



# ASSAM COMPANY INDIA LIMITED

(Erstwhile Assam Company Limited)

Member : Duncan Macneill Group, U.K.

## BOARD OF DIRECTORS

Dr. K. K. Jajodia, *Chairman*  
Mr. A. K. Jajodia, *Managing Director*  
Mr. Umesh Barasia  
Mr. Pradip Tusnial

## Auditors

Lovelock & Lewes, Kolkata

## Bankers

Allahabad Bank, Kolkata  
Bank of Baroda, Kolkata  
State Bank of Bikaner & Jaipur, Kolkata  
State Bank of Hyderabad, Kolkata  
Oriental Bank of Commerce, Kolkata

## Solicitors

M/s. Khaitan & Co., Kolkata

## Registrars & Share Transfer Agents

M/s. C. B. Management Services Pvt. Ltd.  
P-22, Bondel Road  
Kolkata - 700 019  
Phone : 4011 6700/11/18/23  
E-mail : rta@cbmsl.com

## Registered Office

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

## Head Office

Assam Tea House  
52, Chowringhee Road  
Kolkata - 700 071  
Phone : (033) 2283-8306/09/12  
E-mail : assamco@vsnl.com

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Thirty-Third Annual General Meeting of the Company will be held at 11.00 A.M., on Friday,  
25th June, 2010, at Dibrugarh & District Planters' Club, Lahoal, P.O. Dibrugarh, Assam



**BLANK**

**NOTICE**

Notice is hereby given that the Thirty-Third Annual General Meeting of the Members of Assam Company India Limited will be held at 11.00 A.M. on Friday, 25th June, 2010, at Dibrugarh & District Planter's Club, Lahoal, P.O. Dibrugarh, Assam, to transact the following business :

**Ordinary Business :**

1. To receive, consider and adopt the Profit & Loss Account of the Company for the year ended 31st December, 2009 and the Balance Sheet as at that date and the Report of Directors and Auditors thereon.
2. To declare a dividend for the year ended 31st December, 2009.
3. To appoint a Director in place of Mr. Umesh Barasia, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to authorise the Board of directors to fix their remuneration.

**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 AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business is annexed hereto.
3. Pursuant to Section 205A of the Companies Act, 1956, all unpaid/unclaimed dividends declared for and upto the Company's financial year ended 31st December, 2000 and as declared at the Annual General Meeting held on 28th September 2001, have been transferred to the Investor Education and Protection Fund.
4. Members are requested to quote their registered folio No. in all correspondence with the Company or its Registrars.
5. Equity Shares of the Company fall under the category of compulsory demat trading by all investors. Shareholders are requested to consider dematerialisation of their shareholding so as to avoid inconvenience.
6. To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company provides the facility of payment of dividend through ECS. Members desirous of availing this facility are requested to contact the Company's Registrar and Transfer Agents.

**Special Business:**

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

**"RESOLVED THAT** Shri Pradip Tusnial who was appointed as Additional Director by the Board to hold 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, Shri Pradip Tusnial as a candidate for the office of the Director be and is hereby elected and appointed as Director of the Company, liable to retire by rotation."

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

By Order of the Board

**Place : Kolkata**  
**Dated : 7th May, 2010**

Aditya Kumar Jajodia  
Managing Director

7. Securities and Exchange Board of India (SEBI) vide Circular No. MRD/DoP/Cir-05/2009 dated May 20, 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.
8. 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.
9. 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.
10. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
11. 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.
12. The Register of Members and Share Transfer Books of the Company shall remain closed from 19th June, 2010 to 25th June, 2010 for determining the shareholders entitlement for dividend declared by the Board of Directors.



**DETAILS OF DIRECTORS BEING RE-APPOINTED / APPOINTED (In pursuance of Clause 49 of the Listing Agreement):**

**Item No. 3**

Mr. Umesh Barasia, Director retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Umesh Barasia is a Chartered Accountant, and possesses nearly 25 years of experience in the field of Financial Management and Accounting.

Mr. Barasia hold directorship in Millennium Stock Brokers Private Limited, Lexus Shares and Stock Brokers Private Ltd., Lexus Technographics Pvt. Ltd. and Neptune Consultants Pvt. Ltd. and does not hold any shares in the Company.

Mr. Barasia is interested in the said Resolution. No other Director is interested in the Resolution.

The Board commends the Resolution for approval by the Members.

**Item No. 5**

Mr. Pradip Tusnial, is a graduate in Commerce. He is associated with the Tea industry since last 2 decades. He is responsible for setting strategy, implementing them and monitor and manage all companies. He has long experience of financial management and administration of business. He has also vast experience in plywood industries and real estate business.

Mr. Tusnial hold directorship in Dholai Tea Co. Pvt. Ltd., Narsingpore Tea Co. Pvt. Ltd., Kwaliti Builders & Developers Ltd., Pradip Commercial Pvt. Ltd., B. Gupta Tea (Pvt.) Ltd., Tusnial Commercial Pvt. Ltd., B. C. Gupta & Sons Ltd., Rukhma Investment & Finance Pvt. Ltd., Phaskowa Tea Plantations Ltd., Amarpur Tea & Plantations Ltd. and The Methoni Tea Company Ltd. He does not hold any shares in the Company.

Mr. Tusnial is interested in the said Resolution. No other Director is interested in the Resolution.

The Board commends the Resolution for approval by the Members.

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**EXPLANATORY STATEMENT**

**PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

**SPECIAL BUSINESS**

**Item No. 5**

To broad base the Board of Directors and to comply with the requirement of Clause 49 of the Listing Agreement Shri Pradip Tusnial, was appointed by the Board as an Additional Director in the category of Non-Executive Independent Director of the Company w.e.f. 7th May, 2010 to hold office till the date of the ensuing Annual General Meeting.

The Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing his appointment for the office of the Director of the Company. Shri Pradip Tusnial is having thorough experience in the field of Tea Industry.

The Board recommends for the appointment of Shri Pradip Tusnial and proposes to pass the resolution as set out in item No. 5 of the Notice as an Ordinary Resolution.

Except, Shri Pradip Tusnial none of the Directors of the Company are interested or concerned in the resolution.

**Inspection of documents:**

The following are available for inspection by members:-

The annual accounts of the subsidiary companies at the Head Office of the Company between 10 am to 12 noon on any working day of the Company.

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

By Order of the Board

**Place : Kolkata**  
**Dated : 7th May, 2010**

Aditya Kumar Jajodia  
Managing Director

**DIRECTORS' REPORT**

Your Directors have pleasure in presenting their Thirty-Third Annual Report and Accounts for the year ended 31st December, 2009.

**Financial Results**

	Year ended 31.12.2009 Rs.	Year ended 31.12.2008 Rs.
Profit before Taxation, Depreciation & Exceptional Item	56,05,87,845	30,47,54,517
Less: Depreciation	12,04,57,775	10,39,09,667
	<u>44,01,30,070</u>	<u>20,08,44,850</u>
Less: Exceptional Item	19,68,87,328	3,51,85,220
	<u>24,32,42,742</u>	<u>16,56,59,630</u>
Add/(Less): Provision for Taxation:		
Current Tax (Net)	(4,15,51,000)	(2,70,00,000)
Deferred Tax	-	(3,67,12,493)
Net Profit for the year	<u>20,16,91,742</u>	<u>10,19,47,137</u>
Add/(Less): Balance brought forward from previous year	46,15,29,727	41,94,43,315
Available for appropriation	<u>66,32,21,469</u>	<u>52,13,90,452</u>
Your Directors propose the following appropriation :		
Proposed Dividend	6,19,52,193	4,64,64,144
Dividend Tax thereon	1,02,89,485	78,96,581
Transfer to General Reserves	1,51,50,000	55,00,000
Balance Carried Forward	<u>57,58,29,791</u>	<u>46,15,29,727</u>
	<u>66,32,21,469</u>	<u>52,13,90,452</u>

**1. Dividend**

Your Directors are pleased to recommend for the approval of the shareholders a dividend of 20% on the paid up equity share capital of the Company.

**2. Performance**

Gross sales grew from Rs. 184.25 Cr to Rs. 226.17 Cr, thus recording an overall increase by 22.75 %.

The total manufactured crop was 149.84 Lac Kgs in 2009 as compared to 146.83 Lac Kgs in 2008.

The increase in crop is attributable mainly to "bought leaf" operation. The production of Orthodox Tea has been emphasized upon as the market response is favourable to this variety. Stress has been laid upon capital expenditure to augment the capacities in factories for Orthodox Tea production.

Tea prices firmed up during the year due to subdued production levels globally. The average sales realization at Rs. 134.41 per Kg was better than the previous year of Rs. 111.53 per Kg.

Quality teas continue to attract premium, although sales prices have increased generally across the wide spectrum of other tea varieties. Overhead costs of inputs like fuel and power, fertilizers, increased wage rate, were controlled to minimize the cost of production which resulted in improved productivity.

The manufacture of quality teas which is renowned in the domestic and overseas market has been maintained through implementation of optimum agricultural practice and this continues to be the focus of the Management.

**Exports**

The year under review saw stable exports when 38.80 Lac Kgs were exported at gross value of Rs. 63.68 Cr as compared to Rs. 66.07 Cr in 2008.

**Research and Development**

The Company's R & D Unit dedicated to Scientific Research & Development programmes in Assam is recognized by the Ministry of Science and Technology, Govt. of India.



### **OIL & GAS DIVISION**

The year 2009 was primarily engaged to carry on PSDM and Reservoir Characterization study by various internationally recognized agencies to verify the interpretation of 3-D Seismic acquisition which can give a better lead in next drilling campaign with a view to ensure higher success. During the year 2009, the Consortium had pursued the Gas compressions project including dual drilling operation in Well No. 11 for re-injection of gas. In Well No. 11, three zones – Main Barail, Mid Barail and Basement of oil and gas deposit were discovered.

During the year 2009, the performance of oil and gas business was subdued on account of PSDM study and ongoing installation of the Gas Re-injection Plant.

The revenue from oil & gas saw a drop from Rs. 32.73 Cr in 2008 to Rs. 18.35 Cr, while the sale volume of oil & gas which was 54914 BBLs and 20122 MCM in 2008 reduced to 39817 BBLs and 17367 MCM respectively in 2009.

Amguri Field has been producing oil and gas since April, 2006. The well produces high quality crude oil which commands premium value over “Bonny Light”.

The oil and gas pool from where currently the production of oil and gas is generated, was found to be of retrograde gas reservoir and steps have been initiated for an integrated project to ensure adequate pressure and also a full scale gas plant for separating LPG to be sold at a premium. The first phase of the project is under execution at an investment of US\$ 10 million and is expected to be completed by July, 2010. On commissioning of this Project, it is expected that the production of oil / oil condensate will be increased considerably from the current level of production.

The PSDM and Reservoir Characterization study have already thrown many highly prospective zones in Amguri Field where the drilling activities can commence from 2010. It is expected that in Phase I about three wells (two Barail and one Tipam wells) will be completed by December, 2010 by deployment of two rigs. Considering the new Geological data, the Consortium expects high level success which will accrue significant revenue to both the partners under Consortium.

In coming next 2-3 years, the Consortium will drill development wells in phases as part of Full Scale Development Plan, which will further augment revenue and cash flow.

In respect of AA-ON/7 Exploration Block, comprising of 787 Sq. Km. (Assam - 468 Sq. Km. and Nagaland - 319 Sq. Km), the Company has made further investments in drilling exploratory wells during the current year and it has

plans to drill more exploratory wells in this Block during the exploration phase. During the exploratory phase in Assam belt, the joint venture has made significant progress in condensating geological leads which will facilitate in finalising the drilling location in Nagaland. As per the geological interpretation, this area has been found to be highly prospective zone in the North East. Since this Block is still in exploratory phase, exploratory activities will continue to be undertaken till a major discovery of oil and gas is made which is normal in any E&P operations.

With regard to operations in Marginal Discovered Fields, having made investments in work over operations in Laxmijan and Barsilla and having established oil and gas reserve, the Company made strong representation before ONGC seeking amendment of commercial terms to make the operation economically viable due to increased cost of operation. Since the operation was not economically viable, the Management has decided to treat these Marginal Fields as abandoned and subsequently surrendered these Fields back to ONGC.

AA-ONN-2005/1 - Assam - Arakan Basin has been awarded against NELP-VII with ONGC and Oil India Ltd. as partners. ONGC being the Operator has already initiated various minimum work programs that will be completed during 2010-11.

### **Overseas Assets:**

**Austin Exploration Limited (AEL):** The Company through its WOS, Duncan Macneill Natural Resources Limited holds shares in AEL which has assets in the US and South Australia. AEL currently maintains working interest and net revenue interests in five key oil and gas assets : two in Australia – namely PEL 105 and PEL 73 and three in the U.S.A. namely Polecat Creek, Park City Project and The Moses Austin Projects.

### **3. Financial**

The quarterly financial results as well as the Limited Review Report were published and submitted to the Stock Exchanges within the requisite time.

Capital Expenditure was incurred towards upgradation of factory buildings, tea machineries and equipments, utility services, irrigation and infrastructure facilities like housing, roads, electrification etc. at its tea estates. Capital Expenditure as per the approved work programme has been incurred towards Oil and Gas Project at Amguri and AA-ON/7. The Company has financial arrangement in place to take care of its future Capital Expenditure programme.

### **4. Subsidiary Companies**

The Statement pursuant to Section 212 of the Companies



Act, 1956, containing details of the subsidiary companies form part of the Accounts.

The Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with Accounting Standard 21 prescribed by The Institute of Chartered Accountants of India, form part of the Annual Report and Accounts.

#### ***Gujarat Hydrocarbons and Power SEZ Limited***

As reported earlier, Gujarat Hydrocarbons and Power SEZ Limited (GHAPSL), a Wholly Owned Subsidiary of the Company had taken possession of 276-18-13 HA land in GIDC Vilayat-Vagra Industrial Estate in the Bharuch District in Gujarat for setting up of a sector specific SEZ Hydrocarbon and related activities. The Lease Deed for the land was executed between GIDC and GHAPSL on 21st February 2008. GHAPSL also undertook steps for 'Site Clearance' and 'Fencing' of the land acquired in the Lease Deed and almost 13.6 km of 'fencing' was completed during the year. The Company has awarded contract for Rapid Environment Impact Assessment (REIA) for obtaining Environmental Clearance (EC) from Ministry of Environment & Forests (MoEF) and the work is on going.

In view of the Panchayat Road which bisects the land, GHAPSL decided to set up two SEZs instead of earlier proposed one SEZ. In this regard, it was decided to earmark the plot north of the Panchayat Road for 'Energy including New and Renewable Energy' (108 HA) and the plot south of the Panchayat Road for 'Oil & Gas including its Derivatives (Petrochemicals)' (140 HA). GHAPSL submitted application to MoC&I on 10th October 2008 for conversion of the 'In principle' approval to 'Formal approval' and both applications for North and South Plot were approved by MoC&I on 6th January, 2009. 140 hectares has got notified on 23rd March, 2010, whereas the Company is expecting notification for 108 hectares within 2010.

#### ***Namburnadi Tea Company Limited***

During the year under review, the Company sold 5.32 Lac Kgs. of tea as against 4.31 Lac Kgs. of tea during the previous year. Sales was Rs. 5.56 Cr in 2009 as compared to Rs. 3.78 Cr in 2008. Efforts continue to improvise working of the Company. Average realization per Kg increased from Rs. 88/- to Rs. 105/- in 2009.

### **5. Environment and Social Concern**

The Company emphasizes on energy conservation, waste minimization and conservation of resources through

afforestation, control on emissions and effluents. Utmost priority is given to these factors in all the tea Estates and production units.

