

Dhunseri Tea & Industries Limited

ANNUAL REPORT 2004 - 2005



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DHUNSERI TEA & INDUSTRIES LIMITED**BOARD OF DIRECTORS**

C. K. Dhanuka *Chairman of the Board
Managing Director & CEO*

P. L. Agarwal
S. R. Daga
B. D. Beriwalla
R. N. Deogun
H. Khaitan
M. Dhanuka
S. Bagaria (From 31st May, 2005)

VICE PRESIDENT (F & C) & CFO

K. K. Tibrewalla

VICE PRESIDENT (P & S)

I. B. Saraf

COMPANY SECRETARY

R. Mahadevan

AUDITORS

Lovelock & Lewes
Chartered Accountants

BANKERS

State Bank of India
Punjab National Bank
United Bank of India
Bank of Baroda

REGISTERED OFFICE

'Dhunseri House'
4A, Woodburn Park
Kolkata-700 020
Phone : 2280-1950 (6 Lines)
Fax : 91-33-2240 8995
e-mail : dtl@vsnl.com

REGISTRARS & SHARE TRANSFER AGENT

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor,
Kolkata-700 001
Phone : 2243-5029, 2243-5809
Fax : 91-33-2248-4787
e-mail : mdpl@cal.vsnl.net.in

TEA ESTATES

Dhunseri Tea Estate, P.O. Mazbat, Assam.
Dilli Tea Estate, P.O. Parbatpur, Assam.
Namsang Tea Estate, P.O. Jeypore, Assam.
Bahadur Tea Estate, P.O. Tinsukia, Assam.
Hatijan Tea Estate, P.O. Hoogrijan, Assam.
Khagorijan Tea Estate, P.O. Sapekhati, Assam.
Santi Tea Estate, P.O. Hoogrijan, Assam.
Khetojan Tea Estate, P.O. Tinsukia, Assam.

TEA PACKAGING DIVISIONS

SP-534-A, Sitapura Industrial Area,
Jaipur, Rajasthan.

Dhunseri Tea Estate
P.O. Mazbat, Assam.

BRANCH OFFICES

Lamb Road, Latasil, Ujjain Bazar,
Guwahati - 781 001, Assam.

110, Raheja Centre,
214, Nariman Point,
Mumbai - 400 021

STOCK EXCHANGES (Listing Fees paid)

The Calcutta Stock Exchange Association Ltd.
7, Lyons Range, Kolkata - 700 001

The Stock Exchange, Mumbai,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

The Guwahati Stock Exchange Ltd.
Saraf Building Annexe,
A. T. Road, Guwahati - 781 001

ANNUAL GENERAL MEETING

Friday, 29th July, 2005 at 3.00 p.m.
at 'Kalakunj', Sangit Kala Mandir,
48, Shakespeare Sarani, Kolkata - 700 017

TABLE OF CONTENTS

i) Notice	2-6	vi) Profit & Loss Account	20
ii) Directors' Report	7-9	vii) Schedules to the Accounts	21-34
iii) Report on Corporate Governance	10-15	viii) Balance Sheet Abstract and General Business Profile	35
iv) Auditors' Report	16-18	ix) Cash Flow Statement	36
v) Balance Sheet	19		

DHUNSERI TEA & INDUSTRIES LIMITED**NOTICE**

NOTICE is hereby given that the Eighty-ninth Annual General Meeting of the Members of DHUNSERI TEA & INDUSTRIES LIMITED will be held on Friday, the 29th day of July, 2005 at 'Kala Kunj', Sangit Kala Mandir Trust, 48, Shakespeare Sarani, Kolkata 700 017 at 3.00 p.m. to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March, 2005, the Balance Sheet as at that date and the Reports of the Directors' and Auditors' thereon.
2. To declare a dividend.
3. To elect a Director in place of Sri Haigreve Khaitan, who retires by rotation and being eligible offers himself for re-appointment.
4. To elect a Director in place of Sri Robindra Nath Deogun, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

6. **As an Ordinary Resolution :**

"RESOLVED that subject to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 and subject to other necessary approvals, consent of the Members of the Company be and is hereby accorded to the re-appointment of Sri C.K. Dhanuka as Managing Director of the Company with the concurrent designation of Chief Executive Officer (CEO) for a period of 5 (five) years with effect from 1st January, 2005 on the remuneration, terms & conditions as set out in the Draft Agreement placed before this meeting and initialled by the Chairman for the purpose of identification, with authority to the Board of Directors of the Company to alter, modify or vary the terms & conditions of the said re-appointment and/or agreement with the Managing Director & CEO within the maximum remuneration payable in accordance with Schedule XIII to the Companies Act, 1956 as amended/revised/alterred/modified and any other statutory modifications or re-enactment thereto and/or any guidelines relating to managerial remuneration as may be notified by the Central Government from time to time and as may be agreed to by the Board of Directors and Sri C. K. Dhanuka, Managing Director & CEO."

