

WILLIAMSON MAGOR & CO. LIMITED

ANNUAL REPORT
AND
ACCOUNTS
2000-2001

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ESTD. 1868

WILLIAMSON MAGOR & CO. LIMITED**C O N T E N T S**

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WILLIAMSON MAGOR & CO. LIMITED



DIRECTORS

B. M. KHAITAN - *Chairman*
DEEPAK KHAITAN - *Managing Director*
A. KHAITAN
T. R. SWAMINATHAN
PADAM KUMAR KHAITAN
J. M. TRINICK
R. S. JHAWAR

SECRETARY

A. GUHA SARKAR

AUDITORS

LOVELOCK & LEWES
Chartered Accountants

BANKERS

AMERICAN EXPRESS BANK LTD.
STANDARD CHARTERED GRINDLAYS BANK LTD.
UNITED BANK OF INDIA

SHARE TRANSFER AGENTS

MAHESHWARI DATAMATICS PVT. LTD.
6, MANGOE LANE, 2ND FLOOR
KOLKATA - 700 001

REGISTERED OFFICE

FOUR MANGOE LANE
SURENDRA MOHAN GHOSH SARANI
KOLKATA - 700 001

WILLIAMSON MAGOR & CO. LIMITED**WILLIAMSON MAGOR GROUP**

WILLIAMSON MAGOR & CO. LTD.	PRINCIPAL ACTIVITIES – TRADING, INVESTMENTS, PROPERTY OWNERS & TEA WAREHOUSING
SUBSIDIARIES	WOODSIDE PARKS LIMITED MAJERHAT ESTATES & DEVELOPERS LIMITED PORTSIDE ESTATES LIMITED WOODSIDE FASHIONS LIMITED MANGALAM FASHIONS LIMITED RBA SERVICES LIMITED RSM ESTATES & CONSULTANTS LIMITED
ASSOCIATES	EVEREADY INDUSTRIES INDIA LIMITED – BATTERY DIVISION TEA DIVISION ENGINEERING : KILBURN ENGINEERING LIMITED MACNEILL ENGINEERING LIMITED McNALLY BHARAT ENGINEERING CO. LIMITED McNALLY BANGALORE INDUSTRIES LIMITED WPH LIMITED OTHERS : BABCOCK BORSIG LIMITED ARRAY SOLUTIONS (INDIA) LIMITED

EVEREADY INDUSTRIES INDIA LIMITED

32 Tea Estates, 25 in the State of Assam and 7 in the State of West Bengal as under :

ESTATE	LOCATION
Dekorai, Pertabghur, Mijicajan	Bishnauth, Assam
Dimakusi, Bhooteachang	Mangaldai, Assam
Baghjan	Doom Dooma, Assam
Behali, Dufflaghur	East Boro, Assam
Mahakali (including Monkhooshi)	Tingri, Assam
Romai	Dibrugarh, Assam
Bukhial, Dirai	Dhunsiri / Moran, Assam
Addabarie, Tarajulie, Tezpore & Gogra	Thakurbari, Assam
Halem, Nya Gogra	East Boro, Assam
Monabarie	Bishnauth, Assam
Hunwal	Jorhat, Assam
Dehing, Dirok, Margherita, Namdang	Margherita, Assam
Bogapani	Digboi, Assam
Bhatpara, Mathura	Dooars, West Bengal
Central Dooars, Chuapara, Jainti	Dooars, West Bengal
Jaybirpara, Chuniajhora	Dooars, West Bengal

WILLIAMSON MAGOR & CO. LIMITED



FIVE YEAR FINANCIAL SUMMARY

(Rupees in Lakhs)

	2000-01	1999-00	1998-99	1997-98	1996-97
Total Income	3305.67	3946.07	4367.31	4202.09	4282.50
Expenses	3323.49	3192.64	4116.16	3645.44	3829.22
Profit/(Loss) Before Tax	(17.82)	753.43	251.15	556.65	453.28
Taxation	—	—	—	40.00	150.00
Profit/(Loss) after Taxation	(17.82)	753.43	251.15	516.65	303.28
Dividend (including Tax on Dividend effective 1997-98)	60.37	66.83	60.81	120.52	120.52
Retained Profits/(Loss)	(78.19)	686.60	190.34	396.13	182.76
Funds Employed	36841.56	28037.27	24603.82	25099.88	21927.60
Employment of Funds					
Net Block	10010.70	1594.96	1553.77	1604.65	1990.76
Investments	14086.99	14162.39	14265.96	14406.28	12989.33
Net Current Assets	12431.10	12279.92	8784.09	9088.95	6947.51
Miscellaneous Expenditure	312.77	—	—	—	—

WILLIAMSON MAGOR & CO. LIMITED
**REPORT OF THE DIRECTORS
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2001**

The Directors submit their Report and Accounts for the year ended 31st March, 2001.

