



Assam Company Limited



Member
Duncan Macneill Group

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ANNUAL REPORT AND ACCOUNTS 2002-2003
(15 MONTHS)



ASSAM COMPANY LIMITED

Member : Duncan Macneill Group, U.K.

BOARD OF DIRECTORS

Dr. K.K. Jajodia, Chairman
Mr. A.K. Jajodia, Sr. Managing Director
Mr. Kurush N. Nowrojee, Director - Estates
Mr. S. Bhuwalka
Mr. B.P. Kanodia

Company Secretary

Mr. S. K. Sarma

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

Khaitan & Co., Kolkata
R.L.Gaggar, Kolkata
K.L. Yadav & Co., Kolkata

Registrars & Share Transfer Agents

M/s. C.B. Management Services Pvt. Ltd.
P-22, Bondel Road
Kolkata - 700 019.
Phone : 2280-6692-93-94/2486

Registered Office

Greenwood Tea Estate
P.O. Dibrugarh
Assam.

Head Office

Assam Tea House
52, Chowringhee Road
Kolkata - 700 071.
Phone - (033) 2283-8306/09/12

Twenty-sixth Annual General Meeting of the Company will be held at 11.00 A.M. on Friday,
5th December, 2003 at Dibrugarh & District Planters' Club, Lahoal, P.O. Dibrugarh, Assam.



ASSAM COMPANY LIMITED

NOTICE

Notice is hereby given that the Twenty-sixth Annual General Meeting of Assam Company Limited will be held at 11.00 A.M. on Friday, 5th December, 2003 at Dibrugarh & District Planters' Club, Lahoal, P.O. Dibrugarh, Assam to transact the following business :

Ordinary Business

1. To receive, consider and adopt the audited Profit & Loss Account for the fifteen months period ended 31st March, 2003 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. K. N. Nowrojee, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. B. P. Kanodia, 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 an **Ordinary Resolution** :

"RESOLVED that subject to the provisions of Sections 198, 269, 309, 311 and all other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the Companies Act and other necessary sanctions, if any, approval of the Company be and is hereby accorded to the re-appointment of Mr. A. K. Jajodia, as Senior Managing Director of the Company for a period of 5 (five years) with effect from October 01, 2002, upon the remuneration, terms and conditions as set out in the draft agreement, material terms of which are indicated in the Explanatory Statement annexed to the Notice convening the Annual General Meeting, to be entered into between the Company and Mr. A. K. Jajodia, Senior Managing Director (a copy of the draft agreement initialled by the Chairman for the purpose of identification placed before the meeting) which agreement is hereby approved with authority to the Board of Directors of the Company, to alter, vary or modify such terms of appointment and remuneration within the ceiling limit prescribed in Schedule XIII to the Companies Act, 1956, (including any statutory modifications, substitutions or re-enactment thereof for the time being in force), as may be agreed to by the Board of Directors and Mr. A. K. Jajodia, Senior Managing Director without any further approval of the Company in a General Meeting."

"RESOLVED FURTHER that notwithstanding anything hereinabove stated, where in any financial year the Company has no profits or its profits are inadequate during the term of his office, Mr. A. K. Jajodia, Senior Managing Director, shall be entitled to receive remuneration by way of salary, perquisites, benefits and allowances specified in the draft agreement as Minimum Remuneration, subject to the provisions of the Companies Act, 1956 and the ceiling limit laid down in Part-II Section II(A) of Schedule XIII thereto."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized and empowered to execute the necessary agreement with the Senior Managing Director and to take such steps and to do all such acts, deeds, things and matters as may be necessary or expedient for the purpose of giving effect to the above resolution."

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

"RESOLVED that pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and is hereby altered by inserting the following sub-article (d) after existing sub-article (c) of Article 94 as under :

- (d) In addition to the foregoing entitlements each Director of the Company shall be entitled out of the funds of the Company expenses incurred by them in connection with the business of the Company.

