

The Grob Tea Company, Limited

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**REPORT &
ACCOUNTS**

Registered 7th January, 1895

Directors : P Kanoria (Mrs), Managing Director
B P Bajoria
A Chowdhuri
S K Kanoria

Company Secretary : P K Bafana

Auditors : G P Agarwal & Co

Bankers : United Bank of India
State Bank of India
UCO Bank
HDFC Bank

Location of Estates : Dessoie T E
Doyang T E
Kanu T E
Teen Ali T E
Pathemara T E

Registered Office : 10C, Hungerford Street
Kolkata – 700 017

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THE GROB TEA COMPANY, LIMITED

NOTICE OF THE GENERAL MEETING:

NOTICE is hereby given that the ANNUAL GENERAL MEETING of the members of the THE GROB TEA CO LTD, will be held at Gorky Sadan, No. 3 Gorky Terrace, Kolkata – 700 017 on Tuesday the 27th September, 2005 at 10 A M to transact the following business :

ORDINARY BUSINESS:

- 1 To receive and adopt Audited Balance Sheet as at 31st March, 2005 and the Profit and Loss Account for the year ended on that date together with the Auditors' and Directors' report thereon.
- 2 To elect Director in place of Mr. B P Bajoria, who retires by rotation under Article 96 of the Company's Article of Association and being eligible offers himself for re – appointment.
- 3 To appoint Auditors for the current year and to fix their remuneration.



Registered Office:
10C, Hungerford Street,
Kolkata – 700 017
Dated: 29th August, 2005

By Order of the Board

P K BAFANA
Company Secretary

Note:

- (i) A Member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself or herself and the proxy need not be a member of the Company. Proxies in order to be valid must reach the registered office of the Company at least 48 hours before the meeting. Proxy Form is also sent herewith.
- (ii) Share Transfer Books of the Company will remain closed from 9th September, 2005 to 27th September, 2005.
- (iii) Consequent upon the amendment to Sec. 205A and introduction of Section 205C by the Companies (Amendment) Act 1999, the amount of dividend remaining unclaimed or unpaid for a period of seven year shall be transferred to Investor Education and Protection Fund and no claim thereof shall lie against this Fund or the Company on the expiry of the said period of seven years.

Members are requested to send unclaimed/unpaid Dividend warrants, if any, for the year endings as on 31st March, 1998, 1999 and 2000 to the Registered office of the Company at their earliest, for payment in lieu thereof.

DIRECTORS REPORT TO THE MEMBERS:

The Directors present herewith the annual reports together with Audited Accounts of the Company for the year ended 31st March, 2005.

Financial Results :	For the year Ended 31st March, 2005
	Rs.
Loss before Depreciation	1,60,05,497
Add – Depreciation	81,98,588
Loss for the year	2,42,04,085
Loss bought forward	2,50,79,274
Loss carried forward	4,92,83,359

In view of loss, your Directors do not propose any dividend this year.

PERFORMANCE

The working results of the Company continued to be under pressure due to depressed market conditions. Though the Industry price realization improved during the year, lower crop during the year due to bad weather conditions had its impact on the working. The average price realization of Rs 75/35 per Kg was higher as compared to Rs 61/16 kg in the previous year. But the total crop was lower at 29.29 Lacs Kgs as against 34.76 Lacs Kgs in the previous year. The export marginally decreased at Rs 154.80 Lacs as against Rs 163.53 Lacs in the previous year.

Members attention is drawn to note no. 2 of schedule 15 of the accounts regarding an appeal filed with Hon' ble Calcutta High Court.

PROSPECTS

The Prospects for the year 2005-2006 is not encouraging as the price realization so far is not upto expectation. The Crop is expected to be higher due to favourable weather conditions. The quality of the tea produced has improved further due to measures taken as reported.

DIRECTORATE

Mr B P Bajoria retire by rotation under the Company's Articles of Association and being eligible offer himself for re-appointment.

Mr P K Sen and Mr P M Narielvala resigned during the period from the Board of the Company. The Board places on record its sincere appreciation for the invaluable contribution to the Company made by them during their tenure as Directors of the Company.

