



# HANUMAN TEA COMPANY LIMITED

35TH ANNUAL REPORT  
1996-97



MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		OPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>		SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>			



**HANUMAN TEA COMPANY LIMITED****CORPORATE OUTLOOK**

Hanuman Tea Company Limited has further consolidated its position as a premium quality tea corporation in Eastern India. Management effort has been focussed on adopting and attaining global practices in financing, quality systems and quality of work life of the employees. Coupled with this is a renewed commitment to shareholder return, value creation for customers, and superior levels of employee motivation.

With the rise in average household income, and subsequently, purchasing power, the domestic market is now offering a substantial premium in price for the best quality of teas. Your Company's Sonajuli Tea Estate produces one of the finest teas in Assam, and Ramjhora Tea Estate in the Dooars region. Your Sonajuli Tea Estate is the third C. T. C. tea estates to receive the ISO 9002 Certification. The certification process was handled by the KPMG Quality Registrars, USA.

A global shortage of tea resulting from a drought in Kenya has caused prices and margins to move up in all major tea destinations.

## HANUMAN TEA COMPANY LIMITED

## BOARD OF DIRECTORS

MR. SATYA NARAYAN BAGLA  
*Chairman*

MR. NARAYAN PRASAD GOENKA  
MR. PRATIP KR. SEN  
MR. NAND GOPAL KHAITAN  
MR. BIMAL KUMAR NOPANY  
MR. ASHOK KUMAR KANODIA

MR. SUSHIL KUMAR BAGLA  
*Managing Director*

FINANCE CONTROLLER &  
COMPANY SECRETARY

MR. R. SHARMA

## BANKERS

BANK OF BARODA  
UNITED BANK OF INDIA  
UCO BANK

## AUDITORS

MESSRS PRICE WATERHOUSE  
*Chartered Accountants*

## REGISTERED OFFICE

FMC FORTUNA, 1ST FLOOR  
234/3A, A.J.C. BOSE ROAD  
CALCUTTA 700 020

## GARDENS

(i) SONAJULI TEA ESTATE  
P.O. BARJULI  
(SONITPUR) ASSAM

(ii) RAMJHORA TEA ESTATE  
P.O. RAMJHORA  
DIST. JALPAIGURI (W.B.)

## HANUMAN TEA COMPANY LIMITED



## NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Thirty Fifth Annual General Meeting of the members of Hanuman Tea Company Limited will be held at 10.00 A. M. on Tuesday, the 30th day of December 1997 at Gyan Manch, 11, Pretoria Street, Calcutta 700 071 to transact the following business :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Accounts for the year ended 31st March, 1997 together with the Directors' Report and Auditors' Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri Satya Narayan Bagla who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

"RESOLVED that M/s. B. R. Mittal & Co., Chartered Accountants, 36A, Bentinck Street, Calcutta 700 069 be and are hereby appointed Auditors of the Company in place of M/s. Price Waterhouse, Chartered Accountants, B 3/1, Gilladner House, 8, N. S. Road, Calcutta 700 001, the retiring Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such fee as may be agreed upon by the Board of Directors & Auditors."

**SPECIAL BUSINESS**

To consider and, if thought fit, to pass with or without modifications (s) the following Resolutions separately :

**AS SPECIAL RESOLUTIONS :**

5. "RESOLVED that pursuant to Section 94 (1)(a) of the Companies Act, 1956, and other applicable provisions, if any, the Authorised Share Capital of the Company be and is hereby increased from Rs. 6,00,00,000 divided into 60,00,000 Equity Shares of Rs. 10/- each to Rs. 16,00,00,000 comprising of Rs. 6,00,00,000/- divided into 60,00,000 Equity Shares of Rs. 10/- each and Rs. 10,00,00,000/- divided into 1,00,00,000 Unclassified Shares of Rs. 10/- each."

"RESOLVED FURTHER that the existing Clause 5 of the Memorandum of Association be deleted and substituted by the followings :

The Authorised Share Capital of the Company is Rs. 16,00,00,000/- (Rupees Sixteen Crores) by comprising of Rs. 6 Crores into 60,00,000 (Sixty Lacs) Equity Shares of Rs. 10/- each and Rs. 10 Crores divided into 1,00,00,000 (One Crore) Unclassified Shares of Rs. 10/- each with power to Board of Directors of the Company or Committee thereof to make such modifications therein as the Board may deem fit, with power to increase or reduce the capital of the Company and to divide the shares in the capital for time being into several classes and to attach thereto respectively such preferential and conversion terms, deferred, qualified or special rights, privileges or conditions as may be determined and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in the manner provided in the Articles of Association of the Company."

