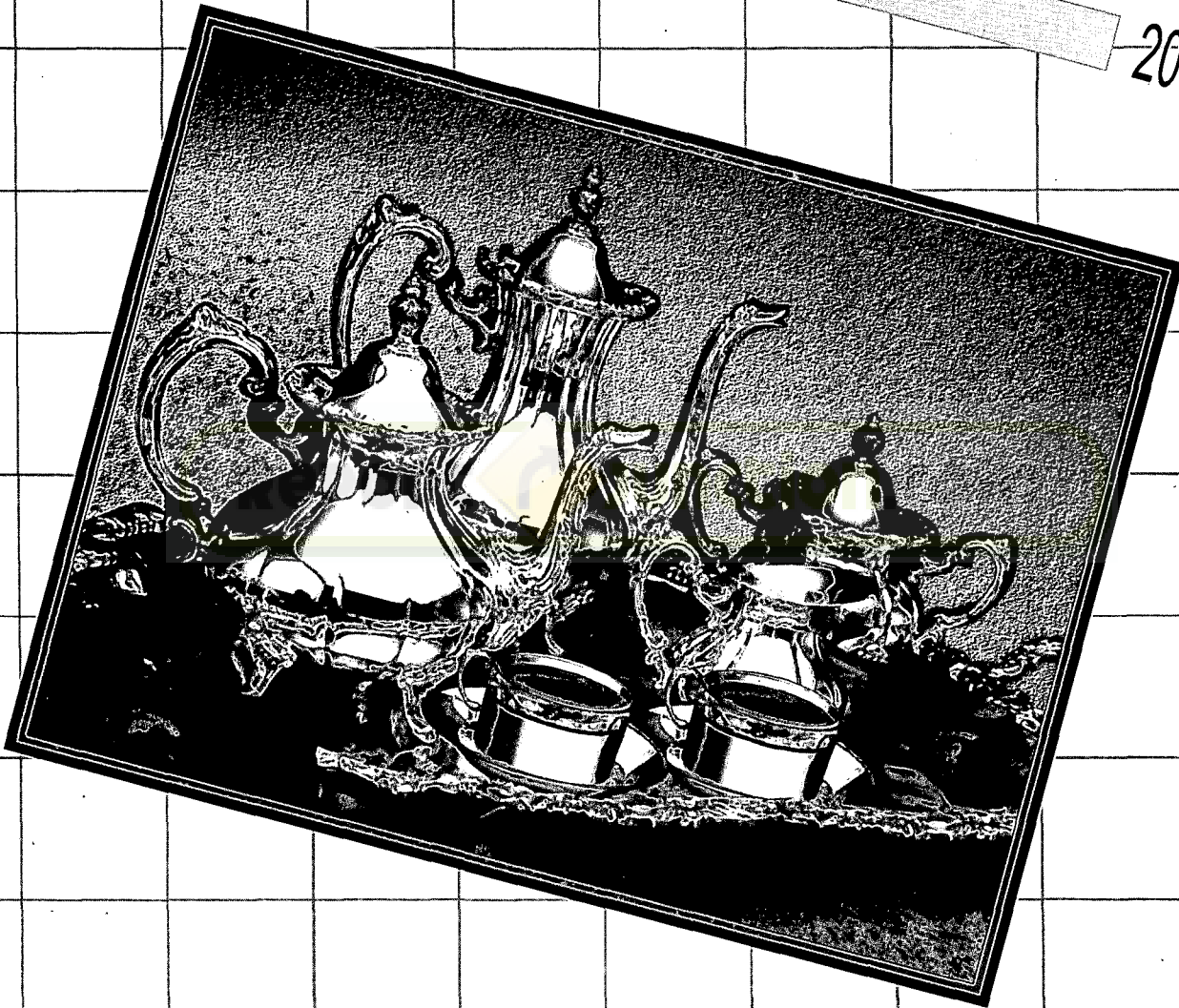


Annual Report

2008-09



THE PERIA KARAMALAI TEA & PRODUCE CO. LTD.



THE PERIA KARAMALAI TEA AND PRODUCE COMPANY LIMITED

Ninety Sixth Annual Report 2008-2009

Chairman	:	Mr. L.N. Bangur
Managing Director	:	Mrs. Alka Bangur
Executive Director	:	Mr. Prakash Parasher
Directors	:	Mr. G.K. Sundaram (Deceased on 18.05.09) Mr. R.L. Gaggar Mr. H.M. Parekh (w.e.f. 23.06.09) Mr. P.R. Ramakrishnan (w.e.f. 23.06.09)
Vice-President (Finance) & Company Secretary	:	Mr. R.V. Sridharan M.Com., FCS., MBA., LL.B.
Statutory Auditors	:	Messrs. S.Krishnamoorthy & Co Chartered Accountants Coimbatore
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



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NOTICE OF THE 96th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 96th 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 11.30 A.M. on Wednesday, the 29th July 2009 to transact the following business.