The facilities at each of the gardens, relating to hospitals, primary schools, crèches and rations are the core areas through which social responsibilities are executed. All these measures have ensured smooth commercial operations without adversely affecting the environment.

### **6. Directors**

Mr. Umesh Barasia retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for reappointment.

Mr. Santosh Bhagat resigned from the Board with effect from 24th November, 2009. Your Directors wish to place on record appreciation of services rendered by him to the Company.

Mr. Pradip Tusnial has been appointed as Additional Director with effect from 7th May, 2010.

### **7. Corporate Governance**

A detailed report on Corporate Governance is separately attached together with a report on Management Discussion and Analysis.

### **8. Directors' Responsibility Statement**

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:-

- (i) that in preparation of the annual accounts for the year ended 31st December, 2009, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the accounts for the



year ended 31st December, 2009 on a going concern basis.

**9. Cost Audit**

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

**10. Auditors**

Messrs. Lovelock & Lewes, Chartered Accountants, retire at the forthcoming Annual General Meeting and are eligible for re-appointment.

**11. Auditors' Observations**

The report of the Auditors and the Notes on account is self-explanatory and as such, does not call for any further comments from Directors.

**12. 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.

**13. Acknowledgement**

Your Directors sincerely thank the Government of India, Ministry of Petroleum and Natural Gas, other Ministries, the Government of Assam, Banks and Financial Institutions, the Consortium Partners, customers, shareholders, vendors and other related organizations for their continued assistance and co-operation.

Your Directors also appreciate the industrial harmony at all the tea gardens and other locales and commend the dedicated efforts and services put in by the employees and workmen.

**On behalf of the Board of Directors**

Place : Kolkata

Date : 7th May, 2010

**A. K. Jajodia – Managing Director**

**P. Tusnial – Director**



**ANNEXURE - 'A' FORMING PART OF THE DIRECTORS' REPORT**

**PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO IN TERMS OF SECTION 217(1)(e) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 FOR THE YEAR ENDED 31ST DECEMBER 2009**

FORM "A"	Current Year ended 31.12.2009	Previous Year ended 31.12.2008
<b>CONSERVATION OF ENERGY</b>		
<b>A. Power &amp; Fuel Consumption</b>		
<b>1. Electricity</b>		
a. Purchased Units (KWH)	<b>9429806</b>	10626954
Total Amount (Rs.)	<b>63728684</b>	66932510
Rate per Unit (Rs.)	<b>6.76</b>	6.30
b. Through diesel generator Units (KWH)	<b>3557386</b>	3002783
Units per Ltr. of diesel	<b>2.84</b>	2.83
Cost / Unit (Rs.)	<b>11.62</b>	11.75
<b>2. Coal</b>		
Quantity (Tonnes)	<b>3176.23</b>	4370.53
Total Cost (Rs.)	<b>15696376</b>	17608704
Average Rate (Rs. / Tonne)	<b>4941.83</b>	4028.97
<b>3. Furnace Oil</b>		
Quantity in K. Ltrs.	<b>89.822</b>	119.706
Total Cost (Rs.)	<b>3504684</b>	4472324
Average Rate (Rs. / KL)	<b>39018</b>	37361
<b>4. Gas</b>		
Quantity (Scum)	<b>8367005</b>	6590337
Total Cost (Rs.)	<b>43247575</b>	34871564
Rate (Rs. / Scum)	<b>5.17</b>	<b>5.29</b>
<b>B. Consumption Per Unit of Production</b>		
Production of Tea (Kgs.)	<b>14826107</b>	14536195
Electricity (KWH)	<b>0.88</b>	0.94
Furnace Oil (Ltrs.)	<b>0.01</b>	0.02
Coal (Kgs.)	<b>1.29</b>	1.44
Gas (Scum)	<b>0.56</b>	0.45



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

**FORM "B"**

**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 e.g. product improvement, cost reduction, product development, 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 :	
a. Technology imported	NOT APPLICABLE
b. Years of import	
c. Has technology been fully absorbed	
d. If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.	

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year, foreign exchange outgo was to the extent of Rs. 6.18 Cr. The foreign exchange earnings during the period was Rs. 63.71 Cr. Details of the foreign exchange earnings and outgo have been given in Schedule 13(15) and 13(14) to the Accounts.

**ANNEXURE TO THE DIRECTORS' REPORT: 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, 2009**

Name (1)	Designation (2)	Remuneration (Rs.) (3)	Qualifications (4)	Experience (Years) (5)	Date of commencement of Employment (6)	Age (Years) (7)	Particulars of last Employment (8)	Designation (9)
Mr. Aditya Kumar Jajodia	Managing Director	65,99,606	B. Com	25	01.10.1992	47	Worldlink Finance Limited	Wholetime 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, 2009.
  2. Nature of appointment – contractual.
  3. Except Mr. A. K. Jajodia, no other employee is a relative of any Director of the Company.

Place : Kolkata

Date : 7th May, 2010

**On behalf of the Board of Directors**

**A. K. Jajodia – Managing Director**

**P. Tusnial – Director**



**REPORT ON CORPORATE GOVERNANCE 2009**

**1. Company's Philosophy on Code of Governance:**

Corporate Governance is about managing business in an ethical and responsible manner. The Company places strong emphasis on transparency, empowerment, accountability and integrity with the objective of continuously enhancing value for all its stakeholders.

The Company has adopted a Code of Professional Conduct and Ethics for its Board of Directors and Senior Management.

**2. Board of Directors:**

The Board of the Company as at 31st December, 2009, comprised of three Directors (Managing Director and two Non-Executive Directors of whom one is Independent, Non-Executive Director). 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.

Mr. Santosh Bhagat, an Independent, Non-Executive Director resigned from the Board w.e.f. 24th November, 2009 and in his place Mr. Pradip Tusnial has been appointed as an Additional Director on 7th May, 2010, within the time stipulated in the Listing Agreement.

During the year under review, Ten (10) Board Meetings were held, the dates being, 31st January, 4th March, 30th April, 1st June, 31st July, 18th August, 6th September, 7th September, 30th October and 4th November, 2009. The last Annual General Meeting was held on 30th September, 2009.

The requisite details of Directors, their Directorships in other public companies, Chairmanships/ Memberships in Board Committees of other public companies as on 31st December, 2009, and their attendance at the Board and last Annual General Meeting (AGM) are as under:-

Directors	Directorship and Chairmanship / Membership of Board and Board Committees in other Companies			No. of Board Meetings attended	Attendance at 32nd AGM held on 30th September, 2009
	Director (1)	Member (2)	Chairman (3)		
Dr. K. K. Jajodia, Chairman, Promoter, Non-Executive	5	-	-	-	No
Mr. A. K. Jajodia, Managing Director Promoter, Executive	7	-	-	10	No
Mr. Umesh Barasia Independent, Non-Executive Director	-	-	-	7	No
Mr. Santosh Bhagat, Independent, Non - Executive Director (Ceased w.e.f. 24.11.2009)	2	-	-	10	Yes

- (1) Excluding directorship in private limited companies and foreign companies.
- (2) Includes only Audit and Shareholder/Investor Grievance Committees.
- (3) Includes only Audit and Shareholder/Investor Grievance Committees.

Mr. Umesh Barasia 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. Code of Conduct**

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

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

As the Managing Director of Assam Company India Limited and as required by Clause 49(1) (D) (ii) of the Stock Exchange Listing Agreement, 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 ending December 31, 2009.

**Aditya Kumar Jajodia**  
Managing Director

Kolkata, 7th May, 2010

**4. Audit Committee:**

During the year under review the Audit Committee comprised of the following: Mr. A.K. Jajodia, Mr. Umesh Barasia and Mr. Santosh Bhagat. Mr. Umesh Barasia and Mr. Santosh Bhagat are Non-Executive, Independent Directors. Mr. Barasia is a Chartered Accountant. The Company Secretary acts as the Secretary to the Committee. Mr. Santosh Bhagat resigned w.e.f. 24th November, 2009. All the members of Audit Committee are financially literate. The Chairman of the Audit Committee attended the last Annual General Meeting.

During the year under review, eight (8) Audit Committee meetings were held on 31st January, 30th April, 31st July, 18th August, 6th September, 7th September, 30th October and 4th November, 2009. The attendance at the aforesaid meetings was as follows:

Composition	Mr. A. K. Jajodia	Mr. Santosh Bhagat (Chairman)	Mr. Umesh Barasia
Committee meetings attended	8	8	8

The role and terms of reference of the Audit Committee, inter alia, cover reviewing the following:

- Company's financial reporting process and the disclosure of financial information to ensure that the financial statement is correct and sufficient.



- Quarterly/annual financial statements before submission to the Board of Directors for approval.
- Internal Audit and adequacy of Internal Control System.
- Statement of significant party transactions.
- Recommending the appointment/re-appointment of Statutory Auditors and fixing their remuneration.

**5. Remuneration Committee:**

The Remuneration Committee comprises of the following Directors :

- Mr. Santosh Bhagat (Chairman) (till 24.11.2009)
- Mr. Umesh Barasia
- Mr. A.K.Jajodia

During the year under review, a meeting of Remuneration Committee was held on 4th March, 2009 which was attended by all the members of the 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.

Non-Executive Directors draw sitting fees of Rs.1,500/- for attending the meeting of the Board or Committee thereof and do not draw any other remuneration from the Company.

The details of Directors' remuneration for the year ended 31st December, 2009 are as follows:-

Name of Director	Sitting Fees (Rs)	Salary & Perquisites (Rs)	Contribution to funds (Rs)	Total (Rs)	Notice period in month(s)
Dr. K. K. Jajodia, Chairman	-	-	-	-	-
Mr. A. K. Jajodia, Managing Director	-	58,86,806	7,12,800	65,99,606	3
Mr. Umesh Barasia	22,500	-	-	22,500	-
Mr. Santosh Bhagat	27,000	-	-	27,000	-
<b>TOTAL</b>	<b>49,500</b>	<b>58,86,806</b>	<b>7,12,800</b>	<b>66,49,106</b>	<b>-</b>

During the year ended 31st December, 2009, the Company did not have any stock option plans for its Directors. No severance fee is payable to the Directors.

**6. Share Transfer and Shareholders' / Investors' Grievance Committee:**

The Share Transfer and Shareholders' / Investors' Grievance Committee has been reconstituted to consist of Mr. A. K. Jajodia, Managing Director, Mr. Umesh Barasia, Non-Executive Director, Mr. Sanjay Sharma, Vice-President – Finance and Mr. Arup Kumar Roy, Company Secretary, as its members. Mr. Umesh Barasia is the Chairman of the Committee. Any two members will form the quorum of the meeting.

The Committee meets as and when request is received

and its objective is to attend to Shareholders'/ Investors' grievances, approving transfers, transmissions, sub-division, consolidation, issue of duplicate share certificates and reviewing the performance of the Share Transfer Agent.

During the year 14 (Fourteen) meetings were held.

Mr. Arup Kumar Roy, the Company Secretary was the Compliance Officer.

During the year ended 31st December, 2009 the Company received 2 complaints from shareholders and investors, all of which have been redressed to the satisfaction of the complainants. All valid requests for transfer of shares (35800 shares), transmission of shares (23230 shares) of the Company received during the year, have been given effect to and as on 31st December, 2009 there was no request pending for share transfer. All requests for dematerialization (27194370 shares) and re-materialization of shares (4100 shares) received in the aforesaid period were confirmed / rejected into the NSDL / CDSL system.

There are no complaints from shareholders pending unresolved as at 31st December, 2009. All complaints / requests for transfers etc. from shareholders 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 from the Shareholders ... 2
- b) No. of complaints not resolved/no action taken ... Nil
- c) No. of pending Share Transfer as on 31st December, 2009 ... Nil

**7. General Body Meetings:**

The last three Annual General Meetings of the Company were held as under:

No. of AGM	Year	Location	Date	Time
30th	2007	Dibrugarh & District Planters' Club, Lahoal P.O. Dibrugarh, Assam	30.06.2007	11.00 A.M.
31st	2008	Dibrugarh & District Planters' Club, Lahoal P.O. Dibrugarh, Assam	22.07.2008	11.00 A.M.
32nd	2009	Dibrugarh & District Planters' Club, Lahoal P.O. Dibrugarh, Assam	30.09.2009	11.00 A.M.



## ASSAM COMPANY INDIA LIMITED

Special Resolutions were passed in the 30th, 31st and 32nd Annual General Meetings held on 30.06.2007, 22.07.2008 and 30.09.2009 respectively. No special resolution was passed through postal ballot at the previous Annual General Meeting. No Special Resolution requiring Postal Ballot is also proposed at the forthcoming Annual General Meeting.

### 8. Disclosures:

#### (a) Materially significant related party transactions

There have been no materially significant related party transactions, pecuniary transaction or relationships between Assam Company India Limited and its Directors for the year ended 31st December 2009 that may have a potential conflict with the interests of the Company at large.

#### (b) There were no instances of non compliance on any matter related to the Capital Markets during the last three years.

### 9. Risk Management:

The various determined aspects of risk management and minimization are reviewed periodically and the Board is kept informed on important issues.

### 10. Means of Communication:

- Quarterly, half-yearly and annual results in the forms prescribed in the Listing Agreement are published in The Financial Express and Azir Assam (Assamese).
- Half-yearly results are not sent to the shareholders individually.
- Management Discussion and Analysis Report forms a part of the Directors' Report.
- No formal presentation has been made to the institutional investors/analysts during the period.
- The Company's website is www.assamco.com, which also displays official news releases and financial results.

### 11. General Shareholder Information:

#### > Annual General Meeting

Date & Time : Friday, 25th June, 2010, 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 :** 19th June to 25th June, 2010
- > **Dividend Payment date :** On or after 25th June, 2010
- > **Listing on Stock Exchange :** 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 Listing Fees for the year 2009-2010.

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

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

#### > Stock Market Data

MONTH	NSE		BSE		SENSEX (Close)	BSE 100 Index (Close)
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)		
January, 2009	11.15	8.30	11.00	8.26	9424.24	4790.32
February, 2009	8.90	7.00	8.83	7.15	8891.61	4516.38
March, 2009	8.35	6.35	8.35	6.20	9708.50	4942.51
April, 2009	11.10	8.45	10.99	8.51	11403.25	5803.97
May, 2009	13.90	8.65	13.70	8.70	14625.25	7620.13
June, 2009	16.95	12.90	16.77	12.80	14493.84	7571.49
July, 2009	16.35	12.25	16.93	12.25	15670.31	8176.54
August, 2009	24.00	15.00	23.80	14.90	15666.64	8225.50
September, 2009	22.35	19.50	22.60	19.50	17126.84	8930.31
October, 2009	20.85	15.95	20.90	16.00	15896.28	8333.18
November, 2009	18.60	15.10	18.65	15.30	16926.22	8914.77
December, 2009	22.10	16.65	22.10	17.50	17464.81	9229.71

> **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



➤ **Share Transfer System:**

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).

Securities in physical mode which are lodged for transfer are processed and returned to the shareholders within the stipulated time. The Company adopts the transfer-cum-demat system to facilitate Demat of Shares.

