

WILLIAMSON MAGOR & CO. LIMITED

ANNUAL REPORT
AND

ACCOUNTS
2007 - 2008



ESTD. 1868

WILLIAMSON MAGOR & CO. LIMITED



C O N T E N T S

	Page
Board of Directors ...	1
Details of Williamson Magor Group, Subsidiary and Associate Companies ...	2
Financial Highlights ...	3
Report of the Directors ...	4
Corporate Governance ...	9
Report of the Auditors ...	20
Balance Sheet ...	24
Profit & Loss Account ...	25
Cash Flow Statement ...	26
Schedules ...	28
Notes forming part of the Accounts ...	37
Statement relating to the Subsidiaries ...	46
Schedule under Reserve Bank of India Directions ...	47
Accounts of Subsidiary Companies	
Woodside Parks Limited ...	50
Majerhat Estates & Developers Limited ...	61
Consolidated Accounts with Schedules ...	70

WILLIAMSON MAGOR & CO. LIMITED**DIRECTORS**

B. M. KHAITAN - *Chairman*
 DEEPAK KHAITAN - *Vice Chairman*
 A. KHAITAN
 T. R. SWAMINATHAN
 R. S. JHAWAR
 PADAM KUMAR KHAITAN
 D. K. PAL - *Nominee of ICICI Bank Ltd.*
 G. MOMEN
 DR. R. SRINIVASAN

SECRETARY

S. PHILIP

AUDITORS

LOVELOCK & LEWES
Chartered Accountants

BANKERS

HDFC BANK LTD.
 STANDARD CHARTERED BANK
 UNITED BANK OF INDIA
 ICICI BANK LTD.
 CENTURIAN BANK LTD.
 AMERICAN EXPRESS BANK LTD.

SHARE TRANSFER AGENTS

MAHESHWARI DATAMATICS PVT. LTD.
 6, MANGOE LANE, 2ND FLOOR
 KOLKATA - 700 001
 TEL : 033-2243-5809; 033-2243-5029; 033-2248-2248
 FAX : 033-2248-4787
 E-mail : mdpl@cal.vsnl.net.in

REGISTERED OFFICE

FOUR MANGOE LANE
 SURENDRA MOHAN GHOSH SARANI
 KOLKATA - 700 001
 TEL : 033-2243-5391, 033-2248-9434,
 033-2248-9435, 033-2210-1221
 FAX : 033-2248-8114, 033-2248-3683
 E-mail : administrator@wmg.co.in

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

WILLIAMSON MAGOR & CO. LTD.	PRINCIPAL ACTIVITIES – NON-BANKING FINANCE & PROPERTY OWNERS
SUBSIDIARIES	WOODSIDE PARKS LIMITED MAJERHAT ESTATES & DEVELOPERS LIMITED
ASSOCIATES	EVEREADY INDUSTRIES INDIA LIMITED McLEOD RUSSEL INDIA LIMITED D1 WILLIAMSON MAGOR BIO FUEL LIMITED ENGINEERING : KILBURN ENGINEERING LIMITED McNALLY BHARAT ENGINEERING CO. LIMITED OTHERS : BABCOCK BORSIG LIMITED METALS CENTRE LIMITED BORELLI TEA HOLDINGS LIMITED (U.K.)

