

**TATA TEA**

Thirty-seventh annual report 1999-2000

**Annual General Meeting on
Tuesday, 5th September, 2000
at The Oberoi Grand,
15, Jawaharlal Nehru Road,
Calcutta 700 013.**

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Tata Tea Limited

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Tata Tea Limited**Board of Directors**

R.N. Tata (Chairman)
N.A. Soonawala (Deputy Chairman)
R.K. Krishna Kumar (Vice Chairman)
A.S. Bam
Y.H. Malegam
D.N. Ghosh
D.B. Engineer
F.K. Kavarana
P.S. Mistry
K. Pringle (from 16.6.2000)
U.M. Rao (Nominee Director of GIC)
M. J. Subbaiah (Nominee Director of ICICI upto 10.7.2000)
S.M. Kidwai (Managing Director)
M.H. Ashraff (Whole-time Director)
S. Kabiraj (Director - Finance)
P.T. Siganporia (Whole-time Director from 16.6.2000)
A. Mazumdar (Whole-time Director from 16.6.2000)

Registered Office

1, Bishop Lefroy Road
 Calcutta 700 020.

Registrars

- i) **Equity Shares**
 Tata Share Registry Limited,
 (Unit : Tata Tea Ltd.)
 Army & Navy Building,
 148, Mahatma Gandhi Road,
 Mumbai 400 001.
 Telephone : 2873831 Fax : 2844160
 Website : www.tata.com/tsrl
- ii) **Fixed Deposits**
 Tata consultancy Services
 5th Floor, Room Nos. 506 & 507
 Narayani Building, 27, Brabourne Road,
 Calcutta 700 001.
 Telephone : 2487534

Solicitors and Legal Advisors

Khaitan & Co.
 Orr, Dignam & Co.

Auditors

N. M. Raiji & Co.
 Lovelock & Lewes

Bankers

ABN Amro Bank N.V.
 American Express Bank Limited
 ANZ Grindlays Bank
 Bank of America
 Citibank N.A.
 Deutsche Bank
 ICICI Banking Corporation Limited
 Standard Chartered Bank
 State Bank of India
 State Bank of Travancore
 The Hongkong and Shanghai Banking Corporation Limited

Odd Lot Holdings

Having regard to the difficulties experienced by the shareholders in selling their holding of odd lot shares in the stock market, a scheme for the purchase of odd lot equity share of Tata Tea Limited has been framed by Tata Share Registry Limited.

Any shareholder wishing to know the details of the scheme may kindly write to Tata Share Registry Ltd., Army & Navy Building, 148, Mahatma Gandhi Road, Mumbai 400 001 superscribing the envelope with the words "**Odd Lot Scheme**".

Notice

Notice is hereby given that the Thirty-Seventh Annual General Meeting of the Members of Tata Tea Limited will be held at The Oberoi Grand, 15, Jawaharlal Nehru Road, Calcutta – 700 013 on 5th September, 2000 at 11 a.m. to transact the following business :-

1. To receive and adopt the Profit and Loss Account for the year ended 31st March, 2000, and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. N. A. Soonawala who retires by rotation and is eligible for reappointment.
3. To appoint a Director in place of Mr. A. S. Bam who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr. D. B. Engineer who retires by rotation and is eligible for reappointment.
5. To appoint Auditors and fix their remuneration.

6. Appointment of Additional Director

To appoint a Director in place of Mr. K. Pringle who was appointed by the Board of Directors an Additional Director of the Company with effect from 16th June, 2000 and who holds office upto the date of the forthcoming Annual General Meeting of the Company under Section 260 of the Companies Act, 1956('the Act'), but who is eligible for reappointment and in respect of whom the Company has received a notice in writing under Section 257 of the Act from a Member proposing his candidature for the office of Director.

7. Reappointment of Managing Director

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

"RESOLVED that in accordance with the provisions of Sections 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the reappointment and terms of remuneration of Mr. Saeed Maqbool Kidwai as the Managing Director of the Company for the period from 1st February, 2000 upto and including 30th September, 2000 upon the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) set out in the Agreement submitted to this meeting and initialled by a Director for the purpose of identification which Agreement is hereby specifically approved with liberty to the Board of Directors to vary the terms and conditions of the said appointment and/or Agreement in such manner as may be agreed between the Board of Directors and Mr. Kidwai."