➤ **(a) Distribution of shareholding as on 31.12.2009 :**

Group of shares		No. of Share Holders	% of Total Share-holders	No. of Shares	% Shares
From	To				
1	500	37259	64.98	8660994	2.80
501	1000	9087	15.85	8120206	2.62
1001	2000	5245	9.15	8447530	2.73
2001	3000	1882	3.82	5058839	1.63
3001	4000	705	1.23	2614893	0.84
4001	5000	995	1.74	4773346	1.54
5001	10000	1232	2.14	9367624	3.03
10001	99999999	934	1.63	262717531	84.81
<b>TOTAL</b>		<b>57339</b>	<b>100.00</b>	<b>309760963</b>	<b>100.00</b>

**(b) Shareholding Pattern as on 31.12.2009 :**

Category	No. of Shares held	Percentage
<b>Promoter</b>		
Indian	18828880	6.08
Foreign	124242596	40.11
<b>Public</b>		
Foreign Institutional Investors	66853591	21.58
Non Resident Individuals	1608724	0.52
Financial Institutions & Banks	16040	0.00
Mutual Fund	20160	0.01
Others	98195092	31.70
<b>TOTAL</b>	<b>309760963</b>	<b>100.00</b>

➤ **Physical / Dematerialisation of Shares as on 31.12.2009 :**

	No. of Shares	%
Physical	22635661	7.31
Demat	287125302	92.69
	<b>309760963</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. The Company Secretary is appointed as the Compliance Officer for this purpose.

➤ **Outstanding GDRs /ADRs /Warrants/ Convertible bonds, conversion dates and likely impact on Equity :**

As on 31st December 2009, outstanding Foreign Currency Convertible Bonds aggregate to INR 148.44 Crores with maturity on 30th November 2011.

Considering conversion of outstanding Foreign Currency Convertible Bonds, the non-promoter holding would be 60.19%.

Address for investors' correspondence for transfer/dematerialisation of shares, payment of dividend and any other query relating to the shares of the Company

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

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



**OFFICES OF THE COMPANY**

**Registered Office** Greenwood Tea Estate  
P.O. Dibrugarh, Assam - 786 001.

**Head Office** 52, Chowringhee Road,  
Kolkata - 700 071.

**Branch Office** (i) Girish Chandra Bardalai Path,  
Bamunimaidam, Guwahati - 781 021  
(ii) 2nd Floor, 22, Community Centre,  
Basant Lok, Vasant Vihar,  
New Delhi - 110 057.  
(iii) Flat No. 301  
VIPPS Centre  
Greater Kailash Part-III  
New Delhi - 110 048

Moran : Mohokutie  
Khoodtaie  
Hajua  
Doomur Dullung

Tinsukia : Dinjan  
Rungagora  
Oakland

Nagaon : Salonah  
Kondoli  
Rembeng

Doom Dooma : Digulturrung  
Jorhat : Kotalgoorie

**PLANT LOCATIONS:**

**A. TEA ESTATES:**

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

<b>District</b>	:	
Dibrugarh	:	Greenwood Maijan Nudwa Hazelbank Thanai Borborooah

**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	AAONN-2005/1
Assam & Nagaland	AA-ON/7

**COMPLIANCE WITH NON-MANDATORY REQUIREMENTS**

The Company has adopted all mandatory requirements of Clause 49 of the Listing Agreement 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 Company is situated and are also accessible on the Company's website. Therefore, the results are not being separately circulated to the shareholders.
- The Directors are kept informed of the latest developments in laws, rules and regulations. Therefore, the need for formal training on these issues is not felt necessary at present.
- The Company has not adopted a Whistle Blower Policy. However the Company recognizes the importance of reporting to the Management by an employee at any level about the unethical behavior or suspected fraud in violation of the Company's Code of Conduct or any other point of concern.

**On behalf of the Board of Directors**

**Place : Kolkata**  
**Date : 7th May, 2010**

**Aditya Kumar Jajodia**  
**Managing Director**



**MANAGING DIRECTOR AND  
VICE PRESIDENT – FINANCE CERTIFICATION**

To,  
The Board of Directors  
Assam Company India Limited

We, the undersigned, in our respective capacities as Managing Director and Vice President – Finance 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 on December 31, 2009 and based on our knowledge and belief, we state that :
- (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, 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 for financial reporting and that we have evaluated 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 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 Audit Committee:
- (i) significant changes, if any, in the 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 has been disclosed in the notes to the financial statements ; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

**Sanjay Sharma**  
**Vice President – Finance**

**Aditya Kumar Jajodia**  
**Managing Director**

Kolkata, 7th May, 2010



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

**To**  
**The Members of Assam Company India Limited (formerly known as Assam Company Limited)**

We have examined the compliance of conditions of Corporate Governance by Assam Company India Limited, for the year ended 31st December, 2009, as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with stock exchange(s) in India.

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.

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 above mentioned Listing Agreement.

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, 7th May, 2010

**Partha Mitra**  
**Partner**  
Membership Number 50553  
For Lovelock & Lewes  
Firm Registration Number – 301056E  
Chartered Accountants



## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### Market Synopsis

#### Tea

The Indian tea industry is on a comeback trail after nearly a decade-long recession with rising demand and prices firming up.

India is the world's largest tea producer after China and produced a crop of 979 million Kgs in 2009 compared to 981 million Kgs in the previous year whereas countries like Kenya and Sri Lanka made production of 313.9 million Kgs and 283.10 million Kgs respectively. Assam contributes around 50 percent of India's total tea production and has over 800 tea plantations.

Indian Tea overcame the global economic slowdown to fetch export earnings of Rs. 2616.62 Crore during 2009 at 191.49 million Kgs, as against Rs. 2282.00 Crore at 196 million Kgs in the previous year. While exports to countries like Germany and Russia dropped compared to 2008, exports to country like Iran improved significantly.

The overall mood is vibrant and it is expected that the healthy trend would continue as there is a global shortfall in tea production supported by production of good quality teas and increase in overall consumption within the country.

#### Oil and Natural Gas:

The oil and gas industry has been instrumental in fuelling the rapid growth of the Indian economy. India has total reserves of 775 million metric tonnes (MT) of crude oil and 1074 billion cubic meters (BCM) of natural gas as on April 1, 2009, according to the Ministry of Petroleum.

#### OIL

- Crude oil production during 2009-10 was 33.68 MT, compared to 33.50 MT in 2008-09.
- Refinery production in terms of crude throughput was 160.03 MT in 2009-10.
- The production of natural gas went up to 47.57 billion cubic meters tonnes (BCM) in 2009-10 from 32.84 BCM in 2008-09.

India is currently dependent on imports for 68 percent of its oil consumption but at the same time petroleum product

exports constitute the country's single largest item of foreign exchange earner. The EIA expects India to become the fourth largest net importer of oil in the world by 2025, behind the United States, China and Japan.

A net importer of oil, the Indian government as part of the country's 11th five year plan (2007-2012) has introduced policies aimed at increasing domestic exploration and production (E&P) activities. Economic reform and other efforts to open up the country have led to increased foreign investment in India and private companies have increased their participation and market share in recent years.

India is emerging as the global hub for oil refining with capital costs lower by as much as 25 to 50% over other Asian Countries.

#### GAS

India's natural gas demand is expected to nearly double to 320 million standard cubic meters per day by 2015, according to a report released by global consultancy firm McKinsey at the VI Asia Gas Partnership Summit.

According to the report, the current demand of 166 million standard cubic metres per day (mscmd) made up of nearly 132 mscmd supplies from domestic fields and the rest from imported LNG is likely to rise to at least a minimum of 230 mscmd and a maximum of 320 mscmd by 2015.

Major discoveries of oil & gas have been made in recent years. However, with large areas of India's sedimentary basins remaining unexplored, the Indian oil scenario is ripe with possibilities.

#### Segment-wise or Product-wise Performance

The Company, for the financial year 2009, had operations in two geographical segments – Domestic market and Export market wherein around 69.35 per cent of the Company's turnover is from the Domestic market segment and the balance from Export market segment.

The Company has 18 Tea Estates and 3 Oil Blocks all in the State of Assam.

The Company's revenue from the sale of oil and gas is around Rs. 18.35 Crore, constituting 8.11% of total sales. 39817 BBLs of Oil and 17367 MCM of gas were sold during 2009.



In respect of the Tea business, total sales is aggregated to Rs. 207.81 Crores which is 91.89% of the total sales, out of this, domestic sales was 115.81 Lacs Kg amounting to Rs. 144.13 Crores and export sales was 38.80 Lacs Kg amounting to Rs. 63.68 Crores.

**Internal Control Systems and their Adequacy**

Internal audit and review of internal controls is carried out on a regular basis by a firm of Chartered Accountants and the Audit Committee examines the same periodically. The Company has a management information system, which is an integral part of the control mechanism.

**Financial & Operational performances**

In the financial year 2009, total income grew by 20.25 per cent and profit after taxation grew by about 97.84 per cent as compared with the financial year 2008. This was largely due to better price realization in Tea in 2009.

**Material developments in Human Resources/Industrial Front**

Relationship with employees at all levels in the Tea Estates, Oil / Gas Blocks and other locales remained cordial.

**Cautionary Statement**

*Certain statements made in the Management Discussion & Analysis Report which seek to describe the Company's objectives, projections, outlook, estimates, expectations, predictions etc., may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections etc., whether expressed or implied. Several factors could make difference to the Company's operations. These include climatic conditions, economic conditions, auction and private sale regulations, Government regulations, tax laws, other statutes, natural calamity etc., over which the Company does not have any direct control.*



## AUDITORS' REPORT

### To The Members of Assam Company India Limited (formerly known as Assam Company Limited)

1. We have audited the attached Balance Sheet of Assam Company India Limited (formerly known as Assam Company Limited) as at 31 December, 2009 and the related Profit and Loss Account on that date annexed thereto, and Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, (together the 'Order'), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
    - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
    - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
    - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
    - (e) On the basis of written representations received from the Directors, as on 31 December, 2009 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31 December, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
    - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
      - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 December, 2009;
      - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
      - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Partha Mitra**  
**Partner**

Membership Number 50553

For Lovelock & Lewes

Firm Registration Number – 301056E

Chartered Accountants

Kolkata, 7th May, 2010

## ANNEXURE TO THE AUDITORS' REPORT

[Referred to in paragraph 3 of our report of even date to the members of Assam Company India Limited (formerly known as Assam Company Limited) on the financial statements for the year ended 31 December, 2009].

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets other than Oil and Gas Division.
- (b) The fixed assets of the Company other than Oil and Gas Division are physically verified by the management according to a phased programme designed to cover all the items over a period of three

years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No physical verification of the fixed assets was carried out during the year pursuant to the above programme except for certain assets at one of the tea estate. In respect of assets physically verified, the details have been compared with the book records and discrepancies noticed thereof were not material and have been properly dealt with in the books of account.

- (c) In our opinion and according to the information and explanations



**ANNEXURE TO AUDITORS' REPORT (Contd..)**

given to us, a substantial part of fixed assets has not been disposed off by the Company during the year except assets at abandoned oil fields which has been surrendered. In our opinion, the disposal of the said part of fixed assets has not affected the going concern status of the Company.

2. (a) The inventories have been physically verified by the management during the year except in respect of stocks lying with third parties for which certificates have been obtained. Stock in transit at the year end has been verified by the management with reference to subsequent receipt and /or relevant documents. In our opinion, the frequency of such verification is reasonable.
- (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) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
3. (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing provident fund, service tax and other material statutory dues as applicable, with the appropriate authorities except that Company is not regular in depositing income tax, sales-tax, wealth tax, cess, deposit linked insurance, family pension fund, land revenue, professional tax and undisputed statutory dues in respect of tax deducted at source from supplier of green leaf.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of undisputed amounts payable in respect of statutory dues which were in arrears, as at 31 December, 2009 for a period of more than six months from the date they became payable, are as follows -

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 have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

5. On the basis of our examination of the books of account, the Company has not entered into any contracts or arrangements with any party during the financial year that need to be entered in the register pursuant to the Section 301 of the Act except remuneration paid to a relative of a director which has been approved by the Central Government.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business. No internal audit was conducted for the Oil and Gas Division in the current year.
8. We have broadly reviewed the books of account 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 that 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.

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Due Date	Date of Payment
Assam Value Added Tax Act, 2003	Value Added Tax	117,308	April, 2009	21 May, 2009	19 April, 2010
Assam Taxation (on Specified Lands) Act, 1990	Land Revenue	1,290,605	Various	Various	Not Yet Paid
Assam Taxation (on Specified Lands) Act, 1990	Tax Deducted at Source from supplier of Green Leaf	371,428	March, 2009 to June, 2009	Various	20 March, 2010
Consent Fee under Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act, 1981	Air and Water Pollution Cess	600,250	Various	Various	Not Yet Paid



- (c) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute. The particulars of dues of income-tax and sales-tax as at 31 December, 2009 which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of the Dues	Amount (in Rs.)	Period to which the amount relates	Forum where the dispute is pending
West Bengal Sales Tax Act, 1994	West Bengal Sales Tax	1,536,066	2003-04	Appellate and Revisional Board of Commercial Taxes
		23,718,210	2005-06, 2006-07	Deputy Commissioner of Commercial Taxes
		8,724,464	2004-05	Senior Joint Commissioner of Commercial Taxes
		19,370,205	2002-03	Assistant Commissioner of Commercial Taxes
Assam General Sales Act, 1993	Assam Sales Tax	3,745,636	2000-01, 2001-02	Commissioner of Taxes
Central Sales Tax Act, 1956	Central Sales Tax	33,659,292	1999-00, 2000-01 2001-02	Commissioner of Taxes
		6,420,949	2003-04, 2004-05	Appellate and Revisional Board of Commercial Taxes
		98,207,659	2005-06, 2006-07	Deputy Commissioner of Commercial Taxes
		168,552	2002-03	Assistant Commissioner of Commercial Taxes
Income Tax Act, 1961	Income Tax	10,84,258	2006-07	Assistant Commissioner of Income Tax

10. The Company has no accumulated losses as at 31 December, 2009 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the 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.
16. 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.
17. 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.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. 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.

**Partha Mitra**  
Partner

Membership Number 50553

For Lovelock & Lewes

Firm Registration Number – 301056E

Chartered Accountants

Kolkata, 7th May, 2010

**BALANCE SHEET AS AT 31ST DECEMBER, 2009**

	Schedule	31st December, 2009 (Rupees)	31st December, 2008 (Rupees)
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	1	309,760,963	309,760,963
(b) Reserves and Surplus	2	3,742,505,621	3,634,227,272
		<b>4,052,266,584</b>	<b>3,943,988,235</b>
<b>Loan Funds</b>			
(a) Secured Loans	3	3,540,728,856	2,091,501,982
(b) Unsecured Loans		1,764,424,000	2,435,715,000
<b>Deferred Tax</b> (Refer Note 22 of Sch. 13)		—	—
<b>TOTAL</b>		<b>9,357,419,440</b>	<b>8,471,205,217</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
(a) Gross Block	4	5,494,299,767	5,467,109,604
(b) Less: Depreciation		1,594,020,398	1,500,448,112
(c) Net Block		3,900,279,369	3,966,661,492
(d) Capital Work in Progress	4A	2,176,140,368	1,863,674,495
		<b>6,076,419,737</b>	<b>5,830,335,987</b>
<b>Investments</b>	5	92,786,970	160,110,106
<b>Foreign Currency Monetary Item Translation Difference Account</b> (Refer Note 26 of Sch. 13)		36,865,695	66,358,250
<b>Current Assets, Loans And Advances</b>			
(a) Inventories	6	217,463,722	275,779,050
(b) Sundry Debtors		806,749,538	579,805,371
(c) Cash and Bank Balances		299,788,860	215,723,281
(d) Other Current Assets		10,571,448	13,112,479
(e) Loans and Advances		2,689,635,432	2,314,479,358
		<b>4,024,209,000</b>	<b>3,398,899,539</b>
<b>Less: Current Liabilities and Provisions</b>	7		
(a) Current Liabilities		499,447,508	706,141,274
(b) Provisions		373,414,454	278,357,391
		<b>872,861,962</b>	<b>984,498,665</b>
<b>Net Current Assets</b>		<b>3,151,347,038</b>	<b>2,414,400,874</b>
<b>TOTAL</b>		<b>9,357,419,440</b>	<b>8,471,205,217</b>

**NOTES ON ACCOUNTS**

13

The Schedules referred to above form an integral part of the Balance Sheet.  
This is the Balance Sheet referred to in our report of even date.