McLEOD RUSSEL INDIA LIMITED

59 Tea Estates in the States of Assam and West Bengal as under :

ESTATE	LOCATION
Dekorai, Mijicajan, Monabarie, Pertabghur	Bishnauth, Assam
Behora, Bukhial	Dhunseri, Assam
Baghjan, Bordubi, Koomsong, Phillobari	Doom Dooma, Assam
Bargang, Behali, Boro, Dufflaghur, Halem, Nya Gogra	East Boro, Assam
Hunwal	Jorhat, Assam
Attareekhat, Bhooteachang, Borengajuli, Corramore, Dimakusi, Paneery	Mangaldai, Assam
Bogapani, Dehing, Dirok, Margherita, Namdang	Margherita, Assam
Dirai, Rajmal	Moran, Assam
Addabarie, Harchurah/Nilpur, Phulbari, Rupajuli, Tarajulie, Tezpore & Gogra	Thakurbari, Assam
Dirial, Itakhooli, Keyhung, Mahakali	Tingri, Assam
Attabarrie	Sibsagar, Assam
Lepetkatta, Moran, Sepan	Dibrugarh, Assam
Bhatpara, Central Dooars, Chuapara	Dooars, West Bengal
Jainti/Chuniajhora, Mathura/Jaibirpara	Dooars, West Bengal
Beesakopie/Daimukhia, Raidang/Hansara, Samdang/Messaijan/Panikhowa	Doom Dooma, Assam

FIVE YEAR FINANCIAL SUMMARY

(Rupees in Lakh)

	2007-08	2006-07	2005-06	2004-05	2003-04
Total Income	2,210.53	4,410.22	5,545.54	9,334.04	1,792.03
Expenses	2,294.75	1,218.02	1,632.53	4,469.88	3,759.43
Profit/(Loss) Before Taxation	(84.22)	3,192.20	3,913.01	4,864.16	(1,967.40)
Taxation - Current	—	130.00	—	60.00	—
- Earlier years (net of write back)	24.08	—	—	—	—
- Deferred	24.08	—	(8.39)	(57.37)	51.50
- Fringe Benefit Tax	8.44	6.50	7.43	—	—
Profit/(Loss) after Taxation	(116.74)	3,055.70	3,913.97	4,861.53	(2,018.90)
Exceptional Items					
Balance	116.74	3,055.70	3,913.97	4,861.53	(2,018.90)
Transfer to Statutory Reserve	—	611.14	782.80	972.30	—
Retained Profits/(Loss)	(116.74)	2,444.56	3,131.17	3,889.23	(2,018.90)
Funds Employed	33,534.95	29,444.48	20,892.58	18,879.05	21,648.31
Employment of Funds					
Net Block of Fixed Assets	7,142.87	7,258.31	7,400.59	7,573.37	9,005.72
Investments	19,277.63	15,786.24	13,139.32	10,517.83	12,207.82
Net Current Assets	7,114.45	6,399.93	352.67	796.24	422.34
Miscellaneous Expenditure (to the extent not written off)	—	—	—	—	78.19
Deferred Tax Liability	—	—	—	(8.39)	(65.76)

WILLIAMSON MAGOR & CO. LIMITED**REPORT OF THE DIRECTORS****FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2008**

The Directors have pleasure in presenting the Annual Report for the Audited Accounts of your Company for the year ended 31st March, 2008.

FINANCIAL RESULTS

	2007-2008	(Rs. in Thousands) 2006-2007
Profit before Depreciation and Interest	11,65,21	36,96,94
Less : a) Depreciation	17,81	13,47
b) Interest	12,31,62	4,91,27
Profit/(Loss) before Taxation	(84,22)	31,92,20
Provision for Taxation :		
a) Current Year	—	1,30,00
b) Earlier years (net of written back)	24,08	—
c) Fringe Benefit Tax	8,44	6,50
Profit/(Loss) after Taxation	(1,16,74)	30,55,70
Transfer to Statutory Reserve	—	6,11,14
	(1,16,74)	24,44,56
Loss brought forward from previous years	(20,18,68)	(44,63,24)
Balance carried forward to Balance Sheet	(21,35,42)	(20,18,68)

OPERATIONS

During the year under review the total income of your Company was Rs.22.11 crore compared to Rs.44.10 crore (which included an amount of Rs.6.06 crore on disposal of some of its investments, Rs.5.65 crore as a one-time Non-Compete Fee and dividend on investments amounting to Rs.16.31 crore) earned in the previous year. The Company during the year under review earned a profit of Rs.1.89 crore on disposal of some of its investments, recovered Establishment Expenses amounting to Rs.3.84 crore and earned interest amounting to Rs.7.13 crore. The Company was successful in recovering some of the advances which had earlier been provided as non-performing assets and consequently, an amount of Rs.4.77 crore was written back in the Accounts for the year under review. Loss arising from non-conversion of share warrants into shares was Rs. 4.53 crore and the loss after tax for the year amounted to Rs. 1.17 crore.

