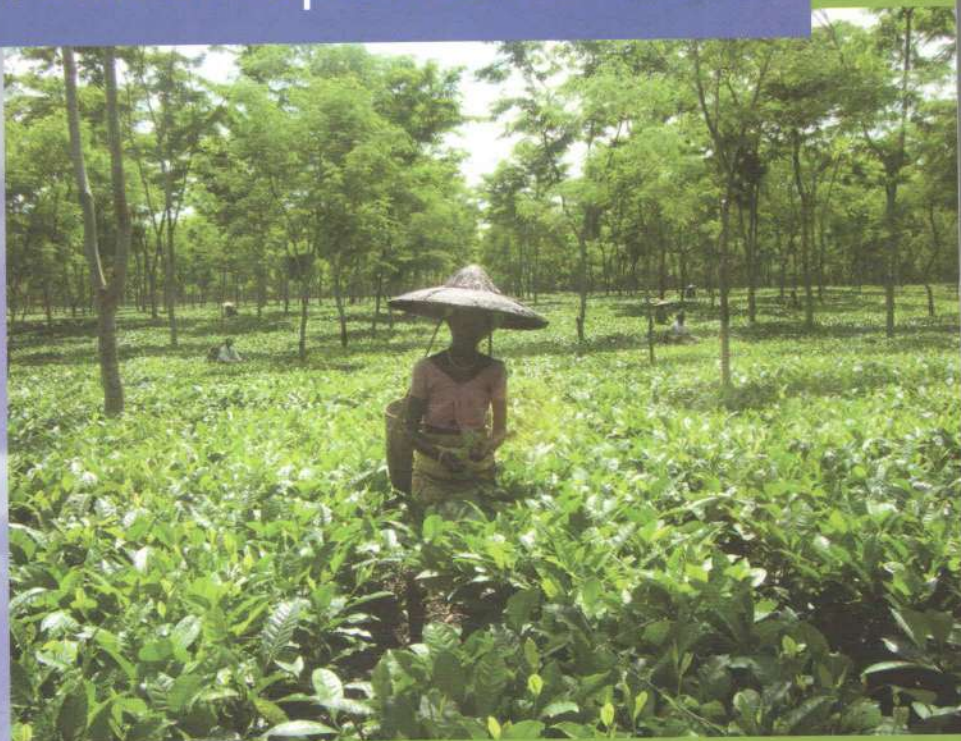


Annual Report 2012 - 2013



DIRECTORS

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

36th ANNUAL GENERAL MEETING

Date : **31st July 2013**
Day : **WEDNESDAY**
Time : **3.30 P.M.**
Place : **GYAN MANCH**
11, Pretoria Street
Kolkata-700071

Book Closure : 18th July 2013
to 31st July 2013
(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)

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NOTICE

NOTICE is hereby given that the 36th Annual General Meeting of THE SCOTTISH ASSAM (INDIA) LIMITED will be held at, GYAN MANCH, 11, Pretoria Street, Kolkata-700071 on Wednesday, the 31st July, 2013 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, 2013.
2. To declare Dividend for the year 2012-2013.
3. To appoint Director in place of Mr. Vijendra Kumar, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Director in place of Mr. Rajendra Kumar, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Director in place of Mr. Dharendra Kumar, who retires by rotation and being eligible offers himself for reappointment.
6. To appoint Director in place of Mr. G.D. Gupta, who retires by rotation and being eligible offers himself for reappointment.
7. To appoint Auditor Messrs. Singhi & Co., Chartered Accountants, and to fix their remuneration.

SPECIAL BUSINESS :

8. To consider and, if thought fit, to pass with or without modification(s), as an Ordinary Resolution, the following :

"RESOLVED THAT pursuant to Section 269 and other applicable provisions, if any, of the Companies Act 1956, read with Schedule XIII of the said Act, and in accordance with Article 80 of the Articles of Association of the Company, approval of the Company be and is hereby granted to the re-appointment of Mr. S. Sarbadhikary, as Whole-time Director of the Company, not liable to retire by rotation, designated as Director-Finance for a further period of three years with effect from 1st April, 2013."

"RESOLVED FURTHER THAT Mr. S. Sarbadhikary, as Whole-time Director, be paid remuneration as may be fixed by the Board, from time to time, within the limits approved by the members as per details given in the explanatory statement."

By order of the Board

Registered Office:

1, Crooked Lane,

Kolkata - 700 069

The 29th day of May, 2013.

(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 to 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 Explanatory Statement pursuant to Section 173(2) of the Companies Act 1956 regarding Special Business contained in the notice is annexed.
3. The Register of Members and Equity Share Transfer Registers will remain closed from **18th July 2013 to 31st July 2013 (both days inclusive)**.
4. The dividend, as recommended by the Board, if sanctioned at the meeting, will be paid on or after 6th August 2013 to those members of the Company holding shares in physical form whose name appear on the Register of Members on 18th July 2013, in respect of shares held in electronic form, the dividend will be paid to the beneficial owners of the shares as on beginning of 18th July 2013 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 2004-2005 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 |
|------------------------|---------------------------------|----------------------------------|
| 2005-2006 | 19.09.2006 | 25.10.2013 |
| 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 |



EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956.

ITEM NO.8

The term of office of Mr. S. Sarbadhikary as whole time Director of the Company expired on 31st March 2013. Considering his skill and abilities, the Board of Directors at its Meeting held on 29th May 2013 has re-appointed Mr. S. Sarbadhikary, as Whole Time Director, designated as Director-Finance of the Company. The terms of reappointment and remuneration of Mr. S. Sarbadhikary as Whole-time Director, designated as Director Finance has been approved by the Board which are follows :

1. Salary : The amount of basic salary payable to him during the period from 1st April 2013 to 31st March 2014, will be decided by the Board with a further authority to the Board to revise the monthly basic salary every year up to a maximum of Rs.60,000/- (Rupees sixty thousand only) per month during the remaining period of his tenure.
2. Perquisites : In addition to above remuneration Mr. S. Sarbadhikary shall also be entitled to perquisites like Bonus/ Medical etc. up to the amount with a ceiling of Rs.50,000/- per year. He will also be entitled to one month's paid leave per year. However, he can encash the leave if not availed.
3. Other Condition : Mr. S Sarbadhikary shall be subject to the superintendence, control and other directions of the Board and or Committee of the Directors to perform such duties and exercise such powers which have been or may from time to time be entrusted or vested on him by the Board and or Committee. The agreement or appointment will also set out the mutual rights and obligation of the concerned parties and other administrative details. The appointment and remuneration of Mr. S. Sarbadhikary as Whole-time Director requires the approval of the members of the Company in General Meeting in terms of Part III of the Schedule XIII of the Companies Act, 1956.

