

# ASSAMBROOK

ASSAMBROOK LIMITED  
REPORT AND ACCOUNTS  
For THE YEAR ENDED 31 MARCH 2006

# ASSAMBROOK

## BOARD OF DIRECTORS

SURENDRA RAMPURIA  
*Managing Director*

SIDDHARTH RAMPURIA  
*Wholetime Director*

SUBHRENDU GANGOPADHYAY  
M. K. GUHA  
M. NOWLAKHA  
*Directors*

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## AUDITORS

CLARK, GARDNER, WOLF & CO.

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

## ASSAMBROOK LIMITED

*Regd. Office*  
1 Shakespeare Sarani  
Kolkata - 700 071  
India

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(91) (33) 2282 2750

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## REPORT AND ACCOUNTS

YEAR ENDED 31 MARCH 2006

## NOTICE

Notice is hereby given that the 57th Annual General Meeting of the Company will be held at KALAKUNJ", 48, Shakespeare Sarani, Kolkata - 700 017 on Thursday, 28 September, 2006 at 10.00 am. to transact the following business :—

### Ordinary Business :

1. To receive, consider and adopt the audited Balance Sheet as at 31 March, 2006 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 Auditors and fix their remuneration.

### SPECIAL BUSINESS :

3. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution :  
"RESOLVED that Shri Subhrendu Gangopadhyay, be and is hereby appointed as a Director of the Company, whose period of office is liable to determination by retirement of director by rotation."
4. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution :  
"RESOLVED that Shri Mrinal Kanti Guha, be and is hereby appointed as a Director of the Company, whose period of office is liable to determination by retirement of director by rotation."
5. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution :  
"RESOLVED that Shri Madhukar Nowlakha, be and is hereby appointed as a Director of the Company, whose period of office is liable to determination by retirement of director by rotation."
6. To consider and if thought fit to pass with or without modification, the following resolution as a Special Resolution :  
"RESOLVED that pursuant to the provisions of Section 163(1) of the Companies Act, 1956, the Register of Members, the index of Members and copies of all Annual Returns together with the copies of all certificates and documents required to be annexed thereto alongwith all the share certificates be kept at the office of the Registrars and Share Transfer Agents of the Company namely Meheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, 2nd floor, Calcutta - 700 001."
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 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorized Share Capital of the company be increased from Rs. 4,50,00,000/- (Rs. Four crores fifty lacs only) divided into 45,00,000 equity shares of Rs.10/- each to

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### NOTICE (Contd.)

Rs. 6,00,00,000 (Rs. six crores only) divided into 60,00,000 Equity Shares of Rs. 10/- each and Rs. 1,47,00,000/- (Rs. one crore forty seven lacs only) divided into 1,47,000 Preference Shares of Rs. 100/- each and that Clause No.V of the Memorandum & Articles of Association of the Company be altered accordingly.

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

RESOLVED that pursuant to section 16 and other applicable provision, if any, of the Companies Act, 1956, the existing clause No.V of the Memorandum of Association of the Company be substituted by the following :

Clause No. V

The Authorised Share Capital of the Company is Rs. 6,00,00,000/- (Rs. six crores only) divided into 60,00,000 (sixty lacs only) Equity Shares of Rs. 10/- (-Rs. ten only) each and Rs. 1,47,00,000 (Rs. One crore forty seven lacs only) divided into 1,47,000 Preference Shares of Rs. 100/- each with the rights privileges and conditions attached thereto as are provided by the regulations for the time being of the Company with power to increase and reduce the capital of the company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company.

9. To consider and if thought fit to pass with or without modification the following resolution as special resolution :

"RESOLVED THAT pursuant to section 14(1) (a) of the Companies Act 1956 1,47,000 7.5% Preference shares of Rs. 100/- each forming part of the increased authorised capital of the Company be issued on such terms and conditions as the Board may deem appropriate in its absolute discretion to Allahabad Bank as specified in the explanatory Statement on the terms and conditions given herein :—

- (a) The company may subject to the provisions of section 80 and other applicable provisions if any, of the Companies Act, 1956 at any time after three years from the date of issue, on six months notice to the holders there on, out of any profits or out of any proceeds of a fresh issue of shares made for the purpose of redemption or out of any moneys of the Company which may be lawfully applied for that purpose, redeem at par all or any of the said 7.5% Preference Shares and shall so redeem all the said shares not later than seven years from the date of allotment.
- (b) In case if it is not possible to redeem the said Preference Shares by the Company then the said Preference shares shall be converted into Equity Shares as per guidelines issued by the Security Exchange Board of India (SEBI) and subject to the provision of section 81 (1a) and all other applicable provisions if any of the Companies Act, 1956 and subject to the provision of Memorandum & Article of Association of the Company, the Listing Agreement entered

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## NOTICE (Contd.)

into by the Company with the Stock Exchange whereof the shares of the company are listed and in accordance with the applicable regulations/guidelines clarifications issued by the Security Exchange Board of India (SEBI) and Reserve Bank of India (RBI) and all other applicable laws/regulations and subject to all such approvals permission or sanction as may be necessary and subject to modifications as may be prescribed or imposed by any of them while granting such approvals permission/sanction which may be agreed to by the Board of Directors of the Company.

