



Tai Industries Limited

*27th Annual Report*  
*2009-10*



# Tai Industries Limited

<b>Board of Directors</b>	Dasho Wangchuk Dorji Dasho Topgyal Dorji Mr. Prem Sagar Mr. K. N. Malhotra Mr. Vinay Killa	<i>Chairman &amp; Managing Director</i> <i>Director</i> <i>Director</i> <i>Director</i> <i>Director</i>
<b>Audit Committee</b>	Mr. Prem Sagar Mr. K. N. Malhotra Mr. Vinay Killa	<i>Chairman</i>
<b>President</b>	Mr. Rohan Ghosh	
<b>General Manager - Corporate &amp; Company Secretary</b>	Ms. Indra Biswas	
<b>Bankers</b>	State Bank of India HDFC Bank Limited Canara Bank United Bank of India Axis Bank	
<b>Statutory Auditors</b>	Ray & Ray, Chartered Accountants, Kolkata	
<b>Registered Office</b>	53A, Mirza Ghalib Street 3rd Floor, Kolkata 700 016	



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Annual General Meeting on Monday, the 30th August, 2010 at Kalakunj, 48, Shakespeare Sarani, Kolkata-700 017, at 10.00 a.m. As a measure of economy, copies of the Annual Report will not be distributed at the General Meeting. Shareholders are requested to kindly bring their copies to the Meeting.

## Notice

NOTICE is hereby given that the Twenty-seventh Annual General Meeting of Tai Industries Limited will be held at Kalakunj, 48 Shakespeare Sarani, Kolkata – 700017, on Monday, the 30th August, 2010 at 10.00 a.m. to transact the following business:

### Ordinary Business

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2010, the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. K.N. Malhotra retiring by rotation and eligible for reappointment.
3. To appoint Auditors and to fix their remuneration. Messrs. Ray & Ray, the retiring Auditors are eligible for reappointment.

### Special Business

4. To consider and if thought fit to pass the following Resolution as Special Resolution:

“RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 311 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, the consent of the Company be and is hereby accorded to the reappointment of Mr. Wangchuk Dorji as Managing Director of the Company for a period of 3 (three) years with effect from 20th May, 2010 upon such terms and conditions as set out in the Agreement entered into between the Company and Mr. Wangchuk Dorji, a copy whereof is placed before the Meeting and initialled by the Chairman for the purpose of identification, and the Board of Directors be and are hereby authorized to alter and vary from time to time the terms and conditions of the said appointment and/or Agreement in such manner as may be agreed upon by and between the Directors and Mr. Wangchuk Dorji, subject to the limitations in that behalf contained in Schedule XIII to the Act including any statutory modification or reenactment thereof for the time being in force or any amendment and/or modifications that may hereafter be made thereto by the Central Government.”

“RESOLVED FURTHER that in the event of loss or inadequacy of profits in any financial year of the Company during the term of Mr. Wangchuk Dorji in the office of the Managing Director, the salary and perquisites as set out in the aforesaid agreement be paid or granted to Mr. Wangchuk Dorji as minimum remuneration.”

“RESOLVED FURTHER that the Board of Directors be and is hereby authorised to take steps and do all other acts, deeds and things as may be necessary or desirable to give effect to the Resolution.”

By Order of the Board

**Indira Biswas**

*General Manager-Corporate  
& Company Secretary*

Kolkata  
28th May, 2010

### Notes:

1. The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A Proxy, in order to be effective, must be received at the Company's Registered Office at 53A, Mirza Ghalib Street, Kolkata - 700016 not less than forty-eight hours before the Meeting.

3. The Company is registered with National Securities Depository Ltd. ('NSDL'), and Central Depository Services (India) Ltd. ('CDSL'), for dematerialization of its Equity Shares which has been allotted the ISIN INE358D01018. Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited) having their office at 59C Chowringhee Road, Kolkata - 700 020 are the Registrar and Share Transfer Agents of the Company.
4. The Register of Members of the Company will remain closed from 23rd August, 2010 to 30th August, 2010, both days inclusive.
5. Members are requested to:
  - a. notify any change in their addresses ;
  - b. communicate on all matters pertaining to their shareholdings with the Company's Registered Office/Company's Registrar, quoting their respective Ledger Folio Numbers, Client ID and DP ID;
  - c. note that as per provisions of the Companies Act, 1956, facility for making nominations is available for shareholders in respect of Equity Shares held by them;

- d. bring their copies of the Annual Report to the Meeting.
  - e. bring their respective Ledger Folio Numbers, Client ID and DP ID for easy identification of attendance at the Annual General Meeting.
  - f. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
6. i. Pursuant to Section 205A of the Companies Act, 1956 ('the Act') all dividends declared and relative dividend warrants posted upto and including the Dividend for the year 1993-94 and remaining unclaimed by members have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed their dividend warrants in respect of the said period are requested to prefer their claims to the Registrar of Companies, West Bengal. In case any assistance is required, shareholders are requested to write to the Company's Registered Office.
- ii. Pursuant to Section 205A of the Companies Act, 1956 dividends declared from the year 1994-95 upto 2001 – 2002 and remaining unclaimed by the members at the end of the statutory period of seven years have been transferred to the Investor Education & Protection Fund constituted by the Central Government under Section 205C of the Act on which no claim for Unpaid Dividend can be preferred.
7. Relevant details in respect of Item no. 2 of the Notice, pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, and the information in respect of Item No. 4 of the Notice, pursuant to Section II (1) (B) (iv) of Part II of Schedule XIII of the Companies Act 1956, for the reappointment of Managing Director, are given hereunder.

