



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

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**92<sup>nd</sup>  
ANNUAL REPORT  
2004-2005**



## THE PERIA KARAMALAI TEA AND PRODUCE COMPANY LIMITED

### *Ninety Second Annual Report 2004-2005*

<b>Chairman</b>	Mr. L.N. Bangur
<b>Managing Director</b>	Mrs. Alka Bangur
<b>Executive Director</b>	Mr. Prakash Parasher
<b>Directors</b>	Mr. G.D. Kabra Mr. G.K. Sundarām Mr. R.L. Gaggar Mr. N. Srinivasan
<b>Vice-President (Finance) &amp; Company Secretary</b>	Mr. R.V. Sridharan
<b>Auditors</b>	Messrs. Fraser & Ross Chartered Accountants
<b>Bankers</b>	Union Bank of India ICICI Bank Ltd.
<b>Registered Office</b>	Panchratn 234, Race Course Road Coimbatore - 641 018 Tamil Nadu
<b>Registrar &amp; Share Transfer Agents</b>	M/s. SKDC Consultants Ltd. 11, S.N. Das Layout Street No. 1 West Power House Road Coimbatore - 641 012 Ph : 0422 - 5549995



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## NOTICE OF THE 92nd ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 92nd 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 12.05 P.M. on Friday, the 29th July 2005, 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 2005, the Balance Sheet as at that date and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. R.L. Gaggar, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. N. Srinivasan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

Coimbatore,  
30th June, 2005.

By Order of the Board  
**R.V. Sridharan**  
Vice President (Finance) &  
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) 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.
- c) The Register of Members and the Share Transfer Books of the Company will remain closed from 19th July, 2005 to 29th July, 2005 (both days inclusive).
- d) 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 the Registrar and Share Transfer Agents, 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) Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended 31st March, 1998 and thereafter, which remain unclaimed for a period of 7 years will be transferred by the Company to the **Investor Education and Protection Fund (IEPF)** established by the Central Government under Section 205C of the Companies Act, 1956. The Company has already transferred the unclaimed dividends for the year ended 31st March, 1997 to the IEPF.

## Annual Report 2004-2005



Information in respect of such unclaimed dividend when due for transfer to the said Fund is given below :

Financial year ended	Date of Declaration of Dividend	Last date for claiming Unpaid dividend	Due date for transfer to IEP Fund
31.03.1998	31.08.1998	30.08.2005	29.09.2005
31.03.1999	23.09.1999	22.09.2006	21.10.2006
31.03.2000	28.08.2000	27.08.2007	26.09.2007
31.03.2001	27.08.2001	26.08.2008	25.09.2008

Shareholders who have not so far encashed the dividend warrant(s) are requested to seek issue of duplicate warrant(s) by writing to the Company's Registrar and Transfer Agents, M/s. SKDC Consultants Ltd., immediately. Shareholders are requested to note that no claims shall lie against the Company or the said Fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.

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 2005-06 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 18th July, 2005 so as to enable the Management to keep the information ready.

Coimbatore,  
30th June, 2005.

By Order of the Board  
**R.V. Sridharan**  
Vice President (Finance) &  
Company Secretary



## DIRECTORS' REPORT

We have pleasure in presenting the 92nd Annual Report for the year ended 31st March, 2005.

<b>FINANCIAL RESULTS</b>	<b>31.03.2005</b>
	Rs.
Profit before depreciation	3,62,54,888
Less : Depreciation	1,57,26,817
Profit before tax	2,05,28,071
Provision for tax	
Current	41,00,000
Deferred tax (Release)	(17,87,270)
	<u>23,12,730</u>
Profit after tax	<u>1,82,15,341</u>

Tamil Nadu Agricultural Income Tax stood repealed with effect from 1st April, 2004. The Deferred tax liability relating to period upto 31st March, 2004 amounting to Rs.253.76 lakhs has been credited to Profit & Loss Account of the year. The accumulated carry forward losses is reduced to this extent and the net loss carried forward is Rs.133.29 lakhs, which barring unforeseen circumstances, would be absorbed during the current year.

### DIVIDEND

In view of the accumulated losses of earlier years and in order to conserve funds for the well being of the Company, your Directors are unable to recommend dividend for the financial year ended 31st March, 2005.

### OPERATIONS

#### Tea

The company produced 3700101 kg of made tea during the year under review as against previous year's crop of 4101101 kg. The short fall in tea crop compared to last year was due to excess rainfall in the first half year which affected the production. However the average price realisation was higher at Rs. 61.25 per kg. as against Rs.51.56 per kg in the last year.

### FUTURE PROSPECTS

The total production of tea for the current year is not expected to be less than the year just ended and with the selling price likely to remain steady if not marginally improve, the current year profit may not be less than last year.

### WIND TURBINES

The generation during the year under review was 51.20 lakhs units which is lower than the previous year due to vagaries of monsoon.

### PUBLIC DEPOSITS

Deposits outstanding as on 31st March, 2005 were Rs. 2,14,69,000/- and the amount of unclaimed deposits were Rs 2,19,000/- out of which one deposit amounting to Rs.9,000 has since been renewed / refunded.

### PARTICULARS OF EMPLOYEES

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

### DIRECTORS

Mr. R.L. Gaggar and Mr. 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.

### 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.
- 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 2005 and of the profit of the Company for the year ended on that date.
- 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.

#### 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.

Coimbatore,  
29th April, 2005.

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 & FUEL CONSUMPTION	31.3.2005	31.3.2004
1. Electricity		
a) Purchased:		
Units	27,53,680	32,20,411
Total Amount	Rs. 1,01,20,384	1,23,63,967
Rate/Unit	Rs. 3.68	3.84
b) Own Generation		
(i) Through Diesel Generators - Units	2,55,331	2,22,465
Units per Litre of Diesel	2.49	2.34
Cost/Unit	Rs. 10.39	9.41
(ii) Through Wind Turbine Generators - Units	51,20,062	55,81,172



	31.03.2005	31.03.2004
2. Others (Purchased)		
(ii) Firewood (Used in Dryer Heaters)		
Quantity	Kg. 49,25,238	70,38,585
Total Cost	Rs. 74,97,596	91,98,339
Average Rate (Rs./Kg.)	1.52	1.31
(ii) Solid Fuel Petroleum Coke (Agni)		
Quantity	Kg. —	10,850
Total Cost	Rs. —	36,827
Average Rate (Rs./Kg.)	—	3.39
(iii) Bio fuel		
Quantity	Kg. 9,05,635	—
Total Cost	Rs. 21,21,674	—
Average Rate (Rs./Kg.)	2.34	—

**B. CONSUMPTION PER UNIT OF PRODUCTION**

Product - Tea

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

Electricity : Unit	0.81	0.84
Fuel : Kg.	1.58	1.72

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

Coimbatore,  
29th April, 2005

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