**Partha Mitra**

Partner

Membership No. 50553

For **LOVELOCK & LEWES**

Firm Registration Number – 301056E

Chartered Accountants

Kolkata, 7th May, 2010

On behalf of the Board

A. K. Jajodia – *Managing Director***P. Tusnial***Director*

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2009**

	Schedule	31st December, 2009 (Rupees)	31st December, 2008 (Rupees)
<b>INCOME</b>			
Sales		2,261,708,843	1,842,541,030
Other Income	8	70,419,615	96,836,682
		<b>2,332,128,458</b>	<b>1,939,377,712</b>
<b>EXPENDITURE</b>			
Raw Material Consumed	9	73,375,064	28,350,581
Expenses	10	1,619,057,845	1,674,265,066
(Increase) / Decrease in Stock	11	55,836,684	(87,162,597)
Depreciation / Amortisation		<b>141,252,124</b>	
Less: Transfer from Revaluation Reserve		<b>20,794,349</b>	103,909,667
Interest and Finance Charges (Refer Note 6 of Sch. 13)		<b>23,271,020</b>	19,170,145
		<b>1,891,998,388</b>	<b>1,738,532,862</b>
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAXATION</b>		<b>440,130,070</b>	200,844,850
Exceptional Items	12	<b>196,887,328</b>	35,185,220
<b>PROFIT BEFORE TAXATION</b>		<b>243,242,742</b>	165,659,630
Provision for Taxation :			
Current Tax		41,400,000	26,800,000
Deferred Tax		–	36,712,493
Wealth Tax		151,000	200,000
<b>PROFIT AFTER TAXATION</b>		<b>201,691,742</b>	101,947,137
Balance brought forward from previous year		<b>461,529,727</b>	419,443,315
<b>AVAILABLE FOR APPROPRIATION</b>		<b>663,221,469</b>	521,390,452
<b>APPROPRIATIONS</b>			
Proposed Dividend		61,952,193	46,464,144
Dividend Tax thereon		10,289,485	7,896,581
Transfer to General Reserves		15,150,000	5,500,000
Balance carried forward		<b>575,829,791</b>	461,529,727
		<b>663,221,469</b>	521,390,452
Earnings per share (Face value Re. 1 per share)			
Basic and Diluted on profit after Taxation before exceptional Items (Rs.)		<b>1.29</b>	0.44
Basic and Diluted on profit after Taxation and exceptional Items (Re.)		<b>0.65</b>	0.33
(Refer Note 28 of Sch. 13)			

**NOTES ON ACCOUNTS**

13

The Schedules referred to above form an integral part of the Profit & Loss Account.  
This is the Profit & Loss Account referred to in our report of even date.

**Partha Mitra**

Partner

Membership No. 50553

For **LOVELOCK & LEWES**

Firm Registration Number – 301056E

Chartered Accountants

Kolkata, 7th May, 2010

On behalf of the Board

A. K. Jajodia – *Managing Director***P. Tushial***Director*



**SCHEDULES FORMING PART OF THE ACCOUNTS**

**SCHEDULE : 1 - SHARE CAPITAL**

	<b>31st December, 2009 (Rupees)</b>	<b>31st December, 2008 (Rupees)</b>
<b>Authorised</b>		
(a) 500,000,000 Equity Shares of Re.1/-each	<b>500,000,000</b>	500,000,000
(b) 1,000,000 Non Cumulative Redeemable Preference Shares of Rs.100/- each	<b>100,000,000</b>	100,000,000
	<b>600,000,000</b>	600,000,000
<b>Issued and Subscribed</b>		
309,760,963 Equity Shares of Re.1/- each fully paid up	309,760,963	309,760,963
	<b>309,760,963</b>	309,760,963

**Notes:**

1. Out of the Subscribed Capital, 25,950,240 Equity Shares of Re.1/- each have been allotted as fully paid up pursuant to schemes of amalgamation without payment being received in cash.
2. Of the above Subscribed Capital, 105,000,000 Equity Shares of Re.1/- each have been allotted as fully paid up Bonus Shares by capitalisation of General Reserve.



**SCHEDULES FORMING PART OF THE ACCOUNTS**

**SCHEDULE : 2 - RESERVES AND SURPLUS**

	As at 31.12.2008 [Rupees]	Additions [Rupees]	Deductions [Rupees]	As at 31.12.2009 [Rupees]
Capital Reserve (Reserve on Amalgamation)	15,037,398	–	–	15,037,398
Capital Redemption Reserve	874,600	–	–	874,600
Revaluation Reserve	948,782,393	–	*21,171,715	927,610,678
Securities Premium	2,056,244,419	–	–	2,056,244,419
General Reserve	151,758,735	15,150,000	–	166,908,735
	3,172,697,545	15,150,000	21,171,715	3,166,675,830
Profit & Loss Account Balance	461,529,727			575,829,791
	<b>3,634,227,272</b>			<b>3,742,505,621</b>

**Note :** Capital Reserve includes Rs. 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.

\* includes Rs. 377,366/- on account of disposal of assets.

**SCHEDULE : 3 - LOAN FUNDS**

PARTICULARS	31st December, 2009 [Rupees]	31st December, 2008 [Rupees]
<b><u>SECURED LOANS</u></b>		
<b>A. Loans for Tea Division</b>		
<b>Term Loan from IDBI Bank</b>	<b>80,282,924</b>	205,757,840

(Secured by equitable mortgage created of immovable properties including plant and machinery both present and future relating to all tea estates of the Company situated in Assam ranking pari passu inter se with all term loans and working capital loan including cash credit from the Consortium Banks and also a first charge over all the movable properties both present and future [save and except book debts] subject to the prior charges created and / to be created in favour of the Company's bankers, on stock, book debts, other current assets and other movables as may be permitted for securing borrowings for working capital requirement and charges created on specified movables acquired / to be acquired out of Term Loan.)



**SCHEDULES FORMING PART OF THE ACCOUNTS**

**SCHEDULE : 3 - LOAN FUNDS (Continued)**

	<b>31st December, 2009 [Rupees]</b>	31st December, 2008 [Rupees]
<b>Term Loans from Other Banks</b>	<b>465,140,298</b>	351,737,820
<p>(Secured by equitable mortgage created of immovable properties including plant and machinery etc. both present and future relating to all tea estates of the Company situated in Assam ranking pari passu inter se with the IDBI loan and working capital loan including cash credit from Consortium Banks, a first charge over the movable properties, both present and future subject to prior charges created / to be created on stock, book debts and other current assets and other movables for working capital requirement, and exclusive first charge created over specified movables, acquired / to be acquired [including interest accrued and due Rs. Nil (31.12.2008 - Rs. 682,455/-)])</p>		
<b>Working Capital Loan including Cash Credit from Banks*</b>	<b>1,175,085,634</b>	1,035,660,894
<p>(Secured by hypothecation created / to be created on stock, book debts, all moveable assets and other current assets both present and future and equitable mortgage created of immovable properties including plant and machinery etc. both present and future relating to all tea estates of the Company situated in Assam ranking pari passu inter se with all other term loans from Consortium Banks and IDBI term loans.)</p>		
<p>* Includes FCNR Loans Rs. 244,750,914/- (31.12.2008 - Rs. 244,207,416/-).</p>		
<b>B. Loan for Oil and Gas Division</b>		
<b>Term Loan from Banks</b>	<b>1,820,220,000</b>	498,345,428
<p>Secured by primary charges of all the present and future receivables of Oil and Gas Division of the Company on pari passu basis with the existing lenders of Oil and Gas Division, assignment of participating interest in the Production Sharing Contract 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 AA-ON / 7 to the extent of Company's share on pari passu basis. Further, secured by exclusive hypothecation charge in favour of Allahabad Bank created over specified immovable properties (fixed assets) including plant and machinery, entire stocks and assignment of book debts both present and future, installed / to be installed at marginal fields at Barsilla, Bihubar and Laxmijan. Additionally, the entire loans of Oil and Gas Division is secured by personal guarantee of Managing Director of the Company.</p>		
	<b>3,540,728,856</b>	2,091,501,982
<b>UNSECURED LOANS</b>		
Short term loan from Corporate Bodies Other than Short Term	<b>30,000,000</b>	20,000,000
Long term loan from UCO Bank (Personal guarantee of Managing Director of the Company offered for the above Loan)	<b>250,000,000</b>	250,000,000
Foreign Currency Convertible Bonds (Refer Note 18 of Sch. 13)	<b>1,484,424,000</b>	2,165,715,000
	<b>1,764,424,000</b>	2,435,715,000

**SCHEDULES FORMING PART OF THE ACCOUNTS**

**SCHEDULE : 4 - FIXED ASSETS**

[ Figures in Rupees ]

Class of Assets	COST / VALUATION			DEPRECIATION / AMORTISATION				NET BLOCK			
	As at 1st January, 2009	Additions during the year	Sale / discard / adjustments during the year	Total as at 31st December, 2009	As at 1st January, 2009	Additions during the year	On Revaluation during the year	Sale / Discard during the year	Total as at 31st December, 2009	Net Book Value as on 31st December, 2009	Net Book Value as on 31st December, 2008
<b>Tangible Assets</b>											
Land and Development (including leasehold land)	2,636,397,138	16,527,772	-	2,652,924,910	--	-	-	-	-	2,652,924,910	2,636,397,138
Buildings	1,017,058,803	14,154,569	-	1,031,213,372	619,120,322	22,665,642	18,608,261	-	660,394,225	370,819,147	397,938,481
Plant and Machinery	869,657,693	54,266,666	15,455,573	908,468,786	685,121,792	32,255,205	2,045,800	14,382,535	705,040,262	203,428,524	184,535,901
Oil and Gas Producing Properties	749,521,465	130,034,674	184,285,425	695,270,714	55,667,389	49,705,838	-	21,402,372	83,970,855	611,299,859	693,854,076
Vehicles	175,250,718	23,339,748	12,500,277	186,090,189	131,232,857	13,304,414	138,749	11,867,297	132,808,723	53,281,466	44,017,861
Furniture	18,741,043	1,147,027	39,018	19,849,052	9,147,562	2,430,127	1,539	27,634	11,551,594	8,297,458	9,593,481
<b>Intangible Assets</b>											
Computer Software	482,744	-	-	482,744	158,190	96,549	-	-	254,739	228,005	324,554
<b>TOTAL</b>	<b>5,467,109,604</b>	<b>239,470,456</b>	<b>212,280,293</b>	<b>5,494,299,767</b>	<b>1,500,448,112</b>	<b>120,457,775</b>	<b>20,794,349</b>	<b>47,679,838</b>	<b>1,594,020,398</b>	<b>3,900,279,369</b>	<b>3,966,661,492</b>
Previous Year	4,654,823,262	858,515,377	46,229,035	5,467,109,604	1,417,672,202	103,909,667	22,499,483	43,633,240	1,500,448,112	3,966,661,492	

**NOTES:** 1. Land and Development (including leasehold land) include certain freehold lands the amount of which is not readily ascertainable.

2. The Government of Assam had taken possession of some undeveloped land under the Assam Fixation of Ceiling of Land Holdings Act, 1956 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 - Rs.944,902,242/- (31.12.2008-Rs.930,747,673/-). Accumulated Depreciation Rs.578,874,771/- (31.12.2008-Rs.557,499,466 /-).

4. Vehicles include assets acquired on hire purchase - Rs.30,384,756/- (31.12.2008- Rs.30,093,767/-).

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 Rs.7,637,780/- (31.12.2008- Rs.3,188,649/-).

6. Addition to Land and Development (including leasehold land) is net off of subsidy received from Tea Board for replanting activities amounting to Rs.6,520,544/- (31.12.2008- Rs.331,760/-).





**SCHEDULES FORMING PART OF THE ACCOUNTS**

**SCHEDULE : 4A - CAPITAL WORK IN PROGRESS**

	<b>31st December, 2009 [Rupees]</b>	31st December, 2008 [Rupees]
<b>A. Oil and Gas Project</b> (Refer Note 17 of Sch. 13)		
Opening Balance	1,851,232,729	1,401,900,776
Add : Addition during the year	447,914,067	1,166,908,978
	<b>2,299,146,796</b>	2,568,809,754
Less : Capitalised during the year	130,034,674	717,577,025
Closing Balance	<b>2,169,112,122</b>	1,851,232,729
<b>B. Others</b>		
Opening Balance	12,441,766	9,098,459
Add : Addition during the year	4,815,181	9,456,748
	<b>17,256,947</b>	18,555,207
Less : Capitalised during the year	10,228,701	6,113,441
Closing Balance	<b>7,028,246</b>	12,441,766
<b>Total (A + B)</b>	<b>2,176,140,368</b>	1,863,674,495

**SCHEDULE : 5 - INVESTMENTS**

**Long Term – At Cost, fully paid unless otherwise stated**

<b>A. Quoted</b>		
(i) Trade		
In Subsidiary Company		
(i) Namburnadi Tea Co. Ltd.	123,076	123,076
123,076 Equity Shares of Rs. 10/- each		
(ii) Other than Trade		
1,841 (31.12.2008-1893) US 64 Bonds of Rs.100/- each in Unit Trust of India (under lien)	184,100	189,300
Others *	3,601,068	2,598,054
	3,785,168	2,787,354
<b>B. Unquoted (Fully paid unless otherwise stated)</b>		
(i) Trade		
In Subsidiary Companies**	128,543,040	128,543,040
(ii) Other than Trade		
20,000 Equity Shares of Rs.10/- each in Assam Bengal Cereals Ltd.	200,000	200,000
5% Non Redeemable Debentures of East India Clinic Ltd.	24,500	24,500
Others ***	20,000,000	20,000,000
	20,224,500	20,224,500
	<b>152,675,784</b>	151,677,970
Less: Provision for diminution in value of certain investments	68,594,839	1,234,811
	<b>84,080,945</b>	150,443,159
<b>Current Investment - At cost or fair value whichever is lower, fully paid unless otherwise stated</b>		
Quoted		
10,000 Structured Notes of 1,000 USD each in BNP( BOA / JPMORGAN / ML) ****	-	7,776,225
12,240 Equity Shares of Bank of America Corporation	7,492,140	-
237,800 Equity Shares of Canoro Resources Ltd. of CAD 1/- each	1,213,885	1,890,722
	<b>92,786,970</b>	160,110,106