6. "RESOLVED that Clause 4 of the Articles of Association of the Company including the marginal note thereto be substituted by the followings :

The Authorised Share Capital of the Company is Rs. 16,00,00,000/- (Rupees Sixteen Crores) divided into 60,00,000 Equity Shares of Rs. 10/- each and 1,00,00,000 (One Crore) Unclassified Shares of Rs. 10/- each."

7. **ISSUE OF SHARES/OTHER SECURITIES**

"RESOLVED that pursuant to Section 81 and 81 (1-A) and other applicable provisions, if any, of the Companies Act, 1956 and subject to all necessary approvals, consents, permission and/or sanctions wherever required the consent, authority and approval of the shareholders of the Company be and is hereby accorded to the Board of Directors of the Company or Committee of the Board duly constituted and authorised to issue and allot Equity Shares/Preference Shares/Debentures/Warrants or any other instrument or security whether convertible into equity shares or not, at par or at such premium as the Board/Committee of the Board may deem fit, aggregating to a sum not exceeding Rs. 16 Crores to such persons whether shareholders of the Company or not and at such time as the Board/Committee of the Board may at its absolute discretion think necessary."

"RESOLVED FURTHER that the amount to be paid with application and amount to be called from time to time and other terms and conditions relating to the offer and allotment shall be such as may be determined by the Board/Committee of the Board."



## HANUMAN TEA COMPANY LIMITED

"RESOLVED FURTHER that the Board/Committee of the Board be and is hereby authorised to make such modification(s) in the aforesaid resolution as they may in its discretion consider necessary, expedient or desirable in the interest of the Company including change in the amount/size of issue, quantum of premium and nature of instrument etc."

"RESOLVED FURTHER that the Board/Committee of the Board be and is hereby authorised to do such acts, deeds, matters and things as may be necessary to give effect to the aforesaid resolution and to settle any question or difficulty that may arise in regard thereto."

**AS ORDINARY RESOLUTIONS :**

To consider and if thought fit, to pass with or without modification (s) the following Resolutions separately :

8. "RESOLVED that Mr. P. K. Sen who was appointed as an additional Director of the Company by the Board of Directors and who ceases to hold office under Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice from a member proposing his candidature for the office of Director be and is hereby appointed a Director of the Company."
9. "RESOLVED that pursuant to the provisions of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company for mortgaging and/or charging on such terms and conditions and at such time or times, and in such form and manner, as it may think fit, the whole or substantially the whole of the Company's present and future properties, whether movable or immovable comprised in Company's Tea Estates namely Sonajuli Tea Estate and Ramjhora Tea Estate and its Wind Mill Project at Chittambalam in favour of various financial institutions or banks or Indian Renewable Energy Development Agency Ltd., or others on behalf of the Company to the extent of loan(s) or other debts to the Company together with interest and other charges thereon at the respective agreed rates subject to an overall limit of Rs. 150 crores (Rupees one hundred fifty crores only)."  
 "RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to finalise with banks, financial institutions and other Government Agencies/Institutions the documents for creating aforesaid mortgage and or charge and to do all such acts, deeds as may be necessary for giving effect to the above resolutions."
10. "RESOLVED that pursuant to the provisions of Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956, and subject to such other approvals and sanctions, as may be necessary and in supersession of the resolution passed by Company in the Annual General Meeting held on 30th December, 1995 in relation to the exercise of borrowing power, the Board of Directors of the Company be and is hereby authorised to borrow money from time to time up to limit not exceeding in the aggregate Rs. 150 crores (Rupees One hundred fifty crores only) notwithstanding that money to be borrowed, together with money already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of the business) will exceed the aggregate of Paid-up Capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose."
11. "RESOLVED that Foreign Institutional Investors (FIIS) are hereby authorised to invest upto a limit of 30% in the Paid-up Share Capital of the Company, as per the recent guidelines issued by the Reserve Bank of India."

