



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

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**90th
ANNUAL REPORT
2002-2003**



THE PERIA KARAMALAI TEA AND PRODUCE COMPANY LIMITED

Nintieth Annual Report 2002-2003

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.
Registered Office	Cowcoody Chambers 234-A, Race Course Road Coimbatore - 641 018 Tamilnadu
Registrars	M/s. SKDC Consultatns Ltd. 11, S.N. Das Layout St.No.1, Talabad Coimbatore - 641 012 Ph : 0422 - 2499856



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NOTICE OF THE 90th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 90th 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 4.00 P.M. on Friday, the 22nd August, 2003 to transact the following business:

ORDINARY BUSINESS :

1. To receive and adopt the Directors' Report, Audited Profit and Loss Account for the year ended 31st March 2003, the Balance Sheet as at that date and the Auditors' Report thereon.
2. To appoint a Director in place of Shri R.L. Gaggar who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri N. Srinivasan who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED that in accordance with Schedule XIII read with section 198, 269, 309 and other applicable provisions of the Companies Act, 1956, the consent of the Company be and is hereby given for the re-appointment of Smt. Alka Bangur as Managing Director of the Company for a period of 5 years with effect from 17th September, 2003 as per the terms and conditions set out in the agreement and also in the Explanatory Statement annexed hereto."

6. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution.

"RESOLVED that the approval of the members be and is hereby accorded subject to the provisions of Section 310 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government for reimbursement of Rs.347903 towards specialised medical expenses to Sri.G.D.Kabra, Managing Director over and above the perquisites allowable to him in accordance with Part II of Schedule XIII of the Companies Act, 1956, under the resolution of Annual General Meeting of the Company dated 31st August, 1998".

Coimbatore
18th July, 2003

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. Proxies, in order to be effective, must be received at the registered office of the Company not less than 48 hours before the commencement of the Annual General Meeting.
- b) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 concerning special business is annexed hereto.
- c) Pursuant to Section 154 of the Companies Act, 1956 the Register of Members and the Share Transfer Books of the Company will remain closed from 18th August, 2003 to 22nd August, 2003 (both days inclusive).
- d) The Company has appointed M/s S.K.D.C. Consultants Limited, S.N. Das Layout, Tatabad, Coimbatore - 641 012 as Registrar and Share Transfer Agents for both physical and demat segments. Members holding shares in physical form are requested to intimate changes, if any, in their registered address along with the pincode numbers and to mention their registered folio number in all correspondence to M/s S.K.D.C. Consultants Limited. Members holding shares in dematerialised form are requested to notify such changes to their depository participants.
- e) Unclaimed dividend for the year 1995-96 will be transferred to Investor Education and Protection Fund on or before 17th September, 2003. Members who have not claimed the dividend can claim the same early. Members are advised that once the unclaimed dividend is transferred to Investor Education and Protection Fund, no claim shall lie in respect thereof.
- f) The Company's equity shares are listed in the following stock exchanges :
 1. The Coimbatore Stock Exchange Limited
"Stock Exchange Building,"
683 / 686, Trichy Road,
Singanallur,
Coimbatore - 641 005.
 2. Madras Stock Exchange Limited
"Exchange Building,"
11, Second Line Beach,
Chennai - 600 001.
 3. The Calcutta Stock Exchange Association Limited
7, Lyons Range,
Kolkata - 700 001.

The Company has paid the annual listing fee for the period 2003 - 2004 to the above stock exchanges.

- g) Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
- h) Members who seek information with regard to Accounts are requested to send their queries on or before 10th August, 2003 so as to enable the management to keep the information ready.



EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No.5

Smt. Alka Bangur was re-appointed as Managing Director of the Company at the Annual General Meeting held on 31st August, 1998 for a period of 5 years with effect from 17th September, 1998 and her present term expires on 16th September, 2003. At the meeting of the Board of Directors of the Company held on 24th June, 2003 and as approved by the Remuneration Committee Smt. Alka Bangur has been re-appointed as Managing Director for a further period of 5 years with effect from 17th September, 2003 subject to the approval of the members in the General Meeting with remuneration as given below :

1. SALARY :

Rs.50,000/- (Rupees fifty thousand only) per month in the scale of Rs.50,000 - 70,000 with such annual increments as the Board may decide.

