

Annual  
Report **2012**



Assam Company India Limited

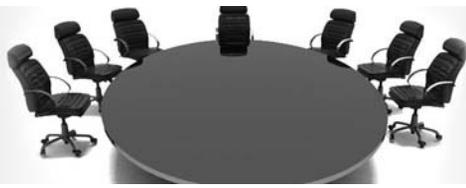


Member  
Duncan Macneill Group

**The Thirty Sixth Annual General Meeting of the Company  
will be held at 11.00 A.M., on Saturday, 29th June, 2013  
at the Registered Office of the Company at  
Greenwood Tea Estate, P.O. Dibrugarh, Assam**

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# Corporate Information



## **Board of Directors**

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Dr. K. K. Jajodia, Chairman  
Mr. A. K. Jajodia, Managing Director  
Mr. Amit Halder  
Mr. Sarvadaman Ray

## **Company Secretary**

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Mr. Romit Mitra

## **Chief Financial Officer**

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Mr. Sanjay Sharma

## **Registered Office**

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Greenwood Tea Estate  
P.O. Dibrugarh  
Assam - 786 001

## **Head Office**

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Assam Tea House  
52, Chowringhee Road, Kolkata-700 071  
Phone : 91-33 2283-8306/09/12  
E-mail : [assamco@vsnl.com](mailto:assamco@vsnl.com)

## **Auditors**

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De Chakraborty & Sen  
Chartered Accountants  
Kolkata

## **Solicitors**

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Khaitan & Co.

## **Bankers**

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Allahabad Bank  
Bank of Baroda  
State Bank of Bikaner & Jaipur  
State Bank of Hyderabad  
Oriental Bank of Commerce  
Central Bank of India  
Indian Overseas Bank  
Syndicate Bank  
Union Bank of India

## **Registrars & Share Transfer Agents**

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C.B. Management Services Pvt. Ltd.  
P-22, Bondel Road  
Kolkata-700 019  
Phone : 91-33-4011 6700/11/18/23  
E-mail: [rta@cbmsl.com](mailto:rta@cbmsl.com)  
Website: [www.cbmsl.com](http://www.cbmsl.com)



## **NOTICE**

Notice is hereby given that the Thirty-Sixth Annual General Meeting of the Members of Assam Company India Limited will be held at 11.00 A.M., on Saturday, 29th June, 2013, at the Registered Office of the Company at Greenwood Tea Estate, P.O. Dibrugarh, Assam, to transact the following business:

### **Ordinary Business :**

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st December, 2012, together with the Report of the Board of Directors and the Auditors thereon.
2. To declare a Dividend for the year ended 31st December, 2012.
3. To appoint a Director in place of Mr. Amit Halder, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

Kolkata  
28th February, 2013

**BY ORDER OF THE BOARD**  
**Romit Mitra**  
President- Legal & Company Secretary

## **NOTES**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. NO PHOTOCOPY/ SCANNED COPY OF A COMPLETED PROXY FORM WILL BE ACCEPTED.**
2. Those Members, who have not so far encashed their Dividend Warrants from the year ended 31st December, 2005, onwards may immediately approach the Company for payment. Please note that pursuant to Section 205A of the Companies Act, 1956, the Company is obliged to transfer any money lying in the Unpaid Dividend Accounts, which remain unpaid or unclaimed for a period of seven years from the date of the transfer in such Unpaid Dividend Accounts, to the credit of Investor Education and Protection Fund (the Fund) established by the Central Government. In accordance with Section 205C of the said Act, no claim shall lie against the Fund or the Company in respect of individual amounts of dividend remaining unclaimed and unpaid for a period of seven years from the date they first became due for payment and no payment shall be made in respect of such claims.
3. As required under the provisions of Clause 49(IV)(G)(i) of the Listing Agreements, particulars relating to Mr. Amit Halder, Director, retiring and whose appointment/re-appointment are being proposed at the forthcoming Annual General Meeting, are enclosed in the Annexure to this Notice.
4. As per the provisions of Section 109A of the Companies Act, 1956, Members are requested to file Nomination Forms in respect of their shareholding. Any Member wishing to avail of this facility should submit to the Company the prescribed Statutory Form 2B. For any assistance, Members should get in touch with the Company's Registrar and Share Transfer Agent.
5. Members are requested to notify immediately any change in their addresses to the Company's Registrar and Share Transfer Agent.
6. A Member or his Proxy will be required to produce at the entrance to the Meeting Hall, the Attendance Slip sent herewith duly completed and signed. Neither photocopies nor torn/mutilated Attendance Slips will be accepted. However, Members who have received the Annual Report on E-mail can download and print the Attendance Slip themselves. These should be completed, signed and handed over at the entrance to the Meeting Hall. The validity of the Attendance Slip will, however, be subject to the Members continuing to hold Equity Shares as on the date of the Meeting.
7. Equity Shares of the Company fall under the category of compulsory demat trading by all Investors. Members are requested to consider dematerialisation of their shareholding so as to avoid inconvenience.



8. To avoid loss of Dividend Warrants in transit and undue delay in respect of receipt of Dividend Warrants, the Company provides the facility of payment of Dividend through ECS. Members, desirous of availing this facility, are requested to contact the Company's Registrar and Share Transfer Agent.
9. Securities and Exchange Board of India (SEBI) vide Circular No. MRD/DoP/Cir-05/2009 dated 20th May, 2009, has issued a circular on PAN requirement for transfer of shares in physical form. For securities market transactions and off-market / private transactions involving transfer of shares in physical form, it shall be mandatory for the transferee(s) to furnish a copy of PAN card to the Company/RTA for registration of such transfer of shares.
10. All documents referred in the Notice are open for inspection at the Registered Office of the Company on all working days between 10.00 a.m. to 12 noon upto the date of the forthcoming Annual General Meeting.
11. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
12. Members are requested to bring their Attendance Slip along with their copy of the Annual Report to the Meeting.
13. In case of joint holders attending the Meeting, only such joint holder, who is higher in the order of names, will be entitled to vote.
14. Members are requested to quote their registered Folio Number/ DP ID, Client ID in all correspondence with the Company or its Registrars.
15. The Register of Members and Share Transfer Books of the Company shall remain closed from 4th June, 2013 to 29th June, 2013, both days inclusive.

Kolkata  
28th February, 2013

**BY ORDER OF THE BOARD**  
**Romit Mitra**  
President- Legal & Company Secretary

### Annexure to Annual General Meeting Notice

#### Information on Director seeking re – appointment at the ensuing Annual General Meeting (Pursuant to Clause 49(IV)(G)(i) of the Listing Agreements.)

Name of Director	Date of Birth	Date of Appointment	Expertise in specific functional areas	Qualifications	Directorship in other Public Companies	Membership of Committees of other Public Limited Companies (include only Audit Committee and Shareholders'/ Investors' Grievance Committee)	Other Information	Remarks
Amit Halder	15.02.1939	19.03.2012	Legal and Company Law	Fellow Member of The Institute of Company Secretaries of India LLB; B.Com (Hons)	Nil	Nil	Non – Executive Independent Director No. of Shares held: Nil	Retires by rotation at the forthcoming Annual General Meeting



## **IMPORTANT COMMUNICATION FOR MEMBERS**

28th February, 2013

Dear Sir(s) / Madam,

The Ministry of Corporate Affairs (MCA) has issued a Circular on 21st April, 2011, stating that the service of documents by a company may be made through electronic mode. The Circular has been issued in pursuance of "Green Initiative in the Corporate Governance" taken by MCA.

Keeping in view the above Circular, it is proposed to send documents like Notice of the Annual General Meeting and Annual Reports and Postal Ballot papers etc., in electronic form. These documents will be sent to those Members, who have already provided their E-mail IDs, unless they exercise their option to receive them in physical form by visiting the following Website of our Registrar and Share Transfer Agent (RTA).

Those who are holding Shares in the Dematerialised mode but have not provided their E-mail address, are requested to please provide the same to their respective Depository Participants immediately. Those who, however, intend to receive the above documents in physical form, are requested to please exercise their option immediately by visiting the following Web Page of our RTA : [www.cbmsl.com/green.php](http://www.cbmsl.com/green.php)

Members, holding shares in physical mode are requested to visit the following Website and register their E-mail IDs and also exercise their option if you intend to receive the documents in physical, form [www.cbmsl.com/green.php](http://www.cbmsl.com/green.php)

Thank you,

Yours faithfully,

For **ASSAM COMPANY INDIA LIMITED**

**ROMIT MITRA**

**PRESIDENT- LEGAL & COMPANY SECRETARY**



# Directors' Report



The Board presents the Thirty-Sixth Annual Report and Accounts for the year ended 31st December, 2012. The Financial Results are set out below:

	Year ended 31st December 2012 ₹	Year ended 31st December 2011 ₹
<b>Income</b>	<b>2,71,77,41,816</b>	<b>3,18,28,22,557</b>
<b>Profit before Interest, Depreciation, Amortisation, Taxes and Exceptional Items</b>	83,79,47,924	82,82,03,001
Interest and Finance Charges	49,35,95,543	51,79,81,616
Depreciation/ Amortisation	7,15,54,037	7,87,35,868
<b>Profit before Exceptional Items and Taxes</b>	<b>27,27,98,344</b>	<b>23,14,85,517</b>
Exceptional Items	(1,59,05,226)	(1,50,18,849)
<b>Profit before Tax</b>	<b>28,83,03,423</b>	<b>24,65,04,366</b>
Provision for Tax	8,60,00,000	6,05,00,000
<b>Profit after Tax</b>	<b>20,23,03,423</b>	<b>18,60,04,366</b>
Balance brought forward from previous year	76,18,43,947	59,53,40,178
<b>Available for Appropriation</b>	<b>96,41,47,370</b>	<b>78,13,44,544</b>
The Board propose the following Appropriation:		
<b>Proposed Dividend</b>	<b>1,54,88,048</b>	<b>1,54,88,048</b>
Dividend Tax	25,12,549	25,12,549
<b>Transferred to General Reserve</b>	<b>15,00,000</b>	<b>15,00,000</b>
<b>Balance Carried Forward</b>	<b>94,46,46,773</b>	<b>76,18,43,947</b>
	<b>96,41,47,370</b>	<b>78,13,44,544</b>

## Directors' Responsibility Statement

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956 ("the Act") and, based upon the representations from the Management, the Board states that:

- in preparing the Annual Accounts, applicable Accounting Standards have been followed and there are no material departures;
- the Directors have selected such accounting policies, applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit of the Company for the year;
- the Directors have taken proper and sufficient care in maintaining adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the Annual Accounts of the Company on a "going concern" basis.

## Dividend

The Board is pleased to recommend for the approval of the Members, a Dividend of Re. 0.05 per Equity Share of Re. 1 each, in respect of the Financial Year 2012.

## Management Discussion and Analysis Report

The annexed Management Discussion and Analysis Report forms a part of this Report and covers, amongst other matters and the performance of the Company during the Financial Year 2012 as well as the future outlook.



### **Subsidiary Companies**

In accordance with the general Circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the Subsidiary Companies are not being attached with the Balance Sheet of the Company.

Subject to prior arrangement, the Audited Annual Accounts of the subsidiary companies will be available for inspection by any Member at the Company's Registered Office.

In terms of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof, the entire Promoter Shareholding of Namburnadi Tea Company Limited (NTCL) were transferred to Bokahola Tea Co. Pvt. Ltd. Accordingly, NTCL ceased to be a Subsidiary of the Company with effect from 21st January, 2013.

### **Directors**

In terms of Section 256 of the Companies Act, 1956, Mr. Amit Halder, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

### **Cost Audit**

The Central Government has made it mandatory for the Company to conduct a cost audit and accordingly, the Company has appointed BCD & Associates as its Cost Auditors.

### **Auditors**

De Chakraborty & Sen, Chartered Accountants, the Statutory Auditors of the Company, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Audit Committee has recommended their re-appointment as the Auditors of the Company.

### **Auditors' Observations**

The remarks in the Auditors' Report are already explained in the Notes to the Accounts and as such, does not call for any further explanation or elucidation.

### **Report on Corporate Governance**

In accordance with the Listing Agreements with the Stock Exchanges, the Report on Corporate Governance in accordance with Clause 49 of the Listing Agreements along with the Auditors' Certificate is annexed to and forms a part of this Report.

### **Particulars as per Section 217 of the Companies Act, 1956**

The information relating to Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo, pursuant to Section 217 (1) (e) of the Companies Act, 1956, is set out in Annexure "A" forming part of this Report.

Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, are set out in Annexure "B" forming part of this Report.

### **Acknowledgement**

The Board sincerely thanks the Government of India, Ministry of Petroleum and Natural Gas, other Ministries, the Government of Assam, the Indian Tea Association, Tea Board, the Consortium and other Bankers, Customers, Shareholders, Vendors and other Stakeholders for their continued assistance and co-operation.

The Board also takes this opportunity to acknowledge the industrial harmony at all the tea gardens and other locales and also thanks the employees and other workmen for their commitment and dedication.

Kolkata  
28th February, 2013

**On behalf of the Board of Directors**  
A. K. Jajodia – *Managing Director*  
Amit Halder – *Director*  
Sarvadaman Ray– *Director*



## ANNEXURE – 'A' FORMING PART OF THE DIRECTORS' REPORT

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO IN TERMS OF SECTION 217(1)(e) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988, FOR THE YEAR ENDED 31ST DECEMBER, 2012.

FORM "A"		Year ended 31st December, 2012	Year ended 31st December, 2011
<b>CONSERVATION OF ENERGY</b>			
<b>A. Power &amp; Fuel Consumption</b>			
<b>1. Electricity</b>			
a.	Purchased Units (KWH)	81,64,631	1,04,55,352
	Total Amount (Rs.)	6,57,98,886	7,53,92,990
	Rate per Unit (Rs.)	8.06	7.21
b.	Through diesel generator Units (KWH)	40,78,222	38,03,494
	Units per Litre of Diesel	3.58	3.06
	Cost / Unit (Rs.)	12.48	13.14
<b>2. Coal</b>			
	Quantity (Tonnes)	2,834.84	4,922.23
	Total Cost (Rs.)	2,14,79,897	2,87,47,842
	Average Rate (Rs. / Tonne)	7,577	5,840
<b>3. Furnace Oil</b>			
	Quantity in Kilo Litres (KL)	14.61	51.90
	Total Cost (Rs.)	5,14,770	2,117,930
	Average Rate (Rs. / KL)	35,000	40,807.90
<b>4. Gas</b>			
	Quantity (Scum)	64,06,392	74,79,303
	Total Cost (Rs.)	6,23,64,826	6,36,14,495
	Rate (Rs. / Scum)	9.73	8.51
<b>B. Consumption Per Unit of Production</b>			
	Production of Tea (Kgs.)	1,34,74,784	1,65,33,682.00
	Electricity (KWH)	0.91	0.86
	Furnace Oil (Litres)	0.61	0.02
	Coal (Kgs.)	1.50	1.55
	Gas (Scum)	0.48	0.45



## ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)

### RESEARCH AND DEVELOPMENT (R&D)

- |   |  |
|---|--|
| 1. Specific Areas in which R & D carried out by the Company | Tea productivity and quality improvement, implementation of low input sources like biofertilisers, biopesticides and other biocontrol agents for pesticide free organic tea production and environment protection. Regular soil status study, exploitation of natural products from tea. |
| 2. Benefits derived as a result of the above R & D          | Tea quality improvement, reduction of risk on pest and disease infestation. Adoption of technology from time to time in accordance with the work done by the Tea Research Association, Institute of Market Ecology and in-house R & D.   |
| 3. Future plan of action                                    | Development of suitable biocompost, biofertilisers and extensive usage of biological agents to control disease manifestation. Exploitation of natural ingredients in tea.  |
| 4. Expenditure on R & D                                     |  |
| a) Capital  | Nil  |
| b) Recurring  | Nil  |
| c) Total  | Nil  |
| d) Total R&D expenditure as a percentage of total turnover  | Nil  |

### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- |   |   |
|---|---|
| 1. Efforts in brief made towards technology absorption, improvement, adaptation and innovation.   | Efforts are made to improve indigenous cost effective technology for productive and quality improvement. Keeping co-ordination with Tea Research Association Laboratories and Company's in-house R & D Units. |
| 2. Benefits derived as a result of above efforts improvement, cost reduction, product development, e.g. product import substitution etc.  | Product improvement and Tea Quality improvement.  |
| 3. In case of imported technology (imported during the last five years reckoned from the beginning of the financial year), following information may be furnished :<br>a. Technology imported<br>b. Years of import<br>c. Has technology been fully absorbed<br>d. If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action. | ] NOT APPLICABLE  |

### FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, foreign exchange outgo was ₹ 3.50 Crores. The foreign exchange earnings during the period was ₹ 38.65 Crores as against ₹ 60.50 Crores in the previous year. The details of the foreign exchange earnings and outgo are available in Note No. 38 and 39 to the Accounts.



## ANNEXURE TO THE DIRECTORS' REPORT

### Form B

STATEMENT PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 FOR THE YEAR ENDED 31ST DECEMBER, 2012.

Name	Designation	Remuneration ₹	Qualifications	Experience (Years)	Date of Commencement of Employment	Age (years)	Particulars of last Employment	Designation
Mr. Aditya Kumar Jajodia	Managing Director	59,34,830	B.Com	28	1st October, 1992	50	Worldlink Finance Limited	Managing Director

Notes:

1. Remuneration shown above includes Salary and Allowances, Commission, Bonus, Contribution to the Provident and Superannuation Funds, Leave Travel Assistance, Medical Expenses, actual House Rent and other perquisites valued in accordance with Income Tax Rules, 1962, for the year ended 31st December, 2012.
2. Nature of appointment – Contractual and is subject to the Rules and Regulations of the Company in force from time to time.
3. Except Mr. A.K. Jajodia and Mrs. Ruchika Jajodia, no other employee is a relative of any Director of the Company.

*On behalf of the Board of Directors*

A. K. Jajodia – Managing Director  
Amit Halder – Director  
Sarvadaman Ray– Director

Kolkata  
28th February, 2013



# Management Discussion & Analysis Report



## INDUSTRY STRUCTURE AND DEVELOPMENT

### TEA

In 2012, the production of world tea crop was 4412 Million Kgs compared to 4427 Million Kgs in 2011. The decrease was mainly due to the dry weather condition during January upto May, across major black tea producing countries and excessive rain during July and September in North India, which had a negative impact on production upto October.

The crop production in Sri Lanka and Kenya declined by 1.30 Million Kgs and 8.3 Million Kgs respectively. The Indian Tea production reduced by nearly 4 Million Kgs due to severe drought in the first half of the season coupled with pest attack and diseases. The Tea Board of India has revised the production figures upward for both the current year and the previous year. It has been reported that the Tea Board is likely to revise upward export figures for the previous years. However, this will not change the understanding of shortage at the inventory level. As per Tea Board figures, the all India production in 2012, was 1111.76 Million Kgs, as against 1115.72 Million Kgs in 2011.

Lower opening inventory and lower production in unfavourable weather condition and considerably higher consumption of tea has taken the domestic prices higher by ₹ 20-25/Kg.

Domestic demand for tea continued to grow by 15-20 Million Kgs each year.

The total domestic consumption of tea was about 895 Million Kgs.

Exports were lower by 15 Million Kgs, as there was a strong domestic demand, though prices for CTC tea were higher. Production shortfall in Kenya and other African countries also caused higher export prices.

Orthodox tea witnessed a severe setback in production, primarily due to the difficulty in the payment mechanism in Iran. This was resolved only during the last part of the year when more Orthodox tea production was not possible, as the season in Assam was coming to an end.

In North India, an increase in wages due to revision as per with the Agreement, increase in fuel cost due to increased prices and loss of crop has resulted in increase in the cost of production.

During 2012, the Company sold 13.176 Million Kgs of tea produced in that year, at an average price of ₹183.28 as compared to 17 Million Kgs @ ₹ 151.29 in 2011, an increase of ₹ 31.99.

Like in the industry, the Company's exports were lower. The Company exported 1.758 Million Kgs as against 3.1 Million Kgs in 2011. The average price of export was however, much higher in 2012. The average price was ₹ 216.18 as compared to ₹ 183.84 in 2011, an increase of ₹ 32.34.

Sales in the domestic market were higher, both in quantity and price. In 2012, the Company sold 11.418 Million Kgs at an average price of ₹ 188.37 as compared to 13.9 Million Kgs in the previous year, at an average price of ₹ 153.14.

### OIL AND NATURAL GAS

India's oil and gas imports that made up one third of the total import bill of the country during 2011-12, continues to be a major source of anxiety with the Government. Oil accounts for a quarter of India's total energy needs. About 80% of the country's requirement of oil is imported.

India's oil demand is projected to grow by 40% during the next decade, which means domestic oil output will have to be more than tripled just to be on equal footing with the prevailing input scenario.

This would call for urgent proactive measures by the Government of India (GOI) to streamline the Exploration and Production (E & P) business and associated rules to make it more investor friendly.

Certain action already initiated by the GOI in the form of revision of Production Sharing Contract (PSC) rules and pricing norms are calculated as positive steps in this direction. They would go a long way towards



boosting of Exploration and Production efforts through indigenous and outside investments. Large scale innovations in the Oil and Gas Sector has become an essential prerequisite for India purely on economic considerations.

