



MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>		SHi	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>			

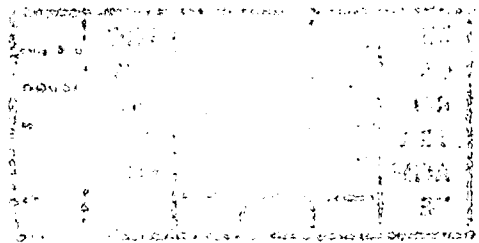
The Assam Company Limited



Member
Duncan Macneill Group

Report  junction.com

ANNUAL REPORT AND ACCOUNTS 1998





THE ASSAM COMPANY LIMITED

Member : Duncan Macneill Group, U. K.

Board of Directors

Mr. M. N. Mehta, Chairman
Mr. K. K. Jajodia
Lord Inchcape
Mr. N. Srinivasan
Mr. A. K. Jajodia, Sr. Managing Director
Mr. S. N. Srivastava, Managing Director & CEO – Tea
Dr. K. K. G. Menon, Director – Technical
Mr. D. L. Thapar, Director – Marketing

Company Secretary

Mr. P. K. Jain

Report  junction.com

Auditors

Lovelock & Lewes, Calcutta

Bankers

Allahabad Bank, Calcutta
Bank of Baroda, Calcutta
State Bank of Bikaner & Jaipur, Calcutta
State Bank of Hyderabad, Calcutta
Oriental Bank of Commerce, Calcutta
The Sumitomo Bank, Limited, Mumbai

Solicitors

Khaitan & Co., Calcutta
Fox & Mandal, Calcutta

Registrars & Share Transfer Agents

M/s. C.B. Management Services Ltd.
P-22, Bondel Road
Calcutta-700 019

Registered Office

Greenwood Tea Estate
P.O. Dibrugarh
Assam

Head Office

ASSAM TEA HOUSE
52, Chowringhee Road
Calcutta-700 071



THE ASSAM COMPANY LIMITED

Notice

Notice is hereby given that the Twenty-second Annual General Meeting of The Assam Company Limited will be held at 10.00 A.M. on Tuesday, the 29th June, 1999 at Dibrugarh & District Planters' Club, Lahoal, P.O. Dibrugarh, Assam to transact the following business :

Ordinary Business

1. To receive and adopt the audited Profit & Loss Account for the year ended 31st December, 1998 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Dr. K.K.G. Menon, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. D.L. Thapar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

Special Business

6. To consider and if thought fit, to pass with or without modification the following resolutions as Ordinary Resolutions :
 - (a) That Mr. A.K. Jajodia, a Director, in the wholetime employment of the Company be and is hereby entitled to receive such perquisites, the monetary value of which shall not exceed Rs. 7,00,000/- per annum with effect from 01.01.1998 to 31.03.1999 and additionally shall be entitled to contribution to Provident Fund, Gratuity Fund and Superannuation Fund as per rules of the Company.
 - (b) That Mr. S.N. Srivastava, a Director, in the wholetime employment of the Company be and is hereby entitled to receive such perquisites, the monetary value of which shall not exceed Rs. 5,40,000/- per annum with effect from 01.01.1998 to 31.03.1999 and additionally shall be entitled to contribution to Provident Fund, Gratuity Fund and Superannuation Fund as per rules of the Company.
 - (c) That Dr. K.K.G. Menon, a Director, in the wholetime employment of the Company be and is hereby entitled to receive such perquisites, the monetary value of which shall not exceed Rs. 5,40,000/- per annum with effect from 01.01.1998 to 30.11.1999.

- (d) That Mr. D.L. Thapar, a Director, in the wholetime employment of the Company be and is hereby entitled to receive such perquisites, the monetary value of which shall not exceed Rs. 5,40,000/- per annum with effect from 01.01.1998 to 30.11.2001 and additionally shall be entitled to contribution to Provident Fund, Gratuity Fund and Superannuation Fund as per rules of the Company.

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

"RESOLVED that the Company do hereby accord its approval and consent under Sections 198, 269, 309, 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 to the redesignation and revision of salary and terms and conditions of Mr. A.K. Jajodia as Senior Managing Director – Corporate Affairs with effect from 1st April, 1999 for the remainder of the tenure of his appointment i.e., upto 30th September, 2002 on the terms and conditions set out in the Explanatory Statement annexed to the Notice convening the Annual General Meeting."

