

Arranghupure Texi Company Ltd.



**ANNUAL REPORT & ACCOUNTS
FOR THE YEAR ENDED 31st MARCH
2000**

ARCUTTIPORE TEA COMPANY LIMITED

NOTICE TO THE MEMBERS

NOTICE IS HEREBY GIVEN that the 131st Annual General Meeting of the Members of the Company will be held on Saturday, the 30th September, 2000 at 11.00 A.M. at Gyan Mancha, 11, Pretoria Street, Calcutta-700071, to transact the following business :

ORDINARY BUSINESS

1. To consider and adopt the Directors' Report and audited Balance Sheet and Profit & Loss Account as at and for the year ended 31st March, 2000.
2. To appoint Director in place of Shri K.Srinivasan, who retires from office by rotation and being eligible, offers himself for re-election.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

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

"Resolved that pursuant to the provision of Section 198,269,309 and other applicable provision, if any, read with Schedule XIII, of the Companies Act, 1956 the re-appointment of Sri H.V.Bajoria as Managing Director of the Company for a period of 5 years and the remuneration payable to him with effect from 29th November, 1999, as set out in the explanatory statement be and is hereby approved."

Registered Office:

S. B. Tower, 4th Floor,
37, Shakespeare Sarani,
Calcutta 700 017

Dated: 5th September, 2000

By Order of the Board
U. S. BAJORIA
Chairman

NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy and such proxy need not be a member of the company.
2. The instrument appointing a proxy has to be deposited at the Company's Registered Office at S. B. Tower, 4th Floor, 37, Shakespeare Sarani, Calcutta - 700 017, not less than 48 hours before the time for holding the aforesaid meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2000 to 30th September, 2000 (both days inclusive).
4. The instrument of Share transfer complete in all respects should be sent to the Company's Share Transfer Agents - M/s.Computech International Limited, 77-2A, Hazra Road, Calcutta-700029, well in advance, so as to reach them prior to book closing. Shares under any defective transfer (unless defect is removed prior to book closing) and/or instruments of transfer received during the period of Book Closing shall be considered after re-opening of the books.
5. Shareholders are requested to intimate the Company's Registrars and Transfer Agents as mentioned in Note No.4 above, changes, if any, in their registered addresses including PIN CODE Number.
6. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed Dividend upto Financial Year 1995-96 have been transferred to the General Revenue Account of the Central Government.
7. Members attending the meeting are requested to complete the enclosed slip and deliver the same at the entrance of the Meeting Hall.
8. Persons attending the Annual General Meeting are requested to bring their copies of Annual Reports.
9. For any further information regarding the said Accounts, advance intimation be given and the Members should ensure that it reaches the Company's Registered Office at least 7 days before the date of the ensuing meeting.

EXPLANATORY STATEMENT

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

Item No. 4: Shri H. V. Bajoria was appointed as Managing Director of the Company for the period of 5 years with effect from 29.11.94. The Board of Directors of the Company has reappointed him as Managing Director of the Company for a further period of 5 years with effect from 29.11.99 and at same remuneration as he has been drawing till date which is set out below :

A. Remuneration :

1. Salary : Rs.10,000/- per month.
2. House Rent Allowance : @ 5% of the Salary.
3. Perquisites :
 - i. Medical reimbursement : Reimbursement of Actual medical expenses in India and/or abroad and including hospitalisation, nursing home and surgical charges for self and family.
 - ii. Leave Travel Concession: Reimbursement of actual travelling expenses for proceeding on leave once in a year in respect of self and family to any destination in India or abroad.
 - iii. Club Fees : Reimbursement of membership Fees for clubs.
 - iv. Personal Accident Insurance : Premium upto Rs.5000/- per annum.
 - v. Provident Fund : As per Company's Rule.
 - vi. Gratuity : 1/2 months salary for each completed year of service.
 - vii. Leave : One month leave for eleven month's service.
 - viii. Car : Company's car with driver for official use.
 - ix. Telephone : Telephone facility at the residence, personal long distance call shall be paid to the company.

Explanation: Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rules perquisites shall be evaluated at actual cost.

B. OVERALL REMUNERATION

The aggregate of salary and perquisites in any one financial year shall not exceed the limits prescribed or to the prescribed from time to time under section 198,309 and other applicable provision of the companies Act, 1956, read with Schedule XIII, part II, section I to the said Act.