ACCOUNTS

(Rs. in Thousands)

Profit before charging the following :		86.38
Less : a) Depreciation	23,81	
b) Contribution to Gratuity Fund	2,20	
c) Amortisation of Expenditure under V.R.Scheme	<u>78,19</u>	<u>1,04,20</u>
There is a Profit/(Loss) for the year before Taxation		(17,82)
Less : Provision for Taxation		<u>—</u>
Profit/(Loss) after Taxation		(17,82)
Add :		
Profit brought forward from previous year		<u>11,95,41</u>
Balance available for Appropriation		<u>11,77,59</u>
The Directors recommend disposal as follows :		
Transfer to Pension Reserve		1.00
Proposed Dividend on Equity Shares		54.78
Tax on Dividend		5.59
Balance in Profit & Loss Account		
Carried forward to Balance Sheet		<u>11,16,22</u>
		<u>11,77,59</u>

DIVIDEND

Your Directors recommend a Dividend of 5% on the Equity Shares of the Company as was paid for the previous financial year.

OPERATIONS

During the year under review the Company incurred a loss of Rs. 17.82 lakhs. The income of the Company suffered mainly on account of substantial fall in dividend income, reduction in rental income and less profit earned on sale of investments.

SUBSIDIARY COMPANIES

The construction of the commercial complex at 22, Camac Street, Kolkata undertaken by the Company's subsidiary Woodside Parks Limited is nearing completion. Some portion of the Complex has already been sold and leased out and the interiors are being done up by the buyers. A couple of prestigious show rooms have already been opened at the said complex.

With a view to derive maximum benefits under the present market conditions Woodside Parks Limited had earlier opened four divisions for taking up franchising of various goods through departmental stores, retailing of garments, consultancy on various

WILLIAMSON MAGOR & CO. LIMITED

matters and leasing of space to prospective users. Subsequently, four subsidiaries of Woodside Parks Ltd., were formed in January, 2001 namely, Woodside Fashions Ltd., Mangalam Fashions Limited, RBA Services Ltd., and RSM Estates and Consultants Ltd., to whom the aforesaid four divisions have been transferred respectively pursuant to a Scheme of Arrangement between Woodside Parks Limited and the said subsidiaries duly approved by the Hon'ble High Court at Kolkata. Consequent upon issue of requisite number of shares to your Company by the aforesaid four Companies pursuant to the said Scheme of Arrangement, the said four Companies have become subsidiaries of your Company.

Pursuant to a Scheme of Amalgamation approved by the Hon'ble High Court at Kolkata The Bishnauth Tea Company Limited a subsidiary of the Company has been amalgamated with Eveready Industries India Limited with effect from 1st April, 2000. In accordance with the said Scheme of Amalgamation the Company has been allotted 1,26,40,008 shares of Rs.10/- each by Eveready Industries India Limited. As a result the holding of your Company in Eveready Industries India Limited has gone up to 23.48 per cent of the enlarged Equity Capital of Eveready Industries India Limited.

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

In terms of the above Rules, your Board is pleased to give particulars as required therein in an Annexure which forms a part of the Directors' Report.

DIRECTORS

Since the last report Mr. Padam Kumar Khaitan was appointed as a Director with effect from 30th August, 2000 in the vacancy caused by the sad demise of Mr. Mumtaz Ahmad. Mr. R. B. Magor and Mr. P. Magor resigned from the Board both with effect from 27th April, 2000 and Mr. J. M. Trinick and Mr. R. S. Jhavar were appointed as Directors in the vacancies caused by the resignations of Mr. R. B. Magor and Mr. P. Magor respectively.

The Board placed on record its sincere appreciation for the valuable services rendered by Mr. R. B. Magor and Mr. P. Magor during their long association with the Company as Directors.

Mr. Padam Kumar Khaitan and Mr. R. S. Jhavar vacate office as Directors in terms of Article 104 of the Articles of Association read with Section 262 of the Companies Act, 1956 ('The Act') as Mr. Mumtaz Ahmad and Mr. P. Magor in whose places Mr. Padam Kumar Khaitan and Mr. R. S. Jhavar were appointed respectively, would have retired by rotation at the ensuing Annual General Meeting had they not ceased to be the Directors of the Company. The Company has received two notices from members in terms of Section 257 of the Act, signifying their intention to propose the appointments of Mr. Padam Kumar Khaitan and Mr. R. S. Jhavar respectively as Directors of the Company at the ensuing Annual General Meeting of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 217(2AA) of the Companies Act, 1956 your Directors confirm as under :

- (i) that in the preparation of the annual accounts, applicable accounting standards have been followed ;
- (ii) that the accounting policies are consistently followed and applied to give a true and fair view of the state of affairs of the Company.
- (iii) that proper and sufficient care has been taken for the maintenance of accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company.
- (iv) that the annual accounts have been prepared on a going concern basis.

