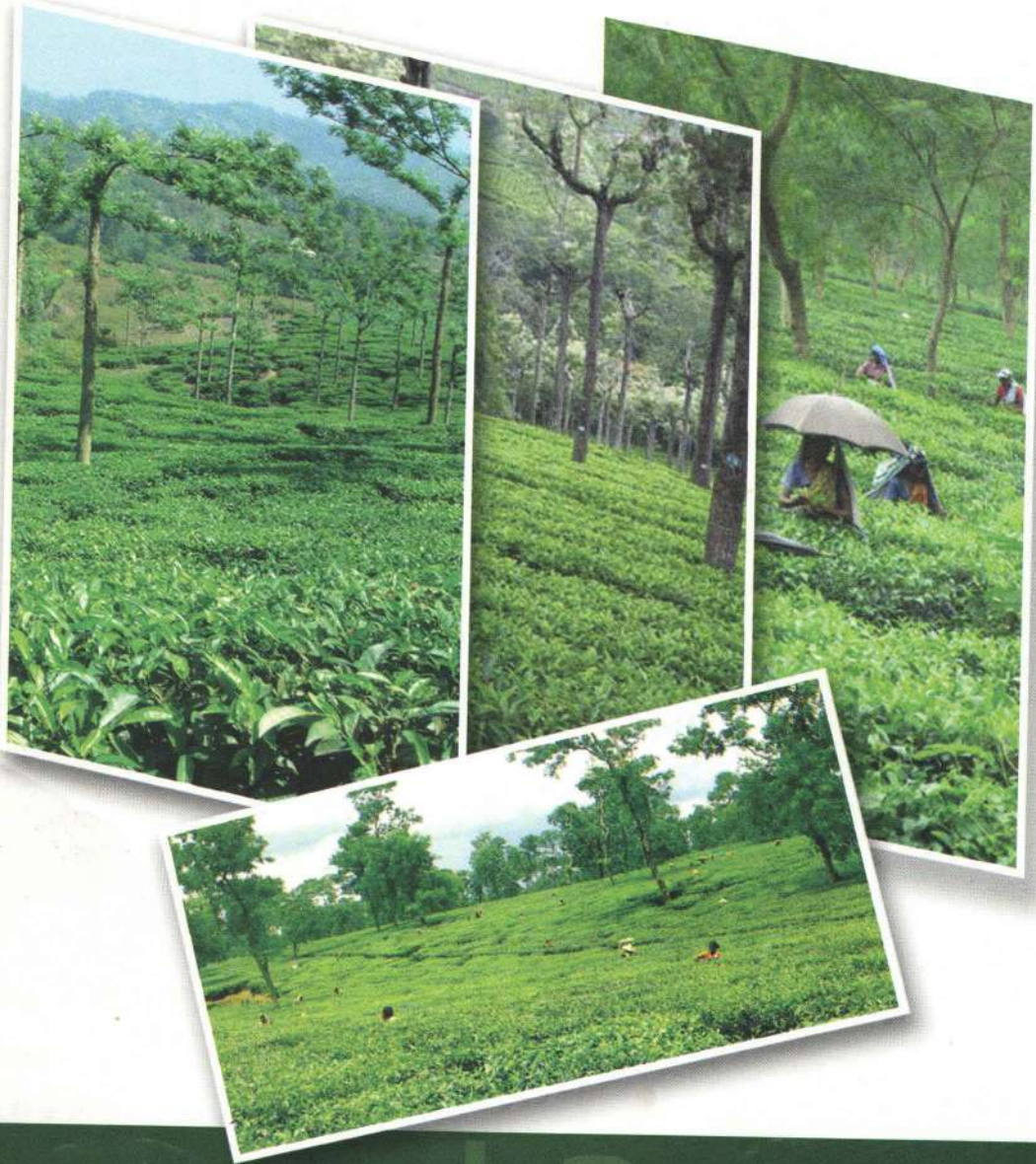




SCOTTISH ASSAM



Annual Report 2013 - 2014

DIRECTORS

B. P. JALAN
VIJENDRA KUMAR
NARENDRA KUMAR
DHIRENDRA KUMAR
RAJENDRA KUMAR
MRS. SMITA SARAF
MRS. DIVYA JALAN
S. K. JALAN-(Alternate Director to Mrs. Smita Saraf)
G. MOMEN
G. D. GUPTA
S. SARBADHIKARY-(Director Finance)

37th ANNUAL GENERAL MEETING

Date : 29th August, 2014
Day : FRIDAY
Time : 3.30 P.M.
Place : BHARATIYA BHASHA PARISHAD
4th Floor, 36-A, Shakespeare Sarani
Kolkata-700017
Book Closure : 19th August, 2014
to 29th August, 2014
(Both days inclusive)

ESTATE GENERAL MANAGER

K.N.SINGH

AUDITORS

SINGHI & CO
CHARTERED ACCOUNTANTS

BANKERS

UNITED BANK OF INDIA

REGISTERED OFFICE

1, CROOKED LANE
KOLKATA-700069

TEA ESTATE

HEELEAKAH TEA ESTATE
P.O. KHARIKATIA
DISTRICT : JORHAT
(ASSAM)

CONTENTS	PAGE NO.
Notice of Annual General Meeting	1
Directors' Report	5
Secretarial Compliance Certificate	10
Independent Auditors' Report	14
Balance Sheet	18
Statement of Profit & Loss	19
Cash Flow Statement	20
Notes to Financial Statements	22
Proxy Form	



NOTICE

NOTICE is hereby given that the 37th Annual General Meeting of THE SCOTTISH ASSAM (INDIA) LIMITED will be held at BHARATIYA BHASHA PARISHAD, 4th Floor, 36A, Shakespeare Sarani, Kolkata-700017 on 29th August, 2014 at 3.30 P.M. to transact the following business:-

1. To receive, consider and adopt the Audited Accounts and Report of the Directors and the Auditors of the Company for the year ended 31st March, 2014.
2. To declare Dividend for the year 2013-2014.
3. To appoint Director in place of Mr. B.P.Jalan (DIN 00015893), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Director in place of Mr. Narendra Kumar (DIN 00121320), who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Director in place of Mr. G.Momen (DIN 00402662), who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Director in place of Mrs. Smita Saraf (DIN 00195506), who retires by rotation and being eligible offers herself for re-appointment.
7. To appoint Auditor Messers. Singhi & Co., Chartered Accountants, and to fix their remuneration.

"Resolved that Messrs. Singhi & Company, Chartered Accountants (Firm Registration No. 302049E) be and is hereby reappointed as Auditors of the Company from the conclusion of this meeting till the conclusion of the next annual general meeting at remuneration as may be decided by the Board of Directors."

By order of the Board

Registered Office:

1, Crooked Lane,

Kolkata - 700 069

The 30th day of May, 2014.

(B. P. Jalan)
Director



NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/her and the Proxy need not be a member. Proxy in order to be effective must be received by the company not less than 48 hours before the meeting.

Members are requested to notify to the Registrar of the Company, M/s. ABS CONSULTANT PVT LTD, Stephen House, 6th Floor, Room No. 99, 4, B.B.D. Bag (East), Kolkata – 700 001, any change in their address.

2. The Register of Members and Equity Share Transfer Registers will remain closed from **19th August, 2014 to 29th August, 2014 (both days inclusive)**.
3. **Voting through electronic means**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members holding shares either in physical form or in dematerialized form the facility to exercise their right to vote at the 37th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL). The instructions for e-voting are as under:

The notice of the 37th Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form is being dispatched to all the Members. The e-Voting particulars are provided at the bottom of the Attendance Slip for the 37th Annual General Meeting (AGM) :

- a. Log on to the e-voting website: www.evotingindia.com during the voting period.
- b. Click on "Shareholders" tab.
- c. Now, select Electronic Voting Sequence No. as mentioned in the Attendance Slip alongwith **"THE SCOTTISH ASSAM (INDIA) LIMITED"** from the drop down menu and click on "SUBMIT".
- d. Now Enter your User ID (as mentioned in the Attendance Slip) :
 - i. For CDSL : 16 digits beneficiary ID,
 - ii. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
 - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- e. Next enter the Image Verification as displayed and Click on Login.
- f. If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- g. However, if you are a first time user, please use the e-Voting particular provided in the Attendance Slip and fill up the same in the appropriate boxes:
- h. After entering these details appropriately, click on "SUBMIT" tab.
- i. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field.

Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- j. For Members holding shares in physical form, the **details in Attendance Slip** can be used only for e-voting on the resolutions contained in this Notice.