In the event of absence of inadequacy of profit in any financial year during the currency or tenure of the Managing Director, the company may pay him the above remuneration as minimum remuneration subject to limits prescribed under Section II, Part II of Schedule XIII to the Companies Act.

In compliance with the provisions of the Companies Act, 1956, fixing of remuneration of Shri H. V. Bajoria are now place before the members for their approval. The Board recommends passing of the resolution.

Except for Shri H. V. Bajoria and shri U. S. Bajoria relative of Shri H. V. Bajoria, no other director is concerned or interested in the resolution.

Registered Office:

S. B. Tower, 4th Floor,
37, Shakespeare Sarani,
Calcutta 700 017

Dated: 5th September, 2000

By Order of the Board

U. S. BAJORIA
Chairman

ARCUTTIPORE TEA COMPANY LIMITED

DIRECTORS' REPORT TO THE MEMBER

Your directors have pleasure in presenting their 131st Annual Report together with the Audited Accounts for the year ended 31st March 2000.

FINANCIAL RESULTS

	For the year ended 31st March, 2000 Rs.	For the year ended 31st March, 1999 Rs.
Profit before Depreciation	1,30,514	5,309,634
Provision for Depreciation	14,44,944	1,405,177
Profit/ (Loss) after Depreciation	(13,14,430)	3,904,457
Interest Written off	(27,65,301)	—
Provision for Taxation	—	1,493,500
Profit/ (Loss) after tax	(40,79,731)	2,410,957
Profit b/f from previous year	38,40,822	4,161,406
Transfer from Investment Allowance Reserve	10,464	52,550
Transfer from General Reserve	2,28,445	—
Profit available for appropriation	NIL	6,624,913
Proposed Dividend	NIL	2,508,190
Tax on Proposed Dividend	NIL	275,901
Surplus carried to Balance Sheet	NIL	3,840,822
	NIL	6,624,913

CROP

Your directors have to report that total production of made tea during the year under review was 5,79,121 Kgs. as compared to 7,05,568 Kgs. of made tea during last year. The production has fallen by 1,26,447 Kg. i.e. 17.92% as compared to last year.

During the calendar year 1999 the total tea production in the country registered a sharp decline because of the severe drought at the beginning of the harvesting season. In Assam the tea industry witnessed one of the worst draught in its history with no rainfall over a continuous period of nearly four months. Your company had also to face the same situation and its production has fallen sharply.

ARCUTTIPORE TEA COMPANY LIMITED

BOARD OF DIRECTORS :

SHRI U. S. BAJORIA - Chairman
SHRI HARSH BARDHAN KUMAR BAJORIA - Managing Director
SHRI SHARAD KUMAR KHAITAN
SHRI K. SRINIVASAN

AUDITORS :

MESSRS. LODHA & CO.
CHARTERED ACCOUNTANTS

BANKERS :

CENTRAL BANK OF INDIA

REGISTERED OFFICE :

S. B. TOWER, 4TH FLOOR
37, SHAKESPEARE SARANI
CALCUTTA - 700 017
PHONE : 240 8565/8779

GARDEN :

ARCUTTIPORE TEA ESTATE
SILCHAR, CACHAR, ASSAM

PERFORMANCE

During the year the company has earned a marginal Cash profit of Rs. 1,30,514/- before depreciation.

Free import of tea for re-export allowed by the Government led to considerable import of inferior quality tea into the Country much to the disadvantages of the producers. Despite much lower production, the industry witnessed sharp decline in tea prices as availability of tea in domestic market remained at higher level than the demand. Lower production and decline in tea prices has contributed to the Company's adverse working results during the year.

DIVIDEND

Due to the adverse working results your directors regret their inability to recommend any dividend for the year.

FUTURE PROSPECTS**A. TEA DIVISION**

The climatic condition in the tea belt in Assam has become normal and the company expects to have normal tea production during the year. However the tea prices in domestic market are steadily declining which is a matter of great concern.

The Company's project for development of about 100 acres of new barren land for tea cultivation is progressing well and it expects to increase its production by another 1 lac kg. in future.

The Company had undertaken job contract for development of another 650 Acres of land for tea cultivation i.e. NATHSOL tea estate 350 Acres and SRIKONA TEA ESTATE 300. It has also undertaken another similar job contract for another 300 acres of land at "Karimganj". The contracted fee to be earned by the company will be Rs.18 lacs per annum for total five years.

