

ASSAMBROOK

ASSAMBROOK LIMITED
REPORT AND ACCOUNTS
For THE YEAR ENDED 31 MARCH 2009

ASSAMBROOK

BOARD OF DIRECTORS

SIDDHARTH RAMPURIA
Managing Director

SURENDRA RAMPURIA
SUBHRENDU GANGOPADHYAY
M. K. GUHA
M. NOWLAKHA
Directors

AUDITORS
TIWARI & CO.

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BANKERS
BANK OF INDIA
ALLAHABAD BANK
UNION BANK OF INDIA
THE CATHOLIC SYRIAN BANK LIMITED

ASSAMBROOK LIMITED

Regd. Office :
Tinkharia Tea Estate
PO : Dhekiajuli
Dist : sonitpur
Assam
Pin : 784110
India

Head Office :
1 Shakespeare Sarani
Kolkata - 700 071
India
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REPORT AND ACCOUNTS
YEAR ENDED 31 MARCH 2009

ASSAM BROOK

NOTICE

Notice is hereby given that the 60th Annual General Meeting of the Company will be held at "Borsola Gymkhana Club", Tinkharia Tea Estate, P.O. Dhekiajuli Dist. Sonitpur (Assam) on Tuesday 15 December, 2009 at 10.00 a.m. to transact the following business :—

Ordinary Business :

1. To receive, consider and adopt the audited Balance Sheet as at 31 March, 2009 and the audited Profit and Loss Account for the year ended on that date together with the Report of Auditors and Directors thereon.
2. To appoint a Director in place of Shri Madhukar Nowlakha who retires by rotation and being eligible offer himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution :

RESOLVED THAT subject to the provision of Section 198, 269, 309, 310 and 311 and other applicable provisions, if any, of the Companies Act, 1956 ('The Act') and subject to other necessary approvals, and also subject to the approval and/ or permission of the Central Government, if any consent of the members of the Company, be and is hereby accorded to the appointment of Shri Siddharth Rampuria as Managing Director of the Company for the period from 1 October, 2009 to 30 September, 2012 on the remuneration, terms and conditions as per the agreement entered with him. The Board of Directors of the Company is authorized to alter, modify or vary the terms and conditions of the said appointment and/or agreement with the Managing Director within the maximum remuneration payable in accordance with schedule - XIII to the Companies Act, 1956 as amended/revised altered/modified and any other statutory modifications or re-enactment thereto and/or any guidelines relating to managerial remuneration as may be notified by the Central Government from time to time and as may be agreed to by the Board of Directors and Shri Siddharth Rampuria, Managing Director.

Registered Office :
Tinkharia Tea Estate,
P.O. Dhekiajuli 784 110
Dist. Sonitpur (Assam)
Dated : 19 November, 2009

By Order of the Board

Siddharth Rampuria
Managing Director

NOTES :

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. Proxies, in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting.
2. The Shareholders of the Company are informed that pursuant to the Companies (Amendment) Act, 1999 the amount of dividend which remains unclaimed for a period of 7 years would be transferred to the Investor Education and Protection Fund constituted by the Central Government and the shareholders would not be able to claim any amount of the dividend so transferred to the Fund. All unclaimed/unpaid dividends declared for and upto the financial year ended 31st March, 2001 has been transferred to the said Fund.
3. The Register of Members and Share Transfer Book of the Company will remain closed from period 9 Dec 2009 to 15 Dec 2009 (both days inclusive) for the purpose of Annual General Meeting.
4. In terms of the SEBI's Circular dated December 27, 2002, all jobs related to share registry in terms of both physical and electronic are being maintained by Maheshwari Datamatics Private Limited, 6 Mangoe Lane, Kolkata - 700 001.
5. The relevant details in respect of item no.2 pursuant to clause 49 of the Listing agreement with the Stock exchanges are annexed hereto.

NOTES (Contd.)

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

ITEM NO. 2 :

Shri Madhukar Nowlakha, Director of the Company, retires by rotation and being eligible offers himself for reappointment.

Brief resume and nature of expertise :

Shri Madhukar Nowlakha is a Graduate of Commerce. He has over 33 years experience in the business. His vast knowledge and experience in business have been of great assistance to the Company and his active participation in the meeting of the Board has been very useful and effective.