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

"RESOLVED that the Company do hereby accord its approval and consent under Sections 198, 269, 309, 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 to the appointment of Mr. Shiva Narain Srivastava as Joint Managing Director – Diversification for the period from 11th March, 1999 to 31st March, 1999 on the terms and conditions as approved by the shareholders at the last Annual General Meeting as modified hereinabove and as Managing Director and CEO – Tea of the Company for a period of two years with effect from 1st April, 1999 to 31st March, 2001 on the terms and conditions set out in the Explanatory Statement annexed to the Notice convening the Annual General Meeting."

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

"RESOLVED that subject to all applicable and necessary approvals/permissions/sanctions and/or



THE ASSAM COMPANY LIMITED

guidelines prescribed by Government of India, Reserve Bank of India, Securities and Exchange Board of India, Financial Institutions, Company Law Board, Court and/or any other appropriate concerned Authorities/Institutions or bodies as may be necessary and subject also to such terms, conditions and modifications as may be prescribed in granting such approvals/permissions/sanctions and agreed to by the Board of Directors of the Company (hereinafter called "the Board", which terms shall be deemed to include any Committee which the Board may have constituted or hereafter constitute to exercise its powers, including the powers conferred by this Resolution) and pursuant to A.D. (M.A. Series) Circular No. 28 dated 14th August, 1998 issued by the Exchange Control Department, Reserve Bank of India or such other Circulars/Notifications as may be issued hereafter, Non Resident Indians and Overseas Corporate Bodies be and are hereby permitted to invest upto an aggregate of 24% of the total paid up equity capital of the Company or such higher percentage thereof as may be permissible from time to time."

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

"RESOLVED that pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner :

- I. By replacing the word "four" with the word "three" in the Article 13.
- II. The following shall be inserted as Article 13A, immediately below the existing Article 13.

13A. Save as herein otherwise provided or required by law, the Company shall be entitled to treat the person whose name appears on Register of Members as holder of any shares or whose name appears as the beneficial owner of shares in the Records of the depository, as the absolute owner thereof and accordingly, shall not except as ordered by a court of competent Jurisdiction, or as by law required, be bound to recognise any trust, equity or benami or equitable or other claim to or interest in such shares on the part of any other person or any interest in any fractional part of share whether or not it shall have express or other notice thereof.

- III. The following shall be inserted as Article 13AA, immediately after Article 13A

13AA. Definition

1. For the purpose of the Article :

"Beneficial Owner" means a person whose name is recorded as such with a depository;

"Registered Owner" means a depository whose name is entered as such in the Register of the Company ;

"SEBI" means the Securities and Exchange Board of India ;

"Depository" means a Company formed and registered under the Companies Act, 1956 which has been granted a certificate of registration to act as a depository under the SEBI Act, 1992 ;

"Security" means such securities as may specified by SEBI from time to time and the securities as may be issued by the Company from time to time.

Dematerialisation of Securities

2. Notwithstanding anything contained in these Articles, the Company shall be entitled to issue dematerialise securities and to offer securities in dematerialised form pursuant to Depository Act, 1996.

- 2A. Where the Company exercises its right as above to offer any securities in a dematerialised form, or to convert existing securities into dematerialised securities, the provisions of this article shall be given overriding effect to in relation to title in such securities, and other rights and obligations of the holders of such securities. All securities held in the name of the registered owner shall, for the purpose of exercise of all or any of the rights or fulfillment of obligations in relation to such securities be deemed to be held by the beneficial owner.

Options for Investors

3. Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, in respect of any security in the manner provided by the Depository Act, 1996 and the Company shall in the manner and the time prescribed, issue to the beneficial owner the required certificate of securities. If a person opts to hold his security with a depository, the



THE ASSAM COMPANY LIMITED

Company shall intimate to such depository details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in Depositories to be in Fungible Form

4. All securities held by the depository shall be Dematerialised and shall be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187C and 372A of the Companies Act, 1956, shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners of the security.

Rights of Depositories

5. (a) Notwithstanding anything to the contrary contained in the Companies Act, 1956 or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of securities on behalf of the beneficial owners.
- (b) Save as otherwise provided in (a) above the depository as the registered owner of the security shall not have any voting rights or any other rights in respect of the securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a depository.