By Order of the Board

R. Sharma  
*Finance Controller &  
 Company Secretary*

Calcutta  
 22nd November, 1997

**Notes :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, is given below and forms part of this notice.
3. Dividend on equity shares when sanctioned, will be made payable to those shareholders whose names appeared on the Register of Members of the Company as on 29th September, 1997.
4. Members are requested to notify any change in their addresses to the Registrar to the Company Messrs. AMI Computers (I) Ltd., 60A & 60B, Chowringhee Road, Calcutta 700 020.
5. Members are hereby informed that, the unclaimed dividend upto the year 1992-93 has been transferred to the Registrar of Companies, West Bengal. Any members whose dividends remain unclaimed may approach the Registrar of Companies, West Bengal.





## HANUMAN TEA COMPANY LIMITED

### EXPLANATORY STATEMENT

(Pursuant to Section 173 (2) of the Companies Act, 1956)

#### Items No. 5 & 6

The proposal for increase in the Authorised Capital will require the approval of the members in a General Meeting in accordance with Articles of Association of the Company read with Section 94 of the Companies Act, 1956. The special resolution set out at Item No. 5 in the notice convening the meeting is intended to obtain such approval and the Board recommends the acceptance of the resolution.

The new Articles 4 indicated in the Special Resolution set out in Item No. 5 & 6 of notice is intended to reflect the increased Authorised Capital of the Company. The Board recommends the acceptance of the Special Resolutions.

None of the Directors of the Company is interested or concerned in the proposed resolutions.

#### Item No. 7

The Paid up Capital of Rs. 600 lacs is considered inadequate as compared to the present level of operations of the Company. The Company has to repay dues of financial institutions, meet the requirement of funds for enlarged operations, and make investments in projects for growth. It may become imperative and necessary to raise further funds to meet the long term requirements of the Company. In view of these, it is proposed to raise further funds not exceeding Rs. 16 Crores by way of Rights Issue/Public Issue or Private Placements of shares/preference shares, or debentures/warrants or other securities at par or premium as may be decided by the Board of Directors considering the needs of the Company. The Board of Directors is also authorised to vary the resolution including the size of issue, premium and nature of instrument etc. This requires approval of shareholders under Section 81 and 81-A of the Companies Act, 1956.

All Directors are interested in the above resolution to the extent of the shares or securities that may be allotted to them in future as a result of above.

#### Item No. 8

Mr. P. K. Sen was appointed as an Additional Director of the Company on 11.7.97 by the Board of Directors of the Company according to the provisions of Section 260 of the Companies Act, 1956. He holds office as Director only upto date of ensuing Annual General Meeting. As required by Section 257 of the Companies Act, 1956, a notice has been received from a member signifying his interest to propose him as a Director. The Board considers it desirable that the Company should continue to avail of his service.

None of the Directors except Mr. P. K. Sen himself, is interested in the above resolution.

#### Item No. 9

The Company is in the process of implementing expansion/diversification programmes in power generation and its tea activities. The Company has drawn up ambitious plans for expansion in power sector over the years. It is expected that the ceiling fixed by the members of the Company for borrowing Rs. 20 crores (Rupees Twenty crores) will be exceeded as the Company proposes to obtain in future loans and other facilities upto an amount not exceeding Rs. 150 crores (Rupees One hundred fifty crores) from the various sources. Pursuant to Section 293(1)(a) of the Companies Act, 1956 consent of the members is hereby sought to enable the Board of Directors to do the needful in this respect. Passing of the resolution is recommended.

None of the Directors is concerned or interested in the said resolution.

#### Items No. 10

Pursuant to provisions of Section 293 of the Companies Act, 1956, the Board of Directors cannot borrow more than the aggregate amount of the Paid-up Capital of the Company and its free reserves at any one time except with the consent of the Shareholders of the Company in a General Meeting. At the Annual General Meeting held on 30th December, 1995; consent of the members has been obtained by the Directors to borrow upto a maximum of Rs. 20 crores (Rupees Twenty crores) irrespective of the fact that such amount together with monies borrowed by the Company (apart from temporary loans obtained from the Bankers of the Company in the ordinary course of the Company's business) will exceed, the Paid-up Capital and the free reserves of the Company as on date. The Expansion Programme is being carried out in full swing and it is expected that the ceiling fixed by the members of the Company for borrowing Rs. 20 crores (Rupees Twenty crores) will be exceeded. Your Directors place before the members, the proposal to increase the maximum borrowing limit to Rs. 150 crores (Rupees One hundred fifty crores).

