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# **TYROON TEA COMPANY LIMITED**

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**ANNUAL REPORT AND  
ACCOUNTS 2004–2005**

# Tyroon Tea Company Limited

## ANNUAL GENERAL MEETING

Date : 28th September, 2005  
 Day : Wednesday  
 Time : 10.30 A. M.  
 Venue : Bharatiya Bhasha Parishad  
 36A, Shakespeare Sarani  
 Kolkata - 700 017

## Directors :

A. K. JALAN  
 J. K. BHAGAT  
 B. K. SINGH  
 S. ISSAR

## Company Secretary cum Cost Controller :

K. C. MISHRA

## Auditors :

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

## Registrars & Transfer Agents :

AMI COMPUTERS (I) LTD.  
 CORPORATE OFFICE :  
 60A & 60B CHOWRINGHEE ROAD  
 2ND FLOOR  
 KOLKATA - 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  
 KOLKATA - 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 : 28<sup>th</sup> September 2005.

Day : Wednesday.

Place : Bharatiya Bhasha Parishad  
36A, Shakespeare Sarani,  
Kolkata – 700 017.

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 2005.
2. To appoint a Director in place of Mr. A. K. Jalan, who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

### AS SPECIAL BUSINESS

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

"RESOLVED THAT Mr. S. Issar who was appointed by the Board of Directors as an Additional Director of the Company with effect from 15<sup>th</sup> day of October, 2004 and who holds office upto the date of the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act proposing his candidature for the office of Director of the Company be and is hereby appointed as a Director of the Company."

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

"RESOLVED THAT pursuant to Section 314(1)(b) of the Companies Act, 1956 consent of the Company be and is hereby accorded to the Board of Directors to renew the Service Agreement of Mr. S. P. Jalan being a relative of Mr. A. K. Jalan, Director of the Company as President of the Company with effect from 1<sup>st</sup> April, 2005 at a remuneration of Rs.14,000/- (Rupees Fourteen thousand only) per month and other perquisites and allowances as embodied in a Service Agreement which is hereby submitted before the meeting being initialled by the Chairman hereof."

Registered Office :  
"McLeod House"  
3, Netaji Subhas Road,  
Kolkata 700 001  
The 25th day of August, 2005

By Order of the Board  
For Tyroon Tea Company Limited  
K. C. Mishra  
Company Secretary  
cum Cost Controller

**Notes :**

**1. PROXY**

A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. Proxy in order to be effective must be deposited with the Company at its Registered Office at least forty-eight hours before the commencement of the meeting.

**2. CLOSURE OF REGISTER OF MEMBERS**

The Register of Members of the Company will remain closed from 21<sup>st</sup> September 2005 to 28<sup>th</sup> September 2005 both days inclusive.

**3. DIVIDEND**

**a) UNPAID OR UNCLAIMED DIVIDEND**

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 Kolkata.

b) In terms of Section 205-C introduced by the Companies (Amendment) Act, 1999 read with Section 205A of the Companies Act, 1956 as amended, the amount of dividend remaining unclaimed for a period of seven years is required to be transferred to the Investor Education and Protection Fund. Members who have so far not encashed their Dividend Warrant(s) for the financial year ended 31st March 1998 or any subsequent years are advised to submit their claim to the Company's Registrars and Transfer Agents immediately.

**4. DEPOSITORY SYSTEM**

The Company, consequent to introduction of the Depository System entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Members, therefore now have the option of holding and dealing in the shares of the Company in the electronic form through NSDL or CDSL.

Effective from 28<sup>th</sup> May 2001, trading in the shares of the Company on any stock exchanges is permitted only in the dematerialised form.

**5. LODGMENT 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.

**6. 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.

**7. 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.

**8. 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.

**9. 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.

**10. GIFT**

Shareholders may please note that no gifts are proposed to be distributed at the meeting.

**EXPLANATORY STATEMENTS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 ARE ANNEXED TO THE NOTICE****Item No. 4**

Mr. S. Issar was appointed as an Additional Director of the Company on 15<sup>th</sup> day of October, 2004. As per the provisions of Section no. 260 of the Companies Act, 1956 Mr. S. Issar holds office only upto the date of forthcoming Annual General Meeting of the Company and is eligible for appointment. The Company has received notice under Section 257 of the Companies Act, 1956 in respect of Mr. S. Issar proposing his appointment as a Director of the Company alongwith the requisite deposit.

Details regarding Mr. S. Issar proposed to be appointed as Director have been given in the Annexure Attached to the notice and keeping in view the experience and expertise of Mr. S. Issar your Directors recommend the resolution for adoption.

None of the Directors expect Mr. S. Issar is interested in the resolution.