Registered Office :
Greenwood Tea Estate
P.O. Dibrugarh, Assam
8th November, 2003

By Order of the Board

S. K. Sarma
Company Secretary



ASSAM COMPANY LIMITED

NOTES :

1. The Register of Members and Share Transfer Books of the Company shall remain closed from 2nd December, 2003 to 5th December, 2003 both days inclusive.
2. **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.**
3. Explanatory Statement pursuant to the Section 173(2) of the Companies Act, 1956 in respect of the items of Special Business is annexed hereto.
4. 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, 1995 have been transferred to the General revenue Account of the Central Government.

Members are hereby informed that Dividends/Share application money/Matured Deposits etc. which remain unclaimed/unpaid over a period of 7 years have to be transferred by the Company to Investor Education & Protection Fund (IEPF) constituted by the Central Government under Sections 205A and 205C of the Companies Act, 1956. Further, under the amended

provisions of Section 205B of the Companies Act, 1956, no claim shall lie for such Dividends/Share application money/Matured Deposits from IEPF by the Shareholders/Share Applicants/Fixed Deposit holders.

5. All correspondence relating to transfer of shares, transmission, sub-division issue of duplicate Share Certificate, dividend and any change in the address along with PIN code, Bank mandate and residential status should be addressed to the Company's Registrars and Share Transfer Agents, M/s. CB Management Services Pvt. Ltd., P-22, Bondel Road, Kolkata - 700 019.
6. Members who have multiple accounts in identical names or joint accounts in the same order, are requested to intimate the Company, the ledger folios of such accounts, in order to consolidate all such shareholdings into one account.
7. Trading in Equity Shares of the Company is permitted only in Dematerialised Form w.e.f. 24th July, 2000 as per notification issued by the Securities and Exchange Board of India (SEBI).
8. Members are requested to send their PAN & GIR numbers to the Company for any future purposes.
9. 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.



ASSAM COMPANY LIMITED

EXPLANATORY STATEMENT

PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF THE SPECIAL BUSINESS :

A brief resume of the Directors offering themselves for the re-appointment under Item nos. 2 & 3 (in pursuance of clause 49 of the Listing Agreement) are given below :

Item No. 2

Mr. K. N. Nowrojee, (Mr. Nowrojee) Director of the Company, retires by rotation and being eligible offers himself for re-appointment.

Brief Resume and nature of Expertise

Mr. Nowrojee is a post Graduate in English and is a very senior Planter. He has been associated with the Company since joining in the year 1975 as an Assistant Manager at the Tea Estates. He has wide and varied experience of the plantations and is credited to have pioneered many innovations in tea plantations, including successfully having established Rembang as the First Organic Estate in the State of Assam, estates management and tea business. His active participation at the Meetings have been greatly beneficial to the Company.

Directorship

Apart from Assam Company Ltd., Mr. K. N. Nowrojee does not hold Directorship in any other Company. However, he is one of the Members of the Company's Share Transfer and Investors' Grievance Committee.

Except Mr. Nowrojee no other Director is interested or concerned in the resolution.

Item No. 3

Mr. B. P. Kanodia, (Mr. Kanodia) Director of the Company, retires by rotation and being eligible offers himself for re-appointment.

Mr. Kanodia is a fellow member of the Institute of Chartered Accountants of India. He possesses nearly 30 years of wide and rich experience of Finance, Accounts, Audit, Internal Audit etc. His active and regular participation at the Meetings have been greatly beneficial to the Company.

Directorship

Apart from Assam Company Ltd., Mr. Kanodia holds Directorship in Ratnabali Capital Market Services Ltd. Mr. Kanodia is also Chairman of the Company's Audit Committee and Remuneration Committee and one of the members of the Company's Share Transfer and Investors' Grievance Committee.

Except Mr. Kanodia no other Director is interested or concerned in the resolution.

Item No. 5

The Members of the Company at the Annual General Meeting held on 25th September, 1997 had approved the appointment of Mr. A. K. Jajodia, Senior Managing Director of the Company for a period of 5 (five) years with effect from 1st October, 1997 on the remuneration and terms and conditions as set out in the

agreement approved by the Members. The Board of Directors of the Company at their Meeting held on 20th March, 1999 redesignated Mr. A. K. Jajodia as Sr. Managing Director - Corporate Affairs w.e.f. 1st April, 1999 to 30th September, 2002 on the terms and conditions as contained in the Agreement dated 17th May, 1999 and for which necessary approval of the shareholders of the Company was obtained at their Meeting held on 29th June, 1999.