The Oil and Gas scenario in India during 2011-12 is illustrated through the following parameters :

The estimated reserves of crude oil and natural gas in India as on 1st April, 2012, was 760 Million Tonnes and 1330 Billion Cubic Meters respectively.

Crude oil production during 2011-12 was 38.09 Million Tonnes, which was 1.08% higher than the production during 2010-11 (37.68 Million Tonnes).

However, the gross production of natural gas in the country during the same period was 47.56 Billion Cubic Meters, which was 8.92% lower than that of 2010-11 (52.22 Billion Cubic Meters).

During 2011-12, the country imported 171.73 Million Tonnes of crude oil and 9.70 Million Tonnes of LNG, against 163.60 Million Tonnes of crude oil and 8.95 Million Tonnes of LNG during 2010-11.

Indigenous production of oil and natural gas during 2013-14 has been projected at 42.305 Million Tonnes and 117.8 Million standard cubic meters per day (MMSCMD).

#### **The present Status on Oil and Gas Project with ACIL**

The Company continues with the implementation of work programmes in the three Exploration Blocks in which it has Participating Interests.

The Company's Oil and Gas activities comprise of three Oil Fields – Amguri (Discovered Field), AA-ON/7 (Exploration Block) and AA-ONN-2005/1 (Exploration Block) having Participating Interest of 40%, 35% and 10% respectively. Amguri Oil Field and AA-ON/7 Exploration Block were operated under a consortium with Canoro Resources Limited (Canoro), a Canadian based E&P Company. AA-ONN-2005/1 Exploration Block is however under consortium with ONGC and Oil India Limited.

Following the termination of PSC and 60% Participation Interest (PI) of Amguri Field of Canoro by the Government of India (GOI) with effect from 29th August, 2010, Canoro finally closed its operation in India having their Appeal being dismissed by the Hon'ble High Court of Delhi. GOI, as an interim arrangement, had appointed ONGC as the custodian of GOI to operate the field from 16th March, 2011, pending appointment of a regular Operator for which the Company had already staked its claim along with the ownership of 60% PI, in accordance with the provisions of PSC. After a prolonged delay, GOI has finally appointed the Company as the Operator of the Amguri Field vide its letter dated 2nd January, 2013. The Company, on priority basis, has now taken steps to resume the operations and production of oil and gas in the Amguri Field.

The Company also, under the Joint Operating Agreement (JOA), exercised its right of first refusal of its claim on 60% PI from Canoro. Accordingly, the Company initiated Arbitral proceedings against Canoro as per PSC for redressal of dispute on ownership of the majority Equity share holding of Canoro and 60% PI of the Amguri Field. The Arbitral Tribunal passed the Award on 21st November, 2011, under which the Company had become the rightful owner of 60% PI of Amguri and also 52.9% shares of Canoro which was earlier issued to Mass Financial Corporation in breach of JOA. As per the said Award, the Company had also been awarded damage claim of US\$ 39.12 Million (₹ 214.29 Crores) against Canoro. The consideration of US\$ 4.16 Million (₹ 22.78 Crores) and US\$ 2.2071 Million (₹ 12.08 Crores) assigned towards 60% PI of Amguri and 52.9% shares of Canoro respectively were set off from the total damage claim and the net damage claim of US\$ 32.75 Million (₹ 179.40 Crores) was awarded against Canoro. Consequent upon the receipt of the Award, the Company sought the formal consent from GOI for the transfer of 60% PI, pursuant to the provisions of PSC which is still awaited.

For execution of the Arbitral Award before the Learned Canadian Court, the Company has initiated legal steps by filing an Execution Petition on 9th November, 2012, before the Hon'ble Supreme Court of British



Columbia. The Hearing of the execution Petition is due in April, 2013. Meanwhile, the Company had received Execution Orders on the Arbitral Award against Canoro from the Hon'ble District Courts in Assam for taking possession of inventory and field equipments.

In view of delay in response from GOI for according consent on assignment of 60% PI and operatorship of Amguri Field, the Company had initiated Arbitral proceedings against GOI by filing an Application under Section 9 of the Arbitration and Reconciliation Act, 1996, before Hon'ble High Court of Delhi, seeking interim relief, pending disposal of the case by an Arbitral Tribunal. The Company had received an interim Judgment of the Hon'ble High Court of Delhi on 20th July, 2012, under which the said Learned Court had, prima facie, observed that the Company was entitled to 60% PI of Canoro as per PSC and GOI should accord the consent without holding it up further. However, GOI is still to take a decision in this matter.

In respect of the AA-ON/7 Exploration Block, the area lies in two States viz. Assam and Nagaland. The exploration activities in Assam were completed and the area has been relinquished as there was no discovery of oil and gas. In order to pursue exploration activities in the State of Nagaland, a new PSC in continuation of the earlier PSC on the basis of the same terms and conditions will be executed very shortly.

The execution of a new PSC has been delayed due to the ongoing legal dispute on Amguri with Canoro. Since the matter has been finally resolved and Canoro's PSC and PI on this Block has been terminated by GOI vide its letter dated 16th March, 2011, the new PSC, which has already been approved by GOI, will now be executed. Similar to the Amguri Field, the Company as per the PSC, is also entitled to 65% PI and Operatorship of this Block, earlier held by Canoro, as the Company, has remained as the sole non-defaulting Contractor. The Company has already claimed the PI and Operatorship from GOI.

The new PSC of AA-ON/7 Exploration Block will be in continuation of the previous PSC and its terms and conditions will not be inferior to the terms of previous PSC as confirmed by GOI. AA-ON/7, even though located in two States, require an independent PSC as it is a single E&P asset. Accordingly, all past expenditures in this Block will qualify for 100% cost recovery and at present it does not attract any capitalization, impairment provision/adjustment as per AS-10, AS-28 and Guidance Note on Accounting for Oil and Gas Producing Activities.

With regard to AA-ONN-2005/1 Exploration Block where ONGC are the Operators, the Geological and Geophysical (G&G) activities are under progress.

With regard to AA-ONN-2005/1 Exploration Block, this Block was awarded under the NELP-VII round under consortium with ONGC and OIL. The Petroleum Exploration License (PEL) was obtained on 1st December, 2010. This Block is situated in the Assam-Nagaland border and is sensitive with respect to environment, reserve forest and border disputes. Permission to conduct seismic surveys was granted by the Assam State Government recently, hence, the exploration activities are in its early stages.

The Company's aggregate capital investments grouped under Capital Work in Progress and Fixed Assets will be eligible for full cost recovery as per PSC against future activities. The operations in the Amguri Field and AA-ON/7 Exploration Blocks will resume on receipt of the requisite consent from GOI and execution of a new PSC respectively.

The Company acquired an E&P Asset "EL Triunfo" Block with 70% PI in Colombia under a consortium with Sismopetrol, a Colombian E&P Company. In order to comply with the Foreign Exchange Regulations and long term strategy to pursue sustainable growth in E&P Assets in the overseas countries, the Company has assigned its rights in the E&P Assets of the Block to AONGL, its Wholly Owned Subsidiary in the Cayman Islands. Colombia is considered to be a prolific E&P zone and there are several discoveries of oil in the area adjacent to EL Triunfo Block. In view of E&P prospects, the Company is confident of obtaining better return out of the investment made in AONGL. Under the present circumstances, both the investment in AONGL and the Loan to AONGL are fully protected and does not attract any permanent diminution in the value or impairment. The matter was also reviewed by the Board at its Meeting dated 14th February, 2013.



As the loan was given by the Company to a Wholly Owned Subsidiary, it was not considered necessary to enter into an Agreement.

### **SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

In the Financial Year 2012, the Company had operations in two geographical segments, viz. domestic market and export market whereas around 83 per cent of the Company's Turnover is from the domestic market segment, the balance is from the export market segment.

The Company has 15 Tea Estates and 3 Oil Blocks all in the State of Assam.

In respect of the Tea business, total Sales aggregated to ₹ 227.63 Crores, out of which, Domestic Sales was 114.18 Lacs Kg amounting to ₹ 189.04 Crores and Export Sales was 17.58 Lacs Kg amounting to ₹ 38.59 Crores.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Internal Control Systems of the Company is adequate and commensurate its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies. Two Independent Firm of Chartered Accountants carry out Internal Audit at the Tea Estates on a regular basis.

The Company has an Audit Committee, the details of which have been provided in the Corporate Governance Report. The Audit Committee reviews the Audit Reports submitted by the Internal Auditors. Suggestions for improvement are considered and the Audit Committee follows up the implementation of corrective actions.

### **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL FRONT**

The relationship with the employees at all levels in the Tea Estates, Oil / Gas Blocks and other locales continued to remain cordial.

The total number of Employees of the Company as on 31st December, 2012 was 20,173.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company is conscious of its social responsibilities and the environment in which it operates. It has continued with its welfare activities for development in the fields of education, culture and other welfare measures and to improve the general standard of living in and around the Tea Estates.

The emphasis is on improvement of health, development of education, culture and sports. All the Company's Estates are participating with the Ethical Tea Partnership.

The Company views itself as a role model that manages its business for the benefit of all its stakeholders. Through its various development and environmental projects, it has forged strong bonds and makes a difference in the lives of its local communities.

#### **Health Care**

Medical assistance is provided to the nearby villages through medical camps.

The Company maintain medical facilities in excess of legal obligations on every tea garden. The Company has invested considerably to meet this obligation and we can now boast some of the premier medical facilities within the entire region.

The hospitals contain state-of-the-art facilities and employ committed staff. These are maintained at the highest standards so providing for the needs of the employees, staff and Management.

A high standard of medical care is provided to the workforce through well equipped Estate Hospitals and Dispensaries.



The Company's Estate hospitals have Senior Medical Officers and committed Paramedical Staff consisting of GNM Nurses, ANM Nurses, Nursing Attendants, Pharmacists and Health Assistants.

Antenatal checkups of Pregnant women and Immunisation of children are done every week in the Estate Hospitals.

Free eye checkup camps are organized at the Estates with the help of the Department of Ophthalmologist, AMCH, Dibrugarh and many people from within the Estate and neighbouring areas have benefited from the free cataract operations.

The Senior Medical Officer, Welfare Officer and Health Assistant of each hospital visit the labour lines at regular intervals to create Health awareness among the residents on various health related matters.

The Estates extend support to the ongoing ILO and UNICEF programmes. "Healthy Baby show" is organized in the Estate hospitals and the baby with the best health is selected and given an award. "Annaprasanna" a nutritious food programme for six month old babies is also held regularly. "Matri Amrit" a programme for Pregnant women is also organized in the Estate Hospital where they are made aware of the nutrients required in their daily diet and they are provided with nutritional food on that day.

Medical checkup of 'Spraying' workers and Factory workers are done regularly.

The Estate Hospitals offer all facilities under the NRHM (National Rural Health Mission) scheme.

## **Welfare and Recreational Facilities**

The Estates have promoted health care programmes called the "Mothers' Club" which is a unique institution consisting of 15 senior women workers of each estate who provide guidance on health care, family planning, sexual health including prevention of AIDS, good practices in hygiene at home and for babies.

The Estates provide adequate welfare and recreational facilities for its employees. The Estates have Crèches and Mobile Creches for the children of the employees. The Estates also have Labour Clubs for the workers and Staff Club for the use of the Staff. These Clubs are provided with Televisions for entertainment and various games equipments. The Estates have its own sporting sites and encourage its employees and their dependents to play football and other sports like volleyball, badminton, cricket, etc. The Estates regularly send its team for inter-garden football matches.

There are Canteens in the Factory premises where tea, snacks and food are available for the employees.

Drinking water facilities are provided to the employees at their residential areas as well as at the worksites.

Employees are given Protective Clothing such as Chappals, Aprons, Umbrellas, Shoes, Goggles, Masks, Harness, Helmets, Blankets, etc.

The Estates have its own Handicraft Training Centres where women within the Estate and from neighbouring villages are given training for employment opportunities.

## **Environment**

The Estates strive to reduce the environmental impact from the use of pesticides and herbicides by only using environmentally friendly chemicals that excludes Ethion, Tetradifon, Quinalphos and Monocrotophos and so eliminate even small traces of harmful residues.

Through strict management supervision, tight controls are achieved for both the methods of application and the frequency of use of universally approved chemicals, so the effect on tea gardens indigenous flora and fauna are minimized.

The Estates have taken measures to reduce environmental pollution by creating a vegetated protection zone – Buffer Zone to prevent chemical run off to Terrestrial and Aquatic Ecosystems.



The Pest Management Systems comply with numerous minimal residue levels (MRL) in accordance with the European Legislation and is a source of pride for our Code of Practice.

### **Conservation**

All Estates have their own Nursery, a programme designed to grow indigenous flora for planting throughout the Estate.

Each of our 15 tea gardens has, within their Nursery, a programme designed to grow indigenous flora for planting throughout the Estate.

This allows the Estates to do their part in maintaining the beauty of the region, whilst ensuring as bio-diverse a plant population as possible, within the confines of our tea gardens.

The Estates have a very good canopy of shade cover of different shade tree species which are host to many birds, monkeys, squirrels and others.

### **Rainforest Alliance**

Three of the Estates have been certified under the "Rainforest Alliance" certification and a further six Estates are in the process of being certified, thereby showing commitment towards sustainability and workers health, hygiene and safety. The Rainforest Alliance certification involves a holistic approach treating environment, ethics and economic equality. To meet the standards the Estates must commit to continuous improvements in worker welfare, farm management and environmental protection by reducing pesticide use, eliminating waste and introducing better farming techniques.

The wages and other benefits are as per legal requirements. A safe and healthy work environment is provided in the Estate.

### **Residential Accommodation, Piped Water and Sanitation**

By law the Estates provide free accommodation and sanitation to the employees and meets all legal obligations.

### **Education**

By law the Estates provide free Primary education for their employees' children and have achieved this through the construction of schools. The Estates have also provided a free School Bus for its employees' children who are enrolled in schools outside the Estates.

### **Sustainable Agricultural Practice**

The tea gardens are mostly located in remote rural areas that do not have many alternative local employment opportunities. The social welfare laws for tea plantation workers in India are the most stringent in the world. Though this has resulted in Indian tea being more costly to produce, it has also contributed to a system which is seen to be fair and in line with good employment practices.

The Estates seek out and promote methods of growing tea using sound environmental practices that encourage bio diversity and healthy soil.

The Estates also practice soil and water conservation through Best Practice Field Management Systems which include composting, soil rehabilitation and reforestation.

To comply with the legal requirement of supplying every household with a 'Fire Wood' ration, the Estates provide its employees with uprooted tea bushes rather than allowing further destruction of the region's forests with the consequential impact on the environment.



## **Statutory right to join Trade Unions**

By law, every employee has the right to form and join a Trade Union.

## **Vermicomposting Scheme**

The Company follows an environmentally friendly scheme of composting organic matter by use of earthworms. Vermicomposting is essentially the consumption of organic material by earthworms.

Increasing numbers of businesses worldwide are successfully employing vermiculture technology as an excellent soil conditioner and the Company has taken this sustainable practice to benefit our tea gardens, our environment and to reduce our chemical footprint.

## **Advantages of Vermicomposting**

Vermicompost is an eco-friendly fertilizer prepared from biodegradable waste.

It is free from chemicals.

It does not have any adverse effect on soil, plant and environment.

It improves soil aeration, texture and tilth thereby reducing soil compaction.

It improves water retention capacity of soil because of its high organic content.

It improves better root growth and nutrient absorption.

It improves nutrient status of soil – both macro-nutrients and micro-nutrients.

**On behalf of the Board of Directors**

**Kolkata**  
**28th February, 2013**

**A. K. Jajodia – *Managing Director***  
**Amit Halder – *Director***  
**Sarvadaman Ray – *Director***



# Report on Corporate Governance 2012



## 1. Company's Philosophy on Code of Governance

Corporate Governance is about managing business in an ethical and responsible manner. The Company places a strong emphasis on transparency, empowerment, accountability and integrity with the objective of continuously enhancing value for all its stakeholders. Implicit in this philosophy is also the recognition and demonstration of a two way communication between the Company and its Members.

### Code of Conduct

The Company has adopted a Code of Conduct for all Board Members and the Senior Management Team of the Company. All the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code. A declaration to this effect, duly signed by the Managing Director, is annexed hereunder. The Code of Conduct has been posted on the website of the Company.

### ANNUAL DECLARATION BY THE MANAGING DIRECTOR PURSUANT TO CLAUSE 49(1) (D) (ii) OF THE STOCK EXCHANGE LISTING AGREEMENT

As the Managing Director of the Assam Company India Limited and as required by Clause 49(1) (D) (ii) of the Stock Exchange Listing Agreements, I hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed Compliance with the Company's Code of Business Conduct and Ethics for the Financial year ended 31st December, 2012.

Kolkata  
28th February, 2013

Aditya Kumar Jajodia  
Managing Director

## 2. Board of Directors

The Board of the Company as at 31st December, 2012, comprised of four Directors (Managing Director and three Non-Executive Directors). The Board is headed by the Non-Executive Chairman, Dr. K. K. Jajodia. The Non-Executive Chairman and the Managing Director are related to each other.

During the year under review, Five(5) Board Meetings were held, the dates being, 6th March, 15th May, 10th August, 31st August, and 8th November, 2012. The last Annual General Meeting was held on 29th September, 2012.

The requisite details of Directors, their Directorships in other public companies, Chairmanships/ Memberships in Board Committees of other public companies as on 31st December, 2012 and their attendance at the Board and last Annual General Meeting (AGM) are as under:

NAME	DESIGNATION	CATEGORY	ATTENDANCE		Directorships and Chairmanships /Memberships of Board and Board Committees in other Companies		
			BOARD MEETING	LAST AGM	Director	Member	Chairman
					(1)	(2)	(3)
Dr.K.K.Jajodia	Chairman, Promoter	Non-Executive Non Independent	-	No	3	NIL	NIL
Mr.A.K.Jajodia	Managing Director, Promoter	Executive	5	No	3	NIL	NIL
Mr.Amit Halder *	Director	Non-Executive Independent	4	No	NIL	NIL	NIL
Mr.Sarvadaman Ray**	Director	Non-Executive Independent	3	Yes	NIL	NIL	NIL
Mr.Pradip Tusnial***	Director	Non-Executive Independent	1	No	5	NIL	NIL
Mr. Bharat Anand****	Director	Non-Executive Independent	-	No	1	1	NIL



- \* Mr. Amit Halder was appointed as an Additional Director on 19th March, 2012. Mr. Halder held office till the last Annual General Meeting held on 29th September, 2012, in which he was elected as a Director.
  - \*\* Mr. Sarvadaman Ray was appointed as an Additional Director on 1st August, 2012. Mr. Ray held office till the last Annual General Meeting held on 29th September, 2012, in which he was elected as a Director.
  - \*\*\* Mr. Pradip Tusnial resigned as a Director on 21st March, 2012.
  - \*\*\*\* Mr. Bharat Anand resigned as a Director on 29th February, 2012.
- (1) Excluding directorship in private limited companies, foreign companies and companies incorporated under Section 25 of the Companies Act, 1956.
  - (2) No Director of the Company was a Board Committee Member of any other Company.
  - (3) Mr. Amit Halder retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. A brief resume of the Director and nature of his expertise in specific functional areas has been provided in the Explanatory Statement to the Notice convening the forthcoming Annual General Meeting.
  - (4) During the year, the Non Executive Directors did not hold any shares of the Company.

**3. Audit Committee**

During the year under review, the Audit Committee comprised of the following: Mr. A.K. Jajodia, Mr. Amit Halder and Mr. Sarvadaman Ray. Mr. Amit Halder and Mr. Sarvadaman Ray are Non-Executive, Independent Directors. The Company Secretary acts as the Secretary to the Committee. All the Members of Audit Committee are financially literate.

During the year under review, five (5) Audit Committee Meetings were held on 1st January, 15th May, 10th August, 31st August, and 8th November, 2012. The attendance at the aforesaid Meetings was as follows:

Composition	Mr. Sarvadaman Ray* (Chairman)	Mr. Amit Halder**	Mr. A. K Jajodia	Mr. Bharat Anand***	Mr. Pradip Tusnial****
Committee Meetings attended	3	4	3	1	1

- \* Mr. Sarvadaman Ray joined as the Chairman of the Committee with effect from 10th August, 2012.
- \*\* Mr. Amit Halder joined as the Chairman of the Committee with effect from 19th March, 2012 and subsequently ceased to be the Chairman of the Committee and continued as the Member of the Committee with effect from 10th August, 2012.
- \*\*\* Consequent to Mr. Bharat Anand's resignation as a Director of the Company, he ceased to be a Member of the Audit Committee, with effect from 29th February, 2012.
- \*\*\*\* Consequent to Mr. Pradip Tusnial's resignation as a Director of the Company, he ceased to be a Member of the Audit Committee, with effect from 21st March, 2012.

The Chairman of the Audit Committee attended the last Annual General Meeting held on 29th September, 2012.

**Terms of Reference**

The Terms of Reference of the Audit Committee are in accordance with those specified in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

**4. Remuneration Committee**

The Remuneration Committee determines and recommends to the Board the Remuneration including Commission, Perquisites and Allowances payable to the Managing Director as and when the necessity arises. The Committee consists of:

Mr. Amit Halder*	Chairman
Mr. Sarvadaman Ray*	Member

- \* Mr. Amit Halder and Mr. Sarvadaman Ray became a Member of the Committee on 19th March, 2012 and 10th August, 2012, respectively.