**Item No. 5.**

As the Members are aware, Mr.S.P. Jalan, a relative of Mr. A.K. Jalan, is working as a President of the Company from 1.4.1991 to 31.3.2005. Mr. S. P. Jalan's Service Agreement was renewed by the Board with effect from 01-04-2005 at a monthly remuneration of Rs.14,000/- together with the usual allowances and benefits, amenities and facilities including retiring gratuity and provident fund benefits applicable to other employees occupying similar posts within the Company.

Section 314 (1) (b) of the Companies Act, 1956 provide that no relative of a Director should either hold or to continue to hold any office or place of profit in the Company which carries a total monthly remuneration of not less than Rs.10,000/- , except with consent of the shareholders by a Special Resolution.

Your Directors feel that the increase of remuneration of Mr. S. P. Jalan is reasonable and in line with the salary offered to other Senior Managers and will be in the best interest of the Company.

A draft of Service Agreement entered into with Mr. S. P. Jalan has been kept for the inspection of the Members between 11 AM to 2 PM during the working days of the Company. None of the Directors except Mr. A. K. Jalan directly or indirectly interested in the aforesaid Resolution and recommends your acceptance thereof in the interest of the Company.

**Details of Directors Seeking Appointment at the Annual General Meeting**

Particulars	Mr. A. K. Jalan	Mr. S. Issar
Date of Birth	18-10-1938	20-06-1934
Date of Appointment	05-08-1994	15-10-2004
Qualification	Graduate	B.Sc. (Agriculture)
Nature of Experience Funcial Area	Mr. Jalan having 45 years of experience in Tea and Jute Industry	Mr. Issar having over 40 year experience in Tea industry. He has been a member of the Governing body, chairman of Technical committee for 3 years and member of Export/Import committee of the India Tea Association.
Name of Directorship in other Companies	1. Euro Securities & Syndication (Banque) Ltd. 2. Rajgir Properties (P) Ltd.	1. Rajabhat Tea Co. Ltd. 2. Huldibari Industries & Plantations Co. Ltd. 3. McLeod Industries Ltd. 4. Vikrant Trade Enterprises Ltd. 5. Supra Agrotech (P) Ltd. 6. Creative Services (P) Ltd.
Membership/Chairmanship of committee in public Company	NIL	NIL

The above report was placed and approved by the Board at its Meeting held on 25th August, 2005.

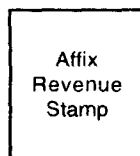
# Tyroon Tea Company Limited

Regd. Office : "McLeod House", 3, Netaji Subhas Road, Kolkata 700 001

## PROXY

I/We.....  
of.....  
being a Member / Members of Tyroon Tea Company Limited, hereby appoint.....of.....or  
failing him.....of.....  
as my / our proxy in my / our presence to attend and vote for me / us, and on my / our behalf at  
the Annual General Meeting of the Company to be held at Bharatiya Bhasha Parishad, 36A,  
Shakespeare Sarani, Kolkata-700 017 on Wednesday, 28th September, 2005 and / or at any  
adjournment thereof.

Signed this ..... day of.....2005



Signature

Note : The proxy must be deposited at the Registered Office of the Company at "McLeod House", 3, Netaji Subhas Road, Kolkata - 700 001 not less than 48 hours before the meeting.

(Tear Off)

# Tyroon Tea Company Limited

Regd. Office : "McLeod House", 3, Netaji Subhas Road, Kolkata 700 001

## ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE

.....  
Name of Shareholder/s (In Block Letters)

Folio No/Client ID No..... No. of Shares held.....

D.P. Id No.....

Name of the Proxy (In Block Letters) in case the Proxy attends instead of the Shareholder(s):

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company at the auditorium  
of Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata-700 017, on Wednesday,  
28th September, 2005.

Signature of the Shareholder or Proxy.....

# 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, 2005.

## FINANCIAL RESULTS :

	Rs.	Rs.
Loss before Interest, Depreciation and Taxation		33,28,242
Add : Interest	21,20,875	
Depreciation	18,02,728	39,23,603
Profit / (loss) before Tax		(72,51,845)
Less : Provision for Taxation		—
Profit / (loss) after Tax		(72,51,845)
Add : Loss brought forward from previous year		(1,51,02,249)
Loss carried to Balance Sheet		(2,23,54,094)

## DIVIDEND :

In view of loss your Directors do not recommend any dividend on the equity shares for the year under review.

## DIRECTORS :

During the year 2004-05 Mr. S. Issar ceased to be an alternate Director w.e.f. 26<sup>th</sup> Sept. 2004 and was appointed as an Additional Director w.e.f. 15<sup>th</sup> Oct, 2004.

Mr. A. K. Jalan retires by rotation and being eligible offer himself for re-appointment. The required information about Mr. A. K. Jalan and Mr. S. Issar as stipulated in clause 49 of the listing agreement, have been given separately.

## DIRECTORS' RESPONSIBILITY STATEMENT :

Your Directors confirm :

- I that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- II. that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- III. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- IV. that the directors had prepared the annual accounts on a going concern basis.

