

WILLIAMSON MAGOR & CO. LIMITED

ANNUAL REPORT
AND
ACCOUNTS
2001-2002

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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
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 PARK LIMITED MAJERHAT ESTATES & DEVELOPERS LIMITED PORTSIDE ESTATES 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 WPIL 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 Boroj, Assam
Mahakali (including Monkhooshi)	Tingri, Assam
Romai	Dibrugarh, Assam
Bukhial, Dirai	Dhunsiri / Moran, Assam
Addabarie, Tarajulie, Tezpore & Gogra	Thakurbari, Assam
Halem, Nya Gogra	East Boroj, 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

FIVE YEAR FINANCIAL SUMMARY

(Rupees in Lakhs)

	2001-02	2000-01	1999-00	1998-99	1997-98
Total Income	2002.74	3305.67	3946.07	4367.31	4202.09
Expenses	4123.40	3323.49	3192.64	4116.16	3645.44
Profit/(Loss) before Taxation	(2120.66)	(17.82)	753.43	251.15	556.65
Taxation – Current	—	—	—	—	40.00
– Deferred	(9.47)	—	—	—	—
Profit/(Loss) after Taxation	(2111.19)	(17.82)	753.43	251.15	516.65
Exceptional Items					
Provision for Contingencies	3250.00	—	—	—	—
Balance	(5361.19)	(17.82)	753.43	257.15	516.65
Dividend (including Tax on Dividend effective 1997-98)	—	60.37	66.83	60.81	120.52
Retained Profit/(Loss)	(5361.19)	(78.19)	686.60	190.34	396.13
Funds Employed	26818.10	36841.56	28037.27	24603.82	25099.88
Employment of Funds					
Net Block	9394.80	10010.70	1594.96	1553.77	1604.65
Investments	12556.00	14086.99	14162.39	14265.96	14406.28
Net Current Assets	4633.24	12431.10	12279.92	8784.09	9088.95
Miscellaneous Expenditure (to the extent not written off)	234.58	312.77	—	—	—
Deferred Tax Liability	(52)	—	—	—	—

WILLIAMSON MAGOR & CO. LIMITED
**REPORT OF THE DIRECTORS
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2002.**

The Directors submit their Report and Accounts for the year ended 31st March, 2002.

ACCOUNTS		(Rs. in Thousands)
Profit/(Loss) before Depreciation and Interest		(2,89,65)
Less :		
a) Depreciation	20,50	
b) Interest	18,10,51	18,31,01
Profit/(Loss) before Taxation and Provision for Contingencies		(21,20,66)
Add : Deferred Tax Credit		9,47
Profit/(Loss) for the year after Taxation and before Provision for Contingencies		(21,11,19)
Less : Provision for Contingencies		32,50,00
Balance		(53,61,19)
Add : Profit brought forward from previous year		11,16,22
Balance carried forward to Balance Sheet		(42,44,97)

OPERATIONS

The year ended 31st March, 2002 was not a very favourable year to your Company. The income of the Company suffered a setback primarily on account of reduction in income derived by way of commission and interest and fall in the rental income and income from warehouses. Loss on sale of investments and financial charges levied by the Financial Institutions have also contributed significantly to the loss sustained by the Company.

DIVIDEND

In view of the loss incurred by the Company your Directors regret their inability to recommend any Dividend for the year under review.

SUBSIDIARY COMPANIES

Copies of Annual Reports & Accounts of Woodside Parks Limited, Portside Estates Limited and Majerhat Estates and Developers Limited, the Subsidiaries of the Company, are annexed to this Report, as required under Section 212 of the Companies Act, 1956.

WILLIAMSON MAGOR & CO. LIMITED

The four Companies namely RBA Services Limited, RSM Estates & Consultants Limited, Woodside Fashions Limited and Mangalam Fashions Limited which became subsidiaries of your Company in the year 2000-2001 ceased to be so during the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS**Industry Structure and Developments**

The Principal business of the Company is lending and investing funds. The other activities of the Company include renting of properties, warehousing, trading and acting as commission agents. The year under review was not a good year for all these activities. For a major part of the year the Stock Market was depressed, highly volatile and full of uncertainty. Fluctuations have been witnessed in the otherwise stable Bond and Gilt Markets as well.

The business of renting properties was in no better shape. With the slowdown of the economy the business activities in the region have reduced considerably. As a result the demand for office accommodation and commercial space are at a low ebb. On the other hand several new commercial and office complexes have come up in the city during last one year. Further, on account of downsizing of manpower in various organisations some additional office space was made available. All these resulted in reduction in property price and the rate at which properties can be rented out.

