



**TATA TEA**

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**38<sup>th</sup> Annual Report**  
2000-2001

**TATA TEA**

Thirty-eighth annual report 2000-2001

**Annual General Meeting on  
Thursday, 27th September, 2001  
at The Oberoi Grand,  
15, Jawaharlal Nehru Road,  
Kolkata 700 013**

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**Tata Tea 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**".

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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**  
**U.M. Rao** (*Nominee Director of GIC*)  
**P.K. Basu** (*Nominee Director of ICICI - upto 4.7.2001*)  
**H.R. Khusrokhhan** (*Managing Director from 19.2.2001*)  
**P.T. Siganporia** (*Deputy Managing Director*)  
**A. Mazumdar** (*Whole-time Director*)  
**V. Venkiteswaran** (*Whole-time Director*)  
**P.D. Unsworth** (*Alternate director to Mr. K. Pringle*)

**D. K. Sen** (*Vice President & Secretary*)

**Registered Office**

1, Bishop Lefroy Road, Kolkata 700 020.  
 Telephone : 2471891/2609/3654/3915/3977

**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 Deposit**  
 Tata consultancy Services  
 5th Floor, Room Nos. 506  
 Narayani Building, 27, Brabourne Road,  
 Kolkata 700 001.  
 Telephone : 2437655

**Solicitors and Legal Advisors**

Khaitan & Co.  
 Orr, Dignam & Co.

**Auditors**

N.M. Rajji & Co.  
 Loveiack & Lewes

**Bankers**

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

**Board Committees****Remuneration Committee**

1. Mr. D. N. Ghosh – Chairman
2. Mr. N. A. Soonawala
3. Mr. D. B. Engineer
4. Mr. R. K. Krishna Kumar

**Audit Committee**

1. Mr. Y. H. Malegam – Chairman
2. Mr. R. K. Krishna Kumar
3. Mr. U. M. Rao

**Shareholders' / Investors' Grievance Committee**

1. Mr. D. B. Engineer – Chairman
2. Mr. U. M. Rao

## Notice

Notice is hereby given that the Thirty-Eighth Annual General Meeting of the Members of Tata Tea Limited will be held at The Oberoi Grand, 15, Jawaharlal Nehru Road, Calcutta 700013 on 27th September, 2001 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, 2001, 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 Mr. R. K. Krishna Kumar who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr. D. N. Ghosh who retires by rotation and is eligible for reappointment.
5. To appoint a Director in place of Mr. F. K. Kavarana who retires by rotation and is eligible for reappointment.
6. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :

"RESOLVED that Mr. P. S. Mistry, a Director liable to retire by rotation, does not seek re-election, is therefore not re-appointed a Director of the Company."

"RESOLVED FURTHER that the vacancy caused by the retirement of Mr. P. S. Mistry on the Board be not filled up"

7. To appoint Auditors and fix their remuneration.
8. To appoint a Director in place of Mr. H. R. Khusrokhan who was appointed an Additional Director of the Company by the Board of Directors with effect from 19th February, 2001 under Section 260 of the Companies Act, 1956, and who holds office upto the date of the forthcoming Annual General Meeting but who is eligible for reappointment and in respect of whom, the Company has received a notice in writing from a Member proposing his candidature for the office of Director under the provisions of Section 257 of the Companies Act, 1956.

### 9. Appointment of Mr. H. R. Khusrokhan as Managing Director

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 Sections 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the terms of appointment and remuneration of Mr. H. R. Khusrokhan who has been appointed by the Board of Directors of the Company as the Managing Director of the Company for a period of 3 years with effect from 19th February, 2001 upon the terms and conditions (including 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 for the purpose of identification by a Director of the Company, which Agreement is hereby specifically approved with liberty to the Board of Directors of the Company to alter and vary the terms and conditions of the said appointment and/or Agreement in such manner and to such extent as may be agreed to between the Board of Directors and Mr. Khusrokhan."

