



**THE PERIA KARAMALAI
TEA AND PRODUCE
COMPANY LIMITED**

Report  Junction

88th
Annual Report
2000 - 2001



THE PERIA KARAMALAI TEA AND PRODUCE COMPANY LIMITED

Eightyeighth Annual Report 2000-2001

Chairman	Shri L.N. Bangur
Managing Directors	Shri G.D. Kabra Smt Alka Bangur
Directors	Shri G.K. Sundaram Shri R.L. Gaggar Shri N. Srinivasan
Company Secretary	Shri R.V. Sridharan
Auditors	Messrs. Fraser & Ross Chartered Accountants
Bankers	Union Bank of India ICICI Bank Ltd. Bank of Baroda State Bank of India Vijaya Bank
Registered Office	Cowcoody Chambers 234-A, Race Course Road Coimbatore - 641 018 Tamil Nadu



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NOTICE OF THE 88th ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eighty-eighth Annual General Meeting of the Company will be held at the Indian Chamber of Commerce & Industry, "Chamber Towers", 732, Avanashi Road, Coimbatore - 641 018 at 11.00 A.M. on Monday, the 27th August 2001, to transact the following business :

1. To receive and adopt the Directors' Report, Audited Profit and Loss Account for the year ended 31st March 2001, the Balance Sheet as at that date and the Auditors' Report thereon.
2. To declare a dividend.
3. To appoint a Director in place of Shri. R.L. Gaggar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri. N. Srinivasan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

Hyderabad,
22nd May, 2001.

By Order of the Board
R. V. Sridharan
Company Secretary

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 the proxy need not be a member of the Company.
- b) The Register of Members and the Share Transfer Books of the Company will remain closed from 17th August, 2001 to 27th August, 2001 (both days inclusive).
- c) The dividend to be declared at the meeting will be payable to those members whose names appear on the Register of Members of the Company as on 27th August, 2001.
- d) Members are requested to intimate their change of address if any along with PIN Code, to the Company at its Registered Office quoting their respective folio numbers.
- e) Members who have not surrendered their old Share Certificates of Rs.2/- each are requested to do so to enable the Company to forward new Share Certificates of Rs.10/- each in lieu thereof.
- f) **Members who seek information with regard to Accounts are requested to send their queries on or before 20th August 2001, so as to enable the management to keep the information ready.**
- g) Members are requested to bring their copy of the Annual Report to the Annual General Meeting.

THE COMPANY'S EQUITY SHARES ARE LISTED IN THE FOLLOWING STOCK EXCHANGES :

1. The Coimbatore Stock Exchange Ltd.
"Stock Exchange Building", 683/686, Trichy Road, Singanallur, Coimbatore - 641 045.
2. The Madras Stock Exchange Ltd.
"Exchange Building", 11, Second Line Beach, Chennai - 600 001.
3. The Calcutta Stock Exchange Association Ltd.
7, Lyons Range, Kolkatta - 700 001

The Company has paid the annual listing fees for the period 2001 / 2002 to the above Stock Exchanges.



DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the Eighty-eighth Annual Report for the year ended 31st March, 2001.

FINANCIAL RESULTS

Rs.

Profit before Depreciation	45,54,443
Less : Depreciation	1,97,98,866
Loss for the year	1,52,44,423
Add : Unappropriated Profit brought forward from last year	1,86,60,116
Available for appropriation	34,15,693

APPROPRIATIONS

Proposed Dividend	20,63,919
Tax on Dividend	2,10,520
Surplus Carried Over	11,41,254
Total	34,15,693

DIVIDEND

Your Directors are pleased to recommend a dividend of 10% for the year ended 31st March, 2001 out of the unappropriated balance of profit of the previous year.

OPERATIONS

Tea

Production during the year under review was higher at 45,46,826 kg as against the previous year's crop of 44,51,201 kg. This is considered satisfactory in view of the fact that weather conditions were not very congenial during the year.

As indicated in the last report, the tea market remained sluggish throughout the year and the average realisation was Rs. 57.33 per kg. against Rs. 64.08 in the last year. The above trend was mostly due to higher world production coupled with free import of cheaper teas from overseas.

