

# ANNUAL REPORT 2013



## ASSAM COMPANY INDIA LIMITED



Member  
Duncan Macneill Group



# Corporate Information



## Board of Directors

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Dr. K. K. Jajodia, Chairman  
Mr. A. K. Jajodia, Managing Director  
Mr. Amit Halder  
Mr. Amit Kumar Ghosh

## 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)  
Website : [www.assamco.com](http://www.assamco.com)

## Auditors

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De Chakraborty & Sen  
Chartered Accountants  
Kolkata

## Solicitors

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Khaitan & Co.

## 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)

## 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

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## NOTICE

Notice is hereby given that the Thirty-Seventh Annual General Meeting of the Members of Assam Company India Limited will be held at 11.00 A.M., on Friday, 27th June, 2014, at Dibrugarh & District Planters' Club, Lahoal, 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, 2013, together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Dr. K. K. Jajodia, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To re-appoint M/s. De Chakraborty & Sen, Chartered Accountants, Auditors of the Company, having Firm Registration No. 303029E, allotted by The Institute of Chartered Accountants of India (ICAI), who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors of the Company to fix their remuneration.

### Special Business :

4. To consider and if thought fit, to pass with or without modification, the following Resolution which will be proposed as an **Ordinary Resolution**:

**"RESOLVED THAT** Mr. Amit Kumar Ghosh, who was appointed as an Additional Director by the Board of Directors at its Meeting held on 26th February, 2014, with effect from 26th February, 2014 and who holds office upto the date of this Annual General Meeting and in respect of whom a Notice under Section 257 of the Companies Act, 1956, has been received from a Member, signifying his intention to propose Mr. Amit Kumar Ghosh as a candidate for the Office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** in supersession of earlier resolutions passed in this regard, pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of monies on such terms and conditions and with or without security as the Board of Directors may think fit which, together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business), may exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/ monies so borrowed by the Board shall not at any time exceed the limit of Rs. 1,500 Crores (Rupees Fifteen Hundred Crores)".

6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** in supersession of earlier resolutions passed in this regard, consent of the Company be and is hereby accorded pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, to the Board of Directors of the Company to mortgage, hypothecate or charge all or any part of immovable or movable properties of the Company, wheresoever situated, both present and future, and whole or part of the undertakings of the Company of any nature and kind whatsoever and/or creating a floating charge in all or any immovable properties of the Company, to or in favour of Bank(s), Financial Institution(s), Insurance Companies, Companies or any other entities for the due payment of the principal monies together with the interest payable by the Company in respect of such borrowings and to secure any debentures for an aggregate amount not exceeding Rs. 1,500 Crores (Rupees Fifteen Hundred Crores) at any point of time including the existing borrowings;



**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to negotiate and settle the terms and conditions with the concerned Banks/ Financial Institutions etc., finalize the agreement/contracts and documents for creating the aforesaid mortgages and/or charges and to do all such acts, deeds, matters and things as may be necessary to give effect to this Resolution.”

Kolkata  
26th February, 2014

**BY ORDER OF THE BOARD**

**A.K. Jajodia**  
*Managing Director*

## **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. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business is annexed hereto.
3. Those Members, who have not so far encashed their Dividend Warrants from the year ended 31st December, 2006, onwards may immediately approach the Company for revalidation of such Dividend Warrants. 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 dates they first became due for payment and no payment shall be made in respect of such claims.
4. As required under the provisions of Clause 49(IV)(G)(i) of the Listing Agreements, particulars relating to Dr. K. K. Jajodia, Director retiring and Mr. Amit Kumar Ghosh, whose appointments/re-appointments are being proposed at the forthcoming Annual General Meeting, are enclosed in the Annexure to this Notice.
5. 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 (RTA).
6. Members are requested to notify immediately any change in their addresses to the Company's RTA.
7. 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.
8. 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.
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 copy of PAN card to the Company/RTA for registration of such transfer of shares.



10. All documents referred in the Notice and the Explanatory Statement 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. Members holding shares in physical form are requested to notify changes in their addresses, if any, quoting their Folio Numbers to the RTA of the Company.
16. Members holding shares under multiple folios are requested to submit their applications to RTA, for consolidation of folios into single folio.
17. The Register of Director's Shareholding, maintained under Section 307 of the Companies Act, 1956 will be available for inspection by the Members at the Annual General Meeting.
18. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Reports at the Meeting.
19. Members desiring any relevant information on the annual accounts of the Company are requested to write to the Company well in advance to ensure that such requests reach the Company at least 10 (ten) days before the Annual General Meeting, so as to enable the Company to keep the information ready.
20. The Register of Members and Share Transfer Books of the Company shall remain closed from 2nd June, 2014 to 27th June, 2014, both days inclusive.

**EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013, IN RESPECT OF THE SPECIAL BUSINESS**

**Item No.4**

Mr. Amit Kumar Ghosh, was appointed on 26th February, 2014, as an Additional Director of the Company to hold office till the date of the ensuing Annual General Meeting.

The Company has received Notice under Section 257 of the Companies Act, 1956, from a Member signifying the candidature of Mr. Amit Kumar Ghosh for the office of a Director of the Company.

The Board accordingly, recommends the Resolution set out in Item No. 4 of the Notice for approval of the Members.

None of the Directors other than Mr. Amit Kumar Ghosh, Manager or Key Managerial Personnel or any of the relatives of any of the Directors, Manager or Key Managerial Personnel of the Company is interested or deemed to be interested, financial or otherwise, in the proposed Resolution and the proposed Resolution does not relates to or affects any other Company.

**Item No. 5 & 6**

The Company is in the business of tea and oil & gas exploration, both of which are capital intensive. Hiring of rigs, seismic studies, well workovers, oil treatment/storage facility, geological / geophysical studies and other exploratory activities require deployment of substantial funds. The tea business also requires capital expenditure towards planting, re-planting, upgradation and modernisation of factory, garden utilities, irrigation facilities, labour housing and welfare and other infrastructure supports. In order to execute such



tasks, the Company may be required to borrow monies (apart from temporary loans obtained from the Company's Bankers in the Ordinary course of business) in excess of the aggregate of the paid up capital and free reserves.

In view of the growing operations and considering the long term objectives, the Company requires additional funds. It is therefore recommended to increase the borrowing limit of the Board of Directors including both funded and non funded facilities up to Rs. 1,500 Crores (Rupees Fifteen Hundred Crores) pursuant to Section 180(1)(c) of the Companies Act, 2013, as set out in the Resolution in Item No. 5 of the Notice.

The provisions of Section 180(1)(a) of the Companies Act, 2013, require the consent of the shareholders to secure such borrowings by mortgage, hypothecate/charge on any of the immovable and/or movable properties and/or the whole or any part of the undertaking(s) of your Company as set out in the Resolution in Item No. 6 of the Notice.

The proposal outlined above is in the interest of the Company and the Board recommends the passing of the resolutions as Special Resolutions.

None of the Directors, Manager or Key Managerial Personnel or any of the relatives of any of the Directors, Manager or Key Managerial Personnel of the Company is interested or deemed to be interested, financial or otherwise, in the proposed resolutions and the proposed resolution does not relates to or affects any other Company.

BY ORDER OF THE BOARD

A.K. Jajodia

Managing Director

Kolkata

26th February, 2014

## Annexure to Annual General Meeting Notice

### Information on Director seeking appointment / 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
K.K. Jajodia	02.10.1933	01.10.1992	Business Management	Doctor of Philosophy, B.Com (Hons)	North-East Hydrocarbon Ltd. Assam Oil and Gas Limited	NIL	Promoter Director No. of Shares held : NIL	Retires by rotation at the forthcoming Annual General Meeting
Amit Kumar Ghosh	21.01.1951	26.02.2014	Business Management	Chartered Accountant, B.Com (Hons)	NIL	NIL	Independent Director No. of Shares held : NIL	Additional Director subject to retirement by rotation



## **IMPORTANT COMMUNICATION FOR MEMBERS**

26th February, 2014

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 Dematerialized 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)

Thanking you,

Yours faithfully,

For **ASSAM COMPANY INDIA LIMITED**

**A.K. JAJODIA**

*MANAGING DIRECTOR*



# Directors' Report



The Board presents the Thirty-Seventh Annual Report and Accounts for the year ended 31st December, 2013. The Financial Results are set out below:

	Year ended 31st December, 2013 ₹	Year ended 31st December, 2012 ₹
<b>Income</b>	<b>2,48,18,21,506</b>	<b>2,71,77,41,816</b>
<b>Profit before Interest, Depreciation, Amortisation, Taxes and Exceptional Items</b>	77,87,85,594	83,79,47,924
Interest and Finance Charges	61,29,26,436	49,35,95,543
Depreciation / Amortisation	5,80,91,424	7,15,54,037
<b>Profit before Exceptional Items and Taxes</b>	<b>10,77,67,734</b>	<b>27,27,98,344</b>
Exceptional Items	(45,42,706)	(1,59,05,226)
<b>Profit before Tax</b>	<b>11,23,10,440</b>	<b>28,83,03,423</b>
Provision for Tax	3,67,00,000	8,60,00,000
<b>Profit after Tax</b>	<b>7,56,10,440</b>	<b>20,23,03,423</b>
Balance brought forward from previous year	94,46,46,773	76,18,43,947
<b>Available for Appropriation</b>	<b>1,02,02,57,213</b>	<b>96,41,47,370</b>
The Board propose the following Appropriation:		
<b>Proposed Dividend</b>	–	<b>1,54,88,048</b>
Dividend Tax	–	25,12,549
<b>Transferred to General Reserve</b>	–	<b>15,00,000</b>
<b>Balance Carried Forward</b>	<b>1,02,02,57,213</b>	<b>94,46,46,773</b>
	<b>1,02,02,57,213</b>	<b>96,41,47,370</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 judgements 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

With a view to conserve resources to meet capital expenses required in oil and tea business in near future, your Directors feel it prudent not to recommend any Dividend for the Financial Year 2013.

## Management Discussion and Analysis Report

The annexed Management Discussion and Analysis Report forms a part of this Report and covers, amongst other matters, the performance of the Company during the Financial Year 2013 as well as the future outlook.

## Subsidiary Companies

The Statement pursuant to Section 212 of the Companies Act, 1956, containing details of Subsidiary Companies forms part of this Report.

In accordance with the general Circular issued by the Ministry of Corporate Affairs, Government of India, the





Balance Sheet, Statement of Profit and Loss 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 on all working days (except Saturday) between 11.00 a.m. and 1.00 p.m. prior to the date of Annual General Meeting.

#### **Directors**

In terms of Section 256 of the Companies Act, 1956, Dr. K. K. Jajodia, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Sarvadaman Ray resigned from the Board with effect from 13th November, 2013. The Board wishes to place on record its appreciation of the valuable guidance and support given by him during his tenure as a Director of the Company.

At the Meeting of the Board of Directors of the Company held on 26th February, 2014, Mr. Amit Kumar Ghosh was appointed as a Non-Executive Independent Director. Mr. Ghosh retires at the ensuing Annual General Meeting. The Company has received a Notice under Section 257 of the Companies Act, 1956, from a Member signifying his intention to propose Mr. Ghosh as a candidate for Directorship of the Company. Mr. Ghosh's period of office will be liable to retirement by rotation.

All the Directors have filed requisite forms and declarations as required under the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003. The brief resume/ details relating to Directors who are to be appointed/ re-appointed are furnished in the Notice of the ensuing Annual General Meeting.

#### **Cost Audit**

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

#### **Auditors**

M/s. 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.

**On behalf of the Board of Directors**

**A. K. Jajodia – Managing Director**

**Amit Halder – Director**

**Amit Kumar Ghosh – Director**

**Kolkata**

**26th February, 2014**



## 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, 2013.

FORM "A"		Year ended 31st December, 2013	Year ended 31st December, 2012
<b>CONSERVATION OF ENERGY</b>			
<b>A. Power &amp; Fuel Consumption</b>			
<b>1. Electricity</b>			
a.	Purchased Units (KWH)	75,52,182	81,64,631
	Total Amount (₹)	6,34,75,223	6,57,98,886
	Rate per Unit (₹)	8.40	8.06
b.	Through diesel generator Units (KWH)	35,17,547	40,78,222
	Units per Litre of Diesel	3.01	3.58
	Cost / Unit (₹)	17.32	12.48
<b>2. Coal</b>			
	Quantity (Tonnes)	1,181.590	2,834.84
	Total Cost (₹)	77,16,177	2,14,79,897
	Average Rate (₹ / Tonne)	6,530	7,577
<b>3. Furnace Oil</b>			
	Quantity in K. Litres (KL)	8.68	14.61
	Total Cost (₹)	4,65,102	5,14,770
	Average Rate (₹ / KL)	53,589	35,224
<b>4. Gas</b>			
	Quantity (Scum)	70,45,291	64,06,392
	Total Cost (₹)	7,57,18,682	6,23,64,826
	Rate (₹ / Scum)	10.75	9.73
<b>B. Consumption Per Unit of Production</b>			
	Production of Tea Kgs.	1,25,68,077	1,34,74,784
	Electricity (KWH)	0.88	0.91
	Furnace Oil (Litres)	0.62	0.61
	Coal (Kgs.)	1.30	1.50
	Gas (Scum)	0.56	0.48



## 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 & 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 ₹ 4.17 Crores. The foreign exchange earnings during the period was ₹ 42.10 Crores as against ₹ 38.65 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, 2013.

Name	Designation	Remuneration ₹	Qualifications	Experience (Years)	Date of Commencement of Employment	Age (Years)	Particulars of last Employment	Designation
Mr. Aditya Kumar Jajodia	Managing Director	62,63,420	B.Com	29	1st October, 1992	51	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, 2013.
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*  
Amit Kumar Ghosh – *Director*

Kolkata  
26th February, 2014



# Management Discussion & Analysis Report



## INDUSTRY STRUCTURE AND DEVELOPMENT

### TEA

In 2013, the production of world tea crop was 4819 Million Kgs compared to 4608 Million Kgs in 2012. The increase was due to increase in crops in India by 74 Million Kgs, and Kenya by 60 plus Million Kgs. Sri Lanka crop was marginally ahead by 12 Million Kgs.

The Indian Tea production increased by around 74 Million Kgs. Most of the gains were in the period June to October with big increases during the month of July, September and October. There was a big jump in Orthodox production due to higher opening levels for Orthodox teas.

Domestic demand for tea continued to grow by 15-20 Million Kgs each year. The total domestic consumption in 2012 was 903 Million Kgs and 926 Million Kgs in 2013.

Exports were marginally higher by 3 Million Kgs at 211 Million Kgs till December 2013. The Indian Tea Association has estimated a carry over of approximately 87 Million Kgs over two years.

For CTC there was strong domestic demand for good quality teas which fetched a premium. The increase in Orthodox production resulted in a shortage of CTC teas which caused prices of best teas to move upwards. There was big difference in prices between best and medium quality teas. This trend is likely to continue.

Orthodox tea witnessed good demand mainly from Iran buyers who bought tea because of favorable Rupee trade terms. Iran purchased 22 Million Kgs of tea in 2013 compared to 14 Million Kgs in 2012. However, orthodox market showed a drop from October when Iran buying increased in Sri Lanka, after sanctions were eased.

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

During 2013, the Company sold 12.112 Million Kgs of tea produced in that year, at an average price of ₹188.06 as compared to 13.176 Million Kgs @ ₹ 172.76 in 2012, an increase of ₹ 15.30.

Unlike in the industry, the Company's exports were lower. The Company exported 1.661 Million Kgs as against 1.758 Million Kgs in 2012. The average price of export was however, much higher in 2013. The average price was ₹ 253.36 as compared to ₹ 219.55 in 2012, an increase of ₹33.81.

Sales in the domestic market were lower in quantity but higher in price. In 2013, the Company sold 10.45 Million Kgs at an average price of ₹ 177.68 as compared 11.418 Million Kgs in the previous year, at an average price of ₹ 165.56.

### OIL AND NATURAL GAS

India's oil and gas imports that made up one third of the total import bill of the country during 2012-13, continues to be a major source of anxiety with the Government. Oil accounts for a quarter of India's total energy needs. About 75% 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 & 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 positive steps in this direction. They would go a long way towards boosting



of Exploration & 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 2012-13 is illustrated through the following parameters :

The estimated reserves of crude oil and natural gas in India as on 1st April, 2013, was 758.27 Million Metric Tonnes and 1354.76 Billion Cubic Meters respectively.

Crude oil production during 2012-13 was 37.86 Million Metric Tonnes, which was 0.60% higher than the production during 2011-12 (38.09 Million Metric Tonnes).

However, the gross production of natural gas in the country during 2012-13 was 40.68 Billion Cubic Meters, which was 14.47% lower than that of 2011-12 (47.56 Billion Cubic Meters).

During 2012-13, the country imported 184.79 Million Metric Tonnes of crude oil and 9.70 Million Tonnes of LNG, against 171.73 Million Tonnes of crude oil and 9.70 Million Tonnes of LNG during 2011-12.

Indigenous production of oil and natural gas during 2014-15 has been projected at 45.57 Million Metric Tonnes and 119.9 Billion standard cubic meters per day.

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

The Company has three Oil and Gas Fields/Blocks in Assam Arakan Basin – Amguri (Discovered Field), AA-ON/7 (Exploration Block) and AA-ONN-2005/1 (Exploration Block) having Participating Interest (PI) of 40%, 35% and 10% respectively. Amguri Oil Field and AA-ON/7 Exploration Block were operated under a consortium with Canoro Resources Limited (CRL), a Canadian based E&P Company while AA-ONN-2005/1 Exploration Block is under consortium with ONGC and OIL.

GOI terminated Production Sharing Contract (PSC) of Amguri Field qua CRL with 60% PI and operatorship with effect from 29th August, 2010 for breach of PSC. CRL closed the operation of Amguri in December, 2010 and GOI considering its vesting right on 60% PI handed over the Amguri Field to ONGC on 16th March, 2011 to continue the operations till the ownership of 60% PI and operatorship were finalized. The Company had already staked its claim on 60% PI in accordance with the provisions of PSC being the sole non-defaulting contractor. After a prolonged delay, GOI had finally appointed the Company as the operator of Amguri Field vide its letter dated 2nd January, 2013. But the Amguri Field was yet to be handed over to the Company by ONGC, who has been appointed by GOI as their representative.

The Company's rightful claim of 60% PI in Amguri Field is now pending before the Arbitral Tribunal, where the dispute on ownership of 60% PI has been referred for resolution. The Company has claimed the 60% PI both under PSC and JOA under which 60% PI was acquired from CRL through an Arbitral Award dated 21st November, 2011. The Arbitral proceedings against GOI had commenced and it is expected that the Award will be pronounced during the current year.

As per the said Award, the Company had also got a damage claim of US\$ 39.12 Million (₹ 242.14 Crores) against CRL. The Tribunal had assigned a value of US\$ 4.16 Million (₹ 24.85 Crores) for 60% PI in Amguri and US\$ 2.2071 Million (₹ 13.66 Crores) for 52.9% shares of CRL, thereby awarding a net damage claim of US\$ 32.75 Million (₹ 202.71 Crores) against CRL.

For enforcement of the Arbitral Tribunal Award before Canadian Court, the Company had initiated legal steps by filing Execution Petition on 9th November, 2012, before the Supreme Court of British Columbia. The hearing of the Execution Petition had taken place in January, 2014 and the final Court Order was waited. Based on the proceedings of the Court, the Company was quite hopeful in getting favorable Order.



Having finally appointed as the operator of the Field, the Company is quite upbeat in commencing the production of oil and gas, which has remained suspended after the Field was closed by CRL in December, 2010.

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 the terms and conditions not inferior to the existing PSC will be executed as approved by the Cabinet Committee of Economic Affairs (CCEA) on 5th December, 2009. As approved by CCEA, the new PSC would permit 7 years exploration period from the date of signing the PSC.

The execution of new PSC with the Company has been delayed due to ongoing legal dispute on Amguri as GOI in AA-ON/7 Exploration Block also has to decide the ownership of 65% PI and operatorship, which was earlier held by CRL and terminated by GOI vide its letter dated 10th January, 2013. Similar to Amguri Field, the Company as per PSC is also entitled to 65% PI and operatorship of this Block, earlier held by CRL, as the Company remained as the sole non-defaulting contractor. The Company has already claimed the PI and operatorship from GOI. The Company feels that once the ownership of 65% PI is resolved, GOI will take similar decision on AA-ON/7.

With regard to AA-ONN-2005/1 Exploration Block where ONGC is the operator, the Geological and Geophysical (G&G) activities are under progress, which are the activities in Phase -1 of Exploration Phase. The drilling activities in AA-ONN-2005/1 Exploration Block will only commence after G&G activities are concluded and drilling potential is identified.

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

In the Financial Year 2013, 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 14 Tea Estates and 3 Oil Blocks all in the State of Assam.