8. Appointment of Additional Director

To appoint a Director in place of Mr. P. T. Siganporia who was appointed by the Board of Directors an Additional Director of the Company with effect from 16th June, 2000 and who holds office upto the date of the forthcoming Annual General Meeting of the Company under Section 260 of the Companies Act, 1956, but who is eligible for reappointment and in respect of whom the Company has received a notice in writing under Section 257 of the Act from a Member proposing his candidature for the office of Director.

9. Remuneration of Wholetime Director

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

"RESOLVED that in accordance with the provisions of Sections 269, 309 and other applicable provisions of the Companies Act, 1956, if any, the Company hereby approves the terms of appointment and remuneration of Mr. P. T. Siganporia who was appointed by the Board of Directors of the Company a Wholetime Director with effect from 16.6.2000 for a period of three years upon the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year) set out in the draft Agreement submitted to this meeting and initialled by a Director for the purpose of identification, to be entered into between the Company of the one part and Mr. Siganporia of the other part which Agreement is hereby specifically approved with liberty to the Board of Directors to alter and vary the terms and conditions of the appointment and/or Agreement in such manner as may be agreed to between the Board of Directors and Mr. Siganporia."

Thirty-seventh annual report 1999-2000**Tata Tea Limited****10. Appointment of Additional Director**

To appoint a Director in place of Mr. A. Mazumdar who was appointed by the Board of Directors an Additional Director of the Company with effect from 16th June, 2000 and who holds office upto the date of the forthcoming Annual General Meeting of the Company under Section 260 of the Companies Act, 1956, but who is eligible for reappointment and in respect of whom the Company has received a notice in writing under Section 257 of the Act from a Member proposing his candidature for the office of Director.

11. Remuneration of Wholetime Director

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

"RESOLVED that in accordance with the provisions of Sections 269, 309 and other applicable provisions of the Companies Act, 1956, if any, the Company hereby approves the terms of appointment and remuneration of Mr. A. Mazumdar who was appointed by the Board of Directors of the Company a Wholetime Director with effect from 16.6.2000 for a period of three years upon the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profit in any financial year) set out in the draft Agreement submitted to this meeting and initialled by a Director for the purpose of identification, to be entered into between the Company of the one part and Mr. Mazumdar of the other part which Agreement is hereby specifically approved with liberty to the Board of Directors to alter and vary the terms and conditions of the said Agreement in such manner as may be agreed to between the Board of Directors and Mr. Mazumdar."

12. Amendment to the Articles of Association

To consider, and if thought fit to pass, with or without modification, the following resolution as a Special Resolution :-

"RESOLVED that pursuant to Section 31 and other applicable provisions of the Companies Act, 1956, if any, sub-clause (3) of Article 132 of the Articles of Association of the Company be substituted by the following :-

Clause 132(3) - The maximum fee payable to a Director (other than a Managing or Wholetime Director) for attending a meeting of the Board or a Committee thereof shall be such amount as the Board of Directors of the Company may from time to time determine within the ceiling permitted by the Act or by the Central Government."

13. Employees' Stock Option Scheme

To consider and if thought fit to pass with or without modification, the following resolution as a Special Resolution :-

"RESOLVED that in supersession of Resolution No. 13 passed by the shareholders at the Annual General Meeting of the Company held on 24.8.1998 and in accordance with the provisions of the Articles of Association of the Company and pursuant to the provisions of Sections 79A, 81 and all other applicable provisions of the Companies Act, 1956 ("the Act") and the regulations/guidelines prescribed by the Securities and Exchange Board of India or any other relevant authorities from time to time, ("the Guidelines") (including any statutory modifications/re-enactments thereof) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof), the consent of the Company be and is hereby accorded to the Board to grant, either directly or through a Trust, to such employees as are in the permanent employment of the Company, at the time the grant is made including the Directors of the Company, as may be decided solely by the Board, an option to subscribe to such number of Equity Shares of the Company, of the face value of Rs. 10 each under the Employees Stock Option Scheme (ESOS) and therefor to issue, allocate or allot, either directly or through a Trust, such number of Equity Shares of the Company, at such price, in such manner, during such period, in one or more tranches and on such terms and conditions, as the Board may decide, as set out in the Explanatory Statement hereto, not exceeding 17,00,000 Equity Shares of the Company.

RESOLVED FURTHER that the Board be and is hereby authorised to issue, allocate and allot such number of Equity Shares as may be required in pursuance of the above issue, and that the Equity Shares so issued, allocated or allotted shall rank in all respects pari passu with the existing Equity Shares of the Company save and except that such



Equity Shares shall carry the right to receive either the full dividend or a pro-rata dividend from the date of allotment, as may be decided by the Board, declared for the financial year in which the allotment of the Shares shall become effective.