ORDINARY BUSINESS :

1. To receive and adopt the Director's Report, Audited Profit & Loss Account for the year ended 31st March 2009, 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. L.N. Bangur, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. R.L. Gaggur, 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.

SPECIAL BUSINESS :

6. To consider and, if thought fit, to pass with or without modification, the following resolutions as Ordinary Resolution.

"RESOLVED THAT Mr. H.M. Parekh who was appointed as an additional director in the meeting of the Board of Directors held on 23rd June 2009 and who holds office upto the date of the ensuing Annual General Meeting and in respect of whom notice under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. H.M. Parekh as a candidate for the office of Director, be and is hereby appointed as Director of the Company."

7. To consider and, if thought fit, to pass with or without modification, the following resolutions as Ordinary Resolution.

"RESOLVED THAT Mr. P.R. Ramakrishnan who was appointed as an additional director in the meeting of the Board of Directors held on 23rd June 2009 and who holds office upto the date of the ensuing Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. P.R. Ramakrishnan as a candidate for the office of Director, be and is hereby appointed as Director of the Company."

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

"RESOLVED THAT pursuant to Section 309(4)(b) and any other applicable provisions of the Companies Act, 1956 and any other statutory modification thereof or substitutions thereto, approval be and is hereby accorded for payment to Directors (who are neither in the whole time employment in the company nor a Managing Director) of a commission to all of them together upto 1% of net profits of the company for five years commencing from 1st April, 2008 computed in the manner referred to under Section 349 of the Companies Act, 1956.

The apportionment of the commission for each financial year among such directors shall be decided by the Board of Directors each year."

Kolkata,
June 23, 2009.

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 22.07.2009 to 29.07.2009 (both days inclusive).
4. The dividend when declared will be paid to those members whose name appear in the Register of Members as on 29th April 2009. 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 21.07.2009 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 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 2001 to the Investor Education and Protection Fund.
6. Members who have so far not encashed 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
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 2009-2010 to the Madras and Calcutta Stock Exchange. Since the company has not received any intimation from the Coimbatore Stock Exchange, listing fee has not been paid.



Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956

Item No. 6

Mr.H.M.Parekh who was appointed as an additional director with effect from 23rd June 2009 pursuant to Section 260 of the Companies Act, 1956 read with Article 124 of the Articles of Association of the Company, holds office upto the conclusion of the ensuing Annual General Meeting. In terms of Section 257 of the Companies Act, 1956 the Company has received a notice from a member along with a deposit of Rs.500/- signifying his intention to propose the candidature of Mr.H.M.Parekh for the office of Director.

Mr.H.M.Parekh has over 49 years of experience in tea industry. He retired as Chairman of world's largest tea broking company. He was the Executive Officer of the Project India Blend Ltd., and is currently a Marketing Consultant to some of the top tea producing companies. He is on the Board of several reputed tea companies. The Board feels that his knowledge and experience will be of benefit to the company.

The Directors recommend the resolution for approval of the shareholders.

Except Mr.H.M.Parekh, none of the Directors is interested or concerned in the proposed resolution.

Item No. 7

Mr. P.R. Ramakrishnan who was appointed as an additional director with effect from 23rd June 2009 pursuant to Section 260 of the Companies Act, 1956 read with Article 124 of the Articles of Association of the Company, holds office upto the conclusion of the ensuing Annual General Meeting. In terms of Section 257 of the Companies Act, 1956 the Company has received a notice from a member along with a deposit of Rs.500/- signifying his intention to propose the candidature of Mr. P.R. Ramakrishnan for the office of Director.

Mr. P.R. Ramakrishnan is a leading advocate in Coimbatore. He is in the legal profession for the past 34 years. The Board feels that his knowledge and experience will be of benefit to the company.

The Directors recommend the resolution for approval of the shareholders.

Except Mr. P.R. Ramakrishnan, none of the Directors is interested or concerned in the proposed resolution.

Item No. 8

Section 309 of the Companies Act, 1956 permits payment of remuneration to non-whole time directors by way of commission not exceeding 1% of the net profits of the company, if the company authorizes such payment by way of special resolution. It is proposed to pay commission upto a maximum of 1% of the net profits of the company to non whole time directors of the Board commencing from the financial year 2008-09 effective April 01, 2008 for a period of five years in accordance with the directions of the Board given from time to time. The proposal which is in consonance with Article 127 of the Articles of Association of the company does not require approval of the Central Government.

All the non-whole time directors of the company are deemed to be interested in the resolution to the extent of commission receivable by them individually pursuant to this resolution.

The directors recommend the resolution for approval of the shareholders.

Kolkata,
June 23, 2009.

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

**Details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting
(Pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges)**

Name of the Director	Mr. L.N. Bangur	Mr. R.L. Gaggar	Mr. H.M. Parekh	Mr. P.R. Ramakrishnan
Date of birth	27.08.1949	01.12.1932	23.03.1937	08.01.1952
Date of appointment	01.04.1988	07.10.1989	23.06.2009	23.06.2009
Qualification	B.Com	B.A. (Hons) LL.B	B.Com (Hons)	B.Com., B.L.
Expertise in specific functional area	Mr. L.N. Bangur has been associated with the Company as Chairman from April 1988. He hails from the Bangur family well-known in the trade and industry for over a century. He has long and varied experience with multi various industries like plantations, paper, textiles apart from trading and investment activities.	Mr. R.L. Gaggar is a leading advocate and solicitor of Calcutta High Court with more than 50 years of experience.	Mr. H.M. Parekh is a tea professional with 49 years of experience in the tea industry. He retired as Chairman of J. Thomas Co. Pvt. Ltd., world's largest tea broking Company. He was CEO of Project India Blend Ltd. Currently he is a marketing consultant to some of the top tea producing companies in India.	Mr. P.R. Ramakrishnan is an advocate and practicing law for the past 34 years in various Courts including Madras High Court, District Courts and Debt Recovery Tribunal. His clientele include Indian Bank, Tamilnadu Mercantile Bank, NTC, LIC and other reputed companies and institutions. He is a keen sportsman and past Ranji Trophy cricketer. He represented Coimbatore District Cricket team as captain. Currently he is Vice President - Coimbatore District Cricket Association, Member - Executive Committee Tamil Nadu Cricket Association, Treasurer - Coimbatore Golf Club and Member - Managing Committee Suburban Matriculation School, Coimbatore.
Shareholding	Holds 56,385 Equity Shares of Rs. 10/- each in the Company	Does not hold any share in the Company	Does not hold any share in the Company	Does not hold any share in the Company



Name of the Director	Mr. L.N. Bangur	Mr. R.L. Gaggar	Mr. H.M. Parekh	Mr. P.R. Ramakrishnan
Directorship in other Indian Public Limited Companies as on 31.03.2009	The Andhra Pradesh Paper Mills Ltd., Maharaja Shree Umaid Mills Ltd., Digvijay Investments Ltd., M.B. Commercial Co. Ltd., Amalgamated Development Ltd., Placid Limited The Kishore Trading Co. Ltd., Shree Krishna Agency Ltd., The Swadeshi Commercial Company Ltd. The General Investment Co. Ltd., Samay Books Ltd.,	Somani Ceramics Ltd., Sarda Plywood Industries Ltd., TIL Limited Paharpur Cooling Towers Ltd., International Combustion India Ltd., Subhas Projects & Marketing Ltd., Machino Plastic Ltd., Sumedha Fiscal Service Ltd., Shree Cement Ltd., Financial & Management Services Ltd., Machino Bassel India Ltd., Eastern Silk Industries Ltd., Bhaskar Silicon Ltd.,	The Methoni Tea Co. Ltd., Gujarat Tea Processors & Packers Ltd., Rossel Tea Ltd., Beeyu Overseas Ltd., Diana Tea Co. Ltd., The Grob Tea Co. Ltd.,	—
Chairmanship / Membership of Committees in other Indian Public Limited Companies as on 31.03.2009 (C = Chairman) (M = Member)	Audit Committee Digvijay Investments Ltd., (C) Investor Grievance Committee The Andhra Pradesh Paper Mills Ltd., (C)	Audit Committee TIL Limited (M) Somani Ceramics Ltd., (M) Shree Cement Ltd. (M) Paharpur Cooling Towers Ltd (M) Sarda Plywood Industries Ltd., (M) Share Transfer Committee TIL Limited (M) Shareholders / Investors Grievance Committee Somani Ceramics Ltd., (M) Shree Cement Ltd., (M) Sarda Plywood Industries Ltd., (M) Remuneration Committee Somani Ceramics Ltd., (M) Shree Cement Ltd., (M) Sarda Plywood Industries Ltd., (M)	Audit Committee Rossel Tea Ltd., (M) Diana Tea Co. Ltd., (M) Beeyu Overseas Ltd., (M) Remuneration Committee Rossel Tea Ltd., (M) Beeyu Overseas Ltd., (C) Diana Tea Co. Ltd., (M)	—



DIRECTORS' REPORT

Your Directors have pleasure in presenting the 96th Annual Report for the year ended 31st March 2009.

FINANCIAL RESULTS

	Rs. Lakhs	
	2008-09	2007-08
Profit before interest, depreciation and tax	792.76	339.53
Interest	18.87	44.72
Profit before depreciation	773.89	294.81
Depreciation	87.80	127.85
Less: Expenditure relating to earlier year	—	9.31
Profit before tax	686.09	157.65
Provision for tax:		
Current tax	47.00	18.00
Fringe Benefit tax	3.85	2.75
Deferred tax credit	(0.40)	(11.45)
Profit after tax	635.64	148.35
Add: Balance brought forward from previous year	97.41	135.28
Profit available for appropriation	733.05	283.63
APPROPRIATIONS		
Proposed Dividend	61.92	30.96
Tax on proposed Dividend	10.52	5.26
Transfer to General Reserve	600.00	150.00
Surplus carried to Balance Sheet	60.61	97.41
	733.05	283.63

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs.3/- per equity share of the face value of Rs.10/- each for the year ended 31st March 2009 as against Rs.1.50/- per share in the previous year subject to the approval of the members at the ensuing Annual General Meeting.

OPERATIONS

Favourable climatic conditions and adoption of better cultural practices with focus on quality enabled the company to manufacture a higher crop of 4122091 kg during the year as against 3604877 kg last year.

Your company's tea fetched a higher average price realization of Rs. 80.39/- per kg as against Rs. 62.63 per kg last year. Shortage of tea in the tea producing countries fuelled up the prices in the domestic as well as in the international market resulting in the revival of boom conditions that prevailed a decade ago.

FUTURE PROSPECTS

Shortfall in the production of tea reported by the three major tea producing countries India, Sri Lanka and Kenya has created demand-supply mismatch globally which is expected to push up the prices of tea further in 2009. With no carry over stocks and higher export demand being the key drivers, another good year is forecast for the Indian tea industry.

WIND TURBINES

Generation of power during the year was lower at 43,83,876 units as against 47,25,338 units last year. The fall in generation was due to unfavourable wind conditions prevailed during part of the year.

PUBLIC DEPOSITS

Deposits outstanding as on 31st March 2009 were Rs.1,13,58,000/- and the amount of unclaimed deposits were Rs.1,05,000/-.

TRANSFER OF UNCLAIMED AMOUNTS TO IEPF

Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, the dividends declared by the company on equity shares, which have remained unclaimed for a period of seven years, have been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the said Act, last such transfer being made on September 16, 2008.

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 Annexure I which forms part of this report.

Information pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is given in Annexure II which forms of this report



DIRECTORS

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

CORPORATE GOVERNANCE

With the net worth of the Company crossing the threshold limit of Rs.25 Crores on 31.03.2009, the provisions of Corporate Governance as per Clause 49 of the listing agreement is applicable to the company with effect from April 29, 2009 on which date Balance Sheet as at 31.03.2009 was approved by the Board.

INDUSTRIAL RELATIONS

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

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:

1. all applicable accounting standards have been followed in the preparation of annual accounts and that there are no material departure.
2. such accounting policies have been selected and applied consistently and such judgments 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 2009 and of the profit of the Company for the year ended on that date.
3. 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

4. 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. The Company has received letter from them to the effect that their reappointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such reappointment within the meaning of Section 226 of the said Act.

COST AUDIT

In exercise of the powers conferred by sub-section (1) of 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 & other products be conducted for the financial year ended March 31, 2009 by a Cost Accountant. Accordingly, the Board has, with the previous approval of the Central Government, appointed M/s. S. Mahadevan & Co., Cost Accountants to conduct cost audit of the company for the financial year ended March 31, 2009.

ACKNOWLEDGEMENTS

The Board wish to thank all the shareholders, customers, vendors, financial institutions, banks and depositors for the support extended by them.

The Board also wish to place on record their appreciation of the contribution made by the employees at all levels during the year.

Coimbatore,
April 29, 2009.

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