Service of Documents

6. Notwithstanding anything contained in the Companies Act, 1956 or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or disc.

Transfer of Securities

7. Nothing contained in Section 108 of the Companies Act, 1956 or these Articles shall apply to a transfer of securities by a transferor and transferee, both of whom are entered as beneficial owners in the records of a depository.

Allotment of Securities dealt with by a Depository

8. Notwithstanding anything contained in the Companies Act, 1956 or these Articles where this securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

Distinctive no. of Securities held in a Depository

9. Nothing contained in Companies Act, 1956 or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

Register and Index of Beneficial Owners

10. In respect of the securities for the time being in dematerialised form, Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.
- IV. The following Article shall be inserted after Article 13AA as Article 13AAA
Article 13AAA. Nomination for shares, debentures and deposits :

Subject to the provisions of law and rules framed by the competent authorities, it shall be permissible for a holder of any security (including any debt security of deposit) to nominate a person or persons in whose favour such security shall be transmitted in the event of the death of such holder. The Company may, on such intimation backed by evidence of the death of such holder as the Board may require, enter the name of the nominee(s) as the holder of such security, notwithstanding anything to the contrary contained in any will, testament or any other instrument indicating interest of any other person in such security.

Registered Office :
Greenwood Tea Estate
P.O. Dibrugarh, Assam
3rd May, 1999.

By Order of the Board

P. K. Jain
Company Secretary

THE ASSAM COMPANY LIMITED

Corporate Office : Assam Tea House, 52, Chowringhee Road, Calcutta-700 071

Regd. Office : Greenwood Tea Estate, P.O. Dibrugarh, Assam-786 001

Dear Shareholders,

3rd May, 1999.

Sub : Electronic Clearing Service (Credit Clearing) Scheme for dividend payments

Reserve Bank of India has introduced an Electronic Clearing Service (Credit Clearing) Scheme for the benefit of the investors in shares of Corporate Institutions availing which the investor would receive the payment of the dividend, refund, etc. due to him from the Company, without any extra effort on the part of the investor.

At present, you are getting your dividend by way of payment instruments (like warrants) issued by the Company, which are being sent by post. You, on receipt of the warrant, have to deposit the same with your banker for credit to your account. There have been innumerable instances where the dividend warrants have been misplaced, lost in transit, require re-validation, or even fallen into the hands of unauthorised persons, as a result of which you may not be getting the benefit of the amount due to you within reasonable time. The Electronic Clearing Service (Credit Clearing) Scheme enables the companies to make these payments directly to your bank account. This will benefit you —

- to get the payment on due date;
- to receive the payment effortlessly — No need for visiting your bank for depositing the dividend/refund warrant;
- by eliminating the possibility of loss of instrument in transit or fraudulent encashment thereof; and
- by relieving you from the consequent unwarranted correspondence with us.

We will, however, advise you regarding payment of dividend, the amount paid and the due date of credit. The source of credit would also be indicated in your passbook/statement of account given to you by your banker, with name of the Company and type of payment credited.

To ensure prompt and correct payment to you, it would be in your interest to furnish the complete and correct particulars of the bank account to which you desire your dividend to be credited.

Since, we propose to introduce this system commencing dividend payment from June 1999, a mandate as per format appended below may please be returned duly completed and authenticated by the Bank concerned for accuracy or you may enclose a cancelled cheque of your bank account or a photocopy alongwith the Mandate thereof to our Registrars CB Management Services Limited, P-22, Bondel Road, Calcutta-700 019 as to reach before 18th June, 1999.

Yours faithfully,

For THE ASSAM COMPANY LIMITED

P. K. JAIN
Company Secretary
3rd May, 1999.

CB Management Services Limited
P-22, Bondel Road
Calcutta-700 019

Dear Sirs,

Sub : Electronic Clearing Service (Credit Clearing) Scheme for dividend payments — UNIT — THE ASSAM COMPANY LIMITED

With reference to your circular dated May 3, 1999, I am pleased to exercise the option for Electronic Clearing Service (Credit Clearing) Scheme and furnish hereunder the particulars of my Bank Account.