FUTURE PROSPECTS

With standardised agricultural and manufacturing practices, we are confident of harvesting a higher tea crop with quality. Our production levels will keep up the upward trend in the years to come and our endeavour is to improve our manufacturing standards further. Simultaneously all efforts are being made to contain cost of production without affecting crop and quality.

WIND TURBINES

The generation during the year under review was 49.90 lakhs units as against previous year's generation of 56.50 lakhs units. The fall in generation was due to less favourable wind conditions.

PUBLIC DEPOSITS

Deposits outstanding as on 31st March, 2001 were Rs.2,24,50,000/- and the amount of unclaimed deposits were Rs. 2,12,000/- out of which seven deposits amounting to Rs. 88,000 have since been renewed / refunded.

PARTICULARS OF EMPLOYEES

There are no employee in receipt of remuneration in excess of Rs. 12 lakhs per annum.

DIRECTORS

Shri R.L.Gaggar and Shri N. Srinivasan will retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

INDUSTRIAL RELATIONS

Industrial Relations were cordial during the year.

SUBSIDIARY COMPANY

Sri Vithoba Investments Ltd., a wholly owned subsidiary has earned a profit of Rs. 1,33,880/- during the year under review. Particulars pursuant to Section 212 of the Companies Act, 1956 as well as the accounts are annexed.

STATUTORY STATEMENTS

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is given in the annexure which forms part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of Section 217 (2AA) of the Companies Act, 1956 as amended by Companies (Amendment) Act, 2000, the Directors of your Company confirm that:

- All applicable accounting standards have been followed in the preparation of annual accounts and that there are no material departure



- b) That such accounting policies have been selected and applied consistently and such judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2001 and of the profit or loss of the Company for the year ended on that date.
- c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
- d) That the annual accounts have been prepared on a going concern basis.

AUDITORS

Messrs. Fraser & Ross, Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

ACKNOWLEDGEMENT

The Board wishes to place on record its appreciation of the services rendered by the employees at all levels. The Board also wish to thank the financial institutions, banks, shareholders, depositors, and customers for their continued support and co-operation.

Hyderabad,
22nd May, 2001.

For and on behalf of the Board
L.N. Bangur
Chairman

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ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

Energy conservation is an on-going activity and it is being closely monitored to a specific programme of reduction.

(FOR TEA ONLY)

FORM A

(See Rule 2)

Particulars with respect to conservation of energy.

A. POWER & FUEL CONSUMPTION	31.3.2001	31.3.2000
1. Electricity		
a) Purchased:		
Units	36,10,046	44,75,841
Total Amount	Rs. 1,38,45,490	1,51,37,863
Rate/Unit	Rs. 3.84	3.38
b) Own Generation		
(i) Through Diesel Generators - Units	2,79,513	3,10,057
Units per Litre of Diesel	2.45	2.31
Cost/Unit	Rs. 6.15	4.76
(ii) Through Wind Turbine Generators - Units	49,91,636	56,54,117
2. Leco (used in Dryer Heaters)		
Quantity	Kg. 1,15,427	6,95,483
Total Cost	Rs. 8,11,104	34,13,009
Average Rate (Rs./Kg.)	7.03	4.90
3. Others (Purchased)		
(i) Firewood (Used in Dryer Heaters)		
Quantity	Kg. 59,54,746	50,26,766
Total Cost	Rs. 81,65,012	54,87,232
Average Rate (Rs./Kg.)	1.37	1.09
(ii) Solid Fuel (Agni)		
Quantity	Kg. 40,720	—
Total Cost	Rs. 1,08,722	—
Average Rate (Rs./Kg.)	2.67	—

**B. CONSUMPTION PER UNIT OF PRODUCTION**

Product - Tea

(kgs. of made tea per unit of Power/Fuel)

Electricity : Unit	0.85	1.07
Fuel : Kg.	1.34	1.28

Note : No standards are available for comparison.

B. TECHNOLOGY ABSORPTION**FORM B**

(See Rule 2)

Particulars with respect to Absorption

1. Research and Development (R&D)

- a. Specific area in which R & D carried out by the Company : The development activities of the Company are mainly towards higher yields, quality improvement and energy conservation.
- b. Benefits derived, as a result of above R & D: Improvement in yield and quality of product.
- c. Future plan of action and expenditure on R & D : The development work is an on - going process. No separate record of expenditure incurred is maintained.