The Board recommends the resolution for the approval of the shareholders.

No Director of the Company except Mr. S. Sarbadhikary is concerned or interested in the said resolution.

Registered office:
1, Crooked Lane,
Kolkata - 700 069
The 29th day of May, 2013.

By order of the Board

(B. P. Jalan)
Director



DIRECTORS' REPORT

Your Directors have pleasure in presenting their 36th Annual Report together with Audited Accounts for the year ended 31st March 2013.

FINANCIAL RESULTS

| | For the year Ended 31.03.2013 | For the year Ended 31.03.2012 |
|---|-------------------------------------|-------------------------------------|
| | (₹ in Lacs) | (₹ in Lacs) |
| Profit from operation | 128.74 | 197.36 |
| Other Income | 23.80 | 49.67 |
| Increase/(Decrease) in Stock | <u>(9.01)</u> | <u>(13.77)</u> |
| Profit before Depreciation & Taxation | 143.53 | 233.26 |
| Less : Depreciation for the year | <u>(31.63)</u> | <u>(29.22)</u> |
| Profit/(Loss) before taxation | 111.90 | 204.04 |
| Less : Provision for taxation - Income Tax-Current Year | (20.40) | (54.00) |
| Earlier Year | (7.04) | - |
| - Deferred Tax | <u>(3.38)</u> | <u>0.18</u> |
| Profit/(Loss) after Taxation | 81.08 | 150.22 |
| Add : Balance brought forward from last year | <u>80.34</u> | <u>58.01</u> |
| Amount available for appropriation | <u>161.42</u> | <u>208.23</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 | 3.89 |
| Tax@ .16.995% on proposed dividend (40% of tax for current year) | | |
| Transfer to General Reserve | 50.00 | 100.00 |
| Balance to be carried forward to next year | <u>85.78</u> | <u>80.34</u> |
| | <u>161.42</u> | <u>208.23</u> |



PERFORMANCE

The Tea Industry started the year with a positive note. There was good demand for quality teas with improved realization. However, the production was down in India as well as all major tea producing countries. As per new methodology adopted by Tea Board of India for calculating figures of production, all India crop was 1112 mn. Kgs during the year 2012 as against 1116 mn. Kgs in the previous year. Drought in the initial part of the year and excessive rainfall subsequently in Assam tea gardens resulted in Crop falling behind in 2012-2013.

During the financial year, your Company produced 15,70,510 Kgs (From own leaf-12,05,605 Kgs and from Purchased Leaf-3,64,905 Kgs).

Your tea estate continues to follow the up-to-date field practices, to improve the quality. The age profile of tea bushes has improved as a result of ongoing uprooting & replanting programme. The tea factory was renovated with latest machines to improve quality and save on cost of production.

Average combined price realization (Own & Purchased leaf) for the year was ₹162.64 against last year average of ₹160.25 (Own leaf).

PROSPECTS

The production of first flush of the current season has been lower in comparison to last year because of severe droughty conditions. The decline in production of the first flush has been recovered in later months. The prices of tea are expected to remain stable due to lower carry over stock.

Due to revision in wages, the employee cost has gone up. Increased rates of Power & Fuel, Fertilizers, Chemicals and other consumables have also substantially impacted the cost of production.

Depending upon weather and tea market condition during the season, your Directors expect reasonable prospects.

INVESTMENTS

During the year Company faced erosion in the market value of our investment due to unfavourable conditions.

DIVIDEND

In spite of all diversities your Directors are pleased to recommend dividend of 30% for the year on Equity Shares of the Company.

LABOUR AND STAFF WELFARE

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

PERSONNEL

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



THE SCOTTISH ASSAM (INDIA) LIMITED

DIRECTORS

Pursuant to the provisions of Article 84 of the Articles of Association of the Company Mr. Vijendra Kumar, Mr. Rajendra Kumar, Mr. Dharendra Kumar, and Mr. G.D. Gupta will retire by rotation at forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

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 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 2013-2014, which we recommend.

Registered Office :

1, Crooked Lane

Kolkata - 700 069

The 29th day of May, 2013

B. P. JALAN
VIJENDRA KUMAR
NARENDRA KUMAR
DHIRENDRA KUMAR
G. MOMEN
G. D. GUPTA
V. VANCHI

Directors

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 2013. 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 2012-2013</u> | <u>Previous Year 2011-2012</u> |
|---------------------------|-----------------------------------|------------------------------------|
| 1. Electricity | | |
| a) Purchased (Unit) | 9,46,528 | 7,26,403 |
| Total Amount (₹) | 65,85,885 | 50,20,565 |
| Rate/Unit (₹) | 6.96 | 6.91 |
| b) Own Generation | | |
| i) Through Diesel (Unit) | 2,53,672 | 1,88,290 |
| Units per ltrs. of Diesel | 2.67 | 2.66 |
| Cost/Unit (₹) | 16.79 | 15.86 |
| 2. Gas | | |
| Quantity (Scum) | 8,28,420 | 5,72,400 |
| Total Amount (₹) | 1,01,15,651 | 58,05,757 |
| Rate per 1000 Scum | 12,211.00 | 10,142.83 |

B) CONSUMPTION PER UNIT OF PRODUCTION

| | | |
|-------------------------------|-----------|-----------|
| Standards (if any) | | |
| Products – Made Tea (Kgs) | 15,70,510 | 12,45,486 |
| Electricity (in units)/per Kg | 0.60 | 0.58 |
| Gas (in Scum)/per Kg | 0.53 | 0.46 |

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 made towards absorption, adaptation and innovation 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.)
2. Foreign Exchanged used

| | |
|---|-----|
| - | Nil |
| - | Nil |

Registered Office :