Mr. Pradip Tusnial ceased to be a Member of this Committee from 21st March, 2012.

Dr. K.K. Jajodia was the Member of the Committee till 9th August, 2012.

The Committee had met once on 31st August, 2012.

The Non-Executive Independent Directors are paid a Sitting fees of ₹ 10,000 for attending each Meeting of the Board and Audit Committee and a Sitting Fee of ₹ 1,500 for attending each Meeting of the Shareholders'/ Investors' Grievance Committee held on or after 1st April, 2012.

The details of Directors' Remuneration for the year ended 31st December, 2012, are as follows:

Name of Director	Sitting Fees ₹	Salary ₹	Benefits ₹	Provident Fund ₹	Total ₹	Notice period in month(s)
Dr. K. K. Jajodia, Chairman	Nil	Nil	Nil	Nil	Nil	N.A.
Mr. A. K. Jajodia, Managing Director	Nil	24,00,000	28,86,830	6,48,000	59,34,830	3
Mr. Amit Halder	96,500	N.A.	N.A.	N.A.	96,500	N.A.
Mr. Sarvadaman Ray	69,000	N.A.	N.A.	N.A.	69,000	N.A.
Mr. Pradip Tusnial	3,000	N.A.	N.A.	N.A.	3,000	N.A.
Mr. Bharat Anand	1,500	N.A.	N.A.	N.A.	1,500	N.A.
<b>Total</b>	<b>1,70,000</b>	<b>24,00,000</b>	<b>28,86,830</b>	<b>6,48,000</b>	<b>61,04,830</b>	

During the year ended 31st December, 2012, the Company did not have any stock option plans for its Directors. No severance fee is payable to the Directors.

There were no pecuniary relationships or transactions between the Non-Executive Directors and the Company, other than those disclosed above.

#### 5. Shareholders'/ Investors' Grievance Committee

The Committee comprises of the following Directors:

Mr. Amit Halder*	Chairman (Non – Executive)
Mr. A.K. Jajodia	Member (Managing Director)
Mr. Sarvadaman Ray	Member (Non – Executive)
Mr. Romit Mitra	Compliance Officer

\* The Committee was reconstituted on 19th March, 2012, to include Mr. Amit Halder as the Chairman of the Committee.

Consequent to the resignation of Mr. Bharat Anand and Mr. Pradip Tusnial as a Director of the Company, they ceased to be a Member of the Shareholders'/ Investors' Grievance Committee, with effect from 29th February, 2012 and 21st March, 2012, respectively.

#### Terms of Reference

The Committee monitors the response of the Company to investor complaints. It is also authorized to approve the issue of duplicate share certificates in lieu of those lost or destroyed.

During the year 14 Meetings of the Committee were held.

During the year under review, the following valid requests were complied with:

	Number of shares
Physical Transfer:	10,360
Physical Transmission :	21,770
Dematerialization:	52,52,680
Rematerialisation :	500

Note : One request for physical transfer of shares was pending as on 31st December, 2012.



There are no complaints from Members pending unresolved as at 31st December, 2012. All complaints / requests for transfers etc. from Members during the period were redressed / resolved within a period of 30 days.

Given below is the position of complaints and other correspondence received and attended to during the aforesaid period:

a) No. of complaints received	...	16
b) No. of complaints not resolved/no action taken	...	Nil
c) No. of pending complaints as on 31st December, 2012	...	Nil

**6. General Body Meetings**

**Details of last three Annual General Meetings :**

No. of AGM	Date	Year	Venue	Details of Special Resolutions passed
33rd	25th June, 2010	2010	Dibrugarh & District, Planters' Club, Lahoal, P.O. Dibrugarh, Assam	Nil
34th	29th September, 2011	2011	-do-	Nil
35th	29th September, 2012	2012	Registered Office: Greenwood Tea Estate, P.O. Dibrugarh, Assam	Nil

An Ordinary Resolution was passed by the Members in a General Meeting of the Company held on 9th July, 2012, at Dibrugarh & District, Planters' Club, Lahoal, P.O. Dibrugarh, Assam, to appoint De Chakraborty & Sen, Chartered Accountants, as Auditors of the Company to fill in the casual vacancy caused by the resignation of Walker, Chandiook & Co., Chartered Accountants.

An Ordinary Resolution was passed by the Members through Postal Ballot during the year under review on 26th June, 2012, to delegate power to the Board of Directors of the Company to sell or otherwise dispose off the Salonah Tea Estate of the Company situated at Assam.

**7. Disclosures**

(a) Materially significant Related Party Transactions.

There have been no materially significant Related Party Transactions, pecuniary transactions or relationships between Assam Company India Limited and its Directors for the year ended 31st December, 2012, that may have a potential conflict with the interests of the Company at large.

(b) There were no instances of non-compliance by the Company related to penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during the last three years.

(c) The Company has not adopted a Whistle Blower Policy. However, it is affirmed that no personnel has been denied access to the Audit Committee.

**8. Risk Management**

The various determined aspects of Risk Management and minimization are reviewed and the Board is kept informed on important issues.

A Meeting of the Risk Management Committee was held on 31st August, 2012.

**9. Means of Communication**

a) Quarterly, half-yearly and Annual Financial Results in the forms prescribed in the Listing Agreement are published in The Financial Express/ Business Standard and Azir Assam/ Niyomiya Barta (Assamese).

b) Half-yearly Results are not sent to the Members individually.

c) Management Discussion and Analysis Report forms a part of the Directors' Report.

d) No formal presentation has been made to the Institutional Investors/analysts during the period.

e) The Company's website is [www.assamco.com](http://www.assamco.com), which also displays official news releases and Financial Results.

f) The Company is also making electronic filing of Shareholding Pattern and Report on Corporate Governance quarterly under NEAPS mode of National Stock Exchange Limited.



## 10. General Shareholder Information

### Annual General Meeting

<b>Date &amp; Time</b>	: 29th June, 2013, Saturday, at 11A.M.
<b>Venue</b>	: Registered Office : Greenwood Tea Estate, P.O. Dibrugarh, Assam.
<b>Financial Year</b>	: Financial year of the Company is January to December.
<b>Date of Book Closure</b>	: 4th June to 29th June, 2013, both days inclusive.

### Stock Market Data

MONTH	NSE		BSE		SENSEX		NIFTY	
	High ₹	Low ₹	High ₹	Low ₹	High	Low	High	Low
January, 2012	10.20	6.95	10.12	6.80	17258.97	15358.02	5217.00	4588.05
February, 2012	9.93	8.00	9.93	8.05	18523.78	17061.55	5629.95	5159.00
March, 2012	8.40	6.80	8.38	6.70	18040.69	16920.61	5499.40	5139.95
April, 2012	9.10	7.00	9.09	6.95	17664.10	17010.16	5378.75	5154.30
May, 2012	7.95	5.65	7.94	5.65	17432.33	15809.71	5279.60	4788.95
June, 2012	6.85	5.70	6.80	5.70	17448.48	15748.98	5286.25	4770.35
July, 2012	8.50	5.65	7.67	5.68	17631.19	16598.48	5348.55	5032.40
August, 2012	6.15	4.50	6.05	4.60	17972.54	17026.97	5448.60	5164.65
September, 2012	6.65	5.10	6.66	5.10	18869.94	17250.80	5735.15	5215.70
October, 2012	7.15	5.65	7.10	5.63	19137.29	18393.42	5815.35	4888.20
November, 2012	8.10	5.65	8.30	5.69	19372.70	18255.69	5885.25	5548.35
December, 2012	8.05	5.20	8.10	5.21	19612.18	19149.03	5965.15	5823.15

**Listing on Stock Exchanges :** National Stock Exchange of India Ltd. (NSE)  
"Exchange Plaza"  
Bandra Kurla Complex  
Bandra (E), Mumbai - 400 051.

Bombay Stock Exchange Limited (BSE)  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai - 400 001.

The Company has paid the Annual Listing Fees for the year 2012-2013.

**Stock Code** NSE - ASSAMCO  
BSE - 500024

**ISIN No. for NSDL & CDSL** ISIN-INE 442A01024

**Registrar & Share Transfer Agent :** C. B. Management Services Pvt. Ltd.,  
P-22, Bondel Road, Kolkata - 700 019.  
Tel: 4011 6700/11/18/23, 2280-6692/93/94  
Fax: 2287-0263 Email: [rta@cbmsl.com](mailto:rta@cbmsl.com)  
Website: [www.cbmsl.com](http://www.cbmsl.com)

### Liquidity

The Company's shares are compulsorily traded in the dematerialized form under Depository systems of both the National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL).

### Share Transfer System

Securities in physical mode which are lodged for transfer are processed and returned to the Members within the stipulated time, subject to the documents being valid and complete in all respects. The Company adopts the transfer-cum-demat system to facilitate Dematerialization of Shares. The power to approve transfers, transmissions,



sub-division, consolidation etc. of the shares has been delegated to the Registrar and Share Transfer Agent (RTA). The Company obtains from a Company Secretary in Practice half-yearly Certificate of Compliance with the share transfer formalities as required under Clause 47 (c) of the Listing Agreement with Stock Exchanges and files a copy of the Certificate with the Stock Exchanges.

**(a) Distribution of Shareholding as on 31st December, 2012 :**

Group of shares		No. of Shareholders	% of Total Shareholders	No. of Shares	% Shares
From	To				
1	500	38,673	60.10	91,16,428	2.94
501	1000	10,928	16.99	97,57,092	3.15
1001	2000	6,614	10.28	1,07,38,212	3.47
2001	3000	2,521	3.92	67,50,291	2.18
3001	4000	1,045	1.62	38,70,478	1.25
4001	5000	1,324	2.06	63,68,797	2.06
5001	10000	1,835	2.85	1,38,62,151	4.47
10001	and above	1,403	2.18	24,92,97,514	80.48
<b>TOTAL</b>		<b>64,343</b>	<b>100.00</b>	<b>30,97,60,963</b>	<b>100.00</b>

**(b) Shareholding Pattern as on 31st December, 2012 :**

Promoter	Number of Shares held	% Shares
Indian	3,98,73,477	12.87
Foreign	12,26,42,596	39.59
<b>Public</b>		
Foreign Institutional Investors/		
Overseas Body Corporate	-	-
Non Resident Individuals	17,94,611	0.58
Financial Institutions & Banks	81,44,285	2.63
Mutual Fund	20,160	0.01
Others	13,72,76,334	44.32
Foreign National	2,000	Nil
Trust	7,500	Nil
<b>TOTAL</b>	<b>30,97,60,963</b>	<b>100.00</b>

**Physical / Dematerialisation of Shares as on 31st December, 2012:**

	Number of Shareholders	No. of Shares	%
Physical	2,596	68,08,391	2.20
Demat	61,747	30,29,52,572	96.11
<b>TOTAL</b>	<b>64,343</b>	<b>30,97,60,963</b>	<b>100.00</b>

**Insider Trading Regulations**

To comply with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company has adopted a code of internal procedures for prevention of any unauthorized trading in the shares of the Company by the insiders. The Company Secretary is appointed as the Compliance Officer for this purpose.



Outstanding GDRs /ADRs /Warrants/ Convertible Bonds, conversion dates and likely impact on Equity :

The Principal amount of FCCBs outstanding at the beginning of the year was USD 31.80 Million. The Company had during the year redeemed Principal FCCBs of USD 22.70 Million together with agreed redemption premium. As at the year end, the total Principal FCCBs outstanding was USD 9.10 Million out of which the Company has since redeemed Principal FCCBs of USD 6 Million with agreed redemption premium. The Company had obtained permission from Reserve Bank of India (RBI) for extending the time for redemption of Outstanding FCCBs beyond the maturity date.

Address for Investors' correspondence for Queries, if any

C. B. Management Services Pvt. Ltd.,  
P-22, Bondel Road,  
Kolkata - 700 019.

Tel : 4011 6700 / 11 / 18 / 23

2280-6692 / 93 / 94

Fax : 2287-0263

Email: [rta@cbmsl.com](mailto:rta@cbmsl.com)

Website : [www.cbmsl.com](http://www.cbmsl.com)

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants.

#### 11. OFFICES OF THE COMPANY:

<b>Registered Office</b>	Greenwood Tea Estate P.O. Dibrugarh, Assam - 786 001.
<b>Head Office</b>	52, Chowringhee Road, Kolkata - 700 071.
<b>Branch Offices</b>	(i) Girish Chandra Bardalai Path, Bamunimaidam, Guwahati - 781 021 (ii) 2nd Floor, 22, Community Centre, Basant Lok, Vasant Vihar, New Delhi - 110 057. (iii) Flat No. 301 VIPPS Centre Greater Kailash Part-II New Delhi - 110 048

#### PLANT LOCATIONS:

##### A. TEA ESTATES:

The Company owns Fifteen Tea Estates in the State of Assam.

##### District

Dibrugarh	:	Borborooah Greenwood Hazelbank Maijan Nudwa Thanai
Moran	:	Doomur Dullung Khoomtaie/ Hajua Mohokutie



## ASSAM COMPANY INDIA LIMITED

Tinsukia	:	Dinjan Rungagora
Nagaon	:	Kondoli Salonah
Doom Dooma	:	Digulturrung/ Oakland
Jorhat	:	Kotalgoorie

### B. OIL & NATURAL GAS DIVISION:

The Company has three Oil and Gas Blocks located as follows :

<u>State</u>	<u>Block</u>
Assam	Amguri
Assam	AA-ONN-2005/1
Assam & Nagaland	AA-ON/7

### 12. Compliance with Clause 47 (f) of the Listing Agreement

In compliance with the provisions of Clause 47(f) of the Listing Agreement, a separate e-mail ID [redressal@assamco.com](mailto:redressal@assamco.com) operates as a dedicated ID solely for the purpose of registering complaints.

### 13. Compliance Certificate of the Auditors

The Company has obtained a Certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements. The Certificate is annexed.

## COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

The Company has adopted all mandatory requirements of Clause 49 of the Listing Agreements and the status of compliance in respect of non-mandatory requirements stipulated by the said Clause is as under:

- The tenure of Independent Directors is not being restricted to the period of 9 years in aggregate since the Board of Directors is unanimously of the opinion that the length of the tenure on the Board would not have any material negative impact on the performance of Independent Directors and discharge of their duties towards the Company.
- The Company has a constituted Remuneration Committee.
- The Quarterly / half yearly Financial Results are published in leading English Newspapers and also in Assamese Newspapers circulating in the District where the Registered Office of Company is situated and are also accessible on the Company's website. The Results are, therefore, not separately circulated to the Members.
- The Directors are kept informed of the latest developments in Laws, Rules and Regulations. The need for formal training on these issues therefore is not felt necessary at present.
- The Company has not adopted a Whistle Blower Policy. The Company, however, recognizes the importance of reporting to the Management by an employee at any level about the unethical behaviour or suspected fraud in violation of the Company's Code of Conduct or any other point of concern.

On behalf of the Board of Directors

Kolkata  
28th February, 2013

Aditya Kumar Jajodia  
Managing Director



## MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

**The Board of Directors  
Assam Company India Limited  
Assam Tea House  
52, Chowringhee Road  
Kolkata – 700 071**

As stipulated under Clause 49 of the Listing Agreement with Stock Exchanges we, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Assam Company India Limited, to the best of our knowledge and belief, certify that:

- a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31st December, 2012 and that to the best of our knowledge and belief:
  - i) these Statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
  - ii) these Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable Laws and Regulations.
- b) We further state that, there are no transactions entered into by the Company during the year ended 31st December 2012, which are fraudulent, illegal or violative of the Company's code of conduct. We hereby declare that all the Members of the Board of Directors and the Management Committee have confirmed compliance with the code of conduct as adopted by the Company.
- c) We are responsible for establishing and maintaining Internal Controls and for evaluating the effectiveness of the same over the Financial Reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such Internal Controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
  - i) significant changes, if any, in Internal Control over Financial Reporting during the year;
  - ii) significant changes, if any, in the accounting policies made during the year and that the same have been disclosed in the notes to the Financial Statement; and
  - iii) instances of significant frauds of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's Internal Control System over Financial Reporting.

**Kolkata  
28th February, 2013**

**Aditya Kumar Jajodia**  
Managing Director  
**Sanjay Sharma**  
Chief Financial Officer



**AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF  
CONDITIONS OF CORPORATE GOVERNANCE**

**To**

**The Members of Assam Company India Limited**

1. We have examined the compliance of conditions of Corporate Governance by Assam Company India Limited, for the year ended 31st December, 2012, as stipulated in Clause 49 of the Listing Agreements of the said Company with Stock Exchanges in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreements.
4. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For De Chakraborty & Sen  
Chartered Accountants  
FR No. 303029E  
(A. Deb)  
Partner  
(Membership No. 051845)**

**Place: Kolkata  
Date: 28th February, 2013**

## To The Members of Assam Company India Limited

1. We have audited the attached Balance Sheet of Assam Company India Limited as at 31st December, 2012 and the related Statement of Profit & Loss and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. The said Balance Sheet, Statement of Profit & Loss and the Cash Flow Statement have been signed by us under reference to this Report. These Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of Sub-Section 4(A) of Section 227 of 'The Companies Act, 1956' (the "Act") and on the basis of such checks of books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure hereto, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Without qualifying our opinion, we draw your attention to Note No.11 in relation to rate of depreciation on certain oil and gas producing assets of the Company whose net book value at the year-end aggregate to ₹ 5,175.76 lakhs that are being depreciated on consistent basis in accordance with the "Unit of Production" method as per guidance note on "Accounting for Oil & Gas Producing Activities" issued by The Institute of Chartered Accountants of India in February, 2003, because no rates have been specified for the aforesaid class of Fixed Assets under Schedule XIV to the Act. The depreciation on the balance oil and gas producing assets, whose net book value aggregating to ₹ 197.00 lakhs has been provided as per Schedule XIV to the Act. The Company is still awaiting the response to application to Central Government pursuant to Section 205 of the Act seeking approval to depreciate the aforesaid assets in accordance with the "Unit of Production" method. This Financial Statement does not include any adjustments on consequential impact should the Central Government direct the Company to adopt any other method on rate of depreciation other than "Unit of Production" method.
5. Without qualifying our opinion, attention is drawn to Note No. 40 in relation to the AA-ON/7 Exploration & Production (E&P) Asset about which we are unable to express any opinion on the outcome of the project, pending execution of the new Production Sharing Contract (PSC).
6. Without qualifying our opinion, attention is drawn to Note No. 43 relating to loan given to one of its Wholly Owned Subsidiaries (WOS) namely Duncan Macneill Natural Resources Limited (DMNRL) situated in UK. In the absence of sufficient and appropriate evidences relating to the said WOS, we are unable to express any opinion on the status of the loan and the related Exploration & Production (E&P) activities.
7. Attention is drawn to the Note No. 54 relating to the Act, of discontinuance of accounting for all incomes and expenses arising at Salonah Tea Estate with effect from 20th August, 2012, adopted pursuant to Clauses 2.2 and 7.1 of the Agreement for Sale pending execution of Conveyance Deed and completion of sale, is in deviation to the Accounting Standard 9-"Revenue Recognition". The impact of the above, if any, on the Profit, Liabilities including Tax and consequent impact on the Reserves and Surplus, presently is not ascertainable. Further, the Net Block of Fixed Assets includes ₹ 28.54 Crores representing an asset held for disposal, rather than showing it as part of current assets at lower of cost or net realizable value, is not consistent with the Accounting Standard 10 -"Accounting for Fixed Assets". In our opinion, this does not affect the true and fair view.



8. Further to our comments in the Annexure referred to above, 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 purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the places not visited by us;
  - (c) The Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement read with Notes on Accounts including Significant Accounting Policies comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Act except for and to the extent mentioned in paragraph number 7 above.
  - (e) On the basis of written representations from the Directors as on 31st December, 2012 and taken on record by the Board of Directors, none of the Director is disqualified on 31st December, 2012, from being appointed as a Director in terms of Sub-Section (l)(g) of Section 274 of the Act.
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said Financial Statements together with the notes thereon and attached thereto and including Significant Accounting Policies give, in the prescribed manner, the information required by the Act, and, except for the effects of the matter referred to in paragraph 7 above give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st December, 2012:
    - (b) in the case the Statement of Profit & Loss, of the profit for the year ended on that date; and
    - (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For De Chakraborty & Sen  
Chartered Accountants  
F.R. No. 303029E  
(A. Deb)  
Partner  
M. No.: 051845

Place: Kolkata  
Date: 28th February, 2013

### **Annexure to The Auditors' Report**

(Referred to in paragraph 3 of our Report of even date to the Member of Assam Company India Limited on the Financial Statements ended on 31st December, 2012)

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets other than Oil and Gas Division. However, a list of Fixed Assets acquired for Oil & Gas Operation is maintained.
- (b) The Fixed Assets of the Company, has been physically verified by the Management periodically in phased manner, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In respect of assets physically verified, the details have been compared with the book records and discrepancies noticed were not material and have been properly dealt with in the books of account.
- (c) The Company has during the year entered into an Agreement for Sale of a substantial part (being a unit). However on going through the evidences as made available to us, in our opinion, the same has not affected the going concern.



