



ASSAM COMPANY LIMITED

Member : Duncan Macneill Group, U.K.

BOARD OF DIRECTORS

Dr. K. K. Jajodia, *Chairman*
Mr. A. K. Jajodia, *Managing Director*
Mr. Santosh Bhagat
Mr. Umesh Barasia

Company Secretary

Mr. Arup Kumar Roy

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

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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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

Thirty-Second Annual General Meeting of the Company will be held at 11.00 A.M. on Wednesday, 30th September, 2009 at Dibrugarh & District Planters' Club, Lahoal, P.O. Dibrugarh, Assam



ASSAM COMPANY LIMITED

NOTICE

Notice is hereby given that the Thirty- Second Annual General Meeting of the Members of Assam Company Limited will be held at 11.00 A.M. on Wednesday, 30th September, 2009 at Dibrugarh & District Planters' 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, 2008 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 2008.
3. To appoint a Director in place of Mr. Santosh Bhagat, 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.

Special Business:

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

"RESOLVED THAT subject to the approval of Central Government and in pursuance to Section 21 and other applicable provisions, if any, of the Companies Act, 1956, the name of the Company be changed from "Assam Company Limited" to "Assam Company India Limited".

"RESOLVED FURTHER THAT the name "Assam Company Limited" wherever it occurs and in the Memorandum and Articles of Association of the Company be substituted by the name "Assam Company India Limited".

"RESOLVED FURTHER THAT the Board of Directors/ Company Secretary be and is hereby authorised to do all such acts, deeds and things as may be deemed expedient and necessary to give effect for compliance of this Resolution."

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS STEAD AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. 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

6. To consider and if thought fit, to pass with or without modifications, the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT that in supersession of the resolution passed at the Extraordinary General Meeting of the Members of the Company held on 24th March 1994, consent of the Company be and is hereby accorded pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company to mortgage or charge all or any part of immovable or movable properties of the Company, wheresoever situated, both present and future, and whole or part of the undertakings of the Company of any nature and kind whatsoever and/or creating a floating charge in all or any immovable properties of the Company, to or in favour of bank(s), financial institution(s) or any other lender(s) to secure the money borrowed/ to be borrowed by the Company from time to time for the due payment of the principal monies together with the interest payable by the Company in respect of such borrowings for an aggregate amount not exceeding Rs. 1000 Crores at any point of time including the existing borrowings."

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

The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, 24th September, 2009 till Wednesday, 30th September, 2009, both days inclusive

Registered Office :

**Greenwood Tea Estate
P.O. Dibrugarh, Assam
Place : Kolkata
Dated : 7th September, 2009**

By Order of the Board

Arup Kumar Roy
Company Secretary

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.
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.

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

Item No. 3

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

Mr. Santosh Bhagat is a graduate in Commerce, and possesses nearly 32 years of experience in the field of Steel and Telecommunication.

Mr. Bhagat hold directorship in UCIC Ltd and does not hold any shares in the Company.

Mr. Bhagat, is interested in the said Resolution. No other Director is interested in the Resolution.

The Board commends the Resolution for approval by the Members.

EXPLANATORY STATEMENT

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

SPECIAL BUSINESS

Item no. 5

The change of name of the Company is sought as the Company wants to revert to its earlier name i.e. "Assam Company India Limited".

The Company has applied to MCA for availability of the name, "Assam Company India Limited" by filing Form 1A. Subsequently MCA has made the aforesaid name available.

Your Directors, thus recommend your approval for the change of name of the Company, which would be subject to the approval of the Central Government u/s 21 of the Companies Act, 1956.

None of the Directors of the Company is interested and/or concerned in the aforesaid Resolution.

Item no. 6

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

The Company has drawn up plans for implementation of the above in respect of its tea and oil & gas business.

In order to execute such tasks, the Company may be required to mortgage/charge all or any of the movable/immovable

properties of the Company in favour of the lender(s) as security for the borrowings in such form, manner and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with the lender(s). Hence the consent of the members of the Company is required pursuant to the provisions of section 293(1)(a) of the Companies Act, 1956 to enable the Board of Directors of the Company to create mortgages/charges in favour of the lender(s) upto a limit of Rs. 1000 Crores which includes the existing borrowings and proposed additional borrowings.

Accordingly, the consent of the shareholders is being sought to secure such borrowings by mortgage/charge on any of the movable and/or immovable properties and/or the whole or any part of the undertaking(s) of your Company as set out in the resolution in item no. 6 of the Notice.

The proposal outlined above is in the interest of the Company and the Board recommends the passing of the resolution as an ordinary resolution.

None of the Directors of the Company is interested and/or concerned in the aforesaid Resolution.