Name of the Shareholder :

Folio No. :

PARTICULARS OF BANK ACCOUNT

1. Name of the Bank in full :
2. Name of the Branch (with full address) :
3. 9 Digit Code Number of the Bank and Branch appearing on the MICR Cheque :
4. Type of Account (S. B. Account/Current Account/Cash Credit) with Code-10/11/13 :
5. Bank Ledger No./Bank Ledger Folio No. :
6. Account Number (As appearing on the Cheque Book) :

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I would not hold the Company responsible. I have read the circular and agree to discharge the responsibility expected of me as a participant under the Scheme.

Place :

Date :

Signature of the Sole/First Holder

Certified that the particulars furnished above are correct as per our records :

Bank's Stamp :

Date :

Signature of the authorised officer of the Bank

OR

Please find enclosed a cancelled cheque.

For the purpose of maintaining the specimen signatures of our shareholders, please provide your signature as registered with the Company :

Name

Signature

1st Holder

2nd Holder

3rd Holder

4th Holder





THE ASSAM COMPANY LIMITED

NOTES :

1. Notice is also hereby given that the Register of Members of the Company will remain closed from 18th June to 29th June, 1999, both days inclusive.
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 the proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
3. Explanatory Statement pursuant to the Section 173(2) of the Companies Act, 1956 in respect of the items of special business is annexed hereto.
4. The dividend, if approved at the meeting, will be paid on or before 7th August, 1999 to those members whose names shall appear in the Register of Members of the Company on 29th June, 1999 or to their mandatees, subject, however, to the provisions of Section 206A of the Companies Act, 1956.

5. Pursuant to Section 205A of the Companies Act, 1956, all unpaid/unclaimed dividends declared for and upto the Company's financial year ended 31st December, 1994 have been transferred to the General Revenue Account of the Central Government.

Members who have not encashed the Dividend Warrants for the said period are advised to claim the amount from the Registrar of Companies, Assam, Morello Building, Shillong, Meghalaya.

6. All correspondence relating to transfer or shares, transmission, sub-division, issue of duplicate Share Certificate, dividend and any change in the address alongwith PIN code, Bank mandate and residential status should be addressed to the Company's Registrars and Share Transfer Agents M/s. CB Management Services Ltd., P-22, Bondel Road, Calcutta-700 019.
7. Members who have multiple accounts in identical names or joint accounts in the same order, are requested to intimate the Company, the ledger folios of such accounts, in order to consolidate all such shareholdings into one account.

EXPLANATORY STATEMENT – PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF THE SPECIAL BUSINESS :

Item No. 6

The terms of appointment of the Executive Directors of the Company viz. Messrs. A. K. Jajodia, S. N. Srivastava, D. L. Thapar and Dr. K. K. G. Menon were approved by the shareholders of the Company at the Annual General Meeting of the Company held on 25th September, 1997 wherein the perquisites payable to the Executive Directors were fixed as per Part II, Section II of Schedule XIII of the Companies Act, 1956 which is applicable in case of inadequacy of profit, and which does not contain any separate limit for perquisites.

In view of the above it has become necessary to fix an annual ceiling of the perquisites and allowances to Wholetime Directors of the Company, the monetary value of which together with salary paid shall not exceed the ceiling as stipulated under Part II, Section I of Schedule XIII of the Companies Act, 1956. It is, therefore, recommended that, each of the following Wholetime Directors be paid such perquisites within the ceiling as under :

Name	Period	Per annum ceiling of Rs.
Mr. A. K. Jajodia	01.01.1998 to 31.03.1999	7,00,000/-
Mr. S. N. Srivastava	01.01.1998 to 31.03.1999	5,40,000/-
Mr. D. L. Thapar	01.01.1998 to 30.11.2001	5,40,000/-
Dr. K. K. G. Menon	01.01.1998 to 30.11.1999	5,40,000/-

Further Messrs. A. K. Jajodia, S. N. Srivastava and D. L. Thapar shall during the relevant period also be entitled to contribution to Provident Fund, Gratuity and Superannuation Fund as per rules of the Company.

This is in modification of the earlier resolution passed in the Annual General Meeting held on 25th September, 1997 to the extent mentioned above.

Apart from the abovementioned Directors and Mr. K. K. Jajodia, no other Director is concerned or interested in the foregoing resolutions.