- ii. (a) Physical verification of inventory has been conducted at reasonable intervals during the year by the Management except for Oil and Gas Division.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventory. No material discrepancies were noticed on physical verification. However, in view of the Agreement for Sale of a unit entered into by the Company during the year, records of the same were available upto 19th August, 2012.
- iii. (a) According to the information and explanations given to us, 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.
- (b) According to the information and explanations given to us, 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.
- (c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of loans given or taken by the Company, Secured or Unsecured, are generally not prejudicial to the interest of the Company, except in one case which in our opinion was prima facie prejudicial to the interest of the Company on the ground of rate of interest paid and charged.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate Internal Control System commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor we have been informed of any continuing or habitual failure to correct major weaknesses in the aforesaid Internal Control System.
- v. On the basis of our examination of the books of account, the Company has not entered into any contract or arrangement with any party during the Financial Year that need to be entered in the Register pursuant to Section 301 of the Companies Act, 1956.
- vi. The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Act and the Rules framed there under.
- vii. The Company has an Internal Audit System commensurate with the size and nature of its business. However, there is scope of improving the effectiveness of Internal Audit system in the area of implementation of the Internal Audit recommendations.
- viii. We have broadly reviewed the accounts maintained by the Company in respect of tea products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under Clause (d) of sub-section (1) of Section 209 of the Act and are of the opinion prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete. No cost record has been maintained with respect to its oil and gas products.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing provident fund, tea cess and other material statutory dues as applicable with the appropriate authorities except that the Company is not regular in depositing Income Tax, Value Added Tax, Central Sales Tax, Land Revenue, Corporate Dividend Tax and Family Pension Fund Contribution. However, according to the information and explanations given to us and the records of the Company examined by us, there are no undisputed amounts payable in respect of statutory dues which were in arrears, as at 31st December, 2012, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Service Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute. The particulars of dues of Income-Tax and Sales-Tax as at 31st December, 2012, which have not been deposited on account of disputes are as follows:



Particulars of Income Tax, Sales Tax which have not been deposited on account of dispute:-

Sl. No.	Name of the Statute	Nature of dues	Amount ₹	Period to which relates	Forum where dispute is pending
1.	The West Bengal Sales tax Act, 1994	West Bengal Sales Tax	19,370,205	2002-03	Sr.Jt. Comm.of Commercial Taxes.
	Do	Do	1,536,066	2003-04	Appellate & Revisional Board of Commercial Taxes
	Do	Do	8,724,464	2004-05	Do
	Do	Do	19,072,936	2006-07	Do
	Do	Do	61,832,474	2008-09	Appellate & Revisional Board of Commercial Taxes
2.	Central Sales Tax, 1956	Central Sales Tax	357,866	1996-97	Do
	Do	Do	790,022	1997-98	Do
	Do	Do	993,902	1999-00	Do
	Do	Do	8,141,318	2000-01	Do
	Do	Do	24,990,676	2001-02	Do
	Do	Do	168,552	2002-03	Do
	Do	Do	6,183,248	2003-04	Do
	Do	Do	237,701	2004-05	Do
	Do	Do	13,456,558	2006-07	Sr.Jt.Comm., South Circle
	Do	Do	3,444,737	2008-09	Appellate & Revisional Board of Commercial Taxes
3.	Assam General Sales Tax Act, 1993	Assam Sales Tax	9,190	1996-97	Commissioner of Commercial Taxes
	Do	Do	2,219,788	2000-01	Do
	Do	Do	2,655,377	2001-02	Do
	Do	Do	87,127	2006-07	Do

- x. The Company has no accumulated losses as at 31st December, 2012 and it has not incurred any cash losses in the Financial Year ended on that date or in the immediately preceding Financial Year.
- xi. According to the records of the Company examined by us and the information and explanations made available to us, at the Balance Sheet date, *The Company has defaulted in repayment of bank term loans of ₹ 0.24 Crores which has since been repaid. The Company has also defaulted in repayment of matured Foreign Currency Convertible Bonds of ₹ 43.52 Crores, out of which ₹ 12.27 Crores has since been repaid, and details of the same is given in note 41 forming part of the Financial Statements.*
- xii. The Company has not granted any loans and advances on the basis of security by way pledge of *shares, debentures and other securities.*
- xiii. The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ society are not applicable to the Company.
- xiv. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other



- investments. In our opinion and according to information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or Financial Institutions during the year are not prejudicial to the interest of the Company.
- xvi. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- xvii. On the basis of an overall examination of the Balance Sheet of the Company in our opinion and according to the information and explanations, given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
- xviii. The Company has not made any preferential allotment to parties and Companies covered in the Register maintained under 301 of the Act.
- xix. The Company has not issued any debentures during the year.
- xx. The Company has not raised any money by public issues during the year.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

**For De Chakraborty & Sen**  
**Chartered Accountants**  
**F.R. No. 303029E**  
**(A. Deb)**  
**Partner**  
**M. No.: 051845**

**Place: Kolkata**  
**Date: 28th February, 2013**



**BALANCE SHEET** AS AT 31st DECEMBER, 2012

Notes	31st December, 2012 (₹)	31st December, 2011 (₹)
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' Funds</b>		
Share Capital	2	309,760,963
Reserves and Surplus	3	3,276,687,092
	3,586,448,055	3,371,256,791
<b>Non-current Liabilities</b>		
Long Term Borrowings	4	3,771,596,784
Other Long Term Liabilities	5	2,439,463
Long Term Provisions	6	385,272,679
	4,159,308,926	3,290,487,170
<b>Current Liabilities</b>		
Short Term Borrowings	7	1,765,813,679
Trade Payables	8	147,105,248
Other Current Liabilities	9	2,712,773,676
Short Term Provisions	10	336,928,512
	4,962,621,115	5,836,198,775
<b>TOTAL</b>	12,708,378,096	12,497,942,736
<b>ASSETS</b>		
<b>Non-current assets</b>		
Fixed assets	11	
Tangible assets		3,868,299,446
Intangible assets		2,232,312
Capital work in progress	12	3,816,534,686
Non-current Investments	13	90,873,400
Long Term Loans and Advances	14	266,319,631
Other non - current assets	15	190,468,871
	8,234,728,346	7,724,552,391
<b>Current assets</b>		
Current Investments	13	900,000
Inventories	16	245,604,121
Trade Receivables	17	877,793,263
Cash and Bank balances	18	148,577,072
Short Term Loans and Advances	19	3,141,905,857
Other current assets	20	58,869,437
	4,473,649,750	4,773,390,345
<b>TOTAL</b>	12,708,378,096	12,497,942,736

Significant accounting policies.

1

The accompanying notes are an integral part of the Financial Statements.

As per our Report of even date

**For De Chakraborty & Sen**

**Chartered Accountants**

**Firm Registration No 303029E**

**(A. Deb)**

**Membership No. 051845**

**Partner**

**Place: Kolkata**

**Date: 28th February, 2013**

**Romit Mitra**  
Company Secretary

*On behalf of the Board*

**A. K. Jajodia – Managing Director**  
**Amit Halder – Director**  
**Sarvadaman Ray– Director**


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

	Notes	31st December, 2012 ( ₹ )	31st December, 2011 ( ₹ )
<b>INCOME</b>			
Revenue from Operations	21	2,276,290,081	2,820,301,112
Other Income	22	441,451,735	362,521,445
<b>Total Revenue</b>		<b>2,717,741,816</b>	<b>3,182,822,557</b>
<b>EXPENSES</b>			
Cost of Raw Materials Consumed	23	76,658,263	77,887,627
Changes in inventories of finished goods	24	(31,201,223)	123,027,363
Employee benefits expenses	25	713,012,573	689,745,132
Finance costs	26	493,595,543	517,981,616
Depreciation and amortisation expenses	11	71,554,037	78,735,868
Other expenses	27	1,121,324,279	1,463,959,434
<b>Total Expenses</b>		<b>2,444,943,472</b>	<b>2,951,337,040</b>
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>272,798,344</b>	<b>231,485,517</b>
Exceptional items	28	(15,505,079)	(15,018,849)
<b>PROFIT BEFORE TAX</b>		<b>288,303,423</b>	<b>246,504,366</b>
Tax Expenses:			
Income Tax		85,800,000	60,300,000
Wealth Tax		200,000	200,000
<b>PROFIT FOR THE YEAR</b>		<b>202,303,423</b>	<b>186,004,366</b>
Earnings per Equity Share [Nominal value per share: Re.1/- (31.12.2011- Re. 1/-)]			
Earnings per Equity Share (Basic and Diluted)		0.65	0.60

Significant accounting policies. 1

The accompanying notes are an integral part of the Financial Statements.

As per our Report of even date

**For De Chakraborty & Sen**

**Chartered Accountants**

**Firm Registration No 303029E**

**(A. Deb)**

**Membership No. 051845**

**Partner**

**Place: Kolkata**

**Date: 28th Febuary, 2013**

**Romit Mitra**  
**Company Secretary**

*On behalf of the Board*

**A. K. Jajodia – Managing Director**

**Amit Halder – Director**

**Sarvadaman Ray– Director**



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2012**

	Year Ended 31st December, 2012 (₹)	Year Ended 31st December, 2011 (₹)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	288,303,423	246,504,366
Adjustments for:		
Interest income	(357,317,034)	(319,359,410)
(Profit) on sale of Fixed Assets	(4,584,156)	(721,238)
(Profit) on acquisition of land by the Government	(20,677,808)	(4,388,540)
(Income) from Investments other than trade	(53,489)	(43,353)
Provision for Retirement Benefits	52,246,911	50,060,623
Interest and Finance Charges	493,595,543	381,885,523
Depreciation/Amortisation	71,554,037	78,735,868
Loss on Fixed Assets discarded	–	1,321,623
Diminution in value of investments	400,147	1,144,714
Provision for doubtful advances, deposits and interest accrued	7,982,423	1,665,570
Reduction of Liability on redemption of Foreign Currency Convertible Bonds	(19,065,649)	–
Unrealised foreign exchange difference-net (gain)/loss	75,410,117	47,908,047
Provision for doubtful advances, deposits and interest accrued no longer required written back	(4,822,000)	(19,150,756)
Liabilities no longer required written back	(1,614,734)	(11,020,063)
Operating Profit before Working Capital Changes	<b>581,357,731</b>	<b>454,542,974</b>
Adjustments for:		
Trade and other receivables	199,179,568	226,823
Inventories	(15,263,160)	122,087,682
Trade payables and other liabilities	177,770,482	(29,481,675)
Cash generated from Operations	<b>943,044,621</b>	<b>547,375,804</b>
Direct Taxes Paid (Net)	(19,446,222)	(85,511,310)
Net Cash from Operating Activities	<b>923,598,399</b>	<b>461,864,494</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(223,698,033)	(336,834,149)
Sale of Fixed Assets	30,906,355	7,398,396
Purchase of investments	(100,000)	–
Investment in Subsidiaries	–	(29,776,200)
Loans / deposits made with subsidiaries / third parties	(58,506,459)	(45,257,078)
Refund of loans / deposits made with subsidiaries / third parties	135,952,392	46,374,193
Income from Investments other than trade	53,489	43,353
Interest received	12,261,810	39,529,995
Net Cash (used in) Investing Activities	<b>(103,130,446)</b>	<b>(318,521,491)</b>



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2012

	Year Ended 31st December, 2012 ( ₹ )	Year Ended 31st December, 2011 ( ₹ )
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net increase/(decrease) in Cash/Export Credit Facilities and other Short Term Loans	(62,438,091)	494,148,432
Proceeds from long term borrowings	2,139,126,400	391,900,000
Repayment of long term borrowings	(2,517,787,613)	(855,431,478)
Dividend paid	(14,580,671)	(62,003,171)
Dividend tax on distributable profits	(8,542,664)	(4,020,079)
Interest paid	(770,490,564)	(577,603,454)
Net Cash from / (used in) Financing Activities	<b>(1,234,713,203)</b>	<b>(613,009,750)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(414,245,250)	(469,666,747)
Cash and Cash Equivalents (opening Balance as at 1st January, 2012)	562,568,577	1,002,602,409
Cash and Cash Equivalents (closing Balance as at 31st December, 2012)	148,577,072	562,568,577
Effect of exchange rate changes	253,745	29,632,915
	<b>(414,245,250)</b>	<b>(469,666,747)</b>

### Notes:

1. Cash and Cash Equivalents comprise Cash & Bank balances as per Note No 18 of the audited accounts.
2. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statements issued by Companies (Accounting Standard) Rules, 2006.
3. Previous year's figures have been regrouped / rearranged wherever necessary.

This is the Cash Flow Statement referred to in our report of even date.

**For De Chakraborty & Sen**  
Chartered Accountants  
Firm Registration No 303029E  
(A. Deb)  
Membership No. 051845  
Partner  
Place: Kolkata  
Date: 28th February, 2013

**Romit Mitra**  
Company Secretary

*On behalf of the Board*

**A. K. Jajodia – Managing Director**  
**Amit Halder – Director**  
**Sarvadaman Ray– Director**



## Notes to Financial Statements

### Note : 1 - Significant Accounting Policies

#### [a] Convention

The Financial Statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards, notified u/s 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

#### [b] Basis of Accounting

The Financial Statements are prepared under the historical cost convention, modified by revaluation of certain fixed assets as detailed below.

#### [c] Fixed Assets

Fixed Assets are stated at cost of acquisition including appropriate incidental / installation expenses. Cost of extension planting is capitalised. In respect of revalued assets, the appreciation in value of assets over its book value are credited to Revaluation Reserve.

The assets acquired on hire purchase for which ownership will vest at a future date are capitalised at the cash cost of the leased assets. Equated monthly payments are apportioned between finance charge and repayment of principal amount.

Subsidies received from Government in respect of fixed assets are deducted from cost of respective assets. Impairment loss, if any, ascertained as per the Accounting Standard of the Companies (Accounting Standards) Rules, 2006 is recognised.

Software cost is capitalised where it is expected to provide future enduring economic benefits. Software capitalisation costs include license fees, cost of packages and implementation/system integration services. The costs are capitalised in the year in which the relevant software is implemented for use.

Profit or loss on disposal of fixed assets is recognised in the Statement of Profit and Loss.

#### **Expenditure incurred in connection with Oil and Gas project**

The Company has adopted "Full Cost Method" as per "Guidance Note on Accounting for Oil & Gas Producing Activities" by the Institute of Chartered Accountants of India. As per "Full Cost Method", all costs incurred for acquisition of Exploration and Production (E&P) assets, exploration and development alongwith other expenses including financing cost and exchange fluctuating cost on borrowings are capitalized and treated as a cost centre under "Capital Work in Progress". When discovery of oil and gas is made and the well is ready to commence commercial production, the exploratory / development cost under cost centre corresponding to the proved oil and gas reserve is capitalized from "Capital Work in Progress" to the "Fixed Assets".

Producing properties are created in respect of an oil field having developed oil reserves when the well in the field is ready to commence commercial production.

#### [d] Depreciation

[i] Depreciation, other than on Oil and Gas producing properties, is provided on the Written Down Value method at the rates prescribed in Schedule XIV to the Companies Act, 1956. Cost of certain fixed assets located in leasehold properties under the head Building and Furniture as mentioned below have been depreciated over their respective lease periods which is higher than the Schedule XIV rates.

Building and Furniture : Lease period - between 3 to 9 years.

Cost of certain fixed assets at estates under the head Buildings and Vehicles are depreciated at rates based on the estimated life of each asset and the aggregate depreciation so calculated is higher than the Schedule XIV rates.

The following depreciation rates are considered and applied:

Building	25 % and 33.33 %
Vehicles	30 %



- [ii] Capitalised software costs are amortised over its useful life of five years on a straight line basis.
- [iii] In respect of revalued assets the incremental depreciation on account of revaluation is recouped from Revaluation Reserve. Land and Development including leasehold land are not depreciated.
- [iv] Depreciation in respect of oil and gas producing assets is calculated on the capitalized cost according to the "Unit of Production Method", under which the oil and gas assets are written off at the same rate as the quantitative depletion of the related reserve. Unit of Production depletion rates are revised when there is an indication of the need for revision based on revised reserve estimate. Such revisions are also accounted for prospectively to give effect in the Books of Accounts of the Company.
- [v] Assets like Building, Plant and Machinery etc. included in Oil and Gas producing properties for which depreciation rates have been prescribed in Schedule XIV of the Companies Act, 1956 are depreciated on Written Down Value method at the rates prescribed in Schedule XIV of the Companies Act, 1956. Other assets are depreciated according to the 'unit of production' method as prescribed by The Institute of Chartered Accountants of India in the 'Guidance Note on Accounting for Oil and Gas Producing Activities'.

**[e] Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised. Other borrowing costs are charged to revenue.

**[f] Investments**

Investments of a long-term nature are stated at cost, less adjustment for any diminution, other than temporary, in the value thereof. Current investments are stated at lower of cost and market value.

**[g] Inventories**

Inventories are stated at lower of cost and net realisable value. Cost is determined on weighted average basis. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to their present location and condition and includes appropriate production overheads, where applicable. Provision is made for obsolete, slow moving and defective stocks, where necessary.

**[h] Foreign Currency Transactions**

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Transactions in foreign currency with a Joint Venturer for Oil and Gas project are recorded at monthly average exchange rate prevailing at the time of such transaction. Monetary items denominated in foreign currency are restated at the exchange rate prevailing on the Balance Sheet date. Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of the transactions. Exchange differences arising on settlement of transactions and /or restatements are dealt in the Statement of Profit and Loss.

Exchange differences relating to long term foreign currency monetary items, to the extent they are used for financing the acquisition of fixed assets are adjusted against the cost of such fixed assets and the balance is accumulated in 'Foreign Currency Monetary Item Translation Difference Account' and amortised over the balance life of the long term monetary item or 31st January, 2020, whichever is earlier.

Derivative financial instruments, i.e. forward exchange contracts are used to hedge its risk associated with foreign currency fluctuations relating to the underlying transactions, highly probable forecast transactions and firm commitments. In respect of forward exchange contracts with underlying transactions, the premium or discount arising at the inception of such contract is amortised as expense or income over the life of contract.

**[i] Sales**

Sales represent invoiced value of goods sold less Sales Tax / Value Added Tax.

**[j] Other Income**

Interest income, income from investments and other incentives are accounted for on accrual basis. Export incentives are recognised only when no significant uncertainties as to measurability or collectibility exist.

**[k] Replanting and Other Subsidies**

Replanting and other subsidies of revenue nature are recognised as income in the Statement of Profit and Loss.



**[l] Compensation of Land**

Compensation, if any, in respect of land surrendered / vested in the Government under various State Land legislations is accounted for as and when it takes place.

**[m] Leases**

Rentals in respect of operating leases are charged off to Statement of Profit and Loss.

**[n] Retirement Benefits**

The Company operates defined contribution schemes for Provident and a Pension Fund. Contributions to these funds are made regularly to the appropriate Authority/Trust. The interest rate payable to the Members of the Trust is not lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, is made good by the Company.

The Company also provides for retirement benefits with defined benefits in the form of Gratuity and Pension. Annual contributions for Gratuity and Pension are made by the Company, based on actuarial valuation carried out every year end, to independent Trust Funds.

Leave encashment on retirement and post retirement medical benefits are determined on the basis of independent actuarial valuation at the year end and such liabilities are provided for in these accounts.

Actuarial gains and losses, where applicable, are determined and recognised in the Statement of Profit and Loss.

The Company recognises gains and losses on curtailment or settlement of a defined benefit plan in the Statement of Profit and Loss as and when the curtailment or settlement occurs.

Short term employee benefits are recognised as an expense in the Statement of Profit and Loss for the year in which the related service is rendered.

**[o] Oil Production Cost**

Production costs include pre well head and post well head expenses including depreciation and applicable operating costs of support equipments and facilities.

**[p] Provision**

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made, and such provisions are not discounted to their present value.

**[q] Taxes on Income**

Current tax represents the amount of tax payable in respect of taxable income for the period based on computation of tax as per prevailing taxation laws under the Income Tax Act, 1961.

Provision for deferred taxation is made using the liability method, at current rates of taxation, on timing differences to the extent it is probable that a liability or asset will crystallise.

Deferred tax assets are not recognised unless there is reasonable certainty and in case of brought forward loss and unabsorbed depreciation there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are only recognised to the extent there are deferred tax liabilities of offsetting them.

**[r] Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Examples of such estimates include estimates of income taxes, future obligations under employment retirement benefit plans, provision for doubtful debts and advances and estimated useful life of tangible and intangible assets. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.



## Notes to Financial Statements

Note : 2 - SHARE CAPITAL

	31st DECEMBER 2012 (₹)	31st DECEMBER 2011 (₹)
<b>Authorised</b>		
(a) 500,000,000 (31.12.2011- 500,000,000) Equity Shares of ₹ 1/-each	500,000,000	500,000,000
(b) 1,000,000 (31.12.2011- 1,000,000) Non Cumulative Redeemable Preference Shares of Rs. 100/- each	100,000,000	100,000,000
	600,000,000	600,000,000
<b>Issued and Subscribed</b>		
309,760,963 (31.12.2011- 309,760,963) Equity Shares of ₹ 1/- each fully paid up.	309,760,963	309,760,963
	309,760,963	309,760,963

(a) Reconciliation of Shares is set out below:-

Particulars	31st DECEMBER 2012	31st DECEMBER 2011
Number of Shares outstanding at the beginning of the year	309,760,963	309,760,963
Number of Shares outstanding at the end of the year	309,760,963	309,760,963

(b) Terms/ rights attached to Equity Shares

The Company has only one class of Ordinary Shares ('Equity Shares') having a par value of ₹ 1/- each. Each holder of Ordinary Shares ('Equity Shareholders') is entitled to one vote per Share. The Company declares and pays Dividend in Indian Rupees.

The Dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting of the Company. In the event of the Liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

During the year ended 31st December, 2012, the amount of per Share Dividend recognised as distribution to Equity Shareholders was ₹ 0.05/- per share.

(31.12.2011- ₹ 0.05) The Total Dividend appropriation for the year ended 31st December, 2012, amounted to ₹ 18,000,597 including Corporate Dividend Tax of ₹ 2,512,549.

(c) Details of Shares held by shareholders holding more than 5% of the aggregate shares in the Company:

Name of the Shareholders	31st DECEMBER 2012		31st DECEMBER 2011	
	No. of Shares Held	%	No. of Shares Held	%
1. Assam Oil Company Limited	119,088,048	38.45	119,088,048	38.45
2. Dune Leasing & Finance Ltd.	20,201,228	6.52	-	-
3. Siriyari Tradecom Pvt. Ltd.	23,111,952	7.46	23,111,952	7.46
4. Link Holding Pvt. Ltd.	-	-	17,056,549	5.50
5. Cresta Fund	-	-	27,000,000	8.72



## Notes to Financial Statements

### Note : 3 - RESERVES AND SURPLUS

	As at 31st December, 2012 (₹)	As at 31st December, 2011 (₹)
<b>Capital Reserve (Reserve on Amalgamation)*</b>	15,037,398	15,037,398
<b>Revaluation Reserve</b>		
As per Last Account	898,912,962	912,147,155
Adjusted on account of depreciation on revalued assets	(11,093,857)	(12,613,690)
Adjusted on account of disposal of revalued assets	(1,789,691)	(620,503)
	886,029,414	898,912,962
<b>Securities Premium</b>		
As per Last Account	1,208,993,186	2,056,244,419
Adjusted on account of FCCB Redemption	43,771,986	(847,251,233)
	1,252,765,172	1,208,993,186
<b>General Reserve</b>		
As per Last Account	175,833,735	174,333,735
Transferred from Surplus in Profit and Loss Account	1,500,000	1,500,000
Adjusted during the year	-	-
	177,333,735	175,833,735
<b>Capital Redemption Reserve</b>	874,600	874,600
<b>Surplus in Statement of Profit &amp; Loss Account</b>		
As per Last Account	761,843,947	595,340,178
Profit for the year	202,303,423	186,004,366
<b>Appropriations:-</b>		
Proposed Dividend	(15,488,048)	(15,488,048)
Dividend Tax on proposed Dividend	(2,512,549)	(2,512,549)
Transferred to General Reserve	(1,500,000)	(1,500,000)
	944,646,773	761,843,947
	<b>3,276,687,092</b>	<b>3,061,495,828</b>

\* Capital Reserve includes Rs.47,53,152 being 26% of the profit for the year ended 31st December,1977 of the Sterling Companies,the Indian undertakings of which were amalgamated with this Company.

## Notes to Financial Statements

### Note: 4 - Long Term Borrowings

	31st December, 2012 (₹)	31st December, 2011 (₹)
Secured		
Term Loans from Banks [Refer (a) to (g) below]	3,771,596,784	2,953,038,646
	3,771,596,784	2,953,038,646

Sl. No.	Nature of Security	Terms of Repayment
(a)	Term Loan from Banks amounting to ₹485,475,454 (31.12.2011 - ₹ 561,388,048) is secured by equitable mortgage created of immovable properties both present and future relating to all tea estates of the Company situated in Assam ranking pari passu with the working capital loan including cash credit from Consortium Banks and also a first charge over all the movable properties, both present and future subject to the prior charges created in favour of the Company's bankers by way of security for working capital borrowings from them	i) Term Loan amounting to ₹ 101,531,065 repayable in 36 quarterly instalments commencing from June, 2006. ii) Term Loan amounting to ₹ 183,330,400 repayable in 12 half-yearly instalments commencing from June, 2012. iii) Term Loan amounting to ₹ 150,000,000 repayable after 18 months subsequent to taking of the loan. iv) Term Loan amounting to ₹ 50,613,989 repayable in 2 yearly instalments commencing from May, 2012.
(b)	Term Loan from Banks amounting to ₹419,800,000 (31.12.2011 - ₹ 419,800,000) is secured by way of a second or subservient charge over the assets of all Tea Estates of the Company situated in Assam ranking pari - passu with the other similar second chargeholders of the Company.	Repayable in 8 quarterly instalments commencing from November, 2013.
(c)	Term Loan from Banks amounting to ₹3,627,738,750 (31.12.2011 - ₹ 2,612,793,168) is secured by primary charges on pari passu basis with the existing lenders of Oil & Gas Division, all the present and future receivables of Oil and Gas Division of the Company, assignment of Participating Interest in the Production Sharing Contract of the Amguri and /or AA-ON/7 oil & gas field to the extent permitted, Hypothecation over all the stocks, bookdebts, plant and machinery and equipments both present and future, installed/to be installed at the Company's Oil and Gas field at Amguri and/or AA-ON/7 to the extent permitted. Additionally, the entire loans are secured by Personal Guarantee of Managing Director of the Company.	i) Term Loan amounts to ₹ 750,000,000 repayable in 8 half yearly instalments commencing from December, 2013. ii) Term Loan amounting to ₹ 300,000,000 repayable in 2 yearly instalments commencing from December, 2013. iii) Term Loan amounting to ₹ 262,234,545 repayable in 26 quarterly instalments commencing from March, 2013. iv) Term Loan amounting to ₹ 1,041,357,159 repayable in 8 half yearly instalments commencing from September, 2011. v) Term Loan amounting to ₹ 399,091,796 repayable in 4 half yearly instalments commencing from January, 2014. vi) Term Loan amounting to ₹ 110,028,746 repayable in 26 quarterly instalments commencing from October, 2012. vii) Term Loan amounting to ₹ 544,101,190 repayable in 27 quarterly instalments commencing from October, 2012.



## Notes to Financial Statements

Sl. No.	Nature of Security	Terms of Repayment
		viii) Term Loan amounting to ₹ 220,925,314 repayable in 27 quarterly instalment commencing from May, 2013.
(d)	<p>Term Loan from Banks amounting to ₹505,246,955 (31.12.2011 - ₹ Nil ) is secured by way of -</p> <p>(i) Primary charges on pari passu basis with the existing lenders of Oil &amp; Gas Division, all the present and future receivables of Oil &amp; Gas Division of the Company, assignment of Participating Interest in the Production Sharing Contract of the Amguri and / or AA-ON/7 oil &amp; gas field to the extent permitted, Hypothecation over all the stocks, bookdebts, plant and machinery and equipments both present and future, installed / to be installed at the Company's Oil and Gas field at Amguri and / or AA-ON/7 to the extent permitted.</p> <p>(ii) Second charge over the assets of all Tea Estates of the Company situated in Assam ranking pari passu with other similar second chargeholders of the Company.</p> <p>(iii) Personal Guarantee of Managing Director of the Company.</p>	Repayable in 26 quarterly instalments commencing from March, 2013.
(e)	<p>Term Loan from Banks amounting to ₹438,420,199 (31.12.2011 - ₹ Nil ) is secured / to be secured by way of -</p> <p>(i) Primary charges on pari passu basis with the existing lenders of Oil &amp; Gas Division, all the present and future receivables of Oil and Gas Division of the Company, assignment of Participating Interest in the Production Sharing Contract of the Amguri and /or AA-ON/7 oil &amp; gas field to the extent permitted, Hypothecation over all the stocks, bookdebts, plant and machinery and equipments both present and future, installed/to be installed at the Company's Oil and Gas field at Amguri and/or AA-ON/7 to the extent permitted.</p> <p>(ii) Second charge on the fixed assets, both present and future, of all Tea Estates of the Company situated in Assam ranking pari passu with other similar second chargeholders of the Company.</p> <p>(iii) Personal Guarantee of Managing Director of the Company.</p>	Repayable in 27 quarterly instalments commencing from July, 2013.
(f)	Figures indicated in (a) to (e) above, include current maturity of respective borrowing which have been presented in note 9.	—
(g)	Interest rates on Term Loan from Banks are based on spread over respective lenders bench mark rate (for Rupee Term Loan) and on spread over libor (for Foreign Currency Loan).	—



## Notes to Financial Statements

	31st December, 2012 (₹)	31st December, 2011 (₹)
<b>Note: 5 - Other Long Term Liabilities</b>		
Others	2,439,463	2,236,470
	<b>2,439,463</b>	<b>2,236,470</b>
<b>Note: 6 - Long Term Provisions</b>		
Provision for Employee Benefits	382,507,679	332,447,054
Provision for Site Restoration	2,765,000	2,765,000
	<b>385,272,679</b>	<b>335,212,054</b>
<b>Note: 7 - Short term Borrowings</b>		
<b>Secured</b>		
Loans repayable on demand from Banks [Refer (a) below]		
Working Capital Loan including Cash Credit from Banks	1,665,813,679	1,645,251,770
<b>Unsecured</b>		
Intercorporate Deposit	100,000,000	183,000,000
	<b>1,765,813,679</b>	<b>1,828,251,770</b>
<b>Nature of Security</b>		
(a) Loan repayable on demand from Banks		
Outstanding loans of ₹ 1,665,813,679 ( 31.12.11 - ₹ 1,645,251,770) Secured by hypothecation created on stock, book debts, all moveable assets and other current assets of the tea estates both present and future and equitable mortgage created of all immovable properties both present and future relating to all Tea Estates of the Company situated in Assam ranking pari passu with all other term loans from Consortium Banks.		
<b>Note: 8 - Trade Payables</b>		
Acceptances	38,759,825	-
Sundry Creditors	108,345,423	85,309,897
	<b>147,105,248</b>	<b>85,309,897</b>
<b>Note: 9 - Other Current Liabilities</b>		
Current maturities of Long Term borrowings	1,705,084,575	729,798,222
Interest accrued but not due on borrowings	202,185,125	117,439,484
Advance from Customers	3,970,279	90,166,769
Unclaimed Dividends	3,800,552	2,893,175
Due to FCCB Holders including Redemption Premium	435,232,412	2,541,110,033
Others	362,500,733	185,377,063
	<b>2,712,773,676</b>	<b>3,666,784,746</b>
<b>Note: 10 - Short term Provisions</b>		
Provisions for Employee Benefits	52,201,698	50,015,412
Proposed Dividend	15,488,048	15,488,048
Provision for tax on Proposed Dividend	2,512,549	8,542,664
Provision for tax (Net of Advance Tax)	105,958,710	39,404,932
Others	160,767,507	142,401,306
	<b>336,928,512</b>	<b>255,852,362</b>

## Notes to Financial Statements

### Note : 11 - FIXED ASSETS

[Figures in ₹ ]

Class of Assets	COST / VALUATION			DEPRECIATION / AMORTISATION					NET BLOCK		
	As At 1st January 2012	Additions during the year	Sale/discard /adjustments during the year	Total as at 31st December 2012	As At 1st January 2012	Additions during the year	On Revaluation during the year	Sale / discard during the year	Total as at 31st December 2012	Net Book Value as on 31st December, 2012	Net Book Value as on 31st December, 2011
<b>Tangible Assets</b>											
Land and Development (including leasehold land)	2,698,628,183	2,812,032	13,447,374	2,687,992,841	-	-	-	-	-	2,687,992,841	2,698,628,183
Buildings	1,068,974,142	11,537,204	-	1,080,511,346	706,297,732	11,144,181	10,260,386	-	727,702,299	352,809,047	362,676,410
Plant and Machinery	960,659,505	47,777,725	10,589,211	997,848,019	733,428,349	35,721,136	829,319	9,916,508	760,062,296	237,785,723	226,784,812
Oil and Gas Producing Properties	743,969,970	-	-	743,969,970	198,692,927	7,953,731	-	-	206,646,658	537,323,312	545,277,043
Vehicles	187,550,718	3,857,223	1,832,353	189,575,588	135,836,805	12,795,218	3,749	1,615,241	147,020,531	42,555,057	51,713,913
Furniture	25,288,091	59,039	171,778	25,175,352	12,960,259	2,442,365	402	61,140	15,341,886	9,833,466	12,327,832
<b>Intangible Assets</b>											
Computer Software	4,459,121	-	-	4,459,121	729,403	1,497,406	-	-	2,226,809	2,232,312	4,176,062
<b>TOTAL</b>	<b>5,689,529,730</b>	<b>66,043,223</b>	<b>26,040,716</b>	<b>5,729,532,237</b>	<b>1,787,945,475</b>	<b>71,554,037</b>	<b>11,093,856</b>	<b>11,592,889</b>	<b>1,859,000,479</b>	<b>3,870,531,758</b>	<b>3,901,584,255</b>
Previous Year	5,574,883,654	134,154,300	19,508,224	5,689,529,730	1,711,873,393	78,735,868	12,613,690	15,277,476	1,787,945,475	3,901,584,255	

11(i) Land and Development (including leasehold land) include certain freehold lands the amount of which is not ascertainable.

11(ii) The Government of Assam had taken possession of some undeveloped land under the Assam Fixation of Ceiling of Land Holdings Act, 1956, (the Act ) measuring approximately 3,659.18 hectares, the compensation for which is accounted for as and when received. The Company is hopeful of getting back some ceiling surplus land for which Review Petitions have been filed under Section 7(6) of the Act, for correction of the statements prepared by the Revenue Department which are pending disposal.

11(iii) Buildings include building on leasehold land at estates - ₹ 1,080,507,731 (31.12.2011 - ₹ 982,672,179). Accumulated Depreciation ₹ 727,702,297 (31.12.2011 - ₹ 623,950,788).

11(iv) Vehicles include assets acquired on hire purchase - ₹ 40,216,757 (31.12.2011 - ₹ 40,989,484).

11(v) Addition to Plant and Machinery is net off of subsidy received from Tea Board for quality upgradation and product development scheme activities amounting to ₹ 2,166,464 (31.12.2011 - ₹ NIL).

11(vi) Addition to Land and Development (including leasehold land) is net off of subsidy received from Tea Board for replanting activities amounting to ₹ NIL (31.12.2011 - ₹ 2,533,179)

11(vii) Deletion to Land and Development (including leasehold land) is inclusive of subsidy received from Tea Board for replanting activities amounting to ₹ 7,013,747 (31.12.2011 - ₹ NIL)

11(viii) The cost of Oil and Gas producing properties represents Company's share (40%) in jointly held properties.



## Notes to Financial Statements

	31st December, 2012 (₹)	31st December, 2011 (₹)
<b>Note : 12 - CAPITAL WORK IN PROGRESS</b>		
<b>A. Oil and Gas Project</b>		
Opening Balance	3,214,827,709	2,734,163,006
Add: Addition during the year	583,395,173	480,664,703
	<u>3,798,222,882</u>	<u>3,214,827,709</u>
Less: Capitalised during the year	-	-
Closing Balance	<u>3,798,222,882</u>	<u>3,214,827,709</u>
<b>B. Others</b>		
Opening Balance	34,121,088	40,684,938
Add: Addition during the year	41,599,169	39,512,634
	<u>75,720,257</u>	<u>80,197,572</u>
Less: Capitalised during the year	57,408,453	46,076,484
Closing Balance	<u>18,311,804</u>	<u>34,121,088</u>
<b>Total (A + B)</b>	<u><u>3,816,534,686</u></u>	<u><u>3,248,948,797</u></u>
<b>Note: 13 - Non-current Investments</b>		
Long Term - At cost, fully paid unless otherwise stated		
<b>A. Quoted</b>		
<b>(i) Trade</b>		
In Subsidiary Company		
Namburnadi Tea Co. Ltd. ##	123,076	123,076
123,076 (31.12.2011 - 123,076) Equity Shares of ₹ 10 each ##		
Others		
12,240 (31.12.2011- 12240) Equity Shares of		
Bank of America Corporation	7,192,005	7,192,005
	<u>7,315,081</u>	<u>7,315,081</u>
<b>(ii) Other than Trade</b>		
1,841 (31.12.2011-1841) US 64 Bonds of ₹ 100 each		
in Unit Trust of India (under lien)	184,100	184,100
237,800 (31.12.2011- 237,800 ) Equity Shares of		
Canoro Resources Ltd. of CAD 1 each	692,467	692,467
Others*	3,601,068	3,601,068
	<u>4,477,635</u>	<u>4,477,635</u>



## Notes to Financial Statements

	31st December, 2012 (₹)	31st December, 2011 (₹)
<b>B. Unquoted (Fully paid unless otherwise stated)</b>		
(i) Trade In Subsidiary Companies**	158,819,240	158,819,240
(ii) Other than Trade		
20,000 (31.12.2011- 20,000 ) Equity Shares of ₹ 10 each in Assam Bengal Cereals Ltd.	200,000	200,000
2,450 Equity Shares of ₹ 10 each in Woodlands Multispeciality Hospital Ltd. (Received on conversion of 5% Non Redeemable Debentures of East India Clinic Ltd.)	24,500	24,500
Others***	-	20,000,000
	<u>224,500</u>	<u>20,224,500</u>
	170,836,456	190,836,456
Less: Provision for diminution in value of certain investments	79,963,056	99,562,910
	<u>90,873,400</u>	<u>91,273,546</u>
<b>Current Investment - At cost (Fully paid unless otherwise stated)</b>		
<b>Quoted</b>		
SBI Magnum Multiplier Plus Scheme -93 - Dividend	800,000	800,000
Baroda Pioneer Mutual Fund	100,000	-
	<u>900,000</u>	<u>800,000</u>
	<u>91,773,400</u>	<u>92,073,546</u>

* Particulars	Description	Number as on 31.12.12	Number as on 31.12.11	Face value	Cost as on 31.12.12 [₹]	Cost as on 31.12.11 [₹]
Allahabad Bank	Equity	23	23	10	1,886	1,886
Bank of Baroda	Equity	9	9	10	2,070	2,070
Bombay Burmah Trading Corp. Ltd.	Equity	25	25	2	2,346	2,346
Dhunseri Petrochem & Tea Ltd. (Formerly Dhunseri Tea & Industries Ltd.)	Equity	55	55	10	10,359	10,359
Dhunseri Investments Ltd.	Equity	27	27	10	-	-
Gammon India Ltd.	Equity	5	5	2	2,246	2,246
Gillanders Arbuthnot & Company Ltd.	Equity	7	5	10	518	518
GMR Infrastructure Ltd.	Equity	30,000	30,000	1	2,393,532	2,393,532
Goodricke Group Ltd.	Equity	5	5	10	333	333
Grasim Industries Ltd.	Equity	50	50	10	16,550	16,550
Hindalco Industries Ltd.	Equity	5	5	1	807	807
Indian Oil Corporation Ltd.	Equity	10	10	10	2,201	2,201
Jayshree Tea & Industries Ltd.	Equity	10	5	5	547	547
Mcleod Russel India Ltd.	Equity	300	300	5	6,095	6,095
Oil & Natural Gas Corporation Ltd.	Equity	20	20	5	4,541	4,541
Oriental Bank Of Commerce	Equity	5	5	10	1,250	1,250
Reliance Industries Ltd.	Equity	36	36	10	1,350	1,350



## Notes to Financial Statements

* Particulars	Description	Number as on 31.12.12	Number as on 31.12.11	Face value (₹)	Cost as on 31.12.12 (₹)	Cost as on 31.12.11 (₹)
Reliance Power Ltd.	Equity	7,000	7,000	10	1,039,500	1,039,500
Selan Exploration Ltd.	Equity	5	5	10	540	540
Shiv - Vani Oil & Gas Exploration Services Ltd.	Equity	5	5	10	1,753	1,753
State Bank of Bikaner & Jaipur	Equity	1,850	1,850	10	97,495	97,495
Suzlon Energy Ltd.	Equity	25	25	2	7,534	7,534
Tata Chemicals Ltd.	Equity	4	4	10	247	247
Tata Coffee Ltd.	Equity	5	5	10	1,441	1,441
Tata Steel Ltd.	Equity	3	3	10	224	224
Tata Global Beverages Ltd. (Formerly Tata Tea Ltd.)	Equity	120	12	1	2,280	2,280
Ultratech Cements Ltd.	Equity	28	-	10	-	-
UTI Master Share	Equity	116	116	10	3,050	3,050
Warren Tea Ltd.	Equity	5	5	10	373	373
					<b>3,601,068</b>	<b>3,601,068</b>
<b>**Particulars</b>						
Dahej Offshore Infrastructure SEZ Ltd. (Formerly Assam Estates Limited)	Equity	50,570	50,570	10	505,700	505,700
Assam Oil and Gas Ltd. (70 Equity Shares fully paid 999,930 Equity Shares @₹ 3 partly paid)	Equity	1,000,000	1,000,000	10	1,000,000	1,000,000
North East Hydrocarbon Ltd.	Equity	50,070	50,070	10	500,700	500,700
Camellia Cha Bar Ltd.	Equity	50,060	50,060	10	500,605	500,605
Gujarat Hydrocarbons and Power SEZ Ltd. #	Equity	5,000,000	5,000,000	10	50,000,000	50,000,000
Duncan Macneill Power India Ltd. (Formerly Duncan Macneill Power & Utilities Ltd.)	Equity	50,000	50,000	10	500,000	500,000
Duncan Macneill Natural Resources Ltd.	Equity	911,000	911,000	1GBP	76,036,035	76,036,035
Assam Oil & Natural Gas Ltd.	Equity	660,000	660,000	1USD	29,776,200	29,776,200
					<b>158,819,240</b>	<b>158,819,240</b>
<b>***Particulars</b>						
Padmshree Suppliers Pvt. Ltd.	Equity	10,000	10,000	10	-	1,900,000
Octol Tracon Pvt. Ltd.	Equity	35,000	35,000	10	-	5,950,000
Rimjhim Vinjmay Pvt. Ltd.	Equity	2,000	2,000	10	-	350,000
J R Roadlines Pvt. Ltd. (Formerly Pushpshree Tower Pvt. Ltd.)	Equity	10,000	10,000	10	-	1,800,000
Prakash Cresec Pvt. Ltd.	Equity	25,000	25,000	10	-	3,750,000
Nahar Viniyog Pvt. Ltd.	Equity	10,000	10,000	10	-	1,500,000
Rohini Commodities Pvt. Ltd.	Equity	14,000	14,000	10	-	2,100,000
Midpoint Marketing Pvt. Ltd.	Equity	14,500	14,500	10	-	1,450,000
Darkin Dealcom Pvt. Ltd.	Equity	12,000	12,000	10	-	1,200,000
					-	<b>20,000,000</b>

\* Aggregate market value of quoted investments ₹ 10,989,064 (31.12.2011 - ₹ 5,532,923)

\*\* Aggregate book value of quoted investments ₹ 12,692,716 (31.12.2011 - ₹ 12,592,716)

\*\*\* Aggregate book value of unquoted investments ₹ 159,043,740 (31.12.2011 - ₹ 179,043,740)

Market value of Namburnadi Tea Co. Ltd. and US 64 Bonds are not available.