Inspection of documents:

The following are available for inspection by the members:-

- i. The annual accounts of the subsidiary companies by the members of its subsidiaries as well; 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 September, 2009

Arup Kumar Roy
Company Secretary



DIRECTORS' REPORT

Your Directors have pleasure in presenting their Thirty Second Annual Report and Accounts for the year ended 31st December, 2008.

Financial Results

	Year ended 31.12.2008 Rs.	Year ended 31.12.2007 Rs.
Profit before Taxation & Depreciation	26,95,69,297	15,30,28,531
Less: Depreciation	10,39,09,667	5,05,09,445
	<u>16,56,59,630</u>	<u>10,25,19,086</u>
Add/(Less): Provision for Taxation:		
Current Tax	(2,70,00,000)	(1,70,00,000)
Deffered Tax	(3,67,12,493)	—
Net Profit for the year	<u>10,19,47,137</u>	<u>8,55,19,086</u>
Add/Less: Balance brought forward from previous year	41,94,43,315	37,01,64,713
Available for appropriation	<u>52,13,90,452</u>	<u>45,56,83,799</u>
Your Directors propose the following appropriation:		
Proposed Dividend	4,64,64,144	3,09,76,096
Dividend Tax thereon	78,96,581	52,64,388
Transfer to General Reserves	55,00,000	—
Balance Carried Forward	<u>46,15,29,727</u>	<u>41,94,43,315</u>
	<u>52,13,90,452</u>	<u>45,56,83,799</u>

1. Dividend

Your Directors are pleased to recommend for the approval of the shareholders a dividend of 15% on the paid up equity share capital of the Company.

2. Performance

Gross Sales grew from Rs. 151.91 Cr. to Rs. 184.25 Cr. thus recording an overall increase by 21.29%

The total manufactured crop was 146.83 Lac Kgs in 2008 as compared to 158.55 Lac Kgs in 2007.

The decrease in crop is attributable mainly to erratic rainfall and other unfavourable weather conditions. The production of Orthodox Tea increased from 16.16 Lac Kgs in 2007 to 26.81 Lac Kgs in 2008, thereby recording an increase by 66%. Orthodox Tea constituted 18.26% of the total crop.

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 higher domestic consumption and low carry over stock.

The average sales realization at Rs. 111.53 per Kg was better than the previous year of Rs. 88.32 per Kg which has off-set the decrease in production.

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 and yield at estate level.

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 a thrust in exports when 49.67 lac kg were exported at gross value of Rs. 66.07 Cr. as compared to Rs. 54.94 Cr. in 2007.

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 revenue from oil & gas saw a hike from Rs. 9.68 Cr. in 2007 to Rs. 32.73 Cr., an increase by 238% while the sale volume of oil & gas which was 21200 BLS and 7183 MCM in 2007 rose to 54914 BLS and 20122 MCM respectively in 2008, recording an increment by 159% and 180% respectively. Had it not been for the downward trend in international crude oil price towards the last quarter of 2008, your Company would have further improved its performance in this sector.

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" crude. Two Appraisal wells were drilled in 2007 with a potential combined production of over 4000 boe per day and the pool has proved significant deposit of oil and gas as per Sproule's Reserve Report dated 31st August, 2008.

The "pool" 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 December, 2009.

During the year 2008, four wells were drilled out of which one well was drilled at a Tipan formation having significant deposit of natural gas.

A Gas Compression Project has also been undertaken to augment the production of oil and condensate from the existing level.

The key project for 2009 will be the production and commissioning of the condensate recovery and gas re-injection facility at Amguri to change the mix of production between oil and gas besides increase in production.

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. 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 has made strong representation before ONGC seeking amendment of commercial terms to make the operation economically viable due to increased cost of operation. Since currently the operation is not economically viable, the Management has decided to treat these Marginal fields as abandoned.

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 2009.

Overseas Assets:

Austin Exploration Limited (AEL): - The Company through its WOS Duncan McNeill Natural Resources hold 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 and three in the U.S.A.

- (i) **PEL 105 (AUS) license** is owned 100% by AEL. It covers an area of 437 Sq. Km. and is surrounded by producing oil and gas fields. A noteworthy fault line was discovered in May 2008 and drilling is expected to commence during 2009. The estimated possible reserves is upto 6.2 billion cu. ft. of gas and 1.04 million barrels of oil condensate.
- (ii) **PEL 73 (AUS) license** covers an area of 625 Sq. Km. It underwent a proprietary hydrocarbon study in September 2008 and the results have been encouraging. AEL anticipates that drilling is possible during 2009. AEL maintains a 16.6667 working interest in this prospect.
- (iii) **Polecat Creek (U.S.A.)** was the first prospect drilled by the Company in 2007. Production rates have increased but are currently being maintained at lower levels. AEL maintains a 26.25% Net Revenue Interest in this well.
- (iv) **Park City project (U.S.A.)** encompasses approx. 8,000 acres in Park City, Kentucky, U.S.A., with plans of further acquiring 25,000 acres. AEL maintains an undivided 75% working interest and 65.625% Net Revenue Interest in every well it drills at Park City.
- (v) **The Moses Austin Project (U.S.A.)** covers an area of 731.88 acres and an additional 160 acres mineral lease was acquired in November 2008 within the same field. The Company is examining opportunities for the acquisition of additional mineral rights and well locations.

