



TYROON TEA COMPANY LIMITED

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**ANNUAL REPORT AND
ACCOUNTS 1998 - 1999**

Tyroon Tea Company Limited

ANNUAL GENERAL MEETING

Date : 27th September, 1999

Day : Monday

Time : 10.30 A. M.

Venue : Auditorium of Bengal National Chamber
of Commerce & Industry
23, R. N. Mukherjee Road
Calcutta - 700 001

Directors :

A. K. JALAN

J. K. BHAGAT

S. ISSAR

B. K. SINGH

Auditors :

MESSRS. LODHA & CO.
CHARTERED ACCOUNTANTS
14, GOVERNMENT PLACE EAST
CALCUTTA - 700 069

Registrars & Transfer Agents :

AMI COMPUTERS (I) LTD.
CORPORATE OFFICE :
60A & 60B CHOWRINGHEE ROAD
2ND FLOOR
CALCUTTA - 700 020

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Bankers :

ALLAHABAD BANK

Garden :

TYROON TEA ESTATE
P. O. KHARIKATIA
DIST. JORHAT
ASSAM

Registered Office :

3, NETAJI SUBHAS ROAD
CALCUTTA - 700 001

The practice of distributing copies of the Annual Report at the Annual General Meeting has been discontinued as a measure of economy. Members are therefore requested to bring their copies of the Annual Report at the Meeting.

Tyroon Tea Company Limited

NOTICE

NOTICE is hereby given that the Annual General Meeting of TYROON TEA COMPANY LIMITED will be held as scheduled below :

Date : 27th September, 1999
Day : Monday
Place : Auditorium of Bengal National Chamber of Commerce & Industry
23, R. N. Mukherjee Road, Calcutta 700 001
Time : 10.30 A. M.

ORDINARY BUSINESS :

1. To receive, consider and adopt Reports of the Auditors and Directors and the Audited Accounts of the Company for the year ended 31st March, 1999.
2. To declare dividend.
3. To appoint a Director in place of Mr. A. K. Jalan, who retires by rotation, but being eligible offers himself for re-election.
4. To appoint Auditors and fix their remuneration.

Registered Office :
3, Netaji Subhas Road
Calcutta 700 001
The 20th day of August, 1999

By Order of the Board
For TYROON TEA COMPANY LIMITED
A. K. JALAN
Director

NOTES :

1. PROXY

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.

2. CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will remain closed from 20th September, 1999 to 27th September, 1999, both days inclusive.

3. **DIVIDEND**

(a) **DIVIDEND FOR 1998 - 99**

The Dividend for 1998-99, if declared, will be paid to those members whose names appear on the Register of Members as on 27th September, 1999.

(b) **UNPAID OR UNCLAIMED DIVIDEND UPTO 1994-95**

Pursuant to section 205A of the Companies Act, 1956 all unclaimed / unpaid dividends upto the year ended 31st March, 1995 have been transferred to General Revenue Account of Central Government. Shareholders who have not encashed the dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, West Bengal at Calcutta.

4. **LODGEMENT OF TRANSFER DOCUMENTS**

The instruments of share transfer complete in all respects should reach the Company prior to closure of the Register of Members as stated above.

5. **CONSOLIDATION OF MULTIPLE FOLIOS**

Shareholders who are holding shares in identical order of names in more than one folio, are requested to write to the Company enclosing their Share Certificates to enable the Company to consolidate their holdings in one folio.

6. **CHANGE OF ADDRESS**

Members are requested to quote their Registered Folio Number in all correspondence with the Company and notify the Company immediately of change, if any, in their registered address and / or their mandates.

7. **ATTENDANCE SLIP**

Members are requested to handover the enclosed "Attendance Slip" duly signed in accordance with the specimen signatures registered with Company for admission to the Meeting Hall.

8. **MEMBERS' QUERIES**

Members desiring any information regarding Accounts are requested to write seven days in advance to the Company before the date of Meeting to enable the Management to keep full information ready.

Tyroon Tea Company Limited

REPORT OF THE DIRECTORS

The Directors of the Company have pleasure in presenting the Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 1999.

FINANCIAL RESULTS :

	Rs.	Rs.
Profit before Interest, Depreciation and Taxation		1,61,52,541
Deduct : Interest	4,65,714	
Depreciation	14,65,564	19,31,278
Profit before Tax		1,42,21,263
Less : Provision for Taxation		32,00,000
Profit after Tax		1,10,21,263
Add : Investment Allowance Reserve Written Back		99,353
		1,11,20,616
Less : Income Tax relating to earlier years		5,74,711
		1,05,45,905
Add : Surplus brought forward from previous year		6,01,977
		1,11,47,882
Less : Proposed Dividend and Corporate Dividend Tax attached thereto :		
Proposed Dividend	51,03,150	
Corporate Dividend Tax	5,61,347	56,64,497
Transferred to General Reserve		50,00,000
		1,06,64,497
Balance transferred to Balance Sheet		4,83,385

WORKING RESULTS REVIEW :

The total income for the year ended 31st March, 1999, was Rs 878.43 Lakhs in comparison to Rs.779.56 Lakhs in the previous year. Inspite of the increase in production the Profit after Tax has declined due to lower per unit realisation and provisioning for past gratuity amounting to Rs. 21,66,270.00 as per statutory requirement of Circular No. 3/98 dated 18/05/98 issued by Ministry of Law, Justice and Company Affairs.

PROSPECTS :

In the current year due to severe drought in the early part of the season the production is substantially behind in comparison to the last year. Till date the average price realisation per kg. of Tea made is higher than the average price realisation during corresponding period of last year. However in view of re-imposition of Excise Duty and general inflationary conditions it is difficult to predict the current year's working.