In respect of the Tea business, total Sales is aggregated to ₹ 227.78 Crores, out of which, Domestic Sales was 104.50 Lacs Kg amounting to ₹ 185.69 Crores and Export Sales was 16.61 Lacs Kg amounting to ₹ 42.09 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 Firms 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 continue to remain cordial.



## **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 our 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 developed 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.

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

Our hospitals contain state-of-the-art facilities and employ committed staff. These are maintained at the highest standards so providing for the needs of our 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 on 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 programs called:

1. **Mothers' Club:** A social activist group comprising of only women, 1 per 500 populations in number was introduced in the year 1999 to promote "women empowerment" in Tea Gardens. "Since major portion of responsibilities towards organizing the house is shared by the woman in the house, women





empowerment would lead to community growth in a long run” was the idea behind introduction of the Club. There is a guideline of the Club, which needs to be adhered to for effective functioning of the Club. The Club teaches about schooling, hygiene, better health, family planning, saving, removal of social evils, care during illness & preventive measures against certain common communicable diseases etc. Each Tea garden has a Mothers’ Club consisting of 10 to 15 volunteers depending on the size of the Estate.

2. **Handicraft Centre:** In a view to extract hidden skills and generate self-employment Handicraft Centre was introduced in the Estates. Weaving, embroidery, bamboo craft & carpentry training are given in the Centre.
3. **School:** Each Tea Garden has sufficient schools to provide primary education to children of workers.
4. **Health awareness activities:** On a regular basis health awareness activities are carried out in the Tea Gardens. Hygiene & sanitation and safe excreta disposal etc. are regularly taught to people through Line meetings.
5. **Star-Fish Thare-Machi:** A wagon equipped with computer device to educate people on hygiene & sanitation is available at Maijan Tea Estate. This specially help the children to get education through ‘joyful learning’ concept.

The Estates provide adequate welfare and recreational facilities for its employees. The Estates have Crèches and Mobile Crèches 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 items. 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 is available for the employees. Drinking water facilities is 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 environment 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**

Each of our 14 tea gardens has, within their Nursery, a programme designed to grow indigenous flora for planting throughout the estate.

This allows us to do our 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.

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

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**

Nine of our Estates have been certified under the “Rainforest Alliance” certification, 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, our Estates provide free accommodation and sanitation to the employees and meets all legal obligations.

### **Education**

By law, our Estates provides 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**

Our 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.

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

Our 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, we allow every employee the right to form and join a Trade Union.



### **Vermicomposting Scheme**

Assam Company India Limited follows an environment 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 Assam Company India Limited has taken this sustainable practice to benefit our tea gardens, our environment and to reduce our chemical footprint.

**On behalf of the Board of Directors**

**Kolkata**  
**26th February, 2014**

**A. K. Jajodia – *Managing Director***  
**Amit Halder – *Director***  
**Amit Kumar Ghosh – *Director***



# Report on Corporate Governance 2013



## 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, 2013.

Kolkata  
26th February, 2014

A.K. Jajodia  
Managing Director

## 2. Board of Directors

The Board of the Company as at 31st December, 2013, comprised of three Directors (Managing Director and two 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, 7(Seven) Board Meetings were held, the dates being, 18th January, 14th February, 28th February, 23rd April, 14th May, 13th August, and 12th November, 2013. The last Annual General Meeting was held on 29th June, 2013.

The following table gives the requisite details of Directors, their Directorships in other public companies, Chairmanships/ Memberships in Board Committees of other public companies 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	2	NIL	2
Mr.A.K.Jajodia	Managing Director, Promoter	Executive	3	No	5	NIL	NIL
Mr.Amit Halder	Director	Non-Executive Independent	7	Yes	NIL	NIL	NIL
Mr.Sarvadaman Ray*	Director	Non-Executive Independent	7	No	NIL	NIL	NIL
Mr.Amit Kumar Ghosh**	Director	Non-Executive Independent	N.A.	N.A.	NIL	NIL	NIL

\* Mr. Sarvadaman Ray resigned as an Independent Director with effect from 13th November, 2013.



\*\* Mr. Amit Kumar Ghosh was appointed as an Additional Director on the Board of the Company with effect from 26th February, 2014, subject to shareholders approval at the ensuing Annual General Meeting.

\*\*\* Excluding directorship in private limited companies, foreign companies and Companies incorporated under Section 25 of the Companies Act, 1956.

- (1) No Director of the Company was a Board Committee Member of any other Company.
- (2) Dr. K.K.Jajodia 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.
- (3) 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, 6 (six) Audit Committee Meetings were held on 18th January, 28th February, 23rd April, 14th May, 13th August and 12th November, 2013. The attendance at the aforesaid Meetings was as follows:

Composition	Mr.Sarvadaman Ray* (Chairman)	Mr.Amit Halder**	Mr. A. K Jajodia
Committee Meetings attended	6	6	3

\* Mr. Sarvadaman Ray resigned as the Chairman of the Committee with effect from 13th November, 2013.

\*\* Mr. Amit Halder was appointed as the Chairman of the Committee with effect from 26th February, 2014.

Mr. Amit Kumar Ghosh became a Member of the Committee with effect from 26th February, 2014.

#### 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

During the year, there was no revision in the remuneration of the Directors. Hence, the Remuneration Committee was not required to meet.

The Non-Executive Independent Directors draw a Sitting Fees of ₹ 10,000 for attending each Meeting of the Board or Audit Committee and a Sitting Fee of ₹ 1,500 for attending each Meeting of the Shareholders'/ Investors' Grievance Committee.



The details of Directors' remuneration for the year ended 31st December, 2013, are as follows:

Name of Director	Sitting Fees ₹	Salary ₹	Benefits ₹	Provident Fund & Pension 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	32,15,420	6,48,000	62,63,420	3
Mr. Amit Halder	1,51,000	N.A.	N.A.	N.A.	1,51,000	N.A.
Mr. Sarvadaman Ray*	1,51,000	N.A.	N.A.	N.A.	1,51,000	N.A.
<b>Total</b>	<b>3,02,000</b>	<b>24,00,000</b>	<b>32,15,420</b>	<b>6,48,000</b>	<b>65,65,420</b>	

During the year ended 31st December, 2013, 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.

\*Mr. Sarvadaman Ray resigned as the Member of the Remuneration Committee with effect from 13th November, 2013.

#### 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)

The Company Secretary acts as the Compliance Officer and Secretary to the Committee.

\* Mr. Sarvadaman Ray resigned as the Member of the Shareholders'/Investors' Grievance Committee with effect from 13th November, 2013.

#### 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 16 meetings of the Committee were held.

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

	<u>Number of shares</u>
Physical Transfer:	24,320
Physical Transmission :	13,010
Dematerialization:	10,79,100
Rematerialisation :	1

Note : Four requests for physical transfer of shares was pending as on 31st December, 2013.

There are no complaints from Members pending unresolved as at 31st December, 2013. 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	...	3
b) No. of complaints not resolved/no action taken	...	Nil
c) No. of pending complaints as on 31st December, 2013	...	Nil



## 6. General Body Meetings

### Details of last three Annual General Meetings :

No. of AGM	Date	For the Year	Venue	Details of Special Resolutions passed
34th	29th September, 2011	2010	Dibrugarh & District Planters' Club, Lahoal, P.O. Dibrugarh, Assam	Nil
35th	29th September, 2012	2011	Registered Office: Greenwood Tea Estate, P.O. Dibrugarh, Assam	Nil
36th	29th June, 2013	2012	Registered Office: Greenwood Tea Estate, P.O. Dibrugarh, Assam	Nil

## 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, 2013, 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.

## 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 Quarterly Report on Corporate Governance under NEAPS mode of National Stock Exchange of India Limited.

## 10. General Shareholder Information

### Annual General Meeting

**Date & Time** : 27th June, 2014, Friday, at 11:00 A.M.

**Venue** : Dibrugarh & District Planters' Club, Lahoal, P.O. Dibrugarh, Assam.

**Financial Year** : Financial Year of the Company is January to December.

**Date of Book Closure** : 2nd June to 27th June, 2014, both days inclusive.



### Stock Market Data

MONTH	NSE		BSE		SENSEX		NIFTY	
	High ₹	Low ₹	High ₹	Low ₹	High	Low	High	Low
January, 2013	9.30	5.30	9.24	5.05	20203.66	19508.93	6111.80	5935.20
February, 2013	8.50	6.40	8.48	6.42	19966.69	18793.97	6052.95	5671.90
March, 2013	7.10	4.95	7.08	5.00	19754.66	18568.43	5971.20	5604.85
April, 2013	6.35	5.15	6.35	5.22	19622.68	18144.22	5962.30	5477.20
May, 2013	5.55	4.50	5.54	4.51	20443.62	19451.26	6229.45	5910.95
June, 2013	4.70	3.50	4.79	3.52	19860.19	18467.16	6011.00	5566.25
July, 2013	6.60	3.80	6.60	3.80	20351.06	19126.82	6093.35	5675.75
August, 2013	5.40	3.90	5.51	3.96	19569.20	17448.71	5808.50	5118.85
September, 2013	5.20	4.00	5.13	4.00	20739.69	18199.17	6142.50	5318.90
October, 2013	4.95	4.05	5.00	4.06	21205.44	19264.72	6309.05	5700.95
November, 2013	5.25	4.25	5.29	4.27	21321.53	20137.67	6342.95	5972.45
December, 2013	5.65	4.60	5.65	4.62	21483.74	20568.70	6415.25	6129.95

**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 2013-2014.

**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, 2013

Group of shares		No. of Shareholders	% of Total Shareholders	No. of Shares	% Shares
From	To				
1	500	36,280	58.81	85,52,721	2.76
501	1000	10,426	16.90	93,14,366	3.01
1001	2000	6,561	10.64	1,06,65,609	3.44
2001	3000	2,564	4.16	68,67,063	2.22
3001	4000	1,048	1.70	38,71,062	1.25
4001	5000	1,360	2.20	65,44,000	2.11
5001	10000	1,862	3.02	1,42,02,391	4.59
10001	and above	1,585	2.57	24,97,43,751	80.62
<b>TOTAL</b>		<b>61,686</b>	<b>100.00</b>	<b>30,97,60,963</b>	<b>100.00</b>

(b) Shareholding Pattern as on 31st December, 2013

Promoter	Number of Shares held	% Shares
Indian	2,28,94,577	7.39
Foreign	12,26,42,596	39.59
<b>Sub Total</b>	<b>14,55,37,173</b>	<b>46.98</b>
<b>Public</b>		
Foreign Institutional Investors/ Overseas Body Corporate	1,73,000	0.06
Non Resident Individuals	20,17,203	0.65
Financial Institutions & Banks	81,44,285	2.63
Mutual Fund	20,160	0.01
Others	15,38,62,642	49.67
Foreign National	2,000	Nil
Trust	4,500	Nil
<b>Sub Total</b>	<b>16,42,23,790</b>	<b>53.02</b>
<b>TOTAL</b>	<b>30,97,60,963</b>	<b>100.00</b>

Physical / Dematerialisation of Shares as on 31st December, 2013:

	Number of Shareholders	No. of Shares	%
Physical	2,554	57,27,892	1.85
Demat	59,132	30,40,33,071	98.15
<b>TOTAL</b>	<b>61,686</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 in February, 2002, the Company has adopted a code of internal procedures for prevention of any unauthorized trading in the shares of the Company by the insiders. For the year under review, the Company Secretary was 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 end of the year is USD 3.1 Million. The Company has 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.

## PLANT LOCATIONS

### A. TEA ESTATES:

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

#### District

Doom Dooma	:	Digulturrung/ Oakland
Tinsukia	:	Dinjan Rungagora
Dibrugarh	:	Borborooah Greenwood Hazelbank Maijan Nudwa Thanai
Moran	:	Doomur Dullung Khoomtaie/ Hajua Mohokutie
Jorhat	:	Kotalgoorie
Nagaon	:	Kondoli



**B. OIL & NATURAL GAS DIVISION:**

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

<b>State</b>	<b>Block</b>
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 constituted a Remuneration Committee. The Chairman of the Remuneration Committee was present at the last Annual General Meeting.
- 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 the 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.
- The Company has not adopted a Sexual Harassment Policy.

**On behalf of the Board of Directors**

**Kolkata**  
**26th February, 2014**

**A. K. 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, 2013 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, to the best of our knowledge and belief, there are no transactions entered into by the Company during the year ended 31st December, 2013, 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 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  
26th February, 2014**

**A. K. 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, 2013, 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.

**Kolkata**  
**26th February, 2014**

**For De Chakraborty & Sen**  
**Chartered Accountants**  
**FR No. 303029E**  
**(S. Chakraborty)**  
**Partner**  
**(Membership No. 055317)**

## To The Members of Assam Company India Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Assam Company India Limited, which comprise the Balance Sheet as at December 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the Year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the companies act, 1956 ("the act") read with the General circular 15/2013 dated 13th September 2013 of the Ministry of corporate Affairs in respect of section 133 of the companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

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

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

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 Rs. 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 Rs.141.61 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.

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).

Without qualifying our opinion, attention is drawn to Note No. 54 in relation to sale of assets both immovable and movable of Salonah Tea Estate pending execution of the conveyance in respect to the immovable properties.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor’s Report) Order, 2003 (“the Order”) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches and tea estates / gardens not visited by us.
  - bb. the accounts of tea estates / gardens have been audited under section 228 by the company’s auditors. Hence, the requirement of forwarding the report by other auditors on the accounts of such branch offices, tea estates / gardens and dealing with the same in our report did not arise.
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches and tea estates.
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of corporate Affairs in respect of section 133 of the companies Act, 2013.
  - e. on the basis of written representations received from the directors as on December 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For De Chakraborty & Sen**  
**Chartered Accountants**  
**F.R. No. 303029E**  
**(Srijit Chakraborty)**  
**Partner**  
**M. No.: 055317**

**Place: Kolkata**  
**Date: 26th February, 2014**



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

(Referred to in paragraph 1 of report on other Legal and Regulatory requirements even date to the member of Assam Company India Limited on the financial statements ended on 31st December, 2013)

- 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 in the year 2012 entered into an Agreement for Sale of a substantial part (being a unit). The conveyance of the immovable property is pending.
- 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. During the year the company has sold substantial part (being a unit).
- 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 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.
- 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 records examined by us, in our opinion, the company is regular in depositing undisputed statutory dues including TDS, Provident Fund. Investor Education and Protection Fund, Income-tax, Corporate dividend tax, Sales tax, Wealth Tax. Service Tax, Excise Duty, Tea Cess, profession tax and the outstanding dues on the last date of financial year are not for a period of more than 6 months from the day they become payable.





(b) According to information and explanations Given to us, there is no disputed dues regarding service tax, professional tax, wealth tax, provident fund, tea cess, corporate dividend tax, investor Education and Protection Fund, but the details of disputed dues of sales tax and income tax are as follows:

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	168,552	2002-03	Sr.Jt. Comm. of Commercial Taxes
	Do	Do	61,83,248	2002-03	Appellate & Revisional Board of Commercial Taxes
	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
	Do	Do	357,866	1996-97	Appellate & Revisional Board of Commercial Taxes
	Do	Do	790,022	1997-98	Appellate & Revisional Board of Commercial Taxes
	Do	Do	993,902	1999-00	Appellate & Revisional Board of Commercial Taxes
	Do	Do	814,1318	2000-01	Appellate & Revisional Board of Commercial Taxes
	Do	Do	24,990,676	2001-02	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
4	Income Tax Act, 1961	Income Tax	2,86,31,700	2012-13	Assessing Officer



- x. The company has no accumulated losses as at 31st December, 2013 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 Rs. 69.62 crores (Rs 59.64 crores since repaid), fell due on various dates during the, year 2013. The company has also defaulted in repayment of principal matured Foreign Currency Convertible Bonds of \$ 3.1 million (Rs. 19.20 crores) 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.
- xv. 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. 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, the company has not made any preferential allotment to parties and Companies covered in the register maintained under 301 of the Act.
- xix. 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, the company has not issued any debentures during the year.
- xx. 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, 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.

Place: Kolkata  
Date: 26th February, 2014

For De Chakraborty & Sen  
Chartered Accountants  
F.R. No. 303029E  
(Srijit Chakraborty)  
Partner  
M. No.: 055317



**BALANCE SHEET** AS AT 31st DECEMBER, 2013

Notes	31st December, 2013 (₹)	31st December, 2012 (₹)
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' Funds</b>		
Share Capital	2	309,760,963
Reserves and Surplus	3	3,364,617,434
		<u>3,674,378,397</u>
		<u>3,586,448,055</u>
<b>Non-current liabilities</b>		
Long - Term Borrowings	4	4,396,235,474
Other Long - Term Liabilities	5	2,541,389
Long - Term Provisions	6	385,848,375
		<u>4,784,625,238</u>
		<u>4,159,308,926</u>
<b>Current Liabilities</b>		
Short - Term Borrowings	7	1,662,887,929
Trade Payables	8	119,499,888
Other Current Liabilities	9	2,658,858,407
Short - Term Provisions	10	362,613,606
		<u>4,803,859,830</u>
		<u>4,962,621,115</u>
<b>TOTAL</b>		<b><u>13,262,863,465</u></b>
		<b><u>12,708,378,096</u></b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Fixed assets	11	
Tangible assets		3,417,934,106
Intangible assets		2,211,118
Capital work in progress	12	4,367,550,405
Non-current Investments	13	84,024,219
Long - term Loans and advances	14	105,124,249
Other non - current assets	15	243,453,173
		<u>8,220,297,270</u>
		<u>8,234,728,346</u>
<b>Current assets</b>		
Current Investments	13	900,000
Inventories	16	255,832,079
Trade Receivables	17	1,239,296,362
Cash and Bank balances	18	75,860,512
Short - term loans and advances	19	3,273,994,596
Other current assets	20	196,682,646
		<u>5,042,566,195</u>
		<u>4,473,649,750</u>
<b>TOTAL</b>		<b><u>13,262,863,465</u></b>
		<b><u>12,708,378,096</u></b>

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

(S Chakraborty)

Membership No. 055317

Partner

Place: Kolkata

Date: 26th February, 2014

*On behalf of the Board*

A. K. Jajodia – Managing Director

Amit Halder – Director

Amit Kumar Ghosh – Director

**STATEMENT OF PROFIT AND LOSS** FOR THE YEAR ENDED 31ST DECEMBER, 2013

	Notes	31st December, 2013 (₹)	31st December, 2012 (₹)
<b>INCOME</b>			
Revenue from Operations	21	2,277,802,640	2,276,290,081
Other Income	22	204,018,866	441,451,735
<b>Total Revenue</b>		<b>2,481,821,506</b>	<b>2,717,741,816</b>
<b>EXPENSES</b>			
Cost of Raw Materials Consumed	23	12,493,936	76,658,263
Changes in inventories of finished goods	24	(13,045,220)	(31,201,223)
Employee benefits expense	25	698,931,879	713,012,573
Finance costs	26	612,926,436	493,595,543
Depreciation and amortisation expense	11	58,091,424	71,554,037
Other expenses	27	1,004,655,317	1,121,324,279
<b>Total Expenses</b>		<b>2,374,053,772</b>	<b>2,444,943,472</b>
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>107,767,734</b>	<b>272,798,344</b>
Exceptional items	28	(4,542,706)	(15,505,079)
<b>PROFIT BEFORE TAX</b>		<b>112,310,440</b>	<b>288,303,423</b>
Tax Expenses:			
Income Tax		36,500,000	85,800,000
Wealth Tax		200,000	200,000
<b>PROFIT FOR THE YEAR</b>		<b>75,610,440</b>	<b>202,303,423</b>
Earnings per Equity Share			
[Nominal value per share: ₹ 1/- (31.12.2012- ₹ 1/-)]			
Earnings per Equity Share (Basic and Diluted)		0.24	0.65

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 &amp; Sen

Chartered Accountants

Firm Registration No 303029E

(S Chakraborty)

Membership No. 055317

Partner

Place: Kolkata

Date: 26th February, 2014

*On behalf of the Board*

A. K. Jajodia – Managing Director

Amit Halder – Director

Amit Kumar Ghosh – Director



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

	Year Ended 31st December, 2013 ( ₹ )	Year Ended 31st December, 2012 ( ₹ )
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	112,310,440	288,303,423
Adjustments for:		
Interest income	(20,894,200)	(357,317,034)
(Profit) on sale of Fixed Assets	(108,285,648)	(4,584,156)
(Profit) on sale of Investments	(13,680,349)	–
Profit on acquisition of land by the Government	–	(20,677,808)
(Income) from Investments other than trade	(48,454)	(53,489)
Provision for Retirement Benefits	8,837,378	52,246,911
Interest and Finance Charges (net of subsidy)	430,302,727	493,595,543
Depreciation/Amortisation	58,091,424	71,554,037
Diminution in value of investments	–	400,147
Provision for doubtful advances, deposits and interest accrued	1,146,586	7,982,423
Reduction of Liability on redemption of Foreign Currency Convertible Bonds	–	(19,065,649)
Fixed Asset Written off	589,751	–
Unrealised foreign exchange difference-net (gain)/loss	106,303,666	75,410,117
Provision for doubtful advances, deposits and interest accrued no longer required written back	(5,689,292)	(4,822,000)
Liabilities no longer required written back	(13,486,458)	(1,614,734)
Operating Profit before Working Capital Changes	<u>555,497,571</u>	<u>581,357,731</u>
Adjustments for:		
Trade and other receivables	68,381,845	199,179,568
Inventories	(10,227,958)	(15,263,160)
Trade payables and other liabilities	2,614,379	177,770,482
Cash generated from Operations	<u>616,265,837</u>	<u>943,044,621</u>
Direct Taxes Paid (Net of Refund)	13,193,032	(19,446,222)
Net Cash from Operating Activities	<u>629,458,869</u>	<u>923,598,399</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(117,346,325)	(223,698,033)
Sale of Fixed Assets	90,671,048	30,906,355
Purchase of investments	–	(100,000)
Investment in Subsidiaries	(650,000)	–
Sale of investments	21,179,530	–
Loans / deposits made with subsidiaries / third parties	(31,469,734)	(58,506,459)
Refund of loans / deposits made with subsidiaries / third parties	5,126,900	135,952,392
Income from Investments other than trade	48,454	53,489
Interest received	8,548,993	12,261,810
Net Cash (used in) Investing Activities	<u>(23,891,134)</u>	<u>(103,130,446)</u>



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2013

	Year Ended 31st December, 2013 (₹)	Year Ended 31st December, 2012 (₹)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net increase/(decrease) in Cash/Export Credit Facilities and other Short Term Loans	(102,925,750)	(62,438,091)
Proceeds from long term borrowings	291,276,041	2,139,126,400
Repayment of long term borrowings	(302,102,473)	(2,517,787,613)
Dividend paid	(16,621,823)	(14,580,671)
Dividend tax on distributable profits	(2,512,549)	(8,542,664)
Interest paid	(546,223,309)	(770,490,564)
Net Cash from / (used in) Financing Activities	<b>(679,109,863)</b>	<b>(1,234,713,203)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(73,542,128)</b>	<b>(414,245,250)</b>
Cash and Cash Equivalents (opening Balance as at 1st January, 2013)	148,577,072	562,568,577
Cash and Cash Equivalents (closing Balance as at 31st December, 2013)	<b>75,860,512</b>	<b>148,577,072</b>
Effect of exchange rate changes	825,568	253,745
	<b>(73,542,128)</b>	<b>(414,245,250)</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**  
**(S Chakraborty)**  
**Membership No. 055317**  
**Partner**  
**Place: Kolkata**  
**Date: 26th February, 2014**

*On behalf of the Board*

**A. K. Jajodia – Managing Director**  
**Amit Halder – Director**  
**Amit Kumar Ghosh – 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 along with 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 Venture 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 are recognised upon transfer of risks and rewards of ownership in the goods to the buyers. 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 collectability exist. Other items are accounted for on accrual basis.