Subject to the approval of the Members of the Company at the forthcoming Annual General Meeting and other necessary approvals/sanctions from the appropriate authority, if any, and subject further to the provisions of Sections 198, 269, 309, 311 and all other applicable provisions, if any of the Companies Act, 1956 read with Schedule XIII thereto, the Board of Directors at the meeting held on 30th October, 2002 re-appointed Mr. A. K. Jajodia as Senior Managing Director of the Company for a period of 5 (five) years w.e.f. October 1, 2002, on the remuneration and terms and conditions as approved by the Remuneration Committee of the Directors as per requirements of amended Schedule XIII to the Companies Act, 1956, and as set out in the draft agreement to be entered into between the Company and Mr. A.K. Jajodia, Senior Managing Director.

The material Terms of appointment and Memorandum of Interest as set out in the draft agreement and to be entered into between the Company and Mr. A. K. Jajodia are given below :

- | | |
|--|---|
| (a) Salary | : Rs. 1,10,000/-p.m. |
| (b) Commission/Performance related bonus | : @ 1% of Net Profit, determined in accordance with relevant provisions of the Act subject to 50% of Annual Salary. |

(c) Perquisites

In addition to salary and commission, the Senior Managing Director will be entitled to the following perquisites, benefits and allowances limited to 100% of annual salary :

Free fully furnished accommodation, gas, electricity, water and furnishings for accommodation, actual Medical reimbursement for self and family, Leave Travel Fares for Self and Family, Club Fees subject to a maximum of two clubs, AC fitted car with driver, Telephone at residence, leave encashment, transfer expenses, contribution to Provident Fund, Gratuity and Pension Fund, Personal Accident Insurance and such other perquisites and other allowances as per rules of the Company. The perquisites shall be evaluated as per Income Tax Rules, wherever applicable.

The monetary value of perquisites limited to 100% of annual salary shall not include the following :

- (i) Free fully furnished accommodation including furnishing.
- (ii) 1 (one) A C fitted car with driver.
- (iii) Telephone at residence.
- (iv) Encashment of unavailed leave : At the time of retirement/cessation of service.



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(v) Costs and expenses incurred by the Company in connection with joining/transfer from one location to another.

(vi) Provident Fund, Pension Fund and Gratuity : As per rules of the Company.

(d) Minimum remuneration

Where in any financial year during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Managing Director shall be entitled to remuneration by way of salary, dearness allowance, perquisites, benefits and allowances, specified above as Minimum Remuneration not exceeding the ceiling limit linked with "Effective Capital" of the Company as specified in Part-II Section II(A) of Schedule XIII to the Companies Act, 1956.

The Sr. Managing Director while he continues as such shall not be liable to retirement by rotation of Directors

Mr. Jajodia so long as he function as Sr. Managing Director, shall not be paid any sitting fees for attending meetings of the Board Directors or Committee thereof.

Mr. A. K. Jajodia is a Graduate and possesses wide and rich experience in Finance, Tea and Business Management. Since his association with the Company, Mr. Jajodia has been in overall incharge of the Company and its entire operations. He is the Chairman of Flood Control & Infrastructure Sub Committee of Indian Tea Association (ITA) and Chairman of the Finance, Insurance & Taxation Sub Committee of ITA and was also a member of the Executive Committee, FICCI.

Directorship

Apart from Assam Company Ltd., (the Company) Mr. Jajodia holds Directorship in Aditya Dekoramik Ltd., Aditya Estates (P) Ltd., Aditya Communications & Systems (P) Ltd., Antique Holdings (P) Ltd., Decorous Investment & Trading Co. Ltd., Duncan Macneill Construction & Developers Ltd., Duncan Macneill Mines & Granites Ltd., Durable Industries (I) Ltd., e First Solutions India (P) Ltd., Grace Holdings Pvt Ltd., Hiper World Cybertech Ltd., Jacks Home Products Ltd., Link Holdings Pvt. Ltd., Lord Inchcape Financial Services Ltd., Noth-East Hydrocarbon Ltd, Promorale Management Services Pvt. Ltd., William Jacks Engineering Projects Pvt. Ltd. and William Jacks Pvt. Ltd. and one of the members of the Company's Share Transfer and Investors' Grievance Committee.