- k. Click on the relevant EVSN **"THE SCOTTISH ASSAM (INDIA) LIMITED"** for which you choose to vote.
- l. On the voting page, you will see **"Resolution Description"** and against the same the option **"YES/NO"** for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- m. Click on the **"Resolutions File Link"** if you wish to view the entire Resolutions.
- n. After selecting the resolution you have decided to vote on, click on **"SUBMIT"**. A confirmation box will be displayed. If you wish to confirm your vote, click on **"OK"**, else to change your vote, click on **"CANCEL"** and accordingly modify your vote.
- o. Once you **"CONFIRM"** your vote on the resolution, you will not be allowed to modify your vote.
- p. You can also take out print of the voting done by you by clicking on **"Click here to print"** option on the Voting page.
- q. If Demat account holder has forgotten the **changed password** then enter the User ID and image verification code click on **Forgot Password &** enter the details as prompted by the system.
- r. • Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to **https://www.evotingindia.co.in** and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to **helpdesk.evoting@cdslindia.com**.
- After receiving the login details they have to create a user who would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Authorised Person/Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- II. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **www.evotingindia.co.in** under help section or write an email to **helpdesk.evoting@cdslindia.com**. You can also contact the helpdesk on the toll free number:1800-200-5533.
- III. **The e-voting period begins from 23rd August, 2014 at 9.30 a.m. and ends on 25th August, 2014 at 6.00 p.m. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off/entitlement date of 18th July, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.**
- Once the vote on a resolution is cast by the shareholder by electronic means, the shareholder shall not be allowed to change it subsequently or cast his vote by any other means.**
- IV. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off/entitlement date of **18th July, 2014**.
- V. **Mr. Pravin Kumar Drolia, Company Secretary (Membership No. 2366) of Drolia & Co. has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.**
- VI. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The Results shall be declared on or after the 37th Annual General Meeting (AGM) of the Company. This Notice as well as the Results declared alongwith the Scrutinizer's Report shall be placed on the website of CDSL within two (2) days of passing of the resolutions at the 37th Annual General Meeting (AGM) of the Company on **29th August, 2014** and communicated to the **"The Calcutta Stock Exchange Association Limited"**.

4. The dividend, as recommended by the Board, if sanctioned at the meeting, will be paid on or after 8th September, 2014 to those members of the Company holding shares in physical form whose name appear on the Register of Members on 19th August, 2014, in respect of shares held in electronic form, the dividend will be paid to the beneficial owners of the shares as on beginning of 19th August, 2014, as per details provided by the Depositors for this purpose.
5. Members desirous of getting any information on account of operations of the Company is requested to forward his queries to the Company's Registered Office **at least seven days prior** to the Meeting so that the required information can be made available at the Meeting.
6. Members are hereby informed that Dividends which remain unpaid or unclaimed over a period of 7 years have to be transferred by the Company to Investor Education & Protection Fund (IEPF) constituted by the Central Government under Section 205A and 205C of the Companies Act 1956. Further, under the amended provisions of Section 205B of the Companies Act, 1956, no claim shall lie for the unclaimed dividend from IEPF or from the Company by the Shareholders. Accordingly unclaimed Equity Dividend for the financial year 2005-2006 has been transferred to such Investor Education Protection Fund (IEPF). The due dates of transfer of the following dividends to the Fund are as under:

Dividends for the year	Date of declaration of dividend	Due date of transfer to the Fund
2006-2007	24.09.2007	30.10.2014
2007-2008	26.08.2008	25.09.2015
2008-2009	03.09.2009	10.10.2016
2009-2010	13.09.2010	20.10.2017
2010-2011	29.09.2011	05.11.2018
2011-2012	07.09.2012	14.10.2019
2012-2013	31.07.2013	07.09.2020

By order of the Board

Registered office:
1, Crooked Lane,
Kolkata - 700 069
The 30th day of May, 2014.

(B. P. Jalan)
Director

DIRECTORS' REPORT

Your Directors have pleasure in presenting their 37th Annual Report together with Audited Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS

	For the year Ended 31.03.2014	For the year Ended 31.03.2013
	(₹ in Lacs)	(₹ in Lacs)
Profit from operation	118.97	128.74
Other Income	46.10	23.80
Increase/(Decrease) in Stock	<u>29.47</u>	<u>(9.01)</u>
Profit before Depreciation & Taxation	194.54	143.53
Less: Depreciation for the year	<u>(43.65)</u>	<u>(31.63)</u>
Profit/(Loss) before taxation	150.89	111.90
Less: Provision for taxation - Income Tax-Current Year	(35.00)	(20.40)
- Earlier year	(6.27)	(7.04)
- Deferred Tax	4.65	(3.38)
Profit/(Loss) after Taxation	<u>114.27</u>	<u>81.08</u>
Add: Balance brought forward from last year	<u>85.78</u>	<u>80.34</u>
Amount available for appropriation	<u>200.05</u>	<u>161.42</u>
The Director recommend disposal as follows: -		
Dividend on Equity Shares @ 30% (earlier year @30 %)	24.00	24.00
Tax (Including surcharge & education cess)	1.64	1.64
(Tax@16.995% on proposed dividend)		
Transfer to General Reserve	85.00	50.00
Balance to be carried forward to next year	<u>89.41</u>	<u>85.78</u>
	<u>200.05</u>	<u>161.42</u>



DIVIDEND

Your Directors are pleased to recommend dividend of Rs. 3/- per share for the year ended 31st March, 2014.

TRANSFER TO RESERVES

The Company proposes to transfer Rs.85.00 lacs to General Reserve out of the amount available for appropriations and an amount of Rs.89.41 lacs is proposed to be retained in the Profit and Loss Account.

PERFORMANCE

As reported last year, production during the earlier part of the last year was lower due to severe droughty condition. Subsequently, the loss was recovered in the later part of the year. In spite of difficult condition the final production for the year was 17,37,130 kgs. (both own & bought leaf) against previous year's figure of 15,70,510 kgs. (both own & bought leaf) showing an increase of 10.61% over the last year.

This has been possible due to better weather condition in the later part of the year, good field management and agriculture practice.

The average combined (own & bought leaf) price realization for the year was Rs.162.68 against last year's Rs.162.62 per kg.

This, as you will see is about the same, although your Directors had expected a stable and better realization due to lower carry over stocks. For the last several years the industry experienced pressure on tea prices inspite of substantial increase in the production cost of production all around.

The Company continues to take steps for the improvement in the quality of its produce. With this in mind, the Company continues with its programme of factory modernization to improve productivity and quality of teas. The replanting and infilling continues as per programme to ensure better yield.

PROSPECT

Heat wave and absence of rainfall (nearly drought condition) in the month of April and May, 2014 has badly affected tea production in your tea estate. This is in line with the condition prevailing in the entire tea producing areas of Assam as also Cachar and Dooars. The planters fear crop loss of nearly 10% this year. As a result pest attack in some areas have increased and have compounded the situation. It is feared that the production of second flush may take a beating due to the same. Due to absence of rainfall and high temperature, scorching of tea leaves has been reported from many estates. Continuous drought has caused substantial loss of crop in our garden in the month of April and May, 2014. Your Directors are taking whatever measures possible to fight back the situation.

The cost of all input and labour wages are continuously rising. The profitability for the current year would largely depend on the market condition, price and prospect of crop for the reaming period for the current season.

Your Directors only hope the situation will improve and will come under control.

INVESTMENTS

During the year Company invested some money in investments.

LABOUR AND STAFF WELFARE

Considerable sums were spent on maintenance of buildings, hospitals for the workers and for supply and maintenance of electricity and other facilities for workers' welfare.

PERSONNEL

The Directors would like to put on record their appreciation for the sincere efforts put in by the Company's workers, staffs and the management at all levels which have ensured regular production.



DIRECTORS

Pursuant to the provisions of Article 84 of the Articles of Association of the Company, Mr. B. P. Jalan, Mr. Narendra Kumar, Mr. G. Momen and Mrs. Smita Saraf will retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Mr. V. Vanchi resigned from the Board with effect from 5th November, 2013. Your Directors placed on record their appreciation for the valuable services rendered by him during his tenure as Director.

Mrs. Divya Jalan has been appointed as Director of the Company with effect from 9th November, 2013 in the casual vacancy created on the resignation of Mr. V. Vanchi and will hold office till date up to which Mr. V. Vanchi would have held office, if not vacated as aforesaid.

PARTICULARS OF EMPLOYEES UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AS AMENDED, is not applicable to us.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Details, as required under Section 217(2A) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Director) Rules, 1988 is set out in Annexure-I annexed hereto.

The Directors Responsibility Statement (DRS)

We the Board of Directors of The Scottish Assam (India) Limited confirms: -

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

AUDITORS REPORT

Auditors' have drawn your attention towards certain notes appearing in the Schedule attached to the Accounts. The same are, however, self-explanatory and therefore do not call for any further comments.

AUDITORS

Messrs. Singhi & Co., Chartered Accountants, retire at the forthcoming Annual General Meeting and, being eligible offer themselves for re-appointment for the year 2014-2015, which we recommend.

Registered Office:

1, Crooked Lane

Kolkata – 700069

The 30th day of May, 2014.