DIVIDEND

On account of accumulated losses your Directors regret their inability to recommend any dividend for the year under review.

D1 WILLIAMSON MAGOR BIO FUEL LIMITED

D1 Williamson Magor Bio Fuel Limited of which your company is one of the promoters has completed its second year of operation. The Company has been promoting its systematic cultivation by way of developing selected varieties of planting materials, supervision of plantation, assisting farmers with necessary bank loans for plantation.

The demand for bio fuel is increasing in the world due to depletion of petroleum fuel and its increasing trend of price. The Company expects to market the bio diesel manufactured from Jatropha oil seeds at a price comparable to cost of production of petroleum diesel.

ACQUISITION OF**THE MORAN TEA COMPANY (INDIA) LIMITED**

McLeod Russel India Limited, an Associate of your Company has acquired the controlling interest in The Moran Tea Company (India) Limited (Moran India) from its Holding Company Moran Holdings Plc. by way of acquiring 15,20,000 Equity Shares of

WILLIAMSON MAGOR & CO. LIMITED

Rs.10/- each representing 72.38% of the share capital of Moran India. Your Company along with McLeod Russel India Limited and Ichhamati Investments Private Limited had made an Open Offer to acquire upto 4,20,000 equity shares of Rs.10/- each of Moran India representing 20% of the paid up share capital of the said Company. All the shares which had been tendered in the open offer and found valid have been acquired by McLeod Russel India Limited. The High Court at Calcutta has approved the Scheme of Amalgamation of The Moran Tea Company (India) Limited with McLeod Russel India Limited vide its Order dated 16th April 2008.

SUBSIDIARY COMPANIES

The Annual Report and Accounts of Woodside Parks Limited and Majerhat Estates & Developers Limited, subsidiaries of the Companies as on 31st March 2008 are annexed to this Report in accordance with the provisions of Section 212 of the Companies Act, 1956.

The consolidated financial statements with the Subsidiary Companies and other Associate Companies viz. Babcock Borsig Limited, Kilburn Engineering Limited, D1 Williamson Magor Bio Fuel Limited and Eveready Industries India Limited in which your Company holds more than 20% of the said Company's share capital, forms part of this Report & Accounts.

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

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

DIRECTORS

Since the last report there was no change in the composition of Board of Directors of your Company except that Mr. R. S. Jhavar ceased to be a Wholetime Director. However, he continues to be a Director of the Company.

In accordance with the Articles of Association Messrs. R.S. Jhavar, G. Momen and A. Khaitan will retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. Brief resume of the directors proposed to be re-appointed, nature of their expertise, names of companies in which they hold directorships and membership/ chairmanship on Board Committees, shareholding and relationships between Directors inter se, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges in India are provided in the Report on Corporate Governance.

MANAGER

The Board of Directors of the Company has appointed Mr. D. Pal Choudhury, as Manager as defined in Section 2(24) of the Companies Act, 1956 for a period of one year with effect from 1st April 2008 subject to the approval of the Members of the Company at its ensuing Annual General Meeting.

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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT AND REPORT ON CORPORATE GOVERNANCE

As required in terms of the Listing Agreement with Stock Exchanges a Management Discussion and Analysis Report and a Report on Corporate Governance are annexed.

WILLIAMSON MAGOR & CO. LIMITED**PARTICULARS OF EMPLOYEES**

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, is given in the Annexure forming part of the Report.

AUDITORS

Messrs. Lovelock & Lewes, Chartered Accountants, the Auditors of the Company retire and are eligible for re-appointment.