Apart from Assambrook Ltd. Shri Madhukar Nowlakha holds Directorship in the following Companies:

Name of the Company	Chairman/Director
A First Merchants Pvt. Ltd.	Director
C.S.M. Properties Pvt. Ltd.	Director
Brick & Mortar Realty Pvt. Ltd.	Director.

Shri Madhukar Nowlakha does not hold any shares in the Company.

No Directors of the Company except Shri Madhukar Nowlakha is concerned or interested in the resolution.

ITEM NO. 4 :

Based on recommendation of the Remuneration Committee at its meeting held on 1 Oct 2009, the Board of Directors of the Company at their meeting held on date have appointed Shri Siddharth Rampuria as Managing Director of the Company subject to approval of the members of the Company and or permission of the Central Government, if any required for the period from 1 October, 2009 to 30 September, 2012 on the remuneration, terms and conditions as per agreement entered with him and authorities to the Board of Directors to the Company to alter, modify or vary the terms and conditions of the said appointment and/or agreement with Shri Siddharth Rampuria within the maximum remuneration payable in accordance with Schedule XIII of the Companies Act, 1956 as amended/revise/alter/modified and any other statutory modifications or re-enactment thereto and/or any guidelines relating to managerial remuneration as may be notified by the Central Government from time to time, and as may be agreed to by Board of Directors and Shri Siddharth Rampuria, Managing Director. The material terms of the Agreement entered into between the Company and Shri Siddharth Rampuria, Managing Director are as follows :

- (1) Term – The term of Managing Director is for the period from 1 October, 2009 to 30 September, 2012.
- (2) Salary – Rs.25,000/- (Rupees Twentyfive Thousand only) per month.
- (3) Commission – 1% of the net profit of the Company computed in the manner laid down in section 309 (5) of the Companies Act, 1956.
- (4) Perquisites – As prescribed currently in Schedule XIII or as may hereinafter be amended from time to time.
 - (a) Medical Benefits – Reimbursement of Medical Expenses actually incurred for self and family. The total cost of which to the Company shall not exceed one month's salary in a year or three months' salary in a block of three years.
 - (b) Leave Travel Concession – For self and family once in a year in accordance with the rules of the Company.
 - (c) Accommodation – Furnished accommodation or house rent allowance in lieu thereof including reimbursement of expenditure on utilities such as Gas, Electricity, Water, Furnishing and Repairs thereof. The monetary value of such perquisites shall be evaluated as per Income Tax rules, wherever applicable.
 - (d) Clubs – Fees of clubs subject to a maximum of three clubs. However, Life Membership and entrance fees shall not be paid.
 - (e) Personal Accident Insurance – On an amount the annual premium of which shall not exceed Rs.5000/-.
 - (f) Leave – One month's leave on full pay and allowance for every eleven months' service. Leave accumulated but not availed of at the time of retirement or superannuation or otherwise shall be allowed to be encashed in accordance with section 10 (10AA) (ii) of the Income Tax Act, 1961 or any amendment thereof.

NOTES (Contd.)

- (g) Car – Motor Car with driver (with full maintenance charges including garage, fuel, repairs and/or overhauling charges) for use on Company's business only. Use of car for private purposes shall be evaluated as per Income Tax Rules, 1962.
- (h) Telephone – Free Telephone facilities at residence for use on Company's business, Personal long distance calls on telephone shall be billed by the Company at actuals.
- (i) Entertainment Expenses – Reimbursement of reasonable entertainment expenses actually and properly incurred in connection with legitimate business of the company.
- (j) Provident fund, Pension/Superannuation fund – The Company's contribution of these funds as per rules of the Company.
- (k) Gratuity – As per rules of the Company not exceeding half a month's salary for each completed year of service.
- (l) Minimum Remuneration – In the event of loss or inadequacy of profits in any year, Shri Rampuria shall be entitled to remuneration as per Section II of Part II of Schedule XIII of the Companies Act, 1956.

The overall remuneration, for the time being will be Rs. 5.00 lacs per annum including salary, commission and perquisites as mentioned herein above. However, the Board is empowered to revise the same in conformity with the guidelines prescribed under schedule XIII of the Companies Act, 1956.