B. P. JALAN
NARENDRA KUMAR
DHIRENDRA KUMAR
DIVYA JALAN
G. MOMEN
G. D. GUPTA

Director

S. K. JALAN - Alternate Director

S. SARBADHIKARY - Director-Finance



ANNEXURE TO THE DIRECTORS' REPORT

Statement of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo forming part of Directors' Report for the year ended 31st March, 2014. Necessary information required by Companies (Disclosure of particulars in Report of Board of Directors) Rules, 1988 for conservation of energy, technology absorption and foreign exchange earnings and outgo enumerated below:

FORM A

Form of Disclosure of particulars with respect to conservation of energy :

A) POWER AND FUEL CONSUMPTION

<u>Particulars</u>	<u>Current Year</u>	<u>Previous Year</u>
	<u>2013-2014</u>	<u>2012-2013</u>
1. Electricity		
a) Purchased (Unit)	11,41,183	9,46,528
Total Amount (₹)	84,98,744	65,85,885
Rate/Unit (₹)	7.45	6.96
b) Own Generation		
i) Through Diesel (Unit)	1,54,316	2,53,672
Units per ltrs. of Diesel	2.67	2.67
Cost/Unit (₹)	21.68	16.79
2. Gas		
Quantity (Scum)	7,69,207	8,28,420
Total Amount (₹)	99,58,232	1,01,15,651
Rate per 1000 Scum	12,946.00	12,211.00
B) CONSUMPTION PER UNIT OF PRODUCTION		
Standards (if any)		
Products – Made Tea (Kgs)	17,37,130	15,70,510
Electricity (in units)/per Kg	0.66	0.60
Gas (in Scum)/per Kg	0.44	0.53

FORM-B

Form of disclosure of particulars with respect to Absorption, Research and Development (R & D)

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

The Company subscribes to Tea Research Association which is registered under Section 35(i)(ii) of the Income Tax Act, 1961



Technology absorption, adaptation and innovation

- | | |
|--|---|
| 1. Efforts in brief, made towards technology absorption, adaptation and innovation | Continuous efforts are being made towards absorption, adaptation and innovation of technology absorption maintaining close liaison with advisory officer of Tocklai Experimental Station. |
| 2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, import substitution etc. | Increase in Productivity and cost reduction by optimization of inputs. |

Foreign Exchange Earning and outgo

- | | | |
|--------------------------------------|---|-----|
| 1. Foreign Exchanged Earned (F.O.B.) | - | Nil |
| 2. Foreign Exchanged used | - | Nil |

Registered Office:
1, Crooked Lane
Kolkata – 700069
The 30th day of May, 2014.

B. P. JALAN
NARENDRA KUMAR
DHIRENDRA KUMAR
DIVYA JALAN
G. MOMEN
G. D. GUPTA

Director

S. K. JALAN - Alternate Director
S. SARBADHIKARY - Director-Finance

Note:

The Securities and Exchange Board of India (SEBI) introduced a uniform code of corporate governance by way of amendments to the listing agreements with stock exchange. This becomes operational within the financial year ending March 31, 2014 whose paid up share capital is Rs.3 crore and above. Since your company is having paid up share capital of Rs. 80 Lakhs, implementation and compliance of requirements as per amendment to the Listing Agreement (Clause 49) of Calcutta Stock Exchange, is not mandatory.



SECRETARIAL COMPLIANCE CERTIFICATE

DROLIA & COMPANY
(Company Secretaries)

CIN NO of the Company L01132 WB 1977PLC031175

Nominal Capital ₹ 2,00,00,000/-

Paid up Capital ₹ 80,00,000/-

The Members,
The Scottish Assam (India) Ltd,
1, Crooked Lane,
KOLKATA 700 069

We have examined the registers, records, books & papers of **M/s The Scottish Assam (India) Ltd**, 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 & Articles of Association of the Company for the financial year ended on 31st March, 2014. In our opinion & the best of our information & according to the examinations carried out by us & explanations furnished to us by the Company, its officers & agents, we certify that in respect of aforesaid financial year:

1. The Company has kept & maintained all the 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 Ministry of Corporate Affairs under the Companies Act, 1956 and the rules made there under. However, no forms or returns were required to be filed with the Regional Director, Central Government, Company Law Board or other authorities.
3. The Company being a Public Limited Company, the restriction clauses as provided in Section 3(1) (iii) of the Companies Act '1956 are not applicable.
4. The Board of Directors duly met five times respectively on 29/05/2013, 31/07/2013, 14/08/2013, 09/11/2013 and 14/02/2014 and Executive Committee of Board met once on 17/10/2013 in respect of which proper notices were given and the proceedings were properly recorded and signed in the Minutes Books maintained for the purpose. The Company has not passed any Board Resolution by circulation.
5. The Company had closed its Register of members for Dividend and other purposes during the above financial year from 18/07/2013 to 31/07/2013 (Both days inclusive).
6. The Annual General Meeting of the Company for the financial year ended on 31/03/2013 was held on 31/07/2013 after giving due notice to the Members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the aforesaid financial year.
8. The Company has not advanced any loan to its Director and/or persons, Firms or Companies referred to in Section 295 of the Act.



9. The Company has not entered into any contract falling within the purview of Section 297 of the Act.
10. The Company has not entered into any contract or arrangements which are required to be entered in the Register maintained under Section 301 of the act.
11. As there are no instances falling within the purview of Section 314 of the Act, the Company has not obtained approvals from the Board of Directors, Members or Central Govt.
12. The Company has not issued any Duplicate Share Certificates during the financial year under review.
13. The Company has:
 - a) not made allotment of any Equity Share or other Security during the year under review,
 - b) delivered all the certificates lodged thereof for transfer/transmission, consolidation, exchange, or for any other purposes within statutory time limit as prescribed under various provisions of the Companies Act and as per listing agreement,
 - c) paid /posted warrants for Dividend declared for the financial year ended on 31/03/2013 to all the Members within statutory time period as prescribed under Section 205A of the Act from the date of declaration,
 - d) deposited the whole of the amount of Dividend so declared in a separate Bank account within statutory time period as prescribed under the provisions of the Act,
 - e) transferred the entire amount of unpaid Dividend account for the financial year 2005-2006 to IEPF under Section 205C of the Act within statutory time period. Except this no other amount was due for transfer to IEPF,
 - f) duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. The Company has appointed Smt. Divya Jalan on 09/11/2013 as a Director in Casual vacancy caused due to resignation of Shri Varadarajan Vanchi. There were no appointment of additional Director or alternate Director during the above financial year.
15. The Company has re-appointed Shri S. Sarbadhikary as a Whole Time Director w.e.f 01/04/2013 for a period of 3 years during the above financial year as per applicable provisions of the Act. There were no appointment of Managing Director or Manager during the year under review.
16. The Company has not appointed any Sole-selling Agent during the above year under review.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such other authorities prescribed under the various provisions of the Act.
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. The Company has not issued any Shares/Debentures/other Securities during the above financial year.
20. The Company has not bought back Share during the above financial year.
21. The Company has neither issued nor redeemed any redeemable preference Share and/or Debenture during the above financial year.



22. There was no transaction necessitating the Company to keep in abeyance the right to Dividend, Rights Shares and Bonus Shares pending registration of transfer of Shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act during the above financial year under review.
24. The Company has borrowed secured loan from Bank during the above financial year and which are within the limit prescribed under Section 293(1) (d) of the Act.
25. The Company has neither granted loan and advances to any Bodies Corporate nor given guarantee or provided securities in relation to loan taken by any other Bodies Corporate during the above financial year under Section 372A of the Act. But the Company has made investments in units of various Mutual Funds in compliance with the provisions of the Act and maintained proper records and contacts relating to such transactions and made necessary entries in the Register kept for this purpose. The Company held all the Investments in its own name.
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 above financial year.
27. The Company has not altered the provisions of Memorandum with respect to the objects of the Company during the above financial year.
28. The Company has not altered the provisions of Memorandum with respect to name of the Company during the above financial year.
29. The Company has not altered the provisions of Memorandum with respect to Share Capital of the Company during the above financial year.
30. The Company has not altered its Articles of Association during the above financial year.
31. There was no prosecution initiated against or show cause notices received by the Company during the above year for offence under the various provisions of the Act.
32. The Company has not received any money as security from its employees during the above financial year.
33. The Company has deposited both the employer's and employee's contribution towards Provident Fund with the prescribed authorities pursuant to Section 418 of the companies Act.

