



ANNUAL REPORT 1997-98

BOARD OF DIRECTORS

SURENDRA RAMPURIA

Managing Director

SIDDHARTH RAMPURIA

Wholetime Director

GAUTAM RAMPURIA

AMITABHA GHOSH

M.P. WADHAWAN

R. K. KHANNA

G. MOMEN

N.C.SURI

KAVITA BHAVSAR

Deputy Secretary

AUDITORS

CLARK, GARDNER, WOLF & CO.

BANKERS

ALLAHABAD BANK

BANK OF INDIA

UNION BANK OF INDIA

THE CATHOLIC SYRIAN BANK LTD.

REGISTERED OFFICE

1, SHAKESPEARE SARANI

CALCUTTA - 700 071





NOTICE

NOTICE is hereby given that the 50th Annual General Meeting of the Company will be held at "KALAKUNJ", 48, Shakespeare Sarani, Calcutta - 700 017 on Monday, November 16, 1998 at 11.00 a.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1998 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 declare dividend.
3. (a) To appoint a Director in place of Shri R.K. Khanna, who retires by rotation and being eligible offers himself for reappointment.
(b) To appoint a Director in place of Shri G. Momen who retires by rotation and being eligible offers himself for reappointment
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED that pursuant to Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval is hereby given to the reappointment of and remuneration payable to Shri Siddharth Rampuria as ~~Wholtime~~ Director of the Company for a further period of 5 years with effect from June 10, 1998 as set out in the Agreement dated June 18, 1998 entered into between the Company and Shri Siddharth Rampuria."

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

"RESOLVED that Air Chief Marshal N. C. Suri (Retd.), be and is hereby appointed a Director of the Company, whose period of office is liable to determination by retirement of director by rotation."

7. To consider and, if thought fit, to pass with or without modification, 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 altered in the following manner :

Insert the following Article as Article 3A after Article 3 :

Power to purchase/resell shares of the Company.

NOTICE (Contd.)

3A: Notwithstanding anything contained in these Articles, in the event of its being permitted by law to purchase a company's own shares or securities, the Board of Directors may as and when thought fit, purchase/resell such of the Company's own shares or securities as it may deem necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, as may be required by law from time to time.

8. To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution :-

"RESOLVED that if and when permitted by law and subject to all applicable provisions of the law and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the "Board" which expression shall also include a Committee thereof), or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board, the consent of the Company be and is hereby accorded to the Board, to purchase such number of Equity Shares or other Securities of the Company, as may be specified by the Central Government and as may be thought fit by the Board from the holders of the Equity Shares or other Securities of the Company in such proportion and manner as may be permitted by law, not exceeding 20% or such prescribed percentage of the paid-up capital of the Company, from such funds of the Company as are permitted to be used for this purpose or out of the proceeds of any issue made by the Company, at such rate(s) and on such terms as the Board may deem fit and proper and to keep alive and/ or resell from time to time such number(s) of the shares so purchased, subject to such conditions as may be prescribed by law.

RESOLVED FURTHER that for the purpose of giving effect to aforesaid Resolution, the Board or any of the Director of the Board be and is hereby authorised to do all such acts and deeds and give such directions as may be necessary or desirable and to take all such steps to settle all questions or difficulties whatsoever that may arise out of or in connection with or with regard to the said purchase of Equity Shares or other Securities of the Company .

RESOLVED FURTHER that nothing herein above contained shall confer any right on any shareholder to offer or any obligation on the Company or the Board to buy back any Equity Shares or Securities of the Company ."

Registered Office :
1, Shakespeare Sarani,
Calcutta - 700 071.
Dated October 12, 1998

By Order of the Board of Directors
ASSAMBROOK LIMITED
KAVITA BHAVSAR
Deputy Secretary

NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company.
2. Proxy Form is enclosed. The proxies in order to be effective must be deposited with the Company not less than 48 hours before the meeting.
3. Annual Book closure of Register of Members . September 12, 1998 to September 25, 1998 (both days inclusive).
4. The dividend, if declared, will be payable on or after November 17, 1998 to those members whose names will appear on the Register of Members of the Company on September 25, 1998 or to their mandantees.
5. Pursuant to Section 205A of the Companies Act, 1956 all unclaimed dividend for the financial year ended 31st March, 1994 have been transferred to the General Revenue Account of the Central Government. All members who have not received their dividend warrants for the financial year 1994-95, 1995-96 and 1996-97 are requested to write to the Company's Share Department at the aforesaid address, mentioning the relevant Folio No.(s), for issuance of duplicate dividend warrant(s).

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

Item NO. 5 :

The Board of Directors of the Company at its meeting held on May 29, 1998, reappointed Shri Siddharth Rampuria as a Wholtime Director of the Company for a period of 5 years with effect from June 10, 1998, on the terms and conditions as contained in the agreement.

- a) **Salary** - Rs. 45,000/- per month in the scale of Rs. 45000- 4500- 63000
- b) **Commission** - 1% of the net profit of the Company.
- c) **Perquisites** - In addition to the aforesaid Salary and Commission, Sri Siddharth Rampuria shall be entitled to perquisites like furnished accommodation or housing allowance, Gas, Electricity, Water, Medical Reimbursement, Leave Travel Concession for self and family, Club Fees, Personal Accident Insurance, etc. in accordance with the rules of the Company, the monetary value of such perquisites being restricted to an amount equal to annual Salary or as provided in Section II of Part II of Schedule XIII of the Companies Act, 1956, whichever is less.