DIVIDEND :

Your Directors recommend for consideration at the ensuing Annual General Meeting declaration of dividend at the rate of fifteen percent on Fully Paid Up Share Capital and no tax shall be deducted at source in view of the provisions of Income Tax Act, 1961 as amended.

DIRECTORS :

Mr. A. K. Jalan retires by rotation and being eligible offers himself for re-appointment.

AUDITORS :

Messrs. Lodha & Co., Chartered Accountants will cease to hold office as Auditors of the Company at the conclusion of the forthcoming Annual General Meeting but being eligible offer themselves for re-appointment. Necessary certificate has been obtained from the Auditors as per section 224(1) of the Companies Act, 1956.

Regarding the comments of the Auditors on Leave with Wages and Replantation Subsidy from Tea Board which have been accounted for on cash basis we have to state that the exact amount of leave due with wages could not be ascertained and hence not provided. Steps are being taken in the current year by the Management to comply with the relevant Accounting Standard issued in this connection by the Institute of Chartered Accountants of India. Pending completion of certain formalities with the Tea Board, the Company continues to account for the Replantation Subsidy from Tea Board on cash basis. The other observations made in the Auditors' Report are self-explanatory and therefore, do not call for any further comments under Section 217 of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES :

No employee of the Company was in receipt of such remuneration as to disclose particulars U/S. 217(2A) of the Companies Act, 1956 and rules framed thereunder .

ENERGY, TECHNOLOGY, FOREIGN EXCHANGE :

The information in accordance with the provisions of Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure 'A' which forms part of this Report.

ACKNOWLEDGEMENT :

The Directors wish to express their appreciation to all officers, members of staff and workmen of the Company for valuable services rendered and dedication exhibited by them. They also express their gratitude to Tea Board, Bankers and NABARD for their co-operation and support extended to the Company.



Registered office :

"McLeod House "
3, Netaji Subhas Road,
Calcutta - 700 001
Calcutta, The 20th day of August, 1999.

For and on behalf of the Board
A. K. JALAN | Directors
S. ISSAR

Tyroon Tea Company Limited

ANNEXURE "A"

ANNEXURE TO DIRECTORS' REPORT

Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

(A) CONSERVATION OF ENERGY

1. Energy Conservation Measure taken : (a) Replacement of old equipment
(b) Use of Energy efficient equipment
2. Additional investments and proposals if any, being implemented for reduction of consumption of energy : Based on the study made by the Company, order for necessary equipment/s for energy conservation has been / are being placed.
3. Impact of the measures at (1) and (2) above for reduction of energy consumption and consequent impact on the cost of production. : The cost of production is expected to reduce after installation of the energy saving equipments.

4. Power and Fuel Consumption	Cu2rent Year	Previous Year
1. Electricity		
a) Purchased Unit	6,22,542	7,61,250
Total Amount (Rs.)	25,50,716	26,86,980
Rate / Unit	4.10	3.53
b) Own generation		
i) Through diesel Generator		
Unit	2,18,760	1,17,180
ii) Units per Litre of diesel		
Oil	—	—
Cost/Unit (Rs.)	8.51	8.10
2. Coal (specify quality and where used)		
Quantity (Kgs)	8,23,751	6,31,610
Total Cost (Rs)	12,36,976	10,97,930
Average Rate per Kg. (Khasi and ROM coal used in Drier)	1.50	1.74
3. (A) Furnace Oil		
Quantity (Litres)	1,64,227	1,41,458
Total Amount (Rs.)	11,29,274	10,73,414
Average Rate	6.88	7.59
(B) Consumption Per Unit of Production		
Black Tea (in Kgs.)	11,63,773	9,62,648
Electricity (In Unit)	0.53	0.79
Furnace Oil (In litres)	0.14	0.15
Coal (in Kgs.)	0.71	0.66

(B) RESEARCH AND DEVELOPMENT

1. Specific area in which R & D carried out by the Company -

The Tea Research Association (TRA) at Toklai, Assam is engaged in research at field and factory levels for improving yield and quality of Tea and the Company being a member of TRA also applied the result of R & D in the field and factory levels.

2. Benefits derived as a result of the above R & D

Benefits derived by TRA on R & D are being passed on to us for implementation in field and factory levels.

3. Future plan of action

Works are in hand to improve all aspects of field management and identify clones which will improve both quality and production.

4. Expenditure on R & D

(a) Capital

(b) Recurring

(c) Total R & D expenditure
as percentage of total turnover

The Company Subscribes to Tea Research Association which is registered under Section 35 (1) (ii) of the Income Tax Act, 1961 which carries out R & D activities for the Tea industry.

(C) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts are being made towards technology absorption, adaptation and innovation :-

The Technology developed by TRA in the field and in manufacture is introduced by us.

2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development import substitution etc.

Cost reduction and improvement in quality were achieved as a result of above mentioned steps.

3. In case of imported technology (imported during last 5 years from the beginning of the financial year) following information may be furnished :

(a) Technology imported (b) year of import (c) has technology been fully absorbed (d) if not fully absorbed areas where they have not taken place, reason and future plan of actions.

No Technology was imported during last 5 years.

FOREIGN EXCHANGE EARNING — Nil (Previous year Nil)

FOREIGN EXCHANGE OUTGO — Rs. Nil (Previous year Rs. 55,875)

Registered Office :

"McLeod House "

3, Netaji Subhas Road ,
Calcutta - 700 001.

Calcutta, The 20th day of August, 1999

For and on behalf of the Board

A. K. JALAN | Directors
S. ISSAR