For **DROLIA & COMPANY**
(Company Secretaries)

Place : 9, Crooked Lane
Kolkata - 700 069

P. K. Drolia
Proprietor

Date : The 30th day of May, 2014

CP No. 1362



ANNEXURE - A

Registers as maintained by the Company :

Sl. No.	Particulars	Section
1.	Register of Members	150
2.	Directors Minutes Book	193
3.	Shareholders Minutes Book	193
4.	Register of Directors	303
5.	Share Transfer Register	—
6.	Register of Director's Shareholding	307
7.	Shareholder's Attendance Register	—
8.	Attendance Register for Director's Meeting and Committee Meeting	—
9.	Register of Contracts in which Directors are interested	301
10.	Register of lost, duplicate and consolidated Share certificates	—
11.	Register of loans and advances	372A
12.	Register of charges	143
13.	Books of accounts and other cost records	209

ANNEXURE - B

Forms and returns as filed by the Company with the Ministry of Corporate Affairs during the financial year ended on 31st March'2014.

Sl. No.	Form No./Return	Filed under Section	Date of filing	Whether filed within statutory time period
1.	Form INV 5 for investor wise details in excel sheet of unpaid and unclaimed Dividend of seven years as on date of AGM held on 31/07/2013		24/09/2013	Yes
2.	Form No 23C for appointment of cost Auditor for F/Y 2013-14	233B(2)	15/06/2013	Yes
3.	Compliance Certificate for F/Y 31.03.2013 in e-form 66	383A	07/08/2013	Yes
4.	Balance sheet as at 31st March 2013 in e-forms 23AC XBRL & 23ACA XBRL	220	28/08/2013	Yes
5.	Annual Return made Up to 31/07/2013 in e-form 20B	159	23/08/2013	Yes
6.	Form No. 1INV for F/Y 2005-06 pursuant to rule 3 of IEPF	205C	21/11/2013	Yes
7.	Form 25C for re-appointment of Shri S Sarbadhikary as whole time Director	269(1)	27/06/2013	Yes
8.	Form 23 for re-appointment of Shri S Sarbadhikary as whole time Director u/s 269	192	21/08/2013	Yes
9.	Form 32 for appointment of Smt. Divya Jalan as Director in Casual Vacancy and for resignation of Mr. Varadarajan Vanchi w.e.f 09/11/2013	262/303(2)	26/11/2013	Yes
10.	Form 1 in XBRL	233B(4)	31/08/2013	Yes



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accompanying financial statements of **THE SCOTTISH ASSAM (INDIA) LIMITED ("the Company")**, which comprise the Balance Sheet as at March 31, 2014 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") read with general circular 15/2013 dated 13th September, 2013 by Ministry of Company Affairs in respect of section 133 of the Companies Act 2013. 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.

Auditors' 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 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- 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 the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, 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.

2. 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 with general circular 15/2013 dated 13th September 2013 by Ministry of Company Affairs in respect of section 133 of the Companies Act 2013;
 - e) On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, 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 No.302049E

1-B, Old Post Office Street,
Kolkata-700001
The 30th day of May, 2014.

(Gopal Jain)
Partner
Membership No. : 059147



The Annexure referred to in paragraph 1 with the heading "Report on other legal and regulatory requirement" of Our Report of even date to the members of The Scottish Assam (India) Limited on the accounts of the Company for the year ended 31st March, 2014.

- (i) In respect of fixed assets
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
 - b) According to the explanation given to us, the physical verification of the fixed assets is being conducted by the management in a phased manner to cover the entire Fixed Assets. No material discrepancies have been observed during the physical verification exercise undertaken during the year.
 - c) The Company has not disposed off substantial fixed Assets during the year.
- (ii) In respect of inventories
 - a) As explained to us, inventories were physically verified during the year by the management/internal auditor at reasonable intervals.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management/internal auditor were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed.
- (iii)
 - a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly clause (iii)(b) to (d) of the Order is not applicable.
 - b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly clause (iii)(f) to (g) of the Order are not applicable.
- (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 for the purchase of inventory and fixed assets and for the sale of goods. The Company is not in the business of sale of services. During the course of our audit, no major weakness has been noticed in the internal control system.
- (v) According to the information and explanation given to us and as per records made available to us, there are no contracts or arrangements as referred to in Section 301 of the Companies Act have been entered into by the company during the year.
- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants as appointed by the management have been commensurate with the size of the Company and the nature of its business.
- (viii) We have broadly reviewed the books of account and records maintained by the Company pursuant to the order made by the Central Government for the maintenance of Cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (ix) According to the information and explanations given to us in respect of statutory and other dues:



- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income tax, Sales tax, Wealth tax, Service tax and other material statutory dues except certain delays have been generally regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Income tax, Sales tax, Wealth tax, Service tax and other material statutory dues were in arrears as at 31st March, 2014, for a period of more than six months from the date they become payable except non payment of service tax amounting to ₹1,94,990/- lying unpaid as on 31st March, 2014 (since paid).

- (b) The following disputed statutory liabilities have not been deposited in view of pending Appeals :

Name of the Statute	Nature of the dues	Forum where dispute is pending	Amount involved ₹	Period to which amount relates
Income Tax Act 1961	Income Tax demand	CIT (Appeals)	11,16,667/-	A.Y 2009-10
Income Tax Act 1961	Income Tax demand	CIT (Appeals)	1,72,052/-	A.Y 2010-11

- (x) The Company does not have accumulated losses as at the end of the year. The Company has not incurred cash losses during the current financial year and immediate preceding financial year.
- (xi) Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of the dues to banks.
- (xii) According to the information and explanations given to us, no loans or advances has been granted by the Company on the basis of securities by way of pledge of shares, debentures or other securities.
- (xiii) The Company is not a Chit Fund or a Nidhi/Mutual benefit fund/society.
- (xiv) The Company is not in the business of dealing or trading in shares and securities. The Company has made investments in mutual funds and has maintained proper records of the transactions and contracts relating to purchase of investments and timely entries have been made therein. The Company in its own name has held all the investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans have been applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us, and on the basis of overall examination of the Cash Flow Statements, no fund raised on short term basis, prima facie, been used during the year for long term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- (xix) The Company has not issued any debentures during the period covered by our audit report.
- (xx) The Company has not raised monies by way of public issues during the year.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us and so far as appears from our examination of books and records of the Company, we are of the opinion that no fraud on or by the Company was noticed and reported during the year.

For SINGHI & CO.
Chartered Accountants
Firm Registration No.302049E

1-B, Old Post Office Street,
Kolkata-700001
The 30th day of May, 2014.

(Gopal Jain)
Partner
Membership No. : 059147



THE SCOTTISH ASSAM (INDIA) LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2014

	Note No.	As At March 31, 2014		As At March 31, 2013	
		₹	₹	₹	₹
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	2.1	80,00,000		80,00,000	
Reserves & Surplus	2.2	<u>19,37,54,846</u>		<u>18,48,91,165</u>	
			20,17,54,846		19,28,91,165
NON-CURRENT LIABILITIES					
Long-Term Borrowings	2.3	68,41,343		78,93,003	
Deferred Tax Liabilities (Net)	2.4	3,52,044		8,17,349	
Long-Term Provisions	2.5	<u>40,500</u>		<u>40,500</u>	
			72,33,887		87,50,852
CURRENT LIABILITIES					
Short-Term Borrowings	2.6	3,03,21,983		3,70,67,993	
Trade Payables	2.7	1,13,82,634		56,35,402	
Other Current Liabilities	2.8	92,38,154		65,14,637	
Short-Term Provisions	2.5	<u>1,09,49,442</u>		<u>60,82,793</u>	
			6,18,92,213		5,53,00,825
TOTAL-EQUITY AND LIABILITIES			<u>27,08,80,946</u>		<u>25,69,42,842</u>
ASSETS					
NON-CURRENT ASSETS					
Fixed Assets	2.9	2,28,10,216		2,43,19,948	
Capital Work In Progress	2.9	19,28,317		11,87,668	
Non-Current Investments	2.10	21,39,25,328		20,33,97,382	
Long-Term Loans and Advances	2.11	<u>48,23,038</u>		<u>62,96,298</u>	
			24,34,86,899		23,52,01,296
CURRENT ASSETS					
Inventories	2.12	1,93,16,222		1,35,45,309	
Trade Receivables	2.13	22,06,438		3,84,088	
Cash and Bank Balances	2.14	35,83,482		57,33,404	
Short-Term Loans and Advances	2.11	22,59,285		18,78,745	
Other Current Assets	2.15	<u>28,620</u>		<u>2,00,000</u>	
			2,73,94,047		2,17,41,546
TOTAL-ASSETS			<u>27,08,80,946</u>		<u>25,69,42,842</u>
Significant Accounting Policies	1				

The accompanying notes are an integral part of the Financial Statements

As per our report of even date annexed

For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

(Gopal Jain)
Partner
Membership No. : 059147
1-B, Old Post Office Street, Kolkata - 700 001
The 30th day of May, 2014.