7. **As an Ordinary Resolution :**

"RESOLVED that in terms of Article 87 of the Articles of Association of the company and as recommended by the Board of Directors at their meeting held on 24th May, 2004 and subject to such revision(s) thereof from time to time, as may be recommended by the Board of Directors; every Director other than the Managing Director of the company, shall be paid a fee of such amount as may be permissible under the Companies Act, 1956 or the Rules made thereunder or such lesser fee as may be determined by the Board of Directors for each meeting of the Board or its committee attended by him and shall also be entitled to be paid their reasonable travelling and hotel and other expenses incurred in consequence of their attending to such Board and Committee meetings and/or otherwise incurred in the execution of their duties as Directors."

8. **As an Ordinary Resolution :**

"RESOLVED that Sri Subhash Bagaria be and is hereby appointed a Director of the Company."

Registered Office:
 'DHUNSERI HOUSE',
 4A, Woodburn Park,
 Kolkata - 700 020
 31st May, 2005

By Order of the Board

R. MAHADEVAN
Secretary

DHUNSERI TEA & INDUSTRIES LIMITED**NOTICE (Contd.)****NOTES:**

- i) *The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed.*
- ii) *A MEMBER ENTITLED TO ATTEND AND VOTE MAY APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A proxy may be sent in the form enclosed and in order to be effective must reach the registered office of the company atleast 48 hours before the meeting.*
- iii) *The Register of Members and the Share Transfer Books of the company will remain closed from Thursday, 14th July, 2005 to Friday, 29th July, 2005, both days inclusive.*
- iv) *The dividend as recommended by the Board, if approved by the shareholders will be payable to those shareholders whose names appear on the Register of Members of the Company as on 29th July, 2005.*
- v) *The dividend in respect of shares held in the electronic form will be payable to the beneficial owners of shares as on the closing hours of business on 13th July, 2005 as per details furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd., for this purpose.*

The said beneficial owners are requested to intimate to their Depository Participant (DP) all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, change in name etc. These changes will be automatically reflected in company's records, which will help the company to provide efficient and better service to the members.

- vi) *The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities the company will print the bank account details, if available, on the payment instrument for distribution of dividend.*
- vii) *Shareholders seeking any information with regard to accounts are requested to write to the company atleast 10 days prior to the meeting so as to enable the management to keep the information ready.*
- viii) *Members are requested to bring their copies of Annual Report to the meeting.*
- ix) *Under Section 205A(5) of the Companies Act, 1956 the amount of dividend remaining unclaimed for a period of seven years shall be transferred to Investor Education and Protection Fund (IEPF). Accordingly, the unclaimed dividend for the year ended 31st December, 1997 on becoming due for transfer to IEPF will be duly transferred to the said fund.*

No claim shall lie against the company or the said Fund in respect of individual amounts which remain unclaimed and unpaid for a period of seven years from the date of payment and no payment shall be made in respect of any such claims.

Members are requested to send unclaimed/unpaid dividend warrants, if any, for the years 1998-1999, 1999-2000, 2000-2001, 2001-2002, 2002-2003 and 2003-2004 to the Registered Office of the Company at their earliest, for payment in lieu thereof.

DHUNSERI TEA & INDUSTRIES LIMITED**I) EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item No.6**

Based on the recommendation of the Remuneration Committee, the Board of Directors of the company at their meeting held on October 29, 2004 have approved the terms and conditions of the re-appointment of Sri C.K. Dhanuka as Managing Director with the concurrent designation of Chief Executive Officer (CEO) of the company for a period of five years w.e.f. January 1, 2005 subject to the approval of the Shareholders, at the forthcoming Annual General Meeting and the applicable provisions of the Companies Act, 1956.