**SCHEDULES FORMING PART OF THE ACCOUNTS**

**SCHEDULE : 5 - INVESTMENTS**

**Long Term – At Cost (Contd)**

* Particulars	Description	Number as on 31.12.09	Number as on 31.12.08	Face value Rs.	Cost as on 31.12.09 Rs.	Cost as on 31.12.08 Rs.
Allahabad Bank	Equity	23	23	10	1,886	1,886
Apeejay Tea Ltd	Equity	–	5	10	–	442
Balaji Distillaries Ltd	Equity	–	30,000	10	–	869,418
Bank of Baroda	Equity	9	9	10	2,070	2,070
Bombay Burmah Trading Corp. Ltd	Equity	5	5	10	2,346	2,346
Bongaigaon Refineries Ltd	Equity	–	5	10	–	246
BSEL Infrastructure Ltd	Equity	–	5	10	–	342
Dhunseri Tea & Industries Ltd	Equity	55	5	10	10,359	10,359
DS Kulkarni Developers Ltd	Equity	–	1	10	–	245
Gammon India Ltd	Equity	5	5	2	2,246	2,246
Mahindra Lifespace Developers Ltd	Equity	2	12	10	–	–
Gillanders Arbuthnot & Company Ltd	Equity	5	5	10	518	518
GMR Infrastructure Ltd	Equity	30,000	15,000	1	2,393,532	1,541,077
Gujarat Narmada Valley Fertilizers Co Ltd.	Equity	–	50	10	–	1,415
Goodricke Group Ltd	Equity	5	5	10	333	333
Grasim Industries Ltd.	Equity	50	50	10	16,550	16,550
Great Eastern Shipping Ltd.	Equity	–	72	10	–	812
Great Offshore Ltd	Equity	–	18	10	–	208
Hindalco Industries Ltd	Equity	5	5	1	807	807
Indian Oil Corporation Ltd *****	Equity	10	5	10	2,201	2,201
Jaiprakash Associates Ltd	Equity	–	90	2	–	153
Jayshree Tea & Industries Ltd	Equity	5	5	10	547	547
Lok Housing & Constructions Ltd	Equity	–	5	10	–	874
Mcleod Russel India Ltd	Equity	300	300	5	6,095	6,095
National Thermal Power Corp. Ltd	Equity	–	5	10	–	765
Oil & Natural Gas Corporation Ltd	Equity	5	5	10	4,541	4,541
Oriental Bank Of Commerce	Equity	5	5	10	1,250	1,250
Patel Engineering Ltd	Equity	–	10	1	–	4,356
PBA Infrastructure Ltd	Equity	–	5	10	–	459
Reliance Communications Ltd	Equity	–	18	10	–	980
Reliance Infrastructure Ltd (Formerly Reliance Energy Ltd)	Equity	–	1	10	–	185
Reliance Industries Ltd. *****	Equity	36	18	10	1,350	1,350
Reliance Natural Resources Ltd	Equity	–	18	5	–	18
Reliance Power Ltd	Equity	7,000	–	10	1,039,500	–
Selan Exploration Ltd	Equity	5	5	10	540	540
Shipping Corporation of India Ltd.	Equity	–	100	10	–	5,220
Shiv - Vani Oil & Exploration Services Ltd	Equity	5	5	10	1,753	1,753
State Bank of Bikaner & Jaipur	Equity	185	185	100	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 Iron & Steel Company Ltd.(SPN)	Equity	18	18	300	–	–
Tata Tea Ltd.	Equity	12	12	10	2,280	2,280
Unitech Ltd	Equity	–	10	2	–	2,803
UTI Master Share	Equity	116	116	10	3,050	3,050
Warren Tea Ltd	Equity	5	5	10	373	373
					<b>3,601,068</b>	<b>2,598,054</b>



**SCHEDULES FORMING PART OF THE ACCOUNTS**

**SCHEDULE : 5 - INVESTMENTS**

**Long Term – At Cost (Contd)**

<b>** Particulars</b>	<b>Description</b>	<b>Number as on 31.12.09</b>	<b>Number as on 31.12.08</b>	<b>Face value Rs.</b>	<b>Cost as on 31.12.09 Rs.</b>	<b>Cost as on 31.12.08 Rs.</b>
Assam Estates Ltd.	Equity	50,570	50,570	10	505,700	505,700
Assam Oil and Gas Ltd.	Equity	1,000,000	1,000,000	10	1,000,000	1,000,000
(70 Equity Shares fully paid 999,930 Equity Shares @Rs.3/- partly paid)						
North East Hydrocarbon Ltd.	Equity	50,070	50,070	10	500,700	500,700
Camellia Cha Bar Ltd.	Equity	50,060	50,060	10	500,605	500,605
Gujarat Hydrocarbons and Power SEZ Ltd.	Equity	5,000,000	5,000,000	10	50,000,000	50,000,000
Duncan Macneill Natural Resources Ltd.	Equity	911,000	911,000	1GBP	76,036,035	76,036,035
<b>Total</b>					<b><u>128,543,040</u></b>	<b><u>128,543,040</u></b>

**\*\*\* Particulars**

Padmshree Suppliers Pvt. Ltd.	Equity	10,000	10,000	10	1,900,000	1,900,000
Octol Tracon Pvt. Ltd.	Equity	35,000	35,000	10	5,950,000	5,950,000
Rimjhim Vinjmay Pvt. Ltd.	Equity	2,000	2,000	10	350,000	350,000
Pushpshree Tower Pvt. Ltd.	Equity	10,000	10,000	10	1,800,000	1,800,000
Prakash Cresec Pvt. Ltd.	Equity	25,000	25,000	10	3,750,000	3,750,000
Nahar Viniyog Pvt. Ltd.	Equity	10,000	10,000	10	1,500,000	1,500,000
Rohini Commodities Pvt. Ltd.	Equity	14,000	14,000	10	2,100,000	2,100,000
Midpoint Marketing Pvt. Ltd.	Equity	14,500	14,500	10	1,450,000	1,450,000
Darkin Dealcom Pvt. Ltd.	Equity	12,000	12,000	10	1,200,000	1,200,000
					<b><u>20,000,000</u></b>	<b><u>20,000,000</u></b>

Details of current investment purchased and sold during the year:

220,000 Equity shares in GMR Infrastructure Ltd. of Rs. 5/- each at a cost of Rs. 24,948,083/-

**Notes:**

Aggregate market value of quoted investments Rs. 12,173,995 /- (31.12.2008 - Rs. 12,577,377/-)

Aggregate book value of quoted investments Rs.12,614,269/- (31.12.2008 - Rs.12,577,377/-)

Aggregate book value of unquoted investments Rs.148,767,540 /- (31.12.2008 - Rs.148,767,540/-)

Market value of Namburnadi Tea Co. Ltd. is not available.

\*\*\*\* These were converted into 12,240 Equity Shares of Bank of America Corporation.

\*\*\*\*\* Include 5 Bonus Shares received during the year.

\*\*\*\*\* Include 18 Bonus Shares received during the year.

**SCHEDULES FORMING PART OF THE ACCOUNTS****SCHEDULE : 6 - CURRENT ASSETS, LOANS AND ADVANCES**

	<b>31st December, 2009 [Rupees]</b>	31st December, 2008 [Rupees]
<b>(a) Inventories</b>		
Stores and Spare Parts (including in transit Rs. 262,672/-, 31.12.2008 - Rs. Nil)	45,482,052	47,960,696
Stock of Tea (including in transit Rs. 10,202,266/-, 31.12.2008 - Rs. 15,570,673/-)	170,900,295	226,580,322
Stock of Oil	1,081,375	1,238,032
	<b>217,463,722</b>	<b>275,779,050</b>
<b>(b) Sundry Debtors - Unsecured</b>		
Debts outstanding for a period exceeding six months		
– Considered good	121,871,027	32,187,653
– Considered doubtful	7,165,156	–
– Other Debts Considered good	684,878,511	547,617,718
	<b>813,914,694</b>	<b>579,805,371</b>
Less: Provisions for doubtful debts	7,165,156	–
	<b>806,749,538</b>	<b>579,805,371</b>
<b>(c) Cash and Bank Balances</b>		
Cash and cheques in hand	9,612,189	1,170,227
Remittance in Transit	200,000	1,350,000
With Scheduled Banks:		
On Current Accounts [Includes Rs. 7,754,214/- in Escrow Account (31.12.2008 - Rs. 127,600/-)]	204,429,949	83,132,345
On Deposit Accounts [held as margin and lien]	48,272,704	92,596,517
With Others:		
On Current Accounts	4,291	322
On Deposit Accounts (Refer Note 7 of Sch. 13)	37,269,727	37,473,870
	<b>299,788,860</b>	<b>215,723,281</b>
<b>(d) Other Current Assets - Unsecured</b>		
Considered good		
Interest accrued on deposits	8,266,049	10,769,758
Other Receivables	2,305,399	2,342,721
Considered doubtful		
Interest accrued on deposits	10,541,619	–
	21,113,067	13,112,479
Less: Provision for doubtful Interest accrued on deposits	10,541,619	–
	<b>10,571,448</b>	<b>13,112,479</b>



**SCHEDULES FORMING PART OF THE ACCOUNTS**

**SCHEDULE : 6 - CURRENT ASSETS, LOANS & ADVANCES (Contd)**

	<b>31st December, 2009 [Rupees]</b>	31st December, 2008 [Rupees]
<b>(e) Loans and Advances - Unsecured</b>		
Considered good		
Advances and loans to subsidiaries *	2,285,337,935	1,859,192,149
Advances recoverable in cash or in kind or for value to be received **	361,001,396	340,439,874
Intercorporate Deposits	43,205,000	114,630,000
Balance with Port Trust and Excise Authorities	91,101	217,335
Considered doubtful		
Advances and loans to subsidiaries *	24,337,795	18,345,643
Advances recoverable in cash or in kind or for value to be received	37,457,379	—
Intercorporate Deposits	44,800,000	14,039,803
	<u>2,796,230,606</u>	<u>2,346,864,804</u>
Less: Provision for doubtful advances and deposits	106,595,174	32,385,446
	<b><u>2,689,635,432</u></b>	<b><u>2,314,479,358</u></b>
<b>Amounts due from Subsidiaries *</b>	<b>Balance as at 31.12.2009</b>	<b>Balance as at 31.12.2008</b>
Namburnadi Tea Co. Ltd.	82,498,430	66,566,412
Assam Estates Ltd.	5,429,048	5,399,048
Assam Oil and Gas Ltd.	5,292,692	5,262,692
North East Hydrocarbon Ltd.	9,197,924	5,065,529
Camellia Cha Bar Ltd.	4,691,302	2,976,521
Gujarat Hydrocarbons and Power SEZ Ltd.	1,388,834,110	1,107,849,116
Duncan Macneill Natural Resources Ltd.	813,732,224	684,418,474
	<b><u>2,309,675,730</u></b>	<b><u>1,877,537,792</u></b>
<b>Maximum amount due at any time during the year</b>		
Namburnadi Tea Co. Ltd.	89,782,367	70,456,287
Assam Estates Ltd.	5,429,148	5,399,048
Assam Oil and Gas Ltd.	5,290,000	5,260,000
North East Hydrocarbon Ltd.	10,237,424	40,700,000
Camellia Cha Bar Ltd.	4,691,302	2,976,521
Gujarat Hydrocarbons and Power SEZ Ltd.	1,388,834,109	1,107,849,116
Duncan Macneill Natural Resources Ltd.	813,732,224	931,601,418

\*\* Includes amount receivable from Directors of the Company Rs. 558,002/- (31.12.2008 - Rs. 985,213/-), maximum amount outstanding at any point of time during the year Rs. 965,072/- (31.12.2008 - Rs. 2,536,791/-).



**SCHEDULES FORMING PART OF THE ACCOUNTS**

**SCHEDULE : 7 - CURRENT LIABILITIES AND PROVISIONS**

	31st December, 2009 [Rupees]	31st December, 2008 [Rupees]
<b>(a) Current Liabilities</b>		
Acceptances	–	4,719,910
Sundry Creditors		
– Total outstanding dues of micro enterprises and small enterprises (Refer Note 23 of Sch. 13)	<b>2,488,069</b>	3,678,789
– Total outstanding dues of creditors other than micro enterprises and small enterprises	<b>432,050,348</b>	640,222,180
Other Liabilities	<b>5,256,127</b>	3,455,655
Unpaid Dividend	<b>2,401,580</b>	4,639,280
Bank Balance Overdrawn	<b>3,457,528</b>	1,148,925
Interest accrued but not due on Loans	<b>53,793,856</b>	48,276,535
	<b>499,447,508</b>	706,141,274
<b>(b) Provisions</b>		
Provision for Retirement Benefits	<b>259,029,159</b>	199,084,115
Taxation less Advance Payments of Rs. 53,031,473/- (31.12.2008 - Rs. 29,058,509/-)	<b>39,378,617</b>	22,147,551
Provision for Site Restoration (Refer Note 13 of Sch. 13)	<b>2,765,000</b>	2,765,000
Proposed Dividend	<b>61,952,193</b>	46,464,144
Dividend Tax thereon	<b>10,289,485</b>	7,896,581
	<b>373,414,454</b>	278,357,391

**SCHEDULE : 8 - OTHER INCOME**

	Year ended 31st December, 2009 (Rupees)	Year ended 31st December, 2008 (Rupees)
Transport and Handling subsidy	<b>4,206,258</b>	3,116,461
Sale of Tea Waste	<b>3,702,572</b>	2,565,072
Subsidy on Plantation	<b>264,796</b>	7,879,173
Income from Investments other than trade [Tax deducted at source Rs. 5,930/- (31.12.2008 - Rs. Nil )]	<b>65,499</b>	42,581
Gain on Exchange Fluctuations (net)	<b>38,658,883</b>	–
Liabilities no longer required written back	<b>77,880</b>	12,235,757
Profit on sale of Fixed Assets	<b>4,068,659</b>	680,241
Profit on acquisition of Land by the Government	–	5,837,494
Premium on sale of DEPB License	<b>15,004,824</b>	24,845,837
Profit on Sale of Current Investments (net)	<b>606,593</b>	–
Refund of excess payment of Income Tax in earlier years	–	30,331,941
Miscellaneous Receipts	<b>3,763,651</b>	9,302,125
	<b>70,419,615</b>	96,836,682

**SCHEDULE : 9 - RAW MATERIALS CONSUMED**

Opening Balance	–	–
Add : Purchases		
Green Leaf	<b>73,059,547</b>	18,482,011
Tea	<b>315,517</b>	9,868,570
	<b>73,375,064</b>	28,350,581
Less: Closing Balance	–	–
Consumed	<b>73,375,064</b>	28,350,581


**SCHEDULES FORMING PART OF THE ACCOUNTS**
**SCHEDULE : 10 - EXPENSES**

	Year ended 31st December, 2009 [Rupees]	Year ended 31st December, 2008 [Rupees]
Garden Cultivation Costs	179,508,929	143,552,413
Plucking and Manufacturing Expenses of Tea	207,818,394	211,471,974
Power and Fuel	168,983,512	169,807,814
Establishment Charges	299,405,790	277,363,055
Directors' Fees	49,500	49,500
Contribution to Provident and other funds	117,258,624	111,770,746
Workmen and Staff Welfare Expenses	107,581,453	98,104,090
Concession on Foodgrains	50,818,153	51,575,202
Repairs to Buildings	27,647,545	29,607,022
Repairs to Plant and Machinery	32,102,078	26,347,806
Upkeep of Roads and Bridges	2,097,491	1,413,578
Garden Transport	33,406,549	32,192,059
Insurance	3,177,983	2,909,802
Rent	524,700	1,482,613
Rates and Taxes	27,173,531	14,168,235
Office Maintenance	4,841,718	3,474,819
Bank Charges	37,204,214	23,634,939
General Charges	105,994,314	98,204,019
Freight, Warehouse and Sale Charges	79,239,884	86,201,045
Agency Commission	42,257,107	46,849,102
Brokerage	14,789,798	12,175,563
Cess on Tea and Green Leaf	25,621,436	25,033,781
Oil Production Expenses	9,280,308	17,514,956
Oil Treatment Charges	9,158,436	12,232,889
Equipment Rental and Transportation Charges	10,560,532	5,193,843
Royalty on Oil	2,981,429	3,705,147
Cess on Oil	5,267,554	6,176,771
Provision for Doubtful Debts	7,165,156	-
Loss on Sale of Current Investments (net)	-	31,617,609
Advances, Deposits, Debts, accrued interest and Stores Written off	7,141,727	29,188,838
Loss on Exchange Fluctuation (net)	-	101,245,836
	<b>1,619,057,845</b>	<b>1,674,265,066</b>

**SCHEDULE : 11 - (INCREASE) / DECREASE IN STOCK**

	Unit	31st December, 2009		31st December, 2008	
		[Quantity]	[Rupees]	[Quantity]	[Rupees]
<b>Stock as at 1st January, 2009</b>					
Tea	KGS	2,793,261	226,580,322	1,963,202	140,655,757
Oil	BBLS	2,360	1,238,032	* 834	
<b>Stock as at 31st December, 2009</b>					
Tea	KGS	1,925,454	170,900,295	2,793,261	226,580,322
Oil	BBLS	1,705	1,081,375	2,360	1,238,032
<b>(Increase) / Decrease</b>			<b>55,836,684</b>		<b>(87,162,597)</b>

\* Represents oil lying in stock out of trial / test production.