**[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 equipment's 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 2013 ( ₹ )	31st DECEMBER 2012 ( ₹ )
<b>Authorised</b>		
(a) 500,000,000 (31.12.2012- 500,000,000) Equity Shares of ₹ 1/-each	500,000,000	500,000,000
(b) 1,000,000 (31.12.2012- 1,000,000) Non Cumulative Redeemable Preference Shares of ₹ 100/- each	100,000,000	100,000,000
	600,000,000	600,000,000
<b>Issued and Subscribed</b>		
309,760,963 (31.12.2012- 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 2013	31st DECEMBER 2012
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.

The Board of Directors has not recommended any dividend for the year ended 31st December, 2013, (31.12.2012 - ₹ 0.05 per Share )

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

Name of the Shareholders	31st DECEMBER 2013		31st DECEMBER 2012	
	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.	16,830,000	5.43	20,201,228	6.52
3. Siriyari Tradecom Pvt. Ltd.	20,556,952	6.64	23,111,952	7.46



## Notes to Financial Statements

### Note : 3 - RESERVES AND SURPLUS

	As at 31st December, 2013 (₹)		As at 31st December, 2012 (₹)	
<b>Capital Reserve (Reserve on Amalgamation)</b>		15,037,398		15,037,398
Revaluation Reserve				
As per Last Account	886,029,414		898,912,962	
Adjusted on account of depreciation on revalued assets	(9,381,942)		(11,093,857)	
Adjusted on account of disposal of revalued assets	(101,206,369)	775,441,103	(1,789,691)	886,029,414
<b>Securities Premium</b>				
As per Last Account	1,252,765,172		1,208,993,186	
Adjusted on account of FCCB Redemption	122,908,213	1,375,673,385	43,771,986	1,252,765,172
<b>General Reserve</b>				
As per Last Account	177,333,735		175,833,735	
Transferred from Surplus in Profit and Loss Account	-		1,500,000	
Adjusted during the year	-	177,333,735	-	177,333,735
<b>Capital Redemption Reserve</b>		874,600		874,600
Surplus in Statement of Profit & Loss Account				
As per last account	944,646,773		761,843,947	
Profit for the year	75,610,440		202,303,423	
Appropriations:-				
Proposed Dividend	-		(15,488,048)	
Dividend Tax on proposed Dividend	-		(2,512,549)	
Transferred to General Reserve	-	1,020,257,213	(1,500,000)	944,646,773
		<b>3,364,617,434</b>		<b>3,276,687,092</b>

**Note :** Capital Reserve includes ₹ 4,753,152 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, 2013 (₹)	31st December, 2012 (₹)
<b>Secured</b>		
Term Loans from Banks [Refer (a) to (g) below]	4,396,235,474	3,771,596,784
	<u>4,396,235,474</u>	<u>3,771,596,784</u>

Sl. No.	Nature of Security	Terms of Repayment
(a)	Term Loan from Banks amounting to ₹470,905,736/- (31.12.2012 - ₹ 485,475,454/-) 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 ₹ 83,533,627/- repayable in 36 quarterly installments commencing from June, 2006. ii) Term Loan amounting to ₹ 166,672,109/- repayable in 12 half-yearly installments commencing from June, 2012. iii) Term Loan amounting to ₹ 220,700,000/- repayable in 7 half yearly installments commencing from May, 2015.
(b)	Term loan from Banks amounting to ₹447,331,618/- (31.12.2012 - ₹ 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 charge holders of the Company.	Repayable in 8 quarterly installments commencing from November, 2013.
(c)	Term Loan from Banks amounting to ₹4,187,989,423/- (31.12.2012 - ₹ 3,627,738,750/-) 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 AAON 7 oil & gas field to the extent permitted, Hypothecation over all the stocks, book debts, plant and machinery and equipment's 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 ₹ 922,812,533/- repayable in 8 half yearly installment commencing from July, 2011. ii) Term Loan amounting to ₹ 366,309,111/- repayable in 2 yearly installments commencing from December, 2013. iii) Term Loan amounting to ₹ 297,902,794/- repayable in 26 quarterly installments commencing from March, 2013. The entire amount of loan has since been repaid in January, 2014. iv) Term Loan amounting to ₹ 1,174,129,114/- repayable in 8 half yearly installments commencing from September, 2011. The entire amount of loan has since been repaid in January, 2014. v) Term Loan amounting to ₹ 478,888,665/- repayable in 4 half yearly installments commencing from January, 2014. vi) Term Loan amounting to ₹ 118,238,244/- repayable in 26 quarterly installments commencing from October, 2012. vii) Term Loan amounting to ₹ 589,548,602/- repayable in 27 quarterly installments commencing from October, 2012.



## Notes to Financial Statements

Sl. No.	Nature of Security	Terms of Repayment
		viii) Term Loan amounting to ₹ 240,160,360/- repayable in 27 quarterly installment commencing from May, 2013.
(d)	<p>Term Loan from Banks amounting to ₹536,795,461/- (31.12.2012 - ₹ 505,246,955/-) 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 AAON 7 oil &amp; gas field to the extent permitted, Hypothecation over all the stocks, book debts, plant and machinery and equipment's 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 charge holders of the Company.</p> <p>(iii) Personal guarantee of Managing Director of the Company.</p>	Repayable in 25 quarterly installments commencing from December, 2014.
(e)	<p>Term Loan from Banks amounting to ₹493,857,232/- (31.12.2012 - ₹438,420,199/-) 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 AAON 7 O&amp;G field to the extent permitted, Hypothecation over all the stocks, book debts, plant and machinery and equipment's 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 charge holders of the Company.</p> <p>(iii) Personal guarantee of Managing Director of the Company.</p>	Repayable in 27 quarterly installments 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, 2013 (₹)	31st December, 2012 (₹)
<b>Note: 5 - Other Long Term Liabilities</b>		
Others	2,541,389	2,439,463
	<b>2,541,389</b>	<b>2,439,463</b>
<b>Note: 6 - Long Term Provisions</b>		
Provision for Employee Benefits	383,083,375	382,507,679
Provision for Site Restoration	2,765,000	2,765,000
	<b>385,848,375</b>	<b>385,272,679</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	1,607,902,809	1,665,813,679
<b>Unsecured</b>		
Intercorporate Deposit	54,985,120	100,000,000
	<b>1,662,887,929</b>	<b>1,765,813,679</b>

### Nature of Security

(a) Loan repayable on demand from Banks

Outstanding loans of ₹ 1,607,902,809/- (31.12.12 - ₹ 1,665,813,679/-) 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	23,281,432	38,759,825
Sundry Creditors	96,218,456	108,345,423
	<b>119,499,888</b>	<b>147,105,248</b>
<b>Note: 9 - Other Current Liabilities</b>		
Current maturities of Long Term borrowings	1,757,802,485	1,705,084,575
Interest accrued but not due on borrowings	152,118,561	202,185,125
Advance from Customers	–	3,970,279
Unclaimed Dividends	2,666,777	3,800,552
Due to FCCB Holders including Redemption Premium	352,965,752	435,232,412
Others	393,304,832	362,500,733
	<b>2,658,858,407</b>	<b>2,712,773,676</b>
<b>Note: 10 - Short term Provisions</b>		
Provisions for Employee Benefits	60,463,380	52,201,698
Proposed Dividend	–	15,488,048
Provision for tax on Proposed Dividend	–	2,512,549
Provision for tax (Net of Advance Tax)	155,851,742	105,958,710
Others	146,298,484	160,767,507
	<b>362,613,606</b>	<b>336,928,512</b>

## Notes to Financial Statements

### Note : 11 - FIXED ASSETS

[Figures in ₹ ]

Class of Assets	COST / VALUATION			DEPRECIATION / AMORTISATION				NET BLOCK			
	As At 1st January 2013	Additions during the year	Sale/discard /adjustments during the year	Total as at 31st December 2013	As At 1st January 2013	Additions during the year	On Revaluation during the year	Sale / discard during the year	Total as at 31st December 2013	Net Block Value as on 31st December, 2013	Net Block Value as on 31st December, 2012
<b>Tangible Assets</b>											
Land and Development (including leasehold land)	2,687,992,841	2,105,556	314,403,825	2,375,694,572	-	-	-	-	-	2,375,694,572	2,687,992,841
Buildings	1,080,511,346	3,961,945	113,514,756	970,958,535	727,702,299	10,525,812	8,806,885	72,455,345	674,579,651	296,378,884	352,809,047
Plant and Machinery	997,848,019	4,779,835	156,911,163	845,716,691	760,062,296	30,366,159	572,297	118,318,007	672,682,745	173,033,946	237,785,723
Oil and Gas Producing Properties	743,969,970	-	-	743,969,970	206,646,658	5,585,430	-	-	212,232,088	531,737,882	537,323,312
Vehicles	189,575,588	7,271,324	27,588,445	169,258,467	147,020,531	9,845,717	2,674	21,556,918	135,312,004	33,946,463	42,555,057
Furniture	25,175,352	250,103	7,449,940	17,975,515	15,341,886	1,747,112	86	6,255,928	10,833,156	7,142,359	9,833,466
<b>Intangible Assets</b>											
Computer Software	4,459,121	-	-	4,459,121	2,226,809	21,194	-	-	2,248,003	2,211,118	2,232,312
<b>TOTAL</b>	<b>5,729,532,237</b>	<b>18,368,763</b>	<b>619,868,129</b>	<b>5,128,032,871</b>	<b>1,859,000,479</b>	<b>58,091,424</b>	<b>9,381,942</b>	<b>218,586,198</b>	<b>1,707,887,647</b>	<b>3,420,145,224</b>	<b>3,870,531,758</b>
Previous Year	5,689,529,730	66,043,223	26,040,716	5,729,532,237	1,787,945,475	71,554,037	11,093,856	11,592,889	1,859,000,479	3,870,531,758	

- NOTES: 1. Land and Development (including leasehold land) include certain freehold lands the amount of which is not ascertainable.
2. 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.
3. Buildings include building on leasehold land at estates - ₹ 970,958,535/- (31.12.2012 - ₹ 1,080,511,346/-). Accumulated Depreciation ₹ 72,455,345/- (31.12.2012 - ₹ 727,702,299/-).
4. Vehicles include assets acquired on hire purchase - ₹ 37,465,467/- (31.12.2012 - ₹ 40,216,757/-).
5. Addition to Plant and Machinery is net off of subsidy received from Tea Board for quality upgradation and product development scheme activities amounting to ₹ 364,000/- (31.12.2012 - ₹ 2,166,464/-).
6. Deletion to Land and Development (including leasehold land) is inclusive of subsidy received from Tea Board for replanting activities amounting to ₹ 9,214,140/- (31.12.2012 - ₹ 7,013,747/-)
7. The cost of Oil and Gas producing properties represents Company's share (40%) in jointly held properties.



## Notes to Financial Statements

	31st December, 2013 (₹)	31st December, 2012 (₹)
<b>Note : 12 - CAPITAL WORK IN PROGRESS</b>		
<b>A. Oil and Gas Project</b>		
Opening Balance	3,798,222,882	3,214,827,709
Add: Addition during the year	559,588,623	583,395,173
	<u>4,357,811,505</u>	<u>3,798,222,882</u>
Less: Capitalised during the year	-	-
Closing Balance	<u>4,357,811,505</u>	<u>3,798,222,882</u>
<b>B. Others</b>		
Opening Balance	18,311,804	34,121,088
Add: Addition during the year	2,976,190	41,599,169
	<u>21,287,994</u>	<u>75,720,257</u>
Less: Capitalised / Adjusted during the year	11,549,094	57,408,453
Closing Balance	<u>9,738,900</u>	<u>18,311,804</u>
<b>Total (A + B)</b>	<u><b>4,367,550,405</b></u>	<u><b>3,816,534,686</b></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
Nil (31.12.2012 - 123,076) Equity Shares of ₹ 10 each		
<b>Others</b>		
Nil (31.12.2012- 12240) Equity Shares of		
Bank of America Corporation	-	7,192,005
	-	<u>7,315,081</u>
<b>(ii) Other than Trade</b>		
Nil (31.12.2012-1841) US 64 Bonds of ₹ 100 each		
in Unit Trust of India (under lien)	-	184,100
237,800 (31.12.2012- 237,800 ) Equity Shares of		
Canoro Resources Ltd. of CAD 1/- each	692,467	692,467
Others*	3,601,068	3,601,068
	<u>4,293,535</u>	<u>4,477,635</u>





## Notes to Financial Statements

	31st December, 2013 (₹)	31st December, 2012 (₹)
<b>B. Unquoted (Fully paid unless otherwise stated)</b>		
(i) Trade In Subsidiary Companies**	159,469,240	158,819,240
(ii) Other than Trade		
20,000 (31.12.2012- 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
	<u>224,500</u>	<u>224,500</u>
	163,987,275	170,836,456
Less: Provision for diminution in value of certain investments	79,963,056	79,963,056
	<u>84,024,219</u>	<u>90,873,400</u>
<b>Current Investment - At cost (Fully paid unless otherwise stated)</b>		
Quoted		
SBI Magnum Multiplier Plus Scheme -93 - Dividend	800,000	800,000
Baroda Pioneer Mutual Fund	100,000	100,000
	<u>900,000</u>	<u>900,000</u>
	<u>84,924,219</u>	<u>91,773,400</u>

* Particulars	Description	Number as on		Face value [₹]	Cost as on	
		31.12.13	31.12.12		31.12.13 [₹]	31.12.12 [₹]
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	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	10	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 31.12.13	Number as on 31.12.12	Face value [ ₹ ]	Cost as on 31.12.13 [ ₹ ]	Cost as on 31.12.12 [ ₹ ]
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 (3 Bonus Share received during the year)	Equity	8	5	10	373	373
					<b>3,601,068</b>	<b>3,601,068</b>
<b>**Subsidiaries Companies</b>						
Dahej Offshore Infrastructure SEZ Ltd ( Formerly Assam Estates Limited)	Equity	50,570	50,570	10	505,700	505,700
Assam Oil & Gas Ltd. (70 Equity Shares fully paid 999,930 Equity Shares @Rs.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 & Power SEZ Ltd #	Equity	5,000,000	5,000,000	10	50,000,000	50,000,000
Duncan Macneill Power and Utilities Ltd	Equity	115,000	50,000	10	1,150,000	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>159,469,240</b>	<b>158,819,240</b>

### Notes:-

Aggregate market value of quoted investments ₹ 3,121,997/- (31.12.2012 - ₹ 10,989,064/-)

Aggregate book value of quoted investments ₹ 5,193,535/- (31.12.2012 - ₹ 12,692,716/-)

Aggregate book value of unquoted investments ₹ 159,693,740/- (31.12.2012 - ₹ 159,043,740/-)

Market value of US 64 Bonds are not available.

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



## Notes to Financial Statements

	31st December, 2013 (₹)	31st December, 2012 (₹)
<b>Note : 14 - Long- term loans and advances</b>		
(Unsecured considered good unless otherwise stated)		
Loans and advances to subsidiary companies		
Considered good	3,758,257	118,662,746
Considered doubtful	24,759,808	24,759,808
Less: Provision for doubtful advances	(24,759,808)	(24,759,808)
Deposits	28,982,792	36,870,346
Employees loans and advances	3,097,665	3,466,490
Intercorporate Deposits		
Considered good	62,000,000	45,000,000
Considered doubtful	35,855,000	35,855,000
Less: Provision for doubtful advances	(35,855,000)	(35,855,000)
Other Loans and Advances		
Considered good		
Capital advances	97,000	867,418
Other advances	7,188,535	61,452,631
Considered doubtful	22,781,941	22,201,963
Less: Provision for doubtful advances	(22,781,941)	(22,201,963)
	<b>105,124,249</b>	<b>266,319,631</b>
<b>Note : 15 - Other non-current assets</b>		
FCMIT Difference account	165,916,130	119,366,981
Interest Receivable		
Considered good	48,217,516	41,782,363
Considered doubtful	15,296,222	15,296,222
Less: Provision for doubtful advances	(15,296,222)	(15,296,222)
Others	29,319,527	29,319,527
	<b>243,453,173</b>	<b>190,468,871</b>
<b>Note : 16 - Inventories</b>		
(Valued at lower of cost and net realisable value)		
Stores & Spare Parts		
Considered good	37,641,929	40,459,191
Considered doubtful of recovery	566,606	5,423,723
Less: Provision for doubtful of recovery	(566,606)	(5,423,723)
Stock of Teas	218,190,150	205,144,930
	<b>255,832,079</b>	<b>245,604,121</b>

## Notes to Financial Statements

	31st December, 2013 (₹)	31st December, 2012 (₹)
<b>Note : 17 - Trade Receivables</b>		
Unsecured		
Debts outstanding for a period exceeding six months		
Considered good	449,961,080	346,637,764
Considered doubtful	4,793,840	5,059,409
Less: Provision for doubtful debts	(4,793,840)	(5,059,409)
Other debts:		
Considered good	789,335,282	531,155,499
	<u>1,239,296,362</u>	<u>877,793,263</u>
<b>Note : 18 - Cash and Bank Balances</b>		
Cash on hand	2,598,019	21,784,573
Balance with banks in :		
Current Accounts	25,012,123	61,814,776
Unpaid Dividend Accounts	2,666,777	3,800,552
On Short- term Deposits	27,145,502	41,482,163
Margin Money Deposit	18,438,091	19,689,975
Other Banks on Current account	–	5,033
	<u>75,860,512</u>	<u>148,577,072</u>
<b>Note : 19 - Short-term loans and advances</b>		
(Unsecured- considered good unless otherwise stated)		
Advances and loans to subsidiaries		
Considered good	3,225,784,824	3,101,537,500
Considered doubtful	128,121,220	128,121,220
Less: Provision for doubtful advances	(128,121,220)	(128,121,220)
Employees loans and advances	3,260,161	2,328,342
Other loans and advances	44,949,611	38,040,015
	<u>3,273,994,596</u>	<u>3,141,905,857</u>
<b>Note : 20 - Other current assets</b>		
FCMIT Difference account	179,085,235	46,549,149
Interest Receivable on Deposits	12,597,160	6,435,153
Others	5,000,251	5,885,135
	<u>196,682,646</u>	<u>58,869,437</u>



