

ASSAMBROOK

BOARD OF DIRECTORS

SURENDRA RAMPURIA
Managing Director

SIDDHARTH RAMPURIA
Wholtime 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) 2282 7615

Telefax
(91) (33) 2282 2750

E-mail
ablcal@giasslo1.vsnl.net.in

ANNUAL REPORT 2001-2002

NOTICE

NOTICE is hereby given that the 54th Annual General Meeting of the Company will be held at "KALAKUNJ", 45, Shakespeare Sarani, Kolkata 700 017 on Friday, December 27, 2002 at 10.00 a.m. to transact the following business :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2002 and the audited Profit and Loss Account for the year ended on that date together with the Report of Auditors and Directors thereon.
2. (a) To appoint a Director in place of Shri Amitabha Ghosh who retires by rotation and being eligible offers himself for re-appointment.
- (b) To appoint a Director in place of Shri Gautam Rampuria who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

Registered Office :
1, Shakespeare Sarani
Kolkata - 700 071
Dated : October 30, 2002

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. 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".
3. Members desiring a nomination under section 109A of the Companies Act, 1956 are requested to file the prescribed form 2B.
4. Members who held shares in the dematerialised form, are requested to bring their depository account number for identification.
5. Pursuant to Clause 49 of the listing Agreement with the Stock Exchanges a brief back ground and functional expertise of the Directors seeking for re-appointment is furnished herein below :
At the Annual General Meeting Shri Amitabha Ghosh and Shri Gautam Rampuria retire by rotation and being eligible offer themselves for reappointment.
- a. Shri Amitabha Ghosh aged about 72 years is former Deputy Governor of Reserve Bank of India and has vast experience in Finance and Banking. He is on the Board of the following companies :

NOTICE (Contd.)

Directorship :

ASSAMBROOK LIMITED
 ASSOCIATED CEMENT COMPANIES LTD.
 CENTURY LEASING COMPANY PVT. LTD.
 KESORAM INDUSTRIES LTD.
 MYSORE CEMENTS LIMITED
 NICCO CORPORATION LTD.
 ORIENT PAPER & INDUSTRIES LTD.
 PIRAMAL HOLDINGS LIMITED
 PALIT CONSULTANCY PVT. LTD.
 SAHARA INDIA FINANCIAL CORPORATION LTD.
 SAHARA INDIA LIFE INSURANCE CORP. LTD.
 XPRO INDIA LTD.
 ZENITH FIBRES LTD.

Committee Membership :

KESORAM INDUSTRIES LTD.
 SAHARA INDIA FINANCIAL CORPORATION LTD.
 SRF LIMITED
 ORIENT PAPER & INDUSTRIES LTD.
 ASSAMBROOK LTD.
 PIRAMAL HOLDINGS LIMITED

- b. Shri. Gautam Rampuria aged about 34 years is Graduate in Engineering and Business Economics (Oxford U.K.) and has vast experience in finance and international business. He is on the Board of the following companies :

Directorship :

ASSAMBROOK LIMITED
 ABL INTERNATIONAL LTD.
 SUDERA INVESTMENTS PVT. LTD.

Committee Membership :

Nil

Registered Office :

1, Shakespeare Sarani, Kolkata - 700 071
 Date : October 30, 2002

By Order of the Board of Directors

SURENDRA RAMPURIA
 Managing Director

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DIRECTORS' REPORT

The Directors present their annual report together with the audited accounts of the Company for the year ended March 31, 2002.

1. FINANCIAL RESULTS :

	2001-2002	2000-2001
		Rs. in lacs
Profit before Depreciation & Taxation	138.51	187.61
Deduct Depreciation	114.42	98.56
Profit before Taxation	24.09	89.05
Deduct Provision for taxation - Current	0.74	3.00
Add : Provision for taxation - Deferred	128.62	-
Profit after taxation	151.97	86.05
Balance brought forward from previous year	421.12	392.88
Amount available for appropriation	573.09	478.93
APPROPRIATIONS :		
General Reserve	-	10.00
Proposed Dividend	-	43.38
Corporate Dividend Tax	-	4.43
Balance carried forward	573.09	421.12

2. DIVIDEND :

To conserve the resources of the Company no payment of dividend has been recommended.