2. Technology absorption, adaptation and innovation

The Company is continuously adapting suggestions / recommendations of UPASI besides its own efforts for improvements in better upkeep, productivity, etc. Benefits derived are cost reduction, improvement in yield and quality of product. There is no import of technology.

3. Foreign Exchange Earnings and Outgo : Nil

Hyderabad,
22nd May, 2001

For and on behalf of the Board
L.N. BANGUR
Chairman

Annual Report 2000-2001



ACREAGE STATEMENT AS AT 31-3-2001

	Karamalai Acres	Akkamalai Acres	Vellamalai Acres	Nadumalai Acres	Acres	Total Hectares
TEA						
Mature	856.00	1027.00	1194.55	707.30	3784.85	1531.66
Immature	10.00	—	21.24	8.90	40.14	16.24
CARDAMOM						
Mature	118.00	51.50	292.09	143.50	605.09	244.86
Fuel Clearings	—	87.70	27.90	19.95	135.55	54.86
Nurseries	5.31	1.00	1.80	6.15	14.26	5.77
Buildings, Roads, etc.	95.34	56.86	123.10	72.10	347.40	140.59
Rocks, Ravines and Wastelands	49.32	47.94	31.26	29.25	157.77	63.85
Total	1133.97	1272.00	1691.94	987.15	5085.06	2057.83

COMPARATIVE RESULTS 1992-2001

Year ended 31st March	TEA CROP				PER KILOGRAM		EARNINGS			DIVIDEND	
	Own Leaf	Bought Leaf	Total	Yield per acre	Cost	Sale Price	Profit before tax	Profit after tax	Earnings on Equity Capital %	Amount distributed	Percentage distributed
	Kgs.	Kgs.	Kgs.	Kgs.	Rs.	Rs.	Rs.	Rs.		Rs.	
1992	38,58,648	1,44,042	40,02,690	1,019	35.80	38.24	2,01,17,404	1,31,17,404	101	51,92,212	40
1993	35,35,860	—	35,35,860	934	40.40	41.56	85,42,436	85,42,436	41	53,12,276	34★
1994	41,49,019	18,219	41,67,238	1,095	40.23	43.08	1,73,46,934	1,60,96,934	78	41,27,838	20
1995	34,48,590	17,194	34,65,784	911	39.84	35.92	1,02,98,400	50,35,682	—	20,63,919	10
1996	45,34,543	1,73,238	47,07,781	1198	40.52	44.92	2,04,04,227	2,04,04,227	99	45,40,622	22
1997	42,64,444	2,66,212	45,30,656	1127	44.05	45.80	88,44,665	78,94,665	38	45,40,622	22
1998	51,25,750	—	51,25,750	1354	54.18	70.12	8,42,07,550	5,02,07,550	243	1,03,19,595	50
1999	44,21,545	—	44,21,545	1168	56.37	64.88	4,42,83,050	4,22,83,050	205	1,03,19,595	50
2000	44,51,201	—	44,51,201	1176	65.55	64.08	87,19,413	37,19,413	18	20,63,919	10
2001	45,46,826	—	45,46,826	1201	59.72	57.33	-1,52,44,423	-1,52,44,423	—	20,63,919	10★★

★ On the increased capital

★★ Recommended (Tax free)



REPORT OF THE AUDITORS

To the members of
THE PERIA KARAMALAI TEA AND PRODUCE COMPANY LIMITED

We have audited the attached Balance Sheet of the Company as at 31st March 2001 and the annexed Profit and Loss Account for the year ended on that date and report that:

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order 1988 and on the basis of such checks as we considered appropriate we give in the Annexure a statement on the matters specified in Paragraph 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in Paragraph 1 above, we state 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.
 - c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - d) In our opinion the Profit and Loss Account and Balance Sheet comply with Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies act, 1956.
 - e) On the basis of the written representations received from the directors as on 31st March 2001, and taken on record by the Board of Directors we report that none of the directors is disqualified as on 31st March 2001 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 the explanations given to us, the said accounts together with the attached schedules and notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true fair view:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2001 and
 - ii. in the case of the Profit and Loss Account, of the loss for the year ended on that date.

Coimbatore,
25th May, 2001

For Fraser & Ross
R. Jagannathan
Partner
Chartered Accountants