Sri C. K. Dhanuka (51) is a Commerce Graduate having over 30 years of experience in production of tea as well as its tasting, grading and blending.

He is the Chairman of The Indian Tea Association. He is also Chairman of FICCI, Eastern Regional Council and a Committee Member of FICCI, New Delhi.

He is also the Vice-Chairman of the Tea Board.

He is also on the Board of several companies as detailed below :-

- | | |
|--|-------------------------------------|
| a) West Bengal Industrial Development Corporation Ltd. | g) Naga Dhunseri Group Ltd. |
| b) South Asian Petrochem Ltd. | h) Mint Securities Ltd. |
| c) Tezpore Tea Co. Ltd. | i) Trimplex Investments (Pvt.) Ltd. |
| d) Plenty Valley Intra Ltd. | j) Madhuting Tea (Pvt.) Ltd. |
| e) Mint Investments Ltd. | k) Lehman Finance (Pvt.) Ltd. |
| f) Mayfair India Ltd. | l) Landmark Finance (Pvt.) Ltd. |

He is also member of various committees as given below :

- | | |
|----------------------------|------------------------------------|
| South Asian Petrochem Ltd. | - Audit Committee |
| | - Remuneration Committee |
| | - Shareholders Grievance Committee |
| Tezpore Tea Co. Ltd. | - Audit Committee |
| | - Shareholders Grievance Committee |
| | - Remuneration Committee. |

The material terms of the Draft Agreement to be entered into between the company and Sri C.K. Dhanuka, Managing Director & CEO are as follows :

1. Term :

The term of Managing Director & CEO is for a period of 5 (five) years with effect from 1st January, 2005.

2. Salary :

Rs. 50,000 (Rupees Fifty thousand only) per month in the grade of Rs. 50,000 - 2,500 - 60,000.

3. Perquisites :

In addition to salary, the Managing Director & CEO shall be entitled to the following perquisites :

- House Rent Allowance - At the rate of 50% of the salary.
- Medical Reimbursement - The reimbursement of medical expenses incurred by self and family of the Managing Director, subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- Leave Travel Concession - For self and family once in a year.
- Club Fees - Fees of clubs subject to a maximum of two clubs.
- Personal Accident Insurance - Premium not to exceed Rs. 4,000/- per annum.
- Car - Facility of Car with driver.
- Telephone - Provision of telephone at residence.

4. Commission :

Such amount of commission based on the net profits of the company in a particular year, as laid down in Sections 198 and 309 of the Companies Act, 1956, subject to a maximum of 2.5% of the net profits of the company.

5. Other Benefits :

In addition to the perquisites, the Managing Director & CEO shall also be entitled to the following benefits, which shall not be included in the computation of ceiling on remuneration specified above :

DHUNSERI TEA & INDUSTRIES LIMITED

- (a) **Provident Fund** : Company's contribution towards Provident Fund at the rate of 12% or such rate as per Rules as may be applicable to the employees of the company.
- (b) **Superannuation Fund** : Company's contribution subject to a maximum of 15% of the salary for every completed year of service.
- (c) **Gratuity** : As per the Payment of Gratuity Act, 1972

6. Minimum Remuneration :

The Managing Director & CEO shall be entitled to a minimum remuneration by way of salary and perquisites as specified above in the event of loss or inadequacy of profits in any year.

MEMORANDUM OF INTEREST :

Except Sri C. K. Dhanuka and his relatives Sri Mrigank Dhanuka and Sri Haigreve Khaitan who may be deemed to be concerned or interested in the appointment, no other Director of the Company is, in anyway, concerned or interested in the same.

This may be treated as an abstract of the terms of re-appointment of Sri C. K. Dhanuka as Managing Director & CEO under section 302 of the Companies Act, 1956.

Item No. 7

In accordance with the provisions of Article 87 of the Articles of Association, the Board of Directors of the company had revised the sitting fee for non-executive directors including independent directors for attending Board/ Committee meetings of the company consequent to Ministry of Finance (Department of Company Affairs) Notification No. 2/12/2003-CL-V published in Gazette of India on 24.7.2003 amending Rule 10B of Companies (Central Government) General Rules & Forms, 1956 whereby companies with a paid-up share capital and free reserves of Rs. 10 crore and above or turnover of Rs. 50 crore and above is authorised to pay sitting fee not exceeding the sum of Rs. 20,000/-.

