>-</u>
	<u>93.30</u>	<u>-</u>



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

	As at 31st March, 2012 Rs in Lakhs	As at 31st March, 2011 Rs in Lakhs
<b>Note No. 2.13</b>		
<b>LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured - Considered Good)		
Capital Advances	47.16	-
Security Deposits	124.74	-
Deposits with NABARD	500.00	-
Other Loans and Advances		
Loans and Advances to Employees	96.37	-
Advances to Suppliers, Service Providers, etc.	16.06	-
Preliminary Expenses- to the extent not written off	0.58	0.55
	<u>784.91</u>	<u>0.55</u>
<b>Note No. 2.14</b>		
<b>INVENTORIES</b>		
(At lower of cost or net realizable value)		
Stock of Tea	108.22	-
Stock of Stores and Spares	427.76	-
	<u>535.98</u>	<u>-</u>
<b>Note No. 2.15</b>		
<b>TRADE RECEIVABLES</b>		
(Unsecured and considered good unless otherwise mentioned)		
Outstanding for a period exceeding six months from the date due for payment	-	-
Other Receivables	1,039.96	-
	<u>1,039.96</u>	<u>-</u>
<b>Note No. 2.16</b>		
<b>CASH AND CASH EQUIVALENT</b>		
Balances with Banks		
Current Accounts	187.06	-
Deposit Accounts with less than three months maturity	693.96	-
Cash on hand	2.44	0.49
	<u>883.46</u>	<u>0.49</u>
<b>Note No. 2.17</b>		
<b>SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured - Considered Good)		
Receivable from Warren Tea Limited under the scheme of arrangement (Refer note no. 2.26.a)	718.26	-
Deposits with Government Authorities and Others	48.77	-
Loans to Employees	4.90	-
Advance Tax (Net)	29.46	-
Advances to Suppliers, Service Providers, etc.	121.62	-
Prepaid Expenses	40.57	-
	<u>963.58</u>	<u>-</u>
<b>Note No. 2.18</b>		
<b>OTHER CURRENT ASSETS</b>		
(Unsecured - Considered Good)		
Interest Accrued on Deposits	26.97	-
Subsidy Receivable from Tea Board	55.12	-
	<u>82.09</u>	<u>-</u>



**Note No. 2.19****REVENUE FROM OPERATIONS**

Sale of Finished goods - Tea	10,289.19
<u>Other Operating Revenues</u>	
Sale of Tea Waste	11.63
Tea Board Subsidy	116.97
Sale of Scrap	2.31
Export Incentive	36.74
	<u>10,456.84</u>

**Note No. 2.20****OTHER INCOME**

Interest Income	69.53
Dividend Income from Long-term Investments	0.05
<u>Other Non-operating Income</u>	
Profit on disposal of fixed assets (net)	1.25
Insurance Claims	37.68
Miscellaneous Receipts	27.88
Liabilities no longer required written back	0.41
Net Gain on Foreign Currency Transactions and Translation	19.30
	<u>156.10</u>

**Note No. 2.21****(INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS**

Opening Inventories- Tea	440.75
(Transferred in pursuance to the scheme of arrangement, refer note no. 2.26.a )	
Less : Closing Inventories- Tea	108.22
	<u>332.53</u>

**Note No. 2.22****EMPLOYEE BENEFIT EXPENSE**

Salaries and Wages	3,944.55
Contributions to Provident and Other Funds	442.98
Contribution to Gratuity Fund	265.56
Staff Welfare Expenses	582.01
	<u>5,235.10</u>



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

For the Year  
Ended 31.03.2012  
Rs in Lakhs

**Note No. 2.23**

**FINANCE COSTS**

Interest Expense	35.99
Other Borrowing Costs	7.81
	<u>43.80</u>

**Note No. 2.24**

**DEPRECIATION AND AMORTISATION EXPENSE**

Depreciation on Tangible Assets	455.80
Amortisation on Intangible Assets	7.20
	<u>463.00</u>