# Pledged in favour of Srei Infrastructure Finance Limited against loan taken by Gujarat Hydrocarbons and Power SEZ Limited.

## Since sold.



## Notes to Financial Statements

	31st December, 2012 (₹)	31st December, 2011 (₹)
<b>Note : 14 - Long Term Loans and Advances</b>		
(Unsecured considered good unless otherwise stated)		
Loans and advances to subsidiary companies		
Considered good	118,662,746	118,664,381
Considered doubtful	24,759,808	24,759,808
Less: Provision for doubtful advances	(24,759,808)	(24,759,808)
Deposits	36,870,346	37,231,299
Employees loans and advances	3,466,490	2,216,713
Intercorporate Deposits		
Considered good	45,000,000	58,542,807
Considered doubtful	35,855,000	40,255,000
Less: Provision for doubtful advances	(35,855,000)	(40,255,000)
Other Loans and Advances		
Considered good		
Capital advances	867,418	4,717,872
Other advances	61,452,631	21,356,655
Considered doubtful	22,201,963	22,201,963
Less: Provision for doubtful advances	(22,201,963)	(22,201,963)
	<b>266,319,631</b>	<b>242,729,727</b>
<b>Note : 15 - Other Non-Current Assets</b>		
FCMIT Difference account	119,366,981	167,456,421
Interest Receivable		
Considered good	41,782,363	43,240,118
Considered doubtful	15,296,222	13,159,522
Less: Provision for doubtful advances	(15,296,222)	(13,159,522)
Others	29,319,527	29,319,527
	<b>190,468,871</b>	<b>240,016,066</b>
<b>Note : 16 - Inventories</b>		
(Valued at lower of cost and net realisable value)		
Stores & Spare Parts		
Considered good	40,459,191	61,820,977
Considered doubtful of recovery	5,423,723	-
Less: Provision for doubtful of recovery	(5,423,723)	-
Stock of Teas	205,144,930	173,943,707
	<b>245,604,121</b>	<b>235,764,684</b>



## Notes to Financial Statements

	31st December, 2012 (₹)	31st December, 2011 (₹)
<b>Note : 17 - Trade Receivables</b>		
Unsecured		
Debts outstanding for a period exceeding six months		
Considered good	346,637,764	328,984,815
Considered doubtful	5,059,409	5,059,409
Less: Provision for doubtful debts	(5,059,409)	(5,059,409)
Other debts:		
Considered good	531,155,499	745,044,093
	<b>877,793,263</b>	<b>1,074,028,908</b>
<b>Note : 18 - Cash and Bank Balances</b>		
Cash on hand	21,784,573	2,654,076
Balance with banks in :		
Current Accounts	61,814,776	310,811,760
Unpaid Dividend Accounts	3,800,552	2,893,175
On Short Term Deposits	41,482,163	224,869,422
Margin Money Deposit	19,689,975	21,335,248
Other Banks on Current account	5,033	4,896
	<b>148,577,072</b>	<b>562,568,577</b>
<b>Note : 19 - Short Term Loans and Advances</b>		
(Unsecured considered good unless otherwise stated)		
Advances and loans to subsidiaries		
Considered good	3,101,537,500	2,814,407,398
Considered doubtful	128,121,220	128,121,220
Less: Provision for doubtful advances	(128,121,220)	(128,121,220)
Employees loans and advances	2,328,342	4,117,501
Other loans and advances	38,040,015	60,515,804
	<b>3,141,905,857</b>	<b>2,879,040,703</b>
<b>Note : 20 - Other Current Assets</b>		
FCMIT Difference account	46,549,149	7,227,867
Interest Receivable on Deposits	6,435,153	8,690,469
Others	5,885,135	5,269,137
	<b>58,869,437</b>	<b>21,187,473</b>



## Notes to Financial Statements

	31st December, 2012 (₹)	31st December, 2011 (₹)
<b>Note : 21- Revenue from Operations</b>		
Sales		
Tea	2,276,290,081	2,480,221,350
Oil and Gas	-	5,688,967
Merchant Trading	-	334,390,795
	<u>2,276,290,081</u>	<u>2,820,301,112</u>
<b>Note : 22- Other Income</b>		
Interest Income	357,317,034	319,359,410
Sale of Tea Waste	3,155,937	1,437,858
Tea Subsidy	11,543,360	11,480,205
Income from Investments other than trade	53,489	43,353
Profit on sale of Fixed Assets	4,584,156	721,238
Profit on acquisition of Agricultural Land	20,677,808	4,388,540
Liabilities no longer required written back	1,614,734	11,020,063
Premium on sale of export Licences	30,592,592	9,653,808
Export Incentive and Duty Drawback	2,143,733	276,106
Miscellaneous Receipts	9,768,892	4,140,864
	<u>441,451,735</u>	<u>362,521,445</u>
<b>Note : 23- Cost of Raw Materials Consumed</b>		
Purchase of Tea	-	883,575
Purchase of Green Leaf	76,658,263	77,004,052
	<u>76,658,263</u>	<u>77,887,627</u>
<b>Note : 24 - Changes in Inventories of Finished Goods</b>		
<b>Stock as at the beginning of the year</b>		
Tea	173,943,707	296,765,070
Oil	-	206,000
	173,943,707	296,971,070
<b>Stock as at the end of the year</b>		
Tea	205,144,930	173,943,707
Oil	-	-
	205,144,930	173,943,707
<b>(Increase) / Decrease</b>	<u><b>(31,201,223)</b></u>	<u><b>123,027,363</b></u>



## Notes to Financial Statements

	31st December, 2012 (₹)	31st December, 2011 (₹)
<b>Note : 25- Employee Benefits Expense</b>		
Establishment Charges	378,960,647	376,434,625
Contribution to Provident, Gratuity and other Funds	149,601,069	134,139,983
Labour and Staff Welfare	137,983,780	129,348,444
Concession on Foodgrains	46,467,077	49,822,080
	<b>713,012,573</b>	<b>689,745,132</b>
<b>Note : 26- Finance Costs</b>		
Interest Expenses	406,920,052	362,250,989
Bank Charges Including fees and other costs	19,699,835	19,634,534
Exchange Fluctuation on Borrowings	65,982,605	134,844,722
Others	993,051	1,251,371
	<b>493,595,543</b>	<b>517,981,616</b>
<b>Note : 27- Other Expenses</b>		
Garden Cultivation Costs	242,898,193	213,867,843
Plucking and Manufacturing Expenses	275,112,295	284,969,254
Power and Fuel	212,513,514	226,575,977
Directors' Fees	170,000	27,000
Repairs to Buildings	41,482,095	40,254,143
Repairs to Plant & Machinery	42,126,371	35,645,122
Upkeep of Roads & Bridges	16,755,707	2,258,572
Garden Transport	45,265,265	42,795,652
Insurance	7,204,516	5,104,294
Rent, Rates & Taxes	15,512,028	11,966,962
Office Maintenance	5,217,406	10,935,689
General Charges	89,750,777	106,571,407
Freight, Warehouse & Sale Charges	85,255,106	85,515,402
Agency Commission	29,922,081	48,303,053
Brokerage	11,031,748	13,244,844
Cess on Tea and Green Leaf	29,251,243	36,337,673
Trade Commodity Expenses	-	339,933,623
Sundry balance written off	1,927,621	19,386,158
Loss on Exchange	(30,071,687)	(59,733,234)
	<b>1,121,324,279</b>	<b>1,463,959,434</b>



## Notes to Financial Statements

	31st December, 2012 (₹)	31st December, 2011 (₹)
<b>Note : 28- Exceptional Items</b>		
Loss on Fixed Assets discarded	-	1,321,623
Diminution in value of Investments	400,147	1,144,714
Provision for doubtful advances, deposits, stores and interest accrued (Net)	7,982,423	1,665,570
	<b>8,382,570</b>	<b>4,131,907</b>
Less: Provision for doubtful advances, deposits and interest accrued no longer required written back	4,822,000	19,150,756
Reduction of Liability on redemption of Foreign Currency Convertible Bonds	19,065,649	-
	<b>(15,505,079)</b>	<b>(15,018,849)</b>

29. [a] All assets except Furniture as at 31st December, 1994, were revalued by an approved valuer at the then net replacement cost resulting in increase in value of these assets by ₹ 427,664,732. All assets except Furniture as at 31st December, 1996, were revalued again by an approved valuer at the then net replacement cost resulting in a further increase in value of these assets by ₹ 113,567,000.
- [b] Taking into account the total intrinsic value of the Company's land in Assam, no adjustment in the opinion of the Management is required for the loss of land lost due to flood and consequent erosion in past years. Claim for compensation in this regard has been made to the Government of Assam.
30. Estimated amount of contracts remaining to be executed on capital account and other commitment not provided for are as follows:-
- [a] On capital account - ₹ 235,527 (net of advance - ₹ 867,345), [31.12.2011 - ₹ 10,264,615 (net of advance - ₹ 4,717,872)]
- [b] Other Commitment - For Hire Purchase and Lease payments, Refer Note No 36 [a] and 36 [b].
31. Contingent Liabilities not provided for in respect of :
- [a] Sales Tax assessments disputed in appeals ₹ 174,272,207 (31.12.2011 - ₹ 108,907,869)
- [b] Liability towards Fringe Benefit Tax under adjudication - ₹ 70,929,211 (31.12.2011 - ₹ 70,929,211).
- [c] Guarantees given in favour of third parties ₹ 1,048,200,000 (31.12.2011 - ₹ 1,048,200,000).
- [d] Pledged 5,000,000 shares (having cost of Rs 50,000,000) representing investment in 51% Equity shares in Gujarat Hydrocarbons and Power SEZ Ltd. in favour of third parties.
- [e] Uncalled liability on partly paid shares - ₹ 6,999,510 (31.12.2011 - ₹ 6,999,510).
- [f] Interest and penalty for non-deduction and non-deposit of tax deducted at source from green leaf suppliers in respect of an earlier year, not ascertainable at this stage.
- [g] Financial undertaking issued to a subsidiary - amount not ascertainable.
- The future cash flows on account of above cannot be determined unless the judgement / decisions / demand are received from the appropriate authorities/parties.
32. Provision for taxation has been made as per the Income Tax Act, 1961 and the rules framed thereunder with reference to the profit for the year ended 31st December, 2012 which extends over two assessment years, Assessment Year 2012-2013 and Assessment Year 2013 - 2014. The ultimate tax liability for the Assessment Year 2013-2014 will be determined on the total income for the period from 1st April, 2012 to 31st March, 2013.



## Notes to Financial Statements

		31.12.2012 (₹)		31.12.2011 (₹)	
33. [i]	Amount paid / payable to the auditors included under general charges (Net of Service Tax)				
	[a] Statutory Audit Fees	1,200,000		1,750,000	
	[b] Fees for other services	751,500		300,000	
	[c] Reimbursement of out of pocket expenses	14,624		-	
[ii]	Expenditure includes in aggregate :				
	Salary, Wages and Bonus	813,700,885		807,385,623	
	Stores and Spare Parts consumed	345,322,257		360,334,047	
34.	Value of Raw Materials and Stores and Spare parts consumed	%	(₹)	%	(₹)
	- Purchased Green Leaf and Tea	100	76,658,263	100	77,887,627
	- Stores and Spare Parts	100	345,322,257	100	360,334,047
			<b>421,980,520</b>		<b>438,221,674</b>

35. As the production of green leaf (raw materials consumed by the Company for the manufacture of Tea) from Company's own Tea Estates involves integrated process having various stages such as nursery, planting, cultivation etc., their values at intermediate stage could not be ascertained.

36. [a] Assets acquired under Hire Purchase (HP) comprise of vehicles. These agreements are of a period of 36 months and more and in certain cases provide for revision of hire charges for variation in prime lending rates of the bank. There are no restrictive covenants in the HP agreements.

The minimum rentals as at 31st December, 2012 and the present value as at 31st December, 2012 of minimum rentals in respect of assets acquired under HP are as follows:

	31.12.2012 (₹)	31.12.2011 (₹)
<b>Minimum Hire Purchase Payments</b>		
- Payable not later than one year	1,563,887	5,983,182
- Payable later than one year but not later than 5 years	28,401	1,617,374
<b>Total of Minimum Hire Purchase Payments</b>	<b>1,592,288</b>	<b>7,600,556</b>
<b>Finance Charges</b>		
- Payable not later than one year	70,334	401,524
- Payable later than one year but not later than 5 years	225	70,559
<b>Total of Finance Charges</b>	<b>70,559</b>	<b>472,083</b>
<b>Present Value of Minimum HP Payments</b>		
- Payable not later than one year	1,493,553	5,581,658
- Payable later than one year but not later than 5 years	28,176	1,546,815
<b>Total of Present Value of Minimum HP Payments</b>	<b>1,521,729</b>	<b>7,128,473</b>

[b] The Company has taken various premises under operating lease having tenures upto 36 months which are not non-cancellable. These are usually renewed periodically by mutual consent. The rental payable against these lease amounting to ₹ 2,006,400 (31.12.2011- ₹ 2,006,400) has been debited to the Statement of Profit and Loss.



## Notes to Financial Statements

37. Provision for Site Restoration :				[Figures in ₹]
Year	Opening Balance	Provision made during the year	Amounts utilised/reversed during the year	Closing Balance
2012	2,765,000	-	-	2,765,000
2011	2,765,000	-	-	2,765,000

Provision for Site Restoration represents the liability that is expected to materialise once production of oil and gas from the wells cease and/or they are capped. Future cash outflow in respect of the above is determinable only on occurrence of uncertain future events.

38. Expenditure in foreign currency (on accrual basis) :	31.12.2012 (₹)	31.12.2011 (₹)
Commission	29,922,081	48,303,053
Travelling Expenses	1,655,897	11,525,135
Bank Charges	688,681	180,451
Interest	2,574,292	1,695,701
Consultancy Fees	191,893	331,657

39. Earnings in Foreign Exchange (on accrual basis) :	31.12.2012 (₹)	31.12.2011 (₹)
Export Sale on F.O.B. Basis	385,900,887	603,788,456
Interest Income	580,609	1,225,923
Income from Investments	19,778	17,624

40. [a] The Companies' Oil and Gas activities comprise of three Oil Fields – Amguri (Discovered Field), AA-ON/7 (Exploration Block) and AA-ONN-2005/1 (Exploration Block) having Participating Interest of 40%, 35% and 10% respectively. Amguri Oil Field and AA-ON/7 Exploration Block were operated under a consortium with Canoro Resources Limited (Canoro), a Canadian based E&P company. AA-ONN-2005/1 Exploration Block is however under consortium with ONGC and OIL.

[b] Following termination of Production Sharing Contract (PSC) and 60% Participation Interest (PI) of Amguri Field of Canoro by Government of India (GOI) with effect from 29th August, 2010, Canoro finally closed its operation in India in December, 2012 having their appeal being dismissed by Hon'ble High Court. GOI as interim arrangement had appointed ONGC as the custodian of GOI to operate the field from 16th March, 2011 pending appointment of a regular operator for which the Company had already staked its claim alongwith the ownership of 60% PI in accordance of the provisions of PSC. After a prolong delay, GOI has finally appointed the Company as the operator of Amguri Field vide its letter dated 2nd January, 2013. The Company on priority basis has now taken steps to resume the operations and production of oil and gas in Amguri Field.

[c] The Company also, under the Joint Operating Agreement (JOA), exercised its right of first refusal on its claim on 60% PI from Canoro. Accordingly, the Company initiated Arbitral proceedings against Canoro as per PSC for redressal of dispute on ownership of majority Equity Shareholding of Canoro and 60% PI of Amguri Field.

The Arbitral Tribunal passed the Award on 21st November, 2011 under which the Company had become the rightful owner of 60% PI of Amguri and also 52.9% shares of Canoro which was earlier issued to Mass Financial Corporation in breach of JOA. As per the said Award, the Company had also got a damage



## Notes to Financial Statements

claim of US\$ 39.12 Million (₹ 214.29 Crores) against Canoro. The consideration of US\$ 4.16 Million (₹ 22.78 Crores) and US\$ 2.2071 Million (₹ 12.08 Crores) assigned towards 60% PI of Amguri and 52.9% shares of Canoro respectively was set off from the total damage claim and the net damage claim of US\$ 32.75 Million (₹ 179.40 Crores) was awarded against Canoro. Consequent upon the receipt of the Award, the Company sought the formal consent from GOI on transfer of 60% PI pursuant to the provisions of PSC which is still awaited.

- [d] For execution of the Arbitral Tribunal award before Canadian Court, the Company has initiated legal steps by filing execution petition on 9th November, 2012 before the Supreme Court of British Columbia. The hearing of the execution petition is due in April, 2013. Meanwhile, the Company had received execution orders on Arbitral award against Canoro from District Courts in Assam for taking possession of inventory and field equipments.
- [e] In view of delay in response from GOI for according consent on assignment of 60% PI and operatorship of Amguri Field, the Company had initiated Arbitral proceedings against GOI by filing Section 9 Application before Hon'ble High Court of Delhi seeking interim relief, pending disposal of the case by Arbitral Tribunal. The Company had received interim Judgment of Hon'ble High Court on 20th July, 2012, under which the Court had prima facie observed that the Company was entitled to 60% PI of Canoro as per PSC and GOI should accord the consent without holding it up further. However, GOI is still to take a decision on this matter.
- [f] In respect of AA-ON/7 Exploration Block, the area falls into two States – Assam and Nagaland. The exploration activities in Assam were completed and the area has been relinquished as there was no discovery of oil and gas. In order to pursue exploration activities in the State of Nagaland, a new PSC in continuation of the earlier PSC on the basis of same terms and conditions of the earlier PSC will be executed very shortly. The execution of new PSC has been delayed due to ongoing legal dispute on Amguri with Canoro. Since the matter has now been finally resolved and also Canoro's PSC and PI on this Block has been terminated by GOI vide letter dated 10th January, 2013, the new PSC, which has already been approved by GOI, will now be executed with the Company. Similar to Amguri Field, the Company as per PSC is also entitled to 65% PI and operatorship of this Block, earlier held by Canoro, as the Company remained as the sole non-defaulting contractor. The Company has already claimed the PI and Operatorship from GOI.
- [g] The new PSC of AA-ON/7 Exploration Block will be in continuation of the previous PSC and its terms and conditions will not be inferior to the terms and conditions of previous PSC as confirmed by GOI. AA-ON/7 even though falls in two states - Assam and Nagaland and require independent PSC, is a single E&P asset. Accordingly, all past expenditure in this Block will qualify for 100% cost recovery and at present it does not attract any capitalisation/impairment provision/adjustment as per AS- 10 and 28 and Guidance Note on Accounting for Oil & Gas producing activities.
- [h] With regard to AA-ONN-2005/1 Exploration Block where ONGC is the operator, the Geological and Geophysical (G&G) activities are under progress.
- [i] With regard to AA-ONN-2005/1 Exploration Block, this Block was awarded under NELP-VII round under consortium with ONGC and OIL. The PEL was obtained on 1st December, 2010. This Block falls in the Assam-Nagaland border and is sensitive with respect to environment, reserve forest and border disputes. Permission to conduct seismic surveys was granted by Assam State Government recently hence exploration activities are in early stages.
- [j] The Company's aggregate capital investments grouped under Capital Work in Progress and Fixed Assets will be eligible for full cost recovery as per PSC against future activities. The operations in Amguri Field



## Notes to Financial Statements

and AA-ON/7 Exploration Block will resume on receipt of consent from GOI and execution of new PSC respectively.