## Notes to Financial Statements

	31st December, 2013 (₹)	31st December, 2012 (₹)
<b>Note : 21- Revenue from Operations</b>		
Sales		
Tea	2,277,802,640	2,276,290,081
	<u>2,277,802,640</u>	<u>2,276,290,081</u>
<b>Note : 22- Other Income</b>		
Interest Income	20,894,200	357,317,034
Sale of Tea Waste	6,239,125	3,155,937
Tea Subsidy	5,436,093	11,543,360
Income from Investments other than trade	48,454	53,489
Profit on Sale of Investment	13,680,349	–
Profit on sale of Fixed Assets	108,285,648	4,584,156
Profit on acquisition of Agricultural Land	–	20,677,808
Liabilities no longer required written back	13,486,458	1,614,734
Premium on sale of export Licenses	25,054,622	30,592,592
Export Incentive and Duty Drawback	1,608,060	2,143,733
Miscellaneous Receipts	9,285,857	9,768,892
	<u>204,018,866</u>	<u>441,451,735</u>
<b>Note : 23- Cost of Raw Materials Consumed</b>		
Purchase of Green Leaf	12,493,936	76,658,263
	<u>12,493,936</u>	<u>76,658,263</u>
<b>Note : 24 - Changes in Inventories of Finished goods</b>		
<b>Stock as at the beginning of the year</b>		
Tea	205,144,930	173,943,707
	<u>205,144,930</u>	<u>173,943,707</u>
<b>Stock as at the end of the year</b>		
Tea	218,190,150	205,144,930
	<u>218,190,150</u>	<u>205,144,930</u>
<b>(Increase) / Decrease</b>	<u>(13,045,220)</u>	<u>(31,201,223)</u>



## Notes to Financial Statements

	31st December, 2013 (₹)	31st December, 2012 (₹)
<b>Note : 25- Employee benefits expense</b>		
Establishment Charges	359,905,826	378,960,647
Contribution to Provident, Gratuity and other Funds	159,673,210	149,601,069
Labour and Staff Welfare	135,668,059	137,983,780
Concession on Food grains	43,684,784	46,467,077
	<u>698,931,879</u>	<u>713,012,573</u>
<b>Note : 26- Finance Costs</b>		
Interest Expenses	410,084,600	406,920,052
Bank Charges Including fees and other costs	19,152,709	19,699,835
Exchange Fluctuation on Borrowings	182,623,709	65,982,605
Others	1,065,418	993,051
	<u>612,926,436</u>	<u>493,595,543</u>
<b>Note : 27- Other Expenses</b>		
Garden Cultivation Costs	188,831,676	242,898,193
Plucking and Manufacturing Expenses	288,505,348	275,112,295
Power and Fuel	217,709,624	212,513,514
Directors' Fees	302,000	170,000
Repairs to Buildings	31,553,630	41,482,095
Repairs to Plant & Machinery	30,959,564	42,126,371
Upkeep of Roads & Bridges	32,806,289	16,755,707
Garden Transport	44,010,742	45,265,265
Insurance	8,254,650	7,204,516
Rent, Rates & Taxes	13,436,722	15,512,028
Office Maintenance	4,150,292	5,217,406
General Charges	84,035,446	89,750,777
Freight, Warehouse & Sale Charges	81,312,871	85,255,106
Agency Commission	35,601,853	29,922,081
Brokerage	13,403,928	11,031,748
Cess on Tea and Green Leaf	28,321,191	29,251,243
Sundry balance written off	425,508	1,927,621
Fixed Asset Written off	589,751	-
Loss on Exchange	(99,555,768)	(30,071,687)
	<u>1,004,655,317</u>	<u>1,121,324,279</u>



## Notes to Financial Statements

	31st December, 2013 (₹)	31st December, 2012 (₹)
<b>Note : 28- Exceptional Items</b>		
Diminution in value of Investments	–	400,147
Provision for doubtful advances, deposits, stores and interest accrued (Net)	1,146,586	7,982,423
	1,146,586	8,382,570
Less: Provision for doubtful advances, deposits stores and interest accrued no longer required written back	5,689,292	4,822,000
Reduction of Liability on redemption of Foreign Currency Convertible Bonds	–	19,065,649
	(4,542,706)	(15,505,079)

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 before 2009. Claim for compensation in this regard has been made to the Government of Assam. Subsequent loss of land due to flood and erosion from 2009 is yet to be ascertained.
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 - ₹ 97,000/- (net of advance - ₹ Nil), [31.12.2012 - ₹ 235,527/- (net of advance - ₹ 867,345/-)]
- [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] Income tax demand amounting to ₹ 28,631,700/- (31.12.2012 - ₹ Nil) is under assessment.
- [b] Sales Tax assessments disputed in appeals ₹ 174,185,080/- (31.12.2012 - ₹ 174,272,207/-)
- [c] Liability towards Interest on unpaid FCCB Bonds and Redemption premium amounting to ₹ 16,952,210/- (31.12.2012 - ₹ 9,227,525/-).
- [d] Liability towards fringe benefit tax under adjudication - ₹ 70,929,211/- (31.12.2012 - ₹ 70,929,211/-).
- [e] Guarantees given in favour of third parties ₹ 1,050,000,000/- (31.12.2012 - ₹ 1,048,200,000/-).
- [f] Pledged 5,000,000 shares ( having cost of ₹ 50,000,000/-) representing investment in 51% Equity shares in Gujarat Hydrocarbon & Power SEZ Ltd in favour of third parties.
- [g] Uncalled liability on partly paid shares - ₹ 6,999,510/- (31.12.2012 - ₹ 6,999,510/-).
- 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, 2013 which extends over two assessment years, Assessment Year 2013-2014 and Assessment Year 2014 - 2015. The ultimate tax liability for the Assessment Year 2014-2015 will be determined on the total income for the period from 1st April, 2013 to 31st March, 2014.

## Notes to Financial Statements

		31.12.2013 ( ₹ )		31.12.2012 ( ₹ )	
33. [i]	Amount paid / payable to the auditors included under general charges (Net of Service Tax)				
	[a] Statutory Audit Fees	1,200,000		1,200,000	
	[b] Fees for other services	1,360,000		751,500	
	[c] Reimbursement of out of pocket expenses	176,931		14,624	
[ii]	Expenditure includes in aggregate :				
	Salary, Wages and Bonus	787,587,813		813,700,885	
	Stores and Spare Parts consumed	277,371,653		345,322,257	
34.	Value of Raw Materials and Stores and Spare parts consumed	%	( ₹ )	%	( ₹ )
	- Purchased Green Leaf and Tea	100	12,493,936	100	76,658,263
	- Stores and Spare Parts	100	277,371,653	100	345,322,257
			<b>289,865,589</b>		<b>421,980,520</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, 2013 and the present value as at 31st December, 2013 of minimum rentals in respect of assets acquired under HP are as follows:

	31.12.2013 ( ₹ )	31.12.2012 ( ₹ )
<b>Minimum Hire Purchase Payments</b>		
- Payable not later than one year	802,746	1,563,887
- Payable later than one year but not later than 5 years	2,767,945	28,401
<b>Total of Minimum Hire Purchase Payments</b>	<b>3,570,691</b>	<b>1,592,288</b>
<b>Finance Charges</b>		
- Payable not later than one year	300,792	70,334
- Payable later than one year but not later than 5 years	528,305	225
<b>Total of Finance Charges</b>	<b>829,097</b>	<b>70,559</b>
<b>Present Value of Minimum HP Payments</b>		
- Payable not later than one year	501,954	1,493,553
- Payable later than one year but not later than 5 years	2,239,640	28,176
<b>Total of Present Value of Minimum HP Payments</b>	<b>2,741,594</b>	<b>1,521,729</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 ₹ 2,012,400/- (31.12.2012- ₹ 2,012,400/-) 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
2013	2,765,000	-	-	2,765,000
2012	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) :	31.12.2013 [ ₹ ]	31.12.2012 [ ₹ ]
Commission	35,601,853	29,922,081
Travelling Expenses	3,195,071	1,655,897
Bank Charges	206,395	688,681
Interest	2,606,420	2,574,292
Consultancy Fees	54,883	191,893
39. Earnings in Foreign Exchange (on accrual basis) :		
Export Sale on F.O.B. Basis	420,949,506	385,900,887
Interest Income	2,787	580,609
Income from Investments	-	19,778

**40 [a]** The Company has three Oil and Gas Fields/Blocks in Assam Arakan Basin – Amguri (Discovered Field), AA-ON/7 (Exploration Block) and AA-ONN-2005/1 (Exploration Block) having participating interest (PI) 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 while AA-ONN-2005/1 Exploration Block is under consortium with ONGC and OIL.

**[b]** GOI terminated Production Sharing Contract (PSC) of Amguri Field qua Canoro Resources Limited (CRL) with 60% PI and operatorship with effect from 29th August, 2010 for breach of PSC. Canoro closed the operation of Amguri in December, 2010 and GOI considering its vesting right on 60% PI handed over the Amguri Field to ONGC on 16th March, 2011 to continue the operations till the ownership of 60% PI and operatorship were finalized. The company had already staked its claim on 60% PI in accordance with the provisions of PSC being the sole non-defaulting contractor. After a prolong delay, GOI had finally appointed the company as the operator of Amguri Field vide its letter dated 2nd January, 2013. But the Amguri Field was yet to be handed over to the company by ONGC, who has been appointed by GOI as their representative.

**[c]** The company's rightful claim of 60% PI in Amguri Field is now pending before the Arbitral Tribunal, where the dispute on ownership of 60% PI has been referred for resolution. The company has claimed the 60% PI both under PSC and JOA under which 60% PI was acquired from CRL through an Arbitral award dated 21st November, 2011. The Arbitral proceedings against GOI had commenced and it is expected that the award will be pronounced during the current year. As per the said Award, the Company had also got a damage claim of US\$ 39.12 million (₹ 242.14 Crores) against Canoro.



## Notes to Financial Statements

The Tribunal had assigned a value of US\$ 4.16 million (₹ 24.85 Crores) for 60% PI in Amguri and US\$ 2.2071 million (₹ 13.66 Crores) for 52.9% shares of CRL, thereby awarding a net damage claim of US\$ 32.75 million (₹ 202.71 Crores) against CRL.

- [d] For enforcement of the Arbitral Tribunal award before Canadian Court, the company had initiated legal steps by filing execution petition on 9th November, 2012 before the Supreme Court of British Columbia. The hearing of the execution petition had taken place in January, 2014 and the final court order was waited. Based on the proceedings of the court, the company was quite hopeful in getting favorable order.
- [e] Having finally appointed as the operator of the Field, the company is quite upbeat in commencing the production of oil and gas, which has remained suspended after the Field was closed by CRL in December, 2010.
- [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 the terms and conditions not inferior to the existing PSC will be executed as approved by the Cabinet Committee of Economic Affairs (CCEA) on 5th December, 2009. As approved by CCEA, the new PSC would permit 7 years exploration period from the date of signing the PSC. The execution of new PSC with the company has been delayed due to ongoing legal dispute on Amguri as GOI in AA-ON/7 Exploration Block also has to decide the ownership of 65% PI and operatorship, which was earlier held by CRL and terminated by GOI vide its letter dated 10th January, 2013. 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. The company feels that once the ownership of 65% PI is resolved, GOI will take similar decision on AA-ON/7.
- [g] Though a new PSC will be executed, the name of the Block will remain as AA-ON/7 as the Nagaland portion for which a new PSC will be executed was part of the original acreage of AA-ON/7. Accordingly, all past investment costs in Assam area would be eligible for cost recovery. Since, the Block in totality was not relinquished and execution of a new PSC was mere an administrative action having already approved by CCEA, legally the Block still exists and 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, which are the activities in phase -1 of Exploration phase.
- [i] The drilling activities in AA-ONN-2005/1 Exploration Block will only commence after G&G activities are concluded and drilling potential is identified.
- [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 and revenue from production of oil and gas.
- [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



## Notes to Financial Statements

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)

[Note: 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	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
<b>Oil :</b>				
Beginning of the year	39,763	39,763	36,913	36,913
Additions	-	-	-	-
Deletion	-	-	-	-
Production	-	-	-	-
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>	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
<b>Gas :</b>				
Beginning of the year	814	814	766	766
Additions	-	-	-	-
Deletion	-	-	-	-
Production	-	-	-	-
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:

	31.12.2013 [ ₹ ]	31.12.2012 [ ₹ ]
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)	94,632,789	87,180,616

Unutilised FCCB proceeds amounting to ₹ 692,467/- (31.12.2012 - ₹ 7,884,472/-) have been invested in securities and the balance ₹ 236,119/- (31.12.2012 - ₹ 241,015/-) is lying with banks at the year end.

As at the year end, the total Principal FCCBs outstanding is USD 3.10 million. 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 ₹ 2,526,631,406/- (including interest ₹1,111,049,664/- Net of TDS) (31.12.12 ₹ 2,520,121,211/- including interest ₹ 1,111,049,664/- 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. In view of the assurance of repayment received from GHPSL and also in order to protect the long term interest of the Company the Board considered prudent not to charge interest for the year on the loan provided to GHPSL.
- 43** Advances and loans to subsidiaries include interest free loan of ₹ 813,732,224/- (31.12.12 ₹ 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. Since no overseas E & P assets could be acquired over the last few years, DMNRL has refunded the entire amount in January, 2014.
- 44** Advances and loans to subsidiaries include interest free loan of ₹ 14,159,074/- (31.12.12 ₹ 10,708,140/-) 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 Company has preferred Special Leave Petition (SLP) before the Supreme Court of India challenging the Order passed by the Division Bench of the Hon'ble Calcutta High Court in respect of the eviction of company's corporate office at Kolkata. The matter is yet to be listed before the Supreme Court.



## Notes to Financial Statements

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

	31.12.2013 ( ₹ )	31.12.2012 ( ₹ )
<b>Deferred Tax Liability</b>		
Excess of tax depreciation over book depreciation	525,976,029	479,613,326
Others	-	-
	<b>525,976,029</b>	<b>479,613,326</b>
<b>Deferred Tax Assets</b>		
Expenditure under Section 43B of the Income Tax Act, 1961 (recognised to the extent of Deferred Tax Liability)	525,976,029	479,613,326
	<b>525,976,029</b>	<b>479,613,326</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 :

	31.12.2013 ( ₹ )	31.12.2012 ( ₹ )
Sundry Creditors	2,617,031	2,474,809
- Due to Small and Micro Enterprise:		
[a] Principal amount remaining unpaid to any supplier as at the end of the year	117,951	7,609
The interest remaining unpaid to any supplier as at the end of the year	2,499,080	2,467,200
[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	8,026,623	7,273,887
[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.	31,880	417,737
[e] Amount of interest accrued and remaining unpaid at the end of the year	2,499,080	2,467,200

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 :

	31.12.2013 2012	31.12.2012 2011
Year to which it relates		
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 (₹)	5,954,402	5,954,402

## Notes to Financial Statements

### 49. Primary Segment Report - Business Segments

[Figures in ₹]

Particulars	Plantations	Oil and Gas	Total
Segment Revenue: External Customers	2,277,802,640	–	2,277,802,640
	<b>2,276,290,081</b>	–	<b>2,276,290,081</b>
Other Segment Revenue	169,395,863	2,880,033	172,275,896
	<b>83,264,276</b>	<b>5,084,283</b>	<b>88,348,559</b>
<b>Total Segment Revenue</b>	<b>2,447,198,503</b>	<b>2,880,033</b>	<b>2,450,078,536</b>
	<b>2,359,554,357</b>	<b>5,084,283</b>	<b>2,364,638,640</b>
Segment Result	302,745,555	(195,681,888)	107,063,667
	<b>29,740,632</b>	<b>(75,583,529)</b>	<b>(45,842,897)</b>
Add:Unallocable Income			13,728,803
			<b>1,668,223</b>
Less:Unallocable expenses			31,038,903
			<b>34,461,935</b>
Unallocated Interest income			18,014,167
			<b>351,434,953</b>
<b>Profit before Exceptional Items and Tax</b>			<b>107,767,734</b>
			<b>272,798,344</b>
Exceptional Items	(4,542,706)	–	(4,542,706)
	<b>5,823,870</b>	<b>(19,065,649)</b>	<b>(13,241,779)</b>
Unallocated Exceptional Items			–
			<b>(2,263,300)</b>
<b>Profit before Tax</b>			<b>112,310,440</b>
			<b>288,303,423</b>
Tax Expenses			
Current Tax			36,700,000
			<b>86,000,000</b>
<b>Profit for the year</b>			<b>75,610,440</b>
			<b>202,303,423</b>
<b>Other Information</b>			
Segment Assets	3,921,484,565	5,679,248,514	9,600,733,079
	<b>4,905,145,858</b>	<b>5,190,460,304</b>	<b>10,095,606,162</b>
Unallocated Assets			3,662,130,386
			<b>2,612,771,934</b>
<b>Total Assets</b>			<b>13,262,863,465</b>
			<b>12,708,378,096</b>
Segment Liabilities	4,002,562,733	5,281,105,332	9,283,668,065
	<b>1,034,399,075</b>	<b>118,836,687</b>	<b>1,153,235,762</b>
Unallocated Liabilities			304,817,003
			<b>290,966,829</b>
<b>Total Liabilities</b>			<b>9,588,485,068</b>
			<b>1,444,202,591</b>
Capital Expenditure	8,629,863	559,588,623	568,218,486
	<b>47,731,419</b>	<b>583,395,173</b>	<b>631,126,592</b>
Depreciation / Amortisation	52,505,994	5,585,430	58,091,424
	<b>63,600,306</b>	<b>7,953,731</b>	<b>71,554,037</b>
Non Cash Expenditure other than depreciation and amortisation	(74,083,611)	172,713,638	98,630,027
	<b>34,762,557</b>	<b>77,637,811</b>	<b>112,400,368</b>
Unallocated Non cash Expenditure			–
			<b>(1,863,153)</b>



## Notes to Financial Statements

Secondary Segment Report - Geographical Segment		[Figures in ₹]	
	Within India	Outside India	Total
1. Segment Revenue: External Customers	1,855,340,575	420,949,506	2,276,290,081
	<b>1,890,389,194</b>	<b>385,900,887</b>	<b>2,276,290,081</b>
2. Segment Assets	11,759,005,933	1,503,857,532	13,262,863,465
	<b>11,279,794,391</b>	<b>1,428,583,705</b>	<b>12,708,378,096</b>
3. Capital Expenditure	568,218,486	–	568,218,486
	<b>631,126,592</b>	–	<b>631,126,592</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 29th December, 2011 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 ₹ 131,842,159 /- (31.12.12 - ₹ 84,949,234/- being the amortisation charge of 'Foreign Currency Monetary item Translation Difference Account' (FCMITDA) for the year.

[ii] carried forward ₹ 345,001,365/- (31.12.12- ₹ 165,916,130 /-) 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] There was no Derivative instruments (Forward Exchange Contracts) outstanding as at Balance Sheet date.



## Notes to Financial Statements

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

PARTICULARS	CURRENCY	31.12.2013	31.12.2012
Cash and Bank Balance	USD	\$115,600	\$167,990
Investment	USD	\$15,453	\$175,953
Investment	GBP	£911,000	£911,000
Sundry Debtors	USD	\$4,924,731	\$6,433,616
Sundry Debtors	GBP	£3,565,815	£2,813,105
Sundry Debtors	EURO	€ 1,348,161	€ 1,124,484
Unsecured Loan	USD	\$55,106,200	\$65,191,707
Liabilities payable	USD	\$407,227	\$388,793
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 subject to minimum service of five years. 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 ₹ 94,707,647/- (31.12.2012 ₹ 91,704,830/-) has been recognised in the Statement of Profit & Loss.