The Company's Internal Auditors have conducted periodical audit to provide reasonable assurance that the Company's established policies and procedures have been followed. The Audit Committee constituted by the Board would meet at regular intervals with internal auditors to review internal control and financial reporting system.

WILLIAMSON MAGOR & CO. LIMITED**REPORT ON CORPORATE GOVERNANCE**

The recommendations made by the SEBI Committee on Corporate Governance has been made mandatory for all listed companies through incorporation of the above recommendations in Clause 49 of the Listing Agreement. Pursuant to the above Clause, the regulations on Corporate Governance are required to be implemented in respect of your Company during the Current Financial Year i.e. ending on 31st March, 2002. However, your Company, ahead of the mandatory deadline has already complied with a number of the above regulations which are given separately.

EMPLOYEES

During the year under review the Company offered a Voluntary Separation Scheme to its employees and a substantial number of employees opted for and retired under the Scheme resulting in substantial reduction in the operational expenses of the Company.

During the financial year under review the Company did not have any employee falling within the purview of Section 217(2A) of the Companies Act, 1956.

AUDITORS

The observations of the Auditors made in paragraphs 3(i) to 3(iv) and 3(vii) of their Report have been fully explained in the attached Notes on Accounts and hence, are not being separately dealt with here.

Regarding recoverability of the inter corporate deposits and interest accrued thereon, mentioned in paragraph 3(v) of the Report, the Company is taking effective steps for their recovery at the earliest. As regards reconciliation of certain inter company balances mentioned in paragraph 3(vi) of the Report, the Company is taking necessary steps for their reconciliation at an early date.

Messrs Lovelock & Lewes, Chartered Accountants, the Auditors of the Company retire and, being eligible shall, subject to Section 224(2) of the Companies Act, 1956 be re-appointed.

For and on behalf of the Board

D. KHAITAN *Managing Director*

R. S. JHAWAR *Director*

Kolkata, 29th June, 2001

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WILLIAMSON MAGOR & CO. LIMITED**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO**

Pursuant to 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.

FORM A**CONSERVATION OF ENERGY**

A) Power & Fuel Consumption	Nil
B) Consumption per unit of production	Nil

FORM B

RESEARCH AND DEVELOPMENT (R&D)	Nil
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TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION	Nil
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FOREIGN EXCHANGE EARNINGS & OUTGO**Total Foreign Exchange :**

Earned	Nil
Outgo	Rs.9.84 lakhs

Kolkata, 29th June, 2001

D. KHAITAN	Managing Director
R. S. JHAWAR	Director

WILLIAMSON MAGOR & CO. LIMITED**CORPORATE GOVERNANCE****COMPANY'S PHILOSOPHY**

Your Company firmly believes in transparency, professionalism and accountability in its dealings and lays emphasis on integrity and compliance of regulatory provisions and has constantly endeavoured to practice good Corporate Governance. The above policies adopted by the Company recognise the accountability of the Board and assist its top management in the efficient conduct of the business of the Company and at the same time in meeting its social obligations.

The Company has taken a series of steps to put in place appropriate Corporate Governance policies for your Company and to comply with many of the Regulations framed in this regard by Securities Exchange Board of India and incorporated in the Listing Agreement which are required to be implemented by the Company during the current financial year i.e. 2001-2002.

BOARD OF DIRECTORS**Composition**

The Board of Directors of your Company is consisting of seven Directors one of whom is the Managing Director. All other Directors are non-executive Directors and not less than one third of the Board is comprising of independent Directors.

Attendance Record of Directors

During the year five Board Meetings were held on 29.06.2000, 28.07.2000, 30.08.2000, 14.11.2000 and 30.01.2001.

The composition of the Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships held by them in other Indian Companies are given below :

Name of Director	Category of Director	No. of Board Mtgs. attended	Whether attended AGM held on 30.08.2000	No. of Directorships in other Indian Companies
MR. B. M. KHAITAN	NON-EXECUTIVE CHAIRMAN	4	YES	13
MR. D. KHAITAN	MANAGING DIRECTOR	4	NO	13
MR. A. KHAITAN	NON-EXECUTIVE DIRECTOR	4	NO	13
MR. PADAM KUMAR KHAITAN*	NON-EXECUTIVE DIRECTOR	1	NO	10
MR. T. R. SWAMINATHAN	NON-EXECUTIVE DIRECTOR	5	YES	5
MR. R. B. MAGOR**	NON-EXECUTIVE DIRECTOR	NIL	NO	2
MR. P. MAGOR**	NON-EXECUTIVE DIRECTOR	NIL	NO	3

* appointed as a Director with effect from 30.08.2000

** Since resigned