RESOLVED FURTHER that for the purpose of giving effect to the above, the Board be and is hereby authorised to determine the form and terms of the issue, the issue price and all other terms and matters connected therewith, and to do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary or desirable for such purpose, and to make and accept any modifications in the proposal, including to withdraw, suspend or revive the Scheme from time to time, as may be required by the authorities involved in such issues and to settle any questions or difficulties that may arise in regard to the issue."

14. Notice received from Mr. I. C. Agarwal

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

"RESOLVED that pursuant to the provisions of Section 257 of the Companies Act, 1956, Mr. I. C. Agarwal be and he is hereby appointed a Director of the Company."

The Register of Members of the Company will remain closed from 17th August, 2000 to 4th September, 2000 both days inclusive.

By Order of the Board

(D. K. SEN)

Vice President & Secretary

Registered Office :
1, Bishop Lefroy Road
Calcutta - 700 020
Date : 31st July, 2000

Notes :

1. An Explanatory Statement as required under Section 173(2) of the Companies Act, 1956, in respect of the items 6 to 14 specified in the Notice is annexed hereto.
2. The Board of Directors at their meeting held on 31st March, 2000 have declared payment of an interim dividend of Rs.10.10 per share for the year 1999-2000 which has already been paid to the shareholders registered in the books of the Company on 28th April, 2000. At the Board Meeting held on 16th June, 2000 the Board had decided not to recommend any further final dividend.
3. **A Member of the Company 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.**
4. Pursuant to Section 205A of the Companies Act, 1956, ('the Act') all unclaimed/unpaid dividends upto the Final Dividend for 1994/95 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not yet encashed the dividend warrants for the said period have been given separate notices to that effect and are requested to claim their amounts from the Registrar of Companies, West Bengal at their office at Nizam Palace, IInd M.S.O. Building, 234/4 A.J.C. Bose Road, Calcutta - 700 020.

Shareholders are hereby informed that after the amendment of the Act with effect from 31.10.1998, the Company will be obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the credit of Investor Education and Protection Fund ('the Fund') to be established by the Central Government. In accordance with Section 205C of the Act, no claim shall lie against the Company or the Fund in respect of individual amounts of dividends remaining unclaimed and unpaid for a period of seven years from the dates they first became due for payment and no payment shall be made in respect of any such claims.

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5. Facility for making nominations is now available for shareholders, debentureholders and fixed deposit holders in respect of the shares, debentures and deposits held by them. The form of Nomination is included in this Annual Report.
6. Shareholders are hereby advised that while opening a depository account, they should give their bank account details which will be used by the Company for printing on the dividend warrants. This would ensure that dividend warrants even if lost or stolen cannot be used for any purpose other than for depositing in the account specified on the dividend warrant. For the safety of the investors, it is important that the details of the bank accounts are correctly provided to the depository participants. The bank mandate for shares held in physical form will not be automatically applied for shares held in electronic form.

For Tata Tea Limited



Calcutta
Date : 31st July, 2000

(D. K. SEN)
Vice President & Secretary



Explanatory Statement

Pursuant to Section 173(2) of the Companies Act, 1956

Item No. 6

The Board of Directors of the Company ('the Board') at its meeting held on 16.6.2000 decided to appoint Mr. K. Pringle as an Additional Director of the Company with effect from that date. Pursuant to Section 260 of the Companies Act, 1956, Mr. Pringle will hold office upto the date of the forthcoming Annual General Meeting. The Company has received a notice in writing from a member together with the requisite deposit proposing the candidature of Mr. Pringle for the office of a Director of the Company under the provisions of Section 257 of the Companies Act, 1956.

Mr. Pringle who is a Graduate from the London School of Economics has wide experience in the consumer goods industry in general and tea industry in particular. Mr. Pringle is presently a Director and CEO of the Tetley Group, U.K. The Tetley Group is one of the leading tea companies of the world and after the recent acquisition of the Tetley Group by your Company, the Board thought it appropriate to invite Mr. Pringle to be a member of the Board of Directors of your Company. Mr. Pringle presently oversees the Tetley operations in U.K., USA, Canada, Poland, Australia, Russia and France. Your Directors believe that the appointment of Mr. Pringle as a Director of your Company will be beneficial to the interest of the shareholders and accordingly, commends the resolution for approval.