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, medical, education etc.

The Company has been sanctioned a sum of USD 25 Mn in November 2008 by Indian Overseas Bank, Singapore for partially financing capital expenditure for meeting exploration and production expenses in two oil fields located at Amguri and AA-ON/7 in the state of Assam.

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 (formerly known as Gujarat Hydrocarbon & Energy SEZ Limited) 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 and steps for 'Topographic Survey' was completed on 14th July 2008. GHAPSL also undertook steps for 'Site Clearance' and 'Fencing' of the land acquired in the Lease Deed and almost 10.5 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'.

GHAPSL is in discussion with GIDC and Gujarat Maritime Board for acquisition of land towards the proposed 'port' related and 'off shore rig fabrication / repair' related activities.

The Company has changed its name from 'Gujarat Hydrocarbon & Energy SEZ Limited' to 'Gujarat Hydrocarbons and Power SEZ Limited' w.e.f. 28th February 2008.

Namburnadi Tea Company Limited

The operations of the Company could have been better had it not been unfavorable weather conditions. During the year under review, the company sold 4.31 lac Kgs of tea as against 5.35 lac Kgs of tea during the previous year. Sales was Rs. 3.78 Cr in 2008 as compared to Rs. 3.84 Cr in 2007. Efforts continue to improvise working of the Company. Average realisation per kg increased from Rs. 72/- to Rs. 88/- in 2008.

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. Santosh Bhagat retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for reappointment.

Mr. Abhay Chawdhry and Mr. Pintu Kumar Agarwalla resigned from the Board with effect from 18th August 2008 and 30th August 2008 respectively. Your Directors wish to place on record their appreciation of services rendered by them to the Company.

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, 2008, 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, 2008 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 September, 2009

A. K. Jajodia – Managing Director

Santosh Bhagat – 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 2008

FORM "A"

Current Year
ended
31.12.2008

Previous Year
ended
31.12.2007

CONSERVATION OF ENERGY

A. Power & Fuel Consumption

1. Electricity

a. Purchased Units (KWH)	10626954	10310466
Total Amount (Rs.)	66932510	65491508
Rate per Unit (Rs.)	6.30	6.35
b. Through diesel generator Units (KWH)	3002783	3498337
Units per Ltr. of diesel	2.83	2.76
Cost / Unit (Rs.)	11.75	11.47

2. Coal

Quantity (Tonnes)	4370.53	3652.03
Total Cost (Rs.)	17608704	9152645
Average Rate (Rs. / Tonne)	4029	2506

3. Furnace Oil

Quantity in K. Ltrs.	119.706	234.116
Total Cost (Rs.)	4472324	6301554
Average Rate (Rs. / KL)	37361	26916

4. Gas

Quantity (Scum)	6590337	7438349
Total Cost (Rs.)	34871564	38380063
Rate (Rs. / Scum)	5.29	5.16

B. Consumption Per Unit of Production

Production of Tea (Kgs.)	14536195	15710158
Electricity (KWH)	0.94	0.88
Furnace Oil (Ltrs.)	0.02	0.03
Coal (Kgs.)	1.44	1.15
Gas (Scum)	0.45	0.47



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
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. | NOT APPLICABLE |

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, foreign exchange outgo was to the extent of Rs. 6.12 Cr. The foreign exchange earnings during the period was Rs. 66.70 Cr. Details of the foreign exchange earnings and outgo have been given in Schedule 11 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, 2008**

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 on (9)
Mr. Aditya Kumar Jajodia	Managing Director	96,21,785	B. Com	24	01.10.1992	46	Worldlink Finance Limited	Wholetime Director
Mr. Abhay Chawdhry	Director Finance & CFO	40,78,767	B. Sc; PGDBM; FCA	22	01.09.2000*	44	Ispat Industries Limited	CFO – Nagpur Unit

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, 2008.

2. Nature of appointment – contractual.

3. Except Mr. A. K. Jajodia, no other employee is a relative of any Director of the Company.

* Ceased w.e.f. 18th August 2008

On behalf of the Board of Directors
A. K. Jajodia – Managing Director

Santosh Bhagat
Director

Place : Kolkata

Date : 7th September, 2009