Having regard to his wide and varied experience and expertise in tea, Mr Jajodia is eminently suited for reappointment.

The appointment of and remuneration including minimum remuneration payable to Mr. Jajodia as Sr. Managing Director is subject to the approval of the Company in General Meeting.

The resolution set out in Item no. 5 of the convening Notice has to be considered accordingly and the Board recommends the same.

The draft Agreement to be entered into between the Company and Mr. A. K. Jajodia incorporating the above terms and conditions are available for inspection at the Registered Office of the Company on all working days between 10.00 am to 12.00 noon till the date of ensuing Annual General Meeting and at the meeting.

This may also be treated as an abstract of the terms and conditions of appointment of Mr. A. K. Jajodia, Sr. Managing Director of the Company pursuant to Section 302 of the Companies Act, 1956.

Mr. A. K. Jajodia, Dr. K. K. Jajodia and Mr. Sanjay Bhuwarka being related to each other, are deemed to be interested or concerned in the said resolutions. No other Director has any interest.

Item No. 6.

For the purpose of promotion of business of the Company Directors often called upon to undertake travels to different places and to incur expenses not only for making the travels but also other expenses connected with the promotion of Company's business. The alteration of the Articles by inserting the sub-article (d) after existing sub-article (c) of Articles 94 is intended for the purpose.

As per the provisions of Section 31 of the Companies Act, 1956, a Company may by a Special Resolution alter its Articles of Association.

Accordingly, the Directors recommend the resolution for the approval of the shareholders.

A copy of the Articles of Association of the Company together with the proposed amendment is available for inspection by the Members at the registered office of the Company on all working days between 10 a.m. and 12 noon till the date of the ensuing Annual General Meeting and at the meeting.

Directors may be deemed to be interested or concerned in the said resolution.

Registered Office :
Greenwood Tea Estate
P.O. Dibrugarh, Assam
8th November, 2003

By Order of the Board

S. K. Sarma
Company Secretary



ASSAM COMPANY LIMITED

DIRECTORS' REPORT

Your Directors have pleasure in submitting their Twenty-sixth Report for the fifteen months period ended March 31, 2003 together with the Audited Accounts for the said period.

Financial Results

	15 months Period ended 31st March 2003 Rs.	Year ended 31st December, 2002 (12 months) Rs.
Profit before Taxation & Depreciation	6,34,47,358	4,86,13,856
Less: Depreciation	59,452,844	4,00,57,347
	<u>39,94,514</u>	<u>85,56,509</u>
Add/Less: Provision for Taxation :		
Current	10,00,000	(1,62,52,040)
Deferred	(17,04,198)	—
Profit after Depreciation and Taxation	<u>46,98,712</u>	<u>2,48,08,549</u>
Provision for diminution in value of certain Investments	(5,00,89,470)	—
Profit after Taxation and diminution in value of certain investments	<u>5,47,88,182</u>	<u>2,48,08,549</u>
Add/Less : Transfer from Development Allowance		
Reserve	2,34,000	5,22,000
Debenture Redemption Reserve	—	10,58,96,428
Add/Less : Balance brought forward from previous Year	28,94,80,430	16,74,72,821
Addition on amalgamation	(12,39,88,696)	—
Available for appropriation	<u>22,05,13,916</u>	<u>29,86,99,798</u>
Your Directors propose the following appropriation :		
Transfer to Debenture Redemption Reserve	97,91,666	92,19,368
Balance Carried Forward	<u>21,07,22,250</u>	<u>28,94,80,430</u>
	<u>22,05,13,916</u>	<u>29,86,99,798</u>

Performance

Production during the period under review was 149.85 lakhs kgs as against 151.49 lakhs kgs of the last financial year (12 months). But due to bad market conditions for tea in general, the average realisation of price was low. The all round increase in cost of production further aggravated the situation. As the Industry is passing through one of its worst phase and in order to conserve resources your Directors have not recommended payment of any dividend.

