



HANUMAN TEA COMPANY LIMITED

41ST ANNUAL REPORT

2002-2003





HANUMAN TEA COMPANY LIMITED

BOARD OF DIRECTORS : MR. SANJAY PRAMANICK
MR. SHYAMAL SANTRA
MR. LAXMINARAYAN BORAI

BANKERS : BANK OF BARODA

AUDITORS : MESSRS B. R. MITTAL & CO.
CHARTERED ACCOUNTANTS

REGISTERED OFFICE : FMC FORTUNA 1ST FLOOR
234/3A, A. J. C. BOSE ROAD
KOLKATA - 700 020

GARDEN : I) SONAJULI TEA ESTATE
P.O. BORJULI
DIST. SONITPUR (ASSAM)
II) RAMJHORA TEA ESTATE
P.O. RAMJHORA
DIST. JALPAIGURI (W.B.)

III) LAHORIJAN & NIRMAL KUMAR TEA ESTATE
P.O. DIMAPUR
DIST. KARBI ANGLONG (ASSAM)

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HANUMAN TEA COMPANY LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors have pleasure in presenting the Forty First Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2003.

FINANCIAL RESULTS

2002-2003

(31st March, 2003)

(Rs. in lakhs)

Gross Profit /Loss
(before depreciation, interest
and taxation) (674.29)

Less :

| | |
|------------------------------|---------------|
| a) Depreciation | 127.61 |
| b) Interest | 414.82 |
| c) Provision for taxation | <u>542.43</u> |
| | (1216.72) |

Add :

| | |
|---|------------------|
| Balance brought forward from the previous year | (1711.82) |
| Loss carried forward | <u>(2928.54)</u> |

DIVIDEND

The Directors of your Company have not recommend any dividend due to loss.

EXPANSION & MODERNISATION

Due to paucity of funds no expansion programme could be carried out at the Tea Estates

OUTLOOK

The Tea Prices are under severe pressure. The long term health of the industry is uncertain. There is also

major challenges as a result of cash flow problem and overall resource crunch.

Work at Ramjhora T.E. was suspended on 10th August, 2002 due to labour unrest

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.

DIRECTORS RESPONSIBILITY STATEMENT

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

Your Directors are happy to put on record that the items of Responsibility Statement stated below pursuant to Section 217(2AA) of the Companies Act, 1956, are being followed as a matter of practice. However, as required statutory, your Board affirms that :

- i) The accounting standards as applicable to your Company and corroborated by the Companies Act, 1956, have been followed in course of preparation of the Annual Accounts for the year ended 31st March, 2003 and there have not been any material departures to warrant further explanation.
- ii) The accounting policies as have been followed are bring continued in course of



preparation of the Annual Accounts for the year ended 31st March 2003, so as to exhibit a true and fair view of the state of affairs of the Company and the loss for that period as have also been corroborated by the Statutory Auditors of the Company.

- iii) The Statutory Auditors Report confirm in regard to adequate controls and internal audit system being followed by the Company in course of running of the Company's affairs as also for maintenance of the assets. Your Directors take every caution to relate such control measures to the benefit of the Company and to avoid any fraud or irregularities.

- iv) The Company's Accounts for the year ended 31st March, 2003 have been prepared on a going concern basis as earlier.

RESIGNATION OF DIRECTORS

Shri Satayanarayan Bagla, Shri Sushil Kumar Baagla, Shri Ashok Kumar Kanodia & Shri Narayan Prasad Goenka have resigned from the Board. The Board places on record the valuable services re-entered by them during their tenure as Director.

DIRECTORS

Shri Sanjay Paramanick, Shri Shyamal Santra & Shri Laxminarayan Borai were appointed as the Directors during the year. Shri Shyamal Santra & Shri Laxminarayan Borai retires by rotation and being eligible, offer themselves 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 Auditor's Report have been suitably clarified in the notes on Accounts which are self-explanatory.

LISTING OF COMPANY'S SHARES

The Equity Shares of the Company are listed at Calcutta, Mumbai, Delhi & Guwahati Stock Exchanges and Annual Listing Fees have been paid for the year 2001-2002.

DEMATERIALISATION OF SHARES

In compliance with the requirements of the Securities & Exchange Board of India, trading in the Company's shares in dematerialised form has been made compulsory for all categories of investors during the year under review.

PERSONNEL

Relation with employees at all levels of the Company in the plantations and in Calcutta remained cordial during the year under review, save except of Ramjhora Tea Estate.

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

Kolkata
11th August, 2003

By Order of the Board
Sanjay Paramanick
Director



HANUMAN TEA COMPANY LIMITED

ANNEXURE TO THE DIRECTOR'S REPORT

Particulars of Conservation of energy, Technology Absorption and Foreign Exchange Earnings and outgo-in terms of Section 217 (1) (e) of the Companies Act, 1988 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1968 forming part of Director's Report for the year ended 31st March, 2003.