## Notes to Financial Statements

### B(i) Defined Benefit Plans

	Gratuity		Pension		Leave Encashment		Medical Benefit	
	2013	2012	2013	2012	2013	2012	2013	2012
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
<b>a) Component of employees expenses</b>								
Current Service Cost	20,081,364	19,933,039	7,350,461	6,367,093	1,198,627	955,577	-	-
Interest Cost	27,227,515	27,236,142	8,363,293	8,719,798	443,000	487,243	1,366,081	1,370,588
Expected Return on Plan Assets	(1,246,343)	(3,182,142)	(3,779,610)	(3,208,463)	-	-	-	-
Curtailment Cost	-	-	-	-	-	-	-	-
Settlement Cost	-	-	-	-	-	-	-	-
Past Service Cost	-	-	-	-	-	-	-	-
Net actuarial (gain)/loss recognised during the year	12,755,919	9,797,551	(3,040,088)	(14,343,973)	861,672	(239,460)	394,175	(968,931)
<b>Total component of employees expenses</b>	<b>58,818,455</b>	<b>53,784,590</b>	<b>8,894,056</b>	<b>(2,465,545)</b>	<b>2,503,299</b>	<b>1,203,360</b>	<b>1,760,256</b>	<b>401,657</b>
<b>b) Actual Return on Plan Assets</b>								
Expected Return on Plan Assets	1,246,343	3,182,142	3,779,610	3,208,463	-	-	-	-
Actuarial gain / (loss) on Plan Assets	(1,145,993)	863,591	(1,101,478)	3,930,871	-	-	-	-
<b>Actual Return on Plan Assets</b>	<b>100,350</b>	<b>4,045,733</b>	<b>2,678,132</b>	<b>7,139,334</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>c) Change in Defined Benefit Obligation during the year</b>								
Opening Defined Benefit Obligation	327,638,782	337,046,814	98,391,685	102,585,860	6,346,481	6,321,411	16,225,029	16,425,768
Current Service cost	20,081,364	19,933,039	7,350,461	6,367,093	1,198,627	955,577	-	-
Interest Cost	27,227,515	27,236,142	8,363,293	8,719,798	443,000	487,243	1,366,081	1,370,588
Settlement Cost	-	-	-	-	-	-	-	-
Past Service Cost	-	-	-	-	-	-	-	-
Benefits Paid	(14,630,169)	(33,243,231)	-	-	(2,269,435)	(1,178,290)	(306,974)	(602,396)
Actuarial (gain) / loss on Obligation	11,609,926	10,661,142	(4,141,566)	(10,413,103)	861,672	(239,460)	394,175	(968,931)
<b>Closing Defined Benefit Obligation</b>	<b>371,927,418</b>	<b>361,633,906</b>	<b>109,963,873</b>	<b>107,259,648</b>	<b>6,580,345</b>	<b>6,346,481</b>	<b>17,678,311</b>	<b>16,225,029</b>
<b>d) Change in Fair Value of Assets during the year</b>								
Fair value of Plan Assets as at beginning of the year	15,579,284	39,776,782	47,245,126	40,105,792	-	-	-	-
Expected Return on Plan Assets	1,246,343	3,182,142	3,779,610	3,208,463	-	-	-	-
Contributions Made	12,500,000	5,000,000	-	-	-	-	-	-
Benefits Paid	(14,630,169)	(33,243,231)	-	-	-	-	-	-
Actuarial gain / (loss) on Plan Assets	(1,145,993)	863,591	(1,101,478)	3,930,871	-	-	-	-
<b>Fair value of Plan Assets as at end of the year</b>	<b>13,549,465</b>	<b>15,579,284</b>	<b>49,923,258</b>	<b>47,245,126</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)	
	2013	2012	2013	2012
Administered by Private Insurance Company	80.42%	83.02%	-	-
Administered by Life Insurance Corporation of India	-	-	99.81%	99.10%
Special Deposit with Scheduled Bank	2.32%	2.07%	-	-
Others	17.26%	14.91%	0.19%	0.90%

f) Actuarial Assumptions	Gratuity		Pension		Leave Encashment (Unfunded)		Medical Benefit (Unfunded)	
	2013	2012	2013	2012	2013	2012	2013	2012
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%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
Inflation Rate (%)	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	0.00%	0.00%
Expected Return on Plan Assets (%)	8.00%	8.00%	8.00%	8.00%	0.00%	0.00%	0.00%	0.00%

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

	2013		2012	
	Increase	Decrease	Increase	Decrease
Effect on the aggregate of the service cost and interest cost	17,855,094	17,501,528	16,387,279	16,062,779
Effect on defined benefit obligation	15,854,460	19,886,658	14,558,022	18,247,363

### B(ii) Defined Benefit Plans

	2013	2012	2011	2010	2009
	(₹)	(₹)	(₹)	(₹)	(₹)
<b>I. GRATUITY (FUNDED)</b>					
a) Net (Asset) / Liability					
Present Value of the Defined Benefit Obligation	371,927,418	361,633,906	337,046,814	319,279,843	252,041,130
Fair value of Plan Assets	13,549,465	15,579,284	39,776,782	66,945,709	55,217,327
Net (Asset) / Liability	358,377,953	346,054,622	297,270,032	252,334,134	196,823,803
b) Experience Adjustment					
(Gain)/Loss adjustment on plan liabilities	11,609,926	12,075,531	59,477,481	22,724,684	16,798,521
(Gain)/Loss adjustment on plan assets	(1,145,993)	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	-
	10,463,933	15,828,353	1,267,712	64,901,557	21,679,874
<b>II. PENSION (FUNDED)</b>					
a) Net (Asset) / Liability					
Present Value of the Defined Benefit Obligation	109,963,873	107,259,648	102,585,860	97,717,055	92,897,202
Fair value of Plan Assets	49,923,258	47,245,126	40,105,792	39,473,694	36,348,822
Net (Asset) / Liability	60,040,615	60,014,522	62,480,068	58,243,361	56,548,380



## Notes to Financial Statements

	2013 (₹)	2012 (₹)	2011 (₹)	2010 (₹)	2009 (₹)
b) Experience Adjustment					
(Gain)/Loss adjustment on plan liabilities	(4,141,566)	(10,413,103)	(12,933,629)	14,315,261	13,609,167
(Gain)/Loss adjustment on plan assets	(1,101,478)	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>(5,243,044)</u>	<u>(6,482,232)</u>	<u>(8,058,529)</u>	<u>(10,603,045)</u>	<u>15,190,008</u>
<b>III. LEAVE ENCASHMENT (UNFUNDED)</b>					
a) Net (Asset) / Liability					
Present Value of the Defined Benefit Obligation	6,580,345	6,346,481	6,321,411	5,987,259	5,077,537
Fair value of Plan Assets	-	-	-	-	-
Net (Asset) / Liability	<u>6,580,345</u>	<u>6,346,481</u>	<u>6,321,411</u>	<u>5,987,259</u>	<u>5,077,537</u>
b) Experience Adjustment					
(Gain)/Loss adjustment on plan liabilities	861,672	(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>861,672</u>	<u>(239,460)</u>	<u>(342,428)</u>	<u>(618,236)</u>	<u>-</u>
<b>IV. MEDICAL BENEFIT (UNFUNDED)</b>					
a) Net (Asset) / Liability					
Present Value of the Defined Benefit Obligation	17,678,311	16,225,029	16,425,768	15,837,008	-
Fair value of Plan Assets	-	-	-	-	-
Net (Asset) / Liability	<u>17,678,311</u>	<u>16,225,029</u>	<u>16,425,768</u>	<u>15,837,008</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) The contribution expected to be made by the company for the year ending 31st December, 2014 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 (ceased to be subsidiaries from 21.01.2013)

Camellia Cha Bar Limited

North East Hydrocarbon Limited

Assam Oil & Gas Limited

Duncan Macneill Natural Resources Limited

Dahej Offshore Infrastructure SEZ Limited

Gujarat Hydrocarbons & Power SEZ Limited

Duncan Macneill Power India 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

Oil and Natural Gas Corporation Limited

Oil India Limited

### II Transactions with related parties

Sl. No.	Related Party	Outstanding as on 31.12.13 (₹)	Outstanding as on 31.12.12 (₹)	Nature of transaction	Year ended 31st December 2013 (₹)	Year ended 31st December 2012 (₹)
[A]	Namburnadi Tea Company Limited	19,221,934 Payable	18,096,669 Payable	Purchase of tea and green leaf	-	-
				Receipt towards refund of advance	-	-
				Expenses recoverable	12,050	43,363
		-	48,214,400	Transfer of stores (net)	-	(625,246)
			Guarantees given	Remuneration of manager on deputation recoverable	-	2,496,068
				Advance given	(1,137,315)	(116,923,769)
[B]	North East Hydrocarbon Limited	10,597,924 Receivable	10,597,924 Receivable		-	-



## Notes to Financial Statements

Sl. No.	Related Party	Outstanding as on 31.12.13 (₹)	Outstanding as on 31.12.12 (₹)	Nature of transaction	Year ended 31st December 2013 (₹)	Year ended 31st December 2012 (₹)
[C]	Assam Oil & Gas Limited	4,140,000 Receivable	4,140,000 Receivable	Expenses recoverable Advance given	- -	50,000 50,000
[D]	Camellia Cha Bar Limited	4,711,186 Receivable	4,702,580 Receivable	Advance given Expenses Recoverable	- 8,606	- 5,031
[E]	Duncan Macneill Power India Limited	500,000 Receivable	1,635 Receivable	Expense Recoverable Advance given	- 500,000	- -
[F]	Duncan Macneill Natural Resources Limited	813,732,224 Receivable	813,732,224 Receivable		-	-
[G]	Gujarat Hydrocarbons & Power SEZ Limited	2,526,631,406 Receivable  1,000,000,000 Guarantees given	2,520,121,211 Receivable	Loan given Interest receivable Expenses recoverable Remuneration of manager on deputation recoverable	4,292,500 - 2,082,239 135,455	66,810,000 327,678,550 5,456,030 1,554,841
[H]	Assam Oil and Natural Gas Limited	14,159,074 Receivable	10,708,140 Receivable	Payment for remittances Expenses recoverable	- 3,450,934	- 533,535
[I]	Dahej Offshore Infrastructure Limited (Formerly known as Assam Estates Limited)	27,169,164 Receivable	27,169,164 Receivable	Advance given Expenses recoverable	- -	- -
[J]	Lord Inchcape Financial Services Limited	5,066 Receivable	5,000 Receivable	Expenses recoverable	-	66
[K]	Mr. A K Jajodia	-	674,751 Receivable	Remuneration paid Advance given	6,263,420 -	5,934,831 -
[L]	Ms. Ruchika Jajodia	-	-	Remuneration paid	1,400,000	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 2013 (₹)	Year ended 31st December 2012 (₹)
[A]	North East Hydrocarbon Limited	11,098,625	11,098,625
[B]	Assam Oil & 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	5,934,748
[E]	Duncan Macneill Power India Limited (Formerly Duncan Macneill Power and Utilities 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 31.12.2013 [ ₹ ]	Balance as at 31.12.2012 [ ₹ ]
Namburnadi Tea Company Limited	(19,221,934)	(18,096,669)
Dahej Offshore Infrastructure SEZ Ltd (Formerly known as Assam Estates Limited)	27,169,164	27,169,164
Assam Oil & Gas Limited	4,140,000	4,140,000
Assam Oil & Natural Gas Limited	14,159,074	10,708,140
North East Hydrocarbon Limited	10,597,924	10,597,924
Camellia Cha Bar Limited	4,711,186	4,702,580
Gujarat Hydrocarbons & Power SEZ Limited	2,526,631,406	2,520,121,211
Duncan Macneill Power India Limited	500,000	1,635
Duncan Macneill Natural Resources Limited	813,732,224	813,732,224
	<b>3,382,419,044</b>	<b>3,373,076,209</b>

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

Namburnadi Tea Co. Limited	(18,084,618)	96,912,917
Dahej Offshore Infrastructure SEZ Ltd (Formerly known as Assam Estates Limited)	27,169,164	27,169,164
Assam Oil & Gas Limited	4,140,000	4,140,000
Assam Oil & Natural Gas Limited	14,159,074	10,708,140
North East Hydrocarbon Limited	10,597,924	10,597,924
Camellia Cha Bar Limited	4,711,186	4,702,580
Gujarat Hydrocarbons & Power SEZ Limited	2,526,631,406	2,520,666,045
Duncan Macneill Power India Limited	500,000	1,635
Duncan Macneill Natural Resources Limited	813,732,224	813,732,224

54. Pursuant to a Resolution passed by the shareholders on 26.06.2012 and the subsequent approval of the Board on 02.08.2012, the Company had entered into an "Agreement for sale" on 03.08.2012 with Salonah Tea Private Limited for sale of Salonah Tea Estate. The requisite approvals and NOCs from the concerned authorities have been received and accordingly necessary entries have been booked during the year. The amount due is shown under Trade Receivables. The Conveyance in respect of the immovable property is pending.

55. Out of Export Debtors of ₹ 783,656,488/- shown under Trade Receivables ( Note No 17), the Company has since received ₹ 782,105,116/- in January,2014.



## Notes to Financial Statements

56. Basic and Diluted Earnings Per Share :

	31.12.2013	31.12.2012
	( ₹ )	( ₹ )
Numerator used :		
Profit after Tax	75,610,440	202,303,423
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	0.24	0.65

57. 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.

58. Previous year figures have been regrouped/rearranged wherever necessary.

For De Chakraborty & Sen  
Chartered Accountants  
Firm Registration No 303029E  
(S Chakraborty)  
Membership No. 055317  
Partner  
Place: Kolkata  
Date: 26th February, 2014

*On behalf of the Board*

A. K. Jajodia – Managing Director  
Amit Halder – Director  
Amit Kumar Ghosh – Director



## **INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

To  
The Board of Directors of  
Assam Company India Limited

We have audited the accompanying consolidated financial statements of Assam Company India Limited ("the Company") and its subsidiaries hereinafter referred as the "Group" (refer Note 1 (c) on Note 1 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at December 31, 2013, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the act") read with the General circular 15/2013 dated 13th September 2013 of the Ministry of corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The consolidated financial statements have been prepared by the management of Assam Company India Limited in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements issued by the Institute of Chartered Accountants of India.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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





### Emphasis of Matter

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 ₹ 141.61 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.

Without qualifying our opinion, attention is drawn to Note No. 36 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).

Without qualifying our opinion, attention is drawn to Note No. 47 in relation to sale of assets both immovable and movable assets of Salonah Tea Estate that describes the uncertainty related to execution of the conveyance in respect to the immovable properties.

### Other Matter

We did not audit the financial statements of the subsidiaries, whose financial statements reflect total assets of ₹ 4,229,531,778 and net asset of ₹ 4,228,022,073 as at December 31, 2013, total revenues of ₹ 7,62,247 and net cash outflows amounting to ₹ (3,18,348) for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

We further report that in absence of audited financial statement of two of the subsidiaries for the current year (refer Note no 1(d) on Note 1 to the attached consolidated financial statements), the same has not been considered financial statements and consequently we are unable to comment on true and fair view of the said two subsidiaries.

Place: Kolkata  
Date: 26th February, 2014

For De Chakraborty & Sen  
Chartered Accountants  
FR No. 303029E  
(S. Chakraborty)  
Partner  
(Membership No. 055317)

**CONSOLIDATED BALANCE SHEET AS AT 31st DECEMBER, 2013**

Notes	31st December, 2013 (₹)	31st December, 2012 (₹)
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Shareholders' Funds</b>		
Share Capital	2	309,760,963
Reserves and Surplus	3	2,199,515,548
		<u>2,509,276,511</u>
	<b>45,991,554</b>	<b>2,536,414,168</b>
<b>Minority Interest</b>		
<b>Non-current liabilities</b>		
Long - Term Borrowings	4	4,396,235,474
Other Long - Term Liabilities	5	2,541,389
Long - Term Provisions	6	385,848,375
		<u>4,784,625,238</u>
		<b>3,771,596,784</b>
<b>Current Liabilities</b>		
Short - Term Borrowings	7	1,663,037,929
Trade Payables	8	121,559,990
Other Current Liabilities	9	4,033,823,375
Short - Term Provisions	10	362,683,302
		<u>6,181,104,596</u>
		<b>1,860,366,980</b>
		<b>194,318,163</b>
		<b>3,913,936,179</b>
		<b>342,265,227</b>
		<u>6,310,886,549</u>
<b>TOTAL</b>		<b>13,520,997,899</b>
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Fixed assets	11	
Tangible assets		4,054,674,440
Intangible assets		2,211,118
Capital work in progress	12	5,428,928,821
Non-current Investments	13	4,062,291
Long - term Loans and advances	14	1,205,109,870
Other non - current assets	15	243,453,173
		<u>10,938,439,713</u>
		<b>4,755,012,604</b>
		<b>2,232,312</b>
		<b>4,693,421,034</b>
		<b>11,438,396</b>
		<b>1,368,380,446</b>
		<b>190,468,871</b>
		<u>11,020,953,663</u>
<b>Current assets</b>		
Current Investments	13	900,000
Inventories	16	257,140,082
Trade Receivables	17	1,316,458,089
Cash and Bank balances	18	76,925,393
Short - term loans and advances	19	734,451,976
Other current assets	20	196,682,646
		<u>2,582,558,186</u>
		<b>900,000</b>
		<b>259,027,052</b>
		<b>949,524,149</b>
		<b>150,473,250</b>
		<b>633,812,569</b>
		<b>64,563,721</b>
		<u>2,058,300,741</u>
<b>TOTAL</b>		<b>13,520,997,899</b>
		<b>13,079,254,404</b>

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 &amp; Sen

Chartered Accountants

Firm Registration No 303029E

(S Chakraborty)

Membership No. 055317

Partner

Place: Kolkata

Date: 26th February, 2014

*On behalf of the Board*

A. K. Jajodia – Managing Director

Amit Halder – Director

Amit Kumar Ghosh – Director

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

FOR THE YEAR ENDED 31ST DECEMBER, 2013

	Notes	31st December, 2013 (₹)	31st December, 2012 (₹)
<b>INCOME</b>			
Revenue from Operations	21	2,278,525,837	2,338,802,192
Other Income	22	204,057,916	122,774,006
<b>Total Revenue</b>		<b>2,482,583,753</b>	<b>2,461,576,198</b>
<b>EXPENSES</b>			
Cost of Raw Materials Consumed	23	12,784,963	77,464,377
Changes in inventories of finished goods	24	(12,613,752)	(35,211,942)
Employee benefits expenses	25	698,931,879	737,491,657
Finance costs	26	612,931,698	495,587,235
Depreciation and amortisation expense	11	58,114,455	74,288,876
Other expenses	27	1,007,764,834	1,174,670,338
<b>Total Expenses</b>		<b>2,377,914,077</b>	<b>2,524,290,541</b>
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>104,669,676</b>	<b>(62,714,343)</b>
Exceptional items	28	4,137,850	(18,901,773)
<b>PROFIT BEFORE TAX BUT AFTER EXCEPTIONAL ITEMS</b>		<b>100,531,826</b>	<b>(43,812,570)</b>
Provision for Taxation :			
Income Tax		36,513,898	85,845,139
Wealth Tax		200,000	200,000
<b>PROFIT AFTER TAX BEFORE MINORITY INTEREST</b>		<b>63,817,928</b>	<b>(129,857,709)</b>
MINORITY INTEREST		(222,887)	(1,277,134)
<b>PROFIT FOR THE YEAR</b>		<b>64,040,815</b>	<b>(128,580,575)</b>
Earnings per Equity Share [Nominal value per share: ₹ 1/- (31.12.2012- ₹ 1/-)]			
Earnings per Equity Share (Basic and Diluted)		0.21	(0.42)

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 &amp; Sen

Chartered Accountants

Firm Registration No 303029E

(S Chakraborty)

Membership No. 055317

Partner

Place: Kolkata

Date: 26th February, 2014

*On behalf of the Board*

A. K. Jajodia – Managing Director

Amit Halder – Director

Amit Kumar Ghosh – Director


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

	Year Ended 31st December, 2013 (₹)	Year Ended 31st December, 2012 (₹)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation but after exceptional items	100,531,826	(43,812,570)
Adjustments for:		
Interest income	(20,894,200)	(10,685,439)
Preliminary Expenses Written Off	–	475,152
(Income) from investments other than trade	(48,454)	(53,489)
Interest and Finance Charges (net of subsidy)	430,302,727	495,505,999
Depreciation and Amortisation (net of withdrawal from Revaluation Reserve)	58,114,455	74,288,875
(Profit) on sale of Fixed Assets	(108,265,998)	(4,594,024)
(Profit) on sale of Investments	(13,680,349)	–
Profit on acquisition of land by the Government	–	(20,677,808)
Provision for doubtful advances, deposits and interest accrued	1,146,586	7,982,423
Fixed Assets Written Off	589,751	–
Diminution in value of investments	–	(2,996,546)
Provision for doubtful debts	–	10
Provision for Retirement Benefits	8,837,378	52,246,911
Reduction of Liability on redemption of Foreign Currency Convertible Bonds	–	(19,065,649)
Unrealised foreign exchange difference-net (gain)/loss	106,308,928	75,421,511
Provision for doubtful advances, deposits and interest accrued no longer req w/b	2,988,607	(4,822,000)
Liabilities no longer required written back	(13,458,908)	(1,626,088)
<b>Operating Profit before Working Capital Changes</b>	552,472,349	597,587,268
Adjustments for:		
Trade and Other Receivables	68,761,360	125,033,690
Inventories	(9,883,574)	(17,683,891)
Trade payables and other payables	494,041	372,916,409
<b>Cash generated from Operations</b>	611,844,176	1,077,853,476
Direct Taxes Paid (Net)	13,179,134	(19,446,222)
<b>Net Cash Flow from Operating Activities</b>	625,023,310	1,058,407,254
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition to fixed assets / CWIP	(123,729,587)	(290,188,832)
Sale of fixed assets	90,707,048	75,564,864
Purchase of investments	–	(100,000)
Sale of investments	21,179,530	–
Investment in Subsidiaries	(650,000)	–
Loans / deposits made with third parties	(20,999,999)	(58,506,459)
Refund of loans / deposits made with third parties	5,126,900	20,942,807
Income from Investments other than trade	48,454	53,489
Interest received	8,548,993	12,261,810
<b>Net Cash used in Investing Activities</b>	(19,768,661)	(239,972,321)