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

### 11. Appointment of Mr. V. Venkiteswaran as 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, if any, of

**TATA TEA**

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**Tata Tea Limited**

the Companies Act, 1956, the Company hereby approves the appointment and terms of remuneration of Mr. V. Venkiteswaran who has been appointed by the Board of Directors of the Company a Wholetime Director of the Company for a period of 3 years with effect from 1st October, 2001 upon the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year) as set out in the Agreement, a draft of which, initialled by a Director of the Company for the purpose of identification has been submitted to this meeting which Agreement is hereby specifically approved with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or Agreement in such manner and to such extent as may be agreed between the Board of Directors and Mr. Venkiteswaran."

**12. Revision in Terms of Remuneration of Mr. P. T. Siganporia, Deputy Managing Director**

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

"RESOLVED that in partial modification of Resolution No. 9 passed at the Annual General Meeting of the Members of the Company held on 5th September 2000 relating to payment of remuneration to Mr. P. T. Siganporia, Deputy Managing Director of the Company, and in accordance with the provisions of Sections 269, 309 and 310 and other applicable provisions of the Companies Act, 1956 ('the said Act') the Company hereby approves the revision in the remuneration of Mr. P. T. Siganporia as set out in the draft Supplemental Agreement to be entered into by the Company with Mr. Siganporia a copy of which duly initialled by a Director of the Company for identification submitted to this meeting, which supplemental Agreement is hereby specifically approved with liberty to the Board of Directors of the Company to alter and vary the terms and conditions of the said supplemental Agreement in such manner as may be agreed between the Board of Directors and Mr. Siganporia."

**13. Revision in Terms of Remuneration of Mr. A. Mazumdar, Wholetime Director**

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

"RESOLVED that in partial modification of Resolution No. 11 passed at the Annual General Meeting of the Members of the Company held on 5th September 2000 relating to payment of remuneration to Mr. A. Mazumdar, Wholetime Director of the Company, and in accordance with the provisions of Sections 269, 309 and 310 and other applicable provisions of the Companies Act, 1956 ('the said Act') the Company hereby approves the revision in the remuneration of Mr. A. Mazumdar as set out in the draft supplemental Agreement to be entered into by the Company with Mr. Mazumdar, a copy of which duly initialled by a Director of the Company for identification submitted to this meeting, which supplemental Agreement is hereby specifically approved with liberty to the Board of Directors of the Company to alter and vary the terms and conditions of the said Supplemental Agreement in such manner as may be agreed between the Board of Directors and Mr. Mazumdar."

The Register of Members of the Company will remain closed from 5th September, 2001 to 26th September, 2001, both days inclusive.

By Order of the Board



( D. K. SEN )

Vice President & Secretary

Registered Office :  
1, Bishop Lefroy Road  
Kolkata - 700 020  
Date : 27th July, 2001

**Notes :**

1. An Explanatory Statement as required under Section 173(2) of the Companies Act, 1956, in respect of the items of business specified in the Notice at item nos. 6 and 8 - 13 and the relevant details in respect of item Nos 3,4 and 5 pursuant to clause 49 of the Listing Agreements are annexed hereto/given hereunder.
2. **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.**
3. The dividend that may be declared by the Company will be paid on or after 28th September, 2001, to those members of the Company whose names appear on the Register of Members as on 5th September, 2001. In respect of shares held in electronic form, the dividend will be payable to the beneficial owners of the shares as on 5th September 2001 as per details provided by the Depositories for this purpose.
4. Shareholders are requested to notify any change of address or bank mandate to the Company's Registrar and Share Transfer Agent, Tata Share Registry Limited, so as to reach them not later than 4th September, 2001 to enable them to incorporate the changes for preparation of dividend warrants.
5. Pursuant to Section 205A of the Companies Act, 1956 all unclaimed/unpaid dividends upto the Final dividend for 1993/94 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, 11nd M.S.O. Building, 234/4 A.J.C. Bose Road, Kolkata 700020.

