



ASSAMBROOK LIMITED
REPORT AND ACCOUNTS
For THE YEAR ENDED 31 MARCH 2007

ASSAMBROOK

BOARD OF DIRECTORS

SIDDHARTH RAMPURIA
Managing Director

SURENDRA RAMPURIA
SUBHRENDU GANGOPADHYAY
M. K. GUHA
M. NOWLAKHA
Directors

AUDITORS

CLARK, GARDNER, WOLF & CO.

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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

Telephone
(91) (33) 2282 7615

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(91) (33) 2282 2750

E-mail
ablc@viasat.vsnl.net.in

REPORT AND ACCOUNTS

YEAR ENDED 31 MARCH 2007

NOTICE

Notice is hereby given that the 58th Annual General Meeting of the Company will be held at "KALAKUNJ", 48, Shakespeare Sarani, Kolkata - 700 017 on Monday, 24 December, 2007 at 10.00 a.m. to transact the following business :—

Ordinary Business :

1. To receive, consider and adopt the audited Balance Sheet as at 31 March, 2007 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 a Director in place of Shri Mrinal Kanti Guha who retires by rotation and being eligible offer himself for reappointment.
3. To consider and, if thought fit, to pass with or without modification the following resolution as ordinary resolution :

"RESOLVED THAT M/s. Tiwari & Co., Chartered Accountants, be and are hereby appointed as auditors of the Company in place of retiring auditors M/s. Clark, Gardner, Wolf & Co., Chartered Accountants to hold office until the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors in consultation with auditors.

4. SPECIAL BUSINESS :

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

"RESOLVED THAT subject to the provision of section 198, 269, 309, 310 and 311 and other applicable provisions, if any, of the companies Act, 1956. ('The Act') and subject to other necessary approvals, consent of the members of the Company and also subject to the approval and or permission of the Central Government, if any, required be and is hereby accorded to the appointment of Shri Siddharth Rampuria as Managing Director of the Company for the period from 1 October, 2006 to 30 September, 2009 on the remuneration, terms and conditions as per the agreement entered with him and authority to the Board of Directors of the Company to alter, modify or vary the terms and conditions of the said appointment and/or agreement with the Managing Director within the maximum remuneration payable in accordance with schedule - XIII to the Companies Act, 1956 as amended/ revised/ altered/ modified and any other statutory modifications or re-enactment thereto and/or any guidelines relating to managerial remuneration as may be notified by the Central Government from time to time and as may be agreed to by the Board of Directors and Shri Siddharth Rampuria, Managing Director."

Registered Office :
1, Shakespeare Sarani,
Kolkata - 700 071
Dated : 22 November, 2007.

By Order of the Board

SIDDHARTH RAMPURIA
Managing Director

NOTICE (Contd.)

NOTES :

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of item on special business and the relevant details in respect of item 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 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 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, 1999 has been transferred to the said Fund.
4. 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.
5. A special notice in terms of section 190 of the Companies Act, 1956 has been received under section 225(1) from a member proposing the appointment of M/s. Tiwari & Company, Chartered Accountants as auditor of the Company in place of M/s. Clark, Gardner, Wolf & Co., retiring auditors of the Company. (The retiring auditors have shown their un-willingness to continue as auditors of the company.) The retiring auditors have informed the Company that they have no representation to make for notification to the members of the Company relating to special business.

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

ITEM NO. 2 :

Shri Mrinal Kanti Guha, Director of the Company, retired by rotation and being eligible offer himself for reappointment.

BRIEF RESUME AND NATURE OF EXPERTISE :

Shri Mrinal Kanti Guha is 69 years age and is a graduate. Shri Mrinal Kanti Guha has long association with different industries. His vast knowledge and experience in personnel and Human Resources Development have been great assistance to the Company and his active participation at the meeting of the Board have been very useful and effective.

ASSAM BROOK

NOTICE (Contd.)

Apart from Assambrook Ltd. Shri Mrinal Kanti Guha does not hold any Directorship and Membership of the Committee.

Shri Mrinal Kanti Guha does not hold any shares in the Company.

