



ASSAMBROOK

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

AUDITORS

CLARK, GARDNER, WOLF & CO.

BANKERS

BANK OF INDIA

ALLAHABAD BANK

UNION BANK OF INDIA

THE CATHOLIC SYRIAN BANK LTD.

ASSAMBROOK LIMITED

Regd. Office

1 Shakespeare Sarani

Kolkata - 700 071

India

Telephone

(91) (33) 282 7615

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ANNUAL REPORT 2000-2001



NOTICE

NOTICE is hereby given that the 53rd Annual General meeting of the Company will be held at "KALAKUNJ", 48, Shakespeare Sarani, Kolkata - 700 017 on Monday, September 24, 2001 at 10.00 a.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2001 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 a dividend.
3. (a) To appoint a Director in place of Shri R. K. Khanna who retires by rotation and being eligible offers himself for re-appointment.
(b) To appoint a Director in place of Shri G. Momen who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

Registered Office :
1, Shakespeare Sarani,
Kolkata - 700 071
Dated : June 28, 2001

By Order of the Board of Directors
SURENDRA RAMPURIA
Managing Director

NOTES :

1. a) 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.
b) A proxy form, duly completed and stamped, must reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
2. The Register of Members and Transfer Books of the Company will be closed from 16th September, 2001 to 24th September, 2001 (both days inclusive).
3. The dividend, when declared, will be paid to those shareholders whose names appear in the Register of Members as on September 24, 2001.
4. Consequent upon the amendment in Section 205A of the Companies Act, 1956 and insertion of Section 205C by the Companies (Amendment) Act, 1999 the amount of dividend for the year 1994-95 and onwards which remains unpaid or unclaimed for 7 years from the date of transfer of these amounts to the Unpaid Dividend Accounts of the Company shall be transferred to a fund called "Investor Education and Protection Fund". No claim shall lie against the fund or the Company.
5. Members desiring a nomination under Section 109A of the Companies Act, 1956 are requested to file the prescribed Form 28.
6. Members who hold shares in the dematerialised form, are requested to bring their depository account number for identification.

Registered Office :
1, Shakespeare Sarani,
Kolkata - 700 071
Dated : June 28, 2001

By Order of the Board of Directors
SURENDRA RAMPURIA
Managing Director

DIRECTORS' REPORT

The Directors take pleasure in presenting their annual report together with the audited accounts of the Company for the year ended March 31, 2001.

1. FINANCIAL RESULTS

| | 2000-2001 Rs. in lacs | 1999-2000 Rs. in lacs |
|--|--------------------------|--------------------------|
| Profit before Depreciation and Taxation | 187.61 | 400.54 |
| Deduct : Depreciation | 98.56 | 92.12 |
| Profit before Taxation | 89.05 | 308.42 |
| Deduct : Provision for Taxation | 3.00 | 28.00 |
| Profit after taxation | 86.05 | 280.42 |
| Balance brought forward from Previous Year | 392.88 | 368.31 |
| Amount available for appropriation | 478.93 | 648.73 |
| APPROPRIATIONS : | | |
| General Reserve | 10.00 | 150.00 |
| Proposed Dividend | 43.38 | 86.76 |
| Corporate Dividend Tax | 4.43 | 19.09 |
| Balance Carried forward | 421.12 | 392.88 |

2. DIVIDEND :

The directors recommended a dividend at the rate of Re.1.00 per Equity Share.

3. OPERATION :

The downward trend in prices that prevailed during the previous year continued for the current year. The operating margins shrunk owing to increased input costs and declining prices. In addition, there was a substantial reduction in the crop harvest owing to a severe drought. This resulted in lower profitability.

As reported earlier, the company is in the process of implementing development programme which will radically alter the quality profile and improve yields and lead to better cropping in the long term. These developments would entail uprooting and subsequent planting of bushes over large areas with good quality and high yielding varieties. These exercises would have a gestation period of nearly 3 years but thereafter, your Directors are confident as to the quality and yields of the crop harvested.

4. SUBSIDIARY :

The Scheme of Arrangement/Amalgamation of Sudera Enterprises Private Limited with our subsidiary company, ABL International Limited has been sanctioned by the Hon'ble High Court at Kolkata by its Order dated March 26, 2001 effective from April 1, 1999 (appointed date).

A Copy of the Annual Report and Accounts of the subsidiary company is annexed to this report, as required under Section 212 of the Companies Act, 1956.

5. AUDITORS' NOTES :

The auditor's observations have been dealt with in the notes which are self explanatory and do not require further clarification.

6. FIXED DEPOSIT :

All fixed deposits that became due for repayment during the year have been paid or renewed except

DIRECTORS' REPORT (Contd.)

deposits amounting to Rs. 6.17 lacs from depositors which remained unclaimed on 31.03.2001. Out of these, deposits amounting to Rs. 4.23 lacs have since been renewed/repaid.

7. DIRECTORS' RESPONSIBILITY STATEMENT :

The Directors hereby confirm that :-

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments 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 of the Company for the year under review;
- iii) the Directors have 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) the Directors have prepared the annual accounts on a going concern basis.

8. CORPORATE GOVERNANCE :

As per the Amended Listing Agreement with the Stock Exchanges, the company is required to comply with the requirement of Corporate Governance by 31st March, 2002. Requisite steps have been initiated for compliance within the stipulated time.

9. DIRECTORS :

Shri R. K. Khanna and Shri G. Momen will retire by rotation and being eligible offer themselves for re-appointment.

Your directors recommend their re-appointment.

10. AUDITORS :

M/s. Clark, Gardner, Wolf & Co., Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

11. PERSONNEL :

The Board records its appreciation of the cordial relationship maintained with all categories of personnel at all the establishments of the Company throughout the year.

12. ANNEXURE :

The statements giving the information in accordance with the provisions of Section 217 (2A) and 217(1)(e) of the Companies Act, 1956 are annexed hereto and form part of this report.

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Registered Office :
1, Shakespeare Sarani.
Kolkata - 700 071
Dated : June 28, 2001

For and on behalf of the Board

SURENDRA RAMPURIA
Managing Director
SIDDHARTH RAMPURIA
Wholetime Director

ASSAM BROOK

ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217 (1)(e) read with Companies (Disclosure of particulars in the report of Board of Directors' Rules 1988) and Forming Part of the Directors' Report for the period ended 31st March, 2001.

"FORM A"

| | 2000-2001 | 1999-2000 |
|--|-----------|-----------|
| A) POWER AND FUEL CONSUMPTION | | |
| 1. Electricity | | |
| a. Purchased | | |
| Unit (KWH) | 39132.32 | 36932.75 |
| Total Amount (Rs. in lacs) | 139.08 | 123.60 |
| Rate/Unit (Rs.) | 3.55 | 3.35 |
| b. Own Generation | | |
| i) Through Diesel Generator | | |
| Units(In KWH) | 7617.36 | 7524.37 |
| Unit per Ltr. of Diesel | | |
| Oil (KWH) | 2.07 | 2.46 |
| Cost/Unit (Rs.) | 5.94 | 4.77 |
| ii) Through Steam Turbine/ Generator Units | | |
| Unit per Ltr. of Fuel | | |
| Oil/Gas | | |
| Cost/Unit (Rs.) | | |
| 2. COAL(KHASI/LEDO-ROM/LECO for drying of Tea) | | |
| Qty. (MT) | 879.81 | 896.18 |
| Total Cost (Rs.in lacs) | 19.59 | 19.60 |
| Average Rate (Rs.) | 2227.00 | 2187.00 |
| 3. FURNACE OIL | | |
| Qty. (K.Ltrs) | 951.87 | 884.40 |
| Total Cost (Rs.in lacs) | 133.07 | 88.38 |
| Average Rate (Rs.) | 13980.34 | 9992.97 |
| 4. Others/Internal Generation | | |
| Firewood for drying of Tea (Qty.) | 5454.83 | 4482.67 |
| Total Cost (Rs.in lacs) | 64.34 | 53.34 |
| Average Rate (Rs.) | 1179.58 | 1189.92 |
| B) CONSUMPTION PER UNIT OF PRODUCTION | | |
| Product (Tea)(Gross in lac Kgs) | 57.64 | 54.03 |
| Electricity (KWH/Kg.) | 0.81 | 0.82 |
| Furnace Oil (Ltr./Kg.) | 0.17 | 0.16 |
| Coal (Kg./Kg.) | 0.15 | 0.17 |
| Others | 0.95 | 0.83 |

ASSAM BROOK

ANNEXURE TO DIRECTORS' REPORT (Contd.)

"FORM B"

TECHNOLOGY ABSORPTION

1. Research & Development (R & D)

- Specific areas in which R & D carried out by the Company
- Benefits derived as a result of the above R & D
- Future plan of action
- Expenditure on R & D
 - Capital
 - Recurring
 - Total
 - Total R & D Expenditure as a percentage of total turnover

The Company subscribes to Tea Research Association which is registered under Sec. 35(i)(ii) of the Income Tax Act, 1961.

2. Technology absorption, adaptation and innovation :

- Efforts, in brief, made towards technology absorption, adaptation and innovation
- Benefits derived as a result of the above efforts e.g. product improvement cost reduction, product development, import substitution etc.

NOT APPLICABLE

3. Foreign Exchange earnings and outgo :

- Activities relating to export initiatives taken to increase exports
- Development of new export markets for products and services and export plan
- Total foreign exchange
 - Used
 - Earned (gross)

NOT APPLICABLE

Rs. 2.26 Lacs
Nil

**STATEMENT OF PARTICULARS OF THE EMPLOYEES
PURSUANT TO THE PROVISIONS OF SEC. 217(2A) OF THE COMPANIES ACT, 1956.**

| Name | Age (Years) | Qualification & Experience (Years) | Date of Commencement of Employment | Designation/ Nature of Duties | Remuneration (Rs.) | Last Employment before joining this Company Name of the Employer | Post held |
|-------------------|-------------|------------------------------------|------------------------------------|-------------------------------|--------------------|---|-------------------|
| Surendra Rampuria | 58 | Under Graduate (35) | 07-05-1984 | Managing Director | 1467201 | Sudera Enterprises Pvt. Ltd | Managing Director |

NOTES :

- Remuneration includes salary, value of perquisites and Company's Contribution to provident and other funds.
- The employment is contractual, terminable with appropriate period of notice.
- None of the employees by himself or alongwith his spouse and dependent children holds 2% of the equity shares of the Company.

AUDITORS' REPORT

TO THE MEMBERS OF ASSAMBROOK LIMITED

We have audited the attached Balance Sheet of Assambrook Limited as at 31st March, 2001 and also the Profit and Loss Account of the Company for the year ended on that date and report as follows :

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order 1988, issued by the Central Government under Section 227(4A) of the Companies Act, 1956 and according to the information and explanations given to us and on the basis of such checks as we considered appropriate, we further report that :
 - i. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. As explained to us, part of the fixed assets have been physically verified by the management during the year in accordance with the phased programme of verification. No material discrepancies have been noticed in respect of assets verified during the year.
 - ii. The Company has not revalued its fixed assets during the year.
 - iii. The stocks of finished goods, stores, spare parts and raw materials except tea in transit and lying with third parties have been physically verified by the management during the year at reasonable intervals.
 - iv. In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - v. The discrepancies noticed on physical verification of stocks and reconciled till the year end and compared to book records were not material and have been properly dealt with in the books of account.
 - vi. In our opinion and on the basis of our examination of the valuation of stocks, such valuation is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
 - vii. The Company has not taken any loans, secured or unsecured from Companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956, and/or from the Companies under the same management as defined under sub-section 1(B) of the Section 370 of the Companies Act, 1956.
 - viii. The Company has given interest free loans and advances to its subsidiary company. In our opinion, the rate of interest (where applicable) and other terms and conditions of such loans and advances granted are prima facie not prejudicial to the interest of the Company. The Company has not granted any loan secured or unsecured to the companies under the same management as defined under Sub-section 1(B) of Section 370 of the Companies Act, 1956.
 - ix. Loans and advances in the nature of loans given to parties are being recovered as per the stipulation wherever such stipulation exists. The company has given interest free loans and advances to its subsidiary company. Interest on such loans, where applicable, have generally been received regularly. Interest free loans and advances given to employees are generally being repaid as per the stipulation, wherever applicable.
 - x. In our opinion and according to information and explanations given to us, there are adequate internal control procedure commensurate with the size of the Company and nature of its business with regard to purchase of stores, raw materials including components, plant and machinery, equipments and other assets and for the sale of goods.
 - xi. There are no transactions of purchase of goods and materials and sale of goods, materials and

AUDITORS' REPORT (Confid.)

services aggregating during the year to Rs. 50,000/- or more in respect of each party in pursuance of contract or arrangement entered in the register maintained under Section 301 of the Companies Act, 1956.

- xii. The Company has a procedure for ascertaining unserviceable/damaged stores, raw materials and finished goods and adequate provision to the extent ascertained during the year has been made in the Accounts.
 - xiii. The company has generally complied with the provisions of Section 58A of the Companies Act, 1956 and the applicable Rules framed thereunder with regard to the deposits accepted from the public.
 - xiv. In our opinion, reasonable records have been maintained by the Company for the sale and disposal of realisable scrap including tea waste, which was not significant. The Company has no by-product.
 - xv. In our opinion, the present internal audit system is generally commensurate with the size of the Company and nature of its business.
 - xvi. The Central Government has not prescribed maintenance of cost record under Section 209(1)(d) of the Companies Act, 1956 in respect of the product of the Company.
 - xvii. According to the records of the company Provident Fund dues have generally been regularly deposited during the year with appropriate authorities. As explained the employees of the Company are not covered under Employees State Insurance Scheme.
 - xviii. There are no undisputed amounts of Income Tax, Sales Tax, Customs Duty and Excise Duty outstanding as at 31st March, 2001 for a period of more than six months from the date they become payable.
 - xix. During the course of our audit of the books of account carried out in accordance with the generally accepted practices and according to the information and explanations given to us we have not come across any personal expenses of employees or Directors other than those payable under contractual obligation or in accordance with prevailing practice, which have been charged to Revenue Account.
 - xx. The Company is not a Sick Industrial Company within the meaning of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985.
 - xxi. In respect of trading activities, according to the explanation and informations given to us, there were no damage of goods.
2. Further to the above, we report that :
- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii) The Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the books of account;
 - iii) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examinations of the books.
 - iv) In our opinion, the Profit & Loss Account and the Balance Sheet, comply with the Accounting Standards referred to in Section 211(3c) of the Companies Act, 1956.
 - v) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31.3.2001 from being

ASSAM BROOK

AUDITORS' REPORT (Contd.)

appointed as directors in terms of Clause(g) of Sub-section (1) of Section 274 of the Companies Act, 1956.

- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes given in Schedule 17 give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :-
- (a) in case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2001 and
 - (b) in case of the Profit and Loss Account, of the Profit for the year ended on that date.

14, Government Place East,
Kolkata, the 28th day of June, 2001

For Clark, Gardner, Wolf & Co.
Chartered Accountants

P. L. SONI
Partner

