

WILLIAMSON MAGOR & CO. LIMITED

**ANNUAL REPORT
AND
ACCOUNTS
1998-99**



WILLIAMSON MAGOR & CO. LIMITED**C O N T E N T S**

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WILLIAMSON MAGOR & CO. LIMITED



DIRECTORS

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

R. B. MAGOR - *Deputy Chairman*

(Alternate - P. K. KHAITAN)

DEEPAK KHAITAN - *Managing Director*

PHILIP MAGOR

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



WILLIAMSON MAGOR GROUP

WILLIAMSON MAGOR & CO. LTD. **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**SUBSIDIARY COMPANY****THE BISHNAUTH TEA COMPANY LIMITED**

15 Tea Estates in the State of Assam as under :

ESTATE

Dekorai, Pabhoi, Pertabghur, Majulighur, Mijicajan
 Dimakusi, Bhooteachang
 Baghjan
 Bukhial, Dirai
 Behali, Dufflaghur
 Mahakali (including Monkhooshi)
 Romai
 Seajuli

LOCATION

Bishnauth
 Mangaldai
 Doom Dooma
 Dhunsiri / Moran
 East Boroï
 Tingri
 Dibrugarh
 North Lakhimpur

ASSOCIATE COMPANIES**GEORGE WILLIAMSON (ASSAM) LIMITED**

17 Tea Estates in the State of Assam as under :

ESTATE

Attareekhath, Borengajuli, Corramore, Paneery
 Harchurah, Phulbari, Rupajuli
 Bargang, Boroï
 Behora (including Moabund), Rajmai
 Dirial, Itakhooli, Keyhung
 Bordubi, Koomsong, Phillobari

LOCATION

Mangaldai
 Thakurbari
 East Boroï
 Dhunsiri / Moran
 Tingri
 Doom Dooma

EVEREADY INDUSTRIES INDIA LIMITED**McLEOD RUSSEL DIVISION**

24 Tea Estates, 13 in the State of Assam and 11 in the State of West Bengal as under :

ESTATE

Addabarie, Tarajulie, Tezpore & Gogra
 Halem, Nya Gogra
 Gingia, Monabarie
 Hunwal
 Central Dooars, Chuapara, Jainti, Matelli
 Glenburn, Lingia, Nagri Farm, Soom
 Dehing, Dirok, Margherita, Namdang
 Bogapani
 Bhatpara, Mathura
 Jaybirpara

LOCATION

Thakurbari, Assam
 East Boroï, Assam
 Bishnauth, Assam
 Jorhat, Assam
 Dooars, West Bengal
 Darjeeling, West Bengal
 Margherita, Assam
 Digboi, Assam
 Dooars, West Bengal
 Jalpaiguri, West Bengal

WILLIAMSON MAGOR & CO. LIMITED
**REPORT OF THE DIRECTORS
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 1999**

The Directors submit their Report and Accounts for the year ended 31st March, 1999.

ACCOUNTS

(Rs. in Thousands)

Profit before charging the following :		34170
Less : a) Depreciation for the year	2555	
b) Contribution to Gratuity Fund	<u>6500</u>	<u>9055</u>
There is a Profit for the year before Taxation		25115
Provision for Taxation		<u>—</u>
There is a Profit for the year after Taxation		25115
And adding thereto :		
Transfer from Investment Allowance Reserve	639	
Transfer from Development Allowance Reserve	<u>432</u>	<u>1071</u>
		26186
Balance brought forward from previous year		<u>37151</u>
Leaving a balance for disposal		<u>63337</u>
The Directors recommend disposal as follows :		
Dividend on Equity Shares @ 5%		5478
Corporate Dividend Tax @ 11% (including surcharge)		603
Transfer to Pension Reserve		100
There is a balance to be carried forward		<u>57156</u>
		<u>63337</u>

DIVIDEND

Your Directors recommend a Dividend of 5% on the Equity Shares of the Company as against 10% paid for the previous financial year.

OPERATIONS

The destruction of the premises at 2 Fairlie Place, Calcutta due to a devastating fire, where the offices of the Company as well as its other tenants were located had resulted in a substantial loss of revenue by way of rent to the Company. However, continuous efforts are on to explore the possibilities of diversifying in the new line of activities in addition to the existing business of the Company. Work on the external facade and the interior of the Commercial Complex at Camac Street, Calcutta, which is owned by the Company's Subsidiary Woodside Parks Limited, and for providing various facilities therein is nearing completion. The Company is negotiating with several parties for sale of office space in the new complex.

WILLIAMSON MAGOR & CO. LIMITED**Y2K COMPLIANCE**

The Company has taken appropriate and effective steps to make its hardware and software Y2K compliant by 31st October, 1999. The expenditure for achieving Y2K compliance has been estimated to be around Rs. 2 Lakhs. The Company is in the process of developing a contingency plan to address any uncertainties that may arise.

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

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

DIRECTORS

Since the last Report Mr. P. G. Sandys-Lumsdaine resigned from the Board with effect from 24th July, 1998. The Directors wish to place on record their appreciation for the valuable services rendered by Mr. P. G. Sandys-Lumsdaine during his long association with the Company.

Pursuant to the provisions of the Articles of Association of the Company Messrs R. B. Magor and A. Khaitan retire by rotation and, being eligible, offer themselves for re-appointment.

EMPLOYEES

During the year under review a substantial number of employees opted for and retired under the Voluntary Retirement Scheme which will help the Company to reduce its operating expenses as well as to streamline the activities of the Company.

A statement giving the information required in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 forms a part of this Report.

AUDITORS

The observations of the Auditors made in paragraphs 2(i), 2(ii), 2(iii), 2(vi) and 2(vii) of their Report have been fully explained in the attached Notes on Accounts and hence, are not being separately dealt with here.

With regards to Auditors comments on accounts made in paragraphs 2(iv) of the Report, your Directors wish to inform you that the Company is making all efforts of acquiring the international brands shortly, failing which, necessary steps will be taken for recovering the advances given in this respect. As regards recoverability of the inter corporate deposits and interest accrued thereon, mentioned in paragraph 2(v) of the Report, the Company is taking effective steps for their recovery at the earliest.

Messrs Lovelock & Lewes, Chartered Accountants, the Auditors of the Company retire and, being eligible shall, subject to Section 224(2) of the Companies Act, 1956 be re-appointed.

Calcutta, 25th May, 1999

DEEPAK KHAITAN *Managing Director*
T. R. SWAMINATHAN *Director*

WILLIAMSON MAGOR & CO. LIMITED**ANNEXURE TO DIRECTORS' REPORT**

PARTICULARS OF EMPLOYEES IN TERMS OF SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1999

Name of Employees	Age (Years)	Designation and Nature of Duties	Gross Remuneration Rs.	Qualification and Experience (years)	Date of Commencement of Employment	Last Employment held	Designation
Dua S.P.	62	President	7,69,500	A.C.A. 37 years	1.4.1990	WPIL Ltd.	General Manager
Khaitan B.M.	72	Chairman & Managing Director	27,13,791	B. Com. 50 years	1.1.1964	Andaman Timber Industries Ltd.	Managing Director
Khaitan S.K.	45	General Manager Real Estate	7,24,579	B. Com. 23 years	1.1.1982	The Ganges Rope Co. Ltd.	Executive
Mukherjee K.	52	Senior Manager - Finance & Accountants	7,80,827	M. Com., L.L.B. A.C.A. 26 years	17.8.1981	Rallis India Ltd.	Regional Accounts Manager
Pal S.K.	44	Vice President Corporate (H.R.D.)	7,63,923	B.A., PG. DIR & W(XLRI) 18 years	2.5.1996	Jenson & Nicholson (I) Ltd.	Vice President (H.R.D.)
Pasari M.R.	73	Corporate Advisor	11,33,887	Dip. in Commerce (S.R.) - 51 years	1.4.1976	Khaitan Sons & Co. (Tea Chest)	Accountant
Swaminathan T.R.	73	Director & Secretary	21,56,537	B. Com., F.C.A., F.C.M.A., J. Dip., M.A., F.C.S. 50 years	1.4.1963	Indian Aluminium & Co.	Accountant

Notes :

- The gross remuneration shown above is subject to tax and comprises salary, allowances, commission, monetary value of perquisites as per Income Tax Rules and Company's Contributions to provident / superannuation funds.
- All appointments are contractual and are subject to the Rules and Regulations of the Company in force from time to time.