Item No. 7

As the shareholders are aware, Mr. Saeed Maqbool Kidwai was appointed the Managing Director of the Company for a period of two years with effect from 1.2.1998. The Board of Directors of the Company ('the Board') at its meeting held on 24th January, 2000 decided to reappoint, subject to the approval of the Members, Mr Kidwai as the Managing Director of the Company with effect from 1st February, 2000 upto and including 30th September, 2000 when Mr. Kidwai retires from the service of the Company upon reaching superannuation age.

The Agreement between the Company and Mr. Kidwai contains the following principal terms and conditions :-

- a. Mr. Kidwai shall carry out such duties as may from time to time be entrusted to him by the Board or a Committee of the Board of Directors.
- b. **Remuneration** - salary in the scale of Rs. 35,000 – Rs. 1,25,000 per month with authority to the Board to fix his salary within this scale. The annual increment, effective from 1.4.2000, will be merit based and take into account the Company's performance.
- c. **Perquisites & Allowances** - Mr. Kidwai will be entitled to perquisites and allowances like :

Furnished accommodation or house rent allowance and house maintenance allowance in lieu thereof, reimbursement of expenditure on utilities such as cost of electricity, water and furnishings for the accommodation including maintenance and repair thereof, personal allowance (which will include servant's allowance and education allowance), leave travel assistance for self and family, medical expenses and medical insurance for self and family, personal accident insurance, club fees and such other perquisites and allowances in accordance with the Rules of the Company or as may be agreed to by the Board of Directors and Mr. Kidwai. Such perquisites and allowances will be subject to a maximum of 125% of his annual salary.

For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of such Rules, perquisites and allowances shall be evaluated at actual cost.

Provision for use of Company's car and telephone at residence including payment for local calls and long distance calls shall not be included in the computation of perquisites and allowances for the purpose of calculating the above ceiling.

Company's contribution to Provident Fund and Superannuation or Annuity Fund to the extent these either singly or together are not taxable under the Income-tax Act, Gratuity payable as per Company's Rules and encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites as aforesaid.

Note – Family for this purpose shall mean the spouse, the dependant children and the dependant parents of Mr. Kidwai.

- d. **Commission** – such remuneration by way of commission in addition to salary, perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year as may be determined by the Board of Directors of the Company at the end of each financial year subject to the overall ceiling stipulated in

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Sections 198 and 309 of the Companies Act, 1956 ('the Act'). The specific amount payable to Mr. Kidwai will be decided by the Board/Remuneration Committee of the Board based on certain performance criteria and will be payable annually after the annual accounts of the Company have been approved by the Board of Directors and adopted by the shareholders.

- e. **Minimum Remuneration** - notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of service of Mr. Kidwai, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances to Mr. Kidwai as specified above.
- f. **Leave** - Mr. Kidwai will be entitled to leave according to the Company's Leave Rules applicable to the Managing Director
- g. The terms and conditions of this appointment and/or Agreement may be altered and varied from time to time by the Board as it may in its discretion deem fit within the maximum amounts payable to Managing Director in accordance with Schedule XIII to the Act or any amendments thereto.
- h. The Agreement between Mr. Kidwai and the Company may be terminated by giving to the other party, six months' notice in writing or the Company paying six months' remuneration in lieu thereof.
- i. If at any time, Mr. Kidwai ceases to be a Director of the Company for any reason whatsoever, he shall also cease to be the Managing Director.
- j. If at any time, Mr. Kidwai ceases to be the Managing Director of the Company for any cause whatsoever, he shall also cease to be a Director of the Company.
- k. Mr. Kidwai is appointed by virtue of his employment in the Company and his employment is subject to the provisions of Section 283(1)(l) of the Act. If at any time Mr. Kidwai ceases to be in the employment of the Company for any reason whatsoever, he shall also cease to be the Managing Director of the Company.
- l. Mr. Kidwai shall not be entitled to supplement his earnings under this Agreement with any buying or selling commissions. He shall not also become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company, without the prior approval of the Central Government.

Mr. Kidwai joined the Company in 1961 and has extensive and wide ranging experience in the area of tea plantation particularly in North India. Mr. Kidwai was appointed a Whole-time Director of the Company in 1994 with responsibilities of production, marketing and general management of the North India Plantation Division which has 25 tea estates under it. Mr. Kidwai is also a non-Executive Director of Tata Tetley Limited, Tata NYK Transport Systems Limited, Bambino Investment & Trading Company Limited, Tata Tea Inc., Project India Blend Limited and ABC Tea Workers Welfare Services. Mr. Kidwai is a member of the Executive Committee of the Board. Mr. Kidwai has nearly 39 years' experience in the tea industry and your Directors think that his reappointment as the Managing Director of the Company will be in the interest of the Company and that the remuneration proposed to be paid to him is commensurate with his ability and experience.

The Agreement between the Company and Mr. Kidwai is available for inspection by the members of the Company at the registered office between the hours of 10 a.m. and 12 noon on any working day of the Company.

Mr. Kidwai is interested or concerned in the Resolution at Item No. 7 of the Notice.

The Company had in February, 2000 sent an abstract of the terms of Agreement to be entered into between the Company and Mr. Kidwai to the shareholders in compliance with Section 302 of the Act.

Item Nos. 8, 9, 10 & 11

The Board of Directors of the Company at its meeting held on 16.6.2000 decided to appoint Mr. P. T. Siganporia and Mr. A. Mazumdar as Additional Directors of the Company with effect from that date. Both Mr. Siganporia and Mr. Mazumdar will hold office only upto the date of the forthcoming Annual General Meeting under Section 260 of the Companies Act, 1956. The Company has received notices from members along with the requisite deposits proposing the candidatures of Mr. Siganporia and Mr. Mazumdar for the office of Directors of the Company. At the same meeting, the Board appointed Mr. Siganporia and Mr. Mazumdar Wholetime Directors of the Company, subject to the approval of the shareholders.

Mr. Siganporia is a Graduate in Science and holds a Post-Graduate Diploma in Business Management from the Xavier Labour Research Institute, Jamshedpur. He joined the Tata Group as a Tata Administrative Service Officer and was deputed to your Company in 1974. Since then, Mr. Siganporia has held several senior positions in the marketing and sales

functions of the Company and has made immense contribution to the growth and development of the market for polypacks and packet teas.

Mr. A. Mazumdar joined the Company in 1986 in the Marketing Department as Deputy General Manager. Mr. Mazumdar is a Graduate in Science and holds a Diploma in Marketing Management. Prior to joining your Company, Mr. Mazumdar had worked in senior positions in IBP Balmer Lawrie Group of Companies. During the 14 years that Mr. Mazumdar has been associated with the Company, he has held senior positions in the marketing and sales functions and was finally posted as Senior Vice President in charge of operations of the South India Plantation Division.

Your Directors are of the view that the appointments of Mr. Sigamoria and Mr. Mazumdar as Wholtime Directors will be beneficial to the operations of the Company and the remuneration payable to them is commensurate with their experience and ability.

The draft Agreements between the Company and Mr. Sigamoria and Mr. Mazumdar (the Appointees) contains the following principal terms and conditions :-

- a. The Appointees shall carry out such duties as may from time to time be entrusted to them by the Board or a Committee of the Board of Directors or the Managing Director.
- b. **Period of Appointment** - three years from 16.6.2000 for each of the Appointees.
- c. **Remuneration** - salary in the scale of Rs. 25,000 - Rs. 1,25,000 per month with authority to the Board to fix their salary within this scale. The annual increment will be effective from 1st April every year and will be merit based and take into account the Company's performance
- d. **Perquisites & Allowances** - each of the Appointees will be entitled to perquisites and allowances like :-

Furnished accommodation or house rent allowance and house maintenance allowance in lieu thereof, reimbursement of expenditure on utilities such as cost of electricity, water and furnishings for the accommodation including maintenance and repair thereof, personal allowance, leave travel assistance for self and family, medical expenses and medical insurance for self and family, personal accident insurance, club fees and such other perquisites and allowances in accordance with the Rules of the Company or as may be agreed to by the Board of Directors and the Appointees. Such perquisites and allowances will be subject to a maximum of 125% of the annual salary of each Appointee.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of such Rules, perquisites shall be evaluated at actual cost.

Provision for use of Company's car and telephone at residence including payment for local calls and long distance calls shall not be included in the computation of perquisites and allowances for the purpose of calculating the above ceiling.

Company's contribution to Provident Fund and Superannuation or Annuity Fund to the extent these either singly or together are not taxable under the Income-tax Act, Gratuity payable as per Company's Rules and encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites as aforesaid.

Note - Family for this purpose shall mean the spouse, the dependant children and the dependant parents of the Appointees.