The quality of tea produced by the Company has been acclaimed by the Industry and your Company continues to enjoy unique position as the manufacturer of quality tea.

Exports

Despite continuing unfavorable market conditions your Company has been able to maintain its volume of exports and efforts are on to increase its share of exports in the world market.



ASSAM COMPANY LIMITED

The Company has during the current financial year started the manufacture of white tea and has also exported the same which is being received very well by the overseas buyers.

Prospects

The various measures contemplated by the Government of India, State Government and Tea Board in promoting tea and realization, although late, that the industry has been shouldering huge social costs and need to be supported is expected to give the much needed impetus to the working of this industry. The steps undertaken by the Company towards improving the operations over the years has started showing results. The continued drive towards cost reduction, rationalisation of working of the tea estates and effective marketing both in the domestic as well as in the international market is expected to result in substantial savings in cost and increase in revenue.

The Company continues to lay emphasis on quality production of tea, production of orthodox, organic tea and value added products. With these measures, your Directors are hopeful that Company would come out of the present trying period before long.

Future Strategy

The Company has been promoting Tea as a health drink and for the first time in India has embarked upon setting up Tea Bars under the name of Camellia Tea Bar offering various brews and Tea based mocktails which have already become very popular.

The Company is also evaluating other initiatives towards moving up the value chain.

Oil & Natural Gas Division

With the opening of Oil & Natural Gas for private participation, your Company hope to play a major role in this field in terms of the Memorandum of Understanding entered into with Assam Industrial Development Corporation Limited (AIDC) and various agreements entered into with Government of India and others. This business will be undertaken by the Company's subsidiaries for which your Company shall be providing necessary supports in terms of technical, managerial and administrative expertise and requisite guarantees.

Research and Development

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

Amalgamation

The Company along with Metropolitan Abasan Limited, Duncan Macneill Industrial Parks Limited, Duncan Macneill Housing Complex Limited, Duncan Macneill Infrastructure Limited, eFirst Technologies Private Limited, Assam Gold Foods Limited, Wizard Telecom Limited, Sky Star Communication Limited, Saturn Trunking Services Limited, Sribhumi Properties Private Limited, Nisha Farms Private Limited, Aristo Holdings Private Limited, Ashoka Consultants Private Limited and Glaze Holdings Private Limited (the Transferor Companies), had filed a Scheme of Amalgamation of the Transferor Companies with the Company in the Hon'ble Gauhati High Court for the better and more economic control, running and management of the business and/ or undertakings of the Transferor Companies and the Transferee Company with a restructured asset and capital base. This Scheme of Amalgamation was sanctioned with effect from April 1, 2002 by the Hon'ble Gauhati High Court by an order passed on 1st September, 2003. Pursuant to the filing of the certified copies of the said order sanctioning the Scheme with the Registrar of Companies, Shillong, the Scheme has become operative.

Consequently the said Transferor Companies stand amalgamated with the Transferee Company in terms of the Scheme. Due effect of the Scheme has been given in the accounts of the Company attached herewith.

Authorised Capital

Consequent to the Scheme of Amalgamation becoming operative as aforesaid the Authorised Capital of the Company stands altered to Rs.50,00,00,000/- divided into 2,50,00,000 Equity Shares of Rs.10/- each, 10,00,000 Non-Cumulative Redeemable Preference Shares of Rs.100/- each, 10,00,000 Cumulative Redeemable Convertible Preference Shares of Rs.100/- each and 50,00,000 Un-classified Shares of Rs.10/- each.

Issued, Subscribed and Paid-up Capital

Upon issue and allotment of shares to the Transferor Companies in terms of the Scheme of Amalgamation, the



ASSAM COMPANY LIMITED

Issued, Subscribed and Paid-up Capital of the Company shall stand increased to Rs.22,44,89,860/- divided into 2,23,61,526 Equity Shares of Rs.10/- each and 8,746 15% Non-Cumulative Redeemable Preference Shares of Rs.100/- each.