The company has also entered into an agreement with the owner of the above two tea estates for purchase of their entire green leaf production at a price 20% less than the prevailing Market price. The total production of green leaf from the above new plantations will be about 35 lacs kg. in one year. This will increase the Company's made tea production substantially and shall improve its bottomline.

B. EXPORTS

Total Export from India during 1999 were 190 million kg. compared to 210 million kg. in 1998 a decline of 20 million kgs. Export to Russia and CIS Countries has been declining due to their economic problems. As such your Company's export to these Countries has also been effected. The company has been able to explore new market in European Countries and it is having good orders from Germany and Norway for high value tea in special packaging. However your Company is taking all precautions in exporting tea in these Countries to avoid any kind of financial crisis. Presently the Company is having orders worth Rs.400 lacs in hand.

C. OTHERS

The Company's construction projects are in progress. However the property market is still depressed. Hopefully with the general economic growth the demand for property is certainly going to rise and the Company expects reasonable return from these projects.

DIRECTORS

Shri. K. Srinivasan, retires from the Board by rotation and being eligible offers himself for re-election.

Shri H. V. Bajoria has been re-appointed as Managing Director of the Company for further period of 5 years with effect from 29th November 1999. He is not liable to retire in his tenure as the Managing Director of the Company.

PERSONNEL

Cordial relation was maintained with staffs and workmen during the year.

STATUTORY STATEMENT

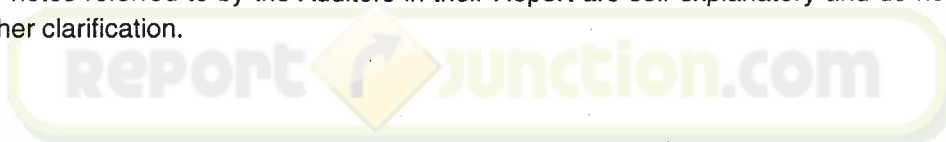
The company had no employee drawing more than Rs.600,000/- p.a. or Rs. 50,000/- p.m., during the year and as such no particulars as required under Section 217(2A) of the Companies Act, 1956, has been furnished.

AUDITORS

M/s Lodha & Co., Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible are recommended for re-appointment.

AUDITORS' REPORT

The notes referred to by the Auditors in their Report are self-explanatory and do not require any further clarification.



Calcutta,
Dated.: 5th September 2000

On behalf of the Board
U. S. Bajoria
Chairman

ARCUTTIPORE TEA COMPANY LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

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

1. CONSERVATION OF ENERGY :

a) Energy Conservation Measures Taken :

All possible measures and precautions are being taken to reduce the consumption of Energy.

b) Additional Investment and Proposals, if any, being implemented for reduction of consumption of energy : NIL

c) Impacts of measures taken at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods : Not Ascertainable.

d) The relevant figures are given below :

	<u>1999-2000</u>	<u>1998-99</u>
A. POWER AND FUEL CONSUMPTION :		
1. Electricity :		
a) Purchased-Units	4,37,749	4,73,254
Total Amount	Rs.17,26,456	Rs.16,78,281
Rate/unit	Rs.3.94	Rs.3.55
b) Own Generation :-		
From D G sets - Units	98,724	1,34,219
/ltr of Diesel	1.90	1.96
Cost/unit	Rs.5.42	Rs.5.27
2. Furnace Oil for Tea Processing in withering and Drying Quantity (K. Ltrs.)	272.38	370.63
Total cost	Rs.24,98,606	Rs.26,17,321
Average Rate (Per K. Ltr.)	Rs.9,173	Rs.7,062
3. Coal :		
Quantity (M. T.)	11.65	13.00
Total cost	Rs.14,989	Rs.16,732
Average Rate (Rs. per M.T.)	Rs. 1,287	Rs.1,287
4. H. S. D. Oil for Transport and Material Handling		
Quantity (K. Ltrs.)	11.44	15.68
Total cost	Rs.1,42,187	Rs.1,62,049
Average Rate (Per K. Ltr.)	Rs.12,429	Rs.10,335
5. Petrol for Transport and Material Handling		
Quantity (K. Ltrs.)	11.81	11.81
Total cost	Rs.2,86,103	Rs.2,97,965
Average Rate (Per K. Ltr.)	Rs.25,591	Rs.25,230