1, Crooked Lane
Kolkata - 700 069

The 29th Day of May, 2013

B. P. JALAN
VIJENDRA KUMAR
NARENDRA KUMAR
DHIRENDRA KUMAR
G. MOMEN
G. D. GUPTA
V. VANCHI

← Directors

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, 2003 whose paid up share capital is ₹ 3 crore and above. Since your company is having paid up share capital of ₹ 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'2013. 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 six times respectively on 15th May'12, 28th July'12, 14th August'12, 7th September'12, 12th November'12 and 12th February'13 and Executive Committee of Board met twice on 26th June'12 and 27th November'12 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 has closed its Register of members for dividend and other purposes during the above financial year from 29th August'2012 to 7th September'2012 (Both days inclusive).
6. The Annual General Meeting of the Company for the financial year ended on 31st March'2012 was held on 7th September'2012 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 on 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 31st March'2012 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 2004-2005 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 not appointed any additional Director, alternate Director or Director to fill causal vacancy during the above financial year.
15. The Company has not appointed any Managing Director, Whole Time Director or Manager during the above financial year.
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 not granted any loan and advances or 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 : 28th May, 2013

CP No. 1362



ANNEXURE - A

Register 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'2013.

| 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 29/09/2011 | | 31/07/2012 | Yes |
| 2. | Form No 23C for appointment of cost Auditor for F/Y 2012-13 | 233B(2) | 07/08/2012 | Yes |
| 3. | Compliance Certificate for F/Y 31.03.2012 in e form 66 | 383A | 26/09/2012 | Yes |
| 4. | Balance sheet as at 31st March 2012 in e forms 23AC XBRL & 23ACA XBRL | 220 | 07/12/2012 | Yes |
| 5. | Annual Return made Up to 07/09/2012 in e form 20B | 159 | 05/11/2012 | Yes |
| 6. | Form No 1INV for F/Y 2004-05 pursuant to rule 3 of IEPF | 205C | 10/11/2012 | Yes |
| 7. | Form No 8 dated 28/02/2013 for modification of charge in favour of UBI(Charge ID : 90252033) | 125/127 | 30/03/2013 | Yes |
| 8. | Form No 8 dated 28/02/2013 for modification of charge in favour of UBI(Charge ID : 80023324) | 125/127 | 30/03/2013 | Yes |
| 9. | 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 07/09/2012 | | 08/12/2012 | Yes |
| 10. | Form 1 in XBRL | 233B(4) | 07/01/2013 | 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, 2013 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.

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. 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, 2013;
- b) in the case of the Statement of Profit and Loss, of the **profit** for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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;
 - e) On the basis of written representations received from the directors as on March 31st, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

1-B, Old Post Office Street,
Kolkata-700001
The 29th day of May, 2013

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

(Gopal Jain)
Partner
Membership No. : 059147



The Annexure referred to in paragraph 1 of the 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, 2013.

- (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. *However the internal control system regarding maintenance of records in relation to application of manures and fertiliser needs to be strengthened.*
- (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 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:



THE SCOTTISH ASSAM (INDIA) LIMITED

- (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 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, 2013, for a period of more than six months from the date they become payable.

- (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) | 11,26,300/- | A.Y 2009-10 |
| Income Tax Act 1961 | Income Tax demand | CIT (Appeals) | 1,89,870/- | A.Y 2010-11 |
| The Assam Agricultural Income Tax 1939 | Income Tax demand | Assessing Officer | 6,23,492/- | A.Y 2008-09 |

- (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

(Gopal Jain)

Partner

Membership No. : 059147

1-B, Old Post Office Street,

Kolkata-700001

The 29th day of May, 2013



THE SCOTTISH ASSAM (INDIA) LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

| | Note No. | As At March 31, 2013 | | As At March 31, 2012 | |
|-------------------------------------|----------|----------------------|----------------------------|----------------------|----------------------------|
| | | ₹ | ₹ | ₹ | ₹ |
| EQUITY AND LIABILITIES | | | | | |
| Shareholders' Funds | | | | | |
| Share Capital | 2.1 | 80,00,000 | | 80,00,000 | |
| Reserves & Surplus | 2.2 | <u>18,48,91,165</u> | | <u>17,93,46,297</u> | |
| | | | 19,28,91,165 | | 18,73,46,297 |
| NON-CURRENT LIABILITIES | | | | | |
| Long-Term Borrowings | 2.3 | 78,93,003 | | 55,10,063 | |
| Deferred Tax Liabilities (Net) | 2.4 | 8,17,349 | | 4,78,984 | |
| Long-Term Provisions | 2.5 | <u>40,500</u> | | <u>3,88,564</u> | |
| | | | 87,50,852 | | 63,77,611 |
| CURRENT LIABILITIES | | | | | |
| Short-Term Borrowings | 2.6 | 3,70,67,993 | | 2,82,22,212 | |
| Trade Payables | 2.7 | 56,35,402 | | 32,00,971 | |
| Other Current Liabilities | 2.8 | 65,14,637 | | 36,50,016 | |
| Short-Term Provisions | 2.5 | <u>60,82,793</u> | | <u>76,92,721</u> | |
| | | | 5,53,00,825 | | 4,27,65,920 |
| TOTAL-EQUITY AND LIABILITIES | | | <u>25,69,42,842</u> | | <u>23,64,89,828</u> |
| ASSETS | | | | | |
| NON-CURRENT ASSETS | | | | | |
| Fixed Assets | 2.9 | 2,43,19,948 | | 1,85,72,024 | |
| Capital Work In Progress | 2.9 | 11,87,668 | | - | |
| Non-Current Investments | 2.10 | 20,33,97,382 | | 19,24,66,458 | |
| Long-Term Loans and Advances | 2.11 | <u>62,96,298</u> | | <u>42,61,357</u> | |
| | | | 23,52,01,296 | | 21,52,99,839 |
| CURRENT ASSETS | | | | | |
| Inventories | 2.12 | 1,35,45,309 | | 1,72,69,190 | |
| Trade Receivables | 2.13 | 3,84,088 | | 9,22,524 | |
| Cash and Bank Balances | 2.14 | 57,33,404 | | 8,16,274 | |
| Short-Term Loans and Advances | 2.11 | 18,78,745 | | 21,82,001 | |
| Other Current Assets | 2.15 | <u>2,00,000</u> | | - | |
| | | | 2,17,41,546 | | 2,11,89,989 |
| TOTAL-ASSETS | | | <u>25,69,42,842</u> | | <u>23,64,89,828</u> |