#### DETAILS OF DIRECTOR RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT

(In pursuance of Clause 49 of the Listing Agreement)

Name of Director: Mr. K.N. Malhotra

Brief Resumé:

Mr. K.N. Malhotra is a science graduate from Lucknow University and holds a postgraduate diploma in Fruit and Vegetable Technology. He has vast experience in the food and beverage industry. He is the Chief Executive of Bhutan Fruit Products Private Limited and Rijal Tashi Industries Private Limited and looks after the food production department of Bhutan Fruit Products Private Limited.

Directorships & Committee Memberships of Other Companies:

Mr. K.N. Malhotra does not hold any directorships in other companies.

Mr. K.N. Malhotra does not hold any share in the Company.

#### INFORMATION PURSUANT TO SECTION II (1) (B) (IV) OF PART II OF SCHEDULE XIII OF THE COMPANIES ACT 1956 FOR REAPPOINTMENT OF MANAGING DIRECTOR

##### I. GENERAL INFORMATION

###### *Nature of Industry.*

The Company is a trading organization carrying on the business of:

- marketing and distribution, in India, of "Druk" brand fruit products such as squashes, jams, fruit juices, pickles, sauces, etc., manufactured by Bhutan Fruit Products Private Limited in Bhutan.
- trading and marketing of industrial and mineral products and raw materials such as Calcium Carbide, Charcoal, Manganese ore, etc.
- retailing operations.

###### *Date of commencement of commercial production*

Tai Industries was incorporated on 5 May 1983 as Tashi Agro Industries Private Limited with the objective of marketing agro based and mineral products.

The Company started its operations in 1986 and since then it has been engaged in the marketing of 'DRUK' brand of fruit products manufactured by its group company – Bhutan Fruit Products Private Limited.

Besides fruit products, the Company has also been marketing mineral products, particularly calcium carbide, manganese ore, charcoal, etc., since 1988.

The Company further diversified into the retail segment by commencing operations of a chain of supermarkets called "C3 The Marketplace" in Kolkata since 2004 and currently the Company is operating its store at City Centre, Saltlake.

*Financial performance based on given indicators.*

The year under review registered a turnover of Rs. 60 Crores as against a turnover of Rs. 69.5 Crores during the previous year. However, the Company has posted a profit after tax of Rs. 24.36 lakhs, for the financial year ended 31st March, 2010, against net loss of Rs. 27.44 lakhs in the previous financial year.

*Export performance and net foreign exchange collaborations.*

The Company is trading in Charcoal, Calcium Carbide and Manganese Ore with Bhutan. However, trade between India and Bhutan are being transacted in Indian Rupees.

## II. INFORMATION ABOUT THE APPOINTEE

*Background details.*

Mr. Wangchuk Dorji, aged 44 years, is a Bhutanese national. He is the Vice – Chairman of Tashi Commercial Corporation, the largest conglomerate in Bhutan, and Director of several companies in Bhutan and also a Director of Jamipol Limited, a Joint Venture between the Company, the Tata Group and SKW Metalchemie GMBH, Germany, which is engaged in the manufacture of Desulphurisation Compounds.

He is a Graduate of New Hampshire College, USA, with specialization in Finance and has been serving the Company as Managing Director for the last fifteen years.

*Past remuneration.*

His remuneration in the last five years have been as follows :

Particulars	2009-2010 (Rupees)	2008-2009 (Rupees)	2007-2008 (Rupees)	2006-2007 (Rupees)	2005-2006 (Rupees)
Salary	13,80,000	13,65,000	13,20,000	13,10,000	12,60,000
Commission	-	-	-	-	-
Other benefits	-	-	-	-	-
Retiral Benefits	1,65,600	1,63,800	1,58,400	1,57,200	1,51,200
Total	15,45,600	15,28,800	14,78,400	14,67,200	14,11,200

*Job profile and his suitability.*

Mr. Wangchuk Dorji, as Managing Director of the Company, subject to superintendence, control and direction of the Board of Directors of the Company, shall have the general conduct and management of the whole business and affairs of the Company except in matters which may be specifically required to be done by the Board either by the Companies Act, 1956 or by the Articles of Association of the Company and he shall also exercise and perform such powers and duties as the Board of Directors of the Company may from time to time determine, and shall also perform all other acts and things which in the ordinary course of business he may consider necessary or proper or in the interest of the Company and, in particular, but without in any way restricting the general powers and authorities hereinbefore conferred on the Managing Director, shall be entrusted with substantial powers of management.