Opportunities and Threats, Risks and Concerns

The Company is a constituent of Williamson Magor Group having good corporate and business infrastructure. The Company has deployed large amount for investment and lending. The Company also owns some premium properties at strategic locations. The revival of the capital market and business in general, should offer necessary opportunities to the Company to do better by utilising its existing assets and infrastructure. On the other hand if the uncertain condition in the capital market continues and the demand for properties does not improve the Company may have to face stiff challenge for maintaining its income level.

Business performance

In a depressed and uncertain Capital Market the Company could not do well in its investment activities. With a view to retire some of its high cost debts the Company had to sell some of its investments in the depressed market resulting in losses being incurred in respect of some of the shares sold. The interest income also had fallen substantially during the year under review. The rental income of the company suffered a setback during the last three years mainly on account of the destruction of the office premises at 2, Fairlie Place, Kolkata, due to a devastating fire resulting in loss of rental income from its tenants at the said premises. Rental income from the other properties was also less compared to the previous year. The income from warehousing activities was also lower during the year under review.

Outlook

The outlook for the current year does not seem to be very bright as the uncertain conditions in the Stock Market is still prevailing and the demand for office space is not picking up. Under the circumstances the Company is taking all necessary steps to reduce the cost of funds borrowed as also the other operational costs.

Finance

During the year under review the Company restructured the loans obtained from ICICI Limited (since merged with ICICI Bank Limited) and Housing Development Finance Corporation Limited resulting in reduction of the rate of interest matching with the rate prevailing in the market. With a view to further reduce debt burden the Company is contemplating sale or transfer of certain properties owned by it.

WILLIAMSON MAGOR & CO. LIMITED**Internal Control Systems and their adequacy**

The Company maintains a system of internal control commensurate with its size. The Internal Auditors regularly conduct review of the operations. Significant issues, if any, are required to be brought to the attention of the Audit Committee of the Board.

Human Resources

The Company continued to have cordial and harmonious relations with its employees. With the acceptance of the offer for voluntary retirement by a large number of employees during 1998-1999 and 2000-2001 the employee strength of the Company has come down to only 15 employees.

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. J. M. Trinick ceased to be a Director of the Company with effect from 31st December, 2001. The Board placed on record its sincere appreciation for the services rendered by Mr. J. M. Trinick during his association with the Company as a Director. Pursuant to the provisions of the Articles of Association of the Company Mr. A. Khaitan and Mr. T. R. Swaminathan retire by rotation and, being eligible offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENTS

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.

REPORT ON CORPORATE GOVERNANCE

A separate report on Corporate Governance alongwith Auditor's Certificate on its compliance is annexed to the Annual Report.

AUDITORS

The observation of the Auditors made in paragraph 4(a) of their Report has been fully explained in Note 3 of the attached Notes on Accounts and hence, are not being separately dealt with here.

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, 27th June, 2002

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. 8.18 lakhs

Kolkata, 27th June, 2002

D. KHAITAN *Managing Director*
R. S. JHAWAR *Director*

WILLIAMSON MAGOR & CO. LIMITED**REPORT ON CORPORATE GOVERNANCE****1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company's philosophy of Corporate Governance is aimed at efficient conduct of its business and in meeting its obligations towards various Stakeholders. The Company gives due emphasis on transparency, professionalism and accountability. Your Company also gives due importance to its social obligations and compliance of various regulatory provisions.

2. BOARD OF DIRECTORS**(i) Composition**

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

(ii) Board Meetings and Annual General Meeting

During the year five Board Meetings were held on 04-05-2001, 29-06-2001, 30-07-2001, 26-11-2001, 30-01-2002 and the Annual General Meeting was held on 31-08-2001.

(iii) Particulars of Directors as on 31st March, 2002 and their attendance at the Board Meetings and at the last Annual General Meeting, other Directorships and position held in Board Committees of the Companies :

Director	No. of Board Meetings Attended	Attendance at previous AGM held on 31.08.2001	No. of other Directorships (Indian) held	No. of Membership/ Chairmanship in Board Committees		Executive/ Non-Executive/ Independent
				Member Simplificiter	Chairman	
MR. B.M. KHAITAN	5	NO	10	NIL	NIL	Chairman (Non-Executive)
MR. D. KHAITAN	2	YES	8	1	NIL	Managing Director (Executive)
MR. A. KHAITAN	5	NO	11	2	NIL	Non-Executive
MR. PADAM KUMAR KHAITAN	3	YES	11	4	NIL	Non-Executive & Independent
MR. T.R. SWAMINATHAN	5	YES	5	1	5	Non-Executive & Independent
MR. R.S. JHAWAR	5	YES	12	5	3	Non-Executive & Independent
MR. J.M. TRINICK*	NIL	NO	—	—	—	Non-Executive & Independent

* Ceased to be a Director w.e.f. 31.12.2001