- e. **Commission** - such remuneration by way of commission in addition to salary, perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year as may be determined by the Board of Directors of the Company at the end of each financial year subject to the overall ceiling stipulated in Sections 198 and 309 of the Companies Act, 1956 ('the Act'). The specific amount payable to the Appointees will be decided by the Board/Remuneration Committee of the Board based on certain performance criteria and will be payable annually after the annual accounts of the Company have been approved by the Board of Directors and adopted by the shareholders.
- f. **Minimum Remuneration** - notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of service of the Appointees, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the Appointees as specified above.
- g. **Leave** - the Appointees will be entitled to leave according to the Company's Leave Rules applicable to the Wholtime Directors.

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- h. The terms and conditions of this appointments and/or Agreements may be altered and varied from time to time by the Board as it may in its discretion deem fit within the maximum amounts payable to the wholetime directors in accordance with Schedule XIII to the Act or any amendment thereto.
- i. The Agreements between the Appointees and the Company may be terminated by giving to the other party, three months' notice in writing or the Company paying three months' remuneration in lieu thereof.
- j. If at any time the Appointees cease to be Directors of the Company for any reason whatsoever, they shall also cease to be Wholetime Directors.
- k. If at any time the Appointees cease to be Wholetime Directors of the Company for any cause whatsoever, they shall also cease to be Directors of the Company.
- l. The Appointees are appointed by virtue of their employment in the Company and their employment is subject to the provisions of Section 283(1)(l) of the Act. If at any time the Appointees cease to be in the employment of the Company for any reason whatsoever, they shall also cease to be Wholetime Directors of the Company.
- m. The Appointees shall not be entitled to supplement their earnings under this Agreement with any buying or selling commissions. They shall not also become interested or otherwise concerned directly or through their wives and/or minor children in any selling agency of the Company, without the prior approval of the Central Government.

The draft Agreements between the Company and the Appointees are available for inspection by the members of the Company at the Registered Office between the hours of 10 a.m. and 12 noon on any working day of the Company.

Mr. Siganporia & Mr. Mazumdar are concerned or interested in resolution at Item Nos. 9 & 11 of the Notice respectively.

The Company had earlier sent an abstract of the terms of appointment of Mr. Siganporia and Mr. Mazumdar to the shareholders as required under Section 302 of the Act.

Item No. 12

The Resolution at Item No. 12 of the Notice proposes to amend sub-clause (3) of Article 132 of the Articles of Association of the Company to permit the Company to pay fees to the Directors for each meeting of the Board or Committee thereof attended by him within the limits that may be prescribed by the Central Government from time to time.

It is, therefore, proposed to amend the relevant provisions of the Articles of Association permitting payment of sitting fees for attending meetings of the Board or any Committee thereof. At present, the Articles of Association permit payment of sitting fee of Rs. 250 per meeting which was fixed many years ago. The Central Government has presently prescribed payment of sitting fees upto Rs. 5,000 per meeting. Taking into account the increased responsibilities of the Directors, it is proposed that the sitting fees payable to them for attending the meetings of the Board or of any Committee thereof be such amount as the Board of Directors may decide within the ceiling prescribed by the Central Government from time to time.

All the non-Executive Directors of the Company are concerned or interested in the Resolution at Item No. 12 of the Notice.

The Articles of Association of the Company together with the proposed alterations are available for inspection by the members of the Company at the registered office of the Company between the hours of 10 a.m. and 12 noon on any working day of the Company.

Item No. 13

It is proposed to introduce a Stock Option Scheme for the employees and Directors of the Company subject to the approval of the members. As the members are aware, the growth and development of the Company is in large measure dependent on the wholehearted support, commitment and teamwork of its employees. The Employees' Stock Option Scheme (ESOS) is an effective instrument to align the interest of the employees with those of the Company and provide an opportunity to the employees to share in the growth of the Company and also permit creation of long-term wealth in the hands of the employees. It also paves the way for a unified approach to the common objective of enhancing shareholder value. It also serves as a performance linked reward to the employees and helps to attract, retain and motivate the best available talent in the Company.

The Company had earlier obtained the approval of the shareholders at the Annual General Meeting held on 24.8.1998 for the introduction of an Employees' Stock Option Scheme. However, as no such scheme was introduced by the Company, it is now proposed to supercede the earlier Resolution and pass a new Resolution which is in accordance with the Guidelines introduced by the Securities and Exchange Board of India (SEBI). Under the ESOS, the employees and Direc-