TOTAL-ASSETS

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 29th day of May, 2013

B. P. JALAN
VIJENDRA KUMAR
NARENDRA KUMAR
DHIRENDRA KUMAR
G. MOMEN
G. D. GUPTA
V. VANCHI

Directors

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



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

| | Note | For the Year ended 31st March, 2013 | For the Year ended 31st March, 2012 |
|---|------|--|--|
| | No. | ₹ | ₹ |
| INCOME | | | |
| Revenue from Operations | 2.16 | 25,10,11,803 | 19,80,61,657 |
| Other Income | 2.17 | 23,80,863 | 49,52,095 |
| Total Income | | 25,33,92,666 | 20,30,13,752 |
| EXPENSES | | | |
| Cost of Raw Materials Consumed (Increase)/Decrease in Inventories of Finished Goods | 2.18 | 3,56,40,952 | 2,36,125 |
| Employee Benefits Expense | 2.19 | 9,01,018 | 13,77,923 |
| Finance Costs | 2.20 | 7,79,75,504 | 6,46,86,306 |
| Other Expenses | 2.21 | 54,43,796 | 34,71,266 |
| | 2.22 | 11,90,78,180 | 10,99,16,132 |
| Total Expenses | | 23,90,39,450 | 17,96,87,752 |
| Profit before Tax and Depreciation | | 1,43,53,216 | 2,33,26,000 |
| Depreciation | | 31,62,850 | 29,21,895 |
| Profit before Tax | | 1,11,90,366 | 2,04,04,105 |
| Tax Expense: | | | |
| Current Tax | | 20,40,000 | 54,00,000 |
| Tax Related to Earlier Years | | 7,03,981 | - |
| Deferred Tax | | 3,38,365 | (17,890) |
| Profit for the year | | 81,08,020 | 1,50,21,995 |
| Basic & Diluted Earnings Per Share [nominal value ₹10/-] | | 10.14 | 18.78 |
| 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 29th day of May, 2013

B. P. JALAN
VIJENDRA KUMAR
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G. MOMEN
G. D. GUPTA
V. VANCHI

Directors

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

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

| | For the year ended 2012-13 | | For the year ended 2011-12 | |
|---|-------------------------------|----------------------|-------------------------------|--------------------|
| | (₹) | (₹) | (₹) | (₹) |
| A. Cash Flow from Operating Activities : | | | | |
| Net profit before Tax and Extraordinary items | | 1,11,90,366 | | 2,04,04,105 |
| Adjustments for : | | | | |
| Depreciation | 31,62,850 | | 29,21,895 | |
| Dividend Income | (12,65,532) | | (30,94,030) | |
| Finance Cost | 54,43,796 | | 34,71,266 | |
| Interest Received | (31,800) | | (56,531) | |
| (Profit)/Loss on Sale /Discard of fixed assets(net) | (3,08,985) | | 15,174 | |
| Unclaimed balances written back | (90,955) | | (3,354) | |
| Bad Debts Written off | 62,324 | | 38,468 | |
| (Profit)/loss on sale of Investment (net) | (6,59,121) | | (17,82,350) | |
| Operating Profit before Working | | | | |
| Capital Changes | | <u>1,75,02,943</u> | | <u>2,19,14,643</u> |
| Adjustments for - | | | | |
| Trade & Other Receivables | 1,52,248 | | (7,08,728) | |
| Trade Payables, Provisions & Others | 37,50,523 | | (12,39,966) | |
| Inventories | 37,23,881 | | (10,65,912) | |
| Cash generated from/(used in)operations | | <u>2,51,29,595</u> | | <u>1,89,00,037</u> |
| Direct taxes (paid)/refund | | <u>(63,55,334)</u> | | <u>(44,05,656)</u> |
| Net Cash from/(used in) operating activities | | <u>1,87,74,261</u> | | <u>1,44,94,381</u> |
| B. Cash Flow from Investing Activities : | | | | |
| Purchase of Fixed Assets/Capital work in Progress | (83,34,365) | | (37,93,492) | |
| Sale of Fixed Assets | 3,82,148 | | 1,15,000 | |
| (Purchase)/Sale of Non Current Investments(net) | (1,02,71,803) | | (75,92,106) | |
| Interest received | 31,800 | | 56,531 | |
| Dividend received | 12,65,532 | | 30,94,030 | |
| Net Cash from/(used in) Investing Activities | | <u>(1,69,26,688)</u> | | <u>(81,20,037)</u> |



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

| | For the year ended 2012-13 | | For the year ended 2011-12 | |
|--|-------------------------------|------------------|-------------------------------|--------------------|
| | (₹) | (₹) | (₹) | (₹) |
| C. Cash Flow from financing activities : | | | | |
| Proceeds of long term borrowings | 34,04,400 | | - | |
| Repayments of long term borrowings | (10,21,460) | | - | |
| Proceeds from Working capital borrowings (net) | 88,45,781 | | (14,09,668) | |
| Dividend including dividend tax paid | (27,89,340) | | (27,89,340) | |
| Finance Cost paid | (54,42,653) | | (34,71,266) | |
| Net cash from / (Used in) financing activities | | 29,96,728 | | (76,70,274) |
| Net increase/(decrease) in cash and cash equivalent (A+B+C) | | 48,44,301 | | (12,95,930) |
| Cash and cash equivalents as at 01.04.2012* | | 4,86,235 | | 17,82,165 |
| Cash and cash equivalents as at 31.03.2013* | | 53,30,536 | | 4,86,235 |
| | | 48,44,301 | | (12,95,930) |

* Cash and cash equivalent consist of :-

Cash & Cash Equivalents

| | As at 31.03.2013 | As at 31.03.2012 |
|-------------------------------------|---------------------|---------------------|
| Cash, cheques, drafts in hand etc. | 3,16,567 | 1,63,256 |
| Balance & Fixed Deposits with Banks | 50,13,969 | 3,22,979 |
| Cash and Cash equivalent | 53,30,536 | 4,86,235 |

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 29th day of May, 2013

B. P. JALAN
VIJENDRA KUMAR
NARENDRA KUMAR
DHIRENDRA KUMAR
G. MOMEN
G. D. GUPTA
V. VANCHI

Directors

S. K. JALAN — Alternate Director

S. SARBADHIKARY — Director-Finance



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

| | As At 31.03.2013 ₹ | As At 31.03.2012 ₹ |
|--|-----------------------|-----------------------|
|--|-----------------------|-----------------------|

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

- a) There has been no change/movements in number of shares outstanding at the beginning and at the end of the reporting period.
- b) 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.
- c) The Company does not have any Holding Company/Ultimate Holding Company.
- d) Details of shareholders holding more than 5% shares in the Company.

| | As at 31st March, 2013 | | As at 31st March, 2012 | |
|--|---------------------------|-------|---------------------------|-------|
| | No. of Shares | % | No. of Shares | % |
| Ordinary Equity Shares of ₹10 each fully paid up | | | | |
| 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 |