**SCHEDULE : 12 - EXCEPTIONAL ITEMS**

	Year ended 31st December, 2009 [Rupees]	Year ended 31st December, 2008 [Rupees]
Loss on Fixed Assets discarded	162,883,053	2,628,949
Diminution in value of investments	67,360,028	668,825
Provision for doubtful advances, deposits and interest accrued	84,751,347	31,887,446
	<b>314,994,428</b>	<b>35,185,220</b>
Less: Reduction of liability on buy back of Foreign Currency Convertible Bonds	118,107,100	-
	<b>196,887,328</b>	<b>35,185,220</b>




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**SCHEDULE : 13- NOTES ON ACCOUNTS**
**Notes forming part of the Accounts**
**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 young tea plantation 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 Profit and Loss Account.

**Expenditure incurred in connection with Oil and Gas Project**

Expenses incurred for acquiring rights for exploring, developing and producing oil along with other expenses incurred for developing and constructing wells have been capitalised and included under the head Capital Work in Progress in line with the suggested treatment prescribed by The Institute of Chartered Accountants of India in the 'Guidance Note on Accounting for Oil and Gas Producing Activities' under the 'Full Cost Method'.

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 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.

[ii] Capitalised software costs are amortised over its useful life of five years on a straight line basis.

In respect of revalued assets the incremental depreciation on account of revaluation is recouped from Revaluation Reserve. Land and Building including leasehold land are not depreciated.

[iii] Cost of wells capitalised as producing properties 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.



**SCHEDULE : 13 - NOTES ON ACCOUNTS (Contd.)**

**[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 locations and condition and includes appropriate production overheads, where applicable.

Provision is made for obsolete, slow moving and defective stocks, where necessary.

**[h] Foreign Currency Transactions**

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

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 or 31st March, 2011, whichever is earlier.

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

**[i] Sales**

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

**[j] Other Income**

Export incentives, interest income and income from investments are accounted on accrual basis.

**[k] Replanting and Other Subsidies**

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

**[l] 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 received.

**[m] Leases**

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

**[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 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 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 at the year end, to Trust and Life Insurance Corporation of India (LIC) respectively.

Leave encashment benefit on retirement is determined on the basis of independent actuarial valuation done at the year end and such liability is provided for in this accounts.


**SCHEDULE : 13 - NOTES ON ACCOUNTS (Contd.)**

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

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

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

**[o] Oil Production Cost**

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

**[p] Provision**

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made.

**[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.

2. **[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 Rs.427,664,732/-. All assets 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 Rs.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 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.
3. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.6,228,955/- (net of advance - Rs.1,978,734/-), [31.12.2008 - Rs.7,638,834/- (net of advance - Rs.15,368,371/-)]
4. Contingent Liabilities not provided for in respect of :
  - [a] [i]** Income Tax assessments disputed in appeals Rs.1,084,258/- (31.12.2008 - Rs.11,208,122/-).
  - [a] [ii]** Agricultural Income Tax matter Rs. Nil (31.12.2008 - Rs.64,209,208/-)
  - [b]** Sales Tax assessments disputed in appeals Rs.195,551,033/- (31.12.2008-Rs.143,482,782/-)
  - [c]** Liability towards fringe benefit tax under adjudication - Rs. 70,929,211/- (31.12.2008 - Rs. 48,527,839/-) Refer Note 29 of Schedule 13.
  - [d]** Premium on redemption of Foreign Currency Convertible Bonds Rs. 422,707,146/- (31.12.2008 - Rs. 400,623,012/-). Refer Note 18 of Schedule 13.
  - [e]** Guarantees given on behalf of third parties Rs. 76,814,400/- (31.12.2008 - Rs.151,100,000/-) of which Rs. 30,863,255/- (31.12.2008 - Rs. 45,844,416/-) was outstanding as at 31st December, 2009.
  - [f]** Uncalled liability on partly paid shares - Rs.6,999,510/- (31.12.2008 - Rs. 6,999,510/-).
  - [g]** Interest and penalty for non-deduction and non-deposit of tax deducted at source from green leaf suppliers not ascertainable at this stage.
  - [h]** Commercial claims not acknowledged as debts Rs. 242,899,702/- (31.12.2008 – not ascertainable).

The future cash flows on account of above cannot be determined unless the judgement / decisions / demand are received from the appropriate authorities / parties.
5. 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, 2009 which extends over two assessment years, Assessment Year 2009-2010 and Assessment Year 2010-11. The ultimate tax liability for the Assessment Year 2010-11 will be determined on the total income for the year period from 1st April, 2009 to 31st March 2010.



**SCHEDULE : 13 - NOTES ON ACCOUNTS (Contd.)**

<b>6. Breakup of Interest and Finance Charges:-</b>	<b>31.12.2009</b>	31.12.2008
	<b>[Rupees]</b>	<b>[Rupees]</b>
On Fixed Loan	<b>167,776,210</b>	150,001,437
Hire Purchase Finance Charges on Vehicles	<b>1,401,005</b>	1,329,336
Others	<b>75,354,776</b>	60,191,140
<b>A</b>	<b>244,531,991</b>	211,521,913
Less: Interest Subsidy Received/Receivable	<b>21,989,093</b>	22,160,500
Interest Income (Tax deducted at source Rs.17,658,003/- (31.12.2008 - Rs.15,199,344/-)	<b>199,271,878</b>	170,191,268
<b>B</b>	<b>221,260,971</b>	192,351,768
Total Interest Charge (net)	<b>A - B</b>	<b>23,271,020</b>
		19,170,145

7. The balances with non-scheduled banks are held in :

Particulars	Balance Outstanding as at		Maximum amount outstanding as at any time during the year	
	31.12.2009 [Rupees]	31.12.2008 [Rupees]	31.12.2009 [Rupees]	31.12.2008 [Rupees]
<b>On Current Account:</b>				
ING Bank, Singapore	4,291	322	28,420,509	354,788,232
<b>On Deposit Account:</b>				
ING Bank, Singapore	37,269,727	37,473,870	39,096,261	371,029,978

8.(i) Amount paid / payable to the auditors included under general charges in Schedule 10 (Net of Service Tax)

	<b>31.12.2009</b>	31.12.2008
	<b>[Rupees]</b>	<b>[Rupees]</b>
[a] Statutory audit fees	1,750,000	1,500,000
[b] Fees for other services	3,890,000	2,525,000
[c] Reimbursement of out of pocket expenses	274,223	176,175

(ii) Expenditure includes in aggregate :

Salaries, Wages and Bonus	586,686,224	586,155,493
Stores and Spare Parts consumed	293,634,600	255,824,986

**9. Employee Benefit Obligation**

**Gratuity**

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

**Pension**

The Company operates two pension schemes for eligible employees, one of them being a defined benefit scheme and the other a defined contribution. The defined benefit scheme is funded with Life Insurance Corporation of India (LIC). Annual contributions to the defined benefit scheme are made by the Company based on actuarial valuation carried out by them at year end. Contributions for the defined contribution plan are deposited with a Trust and such contributions along with interest accumulate during the service period of such employee. Such funds are utilised to buy pension annuity from the insurance company.

**Provident Fund**

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

**Leave Benefit**

Leave benefit comprises of leave balances accumulated by the employees which can be encashed only at the time of retirement.

**A. Defined Contribution Plans**

Contributions for Defined Contribution Plans amounting to Rs.58,906,944/- (31.12.2008 - Rs.56,928,082/-) has been recognised in the Profit and Loss Account.



**SCHEDULE : 13 - NOTES ON ACCOUNTS (Contd.)**

**B. Defined Benefit Plans**

	Gratuity (Funded)		Pension (Funded)		Leave Encashment (Unfunded)			
	2009	2008	2007	2009	2008	2007	2009	2008
	[Rupees]	[Rupees]	[Rupees]	[Rupees]	[Rupees]	[Rupees]	[Rupees]	[Rupees]
<b>a) Component of employees expenses</b>								
Current Service Cost	13,770,454	12,733,800	14,617,377	8,440,325	5,692,568	2,323,270	2,351,923	1,331,435
Interest Cost	16,307,273	17,756,263	18,379,607	4,942,863	3,893,285	3,611,484	243,400	243,042
Expected Return on Plan Assets	(5,556,090)	(6,801,793)	(15,168,419)	(2,575,406)	(2,386,264)	(2,973,396)	-	-
Curtailement Cost	-	-	-	-	-	-	-	-
Settlement Cost	-	-	-	-	-	-	-	-
Past Service Cost	-	-	-	-	-	-	-	-
Net actuarial (gain) / loss recognised during the year	10,881,225	(21,530,142)	27,541,436	12,028,326	4,430,513	(10,076,957)	(524,299)	(569,927)
<b>Total component of employees expenses</b>	<b>35,402,862</b>	<b>2,158,128</b>	<b>45,370,001</b>	<b>22,836,108</b>	<b>11,630,102</b>	<b>(7,115,599)</b>	<b>2,071,024</b>	<b>1,004,550</b>
<b>b) Net (Asset) / Liability</b>								
Present Value of the Defined Benefit Obligation	252,041,130	230,872,090	251,285,244	92,897,202	65,904,847	51,910,477	5,077,537	3,484,173
Fair value of Plan Assets	55,217,327	69,451,148	232,847,013	36,348,822	32,192,575	53,705,481	-	-
<b>Net (Asset) / Liability</b>	<b>196,823,803</b>	<b>161,420,942</b>	<b>18,438,231</b>	<b>56,548,380</b>	<b>33,712,272</b>	<b>(1,795,004)</b>	<b>5,077,537</b>	<b>3,484,173</b>
The excess of assets over liabilities have not been recognised in the books of accounts.								
<b>c) Actual Return on Plan Assets</b>								
Expected Return on Plan Assets	5,556,090	6,801,793	15,168,419	2,575,406	2,386,264	2,973,396	-	-
Actuarial gain / (loss) on Plan Assets	7,093,627	(302,975)	(18,384,179)	1,580,841	(21,996)	13,564,633	-	-
<b>Actual Return on Plan Assets</b>	<b>12,649,717</b>	<b>6,498,818</b>	<b>(3,215,760)</b>	<b>4,156,247</b>	<b>2,364,268</b>	<b>16,538,029</b>	<b>-</b>	<b>-</b>
<b>d) Change in Defined Benefit Obligation during the year</b>								
Present value of Defined Benefit Obligation as at beginning of the year	230,872,090	251,285,245	223,373,485	65,904,847	51,910,477	42,488,047	3,484,173	4,001,505
Current Service cost	13,770,454	12,733,800	14,617,377	8,440,325	5,692,568	2,323,270	2,351,923	1,331,435
Interest Cost	16,307,273	17,756,263	18,379,607	4,942,863	3,893,285	3,611,484	243,400	243,042
Settlement Cost	-	-	-	-	-	-	-	-
Past Service Cost	-	-	-	-	-	-	-	-
Benefits Paid	(26,883,539)	(29,070,101)	(14,242,482)	-	-	-	(477,660)	(1,521,882)
Actuarial (gain) / loss on Obligation	17,974,852	(21,833,117)	9,157,257	13,609,167	4,408,517	3,487,676	(524,299)	(569,927)
Present value of Defined Benefit Obligation as at end of the year	<b>252,041,130</b>	<b>230,872,090</b>	<b>251,285,244</b>	<b>92,897,202</b>	<b>65,904,847</b>	<b>51,910,477</b>	<b>5,077,537</b>	<b>3,484,173</b>
<b>e) Change in Fair Value of Assets during the year</b>								
Fair value of Plan Assets as at beginning of the year	69,451,149	85,022,431	189,605,255	32,192,575	29,828,307	37,167,452	-	-
Expected Return on Plan Assets	5,556,090	6,801,793	15,168,419	2,575,406	2,386,264	2,973,396	-	-
Contributions Made	-	7,000,000	60,700,000	-	-	-	-	-
Benefits Paid	(26,883,539)	(29,070,101)	(14,242,482)	-	-	-	-	-
Actuarial gain / (loss) on Plan Assets	7,093,627	(302,975)	(18,384,179)	1,580,841	(21,996)	13,564,633	-	-
Fair value of Plan Assets as at end of the year	<b>55,217,327</b>	<b>69,451,148</b>	<b>232,847,013</b>	<b>36,348,822</b>	<b>32,192,575</b>	<b>53,705,481</b>	<b>-</b>	<b>-</b>


**SCHEDULE : 13 - NOTES ON ACCOUNTS (Contd.)**
**f) Categories of Plan Assets as a percentage of total planned Assets**

	Gratuity (Funded)			Pension (Funded)		
	2009	2008	2007	2009	2008	2007
Administered by Private Insurance Company	97.68%	78.94%	45.48%	–	–	–
Administered by Life Insurance Corporation of India	–	–	–	80.71%	78.62%	20.00%
Special Deposit with Scheduled Bank	0.68%	0.54%	–	–	–	0.16%
Others	1.64%	20.52%	54.52%	19.29%	21.38%	79.84%

**g) Actuarial Assumptions**

	Gratuity (Funded)			Pension (Funded)			Leave Encashment (Unfunded)	
	2009	2008	2007	2009	2008	2007	2009	2008
	LICI – 1994-1996	LICI – 1994-1996	LICI – 1994-1996	LICI – 1994-1996	LICI – 1994-1996	LICI – 1994-1996	LICI – 1994-1996	LICI – 1994-1996
Mortality Rates	7.50	7.50	8.50	7.50	7.50	8.50	7.50	7.50
Discount Rate (%)	5.00	5.00	7.50	5.00	5.00	7.50	5.00	5.00
Inflation Rate (%)	8.00	8.00	8.00	8.00	8.00	8.00	–	–
Expected Return on Plan Assets (%)								

**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 three financial years are available and have been disclosed.
- (iii) The contribution expected to be made by the company for the year ending 31st December, 2010 cannot be ascertained at this stage.

<b>10. Directors' remuneration in aggregate</b>	<b>31.12.2009</b>	<b>31.12.2008</b>
<b>[a] Managing Director:</b>	<b>[Rupees]</b>	<b>[Rupees]</b>
i) Salary	<b>2,919,888</b>	5,450,806
ii) Allowances	<b>2,966,918</b>	5,142,441
iii) Expenditure on Provident Fund, Superannuation and Gratuity Schemes	<b>712,800</b>	3,107,305
	<b>6,599,606</b>	13,700,552
Less: Transferred to Capital Work in Progress (Oil and Gas Project)	<b>2,145,021</b>	3,169,075
Less: Recoverable from subsidiary company	<b>2,199,868</b>	3,169,075
<b>Net balance</b>	<b>2,254,717</b>	<b>7,362,402</b>

**Note:**

Commission payable to the Managing Director has been waived.