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

	Year Ended 31st December, 2013 (₹)	Year Ended 31st December, 2012 (₹)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net increase / (decrease) in Cash / Export Credit Facilities and other Short Term Loans	(102,931,012)	130,418,239
Proceeds from long term borrowings	291,276,041	2,139,126,400
Repayment of long term borrowings	(302,102,473)	(2,543,413,231)
Dividend paid	(16,621,823)	(14,580,671)
Dividend tax on distributable profits	(2,512,549)	(8,542,664)
Interest and Finance Charges paid	(546,223,309)	(937,853,078)
<b>Net Cash from / (used in) Financing Activities</b>	<b>(679,115,125)</b>	<b>(1,234,845,005)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(73,860,476)</b>	<b>(416,410,072)</b>
<b>Cash and Cash Equivalents (Opening Balance as at 1st January, 2013)</b>	<b>150,473,250</b>	<b>566,357,937</b>
<b>Adjustment on Inclusion/deletion of Assam Natural Gas Colombia Ltd /NTCL</b>	<b>(543,863)</b>	<b>268,410</b>
<b>Cash and Cash Equivalents (Closing Balance as at 31st December, 2013)</b>	<b>76,925,393</b>	<b>150,473,250</b>
<b>Effect of exchange rate changes</b>	<b>856,482</b>	<b>256,975</b>
	<b>(73,860,476)</b>	<b>(416,410,072)</b>

## Notes:

1. Cash and Cash Equivalents comprise Cash and Bank balances as per Schedule-6(c) of the audited accounts.
2. The Cash Flow Statement has been prepared under the 'Indirect Method' as given in Accounting Standard on Cash Flow Statement (AS - 3) as per 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  
(S Chakraborty)  
Membership No. 055317  
Partner  
Place: Kolkata  
Date: 26th February, 2014

*On behalf of the Board*

A. K. Jajodia – Managing Director  
Amit Halder – Director  
Amit Kumar Ghosh – Director



## Note : 01 - Notes to Consolidated Financial Statements

- (a) The Consolidated Financial Statements comprises of the financial statements of Assam Company India Limited (the holding company) and its subsidiaries. The Consolidated Financial Statements have been prepared in accordance with the Accounting Standard 21 on "Consolidated Financial Statements" notified under Companies (Accounting Standard) Rules, 2006.
- (b) The Consolidated Financial Statements are prepared on the following basis :-
- The audited financial statements of the Holding Company and its subsidiary companies have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. The intra - group balances, intra - group transactions and unrealised profits or losses thereon have been fully eliminated.
  - The financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as that of the Holding Company.
- (c) The subsidiaries, considered in the Consolidated Financial Statements are :-

Name of the Subsidiaries	Country of Incorporation	Percentage of Ownership Interest as at 31.12.2013
Namburnadi Tea Company Limited (NTCL) (ceased to be subsidiary w.e.f 21.01.2013)	India	92.98
Assam Oil and Gas Limited	India	100.00
North East Hydro Carbon Ltd	India	100.00
Camelia Cha Bar Limited	India	100.00
Dahej Offshore Infrastructure SEZ Ltd (Formerly Known as Assam Estates Ltd)	India	100.00
Assam Oil & Natural Gas Ltd	Columbia	100.00
Assam Oil & Natural Gas Colombia Ltd (through subsidiary)	Columbia	100.00
Gujarat Hydrocarbons & Power SEZ Ltd	India	51.00
Duncan Macneill Power India Ltd (Formerly Known as Duncan Macneill Power and Utilities Ltd)	India	100.00

- (d) In absence of financial statements for the current period the following subsidiaries have not been considered in preparation of Consolidated Financial Statements :-

Name of the Subsidiaries	Country of Incorporation	Percentage of Ownership Interest as at 31.12.2013
Lord Inchcape Financial Services Limited (through two subsidiaries)	India	60.00
Duncan Macneill Natural Resources Ltd	United Kingdom	100.00

- (e) Accounting Convention

The consolidated financial statements are prepared to comply in all material aspects with all the applicable accounting principles in India and the applicable Accounting Standards, notified under companies (Accounting Standard) Rules, 2006. A summary of important accounting principles are set out below:

- (f) Basis of Accounting

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



**(g) 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 the 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 the finance charge and repayment of principal amount. Subsidies received from Government in respect of fixed assets are deducted from the 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" as prescribed by the Institute of Chartered Accountants of India. As per "Full Cost Method", all cost incurred for acquisition of 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.

**Expenditure incurred in connection with other projects**

The following are the subsidiaries are yet to commence commercial operation. Indirect expenses related to the project and incidental thereto are included under Capital Work in Progress and to be capitalised subsequently. Indirect expenses which are not directly related to the project are charged off to the Profit and Loss Account.

- Assam Oil and Gas Limited
- Dahej Offshore Infrastructure SEZ Ltd ( Formerly Known as Assam Estates Ltd)
- Assam Oil & Natural Gas Ltd
- Gujarat Hydrocarbons & Power SEZ Ltd
- Duncan Macneill Power India Ltd (Formerly Known as Duncan Macneill Power and Utilities Ltd)

**(h) 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 equally 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, which is carried out once in a year. 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'.

**(i) Borrowing Costs**

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

**(j) 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.

**(k) 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 locations and condition and includes appropriate production overheads, where applicable. Provision is made for obsolete, slow moving and defective stocks, wherever necessary.

**(l) 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 added to or subtracted from 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.

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.

The income and expenditure of overseas subsidiary is translated at the average exchange rate. Year-end balances of all assets and liabilities are restated at the year-end exchange rates. Exchange differences arising on retranslation at year-end exchange rates, of the net investment in foreign undertaking, is taken to reserves

**(m) Sales**

Sales are recognised upon transfer of risks and rewards of ownership in the goods to the buyers. Sales represent invoiced value of goods sold less Sales Tax / Value Added Tax.

**(n) 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. Other items are accounted for on accrual basis.





**(o) Replanting and Other Subsidies**

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

**(p) Compensation of Land**

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

**(q) Leases**

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

**(r) Retirement Benefits**

The Group operates defined contribution schemes for Provident and a Pension Fund. Contributions to these funds are made regularly to the appropriate authority/Trust and a private insurance company respectively. The interest rate payable to the members of the Trust shall not be 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, shall be made good by the Group.

The Group 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 Group, based on actuarial valuation carried out every year at the year end, to Trust and Life Insurance Corporation of India (LIC) respectively, except one of the subsidiaries wherein the Fund is actuarially valued but not yet funded.

Leave encashment benefit on retirement and post retirement medical benefits, as applicable, is determined on the basis of independent actuarial valuation at the year end and such liability is provided for in these accounts.

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

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.

The Group 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.

**(s) Oil Production Costs**

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

**(t) Provisions**

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 are not discounted to their present Value.

**(u) 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.

**(v) 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 CONSOLIDATED FINANCIAL STATEMENTS****Note : 2 - SHARE CAPITAL**

	<u>31st DECEMBER 2013 (₹)</u>	<u>31st DECEMBER 2012 (₹)</u>
<b>Authorised</b>		
(a) 500,000,000 Equity Shares of ₹ 1/-each	500,000,000	500,000,000
(b) 1,000,000 Non Cumulative Redeemable Preference Shares of ₹ 100/- each	100,000,000	100,000,000
	<u>600,000,000</u>	<u>600,000,000</u>
<b>Issued and Subscribed</b>		
309,760,963 Equity Shares of ₹ 1/- each fully paid up.	<u>309,760,963</u>	<u>309,760,963</u>

**(b) Terms/ rights attached to equity shares**

The Holding 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 Holding 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 Holding Company.

During the year ended 31st December, 2013, the amount of per Share Dividend recognised as distribution to equity shareholders was ₹ Nil/- per share (31.12.2012- ₹ 0.05/-) The Total Dividend appropriation for the year ended 31st December, 2013 amounted to ₹ Nil (Previous Year ₹ 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 Holding Company:**

Name of the Shareholders	31st DECEMBER 2013		31st DECEMBER 2012	
	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.	16,830,000	5.43	20,201,228	6.52
3. Siriyari Tradecom Pvt. Ltd.	20,556,952	6.64	23,111,952	7.46



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note : 3 - RESERVES AND SURPLUS**

	31st DECEMBER 2013 (₹)	31st DECEMBER 2012 (₹)
<b>A Capital Reserve (Reserve on Amalgamation)</b>	<b>15,037,398</b>	<b>15,037,398</b>
<b>B Capital Reserve on Consolidation</b>	110,999,417	110,999,417
Adjusted during the year	(111,001,796)	-
<b>Closing Balance</b>	<b>(2,379)</b>	<b>110,999,417</b>
<b>C Capital Redemption Reserve</b>	<b>874,600</b>	<b>874,600</b>
<b>D Revaluation Reserve</b>	885,480,934	898,384,067
Adjusted on account of depreciation on revalued assets	(9,381,942)	(11,113,442)
Adjusted on account of disposal of revalued assets	(101,206,369)	(1,789,691)
Adjusted during the year	548,480	-
<b>Closing Balance</b>	<b>775,441,103</b>	<b>885,480,934</b>
<b>E Foreign Currency Translation Reserve</b>	6,350,984	5,379,360
Adjusted during the year	7,421,565	971,624
<b>Closing Balance</b>	<b>13,772,549</b>	<b>6,350,984</b>
<b>F Share Premium</b>		
As per Last Account	1,252,765,172	1,208,993,186
Adjusted during the year	122,908,213	43,771,986
<b>Closing Balance</b>	<b>1,375,673,385</b>	<b>1,252,765,172</b>
<b>G General Reserve</b>		
As per Last Account	178,018,231	176,518,231
Transferred from Statement of Profit and Loss	-	1,500,000
Adjusted during the year	684,496	-
	<b>177,333,735</b>	<b>178,018,231</b>
<b>H Surplus in Statement of Profit &amp; Loss</b>		
As per last account	(222,873,531)	(73,254,104)
Profit for the year	64,040,815	(128,580,575)
Adjustment to balance brought forward on dilution/Inclusion of Gujarat Hydrocarbons and Power SEZ limited, DMNRL, AONGCL, NTCL	217,872	(1,538,255)
Proposed Dividend	-	(15,488,048)
Dividend Tax on proposed Dividend	-	(2,512,549)
Transferred to General Reserve	-	(1,500,000)
	<b>(158,614,843)</b>	<b>(222,873,531)</b>
<b>TOTAL RESERVE AND SURPLUS</b>	<b>2,199,515,548</b>	<b>2,226,653,205</b>

**Note :** Capital Reserve includes ₹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 CONSOLIDATED FINANCIAL STATEMENTS**

31st DECEMBER 2013 (₹)	31st DECEMBER 2012 (₹)
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**Note: 4 - Long term borrowings**

**Secured**

Term Loans from Banks [Refer (a) to (e) below]	4,396,235,474	3,771,596,784
Term Loans from Others [Refer (h) below]	-	-
	<b>4,396,235,474</b>	<b>3,771,596,784</b>

Sl. No.	Nature of Security	Terms of Repayment
(a)	Term Loan from Banks amounting to ₹470,905,736/- (31.12.2012 - ₹485,475,454/-) is secured by equitable mortgage created of immovable properties both present and future relating to all tea estates of the Holding 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 Holding Company's bankers by way of security for working capital borrowings from them	i) Term Loan amounting to ₹83,533,627/- repayable in 36 quarterly installments commencing from June, 2006. ii) Term Loan amounting to ₹166,672,109/- repayable in 12 half-yearly installments commencing from June, 2012. iii) Term Loan amounting to ₹220,700,000/- repayable in 7 installments commencing from May, 2015.
(b)	Term loan from Banks amounting to ₹447,331,618/- (31.12.2012 - ₹419,800,000/-) is secured by way of a second or subservient charge over the assets of all Tea Estates of the Holding Company situated in Assam ranking pari - passu with the other similar second chargeholders of the Company.	Repayable in 8 quarterly installments commencing from November, 2013.
(c)	Term Loan from Banks amounting to ₹4,187,989,423/- (31.12.2012 - ₹3,627,738,750/-) 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 Holding Company, assignment of participating interest in the Production Sharing Contract of the Amguri and/or AAON 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 AAON 7 to the extent permitted. Additionally, the entire loans are secured by personal guarantee of Managing Director of the Holding Company.	i) Term Loan amounts to ₹922,812,533/- repayable in 8 half yearly instalment commencing from July, 2011. ii) Term Loan amounting to ₹366,309,111/- repayable in 2 yearly instalments commencing from December, 2013. iii) Term loan amounting to ₹297,902,794/- repayable in 26 quarterly instalments commencing from March, 2013. The entire amount of loan has since been repaid in January, 2014. iv) Term Loan amounting to ₹1,174,129,114/- repayable in 8 half yearly instalments commencing from September, 2011. The entire amount of loan has since been repaid in January, 2014.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Sl. No.	Nature of Security	Terms of Repayment
		v) Term Loan amounting to ₹478,888,665/- repayable in 4 half yearly instalments commencing from January, 2014. vi) Term Loan amounting to ₹118,238,244/- repayable in 26 quarterly instalments commencing from October, 2012. vii) Term Loan amounting to ₹589,548,602/- repayable in 27 quarterly instalments commencing from October, 2012. viii) Term Loan amounting to ₹240,160,360/- repayable in 27 quarterly instalment commencing from May, 2013.
(d)	Term Loan from Banks amounting to ₹ 538,795,461/- (31.12.2012 - ₹505,246,955/-) is secured by way of - (i) Primary charges on pari passu basis with the existing lenders of oil & gas division, all the present and future receivables of Oil & Gas Division of the Holding Company, assignment of participating interest in the Production Sharing Contract of the Amguri and / or AAON 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 Holding Company's Oil and Gas field at Amguri and / or AA ON 7 to the extent permitted. (ii) Second charge over the assets of all tea estates of the Holding Company situated in Assam ranking pari passu with other similar second chargeholders of the Holding Company. (iii) Personal guarantee of Managing Director of the Company.	Repayable in 25 quarterly instalments commencing from December, 2014.
(e)	Term Loan from Banks amounting to ₹493,857,232/-(31.12.2012 - ₹438,420,199/-) is secured / to be secured by way of - (i) 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 Holding Company, assignment of participating interest in the Production Sharing Contract of the Amguri and/or AAON 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 Holding Company's Oil and Gas field at Amguri and/or AA ON 7 to the extent permitted. (ii) Second charge on the fixed assets, both present and futre, of all tea estates of the Holding Company situated in Assam ranking pari passu with other similar second charge holders of the Holding Company. (iii) Personal guarantee of Managing Director of the Company.	Repayable in 27 quarterly instalments commencing from July, 2013.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sl. No.	Nature of Security	Terms of Repayment
(f)	Term Loan from Others amounting to ₹ 1,000,000,000/- (31.12.2012 - ₹ 1,000,000,000/-) taken by a Subsidiary is secured by first & exclusive charge / mortgage (English Mortgage) on project land situated at Vilayat Industrial Estate, Vagra Taluka, Dist. Bharuch in the State of Gujarat together with building and all movable / immovable properties (including equipment) and other assets of the company (present & future), pledge of 51% shares held by the Holding Company, 1 crore shares of the Holding Company held by the Promotor Company of its Holding Company including irrevocable corporate guarantee of the Holding Company and personal guarantee of one of its Director.	Repayable in 4 quarterly instalments commencing after 15 months subsequent to taking of the loan.
(g)	Figures indicated in (a) to (f) above, include current maturity of respective borrowing which have been presented in note 9.	-
(h)	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).	-

	31st DECEMBER 2013 (₹)	31st DECEMBER 2012 (₹)
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**Note: 5 - Other Long - Term Liabilities**

Others	2,541,389	2,439,463
	<b>2,541,389</b>	<b>2,439,463</b>

**Note: 6 - Long - term Provisions**

Provision for Employee Benefits	383,083,375	400,033,964
Provision for Site Restoration	2,765,000	2,765,000
	<b>385,848,375</b>	<b>402,798,964</b>

**Note: 7 - Short - term borrowings**

Loans repayable on demand from Banks [Refer (a) below]

Working Capital Loan including Cash Credit from Banks	1,607,902,809	1,665,813,679
-------------------------------------------------------	---------------	---------------

**Unsecured Loans**

Loan from a Director of a Subsidiary	150,000	(43,446,596)
Intercorporate Deposit	54,985,120	237,999,897
	<b>1,663,037,929</b>	<b>1,860,366,980</b>

## Nature of Security

## (a) Loan repayable on demand from Banks

Outstanding loans of ₹ 1,607,902,809/- (31.12.12 - ₹ 1,665,813,679/-) 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.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

	<u>31st DECEMBER 2013 (₹)</u>	<u>31st DECEMBER 2012 (₹)</u>
<b>Note: 8 - Trade Payables</b>		
Acceptances	23,281,432	38,759,825
Sundry Creditors	98,278,558	155,558,338
	<u>121,559,990</u>	<u>194,318,163</u>
<b>Note: 9 - Other current Liabilities</b>		
Current maturities of Long-term borrowings	2,984,286,856	2,771,069,147
Interest accrued but not due on borrowings	152,118,561	209,870,057
Advance from Customers	-	3,970,279
Unclaimed Dividends	2,666,777	3,800,552
Due to FCCB Holders including Redemption Premium	352,965,752	435,232,412
Others	541,785,429	489,993,732
	<u>4,033,823,375</u>	<u>3,913,936,179</u>
<b>Note: 10 - Short term provisions</b>		
Provisions for Employee Benefits	60,474,625	57,708,244
Proposed Dividend	-	15,488,048
Provision for tax on Proposed Dividend	-	2,512,549
Provision for tax (Net of Advance Tax)	155,910,193	105,788,879
Others	146,298,484	160,767,507
	<u>362,683,302</u>	<u>342,265,227</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note : 11 - FIXED ASSETS**

[Figures in ₹ ]

Class of Assets	COST / VALUATION				DEPRECIATION / AMORTISATION				NET BLOCK		
	As At 1st January 2013	Additions during the year	Sale/discard /adjustments during the year	Total as at 31st December 2013	As At 1st January 2013	Additions during the year	On Revaluation during the year	Sale / discard during the year	Total as at 31st December 2013	Net Book Value as on 31st December, 2013	Net Book Value as on 31st December, 2012
<b>Tangible Assets</b>											
Goodwill on consolidation	1,322,792			1,322,792	1,322,792				1,322,792	-	-
Land and Development (including leasehold land)	3,323,159,705	2,105,556	314,403,825	3,010,861,436	-				-	3,010,861,436	3,323,159,705
Buildings	1,080,511,346	3,961,945	113,514,756	970,958,535	727,702,299	10,525,812	8,806,885	72,455,345	674,579,651	296,378,884	352,809,047
Plant and Machinery	998,870,170	4,810,835	157,021,775	846,659,230	760,625,233	30,453,855	572,297	118,386,450	673,264,935	173,394,295	238,244,937
Oil and Gas Producing Properties	743,969,970	-	-	743,969,970	206,646,658	5,585,430	-	-	212,232,088	531,737,882	537,323,312
Vehicles	189,575,588	7,271,324	27,588,445	169,258,467	147,020,531	9,845,717	2,674	21,556,918	135,312,004	33,946,463	42,555,057
Furniture	27,411,663	250,103	7,545,615	20,116,151	16,042,273	2,012,958	86	6,294,646	11,760,671	8,355,480	11,369,390
<b>Intangible Assets</b>											
Computer Software	4,459,121	-	-	4,459,121	2,226,809	21,194	-	-	2,248,003	2,211,118	2,232,312
<b>TOTAL</b>	<b>6,369,280,355</b>	<b>18,399,763</b>	<b>620,074,416</b>	<b>5,767,605,702</b>	<b>1,861,586,595</b>	<b>58,444,966</b>	<b>9,381,942</b>	<b>218,693,359</b>	<b>1,710,720,144</b>	<b>4,056,885,558</b>	<b>4,507,693,760</b>
Previous Year	6,614,659,411	67,050,928	33,070,128	6,648,640,211	1,817,820,474	74,502,454	11,113,442	12,041,075	1,891,395,296	4,757,244,915	

- NOTES:**
- Land and Development (including leasehold land) include certain freehold lands the amount of which is not readily ascertainable.
  - 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.
  - Buildings include building on leasehold land at estates - ₹ 970,958,535/- (31.12.2012 - ₹ 1,080,511,346/-). Accumulated Depreciation ₹ 72,455,345/- (31.12.2012 - ₹ 727,702,299/-).
  - Vehicles include assets acquired on hire purchase - ₹ 37,465,467/- (31.12.2012 - ₹ 40,216,757/-).
  - Addition to Plant and Machinery is net off of subsidy received from Tea Board for quality upgradation and product development scheme activities amounting to ₹ 364,000/- (31.12.2012 - ₹ 2,166,464/-).
  - Deletion to Land and Development (including leasehold land) is inclusive of subsidy received from Tea Board for replanting activities amounting to ₹ 9,214,140/- (31.12.2012 - ₹ 7,013,747/-)
  - The cost of Oil and Gas producing properties represents Company's share (40%) in jointly held properties.