5. Notwithstanding anything contained hereinabove, the monetary value of the perquisites as provided in Section II of Part II of Schedule XIII of the Companies Act, 1956. Provided however, that the following shall not be included in the computation of the monetary value of such perquisites for the purpose of calculation of the said ceiling:
 - a) Use of Office Car for official purpose and Telephones at the residence for local calls and long distance official calls.
 - b) Company's contribution to Provident Fund and Superannuation Fund to the extent these singly or put together are not taxable under the Income Tax Act, 1961.
 - c) Gratuity payable at the rate not exceeding half a month's salary for each completed year.
 - d) Encashment of leave at the end of the tenure of Office.
6. In the event of Shri Rampuria drawing or receiving by way of remuneration any amount in excess of the limits prescribed in Schedule XIII to the Companies Act, 1956, he shall refund such excess to the Company and until such amounts are refunded, Shri Rampuria shall hold the same in trust for the Company.
7. Shri Rampuria during the continuance of this Agreement shall not become interested either by himself or through his wife or minor children in any selling agency of the Company.
8. Being the Managing Director of the Company, Shri Siddharth Rampuria shall not be subject to retirement by rotation during his tenure of Office.

BRIEF RESUME AND NATURE OF EXPERTISE :

Shri Siddharth Rampuria (44 years) has been associated with the Tea Industry for more than 20 years. Shri Siddharth Rampuria is a B. Com(Hons.) from Calcutta University. He was Wholetime Director of the Company for many years. His knowledge and experience in plantation, factory, management and administration will be extremely useful for the Company.

Apart from Assambrook Ltd. Shri Siddharth Rampuria holds Directorship in the following Companies:

Name of the Company	Chairman/Director
Dhullie Tea Plantations Private Limited	Director
Tinkharia Tea Private Limited	Director

Shri Siddharth Rampuria holds 200 Equity Shares in the Company.

This may be treated as an abstract of the terms and conditions of reappointment of Shri Siddharth Rampuria as required under section 302 of the Companies Act, 1956.

The resolution set out in Item No.4 of the Notice has to be considered accordingly and Board recommend the same.

None of the Directors of the Company is concerned or interested in the resolution except Shri Siddharth Rampuria and Shri Surendra Rampuria, Directors of the Company.



ASSAMBROOK LIMITED

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Annual Reports together with the Audited Accounts for the year ended March 31, 2009.

1. FINANCIAL RESULTS :

	For the year ended 31 March 2009	(RS. in lacs) for the year ended 31 March 2008
Profit (Loss) before Depreciation & Taxation	292.90	(124.83)
Depreciation	98.62	76.59
Profit/(Loss) before Taxation	192.52	(201.42)
Provision for taxation		
Fringe Benefit Tax	1.00	2.33
Profit/(Loss) after taxation	193.28	(203.75)
Deduct/Add :		
Balance brought forward from Profit & Loss Account	(1332.51)	(1128.76)
Balance carried forward	(1139.23)	(1332.51)

2. DIVIDEND :

In view of the carry forward losses, no dividend is being recommended by the Board.

3. OPERATIONS :

The year under review was a good year for the Tea Industry. There was a substantial increase in Tea prices due to an extensive drought in Kenya resulting in overall increase in demand in the export markets. There was an increase in production due to better irrigation facilities and improved overall supervision.

As reported in the last year's Report your Company has obtained the consent of its members for sale/transfer of the Tea Estates in favour of the buyers and it is hoped that transfer formalities will be completed during the current financial year.

With a view to increasing shareholder wealth and returns, the Board of Directors are seriously evaluating various options to enter new businesses and would keep the shareholders abreast with the plans on crystallization. The Board is aware of the extremely difficult period that the Company and its shareholders have been passing through and wish to take the opportunity of reassuring all, that investments will be focused in high growth areas.

4. AUDITORS' REPORT :

The Auditor's observation have been dealt with in the notes to the Accounts which are self explanatory and do not require further clarification.

5. AUDITORS :

M/s Tiwari & Co., Chartered Accountants, Auditors retire at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

6. DIRECTORS :

Shri Madhukar Nowlakha retires by rotation at the forth coming Annual General Meeting and being eligible, offer himself for reappointment.

7. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2A) of the Companies Act, 1956 ("the Act") your Directors state and confirm the following :

ASSAMBOOK

DIRECTORS' REPORT (Contd.)

- (i) That in preparation of the Company's Annual Accounts for the year ended 31 March, 2009 the applicable accounting standards have been followed and proper explanations have been provided for material departures, where applicable.
- (ii) That such accounting policies were selected and applied consistently and the judgments and estimates 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 ended 31 March, 2009 and of the profit of the Company for that financial year.
- (iii) That proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularity, were taken.
- (iv) That the annual accounts were prepared on the basis of a going concern.

8. FIXED DEPOSITS :

The repayment of the Fixed Deposits have been made in accordance with the Order of The Company Law Board, Eastern Region Bench, Kolkata. The payment of the post maturity interest is also being made as per directions of the Company Law Board from time to time.

The Company had decided not to accept fresh deposits and/or renew the matured deposits.

9. CORPORATE GOVERNANCE :

Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges a separate report on Corporate Governance along with the Auditors' Certificate on its compliance is annexed to this report.

10. FINANCIAL :

Your Directors are pleased to inform that negotiated settlements with all the secured lenders have been finalized except one bank. This resulted in a reduction in outstanding liabilities which would now be repaid over an agreed period on concessional terms.

In terms of the settlement arrived at with Banks the Company has issued 300000 6% Non Cumulative Redeemable Preference Shares of Rs.100/- each fully paid up aggregating Rs.300 lacs to Bank of India and 425000. 6% Non Cumulative Redeemable Preference Shares of Rs.100/- each fully paid up aggregating Rs.425 lacs to Allahabad Bank.

11. PREFERENTIAL ISSUE OF EQUITY SHARES :

The Company has issued 1500000 Equity Share of Rs.10/- each fully paid up of the Company to the SASF Mumbai against part conversion of their dues during the current financial year.

12. PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956 :

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is not applicable.

The particulars required in terms of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are given in the annexed Statement.

13. APPRECIATION :

Your Directors record their appreciation for the co-operation extended by all the employees. Your Directors also thank the Banks and Financial Institutions for their support. Your Directors also gratefully acknowledge your continued support as Shareholders.

Head Office :
1, Shakespeare Sarani
Kolkata - 700 071.
Dated : 19 November, 2009.

By Order of the Board

SIDDHARTH RAMPURIA
(MANAGING DIRECTOR)

SURENDRA RAMPURIA
(DIRECTOR)

ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217 (1) (e) read with the Companies (Disclosure of particulars in the report of Board of Directors' Rules, 1988) and forming part of the Directors' Report for the year ended 31 March, 2009.

Particulars with respect to Conservation of Energy :

- | | |
|---|---|
| 1. Energy conservation measures taken : | Replacement of old and outdated equipments, wherever required with energy efficient equipments giving higher output with less energy consumption. |
| 2. Additional Investment and proposals :
if any, being implemented for being reduction of consumption of energy | Installation of energy saving equipment and modernisation of Factories at the Estate is being done in a phased manner. |
| 3. Impact of measures at (1) & (2) above :
for reduction of energy consumption and consequent impact on the cost of production of goods. | Improvement of energy utilisation resulting in economy in cost. |

'FORM A'

	For the year ended 31 March, 2009	For the Year ended 31 March, 2008
A) POWER AND FUEL CONSUMPTION		
1. Electricity		
a) Purchased		
Unit (KWH)	1861632	746188
Total Amount (Rs. in lacs)	105.35	65.51
Rate/Unit (Rs.)	5.66	8.76
b. Own Generation		
Through Diesel Generator :		
Units (in KWH)	263525	49010
Unit per Ltr. of Diesel Oil (KWH)	2.11	1.47
Cost/Unit (Rs.)	16.70	21.07
2. COAL (KHASHI/LEDO-ROM/LECO)		
Qty. (MT)	3108.00	1364.61
Total Cost (Rs. in lacs)	111.00	34.89
Average Rate (Rs.)	3571.00	2560.00
3. Furnance Oil		
Qty. (K. Ltrs.)	59.18	36.78
Total Cost (Rs. in lacs)	21.75	9.60
Average Rate (Rs.)	36750.00	26117.00
4. CONSUMPTION PER UNIT OF PRODUCTION		
Production (Tea) (Gross in lac kgs.)	27.07	9.01
Electricity (KWH/Kg)	0.79	0.89
Furnance Oil (Ltr./Kg.)	0.02	-
Coal (Kg/kg)	1.14	1.54

ANNEXURE TO DIRECTORS' REPORT (Contd.)