B. P. JALAN
NARENDRA KUMAR
DHIRENDRA KUMAR
DIVYA JALAN
G. MOMEN
G. D. GUPTA

Director

S. K. JALAN - Alternate Director
S. SARBADHIKARY - Director-Finance



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Note No.	For the Year ended 31st March, 2014 ₹	For the Year ended 31st March, 2013 ₹
INCOME			
Revenue from Operations	2.16	26,89,41,371	25,10,11,803
Other Income	2.17	46,09,791	23,80,863
Total Income		27,35,51,162	25,33,92,666
EXPENSES			
Cost of Raw Materials Consumed (Increase)/Decrease in Inventories of Finished Goods	2.18	3,36,63,335	3,56,40,952
Employee Benefits Expense	2.19	(29,47,594)	9,01,018
Finance Costs	2.20	9,02,35,192	7,79,75,504
Other Expenses	2.21	54,05,053	54,48,862
	2.22	12,77,41,170	11,90,73,114
Total Expenses		25,40,97,156	23,90,39,450
Profit before Tax and Depreciation		1,94,54,006	1,43,53,216
Depreciation		43,65,067	31,62,850
Profit before Tax		1,50,88,939	1,11,90,366
Tax Expense:			
Current Tax		35,00,000	20,40,000
Tax Related to Earlier Years		6,27,051	7,03,981
Deferred Tax		(4,65,305)	3,38,365
Profit for the year		1,14,27,193	81,08,020
Basic & Diluted Earnings Per Share [nominal value ₹10/-]		14.28	10.14
Weighted Average of Equity Shares		8,00,000	8,00,000
Significant Accounting Policies	1		

The accompanying notes are an integral part of the Financial Statements

As per our report of even date annexed

For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

(Gopal Jain)
Partner
Membership No. : 059147
1-B, Old Post Office Street, Kolkata - 700 001
The 30th day of May, 2014.

B. P. JALAN
NARENDRA KUMAR
DHIRENDRA KUMAR
DIVYA JALAN
G. MOMEN
G. D. GUPTA

Director

S. K. JALAN - Alternate Director
S. SARBADHIKARY - Director-Finance

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

	For the year ended 2013-14		For the year ended 2012-13	
	(₹)	(₹)	(₹)	(₹)
A. Cash Flow from Operating Activities :				
Net profit before Tax and Extraordinary items		1,50,88,939		1,11,90,366
Adjustments for :				
Depreciation	43,65,067		31,62,850	
Dividend Income	-		(12,65,532)	
Finance Cost	54,05,053		54,48,862	
Interest Received	(31,800)		(31,800)	
(Profit)/Loss on Sale/Discard of fixed assets(net)	(1,07,921)		(3,08,985)	
Unclaimed balances written back	(38,230)		(90,955)	
Bad Debts Written off	4,89,861		62,324	
(Profit)/loss on sale of Investment (net)	(44,28,090)		(6,59,121)	
Operating Profit before Working				
Capital Changes		<u>2,07,42,879</u>		<u>1,75,08,009</u>
Adjustments for -				
Trade & Other Receivables	(28,95,570)		1,52,248	
Trade Payables, Provisions & Others	1,16,79,187		37,50,523	
Inventories	(57,70,913)		37,23,881	
Cash generated from/(used in)operations		<u>2,37,55,583</u>		<u>2,51,34,661</u>
Direct taxes (paid)/refund		(34,59,168)		(63,55,334)
Net Cash from/(used in) operating activities		<u>2,02,96,415</u>		<u>1,87,79,327</u>
B. Cash Flow from Investing Activities :				
Purchase of Fixed Assets/Capital work in Progress	(41,21,808)		(83,34,365)	
Sale of Fixed Assets	1,22,026		3,82,148	
(Purchase)/Sale of Non Current Investments(net)	(60,99,856)		(1,02,71,803)	
Interest received	31,800		31,800	
Dividend received	-		12,65,532	
Net Cash from/(used in) Investing Activities		<u>(1,00,67,838)</u>		<u>(1,69,26,688)</u>



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	For the year ended 2013-14		For the year ended 2012-13	
	(₹)	(₹)	(₹)	(₹)
C. Cash Flow from financing activities :				
Proceeds of long term borrowings	10,95,600		34,04,400	
Repayments of long term borrowings	-		(10,21,460)	
Proceeds from Working capital borrowings (net)	(67,46,010)		88,45,781	
Dividend including dividend tax paid	(25,63,152)		(27,89,340)	
Finance Cost paid	(51,79,625)		(54,47,719)	
Net cash from / (Used in) financing activities		(1,33,93,187)		29,91,662
Net increase/(decrease) in cash and cash equivalent (A+B+C)		(31,64,610)		48,44,301
Cash and cash equivalents as at 01.04.2013*		53,30,536		4,86,235
Cash and cash equivalents as at 31.03.2014*		21,65,926		53,30,536
		(31,64,610)		48,44,301

* Cash and cash equivalent consist of :-

Cash & Cash Equivalents

	As at 31.03.2014	As at 31.03.2013
Cash, cheques, drafts in hand etc.	2,40,760	3,16,567
Balance & Fixed Deposits with Banks	19,25,166	50,13,969
Cash and Cash equivalent	21,65,926	53,30,536

The aforesaid statement is prepared on indirect method.

The figures of the previous year have been reclassified to conform to current year classification

As per our report of even date annexed

For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

(Gopal Jain)
Partner
Membership No. : 059147
1-B, Old Post Office Street, Kolkata - 700 001
The 30th day of May, 2014.

B. P. JALAN
NARENDRA KUMAR
DHIRENDRA KUMAR
DIVYA JALAN
G. MOMEN
G. D. GUPTA

Director

S. K. JALAN - Alternate Director
S. SARBADHIKARY - Director-Finance



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	As At 31.03.2014 ₹	As At 31.03.2013 ₹
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2.1: SHARE CAPITAL

Authorised -

20,00,000 Shares of ₹10/- each 2,00,00,000 2,00,00,000

Issued, Subscribed & Paid-up :

8,00,000 Equity Shares of ₹10/- each 80,00,000 80,00,000

- There has been no change/movements in number of shares outstanding at the beginning and at the end of the reporting period.
- The Company has only one class of issued shares i.e. Equity Shares having par value of ₹10 per share. Each holder of Ordinary Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the ordinary shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.
- The Company does not have any Holding Company/Ultimate Holding Company.
- Details of shareholders holding more than 5% shares in the Company.

Ordinary Equity Shares of ₹10/- each fully paid up	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	%	No. of Shares	%
The Scottish Assam Tea Company Ltd.	3,20,000	40.00	3,20,000	40.00
Maryada Advisory Services Pvt. Ltd.	45,290	5.66	45,290	5.66
Pradip Kumar Khaitan (in the capacity of Trustee of Tea Trust)	1,13,250	14.16	-	-

- Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash for the period of five years immediately preceding the date as at which the Balance Sheet is prepared - Nil
- No Equity Shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment as at the Balance Sheet date.
- No shares have been bought back by the Company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.
- No securities convertible into Equity/Preference shares issued by the Company during the year.
- No calls are unpaid by any Director or Officer of the Company during the year.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	As At 31.03.2014 ₹	As At 31.03.2013 ₹
2.2 : RESERVES AND SURPLUS		
Capital Reserves		
As per the last Financial Statements	31,12,321	31,12,321
General Reserve		
As per the last Financial Statements	17,32,00,000	16,82,00,000
Add: Transferred from Surplus	85,00,000	50,00,000
	<u>18,17,00,000</u>	<u>17,32,00,000</u>
Surplus		
As per the last Financial Statements	85,78,844	80,33,976
Add : Profit for the year	1,14,27,193	81,08,020
	<u>2,00,06,037</u>	<u>1,61,41,996</u>
Less : Appropriations		
Proposed Dividend	24,00,000	24,00,000
Corporate Dividend Tax	1,63,512	1,63,152
General Reserve	85,00,000	50,00,000
Net Surplus	<u>89,42,525</u>	<u>85,78,844</u>
Total Reserves and Surplus	<u>19,37,54,846</u>	<u>18,48,91,165</u>

	Non-Current Portion		Current Maturities	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013

2.3 : LONG-TERM BORROWINGS

Secured

Term Loan from a Bank	27,00,000	34,04,400	18,00,000	-
Term Loan under Tea Board Special Purpose Tea Fund Scheme	41,41,343	44,88,603	3,47,260	-
Total Secured Borrowings	<u>68,41,343</u>	<u>78,93,003</u>	<u>21,47,260</u>	-
Amount disclosed under the head "Other Current Liabilities" (Note 2.8)	-	-	21,47,260	-
Total	<u>68,41,343</u>	<u>78,93,003</u>	<u>-</u>	<u>-</u>

Security

- i) Term Loan from the Bank is secured by equitable mortgage of Heeleakah Tea Estate and repayable in five half yearly equal installments starting from June, 2014.
- ii) Tea Board Special Purpose Tea Fund Scheme is secured by Second Charge by Equitable Mortgage on Fixed Assets(i.e., immovable properties including machinery) and also by Escrow of receivables. The loan amounting to ₹ 27,78,081/- is repayable in 16 equal half yearly installments starting 2014-15. The loan amounting to ₹ 17,10,522/- is repayable in 16 half yearly installments starting 2016-17