2. COMMISSION :

Commission on net profits of the company in each year computed in accordance with section 349 of the Companies Act, 1956 subject to such limit as may be decided by the Board in accordance with such performance parameters but shall not exceed an amount equal to the annual salary for the relevant year.

3. ALLOWANCE / PERQUISITES :

In addition to the salary and commission, the Managing Director shall be entitled to the following by way of perquisites and allowances restricted to an amount equal to the annual salary.

- i) The Managing Director shall be entitled to furnished accommodation and where accommodation is not provided 60% of the salary shall be paid as house rent allowance.

The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be valued as per the Income Tax Rules, 1962.

- ii) Medical Expenses incurred by the Managing Director and the family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- iii) Leave Travel Concession for self and her family in accordance with the rules of the Company.
- iv) Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- v) Personal Accident Insurance premium of Rs.4000/- per annum.

"Family" means the spouse, dependant children and dependant parents.

Perquisites will be valued as per Income Tax Rules wherever applicable and in the absence of such rules at actual costs.

4. OTHER BENEFITS :

Contribution to Provident Fund and Superannuation Fund as applicable to other managerial staff of the company.

She will be entitled to Gratuity @ half months' salary for each completed year of service.

Encashment of unavailed leave at the end of tenure as per rules of the company. In addition the Managing Director shall be entitled to such casual leave and sick leave as applicable to other managerial staff of the company.

Use of company's car for official purposes and telephone at residence including long distance official calls shall not be considered as perquisites.



The Managing Director shall be entitled to reimbursement of travelling expenses and entertainment expenses actually incurred in the course of company's business.

The Managing Director shall not be entitled to any sitting fees for attending the meetings of the Board or a committee thereof.

Salary, perquisites and commission shall be subject to the overall ceiling under sections 198, 309 and Schedule XIII of the Companies Act, 1956.

In the event of absence or inadequacy of profits in any financial year during the tenure of the Managing Director, the remuneration would be paid as above subject to the ceiling under paragraph 1 of Section II of Part II of Schedule XIII of the Companies Act, 1956.

The Remuneration Committee and the Board of Directors have approved the re-appointment of Smt. Alka Bangur on the above terms.

A copy of the agreement containing the terms and conditions of appointment of Smt. Alka Bangur is available for inspection at the registered office of the company during business hours.

This may also be treated as an abstract of the terms of re-appointment of Smt. Alka Bangur and memorandum of interest pursuant to Section 302 of the Companies Act, 1956.

Smt. Alka Bangur is related to Shri L.N. Bangur. As such both are deemed to be interested in the resolution and no other director is concerned or interested in this resolution.

The Board recommend this resolution for approval of the members.

Item No. 6

Sri G.D.Kabra has been associated with the Company since 1985. He became Wholetime Director in 1988 and holding the present position as Managing Director from 1993. Sri.G.D.Kabra is an acknowledged expert in the Tea Industry and his Company has been richly benefited with his vast experience.

Remuneration and perquisites to Sri.G.D.Kabra, Managing Director is determined in accordance with Part II of Schedule XIII to the Companies Act, 1956 under the resolution passed in the Annual General Meeting of the Company dated 31st August, 1998. As per the resolution, he is entitled under the Category of perquisites, for reimbursement of Medical Expenses for himself and his family, subject to a ceiling of one month salary in a year or three month's salary over a period of three years. He had to undergo a specialised treatment incurring expenses aggregating Rs.347903/-.

The Board of Directors at its meeting held on 14th July, 2003 has approved the reimbursement of above expenditure incurred on his medical treatment amounting to Rs.347903, subject to the approval of the members in the ensuing Annual General Meeting and the Central Government. Necessary application will be made to the Central Government after obtaining the consent of the members.

As the reimbursement of the aforesaid medical expenses would amount to variation in the terms of appointment of Sri G.D. Kabra, this may be treated as an intimation under Section 302 of the Companies Act, 1956.

The Board recommends the resolution for the approval of the members.

No director other than Sri.G.D.Kabra is concerned or interested in this resolution.