- e) 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
- f) 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.
- g) 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.
- h) No securities convertible into Equity/Preference shares issued by the Company during the year.
- i) 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, 2013

| | As At 31.03.2013 ₹ | As At 31.03.2012 ₹ |
|--------------------------------------|-----------------------|-----------------------|
| 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 | 16,82,00,000 | 15,82,00,000 |
| Add: Transferred from Surplus | 50,00,000 | 1,00,00,000 |
| | <u>17,32,00,000</u> | <u>16,82,00,000</u> |
| Surplus | | |
| As per the last Financial Statements | 80,33,976 | 58,01,321 |
| Add : Profit for the year | 81,08,020 | 1,50,21,995 |
| | <u>1,61,41,996</u> | <u>2,08,23,316</u> |
| Less : Appropriations | | |
| Proposed Dividend | 24,00,000 | 24,00,000 |
| Corporate Dividend Tax | 1,63,152 | 3,89,340 |
| General Reserve | 50,00,000 | 1,00,00,000 |
| Net Surplus | <u>85,78,844</u> | <u>80,33,976</u> |
| Total Reserves and Surplus | <u>18,48,91,165</u> | <u>17,93,46,297</u> |

2.3 : LONG-TERM BORROWINGS

Secured

| | | |
|---|------------------|------------------|
| Term Loan from a Bank | 34,04,400 | - |
| Term Loan under Tea Board Special Purpose Tea Fund Scheme | 44,88,603 | 55,10,063 |
| | <u>78,93,003</u> | <u>55,10,063</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 | 14,12,095 | 13,72,757 |
| Less : Deferred Tax Assets | | |
| Arising on account of : | | |
| Carryover Capital Losses | 5,71,815 | 7,41,440 |
| Section 43B of Income-tax Act | 22,931 | 1,52,333 |
| Deferred Tax Liabilities (Net) | <u>8,17,349</u> | <u>4,78,984</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, 2013

| | Long-term | | Short term | |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| | As at 31st March, 2013 | As at 31st March, 2012 | As at 31st March, 2013 | As at 31st March, 2012 |
| 2.5 : PROVISIONS | | | | |
| Provision for Employee Benefits | | | | |
| Bonus | - | - | 33,97,880 | 27,09,034 |
| Gratuity | - | - | 1,21,761 | - |
| Other Provisions | | | | |
| Provisions for Taxation(Net of advance) | 40,500 | 3,88,564 | - | 21,94,347 |
| Proposed Dividend | - | - | 24,00,000 | 24,00,000 |
| Corporate Dividend Tax* | - | - | 1,63,152 | 3,89,340 |
| | <u>40,500</u> | <u>3,88,564</u> | <u>60,82,793</u> | <u>76,92,721</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 | <u>3,70,67,993</u> | <u>2,82,22,212</u> |
| | <u>3,70,67,993</u> | <u>2,82,22,212</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 31.03.2013 ₹ | As at 31.03.2012 ₹ |
|--|--------------------------|--------------------------|
| | | |

2.7: TRADE PAYABLES

| | | |
|------------------------|------------------|------------------|
| For Goods and Services | <u>56,35,402</u> | <u>32,00,971</u> |
| | <u>56,35,402</u> | <u>32,00,971</u> |

2.8 : OTHER CURRENT LIABILITIES

| | | |
|---|------------------|------------------|
| Interest accrued and due | 1,143 | - |
| Unpaid and unclaimed dividends | 4,02,868 | 3,30,039 |
| (Amount not due to be deposited as on Balance Sheet date) | | |
| Statutory Dues | 24,22,224 | 13,01,298 |
| Advances Received from Customers | 7,61,398 | 4,50,649 |
| Employee Related Liability | 10,89,764 | 15,68,030 |
| Liability for Capital Goods | 18,37,240 | - |
| | <u>65,14,637</u> | <u>36,50,016</u> |



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

2.9 FIXED ASSETS

| FIXED ASSETS | GROSS BLOCK | | | ACCUMULATED DEPRECIATION | | | NET BLOCK | | | |
|--|---------------------------|----------------|------------------------|----------------------------------|-------------------------|----------------------|---------------------------------|-------------------------------|-------------------------|-------------------------|
| | Cost as on 31.3.2012 ₹ | Additions ₹ | Sold/ Adjusted ₹ | Total As at 31-3-2013 ₹ | Up to 31-3-2012 ₹ | For the Year ₹ | On Assets Sold/Adjusted ₹ | Total as at 31-3-2013 ₹ | As at 31-3-2013 ₹ | As at 31-3-2012 ₹ |
| Leasehold Land & Development (Pre-Amalgamation) | 3,71,621 | - | - | 3,71,621 | - | - | - | - | 3,71,621 | 3,71,621 |
| Garden Building & Machinery (Pre-Amalgamation) | 41,92,147 | - | - | 41,92,147 | 37,40,705 | 62,796 | - | 38,03,501 | 3,88,646 | 4,51,442 |
| Bu. lings | 2,05,85,601 | - | - | 2,05,85,601 | 1,35,28,906 | 3,63,412 | - | 1,38,92,318 | 66,93,283 | 70,56,695 |
| Plant & Machinery | 4,18,41,277 | 63,79,170 | 8,39,751 | 4,73,80,696 | 3,33,98,620 | 15,43,705 | 7,77,554 | 3,41,64,771 | 1,32,15,925 | 84,42,657 |
| Vehicles(includes cars, trailers, tractors etc.) | 70,91,760 | 24,08,697 | 8,78,721 | 86,21,736 | 50,48,964 | 11,13,434 | 8,67,755 | 52,94,643 | 33,27,093 | 20,42,796 |
| Furniture & Fittings | 8,71,211 | - | - | 8,71,211 | 7,63,856 | 19,431 | - | 7,83,287 | 87,924 | 1,07,355 |
| Office equipments | 2,73,332 | 1,96,070 | - | 4,69,402 | 1,73,874 | 60,072 | - | 2,33,946 | 2,35,456 | 99,458 |
| Total | 7,52,26,949 | 89,83,937 | 17,18,472 | 8,24,92,414 | 5,66,54,925 | 31,62,850 | 16,45,309 | 5,81,72,466 | 2,43,19,948 | 1,85,72,024 |
| Previous Year | 7,17,86,308 | 42,18,641 | 7,80,000 | 7,52,26,949 | 5,43,82,856 | 29,21,895 | 6,49,826 | 5,66,54,925 | 1,85,72,024 | 1,74,05,452 |
| Capital Work in progress | | | | | | | | | 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 intangible 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, 2013