**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

	<u>31st DECEMBER 2013 (₹)</u>	<u>31st DECEMBER 2012 (₹)</u>
<b>Note : 12 - CAPITAL WORK IN PROGRESS</b>		
<b>A. Oil and Gas Project</b>		
Opening Balance	3,798,222,882	3,214,827,709
Add: Addition during the year	559,588,623	583,395,173
	<u>4,357,811,505</u>	<u>3,798,222,882</u>
Less: Capitalised during the year	–	–
<b>Closing Balance</b>	<b><u>4,357,811,505</u></b>	<b><u>3,798,222,882</u></b>
<b>B. SEZ Project</b>		
Opening Balance	855,761,800	623,811,668
Add: Addition during the year	187,772,624	231,950,132
	<u>1,043,534,424</u>	<u>855,761,800</u>
Less: Capitalised during the year	–	–
<b>Closing Balance</b>	<b><u>1,043,534,424</u></b>	<b><u>855,761,800</u></b>
<b>C. Agar Cultivation Project</b>		
Opening Balance	21,124,548	21,124,548
Add: Addition during the year	–	–
	<u>21,124,548</u>	<u>21,124,548</u>
Less: Provision	3,280,556	–
<b>Closing Balance</b>	<b><u>17,843,992</u></b>	<b><u>21,124,548</u></b>
<b>D. Others</b>		
Opening Balance	18,311,804	34,121,088
Add: Addition during the year	2,976,190	41,599,169
	<u>21,287,994</u>	<u>75,720,257</u>
Less: Capitalised during the year	11,549,094	57,408,453
<b>Closing Balance</b>	<b><u>9,738,900</u></b>	<b><u>18,311,804</u></b>
<b>Total (A + B + C + D)</b>	<b><u>5,428,928,821</u></b>	<b><u>4,693,421,034</u></b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	31st DECEMBER 2013 (₹)	31st DECEMBER 2012 (₹)
<b>Note: 13 - Non-current Investments</b>		
<b>Long Term - At cost, fully paid unless otherwise stated</b>		
<b>A. Quoted</b>		
(i) Trade		
NIL (31.12.2012 -12,240) Equity Shares of Bank of America Corporation	-	7,192,005
	-	7,192,005
(ii) Other than Trade		
NIL (31.12.2012-1841) US 64 Bonds of ₹100/- each in Unit Trust of India (under lien)	-	184,100
237,800 (31.12.2012-237800) Equity Shares of Canoro Resources Ltd. of CAD 1/- each	692,467	692,467
Others *	3,610,340	3,610,340
	4,302,807	4,486,907
<b>B. Unquoted (Fully paid unless otherwise stated)</b>		
(i) Trade		
In Subsidiary Companies**	76,491,035	76,491,035
(ii) Other than Trade		
20,000 (31.12.2012-20000) Equity Shares of ₹ 10/- each in Assam Bengal Cereals Ltd.	200,000	200,000
2450 ( 31.12.2012- 2450 ) Equity shares of ₹ 10/- each in Woodlands Multispecialty Hospital Ltd (Received on conversion of 5% Non Redeemable Debentures of East India Clinic Ltd)	24,500	24,500
Others ***	-	-
	224,500	224,500
	81,018,342	88,394,447
Less: Provision for diminution in value of certain investments	76,956,051	76,956,051
	4,062,291	11,438,396
<b>Current Investment - At cost or fair value whichever is lower, 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	100,000
	4,962,291	12,338,396



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTES : 13 - INVESTMENTS**  
**Long Term - At Cost (contd)**

* Particulars	Description	Number as on 31.12.13	Number as on 31.12.12	Face value [₹]	Cost as on 31.12.13 [₹]	Cost as on 31.12.12 [₹]
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	5	5	10	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
Hindustan Oil Exploration Ltd.	Equity	166	166	10	9,272	9,272
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
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 Iron & Steel Company 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>3,610,340</b>	<b>3,610,340</b>

** Particulars	Description	Number as on 31.12.13	Number as on 31.12.12	Face value [₹]	Cost as on 31.12.13 [₹]	Cost as on 31.12.12 [₹]
Duncan Macneill Natural Resources Ltd	Equity	911,000	911,000	1GBP	76,036,035	76,036,035
Lord Inchcape Financial Services Ltd.	Equity	600,000	600,000	10	300,000	300,000
Lord Inchcape Financial Services Ltd.	Equity	1,200,000	1,200,000	10	120,000	120,000
Lord Inchcape Financial Services Ltd.	Preference	350,000	350,000	100	35,000	35,000
					<b>76,491,035</b>	<b>76,491,035</b>

Notes:-

Aggregate market value of quoted investments ₹ 3,396,956/- (31.12.2012 - ₹ 11,013,543/-)

Aggregate book value of quoted investments ₹ 5,202,807/- (31.12.2012 - ₹ 12,578,912/-)

Aggregate book value of unquoted investments ₹ 76,715,535/- (31.12.2012 - ₹ 76,715,535/-)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

	31st DECEMBER 2013 (₹)	31st DECEMBER 2012 (₹)
<b>Note : 14 - Long- term loans and advances</b> (Unsecured considered good unless otherwise stated)		
Loans and advances to subsidiary companies		
Considered good	11,433,148	125,162,703
Considered doubtful	-	-
Less: Provision for doubtful advances	-	-
Deposits	29,386,013	37,071,002
Employees loans and advances	3,097,665	3,466,490
Intercorporate Deposits		
Considered good	62,000,000	45,000,000
Considered doubtful	35,855,000	35,855,000
Less: Provision for doubtful advances	(35,855,000)	(35,855,000)
Other loans and advances		
Considered good	-	-
Capital advances	10,097,000	16,267,418
Other advances	1,089,096,044	1,141,412,833
Considered doubtful	22,781,941	22,201,963
Less: Provision for doubtful advances	(22,781,941)	(22,201,963)
	<b>1,205,109,870</b>	<b>1,368,380,446</b>
<b>Note : 15 - Other non-current assets</b>		
FCMIT Difference account	165,916,130	119,366,981
Interest Receivable		
Considered good	48,217,516	41,782,363
Considered doubtful	15,296,222	15,296,222
Less: Provision for doubtful advances	(15,296,222)	(15,296,222)
Others	29,319,527	29,319,527
	<b>243,453,173</b>	<b>190,468,871</b>
<b>Note : 16 -Inventories</b>		
Stores & Spare Parts	37,641,929	49,901,573
Stock of Teas	218,190,150	207,386,008
Stock of Shares	1,300,961	1,645,345
Stock of Others	7,042	94,126
	<b>257,140,082</b>	<b>259,027,052</b>
<b>Note : 17 -Trade Receivables</b>		
Unsecured		
Debts outstanding for a period exceeding six months		
Considered good	450,037,237	26,878,112
considered doubtful	4,829,679	5,095,258
Less: Provision for doubtful debts	(4,829,679)	(5,095,258)
Other debts:	77,030,012	67,857,626
Considered good	789,390,840	854,788,411
	<b>1,316,458,089</b>	<b>949,524,149</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

	31st DECEMBER 2013 (₹)	31st DECEMBER 2012 (₹)
<b>Note : 18 - Cash and Bank Balances</b>		
Cash on hand	2,694,918	21,967,588
Balance with banks in :		
Current Accounts	25,706,631	63,193,505
Dividend Accounts	2,666,777	3,804,742
On Short- term Deposits	27,418,976	41,812,407
Margin Money Deposit	18,438,091	19,689,975
Other Banks on Current account	-	5,033
	<b>76,925,393</b>	<b>150,473,250</b>
<b>Note : 19 - Short-term loans and advances</b> (Unsecured- considered good unless otherwise stated)		
Advances and loans to subsidiaries		
Considered good	686,157,222	590,090,379
Considered doubtful	128,121,220	128,121,220
Less: Provision for doubtful advances	(128,121,220)	(128,121,220)
Deposits	-	-
Employees loans and advances	3,260,161	2,349,342
Intercorporate Deposits	-	-
Other loans and advances	45,034,593	41,372,848
	<b>734,451,976</b>	<b>633,812,569</b>
<b>Note : 20 - Other current assets</b>		
FCMIT Difference account	179,085,235	46,549,149
Interest Receivable on Deposits and Intercorporate Deposits	12,597,160	6,435,153
Others	5,000,251	11,579,419
	<b>196,682,646</b>	<b>64,563,721</b>
<b>Note : 21- Revenue from operations</b>		
Sales		
Tea	2,277,802,640	2,336,489,530
Sale of Product & Services	723,197	2,312,662
	<b>2,278,525,837</b>	<b>2,338,802,192</b>
<b>Note : 22- Other Income</b>		
Interest Income	20,920,852	10,690,683
Sale of Tea Waste	6,239,125	3,155,937
Tea Subsidy	5,436,093	11,543,360
Income from Investments other than trade	48,454	53,489
Profit on sale of Investment	13,680,349	-
Profit on sale of Fixed Assets	108,285,648	4,594,024
Profit on acquisition of Agricultural Land	-	20,677,808
Liabilities no longer required written back	13,486,458	1,626,088
Prem on sale of export Licences	25,054,622	30,592,592
Export Incentive and Duty Drawback	1,608,060	2,143,733
Sundry Balance Written off	2,667	-
Miscellaneous Receipts	9,295,588	37,696,292
	<b>204,057,916</b>	<b>122,774,006</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

	31st DECEMBER 2013 (₹)	31st DECEMBER 2012 (₹)
<b>Note : 23- Cost of Raw Materials Consumed</b>		
Purchase of Green Leaf	12,493,936	76,658,263
Purchase-Other	291,027	806,114
	<b>12,784,963</b>	<b>77,464,377</b>
<b>Note : 24 - Changes in Inventories of Finished goods</b>		
<b>Stock as at 31st December, 2012</b>		
Tea	205,144,930	179,613,753
Shares	1,645,345	1,213,461
Other	94,126	237,727
	<b>206,884,401</b>	<b>181,064,941</b>
<b>Stock as at 31st December, 2013</b>		
Tea	218,190,150	214,587,312
Shares	1,300,961	1,595,445
Other	7,042	94,126
	<b>219,498,153</b>	<b>216,276,883</b>
<b>(Increase) / Decrease</b>	<b>(12,613,752)</b>	<b>(35,211,942)</b>
<b>Note : 25- Employee benefits expenses</b>		
Establishment Charges	359,905,826	390,520,270
Contribution to Provident, Gratuity and other Funds	159,673,210	156,296,442
Labour and Staff Welfare	135,668,059	144,207,868
Concession on Foodgrains	43,684,784	46,467,077
	<b>698,931,879</b>	<b>737,491,657</b>
<b>Note : 26- Finance Costs</b>		
Interest Expenses	410,084,600	408,441,854
Bank Charges Including processing fees and other costs	19,157,971	20,169,725
Exchange Fluctuation on Borrowings	182,623,709	65,982,605
Others	1,065,418	993,051
	<b>612,931,698</b>	<b>495,587,235</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

	<u>31st DECEMBER 2013 (₹)</u>	<u>31st DECEMBER 2012 (₹)</u>
<b>Note : 27- Other Expenses</b>		
Garden Cultivation Costs	188,831,676	252,599,190
Plucking and Manufacturing Expenses	288,505,348	290,371,306
Power and Fuel	217,709,624	222,747,181
Directors' Fees	302,000	170,000
Repairs to Buildings	31,553,630	43,649,277
Repairs to Plant & Machinery	30,959,564	43,336,627
Upkeep of Roads & Bridges	32,806,289	16,755,707
Garden Transport	44,010,742	45,265,265
Insurance	8,254,650	7,290,298
Rent, Rates & Taxes	13,527,858	16,009,437
Office Maintenance	4,150,292	5,217,406
General Charges	87,026,277	97,819,547
Freight, Warehouse & Sale Charges	81,312,871	89,538,837
Agency Commission	35,601,853	29,922,081
Brokerage	13,403,928	11,131,657
Cess on Tea and Green Leaf	28,321,191	30,432,926
Sundry balance written off	453,058	2,485,283
Fixed Assets Written off	589,751	-
Loss on Exchange	(99,555,768)	(30,071,687)
	<u>1,007,764,834</u>	<u>1,174,670,338</u>
<b>Note : 28- Exceptional Items</b>		
Diminution in value of Investments	-	(2,996,547)
Provision for doubtful advances, deposits and interest accrued (Net)	9,827,142	7,982,423
	<u>9,827,142</u>	<u>4,985,876</u>
Less: Provision for doubtful advances, deposits and interest accrued no longer required written back	5,689,292	4,822,000
Reduction of Liability on redemption of Foreign Currency Convertible Bonds	-	19,065,649
	<u>4,137,850</u>	<u>(18,901,773)</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

29. Estimated amount of contracts remaining to be executed on capital account and other commitment not provided for are as follows:

- (a) On capital account ₹ 97,000/- (net of advance - ₹ NIL), [31.12.2012 - ₹ 235,527/- (net of advance - ₹ 867,345/-)]  
 (b) Other Commitment - for hire purchase and lease payments, Refer Note No 33(a) and 33(b).

30. Contingent Liabilities not provided for in respect of the holding company :

- (a) Income Tax demand amounting to ₹ 28,631,700/- (31.12.2012 - ₹ NIL) is under assessment.  
 (b) Sales Tax assessments disputed in appeals ₹ 174,185,080/- (31.12.2012 - ₹ 174,272,207/-)  
 (c) Liability towards Interest on Unpaid FCCB Bonds and Redemption premium amounting to ₹16,952,210/- (31.12.2012 - ₹ 9227525/-).  
 (d) Liability towards fringe benefit tax under adjudication - ₹ 70,929,211/- (31.12.2012 - ₹ 70,929,211/-).  
 (e) Guarantees given on behalf of third parties ₹ 1,050,000,000/- (31.12.2012 - ₹ 1,048,200,000/-).  
 (f) Pledged 5,000,000 shares ( having cost of ₹ 50,000,000/-) representing investment in 51% Equity shares in Gujarat Hydrocarbon & Power SEZ Ltd in favour of third parties.  
 (g) Uncalled liability on partly paid shares - ₹ 6,999,510/- (31.12.2012 - ₹ 6,999,510/-).

The future cash flows on account of above cannot be determined unless the judgement / decisions / demand are received from the appropriate authorities/parties.

31. 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, 2013 which extends over two assessment years, Assessment Year 2013-2014 and Assessment Year 2014 - 2015. The ultimate tax liability for the Assessment Year 2013-2014 will be determined on the total income for the period from 1st April, 2013 to 31st March, 2014.

32. The major components of deferred tax assets and liabilities are as follows:

	31.12.2013 [ ₹ ]	31.12.2012 [ ₹ ]
<b>Deferred Tax Liability</b>		
Excess of tax depreciation over book depreciation	525,976,029	479,613,326
Others	-	-
	<b>525,976,029</b>	<b>479,613,326</b>
<b>Deferred Tax Assets</b>		
Expenditure under Section 43B of the Income Tax Act, 1961	525,976,029	479,613,326
	<b>525,976,029</b>	<b>479,613,326</b>
Net Balance	Nil	Nil

33. (a) Assets acquired by the Holding Company 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, 2013 and the present value as at 31st December, 2013 of minimum rentals in respect of assets acquired under HP are as follows:

	31.12.2013 [ ₹ ]	31.12.2012 [ ₹ ]
<b>Minimum Hire Purchase Payments</b>		
Payable not later than one year	802,746	1,563,887
Payable later than one year but not later than 5 years	2,767,945	28,401
<b>Total of Minimum Hire Purchase Payments</b>	<b>3,570,691</b>	<b>1,592,288</b>





**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

	31.12.2013 [ ₹ ]	31.12.2012 [ ₹ ]
<b>Finance Charges</b>		
Payable not later than one year	300,792	70,334
Payable later than one year but not later than 5 years	528,305	225
<b>Total of Finance Charges</b>	<b>829,097</b>	<b>70,559</b>
<b>Present Value on Minimum HP Payments</b>		
Payable not later than one year	501,954	1,493,553
Payable later than one year but not later than 5 years	2,239,640	28,176
<b>Total of Present Value on Minimum HP Payments</b>	<b>2,741,594</b>	<b>1,521,729</b>

(b) The Holding 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 ₹ 2,012,400/- (31.12.2012- ₹ 2,012,400/-) has been debited to the Statement of Profit and Loss.

34. In one of the subsidiaries 'Agar Cultivation' is being done from 2007 at different Tea Estates of the holding company located in Assam, the gestation period of which is 8-15 years (approx.) and the life of the plant is 30 years (approx.).

35. Provision for Site Restoration :

[Figures in Rupees]

Year	Opening Balance	Provision made during the year	Amounts utilised/reversed during the year	Closing Balance
2013	2,765,000	-	-	2,765,000
2012	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.

36. (a) The Holding Company has three Oil and Gas Fields/Blocks in Assam Arakan Basin – Amguri (Discovered Field), AA-ON/7 (Exploration Block) and AA-ONN-2005/1 (Exploration Block) having participating interest (PI) 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 while AA-ONN-2005/1 Exploration Block is under consortium with ONGC and OIL.

(b) GOI terminated Production Sharing Contract (PSC) of Amguri Field qua Canoro Resources Limited (CRL) with 60% PI and operatorship with effect from 29th August, 2010 for breach of PSC. Canoro closed the operation of Amguri in December, 2010 and GOI considering its vesting right on 60% PI handed over the Amguri Field to ONGC on 16th March, 2011 to continue the operations till the ownership of 60% PI and operatorship were finalized. The company had already staked its claim on 60% PI in accordance with the provisions of PSC being the sole non-defaulting contractor. After a prolong delay, GOI had finally appointed the company as the operator of Amguri Field vide its letter dated 2nd January, 2013. But the Amguri Field was yet to be handed over to the company by ONGC, who has been appointed by GOI as their representative.

(c) The Holding Company's rightful claim of 60% PI in Amguri Field is now pending before the Arbitral Tribunal, where the dispute on ownership of 60% PI has been referred for resolution. The Holding Company has claimed the 60% PI both under PSC and JOA under which 60% PI was acquired from CRL through an Arbitral award dated 21st November, 2011. The Arbitral proceedings against GOI had commenced and it is expected that the award will be pronounced during the current year. As per the said Award, the Holding Company had also got a damage claim of US\$ 39.12 million



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Rs 242.14 Crores) against Canoro. The Tribunal had assigned a value of US\$ 4.16 million (₹ 24.85 Crores) for 60% PI in Amguri and US\$ 2.2071 million (₹ 13.66 Crores) for 52.9% shares of CRL, thereby awarding a net damage claim of US\$ 32.75 million (₹ 202.71 Crores) against CRL.

- (d) For enforcement of the Arbitral Tribunal award before Canadian Court, the Holding company had initiated legal steps by filing execution petition on 9th November, 2012 before the Supreme Court of British Columbia. The hearing of the execution petition had taken place in January, 2014 and the final court order was waited. Based on the proceedings of the court, the company was quite hopeful in getting favorable order.
- (e) Having finally appointed as the operator of the Field, the Holding Company is quite upbeat in commencing the production of oil and gas, which has remained suspended after the Field was closed by CRL in December, 2010.
- (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 the terms and conditions not inferior to the existing PSC will be executed as approved by the Cabinet Committee of Economic Affairs (CCEA) on 5th December, 2009. As approved by CCEA, the new PSC would permit 7 years exploration period from the date of signing the PSC. The execution of new PSC with the Holding Company has been delayed due to ongoing legal dispute on Amguri as GOI in AA-ON/7 Exploration Block also has to decide the ownership of 65% PI and operatorship, which was earlier held by CRL and terminated by GOI vide its letter dated 10th January, 2013. Similar to Amguri Field, the Holding Company as per PSC is also entitled to 65% PI and operatorship of this Block, earlier held by Canoro, as the Holding company remained as the sole non-defaulting contractor. The Holding Company has already claimed the PI and operatorship from GOI. The Holding Company feels that once the ownership of 60% PI is resolved, GOI will take similar decision on AA-ON/7.
- (g) Though a new PSC will be executed, the name of the Block will remain as AA-ON/7 as the Nagaland portion for which a new PSC will be executed was part of the original acreage of AA-ON/7. Accordingly, all past investment costs in Assam area would be eligible for cost recovery. Since, the Block in totality was not relinquished and execution of a new PSC was mere an administrative action having already approved by CCEA, legally the Block still exists and 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, which are the activities in phase -1 of Exploration phase.
- (i) The drilling activities in AA-ONN-2005/1 Exploration Block will only commence after G&G activities are concluded and drilling potential is identified.
- (j) The Holding 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 and revenue from production of oil and gas.
- (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 Holding Company was not the Operator. All relevant papers and records were maintained by the Operator.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(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)

[Note : 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	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
<b>Oil :</b>				
Beginning of the year	36,913	36,913	36,913	36,913
Additions	-	-	-	-
Deletion	-	-	-	-
Production	-	-	-	-
Closing Balance for the year	<b>36,913</b>	<b>36,913</b>	<b>36,913</b>	<b>36,913</b>
	Proved Reserves M <sup>3</sup>		Proved Developed Reserves M <sup>3</sup>	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
<b>Gas :</b>				
Beginning of the year	814	814	766	766
Additions	-	-	-	-
Deletion	-	-	-	-
Production	-	-	-	-
Closing Balance for the year	<b>814</b>	<b>814</b>	<b>766</b>	<b>766</b>

37. The Holding Company had issued Zero Per Cent Foreign Currency Convertible Bonds ("FCCB") in 2006 aggregating to USD 48 Million (₹ 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 are redeemable on 30th November, 2011 at 150.019 per cent of their principal amount, unless previously converted or redeemed.