**DETAILS OF DIRECTORS RETIRING BY ROTATION AND SEEKING REAPPOINTMENT**  
(In pursuance of Clause 49 of the Listing Agreements)

Name of Director	Mr. R. K. Krishna Kumar	Mr. D. N. Ghosh	Mr. F. K. Kavarana
Date of Birth	18.7.1938	6.8.1928	17.3.1944
Date of Appointment	5.5.1987	2.5.1990	15.6.1994
Qualifications	M.A. (Economics)	M.A. (Economics)	B.Com, FCA (Eng. & Wales), MBA, USA
Expertise in specific functional area	Overall Business Management particularly with regard to tea industry	Business Management and Finance including Public Finance	Business Management and Finance
Chairman/Director of other companies	The Indian Hotels Co. Ltd. Tata Coffee Ltd. Oriental Hotels Ltd. Piem Hotels Ltd. Tata NYK Transport Systems Ltd. Rallis India Ltd. Bambino Investment & Trading Co. Ltd. Indian Resort Hotels Ltd. Speech & Software Technologies (I) Pvt. Ltd. Indian Institute of	ICRA Ltd. HDFC Ltd. The Peerless General Finance & Investment Co. Ltd. SJK Steel Corp. Ltd. Simplex Paper & Pulp Ltd. Sundaram Newton Asset Management Co. Ltd.	Tata Sons Ltd. Tata Industries Ltd. Tata Projects Ltd. Tata International Ltd. Tata AIG Life Insurance Co. Ltd. Tata AIG General Insurance Co. Ltd. Titan Industries Ltd. Tata Infotech Ltd. Mercedes Benz India Ltd.

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Hotel Management  
Tata Industries Ltd.  
Taj Kerala Hotels &  
Resorts Ltd.  
Tata International Ltd.  
Tata GVK Hotels & Resorts Ltd.

Captech Online Pvt. Ltd.

**Chairman/Member  
of Committees\*  
of the Boards of  
Companies of  
which he is a  
Director**

**Tata Tea Ltd. -**  
Audit  
Remuneration  
**Tata Coffee Ltd.**  
Remuneration  
Investors' Grievance  
**The Indian Hotels Co. Ltd.**  
Investors' Grievance  
**Oriental Hotels Ltd**  
Audit  
Remuneration  
Investors' Grievance

**Tata Tea Ltd. -**  
Remuneration  
**ICRA Ltd. -**  
Audit  
**HDFC Ltd. -**  
Audit

**Tata Sons Ltd. -**  
Audit  
**Tata Industries Ltd. -**  
Audit  
**Tata Infotech Ltd. -**  
Remuneration  
**Tata International Ltd.-**  
Audit  
Remuneration

\* Includes Audit, Remuneration and Shareholders'/Investors' Grievance Committees as clarified by SEBI in its notification dated 12.9.2000.

**For TATA TEA LIMITED**



( D.K. SEN )

Vice President & Secretary

Kolkata

Date : 27th July, 2001

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## Explanatory Statement

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

### Item No. 6

In accordance with the provisions of Section 256 of the Companies Act, 1956, and the Articles of Association of the Company, Mr. P. S. Mistry retires by rotation at the forthcoming Annual General Meeting. Mr. Mistry has indicated his wish not to seek re-election. It has been decided by the Board that the vacancy so created on the Board should not be filled up now.

### Item Nos. 8, 9, 10, 11, 12 & 13

At a meeting of the Board of Directors of the Company, ('the Board') held on 22nd January, 2001, the Board decided to appoint Mr. H. R. Khusrokhani as the Managing Director of the Company for a period of 3 years with effect from 19th February, 2001 subject to the approval of the members of the Company.

At the same Board Meeting, the Board also decided to appoint Mr. V. Venkiteswaran as the Executive Director of the Company for a period of 3 years, subject to the approval of the members of the Company. Mr. Venkiteswaran will join the Company's Services from 1st October, 2001.