Subsidiary Companies

Necessary statement under Section 212 of the Companies Act, 1956, the Reports and Accounts relating to the Company's Subsidiaries have been annexed to the Accounts.

Pursuant to the application made by the Company for exemption under Section 212 of the Companies Act for not attaching the Annual Accounts of Namburnadi Tea Company Ltd., (NTCL) with the Annual Accounts of the Company for the year ended December 31, 2001, the Company has received letter from the Central Govt. that the question of attaching the accounts of the subsidiary as on 31.3.2001 with the balance sheet for the financial year as on 31.12.2001 does not arise.

The Company has subsidiaries viz., Namburnadi Tea Co. Ltd., North-East Hydrocarbon Ltd., Camellia Cha Bar Ltd., and Assam Agro Hi-Tech Ltd.

As required, Consolidated Financial Statements of the Company and its subsidiaries form part of the Annual Report and Accounts.

Namburnadi Tea Company Limited

There has been significant improvement in the working of the Company since take-over. Various steps are being taken to ensure that the quality of the Tea produced by this Company gradually conforms to the quality of tea being produced by the Company.

North-East Hydrocarbon Limited

This Company incorporated with the object of undertaking the business of Oil & Natural Gas is in the process of entering into ventures in joint participation with AIDC.

Social obligations

Despite difficult situation the Company continues to lay emphasis on social welfare activities for its workforce and the neighbourhood. Various projects have been undertaken in the workers colonies to further improve the standard of living. Whilst the Company has embarked on a number of

general cost control measures, the welfare aspects of the workers have not been forgotten and the Management is committed to the well being of the workers and their families.

In its endeavour to uplift the living standards of the resident women on the Estates, the literacy programme of a unique kind called "**Thare Machi**" (Star Fish) has been introduced at Majjan Tea Estate under the patronage of Chairman, Dr. K.K. Jajodia. This is a container class room equipped with computers and DVDS and designed illustrative simple software programme brought especially from U.K.

Directorate

Mr. K. N. Nowrojee and Mr. B. P. Kanodia retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting. The required information in respect of the above two Directors as stipulated in Clause 49 of the Listing Agreement have been given in the notice convening the Annual General Meeting.

The Board of Directors of the Company, subject to the approval of the members, has re-appointed Mr. A. K. Jajodia as Sr. Managing Director for a further period of 5 (Five) years with effect from October 1, 2002, on the remuneration, terms and conditions as approved by the Remuneration Committee of the Board of Directors of the Company. Necessary Resolution for the re-appointment of Mr. A. K. Jajodia has been included in the Notice of the forthcoming Annual General Meeting of the Company.

Corporate Governance

A separate report on Corporate Governance and a Management Discussion and Analysis Report form part of the Annual Report of the Company.

A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to the Report on Corporate Governance.

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 15 months period ended 31st March, 2003, the applicable accounting standards had been followed along with proper explanation relating to material departures;



ASSAM COMPANY LIMITED

- (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 period and of the profit or loss of the Company for the period 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 period ended March 31, 2003 on a 'going concern' basis.

Auditors

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

The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

The information relating to energy conservation, technology absorption, foreign exchange earnings and outgo as required to be disclosed under above rules is given in Annexure "A" forming part of this Report.

Personnel

Your Directors wish to place on record their appreciation of the wholehearted support and co-operation received from the executives, staff and workers at all levels specially for the unstinted support in maintaining production and

uninterrupted despatch of tea from the estates during the period under review.

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

Acknowledgement

Your Directors acknowledge with gratitude the co-operation and assistance received from various agencies of the Central Government and the Government of Assam, Financial Institutions and Banks. Your Directors thank the shareholders, creditors and suppliers for their continued support.

On behalf of the Board of Directors

A. K. Jajodia
K. N. Nowrojee
S. Bhuiwala
Directors

Place : Kolkata
Date : 8th November, 2003