This may also be treated as an abstract of the terms and conditions of appointment of aforesaid Wholetime Directors of the Company pursuant to Section 302 of the Companies Act, 1956.

Item No. 7

At the Annual General Meeting of the Company held on 25th September, 1997 as modified in the foregoing resolution the members of the Company had approved the appointment of Mr. A. K. Jajodia, Managing Director for a period of five years with effect from 1st October, 1997 to 30th September,



THE ASSAM COMPANY LIMITED

2002. At the meeting of the Board of Directors of the Company held on 20th March, 1999, the Board redesignated Mr. A. K. Jajodia, Managing Director as the Senior Managing Director — Corporate Affairs with effect from 1st April, 1999 for the remainder of the tenure of his appointment i.e., upto 30th September, 2002. The principal terms and conditions of Mr. A. K. Jajodia as contained in the agreement are given below :

Salary : Rs. 1,10,000/- p.m.

Commission /

Performance Bonus: In addition to the salary, perquisites, allowances @ 1% of the net profit subject to 50% of his annual salary at the discretion of the Board within the prevailing legal stipulation.

In addition to Salary and Commission/ Performance Bonus Mr. A. K. Jajodia will be entitled to the following by way of perquisites being limited to 100% of the annual salary.

Perquisites : Free fully furnished accommodation, gas, electricity, water and furnishings for the accommodation, actual Medical reimbursement for self and family, Leave Travel fares for self and family, Club fees maximum of two clubs, AC fitted car with driver, Telephone at residence, leave encashment, transfer expenses, contribution to Provident Fund, Gratuity and Pension Fund, Personal Accident Insurance and such other perquisites and other allowances as per rules of the Company. The perquisites shall be evaluated as per Income Tax Rules, wherever applicable.

The monetary value of the perquisites limited to 100% of the annual salary shall not include the following :

- i) Free fully furnished accommodation including furnishing.
- ii) One AC fitted car with driver.
- iii) Telephone at residence.
- iv) Encashment of unavailed Leave : At the time of retirement/ cessation of service.
- v) Costs and expenses incurred by the Company in connection with joining/transfer from one location to another.
- vi) Provident Fund, Pension Fund and Gratuity : As per rules of the Company.

In the absence or inadequacy of profits in any financial year, the remuneration payable to Mr. A. K. Jajodia by way of salary and perquisites etc. shall not exceed the maximum limits prescribed under Part II Section II of Schedule XIII of the Companies Act, 1956.

A copy of the Agreement entered into between the Company and Mr. A. K. Jajodia is available for inspection by the Members of the Company at its Registered Office from 10.00 a.m. to 12 noon on any working day.

Mr. A. K. Jajodia and Mr. K. K. Jajodia, being related to each other, are deemed to be interested or concerned in the resolution under Item No. 7 of the convening Notice. No other Director of the Company is interested in the resolution.

This may also be treated as an abstract of the terms and conditions of appointment of Mr. A. K. Jajodia, Wholetime Director of the Company pursuant to Section 302 of the Companies Act, 1956.

Item No. 8

At the Annual General Meeting of the Company held on 27th June, 1998 the members of the Company had approved the appointment of Mr. S. N. Srivastava as Joint Managing Director — Diversification for a period of one year with effect from 11th March, 1998 to 10th March, 1999. At the meeting of the Board of Directors of the Company held on 20th March, 1999, the Board appointed Mr. S. N. Srivastava as the Joint Managing Director — Diversification with effect from 11th March, 1999 to 31st March, 1999 on the existing terms and conditions and as Managing Director & CEO — Tea for the period of two years with effect from 1st April, 1999 to 31st March, 2001. The principal terms and conditions of Mr. S. N. Srivastava as contained in the agreement are given below :

Salary : Rs. 1,00,000/- p.m.

Commission/

Performance Bonus: At the discretion of the Board within the prevailing legal stipulation subject to 50% of his annual salary.

In addition to Salary and Commission/ Performance bonus payable Mr. Srivastava will be entitled to the following by way of perquisites being limited to Rs. 2,50,000/- p.a.

Perquisites : Free fully furnished accommodation including furnishing, gas, electricity, water and furnishings for the accommodation, actual Medical reimbursement for self and family, Leave Travel fares for self and family, Club fees maximum of two clubs, AC fitted car with driver, Telephone at residence, leave encashment, transfer