- (c) The Board be and is hereby authorised to decide and approve the other terms and conditions of the issue of the said Preference Shares and also vary, modify or alter any of the terms and conditions as it may deem expedient, subject to the provisions of the act, rules, regulations, guidelines issued by the GOI/RBI/SEBI without being required to seek any further consent or approval of the shareholder in a General Meeting.

RESOLVED FURTHER that notwithstanding anything contained in section 81 and other applicable provisions (if any) of the Companies Act, 1956, the aforesaid 147000 7.5% Preference shares of Rs. 100/- each to be issued as aforesaid may be offered by the Directors of the Company to person or persons (whether or not such person or persons include the person or persons who at the date of the offer, are holders of the equity shares of the Company) in any manner whatsoever.

RESOLVED FURTHER THAT the Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary, usual, proper or expedient to give effect to this Resolution.

Registered Office :  
1, Shakespeare Sarani,  
Kolkata - 700 071  
Dated : 31 August, 2006.

By Order of the Board

**SURENDRA RAMPURIA**  
Managing Director

## NOTES :

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of item nos. 3 to 9 and the relevant details in respect of item nos. 3 to 5 pursuant to clause 49 of the Listing Agreement with the Stock Exchanges are annexed hereto.
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 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.
3. The Register of Members and Share Transfer Books of the Company will remain closed from September 21, 2006 to September 28, 2006 (both days inclusive).
4. 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

## NOTICE (Contd.)

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, 1997 has been transferred to the said Fund.

5. In terms of the SEBI's Circular dated December 27, 2002, all work 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.

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

### ITEM NO. 3 :

Shri Subhrendu Gangopadhyay who was appointed as Additional Director on December 29, 2005 vacates office at this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956. Being eligible Shri Subhrendu Gangopadhyay offers himself for reappointment as a Director liable to retire by rotation. The Company has received a notice in writing and the deposit from a member pursuant to Section 257 of the Companies Act, 1956.

### BRIEF RESUME AND NATURE OF EXPERTISE :

Shri Subhrendu Gangopadhyay is a Graduate of Commerce, L.L.B., F.C.S., F.C.I.S. (Eng.) Company Secretary. He is the former President of the Institute of Company Secretaries of India. He was a Company Secretary in various organisations and having a vast experience in the financial and secretarial matters. His active participation in the meeting of the Board have been very useful and effective.

### DIRECTORSHIP :

Apart from Assambrook Limited Shri Subhrendu Gangopadhyay does not hold any Directorship and Membership of the Committees.

No Directors of the Company except Shri Subhrendu Gangopadhyay is concerned or interested in the resolution.

### ITEM NO. 4 :

Shri Mrinal Kanti Guha who was appointed as Additional Director on December 29, 2005, vacates office at this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956. Being eligible Shri Mrinal Kanti Guha offers himself for reappointment as a Director liable to retire by rotation. The Company has received a notice in writing and the deposit from a member pursuant to Section 257 of the Companies Act, 1956.



## NOTICE (Contd.)

### BRIEF RESUME AND NATURE OF EXPERTISE :

Shri Mrinal Kanti Guha is a Graduate. Shri Mrinal Kanti Guha has long associated with different industries. His vast knowledge and experience in personnel and Human Resources Development have been of great assistance to the Company and his active participation at the meeting of the Board have been very useful and effective.

### DIRECTORSHIP :

Apart from Asembrook Limited, Shri Mrinal Kanti Guha holds Directorship in the following Company :

#### Name of the Company.

Hotel Lindsay Pvt. Ltd.

#### Chairman/Director

Director

No Directors of the Company except Shri Mrinal Kanti Guha is concerned or interested in the resolution.

### ITEM NO. 5 :

Shri Madhukar Nowlakha who was appointed as Additional Director on December 29, 2005 vacates office at this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956. Being eligible Mr. Madhukar Nowlakha offers himself for reappointment as a Director liable to retire by rotation. The Company has received a notice in writing and the deposit from a member pursuant to Section 257 of the Companies Act, 1956.

### BRIEF RESUME AND NATURE OF EXPERTISE :

Shri Madhukar Nowalkha is Graduate of Commerce. He has over 30 year experience in the business. His vast knowledge and experience in the business have been of great assistance to the Company and his active participation at the meetings of the Board have been very useful and effective.

### DIRECTORSHIP

Apart from Asambrook Limited Shri Madhukar Nowlakha holds Directorship in the following Companies :]

#### Name of the Co.

C.S.M. Properties Pvt. Ltd.  
A. First Merchants Pvt. Ltd.]

#### Chairman / Director

Director  
Director

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

### ITEM NO. 6

Under the provision of section 163(1) of the Companies Act, 1956 Certain documents which are required to be kept at the Registered Office of the Company may be kept at any other place



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**NOTICE (Contd.)**

within the City/town/village in which the Registered Office is situated, if such other space have been approved for this purpose by special resolution passed by the Shareholders in a General Meeting.