FORM - 'B'

TECHNOLOGY ABSORPTION :

1. Research & Development (R&D)

- (a) Specific areas in which R&D is carried out by the Company
- (b) Benefits derived as a result of the above R & D
- (c) Future plan of action
- (d) Expenditure on R & D
 - i. Capital
 - ii. Recurring
 - iii. Total
 - iv. Total R&D Expenditure as a percentage of total turnover

No separate R & D is carried out by the Company.

2. Technology absorption, adaptation and innovation

- a) Efforts in brief made towards technology absorption, adaptation and innovation

In house discussions with experts and training programme was held for innovative idea of production and to update the staff.
- b) Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.

There has been an overall improvement in productivity and economy in cost was achieved.
- c) In case of imported technology (imported during the last 5 years reckoned from the beginning of the Financial Year), following information may be furnished

Not Applicable

 - (a) Technology Imported
 - (b) Year 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.

3. Foreign Exchange earnings and outgo :

- a) Activities relating to export initiatives taken to increase exports

Not Applicable
- b) Development of new export markets for products and services and export plan.

Not Applicable
- c) Total foreign exchange : used

Nil	Nil
Earned (gross)	Nil



ASSAMBROOK LIMITED REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, norms and disclosures that have to be made on the Corporate Governance front are set out. In this report, we confirm your Company's compliance with the corporate governance criteria as required under Clause 49.

The basic objective of corporate governance adopted by your Board is to ensure accountability and transparency in the functioning of the management, with emphasis on integrity and regularity in day to day functioning of your Company. Your Company espouses cause of longterm success in all area of its business and commit itself to achieve this by outstanding productivity, quality and performance. It continues to evolve learn, adapt for the common good of its stake holders.

It is believed by your Board that corporate governance must balance individual interests with corporate goals and operate within accepted norms of propriety, equity, fair play and a sense of justice.

2. BOARD OF DIRECTORS

- A) The Board comprises of five Directors of which three are Non Executive Independent Directors. More than half of the Board consists of Non Executive Independent Directors.

Brief resume of the Directors proposed to be reappointed are given to the Annexure to the Notice and are forming part of the Annual Report.

Shri Siddharth Rampuria - Managing Director of the Company is Chief Executive Officer (CEO) and Shri P.M. Sethia - Senior Manager -Corporate Services has been concurrently designated as Chief Financial Officer (CFO) of the Company.

- B) Details of attendance of Directors at Board Meeting and at the last Annual General Meeting with particulars of their other Directorship and Chairman/Membership of Board Committees.

During the year 2008-09, 8 Board Meetings were held on 8 April 08, 23 April 08, 17 May 08, 28 August 08, 27 Sept 08, 1 Dec 08, 9 January 09 and 26 March 09.

The attendance and no. of other Directorship/Committee Membership of each Director (excluding Assambrook Ltd., Private Ltd. Companies and Foreign Companies) is given below :

Name of Directors	Category of Director ship(S)	Attendance at		No. of other Director ship held	No. of Board Committee of which Member / Chairman
		Board Meetings	Annual General Meeting (27.09.2008)		
Shri Surendra Rampuria	Director	4	No	Nil	Nil
Shri Siddharth Rampuria	Managing Director	5	Yes	Nil	Nil
Shri S. Gango Padhyay	Director	5	Yes	Nil	Nil
Shri Mrinal Kanti Guha	Director	8	Yes	Nil	Nil
Shri Madhukar Nowlakha	Director	7	Yes	Nil	Nil

3. AUDIT COMMITTEE :

The Audit Committee comprises of Shri Subhrendu Gangopadhyay as Chairman and Shri Mrinal Kanti Guha and Shri Madhukar Nowlakha as Members.

Shri Subhrendu Gangopadhyay - M.Com.,LL.B., F.C.S., F.C.I.S.(Eng.), Company Secretary, fulfils the requirement under the code.