

THE THIRUMBADI RUBBER COMPANY LIMITED



87th ANNUAL REPORT 2005-2006

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THE THIRUMBADI RUBBER COMPANY LIMITED

DIRECTORS

Smt. Shashi Devi Bangur, Executive Chairperson
Shri.S.H. Jhaver
Shri.S.K. Poddar
Shri.R.L.Maheshwari

AUDITORS

Messrs. Dhandhanian & Associates
Chartered Accountants

BANKERS

Vijaya Bank
State Bank of Travancore
HDFC Bank Ltd.

REGISTERED OFFICE

Thirumbadi Estate
Mokkam P.O.- 673 602
Kozhikode
Kerala

DATE OF INCORPORATION

23rd December, 1919

REGISTRAR AND SHARE TRANSFER AGENTS

S.K.D.C.Consultants Ltd.
P.B. No. 2979, No. 7 (Old No. 11), Street No. 1,
S.N. Layout, Tatabad, Coimbatore - 641 012
Tamil Nadu
Tel.: 0422 5549995 / 2499803
Fax: 91- 422- 2499574
Email: info@skdc-consultants.com

THE THIRUMBADI RUBBER COMPANY LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 87th Annual General Meeting of the Company will be held at the Registered office of the Company at Thirumbadi Estate, Mokkal Post - 673602, Kozhikode District on Saturday, the 23rd September, 2006, at 11.00 A.M. to transact the following business:

1. To receive and adopt the Directors' Report, Auditors' Report and audited Balance Sheet as at and the Profit and Loss Account for the year ended 31st March, 2006.
2. To declare dividend on equity shares
3. To appoint a Director in the place of Mr. S. H. Jhaver who retires by rotation and being eligible, offers himself for re-appointment
4. To appoint Auditors for the ensuing year and to fix their remuneration.

Registered Office:
Thirumbadi Estate
Mokkal P.O- 673 602
Kozhikode, Kerala

By order of the Board
SHASHI DEVI BANGUR
Executive Chairperson

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NOTES:

- a) **A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote in his stead and such a Proxy need not be a Member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.**
- b) The Register of Members and Share Transfer Books of the Company will remain closed from 19th September, 2006 to 23rd September, 2006 (both days inclusive).
- c) The dividend recommended by the Directors, if approved by the members, will be paid on or before 22nd October 2006 to those members whose names appear on the Register of Members of the Company on 23rd September, 2006 or to their mandates.
- d) In terms of amendment effected to Section 205A through Companies (Amendment) Act, 1999, all unclaimed dividends relating to the financial year 31.03.1998 has been remitted into the Investor Education and Protection Fund constituted under Section 205C of the Companies Act, 1956.
- e) Members, who have not encashed their dividend warrants for the financial year ended 31st March, 2005 may claim the unclaimed dividend directly from the Company. Shareholders can send their request letter directly to the Company.
- f) Members are requested to intimate change in their address, if any, immediately to S.K.D. C. Consultants Ltd., the Registrars and Share Transfer Agents of the company at their address P.B. No. 2979, No. 7 (Old No. 11), Street No.1, S.N. Layout, Tatabad, Coimbatore -641 012.
- g) The Company's Shares are listed with Coimbatore and Madras Stock Exchanges and the Listing Fee for the above Exchanges has been paid in time.

REPORT OF DIRECTORS TO THE MEMBERS

The Directors have pleasure in presenting the Eighty Seventh Annual Report and Accounts for the year ended 31st March, 2006

FINANCIAL RESULTS

	<u>2005-06</u>	<u>2004-05</u>
	<u>Rs.</u>	<u>Rs.</u>
Profit /(Loss) before Depreciation	11707651	6604798
Less: Depreciation	<u>1241737</u>	<u>1231667</u>
Profit /(Loss) after Depreciation	10465914	5373131
Less: Tax	<u>61967</u>	<u>(43041)</u>
Profit After Tax	10403947	5416172
Less: Deferred tax for Earlier years	...	<u>1351379</u>
Profit after Extra Ordinary items	10403947	4064793
Add: Balance Brought forward from previous year	<u>2692903</u>	...
Profit Available For Appropriation / (Deficit)	13096850	4064793
Appropriations:		
a) Transfer to General Reserve	5000000	550000
b) Proposed Dividend @ 30%	864957	720798
c) Corporate Dividend Tax	121310	101092
Total Appropriations	<u>5986267</u>	<u>1371890</u>
Balance carried to the Balance Sheet	7110583	2692903

2005/06 – A REVIEW

Your estate harvested a crop of 6,57,620 kgs. during the year as against 6,37,597 kgs. of previous year. Industry-wide labour strike during the month of June 2005 which lasted 13 days affected the crop harvest adversely.