| | Face Value ₹ | As at 31.03.2013 | | As at 31.03.2012 | |
|---|-----------------|------------------|---------------------|------------------|---------------------|
| | | 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 | | | | | |
| Debtenture Stock of ₹ 100/- each of | | | | | |
| Woodlands Hospital & Medical Research Centre Ltd. | 100 | 20 | 2,000 | 20 | 2,000 |
| 100 Equity Shares of ₹ 10/- each of ABC Tea | | | | | |
| Workers Welfare Service | 10 | 100 | 1,000 | 100 | 1,000 |
| | | | <u>3,000</u> | | <u>3,000</u> |
| Units in MUTUAL FUNDS(Quoted) | | | | | |
| FT India Balance Fund (DR) | 10 | - | - | 6,32,766 | 1,30,94,172 |
| Birla Sunlife Dynamic Bond Fund | 10 | 6,40,167 | 1,20,00,000 | - | - |
| Birla Sunlife Income Plus (G) | 10 | 2,34,966 | 1,20,00,000 | - | - |
| H.D.F.C Prudence Fund (Div.) Plan | 10 | - | - | 1,67,220 | 46,11,280 |
| H.D.F.C Prudence Fund Growth | 10 | 1,59,109 | 3,25,98,508 | 1,59,109 | 3,25,98,507 |
| H.D.F.C.Monthly Income Plan (long Term)Growth | 10 | - | - | 11,86,659 | 2,74,44,465 |
| UTI Bond Fund Growth Plan Regular | 10 | 3,46,575 | 1,21,00,000 | - | - |
| Franklin India Bluechip Growth | 10 | 24,086 | 49,72,646 | - | - |
| HDFC Balance Fund Growth | 10 | 2,74,250 | 1,60,00,000 | - | - |
| Prudential ICICI Infrastructure Fund (Dividend) | 10 | - | - | 7,69,231 | 99,71,267 |
| FT India Flexicap Fund Dividend Reinvest | 10 | - | - | 4,23,702 | 63,01,085 |
| Reliance Growth Fund(Div. Reinvest) | 10 | - | - | 1,21,892 | 63,22,450 |
| ICICI Prudential Income Opportunities Growth | 10 | 8,28,242 | 1,24,01,261 | - | - |
| DSP Blackrock Balanced Fund (G) | 10 | - | - | 2,23,211 | 1,50,77,546 |
| 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 | - | - |
| Reliance Monthly Income Plan (Growth) | 10 | - | - | 12,39,671 | 2,69,41,149 |
| IDFC Dynamic Bond Fund | 10 | 5,44,754 | 1,20,00,000 | - | - |
| Birla Sunlife '95 Fund - Growth | 10 | 19,897 | 56,59,013 | 19,897 | 56,59,013 |
| FT India L.S F.O.F The 50s Plus FRP-Growth | 10 | - | - | 5,79,170 | 1,13,29,139 |
| Canara Robecco Monthly Income Plan Growth | 10 | - | - | 1,71,281 | 50,66,876 |
| ICICI Prudential MIP Cumulative | 10 | - | - | 4,41,097 | 1,14,36,009 |
| ICICI Prudential Income Plan Growth | 10 | 2,22,634 | 80,00,000 | - | - |
| Reliance Income Fund Growth Plan | 10 | 2,67,757 | 1,00,00,000 | - | - |
| Kotak Bond Fund | 10 | 6,18,730 | 2,00,00,000 | - | - |
| Reliance Equity Opportunities Growth | 10 | 1,47,713 | 54,86,803 | - | - |
| Reliance Regular Savings Balance Fund | 10 | 6,94,541 | 1,60,00,000 | - | - |
| HDFC FMP 392D March 2012(2) - Growth | 10 | 14,61,050 | 1,46,10,500 | 14,61,050 | 1,46,10,500 |
| Total | | | <u>20,33,94,382</u> | | <u>19,24,63,458</u> |
| Long term (Trade)(Unquoted) | | | | | |
| Ganga Steel & Alloys Limited | 10 | 9,30,000 | 93,00,000 | 9,30,000 | 93,00,000 |
| Less:Provision for diminution in value of Investment | | | 93,00,000 | | 93,00,000 |
| | | | - | | - |
| Grand Total | | | <u>20,33,97,382</u> | | <u>19,24,66,458</u> |
| Book value of Unquoted Investments | | | 3,000 | | 3,000 |
| Book value of Quoted Investments | | | 20,33,94,382 | | 19,24,63,458 |
| Market Value of Quoted Investments | | | 21,61,83,610 | | 19,26,57,259 |

Note : There has been fall in the market value of investment in a mutual fund scheme to the tune of ₹ 2,72,070/- (Previous year ₹67,18,185/-) which has not been provided, as the investments are held for long term basis and such decline in the value of investment being temporary in nature.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

| | Long-term | | Short-term | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | As at 31.03.2013 ₹ | As at 31.03.2012 ₹ | As at 31.03.2013 ₹ | As at 31.03.2012 ₹ |
| 2.11 LOANS & ADVANCES | | | | |
| Security Deposits | | | | |
| Unsecured and considered good | 23,05,675 | 20,91,575 | - | - |
| Other Loans and Advances (Unsecured, Considered good unless otherwise mention) | | | | |
| Advance Tax and TDS (Net of provisions) <i>Tax Paid</i> | 37,90,623 | 21,69,782 | - | - |
| Advance against supply of Goods and Services | - | - | 2,39,048 | 23,716 |
| Prepaid Expenses | - | - | 3,99,351 | 4,47,709 |
| Loan/Advance to Employees | 2,00,000 | - | 2,40,000 | 32,990 |
| Income Tax Refund Receivable | - | - | 4,31,416 | 3,71,607 |
| Receivable under Tea Board SPTF Scheme | - | - | 4,99,332 | 3,66,377 |
| Other Deposits and Advances | | | | |
| Considered Good | - | - | 69,598 | 9,39,602 |
| Considered Doubtful | - | - | - | 23,905 |
| Less : Provision | - | - | - | 23,905 |
| | <u>39,90,623</u> | <u>21,69,782</u> | <u>18,78,745</u> | <u>21,82,001</u> |
| | <u>62,96,298</u> | <u>42,61,357</u> | <u>18,78,745</u> | <u>21,82,001</u> |
| | | As at 31.03.2013 ₹ | | As at 31.03.2012 ₹ |
| 2.12 : INVENTORIES | | | | |
| (As valued and certified by the Management) | | | | |
| Finished Goods <i>us 200</i> | | 58,41,690 | | 67,42,708 |
| Stores in Transit | | 5,92,769 | | 6,00,739 |
| Stores and Spares <i>Mgs</i> | | 71,10,850 | | 99,25,743 |
| | | <u>1,35,45,309</u> | | <u>1,72,69,190</u> |
| Details of Inventories : | | | | |
| Tea (Finished Goods) | | <u>58,41,690</u> | | <u>67,42,708</u> |
| 2.13 : TRADE RECEIVABLES | | | | |
| (Unsecured and considered good) | | | | |
| Outstanding for a period exceeding six months | | 45,435 | | 47,777 |
| Other Receivables <i>Saho</i> | | <u>3,38,653</u> | | <u>8,74,747</u> |
| | | <u>3,84,088</u> | | <u>9,22,524</u> |