2.4 : DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liabilities

Arising on account of :		
Accumulated Depreciation	9,97,674	14,12,095
Less : Deferred Tax Assets		
Arising on account of :		
Carryover Capital Losses	5,44,586	5,71,815
Section 43B of Income-tax Act	1,01,044	22,931
Deferred Tax Liabilities (Net)	<u>3,52,044</u>	<u>8,17,349</u>

Note : Deferred tax assets and deferred tax liabilities have been offset as they relate to same governing tax law. Deferred tax assets on capital loss shall be set off against future capital gains on long term investments.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	Long-term		Short term	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
2.5 : PROVISIONS				
Provision for Employee Benefits				
Bonus	-	-	79,39,110	33,97,880
Gratuity	-	-	-	1,21,761
Other Provisions				
Provisions for Taxation (Net of advance)	40,500	40,500	4,46,820	-
Proposed Dividend	-	-	24,00,000	24,00,000
Corporate Dividend Tax*	-	-	1,63,152	1,63,152
	<u>40,500</u>	<u>40,500</u>	<u>1,09,49,442</u>	<u>60,82,793</u>

* In view of favourable order from Hon'ble High Court at Kolkata in case of other tea company, the liability for dividend distribution tax has been provided to the extent of 40% of the proposed dividend.

2.6: SHORT TERM BORROWINGS**Working Capital Borrowings (Secured)**

From a Bank	3,03,21,983	3,70,67,993
	<u>3,03,21,983</u>	<u>3,70,67,993</u>

Security :

- i) Secured by way of hypothecation of current assets including stock of finished goods, green leaves & export benefits related to Heeleakah Tea Estate and also by way of hypothecation of all movable Plant & Machinery & other movable fixed assets, all present and future. The loan is further secured by way of deposit of title deeds of Heeleakah Tea Estate.

	As at 31.03.2014 ₹	As at 31.03.2013 ₹

2.7: TRADE PAYABLES

For Goods and Services	1,13,82,634	56,35,402
	<u>1,13,82,634</u>	<u>56,35,402</u>

2.8 : OTHER CURRENT LIABILITIES

Current Maturities of Long Term Debt (See Note 2.3)	21,47,260	-
Interest accrued and due	2,26,571	1,143
Unpaid and unclaimed dividends (Amount not due to be deposited as on Balance Sheet date)	14,17,556	4,02,868
Statutory Dues	17,90,811	24,22,224
Advances Received from Customers	6,61,083	7,61,398
Employee Related Liability	16,69,352	10,89,764
Liability for Capital Goods	13,25,521	18,37,240
	<u>92,38,154</u>	<u>65,14,637</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

2.9 FIXED ASSETS

FIXED ASSETS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK		
	Cost as on 31.3.2013	Additions	Sold/ Adjusted	Total As at 31-3-2014	Up to 31-3-2013	For the Year	On Assets Sold/Adjusted	Total as at 31-3-2014	As at 31-3-2013
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Leasehold Land & Development (Pre-Amalgamation)	3,71,621	-	-	3,71,621	-	-	-	-	3,71,621
Garden Building & Machinery (Pre-Amalgamation)	41,92,147	-	-	41,92,147	38,03,501	54,061	-	38,57,562	3,34,585
Buildings	2,05,85,601	4,52,961	-	2,10,38,562	1,38,92,318	3,85,136	-	1,42,77,454	67,61,108
Plant & Machinery	4,74,53,196	23,32,584	7,70,784	4,90,14,996	3,41,86,913	29,59,177	7,56,679	3,63,89,411	1,26,25,585
Vehicles (includes cars, trailers, tractors etc.)	86,21,736	-	-	86,21,736	52,94,643	9,06,307	-	62,00,950	33,27,093
Furniture & Fittings	8,71,211	60,400	-	9,31,611	7,83,287	26,755	-	8,10,042	87,924
Office equipments	3,96,902	23,495	-	4,20,397	2,11,804	33,631	-	2,45,435	1,74,962
Total	8,24,92,414	28,69,440	7,70,784	8,45,91,070	5,81,72,466	43,65,067	7,56,679	6,17,80,854	2,28,10,216
Previous Year	7,52,26,949	89,63,937	17,18,472	8,24,92,414	5,66,54,925	31,62,850	16,45,309	58,14,42,466	2,43,19,948
Capital Work in progress									19,28,317
									11,87,668

Note : 1) Leasehold Land and development could not be bifurcated between freehold and leasehold in absence of necessary details.

2) The Assam Government acquired approximately 412 Hectares of land of Tea Estate under Assam Fixation of Ceiling of Land Holding Act, 1956 in earlier years. As the amount of compensation has not been finalised, it will be accounted for as and when received.

3) As per the requirements of Accounting standard-28 on "Impairment of Assets", the company has assessed the carrying amount of the tangible fixed assets vis a vis their recoverable values and no impairment has been envisaged at the balance sheet date.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	Face Value ₹	As at 31.03.2014		As at 31.03.2013	
		No. of units	Amount ₹	No. of units	Amount ₹
2.10 NON-CURRENT INVESTMENTS					
INVESTMENTS (At cost, unless otherwise stated)					
Long term (Other than Trade)					
Fully Paid-Up Shares/Securities					
Unquoted :					
20 Nos.5% Non Redeemable Registered Mortgage					
Debenture Stock of ₹ 100/- each of	100	20	2,000	20	2,000
Woodlands Hospital & Medical Research Centre Ltd.					
100 Equity Shares of ₹ 10/- each of ABC Tea	10	100	1,000	100	1,000
Workers Welfare Service			<u>3,000</u>		<u>3,000</u>
Units in MUTUAL FUNDS(Quoted)					
Birla Sunlife Dynamic Bond Fund	10	6,40,167	1,20,00,000	6,40,167	1,20,00,000
Birla Sunlife Income Plus (G)	10	2,34,966	1,20,00,000	2,34,966	1,20,00,000
H.D.F.C Prudence Fund Growth	10	-	-	159,109	3,25,98,508
UTI Bond Fund Growth Plan Regular	10	3,46,575	1,21,00,000	3,46,575	1,21,00,000
Franklin India Bluechip Growth	10	24,086	49,72,646	24,086	49,72,646
HDFC Balance Fund Growth	10	2,74,250	1,60,00,000	2,74,250	1,60,00,000
ICICI Prudential Income Opportunities Growth	10	8,28,242	1,24,01,261	8,28,242	1,24,01,261
HDFC Equity Fund (G)	10	6,374	20,00,000	6,374	20,00,000
ICICI Pru Focus Bluechip Equity G	10	4,77,629	75,65,651	4,77,629	75,65,651
IDFC Dynamic Bond Fund	10	5,44,754	1,20,00,000	5,44,754	1,20,00,000
Birla Sunlife '95 Fund - Growth	10	19,897	56,59,013	19,897	56,59,013
ICICI Prudential Income Plan Growth	10	2,22,634	80,00,000	2,22,634	80,00,000
Reliance Income Fund Growth Plan	10	2,67,757	1,00,00,000	2,67,757	1,00,00,000
Kotak Bond Fund	10	6,18,730	2,00,00,000	6,18,730	2,00,00,000
Reliance Equity Opportunities Growth	10	1,47,713	54,86,803	1,47,713	54,86,803
Reliance Regular Savings Balance Fund	10	6,94,541	1,60,00,000	6,94,541	1,60,00,000
HDFC FMP 392D March 2012(2) - Growth	10	-	-	14,61,050	1,46,10,500
Birla Sunlife Floating Rate Fund S T (G)	10	66,086	1,11,00,057	-	-
HDFC Floating Rate ST-G Wholesale	10	5,59,659	1,12,68,846	-	-
HDFC Prudence Fund-Growth	10	75,010	1,53,68,051	-	-
ICICI Prudential Balance Advantage Fund Regular (G)	10	10,64,391	2,00,00,000	-	-
			<u>21,39,22,328</u>		<u>20,33,94,382</u>
Total					
Long term (Trade)(Unquoted)	10	9,30,000	93,00,000	9,30,000	93,00,000
Ganga Steel & Alloys Limited			93,00,000		93,00,000
Less:Provision for diminution in value of Investment			-		-
			<u>21,39,25,328</u>		<u>20,33,97,382</u>
Grand Total					
Book value of Unquoted Investments			3,000		3,000
Book value of Quoted Investments			21,39,22,328		20,33,94,382
Market Value of Quoted Investments			24,48,94,406		21,61,83,610



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	Long-term		Short-term	
	As at	As at	As at	As at
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	₹	₹	₹	₹

2.11 LOANS & ADVANCES

Security Deposits

Unsecured and considered good	23,92,490	23,05,675	-	-
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Other Loans and Advances

(Unsecured, Considered good unless otherwise mention)