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

ITEM NO. 4 :

Based on the recommendation of the Remuneration Committee at its meeting held on 28 September, 2006, the Board of Directors of the Company at their meeting held on date have appointed Shri Siddharth Rampuria as Managing Director of the Company subject to approval of the members at the Annual general Meeting of the Company and also subject to the approval and or permission of the Central Government, if any required for the period from 1 October, 2006 to 30 September, 2009 on the remuneration, terms and conditions as per agreement entered with him and authorities to the Board of Directors to the Company to alter, modify or vary the terms and conditions of the said appointment and/or agreement with Shri Siddharth Rampuria within the maximum remuneration payable in accordance with Schedule XIII of the Companies Act, 1956 as amended/revised/altered/modified and any other statutory modifications or re-enactment thereto and/or any guidelines relating to managerial remuneration as may be notified by the Central Government from time to time, and as may be agreed to by Board of Directors and Shri Siddharth Rampuria, Managing Director. The material terms of the Agreement entered into between the Company and Shri Siddharth Rampuria, Managing Director are as follows :

- (1) Term – The term of Managing Director is for the period from 01 October, 2006 to 30 September, 2009.
- (2) Salary – Rs. 40,000/- (Rupees forty thousand only) per month.
- (3) Commission – 1% of the net profit of the Company computed in the manner laid down in section 309 (5) of the Companies Act, 1956.
- (4) Perquisites – As prescribed currently in Schedule XIII or as may hereinafter be amended from times to time.
 - (a) Medical reimbursement – Reimbursement of Medical expenses actually incurred by self and family. The total cost of which to the Company shall not exceed one month's salary in a year or three months salary in a block of three years.
 - (b) Leave Travel concession – For self and family once in a year in accordance with the rules of the Company.
 - (c) Club – Fees of clubs subject to a maximum of 3 clubs. However, Life Membership and entrance fees shall not be paid.
 - (d) Personal Accident Insurance – The annual premium of which shall not exceed Rs. 5000/-.
 - (e) Provident Fund, Pension/Superannuation Fund – The Company's contribution to these funds as per rules of the Company.

NOTES (Contd.)

- (f) Gratuity – As per rules of the Company not exceeding half a month's salary for each completed year of service.
- (g) Car – Motor Car with driver (with full maintenance charges including garage, fuel, repairs and/or overhauling charges) for use on Company's business only. Use of car for private purposes shall be evaluated as per Income Tax Rules, 1961.
- (h) Telephone – Free telephone facilities at residence for use on Company's business. Personal long distance calls on telephone shall be billed by the Company at actuals.
- (i) Leave – One month's leave on full pay and allowance for every eleven months' service. Leave accumulated but not availed of at the time of retirement or superannuation or otherwise shall be allowed to be encashed in accordance with section 10 (10AA) (ii) of the Income Tax Act, 1961 or any amendment thereof.
- (j) Minimum Remuneration – In the event of loss or inadequacy of profit in any year, Shri Siddharth Rampuria shall be entitled to remuneration as per section II of part II of schedule XIII of the Companies Act, 1956.

The overall remuneration, for the time being will be Rs. 7.50 lacs per annum including salary, commission and perquisites as mentioned hereinabove. However, the Board is empowered to revise the same in conformity with the guidelines prescribed under Schedule XIII of the Companies Act, 1956.

However, in view of the Company's default in repayment of its debts for a continuous period of thirty days in the preceding financial year prior to his date of appointment, no remuneration is payable to the Managing Director for the time being in terms of Provisions (ii) to clause 1 (A) of Section II of Part II of Schedule XIII to the Act.

BRIEF RESUME AND NATURE OF EXPERTISE :

Shri Siddharth Rampuria (42 years) has been associated with Tea Industry for more than 20 years. Shri Siddharth Rampuria is a B.Com (Hons), from Calcutta University. He was Wholtime Director of the Company for many years. His knowledge and experience in plantation, factory, management and administration will be extremely useful for the Company.

Shri Siddharth Rampuria holds Directorship of the following Company :

Name of the Company

Director

ABL International Ltd.

Jt. Managing Director

Shri Siddharth Rampuria holds 200 Equity Shares in the Company :

The resolution set out in Item No. 4 of the Notice has to be considered accordingly and Board recommend the same.

None of the Directors of the Company is concerned or interested in the Resolution except Shri Siddharth Rampuria and Shri Surendra Rampuria, Directors of the Company.



ASSAMBROOK LIMITED

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Annual Reports together with the Audited Accounts for the year ended March 31, 2007.

1. FINANCIAL RESULTS :

(RS. in lacs)

	For the year ended March 31, 2007	For the period ended 31 March 2006
Loss before Depreciation & Taxation	392.05	394.88
Add : Depreciation	88.29	87.61
Loss before Taxation	480.34	482.49
Add : Provision for taxation Fringe Benefit Tax	2.88	4.05
Loss after taxation	483.22	486.54
Deduct / Add :		
Balance brought forward from Profit & Loss Account	645.54	159.00
Balance carried forward	1128.76	645.54

2. DIVIDEND :

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

3. OPERATIONS :

Your Directors are pleased to report that in 2006-07 there was an increase in the production after a long period. The turnover of the Company during the period under review rose to Rs. 1354.91 lacs from Rs. 1149.64 lacs of the previous year. However, rising cost of inputs particularly wages and fuel is cause of worry. The Management is taking steps to control the overall cost and improve the efficiency.