Kolkata, 30th June, 2008

For and on behalf of the Board

A. KHAITAN – *Director*

R. S. JHAWAR – *Director*

**ANNEXURE TO DIRECTORS' REPORT
MANAGEMENT DISCUSSION AND ANALYSIS REPORT**
INDUSTRY STRUCTURE AND DEVELOPMENT

The principal business of the Company is investing and lending funds. The financial market turbulence in developed economies following the US sub-prime mortgage crisis has reduced financial leverage, lowered credit availability and negative wealth effect. The market currently is in the phase of adjustments. Once stability returns there would be clarity on what is going to be next year's growth. Growth is greatly affected by inflation and the on going steep rise in the crude price in the global market.

OPPORTUNITIES AND THREATS, RISKS AND CONCERNS

Significant funds of the Company have been used in investment and lending activities, which are the Company's principal business. The Company is a part of the Williamson Magor Group possessing good business infrastructure. The overall performance of Companies in which the Company has invested and lent funds has been satisfactory.

Your Company has entered into a joint venture with Oils Trading Limited, U.K. to facilitate the development of Jatropha Oil seeds for production of bio-fuel to be blended with petroleum fuel which has tremendous scope.

The fundamentals of the equity market have changed significantly. Inflation rate is higher and the crude prices are also ruling high. Interest rates have hardened, all commodities are getting more and more expensive and the rise in cost of inputs is keeping pressure on margins. The Government and Reserve Bank of India are taking all possible measures to contain inflation and it is expected that the country's growth rate will not be adversely affected.

FINANCIAL PERFORMANCE

The financial performance of the Company during the year resulted in a loss of Rs.1.17 crore. The performance was mainly affected due to rise in the interest costs and lower income from investments.

OUTLOOK

The high oil price coupled with rising inflation and volatility in the Indian Capital Markets are causes of concern. However, subject to the improvement in performance of the Companies in which your Company has invested funds and in view of better utilization of the immoveable property that the Company owns, barring unforeseen circumstances, your Company hopes to do well in the future.

INTERNAL CONTROL SYSTEM

The Company maintains a system of internal control commensurate with its size. The Internal Auditors regularly conduct review of the operations. The Audit Committee reviews the adequacy of internal control system at regular intervals and provides guidance for improvement. The Risk Management Policy adopted by the Company is expected to further strengthen the Internal Control System.

WILLIAMSON MAGOR & CO. LIMITED

**CAUTIONARY STATEMENT**

Statement in the Management Discussion & Analysis Report in regard to projections, estimates and expectations has been made in good faith. Several unforeseen factors may come into play and affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook. Market information contained in this Report have been based on information gathered from various published and unpublished reports, and their accuracy, reliability and completeness cannot be assured.

For and on behalf of the Board

A. KHAITAN – *Director*

Kolkata, 30th June, 2008

R. S. JHAWAR – *Director*



WILLIAMSON MAGOR & CO. LIMITED**ANNEXURE TO DIRECTORS' REPORT****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 the 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	Nil
TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION	Nil
FOREIGN EXCHANGE EARNINGS & OUTGO	

Total Foreign Exchange :

Earned	Nil
Outgo	Rs.14.73 lakh

For and on behalf of the Board

A. KHAITAN – Director

Kolkata, 30th June, 2008

R. S. JHAWAR – Director

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISION OF SECTION 217(2A) OF THE COMPANIES ACT, 1956.

Name	Designation/ Nature of Duties	Remuneration (Rs.)	Qualifications	Experience (Years)	Date of Employment	Age	Previous Employment/ Position held
Jhawar, R.S.	Wholetime Director	47,61,669	B. Com., LLB FCA, ACMA	47	01.04.2005	69	Eveready Industries India Ltd. Wholetime Director
Mukherjee, S	Group Advisor	32,96,077	B. Com (Hons.), FCA	31	01.04.2005	53	Eveready Industries India Ltd. President

Notes : 1. The above employees were wholetime employees during the financial year ended March 31, 2008.

2. The above employees are not related to any Director of the Company within the meaning of Section 6 of the Companies Act, 1956.

For and on behalf of the Board

A. KHAITAN – Director

Kolkata, 30th June, 2008

R. S. JHAWAR – Director