

# WILLIAMSON MAGOR & CO. LIMITED

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ANNUAL REPORT

AND  
ACCOUNTS

1997-98



ESTD. 1868



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**WILLIAMSON MAGOR & CO. LIMITED**


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## C O N T E N T S

	<i>Page</i>
Board of Directors ...	1
Details of Williamson Magor Group, Subsidiary and Associate Companies ...	2
Report of the Directors ...	4
Report of the Auditors ...	8
Statement of Accounts ...	10
Accounts of Subsidiary Companies	
The Bishnauth Tea Company Limited ...	34
Woodside Parks Limited ...	71
Majerhat Estates & Developers Limited ...	82
Portside Estates Limited ...	87



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**WILLIAMSON MAGOR & CO. LIMITED**

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**DIRECTORS**

B. M. KHAITAN – *Chairman & Managing Director*

R. B. MAGOR – *Deputy Chairman*

(Alternate - P. K. KHAITAN)

DEEPAK KHAITAN – *Managing Director*

PHILIP MAGOR

P. G. SANDYS - LUMSDAINE

T. R. SWAMINATHAN – *Director & Secretary*

M. AHMAD

A. KHAITAN

**AUDITORS**

LOVELOCK & LEWES

*Chartered Accountants*

**BANKERS**

AMERICAN EXPRESS BANK LTD.

ANZ GRINDLAYS BANK LTD.

UNITED BANK OF INDIA

**REGISTERED OFFICE**

FOUR MANGOE LANE

SURENDRA MOHAN GHOSH SARANI

CALCUTTA - 700 001

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

**WILLIAMSON MAGOR & CO. LIMITED    PRINCIPAL ACTIVITIES –**

TRADING, INVESTMENTS, PROPERTY OWNERS & TEA WAREHOUSING

**SUBSIDIARIES**

THE BISHNAUTH TEA COMPANY LIMITED

WOODSIDE PARKS LIMITED

MAJERHAT ESTATES & DEVELOPERS LIMITED

PORTSIDE ESTATES LIMITED

**ASSOCIATES****TEA :**

GEORGE WILLIAMSON (ASSAM) LIMITED

EVEREADY INDUSTRIES INDIA LIMITED –

McLEOD RUSSEL DIVISION

**ENGINEERING :**

INDIA FOILS LIMITED

KILBURN ENGINEERING LIMITED

KILBURN REPROGRAPHICS LIMITED

MACNEILL ENGINEERING LIMITED

McNALLY BHARAT ENGINEERING CO. LIMITED

McNALLY BANGALORE INDUSTRIES LIMITED

WPIL LIMITED

EVEREADY INDUSTRIES INDIA LIMITED

**OTHERS :**

DEUTSCHE BABCOCK LIMITED

EASTERN AIRWAYS LIMITED



# WILLIAMSON MAGOR & CO. LIMITED

*Registered Office :*  
**Four Mangoe Lane**  
**Surendra Mohan Ghosh Sarani**  
**Calcutta - 700 001**

## NOTICE

NOTICE is hereby given that the Forty-eighth Annual General Meeting of the Company will be held on Tuesday, the 11th August, 1998 at G. D. Birla Sabhagar, 29, Ashutosh Chowdhury Avenue, Calcutta - 700 019, at 4.00 p.m. I.S.T. to transact the following business :

1. To receive and adopt the Audited Accounts of the Company for the financial year ended 31st March, 1998 and Reports of the Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint Directors in the places of Messrs P. Magor and M Ahmad, who retire by rotation and, being eligible, offer themselves for re-appointment.
4. To appoint Auditors and fix their remuneration.

### AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification, the following Resolutions :

### AS AN ORDINARY RESOLUTION :

5. "RESOLVED that pursuant to the provisions laid down in Sections 198, 269, 309 and 310 of the Companies Act, 1956 read with Schedule XIII thereto, the Company hereby approves the re-appointment of and the remuneration payable to Mr. B. M. Khaitan as Managing Director of the Company for a period of five years from 10th November, 1997 on the terms and conditions set out in the Agreement to be made between the Company of the one part and Mr B. M. Khaitan of the other part, a draft of which initialled by the Chairman for the purpose of identification is placed before the Meeting."

### AS A SPECIAL RESOLUTION :

6. "RESOLVED that the Company do hereby accord its consent and approval under Section 314 of the Companies Act, 1956 to Mr. T. R. Swaminathan holding and continuing to hold an office of Profit as Secretary of the Company for a period of two and a half years with effect from 1st October, 1997 on the remuneration set out in the Supplemental Agreement to be entered into by the Company of the one part and Mr. T. R. Swaminathan of the other part, a draft of which initialled by the Chairman for the purpose of identification is placed before the Meeting."

### AS A SPECIAL RESOLUTION :

7. "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 :

A. Insert the following Article as Article 3A after Article 3 :

Buy Back  
of Shares

- 3A. Notwithstanding anything contained in these Articles, in the event it is permitted by law for a Company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, as may be permitted by the law.