THE GROB TEA COMPANY, LIMITED

DIRECTORS' REPORT TO THE MEMBERS (Contd)

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956. The Directors confirm that :

- 1 In the preparation of the annual accounts, the applicable accounting standards have been followed.
- 2 Appropriate accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the year end and of the result of the Company for the year ended.
- 3 Proper and sufficient care has been taken for maintenance of adequate records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 4 The annual accounts have been prepared on a going concern basis.

COMPANIES (DISCLOSURE OF PARTICULARS) IN REPORT OF THE BOARD OF DIRECTORS RULES, 1998

In terms of the above, read with Section 217(1)(e) of the Companies Act, 1956 the particulars as required therein are given in the Annexure which form a part of Directors' Report.

PARTICULARS OF EMPLOYEES

The Company has no employee coming within the purview of Section 217(2A) of the Companies Act, 1956 read with Companies (Particular of employees) rules, 1975, during the year.

AUDITORS

The Auditors Report is self explanatory and hence is not being separately dealt with here.

M/s. Lovelock Lewes, Chartered Accountants, the previous Auditors of the Company resigned from Office of Auditors of the Company during the year and M/s. G P Agarwal & Co, Chartered Accountants were appointed by the members as the Auditors of the Company for the year 2004-2005, they retire from the Office at the conclusion of this meeting and being eligible offer themselves for re-appointment.

COMPLIANCE CERTIFICATE

Pursuant to Section 383A of the Companies Act, 1956 a certificate from M/s H M Choraria & Co, Company Secretaries in whole time practice, as to whether the Company has complied with all the provisions of the Companies Act, 1956 is attached.

ACKNOWLEDGMENT

In conclusion, the Directors wish to place on record their appreciation of the devoted services rendered by all the employees of the Company.

REGISTERED OFFICE
10C, Hungerford Street
Kolkata - 700 017
Dated : 29th. August, 2005

For and behalf of the Board

P KANORIA (Mrs)
Managing Director

ANNEXURE TO THE DIRECTORS' REPORT**ANNEXURE**

Particulars of Conservation of Energy and technology absorption in terms of 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 forming part of Directors' Report for the year 31st March, 2005.

FORM 'A'

Form for disclosure of particulars with respect to conservation of energy.

		Current Year	Previous Year
A	Power and Fuel Consumption		
1	Electricity		
	a) Purchased		
	Unit (KwH)	2407865	2789556
	Total Amount (Rs)	14247600	16092493
	Rate/Unit (Rs)	5.92	5.77
	b) Own Generation		
	Through Diesel Generation		
	Unit (KwH)	439296	580600
	Unit per Ltr of Diesel Oil	1.54	1.78
	Cost/Unit (Rs)	16.64	11.68
2	Coal		
	Qty (tones)	1792.498	2156.915
	Total Cost (Rs)	4562134	4304933
	Average Rate	2545.12	1995.87
3	Furnace Oil		
	Qty. (K-Liters)	121.209	91.089
	Total Amount (Rs)	2053818	1482650
	Average Rate (per Ltr)	16.94	16.28
4	Other Gas		
	Qty. in CCU	613247	758689
	Total Cost (Rs)	2829444	3186701
	Rate/Unit	4.61	4.20
B	Consumption per Unit of Production		
	Standard (if any)		
	Products – Tea		
	Unit – Kgs		
	Electricity (In Units)	0.80	0.78
	Furnace Oil	0.17	0.53
	Coal (in Kgs)	1.15	1.14
	Other – Gas (in CCU)	0.83	0.51

THE GROB TEA COMPANY, LIMITED

ANNEXURE TO THE DIRECTORS' REPORT**ANNEXURE (Contd)****FORM 'B'****Research and Development (R & D)**

- 1 Specific area in which R & D carried Out by the Company
- 2 Benefits as result of above R & D
- 3 Future plan of action
- 4 Expenditure on Research & Development

The Company is a member of the Tea Research Association, and contributed Rs 4.39 lacs as subscription during the year. The thrust of the Company remains on productivity and quality improvement by efficient Operations and automation of processes.