**Note No. 2.25**

**OTHER EXPENSES**

Consumption of Stores and Spare Parts	
Packing Materials	126.59
Others	1,297.12
Power and Fuel	893.32
Rent	5.63
Repairs to Buildings	277.52
Repairs to Machinery	26.95
Insurance	15.73
Rates and Taxes	89.96
Land Rent and Taxes	152.10
Tea Board Cess	35.28
Administrative Overheads	430.50
Selling & Marketing Expenses	-
Freight	300.24
Insurance	24.13
Brokerage	65.57
Commission	37.16
Warehousing, Shipment and Other Charges	180.01
Charges for usage of Common Assets (Refer no no. 2.26. a)	32.55
Share of loss of Travel division (a discontinuing operation) for 2011-12 ( Net of taxation of Rs 7.76 lacs) (Refer note no. 2.26.a)	15.86
	<u>4,006.22</u>





**Note no. 2.26: Notes on Accounts**

a. Pursuant to the Scheme of Arrangement (the Scheme) between "James Warren Tea Limited (formerly James Warren Tea Private Limited" (herein after referred as Company) and "Warren Tea Limited" (herein after referred as WTL) as approved/consented by the Shareholders of the respective companies on 20<sup>th</sup> June 2013 and 13<sup>th</sup> September 2013 respectively and sanctioned by the Hon'ble High Court at Guwahati on 16<sup>th</sup> December 2013 under the provisions of The Companies Act, 1956;

- The "James Warren Tea Division" of WTL (herein after referred as Tea Division) comprising of Balijan (H), Deamoolie , Dhoedhaam , Rajah Ali , Thowra , Tippuk and Zaloni tea estates have been demerged from WTL and merged with the Company w.e.f. 01.04.2011( the appointed date)

The Certified copy of the order of Hon'ble High Court at Guwahati was filed with the Registrar of the Companies, Shillong as on 9<sup>th</sup> January 2014. The accounts of the Company for the year have been prepared by giving the effect of the scheme. According to the scheme, with effect from the appointed date, WTL has carried out all its business activities in relation to Tea Division in trust till the scheme becomes effective.

The Salient Features of the scheme are as under:

- i. WTL is mainly engaged in the business of cultivation & manufacture. From the appointed date all the assets and liabilities of Tea Division have been incorporated in the books of the Company at their respective books values, as segregated by the management of WTL, on the basis of the audited accounts of WTL as on the appointed date.
- ii. In terms of the Scheme, the Company shall issue 1(one) equity shares of Rs. 10 (Ten) each fully paid up, ranking pari passu, for 1(One) equity share of Rs. 10 (ten) each fully paid up held by the shareholders in WTL at the record date.
- iii. In terms of the scheme, the difference between the purchase consideration and value of net assets acquired of Tea Division after carrying out necessary amendments and /or adjustments, an amount of Rs. 2000 lacs and Rs. 3821.70 lacs has been adjusted as surplus and General Reserve respectively in the books of the company being amalgamation in the nature of merger.
- iv. Shares Suspense represents 1,19,50,804 equity share of Rs. 10 (Ten) each fully paid to be issued in terms of point no. II above which will rank parri passu with the existing shareholders of the Company as per the scheme with effective from appointed date. The shares shall be allotted on completion of necessary formalities.
- v. In terms of scheme, the company shall issue 99.58% of its post scheme share capital base to the shareholders of WTL. Further as per point II supra, each shareholders of WTL shall receive (one) equity shares of Rs. 10 (Ten) each fully paid up against 1(One) equity share of Rs. 10 (ten) each fully paid up held in WTL.



**JAMES WARREN TEA LIMITED (Formerly James Warren Tea Private Limited/ Dashabhooja Mercantile Tourism Private Limited)**

**Note to the Financial Statements for the year ended 31<sup>st</sup> March, 2012.**

**Rs in lakhs**

- vi. The income accruing and expenses incurred by Tea Division from the appointed date till 31st March 2012 have been properly dealt in these accounts. In view of scheme, Warren Tea limited had carried out the activities of the Tea Division for the financial year 2011-12 and a sum of Rs. 718.26 lacs was receivable from Warren Tea Limited as on 31.3.2012 and the same has been shown under Short Term Loans and Advances. While calculating the above dues, Warren Tea limited had deducted a sum of Rs. 32.55 lacs towards usage charges of their fixed assets by the tea division for 2011-12 and a sum of Rs. 15.86 lacs (net of Taxes) towards the tea division's share of loss of travel division of pre demerged Warren Tea Limited.
- vii. Pending completion of the relevant formalities of transfer in/out of certain assets and liabilities of Tea Division, such assets and liabilities remain to be transferred in the name of the Company. Further the charges created in favour of secured lenders are in the process of modification for the assets transferred. Provision for statutory liability if any on the transfer of immoveable properties shall be made on completion of transfer formalities.
- viii. The purpose of the preparation of the financial statements of the company for the financial year 2011-12 is to facilitate the filing of the revised Income Tax Return of the Company for the Assessment year 2013-13 after giving the impact of the scheme.
- ix. The summary of assets and liabilities transferred under the scheme of arrangement as on the appointed dates is as follows:

Particulars	Amount (Rs. in Lacs)
<b>Assets</b>	
Fixed Assets & Capital Work in Progress	4818.30
Non Current Investments	159.63
Inventories	775.94
Trade Receivables	643.73
Cash and Cash Equivalents	2621.10
Short Term Loans & Advances	319.55
Other Current Assets	159.36
<b>Total</b>	<b>9497.61</b>
<b>Liabilities</b>	
Long Term Borrowings	299.55
Deferred Tax Liabilities	59.87
Long Term Provision	725.79
Trade Payable	629.73
Other Current Liabilities	279.27
Short Tem Provision	486.62
<b>Total</b>	<b>2480.83</b>
<b>Represented By</b>	
Equity share Capital to be issued	1195.08
Surplus ( Profit & Loss Account)	2000.00
General Reserve	3821.70



**JAMES WARREN TEA LIMITED (Formerly James Warren Tea Private Limited/ Dashabhooja Mercantile Tourism Private Limited)**

**Note to the Financial Statements for the year ended 31<sup>st</sup> March, 2012.**

**Rs in lakhs**

- b. The Company is mainly engaged in the manufacturing and selling of Tea and hence segment reporting under Accounting Standard – 17 on segment reporting as notified under “The Companies Accounting Standard Rule 2006” is not applicable to the Company. None of the income from other sources falls under the criteria of reportable segment as per the relevant provision of the Accounting Standard.
- c. Cost of material consumed represents consumption of green leaf other than grown in the Company.
- d. In view of approval from Registrar of Companies, Shillong, the name of the company has been changed to James Warren Tea Limited w.e.f. 19th June 2013.
- e. Pursuant to an agreement dated 8th October, 2002, Tippuk Tea Estate located in DoomDooma sub-district in Assam was acquired by Warren Tea Limited with effect from 01.10.2002. The above tea estate has been transferred to the company under the scheme of arrangement. The conclusion of the deed of conveyance for agreement dated 8<sup>th</sup> October, 2002 is in process.
- f. Depreciation/ amortization is provided on Straight Line Method at the following rates:
- |  | %    |
|--|------|
| i. Buildings, Roads and Bridges (including Tenancy Rights) | 5.0  |
| ii. Plant and Machinery: Computers including Software      | 20.0 |
| : Others   | 7.50 |
| iii. Air conditioners, Refrigerators and Other Equipments  | 7.50 |
| iv. Furniture and Fixtures                                 | 7.50 |
| v. Vehicles  | 15.0 |
- g. Under the Assam Fixation of Ceiling of Land Holding Act, 1956, undeveloped lands, approximately 3745 hectares of Warren tea limited have been vested in the State Government. The same includes certain portion of land transferred to the company under the scheme of arrangement. Necessary adjustments in respect of land compensation will be made in the accounts on settlement of the same.



**JAMES WARREN TEA LIMITED (Formerly James Warren Tea Private Limited/ Dashabhooja Mercantile Tourism Private Limited)**

Note to the Financial Statements for the year ended 31<sup>st</sup> March, 2012.

Rs in lakhs

	<u>2011-12</u>	<u>2010-11</u>
h. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advance)	-	-
i. Contingent Liabilities		
(i) Claim not acknowledged as debts	13.00	-
(ii) Sales Tax Demands in dispute( Under Appeal)	152.07	-
j. Unpaid Disputed Statutory Dues in respect of		
(A) Sales tax		
Forum: Deputy Commissioner of Taxes (Appeal)	41.09	-
Commissioner of Taxes	57.15	-
Hon'ble Guwahati High Court	26.88	-
(B) Land revenue		
Forum: Additional Deputy Commissioner	27.27	-
k. Amount paid/ payable to Auditors		
Statutory Auditors		
(i) Audit fees	8.81	0.04
(ii) For Tax audit	1.10	-
(iii) For Limited Review & Other Matters	2.18	-
(iv) Out of Pocket Expenses	0.15	-
Cost Audit	0.68	-
l. Consumption of Stores and Spares	Rs.	%
All Indigenous only	1423.71	100
	-	-
m. Earnings in Foreign Currency		
Exports on F.O.B Currency	431.76	-
n. Expenditure in foreign currency		
(i) Commission on export sales	5.56	-
(ii) Pension	2.19	-
(iii) Travelling	1.55	-