The Company has not done any purchase of rubber for want of profitable orders. The quality of Rubber produced by your Estate is well received in the market. The average realization for the year stands at Rs.74.61 per kgs. against Rs.69.51 per kgs of previous year.

The Replanting programme is being followed as per plan. During the year under review 85 Acres of low yielding Rubber was replanted with high yielding Clones.

DIVIDEND

Your Directors are pleased to recommend a dividend of 30% on the paid up equity share capital of the company for the year ended 31st March 2006. This will absorb an amount of Rs 986267/- inclusive of corporate tax on dividend payment. The dividend after approval by the members will be paid to members whose names appear in the Register of Members as on the book closure date.

DEVELOPMENT AND FUTURE PROSPECTS

The Capital Expenditure during the year is Rs. 23.15 lacs.

The Crop estimate for the current year is 6,70,000 Kgs. It is also proposed to replant 120 Acres approximately with better varieties of Clones.

Barring unforeseen circumstances and hopefully with good weather and improved market, the current year should show better results.

ACREAGE STATEMENT

Acreege Statement is given in Annexure I.

EMPLOYEES

The relationship with employees has been cordial and the Directors thank the employees and look forward for their continued support in future.

DIRECTORS

Shri S.H.Jhaver retires by rotation at the ensuing AGM and being eligible offers himself for reappointment.

FIXED DEPOSIT

The company has not accepted any Fixed Deposits from public.

AUDITORS REPORT

With regard to the observation of Auditors, the relevant Notes on Accounts are self explanatory.

AUDITORS

At the Annual General Meeting, the Members are required to appoint Auditors for the fiscal 2006/2007 and fix their remuneration.

STATUTORY STATEMENTS

Particulars under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure II to the Report. There is no employee attracting the Provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 it is hereby confirmed that:

1. In preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit of the Company for that year.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting 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 Directors have prepared the accounts for the financial year ended 31st March, 2006 on a 'going concern' basis.

COMPLIANCE CERTIFICATE

In accordance with Section 383A of the Companies Act, 1956 and Companies (Compliance Certificate) Rules, 2001 the Company has obtained a certificate from a Secretary in whole-time practice confirming that the Company has complied with all the provisions of the Companies Act and a copy of such Certificate is given in Annexure III to this report.

DEPOSITORY SYSTEM

The Company's Equity shares have been dematerialized through NSDL and CDSL (ISIN Number INE344H01019) to enable the shareholders to hold shares in dematerialized form. M/s.S.K.D.C. Consultants Ltd., Coimbatore have been retained as Registrar and Share Transfer Agent for both electronic and physical shares.

Place: Kolkata

Date: 7th August, 2006

On behalf of the Board
SHASHI DEVI BANGUR
Executive Chairperson

ANNEXURE I
ACREAGE STATEMENT

As on 31st March 2006

	Acres	Hectares
1. Mature Rubber:		
Budded & Clonal	1085.90	439.45
2. Immature Rubber:		
Replanted - Budded	<u>475.27</u>	<u>192.33</u>
	1561.17	631.78
3. Minor Products	0.37	0.15
4. Buildings, Roads, Rocks, Helipads etc.	107.89	43.66
5. Proposed for replanting	119.70	48.45
	<u>1789.13</u>	<u>724.04</u>

ANNEXURE II

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

Form "A" (See Rule 2)