TECHNOLOGY ABSORPTION, ADAPATION AND INNOVATION:

- 1 Efforts in brief made towards technology absorption, adaptation and innovation. We are continuously upgrading technology by keeping track of latest development.
- 2 Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.

There has been improvement in quality.

- 3 In case of imported technology (imported during the last 5 years reckoned from the beginning of the Financial Year), following information may be furnished :
 - a) Technology imported.
 - b) Year of import
 - c) Has Technology been fully absorbed?
 - d) If not absorbed, area where this has not taken place, reasons therefore and future plan of actions.

No technology was imported during the last 5 years

Foreign Exchange Earnings	Rs 154.80 Lacs
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Foreign Exchange outgo	Rs 3.04 Lacs
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REGISTERED OFFICE
10C, Hungerford Street
Kolkata - 700 017
Dated : 29th. August, 2005

For and behalf of the Board

P KANORIA (Mrs)
Managing Director

H M CHORARIA & CO

Practising Company Secretaries,
14/2, OLD CHINA BAZAR STREET,
4th Floor, Room No. 401
Kolkata – 700 001

COMPLIANCE CERTIFICATE

Registration No. of the Company : 21-00963
Nominal Capital : Rs 3,00,00,000/-

To The Members,
The Grob Tea Co Ltd
10C, Hungerford Street,
Kolkata – 700 017

We have examined the registers, records, books and paper of M/s The Grob Tea Co Ltd, (the Company) as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company frind ended 31st March, 2005. In our opinion and to the best of our information and according to the examinations carried out by us and explanation furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year.

- 1 The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
- 2 The Company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
- 3 The Company, being a limited Company has more than the minimum prescribed paid-up capital Rs 5 Lacs
- 4 The Board of Directors duly met Five times respectively on 30th April 2004, 29th July 2004, 30th August 2004, 29th October 2004 and 30th March, 2005 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions if any passed in the Minutes Book maintained for the purpose.
- 5 The Company closed its Register of Members, from 13th September, 2004 to 30th September, 2004 and necessary compliance of section 154 of the act has been made.
- 6 The Annual General Meeting for the financial year ended 31st March, 2004 was held on 29th September, 2004 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.

THE GROB TEA COMPANY, LIMITED

- 7 One extra Ordinary General Meeting was held during the Financial Year to declare the result ascertained through Postal Ballot.
- 8 The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under Section 295 of the Act.
- 9 The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
- 10 The Company has made necessary entries in the register maintained under section 301 of the Act.
- 11 As there were no instances falling within the preview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
- 12 The Board of Directors or duly constituted Committee of Directors has approved the issue of duplicate share certificate.
- 13 The Company has:
 - 13.1 Delivered all the certificate on allotment of securities and on lodgment thereof for transfer / transmission or any other purpose in accordance with the Provisions of the Act.
 - 13.2 Has not deposited any amount in a separate Bank Account as no dividend was declared during the year.
 - 13.3 Was not required to post warrants to any member of the Company as no dividend was declared during the Financial Year.
 - 13.4 No amounts lying in unpaid dividend account, application money due for refund, matured deposits matured debentures and the accrued thereon which have remained unclaimed or unpaid for a period of seven years as on 31/03/2005 to be transferred to "Investor Education and Protection Fund"
 - 13.5 Duly complied with the requirement of section 217 of the Act.
- 14 The Board of Directors of the Company is duly constituted, and the appointment of Directors, Additional Directors, alternate Directors and Directors to fill causal vacancies have been duly made.
- 15 The Company has not appointed any Managing Director/Whole-time Director/Manager during the financial year.
- 16 The Company has not appointed any sole selling agent during the Financial Year.
- 17 The Company has obtained all necessary approval of the Central Government, Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provision of the Act during the year.
- 18 The Director have disclosed their interest in other firms / Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
- 19 The Company has not issued any shares, debentures or other securities during the financial year.
- 20 The Company has not bought back any shares during the financial year.
- 21 There was no redemption of preference shares during the financial year.
- 22 There was no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares,