



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

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**94th
ANNUAL REPORT
2006-2007**



THE PERIA KARAMALAI TEA AND PRODUCE COMPANY LIMITED

Ninety Fourth Annual Report 2006-2007

Chairman	Mr. L.N. Bangur
Managing Director	Mrs. Alka Bangur
Executive Director	Mr. Prakash Parasher
Directors	Mr. G.D. Kabra Mr. G.K. Sundaram Mr. R.L. Gaggar Mr. N. Srinivasan
Vice-President (Finance) & Company Secretary	Mr. R.V. Sridharan
Auditors	Messrs. S.Krishnamoorthy & Co Chartered Accountants
Bankers	Union Bank of India ICICI Bank Ltd.
Registered Office	Panchratn 286, Race Course Road Coimbatore - 641 018 Tamil Nadu
Registrar & Share Transfer Agents	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 94th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 94th Annual General Meeting of the Company will be held at the Indian Chamber of Commerce & Industry, "Chamber Towers", 732, Avinashi Road, Coimbatore - 641 018 at 11.00 a.m. on Monday, the 30th July 2007 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 2007, the Balance Sheet as at that date and the Auditor's Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. G.K.Sundaram, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. R.L. Gaggar, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors in the place of retiring auditors and to fix their remuneration.

Valparai,
28th April 2007.

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

NOTES :

- 1) **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.**
- 2) 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.
- 3) The Register of Members and the Share Transfer Books of the Company will remain closed from 25th July 2007 to 27th July 2007 (both days inclusive).
- 4) The dividend when declared will be paid to those members whose name appear in the Register of Members as on 30th July 2007. In respect of shares held in electronic form, dividend will be paid on the basis of the beneficial ownership of the shares as on the closing business hours on 24th July 2007 as per details furnished by M/s. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.
- 5) Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956 dividend for the financial year ended 31st March 2000 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. The Company has already transferred the unclaimed dividends for the year ended 31st March 1999 to the IEPF.

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- 6) Members who have so far not en-cashed the dividend warrant(s) are requested to seek issue of duplicate warrant(s) to the Registrar and Share Transfer Agents immediately. Members are requested to note that no claims shall lie against the Company or the said Fund in respect of amounts which were unclaimed 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 claim.
- 7) Members holding shares in physical form are requested to intimate changes, if any, in their registered address immediately to the Registrars & Share Transfer Agents. Members holding shares in dematerialized form are requested to notify such changes to their depository participants.
- 8) Members are requested to bring their copy of the Annual Report to the meeting.
- 9) The Company's equity shares are listed in the following Stock Exchanges :
 1. The Coimbatore Stock Exchange Limited
683 / 686, Trichy Road,
Singanallur,
Coimbatore - 641 005.
 2. Madras Stock Exchange Limited
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 year 2007-2008 to the aforesaid stock exchanges.

Valparai,
28th April 2007.

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



DIRECTORS' REPORT

We have pleasure in presenting the 94th Annual Report for the year ended 31st March 2007.

FINANCIAL RESULTS		31.03.2007
		Rs.
Profit before depreciation		2,98,00,322
Less : Depreciation		<u>1,22,06,673</u>
Profit before tax		1,75,93,649
Provision for tax :		
Current Tax	25,00,000	
Fringe Benefit Tax	4,91,453	
Deferred tax Credit	<u>(11,85,420)</u>	
		18,06,033
Profit after tax		1,57,87,616
Brought forward profit from last year		<u>1,55,242</u>
Profit available for appropriation		<u>1,59,42,858</u>

Appropriations

Proposed Dividend	20,63,919
Tax on proposed Dividend	3,50,763
Surplus carried to Balance Sheet	<u>1,35,28,176</u>
	<u>1,59,42,858</u>

DIVIDEND

Your Directors are pleased to recommend a dividend of 10% on the equity capital of the Company for the year ended 31st March 2007.

OPERATIONS

Production suffered a setback due to severe drought conditions that prevailed during major part of the last quarter of the year under review. As a result the company could produce 35,03,749 kg only as against 37,02,177 kg in the previous year.

Price realization was higher @ Rs. 64.26 per kg as against Rs.61.95 per kg in the last year despite reduction in the volume of tea sold.

FUTURE PROSPECTS

Centralized manufacturing operations, with more focus on quality, will result in improved quality and reduction in cost which will bring additional revenue for the

Company. As a result the company hopes to achieve satisfactory results during the current year.

The market conditions are not encouraging at present. Cheaper varieties of tea are making their way into the market due to proliferation of bought leaf factories in North India.

On the export front, with Kenya reporting surplus production this year, export to Pakistan and other countries has come down considerably. This has increased the availability of tea in the domestic market though all India production has showed a declining trend.

WIND TURBINES

Favourable wind conditions and better maintenance standards improved the generation of power during the year. Generation of units was higher at 5379477 units compared 4771474 units to last year.

PUBLIC DEPOSITS

Deposits outstanding as on 31st March, 2007 were Rs. 2,40,31,000/- and the amount of unclaimed deposits were Rs. 1,67,000/-.

PARTICULARS OF EMPLOYEES

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

DIRECTORS

Mr. G.K. Sundaram and Mr. R.L. Gaggar retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

INDUSTRIAL RELATIONS

The relation between management and labour was cordial during the year.

COST AUDIT

Pursuant to Section 233B of the Companies Act, 1956, the Central Government has directed that an audit of the cost accounts of the Company, relating to tea, for the year ended 31st March 2006 and thereafter be conducted by a Cost Auditor. Accordingly, the Board with the approval of the Central Government has appointed M/s S. Mahadevan & Co., Coimbatore as

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Cost Auditors for the financial years 2005-2006 and 2006-2007 to conduct the audit and to submit the report in accordance with the requirements of law.

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 2007 and of the profit 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.

AUDITORS

M/s. S. Krishnamoorthy & Co., Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

REPLIES TO AUDITOR'S OBSERVATION

With regard to Auditor's Observation vide item No. 4 of Auditor's Report dated 28th April 2007 on non- provision of claim for interest by a financial institution, the relevant financial note No. 9(B)(b) is self explanatory.

ACKNOWLEDGEMENT

The Board wish to thank the financial institutions, banks, investors, depositors and customers for their support and look forward to their continued support in the future.

The Board also wish to place on record their appreciation of the devoted services of the employees during the year.

Valparai,
28th April 2007.

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