The following revised sitting fee, etc. were approved by the Board w.e.f. 24th May, 2004 :-

- | | |
|---------------------------|------------|
| i) Board Meeting | : Rs. 5000 |
| ii) Committee Meeting | : Rs. 2000 |
| iii) Reimbursement of out | : Rs. 2500 |
- Pocket/conveyance expenses

As required under the Revised Clause 49 of the Listing Agreement relating to Corporate Governance, all fees/ compensations, if any, payable (w.e.f. 1st January, 2006) to non-executive directors, including independent directors, shall be fixed by the Board of Directors and shall require previous approval of the shareholders.

Accordingly, shareholder's approval is being sought for payment of the above sitting fee etc., or such revision(s) thereof from time to time as may be recommended by the Board of Directors upto the extent permissible as above.

Except Sri C. K. Dhanuka, all the other directors of the company are to be considered as interested to the extent of the sitting fee etc. payable to them for attending meetings of the Board and/or Committees thereof.

Item No. 8

The Board of Directors at their meeting held on 31st May, 2005 appointed Sri Subhash Bagaria as an Additional Director of the company. Sri Subhash Bagaria holds such office till the ensuing Annual General Meeting when he will be eligible for re-election.

Details of Sri Subhash Bagaria as required under Corporate Governance :

Sri Subhash Bagaria (53) is a graduate and is involved with business for several years. He is also in the Board of the following companies :-

- | | |
|--|---|
| a) Kemwell Pvt. Ltd. | i) Instructional Technologies Pvt. Ltd. |
| b) Biokem International Pvt. Ltd. | j) Rubtech Exports Pvt. Ltd. |
| c) Northeast Gases Pvt. Ltd. | k) Kemwell International Pvt. Ltd. |
| d) Chemsforth Pvt. Ltd. | l) Agro Extracts Ltd. |
| e) Millipore India Pvt. Ltd. | m) Hemogenomics Pvt. Ltd. |
| f) Bioworth India Pvt. Ltd. | n) Reamatrix India Pvt. Ltd. |
| g) Bioworth Pvt. Ltd. | o) Biosift, Inc. |
| h) Classic Floorings & Interiors Pvt. Ltd. | p) T & I Ltd. |

DHUNSERI TEA & INDUSTRIES LIMITED

The Company has received a notice in writing from a member alongwith the requisite deposit proposing the candidature of Sri Subhash Bagaria as a Director of the Company pursuant to the provisions of section 257 of the Companies Act, 1956.

The approval of the members is being sought to the appointment of Sri Subhash Bagaria as a Director of the company whose office will be liable to determination by retirement of directors by rotation.

None of the directors, except Sri Subhash Bagaria, is interested or concerned in the resolution at item no. 8.

II) DETAILS OF SRI HAIGREVE KHAITAN AND SRI ROBINDRA NATH DEOGUN AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT :

- i) Sri Haigreave Khaitan (34) is a Bachelor of Law having qualified with LL.B and practising as an Advocate since 1995. His areas of expertise includes commercial & corporate laws, tax laws, mergers and acquisitions, restructuring, foreign collaboration, licensing.

He is a partner of M/s. Khaitan & Co., Kolkata, Mumbai, New Delhi and Bangalore.

He holds directorship in the following companies :

- | | |
|--|----------------------|
| a) BTS Investment Advisors Pvt. Ltd. | |
| b) Cheviot Company Ltd. | |
| c) Ceat Ltd. | |
| d) Dormenil Birla VXL Ltd. | - Alternate Director |
| e) Gujarat Borosil Ltd. | |
| f) Harrisons Malayalam Ltd. | |
| g) Hindustan Composites Ltd. | |
| h) Khaitan Consultants Ltd. | - Alternate Director |
| i) Kothari Plantations & Industries Ltd. | |
| j) National Engineering Industries Ltd. | |
| k) Neoworth Private Ltd. | |
| l) Rama Newsprint & Papers Ltd. | |
| m) Ritspin Synthetics Ltd. | |
| n) Ritssfibra Pte. Ltd. Singapore | |
| o) Sterlite Optical Technologies Ltd. | |
| p) Vinar Systems Private Ltd. | |
| q) Xpro India Ltd. | |