At the Board Meeting held on 27th July 2001, the Board had decided to modify the remuneration structure of the Managing and Wholetime Directors.

Mr. Khusrokhani is a Graduate in Commerce, a Chartered Accountant and holds a Masters Degree in Economics from the London School of Economics and Political Science. He has worked in senior positions with Glaxo India Limited for nearly 29 years. He was the Managing Director of Glaxo India Ltd. from 1.5.1996 and Managing Director of Burroughs Wellcome (India) Ltd. from 1.9.1995 till 31.12.2000.

Mr. Khusrokhani is 57 years' old and in the opinion of your Directors possesses the requisite qualifications and experience to function as the Managing Director of the Company with responsibility for general management of the business and affairs of the Company and its day to day operations. He shall exercise such powers as may be entrusted to him by the Board.

Mr. Khusrokhani is presently a Director of Tata Tea (GB) Ltd., U.K., The Tetley Group Ltd., U.K., Tata Tea Inc., U.S.A., Bambino Investment & Trading Co. Ltd. and Far Eastern Nominee (India) Pvt. Ltd. Mr. Khusrokhani is presently not a member of any of the Committees of the Board of your Company or of any other Company where he is a Director.

Keeping in view the qualifications and experience of Mr. Khusrokhani, your Board is of the view that his appointment as the Managing Director of the Company will be beneficial to the operations of the Company.

Mr. V. Venkiteswaran is a Graduate in Mechanical Engineering and has been with the Company for over 30 years in various positions. At present he is the President, Director and Chief Executive Officer of the Company's wholly owned subsidiary, Tata Tea Incorporated in USA. Mr. Venkiteswaran has wide experience in marketing, management and operations of the tea industry, including packet tea industry. Your Board is of the view that the appointment of Mr. Venkiteswaran as the Executive Director of the Company will be beneficial to the operations of the Company.

The principal terms and conditions of service of Mr. H. R. Khusrokhani and Mr. V. Venkiteswaran ('the appointees') as contained in their respective draft Agreements with the Company are as follows :-

- a. **Remuneration** : Salary in the scale of Rs. 35,000 – Rs. 2,00,000 p.m. for Mr. Khusrokhani and salary in the scale of Rs. 25,000 – Rs. 1,25,000 p.m. for Mr. Venkiteswaran with authority to the Board to fix their respective salaries within their respective scales from time to time. The annual increments will be merit-based and take into account the performance of the Company.
- b. **Perquisites & Allowances** : In addition to salary, the appointees will be entitled to the following by way of perquisites and allowances in such form and manner as the Board of Directors may decide subject to a ceiling of 1.25 times the annual salary of the appointees, viz.,



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Furnished accommodation with expenditure on gas, electricity, water and maintenance and repair thereof, or, House Rent Allowance and House Maintenance Allowance with expenditure on gas, electricity, water and furnishings, Personal Allowance, Leave Travel Allowance for self and family, medical expenses and medical insurance for self and family, fees of clubs, Personal Accident Insurance, 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.

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

Provision for use of Company's cars and telephones at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites and allowances for the purpose of calculating such 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 and encashment of leave at the end of the tenure shall not be included in the computation of limits for remuneration or perquisites as aforesaid.

**Note** – Family for this purpose shall mean the spouse, the dependent children and the dependent parents of the appointees.