**JAMES WARREN TEA LIMITED (Formerly James Warren Tea Private Limited/ Dashabhooja Mercantile Tourism Private Limited)**

**Note to the Financial Statements for the year ended 31<sup>st</sup> March, 2012.**

**Rs in lakhs**

o. Provident fund contribution of Rs 19.47 lakhs on enhanced value of food grain concession provided to plantation workers in tea estates in Assam pursuant to circular of the Assam Tea Plantation Provident Fund and Pension Fund Scheme & D.L.I Scheme had not been deducted and paid in view of a stay granted by the Hon'ble Guwahati High Court on same grounds which has since been deducted and paid fully.

p. Basic and Diluted earnings per share

	<u>2011-12</u>	<u>2010-11</u>
Weighted number of equity shares outstanding at the end of the year (Including 1,19,50,804 equity shares to be issued under the scheme)	1,19,60,804	10,000
Face Value of each Equity Share (Rs)	10	10
Profit after tax available for distribution to the Equity shareholders	298.90	-
Basic and Diluted earnings per share (Rs)	2.50	-

q. Post Employment Defined Benefit Plans:

The Company operates defined Benefit Schemes like Gratuity, Superannuation, Pension and Additional Retiral Benefit Plans based on current salaries in accordance with the Rules of the Funds/Plans.

In terms of accounting policies enumerated in Note no.1 the following Table sets forth the particulars in respect of Defined Benefit Plans of the Company for the year ended 31st March, 2012 arising out of actuarial valuations:

Particulars	Funded Plans		Unfunded Plans	
	Gratuity	Superannuation	Pension	Additional Retiral Benefits
A. Present Value of Obligation at the end of the year	1272.04	273.55	661.97	26.26
B. Present Value of Plan Assets at the end of the year	1121.24	287.50	-	-
C. (Asset)/ liabilities recognized in the Balance Sheet (A-B)	150.80	(13.95)	661.97	26.26
D. Expenses recognized in the Statement of profit and loss	265.56	34.30	69.22	13.43
<i>E. Category of Plan Assets-</i>				
Fund with Insurance Companies	392.80	63.19	-	-
Central Government Securities	163.67	35.24	-	-
State Government Securities	97.53	44.01	-	-
Bond/ Term Deposits	360.63	107.07	-	-
Special Deposits	91.11	28.87	-	-
Others (incl. Bank balances)	15.50	9.12	-	-
<i>Total Value of Plan Assets</i>	<i>1121.24</i>	<i>287.50</i>	-	-



**JAMES WARREN TEA LIMITED (Formerly James Warren Tea Private Limited/ Dashabhooja Mercantile Tourism Private Limited)**

Note to the Financial Statements for the year ended 31<sup>st</sup> March, 2012.

Rs in lakhs

<i>F. Principal Actuarial Assumptions of funded unfunded plans:</i>	<b>2011-12</b>
	%
<i>Discount rate</i>	8.50
<i>Salary escalation</i>	5.00
<i>Inflation rate</i>	5.00
<i>Expected return of asset</i>	8.00

Post Employment Contribution Plan:

During the year an aggregate amount of Rs 356.42 (Previous Year – Rs nil) has been recognized as expenditure towards Provident Fund, defined contribution plan of the Company.

- r. In view of preparation and presentation of Statement of Profit & loss account for the first time, comparative figures for the previous year has not been given. Previous year figures have been regrouped/ rearranged, wherever considered necessary.

As per our Report of even date

For and on behalf of the Board of Directors

Singhi & Co.

Chartered Accountants

Firm Registration Number - 302049E



(Pradeep Kumar Singhi)

Partner

Membership Number – 50773

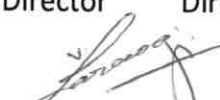
Kolkata, the 24<sup>th</sup> day of February 2014



Director



Director



Company Secretary