	<b>31.12.2009</b>	<b>31.12.2008</b>
	<b>[Rupees]</b>	<b>[Rupees]</b>
<b>[b] Other Directors :</b>		
Sitting Fees	<b>49,500</b>	49,500



**SCHEDULE : 13 - NOTES ON ACCOUNTS (Contd.)**

		31.12.2009		31.12.2008	
11. [1]	Licensed Capacity	Not Applicable		Not Applicable	
[2]	Installed Capacity	Not Ascertainable		Not Ascertainable	
[3]	Tea Produced (Kgs)	14,984,392		14,683,485	
[4]	Saleable Production of Tea* (Kgs)	14,593,137		14,316,465	
[5]	Green Leaf Consumed ** (Kgs)	67,347,359		64,907,357	
[6]	Production of Oil*** (BBLS)	39,162		61,121	
[7]	Production of Gas**** (MCM)	19,148		22,036	
		31.12.2009		31.12.2008	
		[Quantity]	[Rupees]	[Quantity]	[Rupees]
[8]	Details of Purchase				
	Tea (Kgs)	841	315,517	99,591	9,868,570
	Green Leaf (Kgs)	4,502,457	73,059,457	1,299,735	18,482,011
			73,375,064		28,350,581
[9]	Details of Sale				
[a]	Tea (Kgs)	15,461,785	2,078,139,788	13,585,997	1,515,234,391
[b]	Oil (BBLS)	39,817	124,033,157	54,914	256,640,065
[c]	Gas (MCM)	17,367	59,535,898	20,122	70,666,574
			2,261,708,843		1,842,541,030
[10]	Value of Raw Materials and Stores and Spare parts consumed	%	[Rupees]	%	[Rupees]
	Indigenous – Raw Materials	100	73,375,064	100	28,350,581
	– Stores and Spare Parts	100	293,634,600	100	255,824,986
		100	367,009,664	100	284,175,567

\* Net off tea waste, handling loss, free issue to labour, samples and other promotionals etc. aggregating 391,255 Kgs (31.12.2008 - 367020 Kgs)

\*\* As the production of green leaf (raw materials consumed by the Company for the manufacture of Tea) from the 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.

\*\*\* Net of loss / in-house use aggregating 2,880 BBLS (31.12.2008 - 3,846 BBLS)

\*\*\*\* Net of in-house consumption and technical flaring aggregating 1,781 MCM (31.12.2008 - 1,914 MCM)

12. [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, 2009 and the present value as at 31st December, 2009 of minimum rentals in respect of assets acquired under HP are as follows:

	31.12.2009	31.12.2008
	[Rupees]	[Rupees]
<b>Minimum Hire Purchase Payments</b>		
– Payable not later than one year	5,993,425	7,813,882
– Payable later than one year but not later than 5 years	6,580,298	8,947,594
<b>Total of Minimum Hire Purchase Payments</b>	<b>12,573,723</b>	<b>16,761,476</b>
<b>Finance Charges</b>		
– Payable not later than one year	293,233	1,228,959
– Payable later than one year but not later than 5 years	221,804	936,510
<b>Total of Finance Charges</b>	<b>515,037</b>	<b>2,165,469</b>
<b>Present Value of Minimum HP Payments</b>		
– Payable not later than one year	5,700,192	6,584,923
– Payable later than one year but not later than 5 years	6,358,494	8,011,084
<b>Total of Present Value of Minimum HP Payments</b>	<b>12,058,686</b>	<b>14,596,007</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 Rs.676,200/- (31.12.2008 - Rs.424,495/-) have been debited to the Profit and Loss Account.



**SCHEDULE : 13 - NOTES ON ACCOUNTS (Contd.)**

**13. Provision for Site Restoration:**

[Figures in Rupees]

<u>Year</u>	<u>Opening Balance</u>	<u>Provision made during the year</u>	<u>Amounts utilised / reversed during the year</u>	<u>Closing Balance 31.12.2009</u>
2009	2,765,000	–	–	2,765,000
2008	1,440,000	1,325,000	–	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.

	<u>31.12.2009 [Rupees]</u>	<u>31.12.2008 [Rupees]</u>
<b>14. Expenditure in foreign currency (on accrual basis):</b>		
Commission	<b>42,257,107</b>	46,849,102
Travelling Expenses	<b>7,084,414</b>	14,326,532
Bank Charges	<b>12,447,110</b>	1,164,267
	<b>31.12.2009 [Rupees]</b>	<b>31.12.2008 [Rupees]</b>
<b>15. Earnings in Foreign Exchange (on accrual basis):</b>		
Export Sale on F.O.B. Basis	<b>636,863,934</b>	660,652,107
Interest Income	<b>209,222</b>	6,353,747
Income from Investments	<b>31,907</b>	–

**16. Related Party Disclosure:**

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

**a. Subsidiaries of the Company**

- Namburnadi Tea Company Ltd.
- Camellia Cha Bar Ltd.
- North East Hydrocarbon Ltd.
- Assam Oil and Gas Ltd.
- Duncan Macneill Natural Resources Ltd.
- Assam Estates Ltd.
- Gujarat Hydrocarbons and Power SEZ Ltd.

**b. Key Managerial Personnel**

- Mr. A. K. Jajodia, Managing Director
- Mr. Abhay Chawdhry, Director Finance & CFO (upto 18.08.2008)

**c. Relatives of Key Managerial Personnel**

- Ms. Ruchika Jajodia
- Ms. Rashmi Chawdhry (upto 18.08.2008)

**d. Enterprises over which the key managerial personnel are able to exercise a significant influence**

- Abhay Chawdhry HUF (upto 18.08.2008)

**e. Joint Venture through jointly controlled operations**

- Canoro Resources Limited – (Refer Note No. 17 below)



**SCHEDULE : 13 - NOTES ON ACCOUNTS (Contd.)**

**II Transactions with related parties**

SL No.	Related Party	Outstanding as on 31.12.2009 (Rupees)	Outstanding as on 31.12.2008 (Rupees)	Nature of transaction	Year ended 31st December 2009 (Rupees)	Year ended 31st December 2008 (Rupees)
(A)	NAMBURNADI TEA COMPANY LTD.	82,498,430 Receivable	66,566,412 Receivable	Purchase of tea and green leaf Receipt towards refund of advance Expenses recoverable Transfer of stores (net debit) Remuneration of manager on deputation recoverable Advance given Guarantees given	43,200 10,465,835 55,820 1,002,863 1,917,285 23,465,085 48,214,400	8,026,858 — 57,527 1,807,425 1,656,302 25,155,229 122,500,000
(B)	NORTH EAST HYDROCARBON LTD.	9,197,924 Receivable	5,065,529 Receivable	Advance given Receipt towards refund of advance	4,132,395 —	41,669,443 37,300,000
(C)	ASSAM OIL AND GAS LTD.	5,292,692 Receivable	5,262,692 Receivable	Payment towards refund of advance Loan given Advance given	— — 30,000	1,237,808 5,262,692 2,692
(D)	CAMELLIA CHA BAR LTD.	4,691,302 Receivable	2,976,521 Receivable	Advance given Payment toward refund of advance	1,714,781 —	3,289,506 312,985
(E)	DUNCAN MACNEILL NATURAL RESOURCES LTD.	813,732,224 Receivable	684,418,474 Receivable	Investment in shares Loan given Receipt towards refund of loan Expenses recoverable	129,313,750 — — —	7,174,025 200,150,000 247,182,944 5,618
(F)	GUJARAT HYDROCARBONS AND POWER SEZ LTD.	1,388,834,110 Receivable	1,107,849,116 Receivable	Loan given Interest receivable Expenses recoverable Managing Director's remuneration recoverable	62,457,000 183,081,878 33,246,248 2,199,868	12,595,489 133,991,914 257,809,123 3,169,075
(G)	ASSAM ESTATES LTD.	5,429,048 Receivable	5,399,048 Receivable	Expenses recoverable Advance given	— 30,000	74,057 5,005,000
(H)	MR. A K JAJODIA	558,002 Receivable	985,213 Receivable	Remuneration paid Advance given	6,599,606 558,002	9,621,785 610,234
(I)	MR. ABHAY CHAWDHRY	—	—	Remuneration paid	—	4,078,767
(J)	MS. RUCHIKA JAJODIA	—	95,250 Payable	Salary paid	1,143,000	933,450
(K)	MS. RASHMI CHAWDHRY	—	—	Rent paid	—	303,225
(L)	ABHAY CHAWDHRY HUF	—	—	Rent paid	—	429,065

**Note :** The management certifies that there have been no payments, other than those disclosed above, to key management personnel and / or their relatives and/or to any other related party



**SCHEDULE : 13 - NOTES ON ACCOUNTS (Contd.)**

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

Sl. No.	Related Party	Year ended 31st December 2009 [Rupees]	Year ended 31st December 2008 [Rupees]
(A)	NORTH EAST HYDRO CARBON LTD.	9,688,624	5,556,230
(B)	ASSAM OIL AND GAS LTD.	4,970,114	4,904,544
(C)	CAMELLIA CHA BAR LTD.	5,191,907	3,477,126
(D)	ASSAM ESTATES LTD.	5,487,102	5,408,054
(E)	DUNCAN MACNEILL NATURAL RESOURCES LTD.	67,327,311	–

**17. [a]** The Company is pursuing E&P activities in Amguri Development Block and AA-ON/7 Exploration Block located in North East under a Joint Operating Agreement (JOA) with Canoro Resources Ltd, a Canadian E&P Company based in Calgary, Canada, having participation interest of 40% and 35% respectively. In addition, the Company has one more E&P asset – AA-ONN-2005/1 in Assam and Assam-Arakan Basin under consortium with ONGC and OIL, having participation interest of 10% through bidding process under NELP-VII.

With regard to operations in Marginal Discovered Fields, having made investments in work over operations in Laxmijan and Barsilla and having established oil and gas reserve, the Company made strong representation before ONGC seeking amendment of commercial terms to make the operation economically viable due to increased cost of operation. Since the operation was not economically viable, the management has decided to treat these Marginal Fields as abandoned and subsequently surrendered these Fields back to ONGC. Accordingly the investment cost capitalised earlier has been fully charged off under the head "exceptional items".

**[b]** Disclosure of Company's participating interest (PI) in the Oil and Gas project:

Sl. No.	Name of the Field	Percentage of PI
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 PI]

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

	<b>Proved Reserves (Million MT)</b>		<b>Proved Developed Reserves (Million MT)</b>	
	<b>31.12.2009</b>	<b>31.12.2008</b>	<b>31.12.2009</b>	<b>31.12.2008</b>
<b>Oil :</b>				
Beginning of the year	98527	106900	44812	53185
Additions	–	–	–	–
Deletion	25197	–	7263	–
Production	5759	8373	5759	8373
Closing Balance for the year	<b>67571</b>	<b>98527</b>	<b>31790</b>	<b>44812</b>
<b>Gas :</b>				
Beginning of the year	946	968	361	383
Additions	–	–	202	–
Deletion	46	–	–	–
Production	19	22	19	22
Closing Balance for the year	<b>881</b>	<b>946</b>	<b>544</b>	<b>361</b>



**SCHEDULE : 13 - NOTES ON ACCOUNTS (Contd.)**

**17 [d] CAPITAL WORK IN PROGRESS OF OIL AND GAS PROJECT**

Particulars	Balance as at 1st January, 2009 [Rupees]	Additions during the year [Rupees]	Balance as at 31st December, 2009 [Rupees]
Establishment charges	137,633,540	25,649,420	163,282,960
Consultant Fees and Expenses	77,613,569	15,905,924	93,519,493
Advertisement	4,408,359	46,802	4,455,161
Legal and Professional Charges	23,230,534	12,788,366	36,018,900
Repairs to Buildings	2,160,772	816,696	2,977,468
Repairs to Plant and Machinery	12,142,953	-	12,142,953
Repairs to Others	758,802	-	758,802
Workmen and Staff Welfare Expenses	2,293,881	381,953	2,675,834
Office Maintenance	7,840,109	911,011	8,751,120
Insurance	1,378,061	236,466	1,614,527
Rent	1,919,908	1,947,541	3,867,449
Rates and Taxes	6,501,443	-	6,501,443
Bank Charges	3,865,800	41,910,587	45,776,387
General Charges	75,301,911	52,037,724	127,339,635
Interest on Fixed Loans	191,250,026	88,532,159	279,782,185
Geological Consulting	4,907,094	938,465	5,845,559
Geophysical Consulting	1,658,597	-	1,658,597
Seismic -Data Acquisition	145,214,049	2,395,896	147,609,945
Exploratory / Appraisal Well Drilling	1,313,734,527	-	1,313,734,527
Seismic- Geological Consultancy	12,348,047	-	12,348,047
Seismic Reprocessing	21,019,357	-	21,019,357
Environmental Impact Study	987,916	464,899	1,452,815
Well Workovers	240,740,348	-	240,740,348
Signature Bonus	332,239	-	332,239
Cost of Flowlines	7,761,904	5,063,252	12,825,156
Separation and Measurement Cost	11,923	-	11,923
Oil Treatment Facility	19,602,267	131,001,432	150,603,699
Oil Storage Facility	7,552,946	7,512,408	15,065,354
Group Gathering Renovation	16,520,414	-	16,520,414
Extended Production System	13,766,325	-	13,766,325
Warehouse and Yard	9,189,641	3,105,635	12,295,276
Office Equipments	2,358,904	-	2,358,904
Group Gathering and Well Testing	6,866,933	3,736,880	10,603,813
General Administration	122,076,551	52,530,551	174,607,102
Loss on Exchange Fluctuation	122,987,148	-	122,987,148
Test production sales of Oil and Gas	(17,182,605)	-	(17,182,605)
<b>Sub-total</b>	<b>2,600,754,193</b>	<b>447,914,067</b>	<b>3,048,668,260</b>
Less: Capitalised producing properties	749,521,464	130,034,674	879,556,138
<b>Balance carried forward</b>	<b>1,851,232,729</b>	<b>317,879,393</b>	<b>2,169,112,122</b>



**SCHEDULE : 13 - NOTES ON ACCOUNTS (Contd.)**

18. 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 Rs. 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.

Bond holders have exercised their option of converting their Bond amounting Rs. 5,145,703/- into Equity Shares on 18th January, 2008. Accordingly, 5,145,703 shares have been issued last year with resultant increase in issued share capital and securities premium account.

During the current year the Company re-purchased and cancelled FCCB of Rs. 605,152,000/- at a discount which has resulted in a saving of Rs. 118,107,100/-. This has been treated as "Exceptional Items". Consequent upon such re-purchase and cancellation the Company's obligation to convert said FCCBs into shares or to redeem the same in foreign currency has come to an end. As of date FCCBs outstanding aggregate to Rs. 148,442,400/-.

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

	<b>31.12.2009</b> [Rupees]	<b>31.12.2008</b> [Rupees]
Expenditure in respect of oil and gas exploration and development	1,332,671,822	1,319,671,822
Loan to overseas subsidiary (net)	453,849,047	453,849,047
Modernisation/expansion of existing production units	42,728,462	42,728,462
FCCB issue expenses/other incidental expenses	286,562,035	286,562,035
Others (net)	77,540,691	77,449,845

Unutilised FCCB proceeds amounting to Rs.8,706,025/- have been invested in securities and the balance Rs.37,275,008/- is lying with banks at the year end.

19. During the year 2007, the Company received the balance amount outstanding against 81,000,000 share warrants of Re.1 each issued in 2006 at a premium of Rs.22.25/- per warrant. Equivalent number of Equity Shares of Re. 1 each has been issued on conversion of these warrants resulting in increase of issued and paid up share capital of the Company by Rs.81,000,000/- and the securities premium by Rs.1,802,250,000/-.

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

	<b>Expenses incurred till</b> <b>31.12.2009</b> [Rupees]	<b>Expenses incurred till</b> <b>31.12.2008</b> [Rupees]
Reduction of debts	1,109,598,676	1,054,225,328
Investment in overseas subsidiary	60,000,000	60,000,000
Loans to overseas and other subsidiaries	298,939,593	298,939,593
Expenditure in respect of oil and gas exploration and development	22,543,920	22,543,920
Share warrant issue expenses	9,372,419	9,372,419
General corporate purpose	389,859,280	389,859,280

20. Loans and Advances to subsidiaries include an amount of Rs.1,388,834,110/- (including interest Rs. 183,081,878/-) (31.12.08 - Rs.1,107,849,116/- including interest Rs.133,991,914/-) due from Gujarat Hydrocarbons and Power SEZ Limited (GHPSL), a wholly owned subsidiary of the Company.