- c. **Incentive Remuneration** : Not exceeding 150% of the annual salary at the discretion of the Board of Directors based on certain performance criterion.
- d. **Commission** : Such remuneration by way of commission, in addition to the salary, perquisites, allowances and incentive remuneration payable, as may be determined by the Board of Directors of the Company at the end of each financial year but not exceeding 1% of the profit after tax of the relevant financial year for each of the appointees, subject to the overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956. The specific amount payable will be based on performance as evaluated by the Board and will be payable annually after the annual accounts of each year have been approved by the shareholders.
- e. **Minimum Remuneration** : Notwithstanding anything to the contrary herein, where in any financial year, during the currency of the tenure of the appointees, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the appointees by way of salary, perquisites, allowances and incentive remuneration as specified above.
- f. The appointees will each be entitled to leave according to Company's Leave Rules applicable to its Managing & Wholetime Directors.
- g. The terms and conditions of the appointment of the appointees as stated above may be altered and varied from time to time by the Board of Directors at its discretion, within the limit of maximum amounts payable to Managing and Wholetime Directors in accordance with Schedule XIII of the Act, or any amendments made thereto.
- h. The Company will enter into separate Agreements with Mr. Khusrokhani as the Managing Director and Mr. Venkiteswaran as the Executive Director which will contain, inter-alia, the terms and conditions of their respective appointments. The Agreement with Mr. Khusrokhani can be terminated by Mr. Khusrokhani or by the Company by giving 6 months' notice in writing or the Company paying 6 months' remuneration in lieu thereof. The Agreement with Mr. Venkiteswaran can be terminated by Mr. Venkiteswaran or by the Company by giving 3 months' written notice or the Company paying 3 months' remuneration in lieu thereof.
- i. The Managing Director and the Wholetime Director are appointed by virtue of their employment in the Company and the appointments are subject to the provision of Section 283 (1)(l) of the Companies Act, 1956.
- j. If at any time either of the appointees cease to be a Director of the Company for any reason whatsoever, they shall cease to be the Managing Director/Wholetime Director of the Company.
- k. If at any time, the appointees cease to be the Managing Director/Wholetime Director respectively of the Company for any cause whatsoever, they shall also cease to be Directors of the Company.
- l. The appointees shall not be entitled to supplement their earnings under their respective Agreements with any



buying or selling commission. They shall not also be interested or otherwise concerned directly, or through their wives, and/or minor children, in any selling agency of the Company without prior approval of the Central Government.

The Company has received notices from the members of the Company informing that at the next Annual General Meeting, they would like to propose Mr. H. R. Khusrokhan and Mr. V. Venkiteswaran as Directors of the Company.

The Company had earlier sent to the Members an abstract of the terms of appointment of Mr. Khusrokhan and Mr. Venkiteswaran as required under Section 302 of the Companies Act, 1956.

The shareholders had earlier approved at the Annual General Meeting held on 5th September, 2000, the terms and conditions of the appointment of Mr. P. T. Siganporia, Deputy Managing Director and Mr. A. Mazumdar, Wholetime Director. It is proposed that the remuneration structure of Mr. Siganporia and Mr. Mazumdar be also brought in line with those set out above as applicable to the new Wholetime Director, Mr. V. Venkiteswaran by providing for payment of Incentive Remuneration to them as well which will also form part of their respective minimum remuneration. In respect of Mr. Siganporia and Mr. Mazumdar this is the only change in their remuneration for which approval of shareholders is sought.

This may be treated as an abstract of variation in the terms of remuneration of the Managing Director, Deputy Managing Director and the Wholetime Director.

The draft Agreements/Supplemental Agreements between the Company and Mr. Khusrokhan and Mr. Venkiteswaran and Mr. Siganporia and Mr. Mazumdar respectively are available for inspection by the Members of the Company at the Registered Office from 10 a.m. to 12 noon on any working day, except Saturdays upto the date of the Annual General Meeting.

The Board commends the acceptance of these resolutions by the shareholders.

#### **Memorandum of Interest**

Mr. H. R. Khusrokhan is concerned or interested in Resolution No. 9, Mr. V. Venkiteswaran is interested in Resolution No 11 and Mr. P. T. Siganporia and Mr. A. Mazumdar are concerned or interested in Resolution Nos. 12 & 13 respectively.

By Order of the Board

  
( D. K. SEN )

Vice President & Secretary

Registered Office:  
1, Bishop Lefroy Road  
Kolkata - 700 020  
Date : 27th July, 2001