None of the Directors is concerned or interested in the said resolution.

#### Item No. 11

In the present liberalisation of Indian economy and further achieving the globalisation and greater participation by Foreign Institutional Investors in the Indian Corporate world, the Reserve Bank has recently allowed FIIs to invest upto 30% in paid-up share capital of Indian companies. Your Company/Board suggests passing of this resolution.

None of the Directors is concerned or interested in the said resolution



## HANUMAN TEA COMPANY LIMITED

## DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors have pleasure in presenting the Thirty Fifth Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 1997.

## FINANCIAL RESULTS

	1996-97 (31st March, 1997) (Rs. in lakhs)
Gross Profit (before depreciation, interest and taxation)	404.43
Less :	
a) Depreciation	250.94
b) Interest	153.28
c) Provision for taxation	0.02
	404.24
	0.19
Add :	
Balance brought forward from the previous period	224.54
Transfer from Investment Allowance Reserve	0.06
Short/Excess Tax for earlier years	(2.38)
Distributable Profit for the year	222.41
Appropriated to :	
a) Proposed Dividend	8.80
b) Tax on Dividend	7.89
c) General Reserve	5.02
d) Balance carried forward	130.70
	222.41

## DIVIDEND

The Directors of your Company have decided to recommend payment of dividend @ 26% per annum, for the year.

## OPERATIONS

The total green leaf produced was 55.03 lac kilos over 55.61 lac kilos in the previous period resulting in an increase of 6.63%. The conversion ratio of leaf to tea made was 23.91% which is well above the industry average of 21%. The net price realisation per kilogram of tea increased from Rs. 59.00 to Rs. 66.00.

## EXPANSION &amp; MODERNISATION

Substantial capital expenditure was made in both estates. The irrigation equipment, modern plantation techniques and an automatic leaf handling system was commissioned. Recommendations of the energy audit have also been executed.

Ramjhora Tea Estate has become one of the first Tea Estate in the Dooars region to provide labour with hundred percent electrification in their houses.

## OUTLOOK

The market for quality tea has looked up and your Company is able to realise better prices compared to the last year.

## STATEMENT UNDER CLAUSE 43 OF THE LISTING AGREEMENT

## (a) Utilisation of Funds

Your Directors confirm that the funds raised through Public-cum-Rights Issue were utilised for the purposes mentioned in the Prospectus/Letter of Offer.

## (b) Profitability

The actual performance during the year vis-a-vis projections made in the Prospectus/Letter of Offer is as under :

	Projected for 1996-97 (Year ended 31st March, 97 (Rs. in Lacs)	Actual for 1996-97 (Year ended 31st March, 97 (Rs. in Lacs)
(i) Turnover	1607.01	1470.97
(ii) Profit before depreciation, interest & tax	408.87	404.53
(iii) Profit after tax	225.85	0.19





## HANUMAN TEA COMPANY LIMITED

### DEPRECIATION

Depreciation for the year has been calculated at the higher rate, to conserve the resources of the Company for further expansion/diversification.

### DIRECTORS

Sri Shree Krishan Bagla, Sri P. D. Khaitan and Sri Om Kaul resigned from the Board with effect from 5.3.97, 5.3.97 and 16.5.97 respectively. Sri A. K. Chanda expired on 7.2.97.

The Board placed on record its appreciation for the valuable advices given by Sri Shree Krishan Bagla, Sri P. D. Khaitan, Sri Om Kaul and Sri A. K. Chanda during their respective tenure of office as Directors of the Company.

Sri Satya Narayan Bagla retire by rotation and being eligible, offers himself for re-appointment.

### AUDITORS

The Company has received a notice from a shareholder under Section 225 (1) of the Companies Act, 1956 to appoint an Auditor other than the retiring Auditors.

### AUDITORS' REPORT

The observations made in the Auditors' Report have been suitably clarified in the Notes on Accounts which are self-explanatory.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars as required under Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 are given in the annexed statement.

### PERSONNEL

Relation with employees at all levels of the Company in the plantations and in Calcutta remained cordial during the year under review.

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of the Employees) Rules, 1975 is not applicable.

By Order of the Board

Calcutta  
22nd November, 1997

SATYA NARAYAN BAGLA  
Chairman