Particulars with respect to conservation of Energy

A. POWER & FUEL CONSUMPTION:	2005 - 06	2004 - 05
1. Electricity		
(a) Purchased:		
Units (Kwh)	222878	192334
Total Amount (Rs.)	1201600	1033479
Average Rate (Rs./Kwh)	5.39	5.37
(b) Own Generation:		
Through Diesel Generator (Kwh)	18191	24444
Units produced per litre of Diesel Oil (Kwh/Ltr.)	2.39	2.66
Average Cost (Rs./Kwh)	12.97	10.00
2. Coal	Nil	Nil
3. Furnace Oil	Nil	Nil
4. Others - Fire wood	Nil	Nil
B. CONSUMPTION PER UNIT OF PRODUCTION:		
Product: Rubber (Kg.)		
Electricity (Kwh/Kg.)	0.33	0.33
Coal	Nil	Nil
Furnace Oil	Nil	Nil
Others - Firewood (CuYd/Kg.)	Nil	Nil

Note: No standards are available for comparison.

Form "B" (See Rule 2)**Particulars with respect to Absorption****(A) RESEARCH AND DEVELOPMENT (R & D)**

The Company does not have its own Research Department. However, the Rubber Research Institute of India, Kottayam is engaged in continuous research activities for development of new clones for higher yield, improvement in methods of tapping and processing. Their advice on various matters are being implemented from time to time.

(B) ABSORPTION OF TECHNOLOGY

Absorption of Technology does not arise in the case of the Company.

(C) FOREIGN EXCHANGE

Earned: Nil

Used: Nil

Place: Kolkata

Date : 7th August, 2006

On behalf of the Board

SHASHI DEVI BANGUR

Executive Chairperson

ANNEXURE III

Corporate Identity No. Of The Company- U01116KL1919PLC017342

Authorised Capital - Rs.80,00,000/-

SECRETARIAL COMPLIANCE CERTIFICATE

To,

The Members

M/s. The Thirumbadi Rubber Company Limited,

"Thirumbadi Estate",

Mukkam Post,

Kozhikode – 673 602, Kerala

I have examined the registers, records, books and papers of **Messrs. The Thirumbadi Rubber Company Limited** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2006 (financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I 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, within the time prescribed (except in three case(s) filed with additional fees) with the Registrar of Companies, Ernakulam, Kerala under the Act and the rules made thereunder. In respect of re-appointment of Executive Chairperson requisite Form No.25C has to be filed with Registrar of Companies, Ernakulam, Kerala. Other than this, no forms or returns were required to be filed with the Regional Director, Central Government, Company Law Board or other authorities.
3. The Company, being a Listed Public Limited Company, has a paid up capital of Rs.28,83,190/- (Rupees Twenty Eight Lakhs Eighty Three Thousand One Hundred And Ninety).
4. The Board of Directors duly met 5 times respectively on 29.05.2005, 10.08.2005, 16.08.2005, 29.10.2005 & 30.01.2006, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members, from 28.09.2005 to 30.09.2005 and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31.03.2005 was held on 30.09.2005 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.
7. No Extra Ordinary General Meeting(s) was held during the financial year.
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 purview 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 has approved the issue of duplicate share certificates.
13. The Company has:
 - (i) delivered all the certificates on lodgement thereof for transfer/ transmission or any other purpose in accordance with the provisions of the Act.
 - (ii) deposited the amount of dividend declared in a separate bank account on 04.10.2005 with Vijaya Bank, Calicut.
 - (iii) paid/posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company within the stipulated time.
 - (iv) no amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to be Transferred to Investor Education and Protection Fund.
 - (v) duly complied with the requirements of section 217 of the Act.
14. The Board of directors of the Company is duly constituted and the appointment of additional director/ director have been duly made.
15. The Company's paid-up capital being less than the prescribed Rs.5 crores, it is not required to appoint a Managing Director/Whole- time Director/Manager. However the Company has re-appointed Smt.Shashi Devi Bangur as Executive Chairperson, with effect from 14.11.2005 for which requisite Form No.25C is yet to be filed.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The directors 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. The Company has not issued any preference shares/debentures and hence the question of redemption of preference shares or debentures during the financial year does not arise.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amount borrowed by the Company from banks and Companies during the financial year ending 31.03.2006 are within the borrowing limits of the Company as specified in Section 293(1)(d) of the Act.
25. The Company has during the year not made any loans, or investments or given guarantees or provided securities to other bodies corporate. However in respect of investments made in the prior years necessary entries have been made in the Register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.