3. OPERATION :

Seasons 2000 and 2001 have been traumatic for the Indian Tea Industry. Severe mismatches in domestic demand and supply were further accentuated by declining exports. This caused spiraling decline in the prices resulting several units compelled to sell below cost. Steep wage increases in certain tea growing areas pursuant to industry wide settlements compounded an already depressed situation, denuding the capacity of the industry in general, to sustain itself in a market marked by over supply.

As reported earlier, the development programme currently under implementation at the Assam estates are yet to yield results as a result of the long gestation periods. Your Directors are confident of improved yields and quality on completion of the programme.

4. SUBSIDIARY :

As required under Section 212 of the Companies Act, 1956 the audited statement of accounts alongwith report of the Board of Directors relating to the subsidiary Company is annexed to the report.



DIRECTORS' REPORT (Contd.)

5. CONSOLIDATED FINANCIAL STATEMENT :

As required by Accounting Standard 21 "Consolidated Financial Statements" issued by The Institute of Chartered Accountants of India, the consolidated financial statements are annexed.

Consolidated accounts have been prepared on the basis of audited financial statements received from subsidiary company, as approved by their Board.

6. AUDITORS' REPORT :

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

7. FIXED DEPOSIT :

In view of the overall depressed condition prevailing in the economy, the fixed deposit amounting to Rs. 101.89 lacs matured for repayment remained outstanding as on 31.03.2002. The Company had filed a petition before the Company Law Board, Eastern Region Bench, Kolkata for restructuring the repayment of the said fixed deposit together with the fixed deposits that would mature in future. The Company Law Board has passed an Order granting repayment of the entire fixed deposit in instalments over a period of 3.5 years vide its order dated 24.09.2002. The Company has already taken necessary steps for compliance of the said Order.

In view of the above, the Company had decided not to accept fresh deposits and/or renew the matured deposits on and from August, 2001.

8. DIRECTORS' RESPONSIBILITY STATEMENT :

The Directors hereby confirm that :

- (a) in the preparation of the Annual accounts the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (b) the Directors have selected such accounting practice and applied them consistently and made judgments 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.
- (c) 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 safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) the Directors have prepared the Annual Accounts on a going concern basis.

9. CORPORATE GOVERNANCE :

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance and Management Discussion and Analysis together with a certificate from the Company's Auditors confirming compliance is set out in the Annexure forming part of this report.

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DIRECTORS' REPORT (Contd.)

10 DIRECTORS :

Shri Amitabha Ghosh and Shri Gautam Rampuria retire by rotation and being eligible offer themselves for re-appointment.

Your Directors recommended their re-appointment.

11 AUDITORS :

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

12 PERSONNEL :

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

None of the employees of the Company were in receipt of remuneration in excess of Rs. 1 lac per month if employed part of the year or Rs. 12 lacs per annum if employed throughout the year. Hence information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not being annexed to this report.

13 COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

As required under 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, the particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo are annexed to this report.

Registered Office :

1, Shakespeare Sarani

Kolkata-700 071

Date : October 30, 2002

By Order of the Board of Directors

SURENDRA RAMPURIA

Managing Director

SIDDHARTH RAMPURIA

Wholtime Director

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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, 2002

"FORM A"

	CURRENT YEAR	PREVIOUS YEAR
A) POWER AND FUEL CONSUMPTION		
1. Electricity		
a. Purchased		
Unit (KWH)	32212.32	39132.32
Total Amount (Rs. in lacs)	128.72	139.08
Rate/Unit (Rs.)	4.00	3.55
b. Own Generation		
(i) Through Diesel Generator Units (in KWH)	9720.72	7617.36
Unit per Ltr. of Diesel Oil (KWH)	2.02	2.07
Cost/Unit (Rs.)	7.26	5.94
(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)	2738.55	879.81
Total Cost (Rs. in lacs)	55.56	19.59
Average Rate (Rs.)	4007.00	2227.00
3. Furnace Oil		
Qty. (K.Ltrs.)	267.67	951.87
Total Cost (Rs. in lacs)	32.40	133.07
Average Rate (Rs.)	12105.73	13980.34
4. Others/Internal Generation		
Firewood for drying of Tea Qty.	2452.08	5454.83
Total Cost (Rs. in lacs)	51.22	64.34
Average Rate (Rs.)	2088.84	1179.58
B) CONSUMPTION PER UNIT OF PRODUCTION		
Product (Tea) (Gross in lac Kgs.)	50.35	57.64
Electricity (KWH/Kg.)	0.83	0.81
Furnace Oil (Ltr./Kg.)	0.29	0.17
Coal (Kg./Kg.)	1.35	0.15
Others	1.18	0.95

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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 Section 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. 2.64 Lacs

NIL

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ASSAM BROOK

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY :

The basic objective of Corporate Governance Policies adopted by your Board of Directors is to ensure accountability and transparency in the functioning of the management of the Board.