The following shall not be included in the perquisites :

- (a) Use of Office Car for official purpose and Telephones at the residence for local calls and long distance official calls.
- (b) The 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.

NOTICE (Contd.)

(d) Encashment of leave at the end of the tenure of office.

The aggregate of salary, commission, gratuity, LTA and other perquisites and the contributions to the PF and Superannuation shall not exceed the limit specified in Section 198 and 309 of the Companies Act, 1956.

Shri Siddharth Rampuria shall not be subject to retirement by rotation during his tenure of office as Wholetime Director of the Company.

Shri Siddharth Rampuria is concerned or interested as it relates to his own reappointment as Wholetime Director of the Company. Except Shri Surendra Rampuria and Shri Gautam Rampuria, who are related to Shri Siddharth Rampuria, no other Director of the Company is concerned or interested in the above.

The Board commends the Resolution for acceptance by the Members.

Item No. 6 :

At a meeting of the Board of Directors held on September 30, 1997 Air Chief Marshal N.C.Suri (Retd.), was appointed an Additional Director of the Company, with effect from September 30, 1997, till the date of the next Annual General Meeting.

In accordance with Section 260 of the Companies Act, 1956 Shri N. C. Suri vacates office at this Annual General Meeting. A notice under Section 257 of the Companies Act, 1956 alongwith the requisite deposit of Rs.500/- has been received from a member signifying his intention to propose the appointment of Shri Suri as a Director of the Company.

None of the Directors of your Company, other than Shri Suri, is interested in this resolution.

The Board commends the Resolution for acceptance by the Members.

Item No. 7 :

Article 3 of the Articles of Association of the Company prohibits the Company from buying its own shares under the existing law. It is proposed to introduce a new Article 3A in the Articles of Association as set out in the Resolution at item No. 7 to enable the Company to purchase/Resell any of its own shares or securities, as proposed in the Resolution at item No. 8, in the event of its being permitted by law.

(a) The Board commends the Resolution for acceptance by the Members.

(b) A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations is available for inspection by the Members of the Company at its Registered Office between 11 a.m. and 1 p.m. on any working days of the Company.

**NOTICE (Contd.)****Item No. 8 :**

The laws of U.S.A., most European countries and New Zealand permit purchase by a Company of its own Shares subject to certain safeguards. In India, the Companies Act, 1956 presently prohibits a company from purchasing its Own Shares and Securities. However, it is anticipated that the law may in future permit a company to buy back its own shares and other securities. With the liberalisation of the economy, there is a move towards gradual alignment of the corporate law and policies of the country with the global trends in practice. It is understood that the Companies Bill, 1997 would make necessary provision in the Companies Act permitting companies to buy their own Shares subject to certain safeguards.

- (a) It is therefore considered desirable that the Company through its Board of Directors should have the power to purchase Company's own Shares or such other permissible securities, not exceeding 20% or such prescribed percentage of the paid-up capital of the Company from the Members of the Company either from the open market or from the holders of odd lots or as may be permitted by law. The buy-back of shares or securities would be at the rate and from the funds permitted by law as set out in the Resolution. Your Directors are of the view that buy back of shares as above will lead to improvement in the intrinsic worth of the Equity Shares of the Company. The proposed provision in the Articles of Association by insertion of Article 3A is expected to be beneficial both to the Company and its shareholders. The power contained in the proposed new Article would, however, be exercised by the Company only after the Companies Act, 1956 is amended permitting companies to buy/resell their own shares.
- (b) The Board commends the Resolution for acceptance by the Members.
- (c) None of the Directors is deemed to be concerned or interested in the proposed Resolution.

Registered Office :
1, Shakespeare Sarani,
Calcutta - 700 071.
Dated October 12, 1998

By Order of the Board of Directors
ASSAMBROOK LIMITED
KAVITA BHAVSAR
Deputy Secretary

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited accounts for the year ended March 31, 1998.

1. FINANCIAL RESULTS :

	1997 - 98	1996 - 97
	Rs. in lacs	Rs.in lacs
Profit before Depreciation & Taxation	566.65	176.86
Deduct : Depreciation	79.96	49.84
Profit before Taxation	486.69	127.02
Deduct : Provision for Taxation	50.00	6.75
Profit after Taxation	436.69	120.27
Add/(less) : Adjustment in respect of previous year	(2.21)	(1.15)
Add : Transfer from reserves :		
Development Allowance	2.20	0.29
Investment Allowance	—	1.50
Balance brought forward from previous year	375.05	316.40
Amount available for appropriation	811.73	437.31
APPROPRIATIONS		
General Reserve	250.00	5.00
Proposed Dividend	151.83	52.05
Provision for tax on Proposed Dividend	15.18	5.21
-Balance carried forward	394.72	375.05

2. DIVIDEND :

Your directors are recommending a dividend at the rate of Rs.3.50 per Equity Share.

3. OPERATIONS :

1997 was a year with multiple achievements for the Indian Tea Industry. Production crossed the 800 Million kg mark to reach 810 Million kg. Exports which had languished for the last 5 years, saw a healthy increase of 41 Million Kg and the annual All India auction average rose by over 30%. South India figured significantly in the greatly improved fortunes of the Industry.

The resurgence in CIS demand and growing domestic consumption were the primary factors responsible for the price increase. CIS purchases in particular, resembled the pre-perestroika days when USSR was a major force to reckon with for exports of Indian teas. With remunerative price levels achieved in 1997, the Company is better placed to face the challenges of the future. Your Directors are confident of maintaining the improved results during the current year.