In terms of the SEBI Circular all work related to share registry in terms of both physical and electronics are to be carried out by a single registrar and Share Transfer Agent. In view of the above, approval of the members is sought in terms of section 163(1) of the Companies Act, 1956 to permit keeping of the Company's register of members and index, Copy of Annual Returns, certificates and documents pertaining thereto with the Company's registrar and share transfer agents Maheswari Datamatics Pvt. Ltd. Your Directors recommend that the Special Resolution be passed.

None of the Directors of the Company is interested in the said Resolution.

**ITEM NO. 7 & 8**

The present authorised share capital of the Company is Rs. 4,50,00,000/- (Rs. Four Crores fifty lacs) divided into 4500000 Equity Shares of Rs. 10/- each. The Board of Directors in its Meeting held on August 31, 2006 approved increase in authorised share capital of the Company from existing Rs. 4,50,00,000/- to Rs. 6,00,00,000/- Crores to accommodate to issue of Equity Shares on conversion of Warrant in due course of time. Besides the above, in terms of negotiated settlement of dues with Allahabad Bank 7.5% Preference shares for Rs. 1,47,00,000/- (Rs. One crore forty seven lac only) have to be issued towards conversion of part loan outstanding as on date.

As per Section 94(2) of the Companies Act, 1956, to increase the authorised share capital has to be exercised by the Company in General Meeting. Accordingly, the Resolution at item no. 7 of the notice seeks approval of the members for increasing the authorised share capital. Resolution at item nos. 8 seeks member's approval for making consequent changes in the Memorandum of Association of the Company.

None of the Directors are interested in the proposed Resolution. Your Directors recommend the Resolution for your approval.

**ITEM NO. 9**

In terms of the negotiated settlement of dues with Allahabad Bank 1,47,000. 7.5% Preference Shares was to be issued against their part conversion of loan payable by the Company.

The Preference shares would be redeemed on the expiry of seven years from the date of the allotment at par but the Company will have the option to redeem them at any time after the three years from the date of issue, by giving six months prior notice. It is mandatory that such issue of shares has to be approved by the shareholders in a General Meeting. Accordingly your approval is sought for the resolution set out at item no. 9.

None of the Directors are interested in the proposed resolution. Your Directors recommend the resolution for your approval.





## ASSAMBROOK LIMITED

### DIRECTORS' REPORT

Your Directors have pleasure in presenting the Annual Reports together with the Audited Accounts for the year ended March 31, 2006.

#### 1. FINANCIAL RESULTS :

(RS. IN LACS)

	For the year ended March 31,2006	For the period ended 31 March 2005
Loss before Depreciation & Taxation	394.88	1079.82
Add : Depreciation	87.61	166.87
Loss before Taxation	482.49	1246.69
Add : Provision for taxation Fringe Benefit Tax	4.05	—
Loss after taxation	486.54	1246.69
Deduct / Add :		
Balance brought forward from Profit & Loss Account	159.00	91.41
Amount transferred from General Reserve Account	—	996.28
Balance carried forward	645.54	(159.00)

#### 2. DIVIDEND :

In view of the loss shown in the results, no dividend is being recommended by the Board.

#### 3. OPERATIONS :

The year under review witnessed yet another decline in tea prices. Revised estimated total production of tea by the Tea board during 2005 was 970 million Kg. i.e. about 50 million Kg. more than 2004. The weather in the current year has been reasonable and our crop in the first few months has shown a healthy increase. We are confident of a substantial increase in the output from the plantations this year. The problems that started with the termination of the bilateral trade agreement for tea with Russia brought to light the comparatively low levels of competitiveness of the Indian tea Industry, which has been mainly due to high taxes and high costs. Tea prices so far in the current season have remained firm and are expected to at least cross the levels reached in 2004.



## **DIRECTORS' REPORT (Contd.)**

### **4. AUDITORS' REPORT :**

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

### **5. AUDITORS :**

Clark, Gardner, Wolf & Co., Chartered Accountants, Auditors of the Company retire and are eligible for re-appointment.

### **6. DIRECTORS :**

Shri Subhrendu Gangopadhyay, Shri Mrinal Kanti guha and Shri Madhukar Nowlakha were appointed as Additional Directors of the Company with effect from December 29, 2005. All these Directors cease to be Directors on the date of the 57th Annual General Meeting. Notice under Section 257 of the Companies Act 1956 have been received in respect of their appointment as Directors in the Company.

Shir G. Momen and Shri K.N. Bhandari have resigned from the Board with effect from September 1, 2005 and December 29, 2005 respectively. Your Board placed on record their appreciation for the services rendered by them during their tenure with the Company.

### **7. DIRECTORS' RESPONSIBILITY STATEMENT :**

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

i) That in preparation of the Company's Annual Accounts for the year ended 31 March, 2006 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 judgements 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, 2006 and of the loss 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 Company had filed a petition before the Company Law Board, Eastern Region Bench, Kolkata for restructuring the repayment of its fixed deposits. The Company Law Board has passed an Order stipulating repayments of all the fixed deposits in instalments over a period of 3 years vide its Order dated January 31, 2005. However due to the prevailing financial position and operating losses the repayment of instalments could not be made