He also holds membership of committees in the following companies :

- | | |
|---|---|
| a) Cheviot Company Ltd. | - Shareholders/Investors Grievance Committee |
| b) Harrisons Malayalam Ltd. | - Remuneration Committee, / Audit Committee / Investors Grievance Committee |
| c) Hindustan Composites Ltd. | - Audit Committee |
| d) National Engineering Industries Ltd. | - Audit Committee / Shareholders Grievance Committee |
| e) Ritspin Synthetics Ltd.. | - Finance Committee |
| f) Sterlite Optical Technologies Ltd. | - Audit Committee |
| g) Xpro India Ltd. | - Share Transfer Committee |

- ii) Sri Robindra Nath Deogun (73) did his M.A. from St. Stephans' College, New Delhi in 1953. Since 1954, he held various managerial positions with Tata Tea Ltd., and its predecessor companies before becoming Managing Director of Tata Tea Ltd. from 1985 to 1991. He was Executive Vice-Chairman of Assam Frontier Group of Tea Companies from 1991 to 1993 and Managing Director of Rossell Tea Ltd. from 1994-2003.

He is a director of Rossell Tea Ltd. and also holds membership of committees in the following companies/ organisations :-

- | | |
|-----------------------------|---------------------------------|
| a) Rossell Tea Ltd. | - Audit Committee |
| b) Tea Research Association | - Member, Council of Management |
| c) Indian Tea Association | - Member, National Committee. |

By Order of the Board

Kolkata,
31st May, 2005

R. MAHADEVAN
Secretary

DHUNSERI TEA & INDUSTRIES LIMITED**DIRECTORS' REPORT**

We have pleasure in presenting our Eighty-Ninth Annual Report together with the Audited Accounts for the year ended 31st March, 2005 :

FINANCIAL RESULTS :

	For the year ended 31.03.2005	For the year ended 31.03.2004
	(Rs. in lacs)	(Rs. in lacs)
Gross Profit	726.58	287.79
Less : Depreciation (Net)	175.83	163.41
Provision for Taxation (Net)	98.50	17.34
Net Profit for the year	452.25	107.04
Add : Balance Brought Forward	265.34	336.73
The Directors recommend this amount to be appropriated as under :	717.59	443.77
Transfer to General Reserve	300.00	100.00
Proposed Dividend	104.76	69.84
Tax on Dividend	14.69	8.59
Balance Carried Forward	298.14	265.34

DIVIDEND :

The Directors recommend the payment of dividend @ 15% i.e. Rs.1.50 per share for the year ended 31st March,2005.

OPERATIONS :

The total tea manufacturing & sales has been 7.6 & 7.5 million kg. as against 7.2 & 6.8 million kg. respectively in the previous year. The production and sales were higher compared to previous year. The realisation is also more in comparison to previous year.

The company has also started producing Orthodox Tea during the year under review. The production of orthodox tea is expected to be increased in a phased manner during the coming years.

The company continues to focus on higher productivity, cost control as well as quality improvement and value addition to sustain its growth and profitability in the coming years.

The new brand continued to receive favourable response from the market.

MADHUTING TEA PVT. LTD.

The annual production of tea from the two tea estates of Madhuting Tea Pvt. Ltd., in which company holds 50% of the paid-up share capital was about 8.00 lac kg. almost entirely comprising of orthodox tea in comparison to 6.63 lac kg. (including 5.70 lac kg. of orthodox tea) in the previous year. The company has embarked on a programme for extension of its plantation area in a phased manner. The realisation also improved during the year under review in comparison to the previous year.

PROJECT :

The 100% Export Oriented Project promoted by the company viz. South Asian Petrochem Ltd., which is engaged in manufacture of Bottle and Film Grade PET Resin, had its first full year of production during 2004-05. The company achieved a turnover of Rs. 842.20 Crore and more than 100% capacity utilisation. The product has received wide acceptance in the export market. It is expected that in the coming years the performance of the company would further improve.

AUDITORS' REPORT :

The notes to the accounts referred to in the Auditors' Report are self-explanatory.

PARTICULARS OF EMPLOYEES :

The provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not attracted and hence no statement is being enclosed.

DHUNSERI TEA & INDUSTRIES LIMITED**DIRECTORS' REPORT (Contd.)****PARTICULARS REGARDING ENERGY ETC. :**

The particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo are attached and form part of this report.