Coimbatore
18th July, 2003

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



DIRECTORS' REPORT TO THE SHAREHOLDERS

We herewith present the 90th Annual Report for the year ended 31st March, 2003.

FINANCIAL RESULTS

	31.03.2003
	Rs
Loss before interest and depreciation	70,55,999
Add Interest	1,48,84,138
Loss after Interest	2,19,40,137
Add Depreciation	1,72,88,499
Loss after Depreciation	3,92,28,636

DIVIDEND

In view of the loss incurred by the Company during the year under review, the Directors are unable to recommend any dividend for the financial year ended 31st March, 2003.

OPERATIONS

Tea

The Company produced 40,87,001 kg. of made tea during the year under review as against the previous year's crop of 40,34,400 kg. However the average price realisation was lower at Rs.45.95 per kg. as against Rs.46.29 per kg. in the last year.

FUTURE PROSPECTS

As mentioned last year, the tea market continued to be sluggish throughout the year and prices have been sliding continuously.

Unless tea prices, exports and internal consumption improve significantly together with the reduction in taxation and excise duty the immediate prospects of the tea are not promising. Government and Tea Board should take immediate and appropriate remedial measures to correct the situation.

WIND TURBINES

The generation during the year under review was 53.45 lakhs units as against previous year's generation of 54.50 lakhs units. The generation was in excess of the aggregate rated output of the windmills.

PUBLIC DEPOSITS

Deposits outstanding as on 31st March, 2003 were Rs.2,99,21,000/- and the amount of unclaimed deposits were Rs.2,33,000/- out of which eight deposits amounting to Rs.1,33,000 have since been renewed / refunded. Unclaimed deposits for over seven years have been remitted to Investor Education and Protection Fund.

PARTICULARS OF EMPLOYEES

There are no employees in receipt of remuneration in excess of Rs.24 lakhs per annum.

DIRECTORS

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



INDUSTRIAL RELATIONS

In the year under review the relationship was cordial.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard 21 issued by the Institute of Chartered Accountants of India, the audited Consolidated Financial Statements of the Company and the Subsidiary Company are annexed.

SUBSIDIARY COMPANY

Sri Vithoba Investments Ltd., a wholly owned subsidiary earned a profit of Rs.9,78,112/- during the year under review. Particulars pursuant to Section 212 of the Companies Act, 1956 as well as the accounts are annexed.

Sri Vithoba Investments Ltd has ceased to be a subsidiary of the company on 26th May, 2003.

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 :

- a) all applicable accounting standards have been followed in the preparation of annual accounts and that there are no material departure.
- b) 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 2003 and of the loss of the Company for the year ended on that date.
- c) 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) the annual accounts have been prepared on a going concern basis.

COST ACCOUNTING RECORDS

The Central Government during the year prescribed the statutory maintenance of Cost Accounting Records for Tea Industry and such records are made and maintained in the manner prescribed.

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 thank the financial institutions, banks, investors, depositors customers and employees for their continued support and co-operation.

Kolkata
24th June, 2003

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



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 AND FUEL CONSUMPTION		31.03.2003	31.03.2002
1. Electricity			
a) Purchased :			
Units		33,11,648	33,89,368
Total Amount	Rs.	1,26,40,046	1,30,28,334
Rate / Unit	Rs.	3.82	3.84
b) Own Generation			
i) Through Diesel Generators - Units		2,80,277	2,46,142
Units per Litre of Diesel		2.43	2.35
Cost / Unit	Rs.	8.05	7.67
ii) Through Wind Turbine Generators - Units		53,45,004	54,50,382
2. Leco (used in Dryer Heaters)	Kg.	-	20,125
Quantity	Rs.	-	1,04,957
Total Cost		-	5.22
3. Others (Purchased)			
i) Firewood (Used in Dryer Heaters)	Kg.	63,44,912	67,42,618
Quantity			
Total Cost	Rs.	84,85,495	92,75,999
Average Rate (Rs./Kg.)		1.34	1.37
ii) Solid Fuel Petroleum Coke (Agni)			
Quantity	Kg.	19,170	46,480
Total Cost	Rs.	84,041	1,80,944
Average Rate (Rs./Kg.)		4.38	3.89