GHPSL was incorporated for developing a Special Economic Zone (SEZ) for Hydrocarbon Park for Energy in the State of Gujarat. GHPSL has acquired 315 hectares of land for its SEZ project from Gujarat Industrial Development Corporation (GIDC) out of which 276 hectares of land has been taken possession of and the balance 39 Hectares is in the process of acquisition.

21. An eviction suit has been filed before the Single bench at Calcutta High Court by the Landlord of the Corporate Office. The Hon'ble Judge has directed the Parties to settle the matter amicably and has sought for submitting terms from both the parties. The Court has given the terms of settlement but the Landlord have asked for some time to furnish their terms of settlement. It is expected that the matter will be resolved amicably and the new long term lease deed will be entered into on mutually accepted terms. However, as a matter of abundant precaution, the amount lying in the Fixed Assets has been fully depreciated.



**SCHEDULE : 13 - NOTES ON ACCOUNTS (Contd.)**

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

	<b>31.12.2009</b> [Rupees]	<b>31.12.2008</b> [Rupees]
<b>Deferred Tax Liability</b>		
Excess of tax depreciation over book depreciation	66,359,286	57,947,398
Others	11,648,085	20,966,552
	<b>78,007,371</b>	<b>78,913,950</b>
<b>Deferred Tax Assets</b>		
Expenditure under Section 43B of the Income Tax Act, 1961	78,007,371	78,913,950
	<b>78,007,371</b>	<b>78,913,950</b>
<b>Net Balance</b>	<b>Nil</b>	<b>Nil</b>

23. The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31st December, 2009. The disclosure pursuant to the said Act is as under:

	<b>31.12.2009</b> [Rupees]	<b>31.12.2008</b> [Rupees]
Sundry Creditors		
– Due to Small and Micro Enterprise:	2,488,069	3,678,789
a) Principal amount remaining unpaid to any supplier as at the end of the year	658,463	2,234,850
The interest remaining unpaid to any supplier as at the end of the year	1,829,606	1,443,939
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	24,543,401	23,431,903
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.	1,443,939	540,368
e) amount of interest accrued and remaining unpaid at the end of the year	385,666	903,571

**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.

<b>24. Net dividend remitted in foreign exchange:</b>	<b>31.12.2009</b>	<b>31.12.2008</b>
Year to which it relates	2008	2007
Number of non-resident shareholders	3	3
Number of Equity Shares held on which dividend was due	157,600,000	157,600,000
Amount remitted (Rs.)	23,640,000	15,760,000


**SCHEDULE : 13 - NOTES ON ACCOUNTS (Contd.)**
**25. Primary Segment Report - Business Segments**

[Figures in Rupees]

Particulars	Plantations	Oil and Gas	Total
<b>Segment Revenue: External Customers</b>	2,078,139,788	183,569,055	2,261,708,843
	<b>1,515,234,391</b>	<b>327,306,639</b>	<b>1,842,541,030</b>
<b>Other Segment Revenue</b>	24,703,581	3,029,641	27,733,222
	<b>92,848,961</b>	–	<b>92,848,961</b>
<b>Total Segment Revenue</b>	<u>2,102,843,369</u>	<u>186,598,696</u>	<u>2,289,442,065</u>
	<b>1,608,083,352</b>	<b>327,306,639</b>	<b>1,935,389,991</b>
<b>Segment Result</b>	247,596,090	69,068,959	316,665,049
	<b>(102,181,971)</b>	<b>222,516,347</b>	<b>120,334,376</b>
Add:Unallocable Income	–	–	42,686,393
			<b>3,987,722</b>
Less:Unallocable expenses	–	–	83,324,278
			<b>72,031,067</b>
Unallocated Interest Income net of Interest expense			164,102,906
			<b>148,553,819</b>
<b>Profit before Taxation and Exceptional Items</b>	–	–	440,130,075
			<b>200,844,850</b>
Exceptional Items	3,231,144	162,883,053	166,114,192
	<b>16,170,753</b>		<b>16,170,753</b>
Unallocated Exceptional Items			30,773,136
			<b>19,014,467</b>
<b>Profit before taxation</b>			243,242,742
			<b>165,659,630</b>
Provision for Taxation : Current Tax including Wealth Tax	–	–	41,551,000
			<b>27,000,000</b>
Deferred Tax			–
			<b>36,712,493</b>
<b>Profit after Taxation</b>	–	–	201,691,742
			<b>101,947,137</b>
<b>Other Information</b>			
Segment Assets	4,585,411,518	2,872,398,577	7,457,810,095
	<b>4,030,213,639</b>	<b>2,594,959,967</b>	<b>6,625,173,606</b>
Unallocated Assets	–	–	2,772,471,307
			<b>2,830,530,276</b>
<b>Total Assets</b>	–	–	10,230,281,402
			<b>9,455,703,882</b>
Segment Liabilities	2,374,111,887	1,918,580,176	4,292,692,063
	<b>2,127,805,469</b>	<b>817,622,162</b>	<b>2,945,427,631</b>
Unallocated Liabilities			1,885,322,756
			<b>2,566,288,016</b>
<b>Total Liabilities</b>	–	–	6,178,014,818
	–	–	<b>5,511,715,647</b>
Capital Expenditure	98,242,836	317,879,393	416,122,229
	<b>127,335,766</b>	<b>1,166,908,979</b>	<b>1,294,244,745</b>
Depreciation / Amortisation	47,190,699	49,705,838	96,896,537
	<b>34,041,280</b>	<b>43,809,332</b>	<b>77,850,612</b>
Non Cash Expenditure other than depreciation and amortisation	15,898,102	4,793,840	20,691,942
	<b>8,883,242</b>	<b>747,290</b>	<b>9,630,532</b>



**SCHEDULE : 13 - NOTES ON ACCOUNTS (Contd.)**

**Secondary Segment Report - Geographical Segment**

**[Figures in Rupees]**

	Within India	Outside India	Total
1. Segment Revenue: External Customers	1,624,844,909	636,863,934	2,261,708,843
	<b>1,274,737,884</b>	<b>660,652,107</b>	<b>1,935,389,991</b>
2. Segment Assets	6,860,439,729	597,370,366	7,457,810,095
	<b>8,171,748,722</b>	<b>1,217,596,910</b>	<b>9,389,345,632</b>
3. Capital Expenditure	416,122,229	–	416,122,229
	<b>1,311,190,637</b>	–	<b>1,311,190,637</b>

**Notes :-**

- [i] The Company has considered business segment as the primary segment for disclosure. The components of these business segments are plantation products and oil & gas.
- [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 segments is on the basis of the geographical location of the customer namely :  
Sales within India  
Sales outside India
- [iv] Figures in bold represent previous year's figures.

**26.** In line with the notification dated 31st March, 2009 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 Profit and Loss Account Rs.29,492,555/-, being the amortisation charge of 'Foreign Currency Monetary Item Translation Difference Account' (FCMITDA) for the year.
- (ii) carried forward Rs.36,865,695/- (31.12.08 - Rs. 66,358,250/-) in the FCMITDA amortisable by 31st March, 2011.

**27. Derivative instruments**

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

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

Currency Pair	Buy/Sell	31.12.2009	31.12.2008
USD/INR	Buy	\$4,085,837	\$4,000,000
GBP/INR	Buy	£720,000	£720,000
USD/INR	Sell	–	\$5,181,715



**SCHEDULE : 13 - NOTES ON ACCOUNTS (Contd.)**

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

Currency Pair	Buy/Sell	31.12.2009	31.12.2008
USD/INR	Buy	\$48,449,698	\$46,903,501
GBP/INR	Buy	£44,941	£44,941
EUR/INR	Buy	€ 127,274	€ 6,731
USD/INR	Sell	\$9,845,869	\$6,039,024
GBP/INR	Sell	£3,116,910	£1,599,054
EUR/INR	Sell	€ 1,508,539	€ 1,940,698

**28. Basic and Diluted Earnings Per Share :**

		31.12.2009	31.12.2008
		Rupees	Rupees
Profit after Taxation before Exceptional Items	(A)	398,579,070	137,132,357
Profit after Taxation and Exceptional Items	(B)	201,691,742	101,947,137
Weighted average number of Equity Shares outstanding	(C)	309,760,963	309,521,955
Basic and Diluted Earnings Per Share on Profit after Taxation before exceptional items	(A) / (C) (Rs.)	1.29	0.44
Basic and Diluted Earnings Per Share on Profit after Taxation and exceptional items	(B) / (C) (Re.)	0.65	0.33

29. 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.

30. Previous year's figures have been regrouped / rearranged wherever necessary.

**Partha Mitra**

Partner

Membership No. 50553

For **LOVELOCK & LEWES**

Firm Registration Number – 301056E

Chartered Accountants

Kolkata, 7th May, 2010

**On behalf of the Board**

**A. K. Jajodia – Managing Director**

**P. Tusnial**

*Director*



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2009**

	Year Ended 31st December 2009 [Rupees]	Year Ended 31st December 2008 [Rupees]
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	243,242,742	165,659,630
Adjustments for:		
Interest income	(199,271,878)	(170,191,268)
(Profit) on sale of Fixed Assets	(4,068,659)	(680,241)
Profit on acquisition of land by the Government	–	(5,837,494)
(Income) from Investments other than trade	(65,499)	(42,581)
(Profit)/Loss on investments (net)	(606,593)	31,617,609
Interest and Finance Charges (net of subsidy)	222,542,898	189,361,413
Depreciation and Amortisation	120,457,775	103,909,667
Loss on Fixed Assets discarded	162,883,053	2,628,949
Provision for doubtful advances, deposits and interest accrued	84,751,347	31,887,446
Diminution in value of investments	67,360,028	668,825
Advances, deposits, debts, accrued interest and stores written off	7,141,727	29,188,838
Provision for doubtful debts	7,165,156	–
Reduction of liability on buy back of Foreign Currency Convertible Bonds	(118,107,100)	–
Unrealised foreign exchange difference-net (gain)/loss	(20,136,223)	36,428,114
Liabilities no longer required written back	(77,880)	(12,235,757)
Provision for site restoration	–	1,325,000
Operating Profit before Working Capital Changes	<u>573,210,894</u>	<u>403,688,150</u>
Adjustments for:		
Trade and other receivables	(276,662,959)	(78,333,295)
Inventories	56,544,881	(96,044,438)
Trade payables and other liabilities	98,397,170	181,776,213
Cash generated from Operations	<u>451,489,986</u>	<u>411,086,630</u>
Direct Taxes Paid (Net)	(24,319,934)	(18,357,181)
Net Cash from Operating Activities	<u>427,170,052</u>	<u>392,729,449</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(710,600,513)	(1,133,131,965)
Sale of fixed assets	5,408,695	102,265,743
Purchase of investments	(28,381,115)	(4,557,672)
Investment in equity of subsidiary companies	–	(7,174,025)
Sale of investments	28,597,659	1,053,500
Loans / deposits made with subsidiaries / third parties	(457,532,438)	(925,569,686)
Refund of loans / deposits made with subsidiaries / third parties	52,019,500	416,131,027
Income from Investments other than trade	65,499	42,581
Interest received	191,233,969	161,001,996
Net Cash (used in) Investing Activities	<u>(919,188,744)</u>	<u>(1,389,938,501)</u>



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2009**

	Year Ended 31st December, 2009 [Rupees]	Year Ended 31st December, 2008 [Rupees]
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net increase / (decrease) in Cash / Export Credit Facilities and other Short Term Loans	151,733,343	261,325,036
Proceeds from long term borrowings	1,425,220,000	345,000,000
Repayment of long term borrowings	(613,703,947)	(305,863,265)
Payment of share warrant and Foreign Currency Convertible Bonds issue expenses	-	(33,042,000)
Dividend paid	(48,701,844)	(27,997,565)
Dividend tax on distributable profits	(7,896,581)	(5,264,388)
Interest paid	(327,546,830)	(288,400,740)
Net Cash from / (used in) Financing Activities	<u>579,104,141</u>	<u>(54,242,922)</u>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>87,085,449</b>	<b>(1,051,451,974)</b>
Cash and Cash Equivalents (opening Balance as at 1st January, 2009)	<b>215,723,281</b>	1,266,813,998
Cash and Cash Equivalents (closing Balance as at 31st December, 2009)	<b>299,788,860</b>	215,723,281
Effect of exchange rate changes	<b>(3,019,870)</b>	361,257
	<u><b>87,085,449</b></u>	<u><b>(1,051,451,974)</b></u>

- Notes:**
1. Cash and Cash Equivalents comprise Cash & Bank balances as per Schedule-6(c) 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.

**Partha Mitra**

Partner  
Membership No. 50553  
For **LOVELOCK & LEWES**  
Firm Registration Number – 301056E  
Chartered Accountants  
Kolkata, 7th May, 2010

**On behalf of the Board**

**A. K. Jajodia** – *Managing Director*  
**P. Tusnial**  
*Director*



**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. Registration Details**

Registration No. L01132AS1977PLC001685 State Code 02  
 Balance Sheet Date 31.12.2009

**II. Capital raised during the year (Amount in Rs. Thousands)**

Public Issue Nil Right Issue Nil  
 Bonus Issue Nil Private Placement Nil

**III. Position of Mobilisation and Deployment of funds (Amount in Rs. Thousands)**

Total Liabilities								Total Assets									
	1	0	2	3	0	2	8	1		1	0	2	3	0	2	8	1

**Sources of Funds**

Paid up Capital								
			3	0	9	7	6	1

Reserves & Surplus									
			3	7	4	2	5	0	6

Secured Loans								
		3	5	4	0	7	2	9

Unsecured Loans								
		1	7	6	4	4	2	4

**Application of Funds**

Net Fixed Assets								
		6	0	7	6	4	2	0

Investment								
				9	2	7	8	7

Net Current Assets								
		3	1	8	8	2	1	3

Miscellaneous Expenditure									
							N	I	L

Accumulated Losses									
							N	I	L

**IV. Performance of Company (Amount in Rs. Thousands)**

Turnover								
		2	3	3	2	1	2	8

Total Expenditure								
		2	0	8	8	8	8	5

Profit/(Loss) Before Tax								
			2	4	3	2	4	3

Profit/(Loss) After Tax								
			2	0	1	6	9	2

Earning per Share (in Rs.)							
				0	.	6	5

Dividend%								
							2	0

**V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)**

Item Code No. (ITC Code)	090240.02-03	Product Description	BULK TEA
Item Code No. (ITC Code)	090230.02	Product Description	PACKET TEA
Item Code No. (ITC Code)	090240.04	Product Description	TEA BAGS

**On behalf of the Board**  
**A. K. Jajodia** – Managing Director  
**P. Tusnial**  
 Director

Kolkata, 7th May, 2010

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# 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 .....

of .....or failing him .....

as my / our Proxy to attend and vote for me / us and on my / our behalf at the Thirty-Third Annual General Meeting of the Company to be held on Friday, the 25th June, 2010, at 11 A.M. and at any adjournment thereof.

As witness my/our hand(s) this ..... day of .....2010.

Signature .....

Affix  
Revenue  
Stamp

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

## ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the entrance of the meeting hall.

**ASSAM COMPANY INDIA LIMITED**

**Registered Office :**  
Greenwood Tea Estate  
Dibrugarh  
Assam

DP. ID : \*

Client ID : \*

Folio No. : \*

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

I hereby record my presence at the Thirty-Third Annual General Meeting of the Company at the Auditorium of Dibrugarh & District Planters' Club, Lahoal, P.O. Dibrugarh, Assam, on Friday, the 25th June, 2010, at 11 A.M.

Member's / Proxy's Name (in block letters) : .....

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

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