Form "A"

Forms for Disclosure of particulars with respect to Conservation of Energy

A. Power and Fuel Consumption

| i) Electricity | | 2002-2003 | 2001-2002 |
|---|-------|------------|-----------|
| a) Purchased | | | |
| Unit | KWH | 310030 | 808,410 |
| Total Amount | Rs. | 2738582 | 4,595,035 |
| Rate/Unit | Rs. | 8.83 | 5.68 |
| b) Own Generation through Diesel Generators | | | |
| Unit | KWH | 175495 | 392,173 |
| Unit per Ltr. of Diesel Oil | KWH | 1.46 | 1.77 |
| Cost/Unit | Rs. | 12.34 | 9.59 |
| ii) Coal | | | |
| Quantity | M.T. | 975.152 | 1,318.000 |
| Total Cost | Rs. | 1982053.29 | 2,631.101 |
| Average Rate per M.T. | Rs. | 2,032.56 | 1,996.12 |
| iii) Furnace Oil | | | |
| Quantity | Ltrs. | - | 75,613 |
| Total Cost | Rs. | - | 947,147 |
| Average Rate per Litre | Rs. | - | 12.53 |

B. Total Power & Fuel Consumption per unit

| | | | |
|-----------------------|-----|--------|-----------|
| Production of Tea | | | |
| Product - Tea | Kg | 777630 | 1,317,253 |
| Electricity Purchased | Rs. | 3.52 | 3.49 |
| Own Generation | Rs. | 2.78 | 2.86 |
| Furnace Oil | Rs. | - | 0.72 |
| Coal | Rs. | 2.55 | 2.00 |
| Others | Rs. | Nil | Nil |

From "B"

B. Form for Disclosure of Particulars with respect to Technology Absorption, Research and Development (R & D)

1. Specific areas in which R & D carried out by the Company
2. Benefits derived as a result of the above R & D
3. Future plan of action
4. Expenditure on R & D
 - (a) Capital
 - (b) Recurring
 - (c) Total
 - (d) Total R & D expenditure as a percentage of total turnover

The Company subscribes to Tea Research Association which is registered under Section 35 (1) (ii) of the Income Tax Act, 1961

Technology Absorption, Adaptation and Innovation

1. Efforts in brief made towards technology absorption, adaptation and innovation.
2. Benefit derived as a result of the above efforts e.g. product development, import substitution.
3. In case of imported technology (imported during the last 5 year reckoned from the beginning of the financial year).

Not applicable

Following information may be furnished :

- (a) Technology imported
- (b) Year of import
- (c) Has technology been fully absorbed ?
- (d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action.

C. Foreign Exchange Earnings and Outgo

2002-2003

2001-2002

Earnings -

From Direct Export of Teas

-

-

Outgo -

Director's Travelling

-

-

Capital Goods

-

-

Kolkata

11th August, 2003

BY Order of the Board
SANJAY PRAMANICK
Director



HANUMAN TEA COMPANY LIMITED

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
HANUMAN TEA COMPANY LIMITED**

We have audited the attached Balance Sheet of M/S. HANUMAN TEA COMPANY LIMITED as at 31st March, 2003 and the Profit & Loss Account for the Year ended on that date, annexed thereto, and further report that :

1. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in Paragraphs 4 and 5 of the said Order.
- 4 (i) The accounts of the Company have been prepared on the basis of going concern assumption. However, in view of the fact that the company has incurred losses to the tune of Rs. 1216.73 Lacs, the company is not in a position to honour its commitments towards various secured and unsecured liabilities including its borrowings from its various financial and banking institution. We are unable to express our opinion on the ability of the company to continue as a going concern in this regard.
- ii) Attention is invited to Note No.2 of Schedule -18 regarding non-production of garden books of account and relevant records. In view of the same we are unable to comment on the debiting of various garden expenses of Rs. 453.52 lacs for Sonajuli Tea Estate, Rs. 55.85 lacs for Ramjhora Tea Estate and Rs. 25.87 lacs for Garden Expenses on account of Lahorijan & Nirmal Kumar Tea Estate.
- (iii) Attention is invited to Note No. 2 of schedule -18 regarding Lockout of Ramjhora Tea Estate. In view of the above, we are unable to comment on the accounts of the above Tea Estate.
- iv) Attention is invited to Note No. 3 of Schedule - 18 regarding payment of compensation to UTI & LIC amounting to Rs. 267.75 Lacs. We are unable to comment for the payment of such compensation to Preference Shareholders.
- v) Attention is invited to Note No. 7 of Schedule - 18 regarding various major advances given by the Company, amounting to Rs. 957.59 Lacs. We are unable to express any opinion on such advances.
- (vi) Attention is invited to Clause 20 of MAOCARO 1988, regarding the appeal made by



the Company before AAIFR.

5. Further to our comments in the annexure referred to above and given in Point No . 4 aforesaid and subject to Note No. 5 of schedule - 18 relating to notes on Accounts, we report that :
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books maintained.
 - c) The Balance Sheet and Profit & Loss Account, dealt with by in this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in Sub-section (3C) of section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from the Directors, as on 31st March 2003, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st march , 2003 from being appointed as a Director in terms of clause (g) of Sub-section (1) of section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to explanation given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i) In the case of the Balance Sheet , of the state of Affairs of the Company as at 31st March, 2003, and
 - ii) In the case of Profit & Loss Account of the loss of the Company for the year ended on that date.

Place : Kolkata

FOR B. R. MITTAL & COMPANY
Chartered Accountants

Dated : 11th August, 2003 .

(B. R. Mittal)
Partner