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

| | For the Year Ended 31.03.2013 ₹ | For the Year Ended 31.03.2012 ₹ |
|--|---------------------------------------|---------------------------------------|
| 2.14 : CASH AND BANK BALANCES | | |
| Cash and Bank Balances : | | |
| In Current / Cash Credit Account | 50,13,969 | 3,22,979 |
| Cash on hand | 3,16,567 | 1,63,256 |
| Other Bank Balances : | | |
| In Unpaid Dividend Account | 4,02,868 | 3,30,039 |
| | <u>57,33,404</u> | <u>8,16,274</u> |
| 2.15 : OTHER CURRENT ASSETS | | |
| Other Receivables | <u>2,00,000</u> | - |
| | <u>2,00,000</u> | - |
| 2.16 : REVENUE FROM OPERATIONS | | |
| Sale of Finished Goods | 24,98,02,485 | 19,71,10,180 |
| Other Operating Revenues | | |
| Subsidies | 7,63,393 | 9,06,856 |
| Tea Claim | 4,45,925 | 44,621 |
| | <u>25,10,11,803</u> | <u>19,80,61,657</u> |
| DETAILS OF SALE OF FINISHED GOODS | | |
| Tea | 24,98,02,485 | 19,71,10,180 |
| | <u>24,98,02,485</u> | <u>19,71,10,180</u> |
| 2.17 : OTHER INCOME | | |
| Interest Income | 31,800 | 56,531 |
| Dividend on Long term investments | 12,65,532 | 30,94,030 |
| Profit on sale of Long-term investments (Net) | 6,59,121 | 17,82,350 |
| Profit on sale of Fixed Assets (Net) | 3,08,985 | (15,174) |
| Unclaimed Balances written back | 90,955 | 3,354 |
| Miscellaneous Income | 24,470 | 31,004 |
| | <u>23,80,863</u> | <u>49,52,095</u> |
| 2.18 : COST OF RAW MATERIALS CONSUMED | | |
| Raw Material Consumed (Green Leaf) | 3,56,40,952 | 2,36,125 |
| 2.19 : (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS | | |
| Inventories at the beginning of the year | | |
| Finished Goods (Tea) | 67,42,708 | 81,20,631 |
| Inventories at the end of the year | | |
| Finished Goods (Tea) | <u>58,41,690</u> | <u>67,42,708</u> |
| | <u>9,01,018</u> | <u>13,77,923</u> |
| 2.20 : EMPLOYEE BENEFIT EXPENSE | | |
| Salaries & Wages | 6,43,32,939 | 5,30,71,559 |
| Managerial Remuneration | 4,86,000 | 4,50,000 |
| Contribution to Provident Fund and Others | 54,10,118 | 47,19,606 |
| Contribution to Gratuity Fund | 19,76,266 | 12,85,495 |
| Staff Welfare Expenses | <u>57,70,181</u> | <u>51,59,646</u> |
| | <u>7,79,75,504</u> | <u>6,46,86,306</u> |



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

| | For the Year Ended 31.03.2013 ₹ | For the Year Ended 31.03.2012 ₹ |
|--|---------------------------------------|---------------------------------------|
| 2.21 : FINANCE COST | | |
| Interest Expenses | | |
| To Bank & Others | | |
| On Working Capital Loan | 45,46,435 | 26,55,008 |
| On Term Loan | 5,51,093 | 6,40,186 |
| Other Borrowing Cost | <u>3,46,268</u> | <u>1,76,072</u> |
| Other Financial Charges | <u>54,43,796</u> | <u>34,71,266</u> |
| 2.22 : OTHER EXPENSES | | |
| Manufacturing Expenses | | |
| Stores, Spare Parts & Packing Materials Consumed | 5,56,34,063 | 5,52,22,158 |
| Power & Fuel | 2,18,83,461 | 1,43,39,660 |
| Repairs to Buildings | 16,20,041 | 20,61,714 |
| Repairs to Machinery | 42,12,999 | 39,65,050 |
| Repairs to Vehicles | 30,69,541 | 26,37,514 |
| Repairs to Other Assets | 86,90,324 | 76,37,797 |
| Other Manufacturing Expenses | 47,02,551 | 84,98,696 |
| | <u>9,98,12,980</u> | <u>9,43,62,589</u> |
| Selling and Administration | | |
| Freight & Cartage | 43,02,621 | 33,82,818 |
| Insurance | 3,88,835 | 1,54,158 |
| Commission, Brokerage & Discount etc | 40,00,945 | 33,11,486 |
| Warehousing and other selling expenses | 13,94,049 | 9,62,023 |
| Rates & Taxes (Duty & Cess) | 38,20,743 | 33,81,044 |
| Travelling and Conveyance | 2,95,184 | 1,62,975 |
| Auditors' Remuneration- | | |
| Statutory Auditors- | | |
| Auditor | 1,25,000 | 1,25,000 |
| Tax Audit Fees | 20,000 | 20,000 |
| Issue of Certificates | 60,000 | 80,000 |
| Service Tax on above | 25,338 | 27,192 |
| Cost Audit Fees | 10,000 | 10,000 |
| Service Tax on above | 1,236 | 1,030 |
| Legal & Professional Charges | 7,00,279 | 5,83,477 |
| Bad Debts / advances & Claims written off. | 86,229 | |
| Less : Provision | <u>23,905</u> | |
| Directors' Fees | 62,324 | 38,468 |
| Other Miscellaneous Expenses | 2,85,000 | 2,25,000 |
| | <u>37,73,646</u> | <u>30,88,872</u> |
| | <u>1,92,65,200</u> | <u>1,55,53,543</u> |
| | <u>11,90,78,180</u> | <u>10,99,16,132</u> |