- [k] Fixed Assets Register has not been maintained in Oil & Gas Division as details of the assets were maintained by the Operator (Canoro) which has since been maintained by ONGC as the custodian operator and 40% share of cost was booked by ACIL for each of the assets. A list of assets is maintained.
- [l] In respect of oil and gas producing assets for which depreciation rates has not been prescribed in Schedule XIV of the Companies Act, 1956, the Company has applied to the Central Government for its approval to adopt the unit of production method of computing depreciation for the purpose of provision of Section 205 of the Companies Act, 1956, which is awaited.
- [m] Cost Record Order is applicable for Oil and Gas. There was no production during the year and the Company was not the Operator. All relevant papers and records were maintained by the Operator.
- [n] Disclosure of Company's Participating Interest ( P I ) in the Oil and Gas project :

Sl. No.	Name of the Field	Percentage of P I
1.	Amguri	40 (40)
2.	AA-ON/7	35 (35)
3.	AA-ONN-2005/1	10 (10)

[Figures in brackets represent previous year's percentage of P I ]

- [o] Net quantities of Company's interest in proved reserves and proved developed reserve within India:

	Proved Reserves MT		Proved Developed Reserves MT	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
<b>Oil :</b>				
Beginning of the year	39,763	39,787	36,913	36,937
Additions	-	-	0	0
Deletion	0	0	-	-
Production	0	24	0	24
Closing Balance for the year	<b>39,763</b>	<b>39,763</b>	<b>36,913</b>	<b>36,913</b>
	Proved Reserves M <sup>3</sup>		Proved Developed Reserves M <sup>3</sup>	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
<b>Gas :</b>				
Beginning of the year	814	815	766	767
Additions	-	-	0	0
Deletion	0	0	-	-
Production	0	1	0	1
Closing Balance for the year	<b>814</b>	<b>814</b>	<b>766</b>	<b>766</b>

41. The Company had issued Zero Per Cent Foreign Currency Convertible Bonds ("FCCB") in 2006 aggregating to USD 48 Million (INR 2,109,120,000) to finance capital expenditure for modernisation, expansion and acquisitions. The Bond holders have an option of converting these Bonds into Equity Shares at a conversion price of ₹ 28.75 per share, at any time on or after 28th November, 2006, subject to compliance with certain conditions stated in the Offer Circular dated 23rd November, 2006. The Bonds were redeemable on 30th November, 2011, at 150.019 per cent of their principal amount, unless previously converted or redeemed.



## Notes to Financial Statements

The proceeds of above issue has been utilised till date on an overall basis as set out below:

	31.12.2012 [ ₹ ]	31.12.2011 [ ₹ ]
Expenditure in respect of oil and gas exploration and development	1,344,290,305	1,344,290,305
Loan to overseas subsidiary (net)	453,849,047	453,849,047
Modernisation/expansion of existing production units	62,915,595	62,915,595
FCCB issue expenses/other incidental expenses	286,562,035	286,562,035
Others (net)	87,180,616	87,180,616

Unutilised FCCB proceeds amounting to ₹ 7,884,472 (31.12.2011 - ₹ 7,884,472) have been invested in securities and the balance ₹ 241,015 ( 31.12.2011 - ₹ 241,015) is lying with banks at the year end.

The Principal amount of FCCBs outstanding at the beginning of the year was USD 31.80 Million. The Company had during the year redeemed Principal FCCBs of USD 22.70 Million together with agreed redemption premium. As at the year end, the total Principal FCCBs outstanding is USD 9.10 Million out of which the Company has since redeemed Principal FCCBs of USD 6 Million with agreed redemption premium. The Company is negotiating with the Bondholders for settlement of the remaining FCCB's. The Company had obtained permission from Reserve Bank of India (RBI) for extending the time for redemption of Outstanding FCCBs beyond the maturity date.

42. Advances and loans to subsidiaries include an amount of ₹ 2,520,121,211 (including interest ₹ 1,111,049,664 Net of TDS) (31.12.11 ₹ 2,118,199,469 including interest ₹ 783,371,113 Net of TDS) due from Gujarat Hydrocarbons and Power SEZ Limited (GHPSL), a Subsidiary of the Company.

GHPSL was incorporated for developing a Hydrocarbon and Power Special Economic Zone (SEZ) in the State of Gujarat. GHPSL had acquired 315 Hectares of land for its project from Gujarat Industrial Development Corporation (GIDC) out of which 296 Hectares possession was received and the balance 19 Hectares is in the process of acquisition. The loan was given towards acquisition and development of the acquired area by GHPSL.

43. Advances and loans to subsidiaries include interest free loan of ₹ 813,732,224 (31.12.11 ₹813,732,224) due from Duncan Macneill Natural Resources Limited (DMNRL) a Wholly Owned Subsidiary of the Company located in UK. The loan was given to acquire E & P assets. The Company, in order to expand its oil and gas activities in upstream sector desire to make a strong presence at overseas countries by acquiring E & P assets. The Company is confident in acquiring economically feasible E& P assets through DMNRL by using the loan given to them. DMNRL has agreed to repay rupee equivalent of the total amount outstanding to the Company.
44. Advances and loans to subsidiaries include interest free loan of ₹ 10,708,140 (31.12.11 ₹ 10,174,605) due from Assam Oil and Natural Gas Limited a Wholly Owned Subsidiary of the Company located in Cayman Islands, as loan. The loan was given to acquire E & P (Oil and Gas) assets in Colombia.
45. The Single Bench of the Hon'ble Calcutta High Court has allowed the eviction proceedings filed by the owners in respect of the Company's Corporate Office at Kolkata. The Company has preferred an appeal before the Division Bench of the Hon'ble Calcutta High Court, who have stayed the order passed by the Single Bench. The Appeal is pending adjudication.



## Notes to Financial Statements

46. The major components of Deferred Tax Assets and Liabilities are as follows :

	31.12.2012 ( ₹ )	31.12.2011 ( ₹ )
<b>Deferred Tax Liability</b>		
Excess of tax depreciation over book depreciation	91,665,631	98,296,144
Others	-	-
	<b>91,665,631</b>	<b>98,296,144</b>
<b>Deferred Tax Assets</b>		
Expenditure under Section 43B of the Income Tax Act, 1961 (recognised to the extent of Deferred Tax Liability)	91,635,631	98,296,144
	<b>91,635,631</b>	<b>98,296,144</b>
<b>Net Balance</b>	Nil	Nil

47. The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The disclosure pursuant to the said Act is as under :

	31.12.2012 ( ₹ )	31.12.2011 ( ₹ )
Sundry Creditors	2,474,809	3,668,496
- Due to Small and Micro Enterprise:		
[a] Principal amount remaining unpaid to any supplier as at the end of the year	7,609	1,619,033
The interest remaining unpaid to any supplier as at the end of the year	2,467,200	2,049,463
[b] Amount of interest paid in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Delayed payment of principal amount paid beyond the appointed day during the year	7,273,887	11,420,296
[c] Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
[d] Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	417,737	108,195
[e] Amount of interest accrued and remaining unpaid at the end of the year	2,467,200	2,049,463

Note: The information has been given in respect of such vendors to the extent they could be identified as "Micro, Small and Medium" enterprises on the basis of information available with the Company.

48. Net Dividend remitted in foreign exchange :

	31.12.2012	31.12.2011
Year to which it relates	2011	2010
Number of non-resident shareholders	1	1
Number of Equity Shares held on which Dividend was due	119,088,048	119,088,048
Amount remitted (Rs.)	5,954,402	23,817,610



## Notes to Financial Statements

### 49. Primary Segment Report - Business Segments

[Figures in ₹]

Particulars	Plantations	Oil and Gas	Merchant Trading	Total
<b>Segment Revenue: External Customers</b>	2,276,290,081	–	–	2,276,290,081
	<b>2,480,221,349</b>	<b>5,688,967</b>	<b>334,390,795.00</b>	<b>2,820,301,111</b>
<b>Other Segment Revenue</b>	83,264,276	5,084,283	–	88,348,559
	<b>37,740,058</b>	<b>49,143,000</b>	–	<b>86,883,058</b>
<b>Total Segment Revenue</b>	2,359,554,357	5,084,283	–	2,364,638,640
	<b>2,517,961,407</b>	<b>54,831,967</b>	<b>334,390,795</b>	<b>2,907,184,169</b>
<b>Segment Result</b>	29,740,632	(75,583,529)	–	(45,842,897)
	<b>132,273,551</b>	<b>(153,591,061)</b>	<b>(5,542,827)</b>	<b>(26,860,337)</b>
Add:Unallocable Income	–	–	–	1,668,223
				<b>2,971,628</b>
Less:Unallocable Expenses	–	–	–	34,461,935
				<b>37,964,262</b>
Unallocated Interest income	–	–	–	351,434,953
				<b>293,338,488</b>
<b>Profit before Exceptional Items and Tax</b>	–	–	–	272,798,344
				<b>231,485,517</b>
Exceptional Items	5,823,870	(19,065,649)	–	(13,241,779)
	<b>(16,163,563)</b>	<b>1,144,714</b>	–	<b>(15,018,849)</b>
Unallocated Exceptional Items	–	–	–	(2,263,300)
				–
<b>Profit before Tax</b>	–	–	–	288,303,423
				<b>246,504,366</b>
Tax Expenses				
Current Tax	–	–	–	86,000,000
				<b>60,500,000</b>
<b>Profit for the year</b>	–	–	–	202,303,423
				<b>186,004,366</b>
<b>Other Information</b>				
Segment Assets	4,905,145,858	5,190,460,304	–	10,095,606,162
	<b>4,809,592,281</b>	<b>3,830,983,428</b>	–	<b>8,640,575,709</b>
Unallocated Assets	–	–	–	2,612,771,934
				<b>3,857,367,027</b>
<b>Total Assets</b>	–	–	–	12,708,378,096
				<b>12,497,942,736</b>
Segment Liabilities	1,034,399,075	118,836,687	–	1,153,235,762
	<b>893,590,566</b>	<b>24,834,786</b>	–	<b>918,425,352</b>
Unallocated Liabilities	–	–	–	290,966,829
				<b>66,328,818</b>
<b>Total Liabilities</b>	–	–	–	1,444,202,591
				<b>984,754,170</b>
Capital Expenditure	47,731,419	583,395,173	–	631,126,592
	<b>140,718,150</b>	<b>480,664,703</b>	–	<b>621,382,853</b>
Depreciation / Amortisation	63,600,306	7,953,731	–	71,554,037
	<b>65,670,617</b>	<b>13,065,251</b>	–	<b>78,735,868</b>
Non Cash Expenditure other than depreciation and amortisation	34,762,557	77,637,811	–	112,400,368
	<b>(54,576,278)</b>	<b>126,609,495</b>	–	<b>72,033,217</b>
Unallocated Non cash Expenditure	–	–	–	(1,863,153)
				<b>(103,460)</b>



## Notes to Financial Statements

### Secondary Segment Report - Geographical Segment [Figures in ₹]

	Within India	Outside India	Total
1. Segment Revenue: External Customers	1,890,389,194	385,900,887	2,276,290,081
	<b>1,979,758,721</b>	<b>840,542,391</b>	<b>2,820,301,112</b>
2. Segment Assets	11,279,794,391	1,428,583,705	12,708,378,096
	<b>10,572,379,378</b>	<b>1,925,563,358</b>	<b>12,497,942,736</b>
3. Capital Expenditure	631,126,592	-	631,126,592
	<b>621,382,853</b>	-	<b>621,382,853</b>

#### Notes :

- [i] The Company has considered business segment as the primary segment for disclosure. The components of these business segments are plantation products, oil and gas activities and Merchant trading.
- [ii] The segment wise revenue, results, assets and liabilities relate to the respective amounts directly identifiable to each of the segments. Unallocable income/expenditure refers to income/expenses incurred on common services at corporate level.
- [iii] Geographical segment:  
Segregation of revenue is on the basis of geographical location of customer i.e.  
Sales within India  
Sales outside India  
Segregation of asset and capital expenditure is on the basis of geographical location of assets i.e.  
Asset within India  
Asset outside India
- [iv] Figures in bold represent previous year's figures .

50. In line with the notification dated 31st March, 2009 and notification dated 29.12.11 issued by the Ministry of Corporate Affairs, amending Accounting Standard (AS) 11 - "Effects of Changes in Foreign Exchange Rate", the Company in the current year has:

- [i] charged to the Statement of Profit and Loss ₹ 84,949,234 (31.12.11 - ₹ 136,945,139) being the amortisation charge of 'Foreign Currency Monetary item Translation Difference Account' (FCMITDA) for the year.
- [ii] carried forward ₹ 165,916,130 (31.12.11- ₹ 174,684,288) in the FCMITDA, amortisable by 31st January, 2020.

#### 51. Derivative instruments :

The Company uses Foreign Exchange Contracts to hedge its certain exposures in foreign currency related to firm commitments and highly probable transactions.

##### [a] Derivative instruments (Forward Exchange Contracts) outstanding as at Balance Sheet date :

Currency Pair	Buy/Sell	31.12.2012	31.12.2011
USD/INR	Buy	-	\$30,00,000
GBP/INR	Buy	-	£600,000



## Notes to Financial Statements

[b] Foreign currency exposures not hedged by a derivative instrument or otherwise as at the Balance Sheet date:

PARTICULARS	CURRENCY	31.12.2012	31.12.2011
Cash and Bank Balance	USD	\$167,990.00	\$4,855,395.00
Investment	USD	\$175,953.00	\$175,953.00
Investment	GBP	£911,000	£911,000
Sundry Debtors	USD	\$6,433,616.00	\$7,033,463.00
Sundry Debtors	GBP	£2,813,105	£3,046,809
Sundry Debtors	EURO	€ 1,124,484	€ 1,459,946
Unsecured Loan	USD	\$65,191,707.00	\$77,866,757.00
Liabilities payable	USD	\$388,793.00	\$351,729.00
Liabilities payable	GBP	£26,201	£26,201
Liabilities payable	EURO	€ 29,176	€ 29,176

### 52. Employee Benefit Obligation

#### Provident Fund

Provident Fund is a defined contribution scheme whereby the Company contributes an amount determined as a fixed percentage of basic salary to the Trust/Government authorities every month.

#### Gratuity

The Company operates three gratuity schemes wherein every employee is entitled to the benefit equivalent to 15 days salary last drawn for each completed year of service. The same is payable on retirement or termination of service, whichever is earlier. Annual contributions based on actuarial valuation carried out at the year end are made to an independent trust fund who in turn is investing in a private insurance company under group gratuity scheme.

#### Pension

The Company operates two pension schemes for eligible employees, one of them being a defined benefit scheme and the other a defined contribution scheme. Annual contributions to the defined benefit scheme are made by the Company based on actuarial valuation carried out by the Company at year end. Contributions for the defined contribution scheme are deposited with a Trust and such funds are funded to a private insurance company.

#### Leave Benefit

Leave benefit comprises of leave balances accumulated by the employees. These balances can be accumulated upto a maximum of 120 days and can be encashed only at any time of retirement/separation.

#### Post Retirement Medical Benefit

The Company has a scheme of re-imbursment of post retirement medical expenses to certain categories of employees and their surviving spouses, upon retirement, subject to a monetary limit.

#### A. Defined Contribution Plans

Contributions for Defined Contribution Plans amounting to ₹ 9,17,04,830 (31.12.2011 ₹ 8,47,96,893) has been recognised in the Profit & Loss Account.



## Notes to Financial Statements

### B(i) Defined Benefit Plans

	Gratuity (Funded)		Pension (Funded)		Leave Encashment (Unfunded)		Medical Benefit (Unfunded)	
	2012	2011	2012	2011	2012	2011	2012	2011
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
<b>a) Component of employees expenses</b>								
Current Service Cost	19,933,039	19,353,629	6,367,093	4,841,825	955,577	1,265,507	-	-
Interest Cost	27,236,142	25,980,036	8,719,798	8,305,949	487,243	463,918	1,370,588	1,346,145
Expected Return on Plan Assets	(3,182,142)	(5,355,657)	(3,208,463)	(3,157,895)	-	-	-	-
Curtailment Cost	-	-	-	-	-	-	-	-
Settlement Cost	-	-	-	-	-	-	-	-
Past Service Cost	-	-	-	-	-	-	-	-
Net actuarial (gain) / loss recognised during the year	9,797,551	4,957,890	(14,343,973)	(5,753,172)	(239,460)	(336,461)	(968,931)	(757,385)
<b>Total component of employees expenses</b>	<b>53,784,590</b>	<b>44,935,898</b>	<b>(2,465,545)</b>	<b>4,236,707</b>	<b>1,203,360</b>	<b>1,392,964</b>	<b>401,657</b>	<b>588,760</b>
<b>b) Actual Return on Plan Assets</b>								
Expected Return on Plan Assets	3,182,142	5,355,657	3,208,463	3,157,895	-	-	-	-
Actuarial (gain)/loss on Plan Assets	863,591	(5,259,881)	3,930,871	(2,525,797)	-	-	-	-
<b>Actual Return on Plan Assets</b>	<b>4,045,733</b>	<b>95,776</b>	<b>7,139,334</b>	<b>632,098</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>c) Change in Defined Benefit Obligation during the year</b>								
Opening Defined Benefit Obligation	337,046,814	319,279,843	102,585,860	97,717,055	6,321,411	5,987,259	16,425,768	15,837,008
Current Service cost	19,933,039	19,353,629	6,367,093	4,841,825	955,577	1,265,507	-	-
Interest Cost	27,236,142	25,980,036	8,719,798	8,305,949	487,243	463,918	1,370,588	1,346,145
Settlement Cost	-	-	-	-	-	-	-	-
Past Service Cost	-	-	-	-	-	-	-	-
Benefits Paid	(33,243,231)	(27,264,703)	-	-	(1,178,290)	(1,058,812)	(602,396)	-
Actuarial (gain)/loss on Obligation	10,661,142	(301,991)	(10,413,103)	(8,278,969)	(239,460)	(336,461)	(968,931)	(757,385)
<b>Closing Defined Benefit Obligation</b>	<b>361,633,906</b>	<b>337,046,814</b>	<b>107,259,648</b>	<b>102,585,860</b>	<b>6,346,481</b>	<b>6,321,411</b>	<b>16,225,029</b>	<b>16,425,768</b>
<b>d) Change in Fair Value of Assets during the year</b>								
Fair value of Plan Assets as at beginning of the year	39,776,782	66,945,709	40,105,792	39,473,694	-	-	-	-
Expected Return on Plan Assets	3,182,142	5,355,657	3,208,463	3,157,895	-	-	-	-
Contributions Made	5,000,000	-	-	-	-	-	-	-
Benefits Paid	(33,243,231)	(27,264,703)	-	-	-	-	-	-
Actuarial gain/(loss) on Plan Assets	863,591	(5,259,881)	3,930,871	(2,525,797)	-	-	-	-
<b>Fair value of Plan Assets as at end of the year</b>	<b>15,579,284</b>	<b>39,776,782</b>	<b>47,245,126</b>	<b>40,105,792</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Notes to Financial Statements

e) Categories of Plan Assets as a % age of total planned Assets	Gratuity (Funded)		Pension (Funded)	
	2012	2011	2012	2011
Administered by Private Insurance Company	83.02%	57.86%	-	-
Administered by Life Insurance Corporation of India	-	-	99.10%	99.10%
Special Deposit with Scheduled Bank	2.07%	0.61%	-	-
Others	14.91%	41.54%	0.90%	0.90%

f) Actuarial Assumptions	Gratuity		Pension		Leave Encashment		Medical Benefit	
	2012	2011	2012	2011	2012	2011	2012	2011
Mortality Table	LICI-1994-1996	LICI-1994-1996	LICI-1994-1996	LICI-1994-1996	LICI-1994-1996	LICI-1994-1996	LICI-1994-1996	LICI-1994-1996
Discount Rate (%)	8.50	8.50	0.09	8.50	8.00	8.00	8.50	8.50
Inflation Rate (%)	7.00	7.00	0.07	7.00	7.00	7.00	0.00	0.00
Expected Return on Plan Assets (%)	8.00	8.00	0.08	8.00	-	-	0.00	0.00

g) Effect of increase / decrease of one percentage point in the assumed Medical inflation rates:

	2012		2011	
	Increase	Decrease	Increase	Decrease
Effect on the aggregate of the service cost and interest cost	16,387,279	16,062,779	14,777,351	18,428,013
Effect on defined benefit obligation	14,558,022	18,247,363	16,590,025	16,261,509