Advance Tax and TDS (Net of provisions)	24,30,548	37,90,623	-	-
Advance against supply of Goods and Services	-	-	2,96,235	2,39,048
Prepaid Expenses	-	-	3,48,214	3,99,351
Loan/Advance to Employees	-	2,00,000	2,80,556	2,40,000
Income Tax Refund Receivable	-	-	4,75,811	4,31,416
Receivable under Tea Board SPTF Scheme	-	-	4,00,458	4,99,332
Other Deposits and Advances	-	-	4,58,011	69,598
	<u>24,30,548</u>	<u>39,90,623</u>	<u>22,59,285</u>	<u>18,78,745</u>
	<u>48,23,038</u>	<u>62,96,298</u>	<u>22,59,285</u>	<u>18,78,745</u>

	As at	As at
	31.03.2014	31.03.2013
	₹	₹

2.12 : INVENTORIES

(As valued and certified by the Management)

Finished Goods	87,89,284	58,41,690
Stores in Transit	7,00,949	5,92,769
Stores and Spares	98,25,989	71,10,850
	<u>1,93,16,222</u>	<u>1,35,45,309</u>

Details of Inventories :

Tea (Finished Goods)	<u>87,89,284</u>	<u>58,41,690</u>
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2.13 : TRADE RECEIVABLES

(Unsecured and considered good)

Outstanding for a period exceeding six months	49,079	45,435
Other Receivables	21,57,359	3,38,653
	<u>22,06,438</u>	<u>3,84,088</u>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	For the Year Ended 31.03.2014 ₹	For the Year Ended 31.03.2013 ₹
2.14 : CASH AND BANK BALANCES		
Balances With Banks :		
In Current / Cash Credit Account	19,25,166	50,13,969
Cash on hand	2,40,760	3,16,567
Other Bank Balances :		
Unpaid Dividend Account	14,17,556	4,02,868
	<u>35,83,482</u>	<u>57,33,404</u>
2.15 : OTHER CURRENT ASSETS		
Other Receivables	<u>28,620</u>	<u>2,00,000</u>
	28,620	2,00,000
2.16 : REVENUE FROM OPERATIONS		
Sale of Finished Goods	26,81,76,641	24,98,02,485
Other Operating Revenues		
Subsidies	7,64,730	7,63,393
Tea Claim	-	4,45,925
	<u>26,89,41,371</u>	<u>25,10,11,803</u>
DETAILS OF SALE OF FINISHED GOODS		
Tea	26,81,76,641	24,98,02,485
	<u>26,81,76,641</u>	<u>24,98,02,485</u>
2.17 : OTHER INCOME		
Interest Income	31,800	31,800
Dividend on Long term investments	-	12,65,532
Profit on sale of Long-term investments (Net)	44,28,090	6,59,121
Profit on sale of Fixed Assets (Net)	1,07,921	3,08,985
Unclaimed Balances Written Back	38,230	90,955
Miscellaneous Income	3,750	24,470
	<u>46,09,791</u>	<u>23,80,863</u>
2.18 : COST OF RAW MATERIALS CONSUMED		
Raw Material Consumed (Green Leaf)	3,36,63,335	3,56,40,952
2.19 : (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS		
Inventories at the beginning of the year		
Finished Goods (Tea)	58,41,690	67,42,708
Inventories at the end of the year		
Finished Goods (Tea)	<u>87,89,284</u>	<u>58,41,690</u>
	(29,47,594)	9,01,018
2.20 : EMPLOYEE BENEFIT EXPENSE		
Salaries & Wages	7,69,28,803	6,43,32,939
Managerial Remuneration	5,16,000	4,86,000
Contribution to Provident Fund and Others	58,09,947	54,10,118
Contribution to Gratuity Fund	9,75,697	19,76,266
Staff Welfare Expenses	60,04,745	57,70,181
	<u>9,02,35,192</u>	<u>7,79,75,504</u>



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	For the Year Ended 31.03.2014 ₹	For the Year Ended 31.03.2013 ₹
2.21 : FINANCE COST		
Interest Expenses		
To Bank & Others		
On Working Capital Loan	40,84,381	45,46,435
On Term Loan	9,84,291	5,51,093
On Others	2,36,434	5,066
Other Borrowing Cost		
Other Financial Charges	99,947	346,268
	<u>54,05,053</u>	<u>54,48,862</u>
2.22 : OTHER EXPENSES		
Manufacturing Expenses		
Stores, Spare Parts & Packing Materials Consumed	6,50,06,426	5,56,34,063
Power & Fuel	2,22,47,030	2,18,83,461
Repairs to Buildings ✓	23,30,660	16,20,041
Repairs to Machinery ✓	49,13,526	42,12,999
Repairs to Vehicles ✓	30,97,982	30,69,541
Repairs to Other Assets ✓	43,33,121	86,90,324
Other Manufacturing Expenses ✓	49,38,944	47,02,551
	<u>10,68,67,689</u>	<u>9,98,12,980</u>
Selling and Administration Expenses		
Freight & Cartage	49,48,907 ✓	43,02,621
Insurance	3,85,344	3,88,835
Commission, Brokerage & Discount etc	42,53,188	41,21,002
Warehousing and other selling expenses	15,77,422	13,94,049
Rates & Taxes (Duty & Cess)	39,42,312	38,20,743
Travelling and Conveyance	4,50,259	2,95,184
Auditors' Remuneration-		
Statutory Auditors-		
Auditor	1,25,000	1,25,000
Tax Audit Fees	20,000	20,000
Issue of Certificates	60,000	60,000
Service Tax on above	25,338	25,338
Cost Audit Fees	10,000	10,000
Service Tax on above	1,236	1,236
Legal & Professional Charges	13,23,410	7,00,279
Bad Debts / advances & Claims written off.	4,89,861	62,324
Directors' Fees	2,20,000	2,85,000
Other Miscellaneous Expenses	30,41,204 ✓	36,48,523
	<u>2,08,73,481</u>	<u>1,92,60,134</u>
	<u>12,77,41,170</u>	<u>11,90,73,114</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

1) Significant Accounting Policies:

a) **Convention**

The financial statements have been prepared in accordance with applicable Accounting Standards in India and in accordance with the relevant provisions of the Companies Act, 1956. A summary of important accounting policies which have been applied consistently is set out below.

Use of Estimates

The preparation of financial statements require judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period in which the results are known / materialized.

b) **Basis of Accounting**

The Financial Statements are prepared under the Historical Cost Convention, on an accrual basis and in accordance with the generally accepted accounting principles, (GAAP) in India and the provisions of The Companies Act, 1956.

c) **Fixed Assets**

Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties, taxes, incidental expenses related to acquisition less accumulated depreciation and impairment loss, if any.

Capital Work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

d) **Government Grants**

- i) Government grants related to specific fixed assets are deducted from gross value of related assets in arriving at their book value.
- ii) Government grants related to revenue are recognized in the Statement of Profit & Loss.

e) **Depreciation**

- (i) Depreciation on the value of garden building & machinery taken over on amalgamation of Sterling Company, The Scottish Assam Tea Company Limited, U.K. has been calculated w.e.f. 1.4.1999 at the rate of 13.91% on written down value method as per Board Resolution dated 3rd August, 2000 in absence of individual book value of assets. The same rate is prescribed under Schedule XIV of the Companies Act for depreciation for Plant & Machinery under written down value method.
- (ii) Depreciation on other assets has been provided on written down value method as per rates prescribed in Schedule XIV to the Companies Act, 1956.

f) **Impairment of Assets**

A tangible fixed asset is impaired if its carrying amount exceeds the amount to be recovered through use or sale of the asset. An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is measured as the higher of net selling price and value in use.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exists or has decreased.



g) Investments

- i) Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.
- ii) On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees & duties.
- iii) Long-Term Investments are stated at cost. Provision for diminution is made if the decline in value, in the opinion of the management, is other than temporary.
- iv) Current Investments are stated at lower of cost or fair value.

h) Inventories

Inventories are valued at cost or net realizable value whichever is lower. Cost is determined on weighted average basis. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to their location and condition and includes appropriate overheads. Provision is made for obsolete and slow moving stocks, wherever necessary. Net realizable value is the estimated selling prices in the ordinary course of business less estimated cost necessary to make the sale. Materials and other items held for use in production of inventories are not written down below the cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

i) Recognition of Income and Expenditure

Items of income and expenditure are recognised on accrual basis except replantation subsidy, orthodox subsidy and insurance & other claims which on ground of prudence are accounted upon certainty of ultimate collection. Dividend income is recognized as and when the right to receive dividend is established.

j) Employee benefits

i) Short Term Employee Benefits:-

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

ii) Long Term Employee Benefits:-

Defined Contribution Scheme: - This benefit includes contribution to Provident Fund Schemes. The contribution is recognized during the period in which the employee renders services.