## 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 reappointment. Necessary certificate has been obtained from the Auditors as per section 224 (1) of the Companies Act, 1956.

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.

## **REPORT ON CORPORATE GOVERNANCE :**

A separate report on Corporate Governance alongwith the Auditor's Certificate on its compliance is annexed to this Report.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **Industrial Structure and Development**

With a production of 830 million Kgs. in the year 2004, India continued to head its place as the largest producer of tea in the world. Major portion of the tea produced in the country is consumed in the domestic market. The Tea industry plays a vital role in the Indian economy by way of contributing a substantial amount of foreign exchange earning and being the second largest employer after public sector and out of total 50% are women. The Company produced 11.38 Lacs Kgs Tea during the year under review as compared to 11.54 Lacs Kgs. in the previous year.

### **Opportunities, threats, risks & concern**

The Company has one Tea Estate together with own processing unit. Your company is committed to follow the quality route, which reflects in the realisation price, being higher than the Auction average.

Tea continues to enjoy the status of being a popular beverage in the world. India is facing tough competition in the international Market from countries like China, Vietnam, Indonesia, Sri Lanka and Kenya where cost of production is much lower than our country. However the huge domestic market and the low per capita consumption of Tea by Indians offer a significant opportunity for the Tea Industry in India.

### **Outlook**

The health of our industry depends to a large extent on the geographical conditions which are outside the realm of the control of the Company. The Tea Industry is a highly labour intensive industry. The wages of workers are determined accordingly to periodic wage settlement agreement which often increase the labour cost to a significant extent irrespective of any improvement in productivity and realisation. In fact high cost of production is one of the major reasons for India losing its export market to other competitive countries. The auction price are generally lower as compared to the previous year, and as a consequence it is difficult to ascertain the impact for this year.

### **Internal Control system and their adequacy**

The Company has an adequate internal control system to ensure proper and efficient use of the Company's resources, their protection against any unauthorised use, accuracy in financial reporting and due compliance of the Company policy procedure as well as the statutes. Statutory and Internal Auditors also review its implementation and progress at periodic intervals and take corrective action where any shortcomings are identified. The Audit committee similarly reviews the internal control system and provides guidance for improvement.

### **Finance & operational performance**

The year 2004-2005 was another difficult year for the Indian Tea Industry. Due to the low price realisation and rise in costs the operational loss before depreciation, interest and taxes for the year was 33.28 lacs compared to Rs. 56.93 Lacs of the previous year. Due to the steps taken by the Management to improve quality the sales realisation increased as compared to the previous year. The Company continues to carry out the measures for strategic cost control and tight capital management.

Over the past few years Company had been making efforts to recover loans and advances given to certain parties and interest accrued on the same.

Company have certain investment in the Equity & Preference Shares of other Company. The market intrinsic value of which diminished due to dismal security market.



**Human Resources and Development**

The Company have over 1500 employees employed on the Tea Estate. The Labour Welfare Officer employed specifically for the purpose to monitors the welfare of the workers.

Your Company runs one Hospital and two dispensaries at its out divisions providing Medical Care to the Employees.

**Personnel**

The Industrial relation remains satisfactory for the year under review.

**ACKNOWLEDGMENT :**

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 and Bankers for their co-operation and support extended to the Company and express their thanks to Shareholders for their confidence and understanding.

Registered Office :

"McLeod House"

3, Netaji Subhas Road,

Kolkata - 700 001.

Kolkata, The 25th day of August, 2005

For and on behalf of the Board

A. K. JALAN

S. ISSAR

| Directors

# 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 : NIL
2. Additional investments and proposals if any, being implemented for reduction of consumption of energy : Based on the study made by the Company, necessary equipment/s for energy conservation are being proposed
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

	Current Year	Previous Year
1. Electricity		
a) Purchased Unit	10,84,440	10,14,140
Total Amount (Rs.)	57,23,548	50,44,518
Rate / Unit	5.28	4.97
b) Own generation		
i) Through diesel Generator		
Unit	1,06,200	1,73,600
ii) Units per Litre of diesel		
Oil		
Cost/Unit (Rs.)	12.13	11.82
2. Coal (specify quality and where used )		
Quantity (Kgs)	1,17,773	1,29,306
Total Cost (Rs)	2,86,048	2,97,404
Average Rate per Kg. (Khasi and ROM coal used in Drier )	2.43	2.30
3. (a) Furnace Oil		
Quantity (Litres)	2,86,226	2,87,575
Total Amount (Rs.)	45,99,124	45,30,230
Average Rate	16.07	15.75
(b) Consumption Per Unit of Production		
Black Tea (in Kgs.)	11,38,071	11,53,934
Electricity (In Unit)	0.95	0.88
Furnace Oil (In litres)	0.25	0.25
Coal (in Kgs.)	0.10	0.11