B(ii) Defined Benefit Plans

	2012	2011	2010	2009	2008
	(₹)	(₹)	(₹)	(₹)	(₹)
<b>I. GRATUITY (FUNDED)</b>					
a) <b>Net (Asset) / Liability</b>					
Present Value of the Defined Benefit Obligation	361,633,906	337,046,814	319,279,843	252,041,130	230,872,090
Fair value of Plan Assets	15,579,284	39,776,782	66,945,709	55,217,327	69,451,148
Net (Asset) / Liability	346,054,622	297,270,032	252,334,134	196,823,803	161,420,942
b) <b>Experience Adjustment</b>					
(Gain)/Loss adjustment on plan liabilities	12,075,531	59,477,481	22,724,684	16,798,521	
(Gain)/Loss adjustment on plan assets	3,752,822	1,569,703	8,556,424	4,881,353	
(Gain)/Loss adjustment on plan liabilities due to change in assumption	-	(59,779,472)	33,620,449	-	
	15,828,353	1,267,712	64,901,557	21,679,874	-
<b>II. PENSION (FUNDED)</b>					
a) <b>Net (Asset) / Liability</b>					
Present Value of the Defined Benefit Obligation	107,259,648	102,585,860	97,717,055	92,897,202	65,904,847
Fair value of Plan Assets	47,245,126	40,105,792	39,473,694	36,348,822	32,192,575
Net (Asset) / Liability	60,014,522	62,480,068	58,243,361	56,548,380	33,712,272



## Notes to Financial Statements

	2012 (₹)	2011 (₹)	2010 (₹)	2009 (₹)	2008 (₹)
<b>b) Experience Adjustment</b>					
(Gain)/Loss adjustment on plan liabilities	(10,413,103)	(12,933,629)	14,315,261	13,609,167	-
(Gain)/Loss adjustment on plan assets	3,930,871	220,440	1,716,744	1,580,841	-
(Gain)/Loss adjustment on plan liabilities due to change in assumption	-	4,654,660	(26,635,050)	-	-
	<u>(6,482,232)</u>	<u>(8,058,529)</u>	<u>(10,603,045)</u>	<u>15,190,008</u>	<u>-</u>
<b>III. LEAVE ENCASHMENT (UNFUNDED)</b>					
<b>a) Net (Asset) / Liability</b>					
Present Value of the Defined Benefit Obligation	6,346,481	6,321,411	5,987,259	5,077,537	3,484,173
Fair value of Plan Assets	-	-	-	-	-
Net (Asset) / Liability	<u>6,346,481</u>	<u>6,321,411</u>	<u>5,987,259</u>	<u>5,077,537</u>	<u>3,484,173</u>
<b>b) Experience Adjustment</b>					
(Gain)/Loss adjustment on plan liabilities	(239,460)	397,126	(618,236)	-	-
(Gain)/Loss adjustment on plan assets	-	-	-	-	-
(Gain)/Loss adjustment on plan liabilities due to change in assumption	-	(739,554)	-	-	-
	<u>(239,460)</u>	<u>(342,428)</u>	<u>(618,236)</u>	<u>-</u>	<u>-</u>
<b>IV. MEDICAL BENEFIT (UNFUNDED)</b>					
<b>a) Net (Asset) / Liability</b>					
Present Value of the Defined Benefit Obligation	16,225,029	16,425,768	-	-	-
Fair value of Plan Assets	-	-	-	-	-
Net (Asset) / Liability	<u>16,225,029</u>	<u>16,425,768</u>	<u>-</u>	<u>-</u>	<u>-</u>

### Notes:

- (i) The estimates of future salary increases considered in the actuarial valuation takes into account factors like inflation, future salary increases, seniority, promotion, supply and demand in the employment market etc. The expected return on plan assets is based on the actuarial expectation of the average long term rate of return on investments of the fund during the estimated time of the obligations.
- (ii) Since the Company has adopted Accounting Standard 15 (Revised 2005) on Employee Benefits during the year 2007, figures for five financial years are available and have been disclosed except for post retirement medical benefits which have been actuarially valued from the year 2011.
- (iii) As per the actuarial valuation carried out, there is gain in contribution to be made during the year of ₹3,618,543 and ₹ 2,465,546 in Management Staff Gratuity Fund and Clerical, Medical & Technical Staff Pension Fund respectively. As a matter of prudence the effect of the same has not been taken.
- (iv) The contribution expected to be made by the Company for the year ending 31st December, 2013, cannot be ascertained at this stage.



## Notes to Financial Statements

### 53. Related Party Disclosure :

#### I. Names of related parties and description of relationship

##### [a] Subsidiaries of the Company

Namburnadi Tea Company Limited  
 Camellia Cha Bar Limited  
 North East Hydrocarbon Limited  
 Assam Oil and Gas Limited  
 Duncan Macneill Natural Resources Limited  
 Dahej Offshore Infrastructure SEZ Limited (Formerly known as Assam Estates Limited)  
 Gujarat Hydrocarbons and Power SEZ Limited  
 Duncan Macneill Power India Ltd. (Formerly known as Duncan Macneill Power and Utilities Ltd.)  
 Assam Oil & Natural Gas Limited.

##### [b] Stepdown subsidiaries

Lord Inchcape Financial Services Limited (control exercised through two subsidiaries)  
 Assam Oil & Natural Gas Columbia Limited

##### [c] Key Managerial Personnel

Mr. A.K.Jajodia, Managing Director

##### [d] Relatives of Key Managerial Personnel

Ms. Ruchika Jajodia

##### [e] Joint Venture through jointly controlled operations

Canoro Resources Limited  
 Oil and Natural Gas Corporation Limited  
 Oil India Limited

### II Transactions with related parties

Sl. No.	Related Party	Outstanding as on 31.12.12 (₹)	Outstanding as on 31.12.11 (₹)	Nature of transaction	Year ended 31st December 2012 (₹)	Year ended 31st December 2011 (₹)
[A]	Namburnadi Tea Company Limited	18,096,669 Payable	96,912,917 Receivable	Purchase of tea and green leaf	-	(1,313,472)
		48,214,400 Guarantees given	48,214,400 Guarantees given	Receipt towards refund of advance	-	-
				Expenses recoverable	43,363	1,113,585
				Transfer of stores (net)	(625,246)	(409,261)
				Remuneration of manager on deputation recoverable	2,496,068	2,263,030
				Advance given	(116,923,769)	12,092,231
[B]	North East Hydrocarbon Limited	10,597,924 Receivable	10,597,924 Receivable	Advance given	-	1,400,000



## Notes to Financial Statements

Sl. No.	Related Party	Outstanding as on 31.12.12 (₹)	Outstanding as on 31.12.11 (₹)	Nature of transaction	Year ended 31st December 2012 (₹)	Year ended 31st December 2011 (₹)
[C]	Assam Oil and Gas Limited	4,140,000 Receivable	4,040,000 Receivable	Expenses recoverable Advance given	50,000 50,000	- -
[D]	Camellia Cha Bar Limited	4,702,580 Receivable	4,697,549 Receivable	Advance given Expenses Recoverable	- 5,031	- 4,713
[E]	Duncan Macneill Power India Limited	1,635 Receivable	1,635 Receivable	Expense Recoverable	-	1,635
[F]	Duncan Macneill Natural Resources Limited	813,732,224 Receivable	813,732,224 Receivable	-	-	-
[G]	Gujarat Hydrocarbons and Power SEZ Limited	2,520,121,211 Receivable  1,000,000,000 Guarantees given	2,118,621,790 Receivable	Loan given Interest receivable Expenses recoverable Remuneration of manager on deputation recoverable	66,810,000 327,678,550 5,456,030 1,554,841	(41,130,000) 258,994,008 9,769,342 7,009,229
[H]	Assam Oil & Natural Gas Limited	10,708,140 Receivable	10,174,605 Receivable	Payment for remittances Expenses recoverable	- 533,535	10,174,605 -
[I]	Dahej Offshore Infrastructure Limited (Formerly known as Assam Estates Limited)	27,169,164 Receivable	27,169,164 Receivable	Advance given Expenses recoverable	- -	21,173,500 566,616
[J]	Lord Inchcape Financial Services Limited	5,066 Receivable	5,000 Receivable	Expenses recoverable	66	-
[K]	Mr. A K Jajodia	674,751 Receivable	674,751 Receivable	Remuneration paid Advance given	5,934,831 -	5,634,302
[L]	Ms. Ruchika Jajodia	-	-	Remuneration paid	1,143,000	1,143,000

Note :

The Management certifies that there have been no payments, other than those disclosed above, to Key Managerial Personnel and/or to their relatives and/or to any other related party.

III. Provision made against investment/ recoverables from related parties :

Sl. No.	Related Party	Year ended 31st December 2012 (₹)	Year ended 31st December 2011 (₹)
[A]	North East Hydrocarbon Limited	11,098,625	11,098,625
[B]	Assam Oil and Gas Limited	5,040,000	5,040,000
[C]	Camellia Cha Bar Limited	5,193,441	5,193,441
[D]	Dahej Offshore Infrastructure Limited (Formerly known as Assam Estates Limited)	5,934,748	5,534,601
[E]	Duncan Macneill Power India Limited (Formerly Duncan Macneill Power and Utilites Limited)	500,000	500,000
[F]	Duncan Macneill Natural Resources Limited	204,157,255	204,157,255



## Notes to Financial Statements

IV. Amounts due from Subsidiaries	Balance as at 31.12.2012 [ ₹ ]	Balance as at 31.12.2011 [ ₹ ]
Namburnadi Tea Company Limited	(18,096,669)	96,912,917
Dahej Offshore Infrastructure SEZ Ltd. (Formerly known as Assam Estates Limited)	27,169,164	27,169,164
Assam Oil and Gas Limited	4,140,000	4,040,000
Assam Oil & Natural Gas Limited	10,708,140	10,174,605
North East Hydrocarbon Limited	10,597,924	10,597,924
Camellia Cha Bar Limited	4,702,580	4,697,549
Gujarat Hydrocarbons and Power SEZ Limited	2,520,121,211	2,118,621,790
Duncan Macneill Power India Limited	1,635	1,635
Duncan Macneill Natural Resources Limited	813,732,224	813,732,224
	<b>3,373,076,209</b>	<b>3,085,947,808</b>

### Maximum amount due at any time during the year

Namburnadi Tea Co. Limited	96,912,917	102,861,699
Dahej Offshore Infrastructure SEZ Ltd. (Formerly known as Assam Estates Limited)	27,169,164	27,169,164
Assam Oil and Gas Limited	4,140,000	4,040,000
Assam Oil & Natural Gas Limited	10,708,140	10,174,605
North East Hydrocarbon Limited	10,597,924	10,597,924
Camellia Cha Bar Limited	4,702,580	4,697,549
Gujarat Hydrocarbons and Power SEZ Limited	2,520,666,045	2,118,690,174
Duncan Macneill Power India Limited	1,635	1,635
Duncan Macneill Natural Resources Limited	813,732,224	813,732,224

54. Pursuant to a Resolution passed by the Shareholders on 26th June, 2012 and the subsequent approval of the Board on 2nd August, 2012, the Company had entered into an "Agreement for Sale" (Agreement) on 3rd August, 2012 with Salonah Tea Private Limited (Purchaser) for sale of Salonah Tea Estate (the Estate) subject to receipt of requisite approvals and NOCs from the concerned authorities which are awaited. Pursuant to the said Agreement, the profit and loss and liabilities will accrue and arise to the account of Purchaser from the appointed date i.e. 20th August, 2012. Accordingly, the Company has discontinued to account for all the income and expenditure of the Estate effective from the same date. As the "sale" of the Estate is yet to be completed pending receipt of requisite approvals and NOCs and execution of conveyance deed, the assets and ownership of the Estate continues to remain with the Company.

Net block of Fixed Assets as referred in Note No.11 includes Assets pertaining to Salonah Tea Estate which are not being used by the Company from the appointment date ie. 20<sup>th</sup> August, 2012 and held for disposal.



## Notes to Financial Statements

55. Basic and Diluted Earnings Per Share :

	31.12.2012	31.12.2011
Numerator used :	( ₹ )	( ₹ )
Profit after Tax	202,303,423	186,004,366
Denominator used :		
Weighted average number of Equity Shares	309,760,963	309,760,963
Face value of Equity Shares	1	1
Basic and Diluted Earnings Per Share	0.65	0.60

56. The Company has obtained a stay from the Hon'ble Guwahati High Court restraining the taxation authorities from imposing and collecting Fringe Benefit Tax (FBT) under Section 115WA of the Income Tax Act, 1961. In view of this, the Company has not provided the liability for FBT till the year-end December, 2009.

57. The Financial Statements for the year ended 31st December, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies, Act 1956, the Financial Statements for the year ended 31st December, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform with this year's classification.

For De Chakraborty & Sen  
Chartered Accountants  
Firm Registration No 303029E  
(A. Deb)  
Membership No. 051845  
Partner  
Place: Kolkata  
Date: 28th February, 2013

Romit Mitra  
Company Secretary

*On behalf of the Board*

A. K. Jajodia – Managing Director  
Amit Halder – Director  
Sarvadaman Ray – Director



**DISCLOSURE PURSUANT TO GENERAL CIRCULAR ISSUED BY THE MINISTRY OF COMPANY AFFAIRS, GOVERNMENT OF INDIA, UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956, FOR THE YEAR ENDED 31ST DECEMBER, 2012.**

(Rupees in Lacs)

	Dahej Offshore Infrastructure Ltd.	Assam Oil and Gas Ltd.	North East Hydrocarbon Ltd.	Camellia Cha Bar Ltd.	Gujarat Hydrocarbons and Power SEZ Ltd.	Namburnadi Tea Company Ltd.*	Duncan Macneill Power India Ltd.	Assam Oil & Natural Gas Ltd.
Paid up Capital	5.05	30.00	5.00	5.00	980.39	13.24	5.00	USD 6.60
Reserves & Surplus (Excluding Revaluation Reserve)	(11.03)	(68.98)	(179.82)	(43.00)	(37.24)	1,179.38	(9.09)	USD 4.21
Total Assets	276.77	2.51	351.12	9.63	38,082.98	2,899.58	2.43	USD 20.73
Total Liabilities	176.77	2.51	351.12	9.63	38,082.98	2,899.58	2.43	USD 20.73
Details of Investment (Except in case of Investment in the subsidiaries)	3.00	1.55	0.09	Nil	Nil	Nil	Nil	Nil
Turnover	Nil	Nil	Nil	19.71	Nil	605.40	Nil	Nil
Profit before Taxation	(0.52)	(0.36)	2.56	(2.56)	(10.29)	(110.03)	(2.03)	USD 4.38
Provision for Taxation	Nil	Nil	0.45	Nil	Nil	Nil	Nil	Nil
Profit after Taxation	(0.52)	(0.36)	2.11	(2.56)	(10.29)	(110.03)	(2.03)	USD 4.38
Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## Notes :

1. The Audited Accounts of Duncan Macneill Natural Resources Ltd. for the year ended 31st December, 2012, are awaited.
2. Namburnadi Tea Company Ltd. ceased to be a Subsidiary of the Company with effect from 21st January, 2013.



**STATEMENT PURSUANT TO SECTION 212 (1)(E) OF THE COMPANIES ACT, 1956,  
FOR THE YEAR ENDED 31ST DECEMBER, 2012.**

(Rupees in Lacs)

	Dahej Offshore Infrastructure Ltd.	Assam Oil and Gas Ltd.	North East Hydrocarbon Ltd.	Camellia Cha Bar Ltd.	Gujarat Hydrocarbons and Power SEZ Ltd.	Namburnadi Tea Company Ltd.*	Duncan Macneill Power India Ltd.	Assam Oil & Natural Gas Ltd.
Shares held in the Subsidiary Company or by the Subsidiary Company in the Sub – Subsidiary Company at the end of the financial year of the Subsidiary or Sub – Subsidiary Company as the case may be – Number (Extent of Holding)	50,570 Equity Shares of ₹ 10 each 100%	70 Equity Shares of ₹ 10 each fully paid up & 9,99,930 Equity Shares of ₹ 10 each, ₹ 3 partly paid up 100%	50,070 Equity Shares of ₹ 10 each. 100%	50,060 Equity Shares of ₹ 10 each. 99.98%	50,00,000 Equity Shares of ₹ 10 each. 51%	1,23,076 Equity Shares of ₹ 10 each. 92.98%	50,000 Equity Shares of ₹ 10 each. 100%	6,60,000 Equity Shares of USD 1 each 100%
The net aggregate Profit/ ( Loss) of the Subsidiary Company not dealt with the Holding Company Accounts								
a) For the Subsidiary Financial Year (Rs. in Lacs)	(0.52)	(0.36)	2.11	(2.56)	(10.29)	(110.03)	(2.03)	USD 4.38
b) For the previous Financial Year (Rs. in Lacs)	(9.45)	(0.34)	(34.87)	(4.01)	(9.31)	(62.05)	(6.65)	USD (0.17)
The net aggregate Profit/ (Loss) of the Subsidiary Company dealt with the Holding Company Accounts								
a) For the Subsidiary Financial Year (Rs. in Lacs)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
b) For the previous Financial Year (Rs. in Lacs)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Notes :

1. The Audited Accounts of Duncan Macneill Natural Resources Ltd. for the year ended 31st December, 2012, are awaited.
2. Namburnadi Tea Company Ltd. ceased to be a Subsidiary of the Company with effect from 21st January, 2013.



# Assam Company India Limited

Registered Office : Greenwood Tea Estate, P.O. Dibrugarh, Assam

## PROXY

DP. ID : \*

Client ID : \*

Folio No. : \*

\*(Applicable if shares are held in electronic form)

I/We .....  
of .....  
being a Member of the above named Company hereby appoint .....  
of ..... or failing him.....  
.....  
.....or failing him.....  
of .....  
as my / our Proxy to attend and vote for me / us and on my / our behalf at the Thirty-Sixth Annual General Meeting of the Company to be held on Saturday, the 29th June, 2013, at 11 A.M. and at any adjournment thereof.

As witness my/our hand(s) the .....day of....., 2013.

Signed by the said .....

Affix
₹ 1
Revenue
Stamp

Signature

----- Please cut along this line -----

## ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall

**ASSAM COMPANY INDIA LIMITED**

**Registered Office :**

Greenwood Tea Estate

P.O. Dibrugarh

Assam

DP. ID : \*

Client ID : \*

Folio No. : \*

\*(Applicable if shares are held in electronic form)

I hereby record my presence at the Thirty-Sixth Annual General Meeting of the Company at the Registered Office of the Company at Greenwood Tea Estate, P.O. Dibrugarh, Assam, on Saturday, the 29th June, 2013, at 11 A.M.

Member's / Proxy's Name (in Block Letters) : .....

Member's / Proxy's Signature : .....

From

The Archives of  
Assam Company India Limited

ASSAM COMPANY

**DIRECTORS.**

**Chairman.**  
WILLIAM PRINSEP, ESQ.

**Deputy Chairman.**  
ALBERT JOHN DE HOCHEPED LARPENT, ESQ.

JAMES COLQUHOUN, ESQ.  
HENRY CHAPMAN, ESQ.  
HENRY HOLROYD, ESQ.  
ANDREW HENDERSON, ESQ.  
ALEXANDER D. McLEOD, ESQ.  
PROSSONNO COOMAR TAGORE, ESQ.  
HENRY A. WOOLLASTON, ESQ.

**Subitors.**  
HENRY CHAPMAN, ESQ.  
HENRY HOLROYD, ESQ.

**Bankers.**  
UNION BANK.

**Solicitors.**  
MESSRS. COLLIER, BIRD AND GRANT.

**Secretary.**  
FRANCIS ROBERT HAMPTON, ESQ.

ASSAM COMPANY.

REPORT OF THE LOCAL DIRECTORS  
MADE  
TO THE SHAREHOLDERS,  
AT  
A General Meeting,  
HELD AT CALCUTTA AUGUST 11<sup>th</sup> 1841.

Calcutta:  
BISHOP'S COLLEGE PRESS.  
1841.

BENGAL BRANCH  
OF THE  
ASSAM COMPANY.

At the First General Half Yearly Meeting of the Shareholders of the Assam Company—Present, Messrs. J. Pattle, J. Bocher, J. Colquhoun, Dwarkanauth Tagore, A. de H. Larpont, G. F. Romfrey, H. Chapman, W. Prinsep, A. I. Lattey, H. Burkinyoung, C. Burkinyoung, S. Smith, A. D. McLeod, and Prossonnocomar Tagore, J. Pattle, Esq., in the Chair.

The accounts and correspondence were laid on the table, and the following report of the Directors of the Proceedings of the Company since its establishment, was read.

FIRST HALF YEAR'S REPORT.

Upon the proceedings of the Bengal Branch Assam Company, established 1<sup>st</sup> June, 1839.

Amidst difficulties and obstacles of every possible description, and without that assistance and encouragement, which a great company, formed expressly to give effect to an enterprise most important to Great Britain, and most advantageous to this country, had a right to expect from this Government, and the Court of Directors, the committee of direction of the Assam Company, have still the gratification to lay before the Shareholders a very encouraging and satisfactory statement of the progress made during the past six months, in the creating of establishments in Upper Assam, and preparing means and locations for the future manufacture of Tea especially, but without limiting their views to that article of produce alone.

1. Before going into the details of these arrangements, it is necessary in the first place to notice that the December Mail has brought replies from the Home Committee to the despatches from hence of June last, fully and unequivocally confirming the conjunction therein advised, upon the terms demanded from hence, by which the two proprietary bodies of Calcutta and London have become one and the same association.

2. In compliance with the resolution of the last General Meeting here, and with the wishes of the Shareholders in England, a draft of a deed of Co-partnership, was prepared and submitted to Government on the 21<sup>st</sup> August 1839

**BOOK POST**

*If undelivered please return to :*



**Assam Company India Ltd.**

Assam Tea House  
52, Chowringhee Road  
Kolkata - 700 071