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

	31.12.2013	31.12.2012
	[ ₹ ]	[ ₹ ]
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)	94,632,789	87,180,616

Unutilised FCCB proceeds amounting to ₹ 692,467/- ( 31.12.2012 - ₹ 7,884,472/-) have been invested in securities and the balance ₹ 236,119/- ( 31.12.2012 - ₹ 241,015/-) is lying with banks at the year end.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at the year end, the total Principal FCCBs outstanding is USD 3.10 million. The Company had obtained permission from Reserve Bank of India (RBI) for extending the time for redemption of Outstanding FCCBs beyond the maturity date.

38. The Holding Company has preferred Special Leave Petition (SLP) before the Supreme Court of India challenging the Order passed by the Division Bench of the Hon'ble Calcutta High Court in respect of the eviction of company's corporate office at Kolkata.. The matter is yet to be listed before the Supreme Court.
39. The Holding 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 Holding Company has not provided the liability for FBT till the year-end December 2009.
40. 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 Holding Company in the current year has:
- [i] charged to the Profit and Loss Account ₹131,842,159/- (31.12.12 - ₹ 84,949,234/-, being the amortisation charge of 'Foreign Currency Monetary Item Translation Difference Account' (FCMITDA) for the year.
- [ii] carried forward ₹345,001,365/- (31.12.12- ₹165,916,130/-) in the FCMITDA, amortisable by 31st January, 2020.

### 41. Basic and Diluted Earnings Per Share

	31.12.2013 [ ₹ ]	31.12.2012 [ ₹ ]
Numerator used :		
Profit after Tax	64,040,815	(128,580,575)
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	0.21	(0.42)

- 42 (a) All assets of the holding company 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 of the holding company except Furniture as at 31st December, 1996 have been revalued again by an approved valuer at 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 Holding Company's land in Assam, no adjustment in the opinion of the management is required for the loss on land lost due to flood and consequent erosion in past years. Claim for compensation in this regard has been made to Government of Assam.

### 43. 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 subject to minimum service of five years. 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



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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 ₹ 94,707,647/- (31.12.2012 ₹ 91,704,830/-) has been recognised in the Statement of Profit & Loss.

**B. (i) Defined Benefit Plans**

	Gratuity		Pension		Leave Encashment		Medical Benefit	
	2013	2012	2013	2012	2013	2012	2013	2012
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
<b>a) Component of employees expenses</b>								
Current Service Cost	20,081,364	19,933,039	7,350,461	6,367,093	1,198,627	955,577	-	-
Interest Cost	27,227,515	27,236,142	8,363,293	8,719,798	443,000	487,243	1,366,081	1,370,588
Expected Return on Plan Assets	(1,246,343)	(3,182,142)	(3,779,610)	(3,208,463)	-	-	-	-
Curtailment Cost	-	-	-	-	-	-	-	-
Settlement Cost	-	-	-	-	-	-	-	-
Past Service Cost	-	-	-	-	-	-	-	-
Net actuarial (gain)/loss recognised during the year	12,755,919	9,797,551	(3,040,088)	(14,343,973)	861,672	(239,460)	394,175	(968,931)
<b>Total component of employees expenses</b>	<b>58,818,455</b>	<b>53,784,590</b>	<b>8,894,056</b>	<b>(2,465,545)</b>	<b>2,503,299</b>	<b>1,203,360</b>	<b>1,760,256</b>	<b>401,657</b>
<b>b) Actual Return on Plan Assets</b>								
Expected Return on Plan Assets	1,246,343	3,182,142	3,779,610	3,208,463	-	-	-	-
Actuarial gain / (loss) on Plan Assets	(1,145,993)	863,591	(1,101,478)	3,930,871	-	-	-	-
<b>Actual Return on Plan Assets</b>	<b>100,350</b>	<b>4,045,733</b>	<b>2,678,132</b>	<b>7,139,334</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>c) Change in Defined Benefit Obligation during the year</b>								
Opening Defined Benefit Obligation	327,638,782	337,046,814	98,391,685	102,585,860	6,346,481	6,321,411	16,225,029	16,425,768
Current Service cost	20,081,364	19,933,039	7,350,461	6,367,093	1,198,627	955,577	-	-
Interest Cost	27,227,515	27,236,142	8,363,293	8,719,798	443,000	487,243	1,366,081	1,370,588
Settlement Cost	-	-	-	-	-	-	-	-
Past Service Cost	-	-	-	-	-	-	-	-
Benefits Paid	(14,630,169)	(33,243,231)	-	-	(2,269,435)	(1,178,290)	(306,974)	(602,396)
Actuarial (gain) / loss on Obligation	11,609,926	10,661,142	(4,141,566)	(10,413,103)	861,672	(239,460)	394,175	(968,931)
<b>Closing Defined Benefit Obligation</b>	<b>371,927,418</b>	<b>361,633,906</b>	<b>109,963,873</b>	<b>107,259,648</b>	<b>6,580,345</b>	<b>6,346,481</b>	<b>17,678,311</b>	<b>16,225,029</b>
<b>d) Change in Fair Value of Assets during the year</b>								
Fair value of Plan Assets as at beginning of the year	15,579,284	39,776,782	47,245,126	40,105,792	-	-	-	-
Expected Return on Plan Assets	1,246,343	3,182,142	3,779,610	3,208,463	-	-	-	-
Contributions Made	12,500,000	5,000,000	-	-	-	-	-	-
Benefits Paid	(14,630,169)	(33,243,231)	-	-	-	-	-	-
Actuarial gain / (loss) on Plan Assets	(1,145,993)	863,591	(1,101,478)	3,930,871	-	-	-	-
<b>Fair value of Plan Assets as at end of the year</b>	<b>13,549,465</b>	<b>15,579,284</b>	<b>49,923,258</b>	<b>47,245,126</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

e) Categories of Plan Assets as a %age of total planned Assets	Gratuity (Funded)		Pension (Funded)	
	2013	2012	2013	2012
Administered by Private Insurance Company	80.42%	83.02%	-	-
Administered by Life Insurance Corporation of India	-	-	99.81%	99.10%
Special Deposit with Scheduled Bank	2.32%	2.07%	-	-
Others	17.26%	14.91%	0.19%	0.90%

f) Actuarial Assumptions	Gratuity		Pension		Leave Encashment (Unfunded)		Medical Benefit (Unfunded)	
	2013	2012	2013	2012	2013	2012	2013	2012
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%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
Inflation Rate (%)	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	N/A	0.00%
Expected Return on Plan Assets (%)	8.00%	8.00%	8.00%	8.00%	0.00%	0.00%	N/A	0.00%

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

	2013		2012	
	Increase	Decrease	Increase	Decrease
Effect on the aggregate of the service cost and interest cost	17,855,094	17,501,528	16,387,279	16,062,779
Effect on defined benefit obligation	15,854,460	19,886,658	14,558,022	18,247,363

**B (ii) Defined Benefit Plans**

I. GRATUITY (FUNDED)	2013	2012	2011	2010	2009
	[ ₹ ]	[ ₹ ]	[ ₹ ]	[ ₹ ]	[ ₹ ]
a) Net (Asset) / Liability					
Present Value of the Defined Benefit Obligation	371,927,418	361,633,906	337,046,814	319,279,843	252,041,130
Fair value of Plan Assets	13,549,465	15,579,284	39,776,782	66,945,709	55,217,327
Net (Asset) / Liability	<u>358,377,953</u>	<u>346,054,622</u>	<u>297,270,032</u>	<u>252,334,134</u>	<u>196,823,803</u>
b) Experience Adjustment					
(Gain)/Loss adjustment on plan liabilities	11,609,926	12,075,531	59,477,481	22,724,684	16,798,521
(Gain)/Loss adjustment on plan assets	(1,145,993)	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	-
	<u>10,463,933</u>	<u>15,828,353</u>	<u>1,267,712</u>	<u>64,901,557</u>	<u>21,679,874</u>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**B (ii) Defined Benefit Plans**

	2013 [ ₹ ]	2012 [ ₹ ]	2011 [ ₹ ]	2010 [ ₹ ]	2009 [ ₹ ]
<b>II. PENSION (FUNDED)</b>					
a) Net (Asset) / Liability					
Present Value of the Defined Benefit Obligation	109,963,873	107,259,648	102,585,860	97,717,055	92,897,202
Fair value of Plan Assets	49,923,258	47,245,126	40,105,792	39,473,694	36,348,822
Net (Asset) / Liability	60,040,615	60,014,522	62,480,068	58,243,361	56,548,380
b) Experience Adjustment					
(Gain)/Loss adjustment on plan liabilities	(4,141,566)	(10,413,103)	(12,933,629)	14,315,261	13,609,167
(Gain)/Loss adjustment on plan assets	(1,101,478)	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)	-
	(5,243,044)	(6,482,232)	(8,058,529)	(10,603,045)	15,190,008
<b>III. LEAVE ENCASHMENT (UNFUNDED)</b>					
a) Net (Asset) / Liability					
Present Value of the Defined Benefit Obligation	6,580,345	6,346,481	6,321,411	5,987,259	5,077,537
Fair value of Plan Assets	-	-	-	-	-
Net (Asset) / Liability	6,580,345	6,346,481	6,321,411	5,987,259	5,077,537
b) Experience Adjustment					
(Gain)/Loss adjustment on plan liabilities	861,672	(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)	-	-
	861,672	(239,460)	(342,428)	(618,236)	-
<b>IV. MEDICAL BENEFIT (UNFUNDED)</b>					
a) Net (Asset) / Liability					
Present Value of the Defined Benefit Obligation	17,678,311	16,225,029	16,425,768	15,837,008	-
Fair value of Plan Assets	-	-	-	-	-
Net (Asset) / Liability	17,678,311	16,225,029	16,425,768	15,837,008	-

**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) The contribution expected to be made by the company for the year ending 31st December 2014 cannot be ascertained at this stage.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 44. Related Party Disclosure :

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

##### [a] Key Managerial Personnel

Mr. A.K.Jajodia, Managing Director

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

Ms. Ruchika Jajodia

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

Oil and Natural Gas Corporation Limited

Oil India Limited

#### II Transactions with related parties

Sl. No.	Related Party	Outstanding as on 31.12.13 (₹)	Outstanding as on 31.12.12 (₹)	Nature of transaction	Year ended 31st December 2013 (₹)	Year ended 31st December 2012 (₹)
[a]	Mr. A K Jajodia	-	674,751 Receivable	Remuneration paid Advance given	6,263,420	5,934,831 -
[b]	Ms. Ruchika Jajodia	-	-	Remuneration paid	1,400,000	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.





**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**45. Consolidated Segments Reporting**

**By Business Segments:**

[Figures in ₹]

Particulars	Plantations	Oil and Gas	Merchant Trading	Special Economic Zone (SEZ)	Others	Unallocated	Total
Segment Revenue:	2,277,802,640	-	-	-	723,197		2,278,525,837
External Customers	2,336,830,375	-	-	-	1,971,817		2,338,802,192
Other Segment Revenue	190,290,063	-	-	-	39,050		190,329,113
	83,286,161	5,084,283	-	-	27,931,981		116,302,425
<b>Total Segment Revenue</b>	2,468,092,703	-	-	-	762,247		2,468,854,950
	2,420,116,536	5,084,283	-	-	29,903,799		2,455,104,618
Segment Result	302,745,555	(195,681,888)	-	(454,871)	(2,643,187)		103,965,609
	18,736,819	(75,583,529)	-	(1,029,932)	23,152,653		(34,723,989)
Add:Unallocable Income	-	-	-	-	-		13,728,803
	-	-	-	-	-		6,471,581
Less:Unallocable Expenses	-	-	-	-	-		31,038,903
	-	-	-	-	-		34,461,935
Less:Unallocated Interest	-	-	-	-	-		18,014,167
Income net of Interest expense	-	-	-	-	-		-
<b>Profit before Tax and Exceptional Items</b>	-	-	-	-	-		104,669,676
	-	-	-	-	-		(62,714,343)
Exceptional Items	(4,542,706)	-	-	-	8,680,556		4,137,850
	5,823,870	(19,065,649)	-	-	-	(5,659,994)	(18,901,773)
<b>Profit before taxation</b>							100,531,826
							(43,812,570)
Provision for Taxation	-	-	-	-	-		36,713,898
	-	-	-	-	-		86,045,139
<b>Profit after Taxation before Minority Interest</b>	-	-	-	-	-		63,817,928
	-	-	-	-	-		(129,857,709)
Segment Assets	4,607,095,568	5,636,481,124	-	2,810,535,324	131,295,362	335,590,522	13,520,997,900
	5,194,910,714	5,149,976,104	-	2,623,433,625	131,888,724	(20,954,763)	13,079,254,403
Segment Liabilities	1,210,395,607	423,416,261	-	148,423,655	2,128,289	158,576,017	1,942,939,829
	1,183,166,446	2,765,000	-	127,877,079	1,254,318	290,796,998	1,605,859,841
Capital Expenditure	9,795,859	559,588,623	-	187,776,124	27,500	-	757,188,106
	50,013,412	583,395,173	-	231,950,133	-	-	865,358,718
Depreciation/Amortisation	52,505,994	5,585,430	-	330,511	23,031		58,444,966
	66,133,533	7,953,731	-	213,578	201,612		74,502,454
Non Cash Expenditure other than depreciation and amortisation	(74,051,157)	171,752,788	-	-	8,680,556		106,382,187
	34,751,203	77,637,811	-	-	-	(1,863,153)	110,525,861



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### By Geographical Segments:

		Within India	Outside India	Total
1.	Segment Revenue : External Customers	1,857,576,331	420,949,506	2,278,525,837
		<b>1,952,901,305</b>	<b>385,900,887</b>	<b>2,338,802,192</b>
2.	Segment Assets	12,139,167,301	1,381,830,598	13,520,997,899
		<b>11,312,280,931</b>	<b>1,766,973,473</b>	<b>13,079,254,404</b>
3.	Capital Expenditure	757,188,106	-	757,188,106
		865,358,718	-	<b>865,358,718</b>

### Notes :

- The Company has considered business segment as the primary segment for disclosure. The components of these business segments are:
  - Plantations Products
  - Oil and Gas Activities
  - SEZ
  - Merchant Trading
  - Others
- 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.
- Geographical segments is on the basis of the geographical location of the customer namely :
  - Sales within India
  - Sales outside India
- Figures in bold represent previous year's figures.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**46. Derivative Instruments**

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

- [a] There was no Derivative instruments ( Forward Exchange Contracts) outstanding as at Balance Sheet date.
- [b] Foreign currency exposures not hedged by a derivative instrument or otherwise as at the Balance Sheet date:

PARTICULARS	CURRENCY	31.12.2013	31.12.2012
Cash and Bank Balance	USD	\$115,600	\$167,990
Investment	USD	\$15,453	\$175,953
Investment	GBP	£911,000	£911,000
Sundry Debtors	USD	\$4,924,731	\$6,433,616
Sundry Debtors	GBP	£3,565,815	£2,813,105
Sundry Debtors	EURO	€ 1,348,161	€ 1,124,484
Unsecured Loan	USD	\$55,106,200	\$65,191,707
Liabilities payable	USD	\$407,227	\$388,793
Liabilities payable	GBP	£26,201	£26,201
Liabilities payable	EURO	€ 29,176	€ 29,176

- 47. Pursuant to a Resolution passed by the shareholders on 26.06.2012 and the subsequent approval of the Board on 02.08.2012, the Holding Company had entered into an "Agreement for sale"(Agreement) on 03.08.2012 with Salonah Tea Private Limited (Purchaser) for sale of Salonah Tea Estate (the Estate).

The requisite approvals and NOCs from the concerned authorities have been received and accordingly necessary entries have been booked during the year. The amount due is shown under Trade Receivables. The Conveyance in respect of the immovable property is pending.

- 48. Advances and loans to subsidiaries include interest free loan of ₹813,732,224/-) (31.12.12 ₹813,732,224/-) due from Duncan Macneill Natural Resources Limited (DMNRL) a wholly owned subsidiary of the Holding 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. Since no overseas E & P assets could be acquired over the last few years, DMNRL has refunded the entire amount in January, 2014.

- 49. Previous year figures have been regrouped/rearranged wherever necessary.

For De Chakraborty & Sen  
Chartered Accountants  
Firm Registration No 303029E  
(S Chakraborty)  
Membership No. 055317  
Partner  
Place: Kolkata  
Date: 26th February, 2014

*On behalf of the Board*

A. K. Jajodia – Managing Director  
Amit Halder – Director  
Amit Kumar Ghosh – 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, 2013.**

(Rupees in Lacs)

	Dahej Offshore Infrastructure SEZ Ltd.	Assam Oil and Gas Ltd.	North East Hydrocarbon Ltd.	Camellia Cha Bar Ltd.	Gujarat Hydrocarbons and Power SEZ Ltd.	Duncan Macneill Power India Ltd.	Assam Oil & Natural Gas Ltd.
Paid up Capital	5.05	30.00	5.00	5.00	980.39	11.50	USD 6.60
Reserves & Surplus (Excluding Revaluation Reserve)	(98.14)	(69.38)	(183.89)	(46.65)	(41.78)	(14.75)	USD 4.10
Total Assets	183.23	2.57	347.14	6.12	39,954.00	1.94	USD 20.79
Total Liabilities	183.23	2.57	347.14	6.12	39,954.00	1.94	USD 20.79
Details of Investment (Except in case of Investment in the subsidiaries)	3.00	1.55	0.09	Nil	Nil	Nil	Nil
Turnover	Nil	Nil	Nil	7.23	Nil	Nil	Nil
Profit before Taxation	(87.11)	(0.26)	(4.06)	(2.75)	(4.55)	(5.66)	(USD 0.11)
Provision for Taxation	Nil	(0.14)	Nil	Nil	Nil	Nil	Nil
Profit after Taxation	(87.11)	(0.40)	(4.06)	(2.75)	(4.55)	(5.66)	(USD 0.11)
Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## Notes :

1. The Audited Accounts of Duncan Macneill Natural Resources Ltd. for the year ended 31st December, 2013, are awaited.

Kolkata  
26th February, 2014

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



**STATEMENT PURSUANT TO SECTION 212 (1)(E) OF THE COMPANIES ACT, 1956,  
FOR THE YEAR ENDED 31ST DECEMBER, 2013.**

(Rupees in Lacs)

	Dahej Offshore Infrastructure SEZ Ltd.	Assam Oil and Gas Ltd.	North East Hydrocarbon Ltd.	Camellia Cha Bar Ltd.	Gujarat Hydrocarbons and Power SEZ 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%	1,15,000 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)	(87.11)	(0.40)	(4.06)	(2.75)	(4.55)	(5.66)	(USD 0.11)
b) For the previous Financial Year (Rs. in Lacs)	(0.53)	(0.36)	2.56	(2.56)	(10.30)	(2.03)	USD 4.38
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.
b) For the previous Financial Year (Rs. in Lacs)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Notes : The Audited Accounts of Duncan Macneill Natural Resources Ltd. for the year ended 31st December, 2013, are awaited.

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

**Kolkata**  
**26th February, 2014**



# 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-Seventh Annual General Meeting of the Company to be held on Friday, the 27th June, 2014, at 11 A.M. and at any adjournment thereof.

As witness my/our hand(s) the .....day of....., 2014.

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** DP. ID : \*  
**Registered Office :** Client ID : \*  
Greenwood Tea Estate P.O. Dibrugarh Folio No. : \*  
Assam

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

I hereby record my presence at the Thirty-Seventh Annual General Meeting of the Company at Dibrugarh & District Planters' Club, Lahoal, P.O. Dibrugarh, Assam, on Friday, the 27th June, 2014, at 11 A.M.

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

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

## BOOK POST



*If undelivered please return to :*

**ASSAM COMPANY INDIA LIMITED**

Assam Tea House

52, Chowringhee Road,

Kolkata 700 071