B. Insert the following Heading and Article as Article 47A after Article 47.

**'Dematerialisation of Securities**

Definitions	47A. 1).	For the purpose of this Article :-  'Beneficial Owner' means a person or persons whose name is recorded as such with a depository;  'SEBI' means the Securities & Exchange Board of India;  'Depository' means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as depository under the Securities & Exchange Board of India Act, 1992; and  'Security' means such security as may be specified by SEBI from time to time.
Dematerialisation Of Securities	2)	Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.
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, if permitted by the Law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.  If a person opts to hold his security with a depository, the Company shall intimate such depository the 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 a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
Rights of Depositories And Beneficial Owners	5)	a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.  b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities 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 in the Act 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 discs.
Transfer of Securities	7)	Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
Allotment of Securities dealt with in a Depository	8)	Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
Distinctive Number of Securities held in a Depository	9)	Nothing contained in the Act 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) The 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'."

C. Insert the following Article as Article 51A after Article 51.

'Issue of shares  
without voting  
rights'

- 51A. In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such shares upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law.

#### AS A SPECIAL RESOLUTION :

8. "RESOLVED that in the event it is permitted by the law and subject to all applicable provisions of the law and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the 'Board'), or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board, the consent of the Company be and is hereby accorded to the Board, to purchase such number of Equity Shares of the Company, as may be thought fit, from the holders of the Equity Shares of the Company in such proportion and manner and to such extent as may be permitted by law and decided by the Board, from such funds of the Company as are permitted to be used for this purpose or out of the proceeds of any issue made by the Company on such terms and subject to such conditions as may be prescribed by the law."

"RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, things and give such directions as may be necessary or desirable and to settle all questions or difficulties whatsoever that may arise with regard to the said purchase of equity shares".

"RESOLVED FURTHER that nothing hereinabove contained shall confer any right on any shareholder to offer or any obligation on the Company or the Board to buy back any equity shares".

#### AS A SPECIAL RESOLUTION :

9. "RESOLVED that pursuant to Section 309 of the Companies Act, 1956 the Company hereby authorise the payment to its Directors (other than a Managing Director and a Wholtime Director) of a Commission not exceeding 1% of the Net Profits of the Company computed in the manner laid down in Section 309(5) of the said Act as the Board of Directors of the Company may from time to time determine for each of the five financial years of the Company commencing from the financial year beginning from 1st April, 1998 provided that, if during any of the said financial years the Company does not have any Managing Director, Wholtime Director and Manager, Commission payable to the Directors aforesaid in such year shall be increased to not exceeding 3% of the Net Profits of the Company for such year computed in the manner aforesaid as the Board of Directors of the Company determine."

By Order of the Board  
WILLIAMSON MAGOR & CO. LIMITED  
T. R. SWAMINATHAN  
Director & Secretary

Calcutta, the 15th June, 1998.

**NOTES**

1. A Member entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote in his stead. A Proxy need not be a Member of the Company. Proxies, in order to be effective, must be received at the Registered Office of the Company situated at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Calcutta - 700 001, not less than fortyeight hours before the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from the 4th August, 1998 to the 11th August, 1998 (both days inclusive).
3. Dividend, if declared, will be payable on or before 4th September, 1998 to those Members, whose names appear on the Register of Members of the Company as on 11th August, 1998 or to their Mandatees.
4. Pursuant to Section 205A of the Companies Act, 1956 all unclaimed Dividends upto the Final Dividend in respect of the Financial Year ended 31st March, 1994 have been transferred to the General Revenue Account of the Central Government. Any claim for payment of such unclaimed dividends should be made by an application in Form II of the Companies Unpaid Dividends (Transfer to General Revenue Account of the Central Government) Rules, 1978 to the Registrar of Companies, West Bengal, at the address given below :

NIZAM PALACE,  
II M. S. O. BUILDING,  
234/4, ACHARYA JAGADISH CHANDRA BOSE ROAD,  
CALCUTTA - 700 020

5. A Member desirous of getting any information on the accounts or operations of the Company is requested to forward his queries to the Company at least seven days prior to the Meeting so that the required information can be made readily available at the Meeting.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM 5**

The previous term of office of Mr B. M. Khaitan as the Managing Director of the Company was to expire on 30th September, 1998.

In view of the remuneration being paid by the other comparable Companies in the Industry to their Managerial Personnel as well as of the performance, business experience, qualifications and contributions to the Company, the remuneration payable to Mr. B.M. Khaitan as the Managing Director was not considered to be commensurate with his duties and responsibilities.

Accordingly, at a meeting of the Board of Directors of the Company ("the Board") held on 10th November, 1997 the appointment of Mr. B. M. Khaitan as the Managing Director of the Company was rescinded by mutual consent with effect from 10th November, 1997 and he was re-appointed with effect from the said date at a higher remuneration upon the terms and conditions set out in an Agreement to be entered into by the Company with Mr. Khaitan, the material terms of which are as follows :

**PERIOD**

Mr. B. M. Khaitan shall be a Managing Director of the Company for a period of five years with effect from 10th November, 1997.

**DUTIES**

Mr. B. M. Khaitan shall perform such duties and exercise such powers as have been or may from time to time be entrusted to or conferred upon him by the Board.

**REMUNERATION**

Under the proposed Agreement with the Company, Mr. B. M. Khaitan is entitled to receive the following by way of remuneration :

Basic Salary	: Rs. 1,50,000/- per month
Bonus	: An amount equivalent to six months' Basic Salary.
Perquisites	: Furnished Accommodation, gas, electricity, water and soft furnishings, medical reimbursements and leave travel concessions for self and family, club fees, medical insurance, personal accident insurance, leave encashment, benefits of provident fund, superannuation fund and gratuity fund, car and telephone etc. in accordance with the Rules of the Company.