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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 31-3-2013 (₹) | As at 31-3-2012(₹) |
|---|---------------------|--------------------|
| 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 ₹12,00,000/-)(Previous year ₹12,00,000/-) | 23,26,300 | 23,26,300 |
| iii. Income Tax demand for the Assessment Year 2010-11 | 1,89,870 | Nil |
| iv. Agricultural Income Tax demand for the Assessment Year 2008-09 (Paid under protest ₹2,00,000/-) | 8,23,492 | Nil |
| v. Agricultural Income Tax demand for the Assessment Year 2009-10 (Paid under protest) | 4,74,119 | Nil |

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, 2013 | 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 ₹54,10,118 (P.Y. - ₹47,19,606) for provident fund contribution.
- ii. Defined Benefit Plan:- The Company makes annual contribution of gratuity to Tata AIA 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 | 2012-13 | 2011-12 |
|---|----------------------------------|----------------------------------|
| | Gratuity Plan (₹) | Gratuity Plan (₹) |
| A EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31-3-2013 | | |
| i Current Service Cost | 15,32,650 | 11,09,663 |
| ii Interest Cost | 16,08,667 | 14,92,425 |
| iii Expected return on Plan Assets | (14,61,668) | (14,92,425) |
| iv Actuarial (Gain) / Losses | 2,96,707 | 1,75,832 |
| v Past service cost | - | - |
| vi Expenses recognized in the Statement of Profit & Loss | 19,76,266 | 12,85,495 |
| B NET (ASSETS) / LIABILITIES RECOGNIZED IN BALANCE SHEET AS AT 31ST MARCH 2013 | | |
| i Present Value of the Defined Benefit Obligation | 2,07,17,082 | 1,94,99,590 |
| ii Fair Value of plan Assets | 2,05,95,321 | 1,96,14,095 |
| iii Net (Assets)/Liabilities recognized in Balance Sheet | 1,21,761 | (1,14,505) |
| C CHANGES IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATION DURING THE YEAR ENDED 31ST MARCH 2013 | | |
| i Present Value of Defined Benefit Obligation as at 1st April 2012 | 1,94,99,590 | 1,80,89,997 |
| ii Current service cost | 15,32,560 | 11,09,663 |
| iii Interest Cost | 16,08,667 | 14,92,425 |
| iv Past Service Cost | - | - |
| v Actuarial (Gain) / Losses | 7,62,752 | 7,41,684 |
| vi Benefits Paid | (26,86,487) | (19,34,179) |
| vii Present value of obligation as at 31st March, 2013 | 2,07,17,082 | 1,94,99,590 |
| D CHANGES IN FAIR VALUE OF PLAN ASSETS DURING THE YEAR ENDED 31ST MARCH, 2013 | | |
| i Fair value of Plan Assets as at 1 st April, 2012 | 1,96,14,095 | 1,80,89,997 |
| ii Expected return on Plan Assets | 14,61,668 | 14,92,425 |
| iii Actuarial Gain/(Losses) | (4,66,045) | 5,65,852 |
| iv Benefits paid | (26,86,487) | (19,34,179) |
| v Contributions | 17,40,000 | 14,00,000 |
| vi Fair value of Plan Assets as at 31 st March, 2013 | 2,05,95,321 | 1,96,14,095 |
| vii Actual return on Plan Assets | 19,27,713 | 20,58,277 |
| E PRINCIPLE ACTUARIAL ASSUMPTIONS USED | | |
| i Discount rates as at 31st March, 2013 | 8.00% | 8.50% |
| ii Expected Return on Plan Assets | 8.00% | 8.50% |
| iii Expected Salary increase rates | 5.00% | 5.00% |
| iv Mortality rates | LIC (1994-96) Mortality Table | LIC (1994-96) Mortality Table |
| F 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 expects to contribute ₹15,00,000/- to its gratuity fund in 2013-14.
- The amounts for the current annual period and previous four annual periods are as follows.

| Particulars | 2012-13 | 2011-12 | 2010-11 | 2009-10 | 2008-09 |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| | (₹) | (₹) | (₹) | (₹) | (₹) |
| Present value of defined obligation | 2,07,17,082 | 1,94,99,590 | 1,80,89,997 | 1,93,58,000 | 1,73,72,000 |
| Fair Value of Plan Assets | 2,05,95,321 | 1,96,14,095 | 1,80,89,997 | 1,45,80,000 | 1,41,99,000 |
| Excess of obligation over Plan Assets | 1,21,761 | (1,14,505) | - | 47,78,000 | 31,73,000 |

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:**

A) **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 - ₹4,86,000/- (P.Y. ₹4,50,000/-)

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 | | | |
|--------------|------------------------|---------------|-----------------|---------------|-----------------------|---------------|------------------|---------------|
| | 2012-13 | | 2011-12 | | 2012-13 | | 2011-12 | |
| | Value(₹) | % | Value(₹) | % | Value(₹) | % | Value(₹) | % |
| Imported | - | - | - | - | - | - | - | - |
| Indigenous | 3,56,40,952 | 100.00 | 2,36,125 | 100.00 | 41,15,844 | 100.00 | 52,12,811 | 100.00 |
| Total | 3,56,40,952 | 100.00 | 2,36,125 | 100.00 | 41,15,844 | 100.00 | 52,12,811 | 100.00 |

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

Remitted in Foreign Currency

| | Year ended 31.03.2013 | Year ended 31.03.2012 |
|-------------------------------------|--------------------------|--------------------------|
| Net amount of Dividend remitted (₹) | 9,60,000 | 9,60,000 |
| Number of Shareholders | 1 | 1 |
| Number of Shares held | 3,20,000 | 3,20,000 |



k) Earnings Per Share :

| | Year ended 31.03.2013 | Year ended 31.03.2012 |
|--|--------------------------|--------------------------|
| Profit after Taxation as per statement of Profit & Loss(₹) | 81,08,020 | 15,021,995 |
| 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/- | 10.14 | 18.78 |

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 29th day of May, 2013

| | | |
|-----------------|---|--------------------|
| B. P. JALAN | | Directors |
| VIJENDRA KUMAR | | |
| NARENDRA KUMAR | | |
| DHIRENDRA KUMAR | | |
| G. MOMEN | | |
| G. D. GUPTA | | |
| V. VANCHI | | |
| S. K. JALAN | — | Alternate Director |
| S. SARBADHIKARY | — | Director-Finance |