We believe that Corporate Governance must balance individual interest with corporate goals and operate within accepted norms of propriety, equity, fair play and a sense of justice. SEBI made amendments to the listing agreement to incorporate the key recommendations. Consequently, a new Clause 49 has been introduced in the listing agreement with Indian Stock Exchanges, which set out the norms and disclosures that have to be made on the corporate governance front. In this report, Assambrook Ltd. confirms its compliance with the corporate governance criteria as required by Clause 49.

2. BOARD OF DIRECTORS :

The composition of the Board of Directors of the Company is in conformity with the Code of Corporate Governance under the Listing Agreement. Details of the Board of Directors and their directorships/ memberships in Committees of other companies (excluding Assambrook Ltd. and foreign companies) are as under :

Sl. No.	Name of Director	Category of Director	No. of directorships and Committee positions		No. of other Board Committee for which Chairperson
			Board	Committee	

NON EXECUTIVE DIRECTORS :

1.	Shri Gautam Rampuria	Promoter Director	2	-	-
2.	Shri Amitabha Ghosh	Independent Director	13	7	3
3.	Shri M. P. Wadhawan	Independent Director	3	2	2
4.	Shri R.K.Khanna	Independent Director	-	-	-
5.	Shri G. Momen	Independent Director	16	5	-
6.	Shri N.C.Suri	Independent Director	4	-	-

EXECUTIVE DIRECTORS :

7.	Shri Surendra Rampuria	Managing Director	4	-	-
8.	Shri Siddharth Rampuria	Wholetime Director	3	-	-

During 2001-02, the Board met five times on 28-06-01, 27-07-01, 24-09-01, 26-11-01 and 28-01-02. The attendance of the Directors of the Company at Board Meetings and Annual General Meetings were as follows :

Sl. No.	Name of Director	No. of Board Meeting attended	Attendance at last AGM
1.	Shri Surendra Rampuria	5	YES
2.	Shri Siddharth Rampuria	5	YES
3.	Shri Gautam Rampuria	5	YES
4.	Shri Amitabha Ghosh	4	YES
5.	Shri M. P. Wadhawan	3	YES
6.	Shri R. K. Khanna	5	YES
7.	Shri G. Momen	4	NO
8.	Shri N. C. Suri	3	NO

REPORT ON CORPORATE GOVERNANCE (Contd.)

Information supplied to the Board of Directors

Among others, this includes:

Review of annual operating plans of business, capital budgets, updates.

Quarterly results of the Company and its operating divisions or business segments.

Minutes of meeting of working committee, audit committee and other committee.

Information on recruitment and remuneration of senior officers just below the board level.

Materially important show cause, demand, prosecution and penalty notices.

Any materially significant effluent or pollution problems.

Any materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company.

Any issue which involves possible public or product liability claims of a substantial nature.

Significant labour problems and their proposed solutions.

Significant development on human resources and industrial relations fronts. Sale of material nature of investments, assets which is not in the normal course of business.

Non-compliance of any regulatory or statutory provision or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer.

The Board of Assambrook Ltd. is/will be routinely presented with all information under the above heads whenever applicable and materially significant. These are/will be submitted either as part of the agenda papers well in advance of the Board meeting or are/will be tabled in the course of the Board Meetings.

3. AUDIT COMMITTEE :

The Audit Committee was formed on 28-01-2002. The Audit Committee is comprising of three independent non-executive Directors :

Shri M. P. Wadhawan	Chairman
Shri Amitabha Ghosh	
Shri G. Momen	

The first meeting of the Audit Committee was held on June 28, 2002. All the members were present in the meeting.

Role of the Audit Committee

The Audit Committee performs the following functions :

- Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the Board.