Calcutta, 25th May, 1999

DEEPAK KHAITAN *Managing Director*
M. AHMAD *Director*
T. R. SWAMINATHAN *Director & Secretary*

WILLIAMSON MAGOR & CO. LIMITED**- CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO**

Pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

FORM A**CONSERVATION OF ENERGY**

A) Power & Fuel Consumption	Nil
B) Consumption per unit of production	Nil

FORM B

RESEARCH AND DEVELOPMENT (R&D) Nil

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION Nil

FOREIGN EXCHANGE EARNINGS & OUTGO**Total Foreign Exchange :**

Earned	Rs.13.01 lakhs
Outgo	Rs.22.50 lakhs

- Calcutta, 25th May, 1999

DEEPAK KHAITAN *Managing Director*
M. AHMAD *Director*
T. R. SWAMINATHAN *Director & Secretary*

WILLIAMSON MAGOR & CO. LIMITED**AUDITORS' REPORT****TO THE MEMBERS OF WILLIAMSON MAGOR & COMPANY LIMITED**

We have examined the attached Balance Sheet of Williamson Magor & Company Limited as at 31st March, 1999, and the Profit and Loss Account for the year ended on that date annexed thereto, which are in agreement with the books of account which include those reconstructed for Calcutta Divisional Office in the circumstances and manner explained in Note 3(i) of Schedule XVI.

- I. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 to the extent applicable to this Company and on the basis of such checks of the books and records of the Company as we considered appropriate and the information and explanations given to us during the course of audit, we state that in our opinion :
 - i) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets, except those maintained at the Calcutta Divisional Office for certain properties in land and buildings at other locations, which have been destroyed in a fire as has been referred to in Note 3(ii) of Schedule XVI. The records relating to assets having book value of Rs.6,03,76(000) at the end of the year have not been reconstructed yet. The applicable fixed assets of the Company have been physically verified by the management during the year at reasonable intervals and no material discrepancies between book records and physical inventory have been noticed wherever possible, in absence of reconstructed records mentioned above.
 - ii) The fixed assets of the Company have not been revalued during the year.
 - iii) The Company has not taken loans from any company under the same management as defined under Section 370(1-B) till such date the section was applicable or from companies or firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
 - iv) In our opinion, the rates of interest and terms and conditions of unsecured loans granted by the Company during the year to subsidiary companies and a company listed in the register maintained under section 301 of the Companies Act, 1956 are not prejudicial to the interest of the Company. The Company has not granted any loans, secured or unsecured, to firms or other parties listed in the register maintained under Section 301 of the Companies Act 1956 or to any company under the same management as defined under Section 370(1-B) of the Companies Act, 1956 till such date the section was applicable.
 - v) The parties including employees to whom loans or advance in the nature of loans have been given by the Company are generally repaying the principal amounts and/or interest as stipulated/re-stipulated where such stipulations are available except in certain cases where principal and interest aggregate to Rs.30,80,72(000) (excluding dues in respect of a company referred to in Note 6 of Schedule XVI) regarding which reasonable steps are being taken by the Company for recovery.
 - vi) There is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of stores, finished goods, equipments and other assets, and for the sale of goods.
 - vii) As per the register maintained under Section 301 of the Companies Act, 1956 there are no purchases of goods and materials or sale of goods, material and services aggregating of Rs.50(000) or more in value to parties so listed in the register.
 - viii) During the year the Company has not accepted deposits from the public within the meaning of Section 58A of the Companies Act, 1956 (refer to Note 3(iii) of Schedule XVI).
 - ix) The Company has no manufacturing activity, hence has no scraps and by-products.
 - x) The Company has an internal audit system commensurate with the size and nature of its business.
 - xi) Maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 has no application to the Company.
 - xii) Provident Fund and Employees State Insurance dues, wherever applicable, have been regularly deposited with the appropriate authorities.