DIRECTORS :

Sri Haigreve Khaitan and Sri Robindra Nath Deogun retire by rotation and being eligible offer themselves for re-appointment.

Sri Subhash Bagaria was appointed as an Additional Director of the Company w.e.f. 31st May, 2005 and shall hold office till the ensuing Annual General Meeting and is eligible for re-election.

The information on the particulars of directors seeking re-appointment/ re-election are included in the explanatory statement.

DIRECTORS' RESPONSIBILITY STATEMENT :

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

- (i) that in the preparation of the annual accounts the applicable accounting standards have been followed and no material departures have been made from the same ;
- (ii) that they have selected such accounting policies and applied them consistently and made judgements and estimates that are 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 profits for that period ;
- (iii) that they 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 ;
- (iv) that they have prepared the annual accounts on a 'going concern' basis.

REPORT ON CORPORATE GOVERNANCE :

A separate section on Corporate Governance and Management Discussion and Analysis together with a certificate from a practising Company Secretary confirming compliance is set out in the Annexure forming part of this report.

AUDITORS :

M/s. Lovelock & Lewes, Chartered Accountants, retire and being eligible offer themselves for re-appointment.

ACKNOWLEDGEMENT :

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and cooperation received from the consortium of commercial banks and other authorities. Your Directors also thank the employees of the company for their valuable service and support during the year.

Kolkata,
31st May, 2005

C. K. DHANUKA *Chairman of the Board
& Managing Director*

S. R. DAGA B. D. BERIWALA R. N. DEOGUN M. DHANUKA S. BAGARIA		<i>Directors</i>
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(Note : Sri P. L. Agarwal and Sri H. Khaitan being away could not attend the meeting and hence have not signed the report and accompanying accounts).

DHUNSERI TEA & INDUSTRIES LIMITED**Annexure to the Directors' Report****CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & 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****1. Electricity**

a) Purchased Units (lakhs KWH)	30.20	33.00
Total Amount (Rs. lakhs)	177.37	178.09
Rate / Unit (Rs. / KWH)	5.87	5.40
b) Own Generation		
i) Through Diesel Generator Units (lakhs KWH)	12.92	12.18
Units per Ltr. of Diesel Oil	2.38	2.70
Cost / Unit (Rs. / KWH)	10.58	7.61
ii) Through Gas Generator Units (lakhs KWH)	18.86	22.99
Units per cu.m of Gas	5.54	6.14
Cost / Unit (Rs. / KWH)	0.54	0.42

2. Coal

Quantity (Tonne)	2,724.59	2,554.72
Total Cost (Rs. lakhs)	57.93	43.34
Average Rate (Rs. / Tonne)	2,126.13	1,696.28

3. Furnace Oil

Quantity (lakhs Ltrs.)	1.06	0.47
Total Cost (Rs. lakhs)	17.15	7.39
Average Rate (Rs. / Ltr.)	16.25	15.63

4. Gas

Quantity (lakhs Cu.m)	31.96	31.75
Total Cost (Rs. lakhs)	85.28	77.33
Average Rate (Rs. / Cu.m)	2.67	2.44

B. CONSUMPTION PER UNIT OF PRODUCTION**Product - Tea**

Tea Produced (lakh kgs.)	74.61	72.44
Electricity (KWH)	0.83	0.94
Furnace Oil (Ltr.)	0.01	0.01
Coal (Kg.)	0.37	0.35
Gas (Cu.m)	0.43	0.44

RESEARCH AND DEVELOPMENT (R & D)

The Company has no R & D unit. It subscribes regularly to Tea Research Association which does R & D work for Tea Industry.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- Efforts in brief made towards technology absorption, adaptation and innovation : Indigenously developed technologies for the improvement of production both in field and factory were adopted, required modifications and innovations were done.
- Benefits derived as a result of the above efforts, e.g. product improvement, import substitution, etc. : Higher yield, reduction of cost of production and improvement in quality of product.
- Imported Technology : Nil

FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings & Outgo of Foreign Exchange as detailed in Notes and in Schedule 17 to the Accounts were as under :

Foreign Exchange Earnings	: Rs. Nil (Previous year Rs. Nil)
Foreign Exchange Outgo	: Rs. 160.06 lacs (Previous year Rs. 93.79 lacs)