Defined Benefit Schemes: - For defined benefit scheme the cost of providing the benefit is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each balance sheet date. The retirement benefit obligation recognized in the balance sheet represents the value of defined benefit obligation as reduced by the fair value of planned assets. Actual gains and losses are recognized in full during the period in which they occur.

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

k) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are being capitalized as part of the cost of those assets and other borrowing costs are recognized as expense in the year in which they are incurred.

l) Taxation

Current tax is determined on the basis of the amount of tax payable for the year under Income Tax Act and Agricultural Income Tax of the respective state. Deferred Tax liabilities and assets are recognized at substantively enacted tax rates and is recognized on timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets subject to consideration of prudence, are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.



m) Provisions, Contingent Liabilities & Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities, if material, are disclosed by way of notes on accounts. Contingent Assets are neither recognized nor disclosed in the financial statement.

2.23 Notes (Continued):

a) Contingent Liabilities not provided for in respect of :-

Particulars	As at 31-3-2014 (₹)	As at 31-3-2013(₹)
Claim against the company not acknowledged as debts :		
i. Surcharge on Electricity levied by the Assam State Electricity Board.	1,67,935	1,67,935
ii. Income Tax demand for the Assessment Year 2009-10 (Paid under protest ₹12,09,633/-)(Previous year ₹12,09,633/-)	23,26,300	23,26,300
iii. Income Tax demand for the Assessment Year 2010-11 (Paid under protest ₹17,818/-)(Previous year ₹17,818/-)	1,89,870	1,89,870
iv. Agricultural Income Tax demand for the Assessment Year 2009-10 (Paid under protest -)	4,74,119	4,74,119

b) There are no outstanding dues to suppliers/service providers covered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). The disclosures as required under the said Act.

Particulars	Amount (₹)
a) Principal amount due to Supplier under MSMED	NIL
b) Interest due to Supplier on above	NIL
c) Any payment made to Supplier beyond appointed date(u/s 16 of the Act)	NIL
d) Interest due and payable to Suppliers under MSMED	NIL
e) Interest accrued and remaining unpaid as at 31st March, 2014	NIL
f) Interest remaining due and payable under section 23 of the Act	NIL

c) Trade Receivables, Loans & Advances and Deposits include certain overdue and unconfirmed balances. However, in the opinion of the management, these current assets would, in the ordinary course of business, realize the value stated in the accounts

d) Employee Benefit

- i. The Company makes contribution towards Provident Fund to a defined contribution retirement benefit plan for qualifying employees. Under this scheme the Company contributes a specific percentage of payroll costs in respect of eligible employee to the retirement benefit scheme to fund the benefits. During the year the Company has recognized ₹58,09,947 (P.Y. - ₹54,10,118) for provident fund contribution.
- ii. Defined Benefit Plan:- The Company makes annual contribution of gratuity to Tata AIG Insurance Co. Ltd. The scheme provides for a lump sum payment to vested employees upon retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of 5 years of continuous service.
- iii. The present value of defined obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date.



DISCLOSURES AS PER ACCOUNTING STANDARD - 15

PARTICULARS	2013-14	2012-13
	Gratuity Plan ₹	Gratuity Plan ₹
A EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014		
i Current Service Cost	16,89,721	15,32,650
ii Interest Cost	18,93,486	16,08,667
iii Expected return on Plan Assets	(18,23,018)	(14,61,668)
iv Actuarial (Gain) / Losses	(7,84,492)	2,96,707
v Past Service Cost	-	-
vi Expenses recognized in the Statement of Profit & Loss	9,75,697	19,76,266
B NET (ASSETS) / LIABILITIES RECOGNIZED IN BALANCE SHEET AS AT 31ST MARCH, 2014		
i Present Value of the Defined Benefit Obligation	2,13,60,381	2,07,17,082
ii Fair Value of Plan Assets	2,14,47,026	2,05,95,321
iii Net (Assets)/Liabilities recognized in Balance Sheet	(86,845)	1,21,761
C CHANGES IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATION DURING THE YEAR ENDED 31ST MARCH, 2014		
i Present Value of Defined Benefit Obligation as at 1st April, 2013	2,07,17,082	1,94,99,590
ii Current Service Cost	16,89,721	15,32,560
iii Interest Cost	18,93,486	16,08,667
iv Past Service Cost	-	-
v Actuarial (Gain) / Losses	(10,76,668)	7,62,752
vi Benefits Paid	(18,63,240)	(26,86,487)
vii Present value of obligation as at 31st March, 2014	2,13,60,381	2,07,17,082
D CHANGES IN FAIR VALUE OF PLAN ASSETS DURING THE YEAR ENDED 31ST MARCH, 2014		
i Fair value of Plan Assets as at 1 st April, 2013	2,05,95,321	1,96,14,095
ii Expected return on Plan Assets	18,23,018	14,61,668
iii Actuarial Gain/(Losses)	2,92,176	(4,66,045)
iv Benefits paid	(18,63,240)	(26,86,487)
v Contributions	11,84,103	17,40,000
vi Fair value of Plan Assets as at 31 st March, 2014	2,14,47,026	2,05,95,321
vii Actual return on Plan Assets	15,30,842	19,27,713
E PRINCIPLE ACTUARIAL ASSUMPTIONS USED		
i Discount rates as at 31st March, 2014	9.00%	8.00%
ii Expected Return on Plan Assets	9.00%	8.00%
iii Expected Salary increase rates	7.00%	5.00%
iv Mortality rates	LIC (2006-08) Mortality Table	LIC (1994-96) Mortality Table
F WITHDRAWAL RATE	1% to 2% depending on age	1% to 2% depending on age
G MAJOR CATEGORIES OF PLAN ASSETS AS A PERCENTAGE OF FAIR VALUE OF PLAN ASSETS	Qualified Insurance Policy	Qualified Insurance Policy



Notes :

- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply & demand in the employment market.
- The expected rate of return on Plan Assets is determined based on the portfolio of assets, existing investments along with the Strategic changes in the portfolio and market scenario. The Plan Assets are diversified reasonable to maximize the return within acceptable risk parameters.

The Company expect to contribute ₹11,00,000/- to its Gratuity Fund in 2014-15.

- The amounts for the current annual period and previous four annual periods are as follows.

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
	₹	₹	₹	₹	₹
Present value of defined obligation	2,13,60,381	2,07,17,082	1,94,99,590	1,80,89,997	1,93,58,000
Fair Value of Plan Assets	2,14,47,026	2,05,95,321	1,96,14,095	1,80,89,997	1,45,80,000
Excess of obligation over Plan Assets	(86,645)	1,21,761	(1,14,505)	-	47,78,000

e) **Segment Reporting:**

Based on the guiding principles given in the Accounting Standard on Segment Reporting (AS17) as notified by the Company Accounting Standard Rules 2006, the Company is a single segment company engaged in the manufacture of tea.

f) **Related Party Disclosures:**

List of Related Parties

i) **Parties where control exists:**

Ganga Steel and Alloys Ltd. - Associate.

ii) **Key Managerial Personnel:**

Mr. S. Sarbadhikary - Director (Finance)

Managerial Remuneration paid - ₹5,16,000/- (P.Y. ₹4,86,000/-)

g) The Company does not have any exposure in foreign currency at the end of the year.

h) The amount of borrowing cost capitalized during the year is ₹ NIL

i) **Value of Raw materials and Spares Consumed**

	Raw Materials Consumed				Spares-Parts Consumed			
	2013-14		2012-13		2013-14		2012-13	
	Value(₹)	%	Value(₹)	%	Value(₹)	%	Value(₹)	%
Imported	-	-	-	-	-	-	-	-
Indigenous	3,36,63,335	100.00	3,56,40,952	100.00	49,46,411	100.00	41,15,844	100.00
Total	3,36,63,335	100.00	3,56,40,952	100.00	49,46,411	100.00	41,15,844	100.00

j) **Remittance on account of Dividend to Non-Resident Shareholders**

Remitted in Foreign Currency	Year ended	Year ended
	31.03.2014	31.03.2013
Net amount of Dividend remitted	-	960,000
Number of Shareholders	1	1
Number of Shares held	3,20,000	3,20,000



k) Earnings Per Share :

	Year ended 31.03.2014	Year ended 31.03.2013
Profit after Taxation as per statement of Profit & Loss(₹)	1,14,27,193	81,08,020
Weighted average number of equity shares outstanding at the year end	8,00,000	8,00,000
Basic and diluted earnings per share of face value of ₹10/-	14.28	10.14

l) Previous year figures have been regrouped or rearranged wherever considered necessary.

As per our report of even date annexed

For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

(Gopal Jain)
Partner
Membership No. : 059147
1-B, Old Post Office Street, Kolkata - 700 001
The 30th day of May, 2014.

B. P. JALAN
NARENDRA KUMAR
DHIRENDRA KUMAR
DIVYA JALAN
G. MOMEN
G. D. GUPTA

Director

S. K. JALAN - Alternate Director

S. SARBADHIKARY - Director-Finance