4. ANNUAL ACCOUNTS :

There was a delay in preparation of Annual Accounts due to labour disturbance in one of the Tea Estate in Assam. The Company has taken necessary approval for extension of time for holding of Annual General Meeting.

DIRECTORS' REPORT (Contd.)**5. AUDITORS' REPORT :**

With regard to the Auditor's observation in relation to the disqualification of Directors under section 274(1)(g) of the Companies Act, 1956. Your Directors state that as per legal opinion received, the Company is filing a fresh petition for rescheduling of the repayment of the public deposit with the Company Law Board, Eastern Region Bench, Kolkata. As opined, once the said application is approved and a fresh schedule of repayments are directed, disqualification of the Directors as envisaged under section 274(1)(g) will not be applicable. The delay in repayment of the deposit was due to continuous operating losses suffered by the Company.

The Auditor's observation except the above have been dealt with in the note which are self explanatory and do not require further clarification.

6. AUDITORS :

The retiring auditors M/s. Clark, Gardner, Wolf & Co., have expressed their unwillingness to continue as auditors of the Company. A special notice has been received from the members of the Company proposing the appointment of M/s. Tiwari & Co., Chartered Accountants, as auditors.

7. DIRECTORS :

Shri Mrinal Kanti Guha retire by rotation at the forth coming Annual General Meeting and being eligible, offer himself for re-election.

Shri Surendra Rampuria has resigned from the post of the Managing Director of the Company with effect from 30 September, 2006 but shall continue to be Director of the Company. Shri Siddharth Rampuria – Wholetime Director of the Company was appointed as Managing Director of the Company with effect from 1 October, 2006.

8. 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, 2007 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, 2007 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.

9. 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

DIRECTORS' REPORT (Contd.)

passed an Order stipulating repayments of all the fixed deposits in installments 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 as per orders of Company Law Board. Steps are however being taken to regularise the same.

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

10. CORPORATE GOVERNANCE :

Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges a separate report on Corporate Governance along with the Auditors' Certificate on its compliance is annexed to this report.

11. FINANCIAL :

During the year under review, negotiated settlement with some secured lenders have been finalised. This resulted in a reduction in outstanding liabilities which would now be repaid over an agreed period on concessional terms.

12. PREFERENTIAL ISSUE OF WARRANTS :

During the last year the Company had issued 683760 Preferential Warrants with an option to the Warrant holders to acquire for every Warrants one fully paid up Equity Shares of Rs. 10/- each of the Company for cash at a price of Rs. 28/- per share aggregating to Rs. 191.45 lacs. The Board of Directors of the Company had decided to allot 225000 Equity Shares of Rs. 10/- each fully paid up on conversion of warrants as per prescribed regulation by SEBI. The Company raised Rs. 56.70 lacs during the year out of the above issue. The funds raised from the preferential issue during the year have been utilised for repayment of debts.

13. PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956 :

Information as per Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is not applicable.

The particulars required in terms of Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are given in the annexed Statement.

14. APPRECIATION :

Your Directors record their appreciation for the co-operation extended by all the employees. Your Directors also thank the Banks and Financial Institutions for their support. Your Directors also gratefully acknowledge your support as Shareholders.

By Order of the Board

Registered Office :
1, Shakespeare Sarani
Kolkata - 700 071.

SIDDHARTH RAMPURIA
(MANAGING DIRECTOR)

Dated : 22 November, 2007.

SURENDRA RAMPURIA
(DIRECTOR)

ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217 (1) (e) read with the Companies (Disclosure of particulars in the report of Board of Directors' Rules, 1988) and forming part of the Directors' Report for the year ended 31 March, 2007.

Particulars with respect to Conservation of Energy :

- | | |
|--|--|
| 1. Energy conservation measures taken : | Replacement of old and outdated equipments, wherever required with energy efficient equipment giving higher output with less energy consumption. |
| 2. Additional Investment and proposals : if any, being implemented for being reduction of consumption of energy | Installation of energy saving equipment and modernisation of Factories at the Estate is being done in a phased manner. |
| 3. Impact of measures at (1) & (2) above : for reduction of energy consumption and consequent impact on the cost of production of goods. | Improvement of energy utilisation resulting in economy in cost. |

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'FORM A'

For the year ended
31 March, 2007

For the Year ended
31 March, 2006

A) POWER AND FUEL CONSUMPTION

1. Electricity		
a) Purchased		
Unit (KWH)	692540.00	572547.00
Total Amount (Rs. in lacs)	47.44	48.26
Rate/Unit (Rs.)	6.85	8.43
b. Own Generation		
i) Through Diesel Generator :		
Units (in KWH)	86230.00	175740.00
Unit per Ltr. of Diesel		
Oil (KWH)	0.61	1.25
Cost/Unit (Rs.)	19.91	17.81