Mr. Wangchuk Dorji joined the Company as Managing Director in 1995 and since then has been closely involved in resolving various complex business issues. His extensive practical experience as director of several companies in Bhutan and as Vice – Chairman of Tashi Commercial Corporation, the largest conglomerate in Bhutan, have proved invaluable in the successful completion of varied transactions.

*Remuneration proposed.*

Rs. 1,30,000/- (Rupees One lakh thirty thousand only) per month with effect from 20th May, 2010 with annual increment of Rs. 5000/- (Rupees five thousand only) in the scale of Rs. 1,30,000/ – Rs. 5000/ – Rs. 1,40,000/-.

*Comparative remuneration profile with respect to industry, etc.*

The remuneration to the Managing Director is based on both market practice as well as internal business considerations. From the market viewpoint, the Company has positioned his remuneration package keeping in mind the industry and size of the organization. Internally, responsibility, competency and profile of the person forms the basis of remuneration. Additionally, the structure of the remuneration has been so framed as to reward performance.

*Pecuniary relationship*

Mr. Wangchuk Dorji has no pecuniary relationship directly or indirectly with the Company apart from receiving remuneration as Managing Director. He is related to Mr. Topgyal Dorji, who is a Non Executive Director of the Company.

**III. OTHER INFORMATION**

*Reasons of loss or inadequate profits.*

Despite revenues from the processed fruits and the industrial division, the overall profitability of the Company has been impacted by the performance of the Company's retail division. The business of retail, require heavy initial investments and a large outflow of funds, making break even hard to achieve. This coupled with the economic downturn has resulted in shrinking bottomlines.

*Steps taken or proposed to be taken for improvement.*

Your Company is focusing on building brand value, developing and expanding markets managing margins through judicious pricing and sustained efficiencies and concentrating on the core business of trading in industrial raw materials.

*Expected increase in productivity and profits in measurable terms.*

Given the seasonal nature of the industry, the unpredictable economy and market, your Company expects to increase its performance and turnover by 20 percent. The margin of profit will depend, inter alia, on the cost of raw materials and cost of freight and procurement that are subject to the economic policies of the government.

By Order of the Board

**Indira Biswas**

*General Manager-Corporate  
& Company Secretary*

Kolkata  
28th May, 2010

**Explanatory Statement Pursuant to Section 173 of the Companies Act, 1956**

Mr. Wangchuk Dorji was appointed Managing Director of the Company for a period of 5 (five) years with effect from 20th May, 1995 with the approval of the Company at its Extra Ordinary General Meeting held on 10th July, 1995 and approval of the Central Government, vide its letter no. 4/126/95-CLIX dated 21st November, 1995. He was reappointed for successive periods of 5 (five) years as follows:

Period	Date of Annual General Meeting at which shareholders approval was obtained	Letter of approval received from Central Government
20th May, 2000 to 19th May, 2005	25th September, 2000	letter No. 1/232/2000-CL.VII dated 28-09-2000
20th May, 2005 to 19th May, 2010	28th September, 2005	letter No. 1/232/2005-CL.VII dated 02-09-2005

As the last term of appointment of Mr. Wangchuk Dorji as Managing Director expired on 19th May, 2010, the Board of Directors at its meeting held on 28th May, 2010 for the sake of continuity of the present management and for efficient running of the Company, re-appointed Mr. Wangchuk Dorji as Managing Director for a further period of 3 (three) years with effect from 20th May, 2010, on the following terms and conditions as contained inter alia, in the Service Agreement dated 28th May, 2010, entered into by and between the Company and Mr. Wangchuk Dorji.

**A. SALARY**

Rs.1,30,000/- (Rupees one lakh thirty thousand only) per month with effect from 20th May, 2010 with annual increment of Rs.5000/- (Rupees five thousand only) in the scale of Rs.1,30,000/ – Rs.5000/ – Rs.1,40,000/-.

**B. PERQUISITES**

These shall be restricted to an amount equal to annual salary. Unless the context otherwise requires, the perquisites are classified into three categories "A" "B" and "C" as follows:

## CATEGORY "A"

### 1. Medical Reimbursement

Expenses incurred for self and family subject to a ceiling of one month's salary (including premium for mediclaim insurance policy) in a year or three month's salary over a period of three years;

### 2. Leave Travel Concession

For self and family once in a year incurred in accordance with the rules specified by the Company;

### 3. Club Fees

Fees of Clubs, subject to a maximum of two clubs but not including admission and life membership fees;

### 4. Personal Accident Insurance

Premium not to exceed Rs. 4000/- (Rupees four thousand only) per annum.

For the purpose of this part, "family" means spouse, dependent children and dependent parents of Mr. Wangchuk Dorji;

### 5. Other Allowances

In addition to the perquisites at (1), (2), (3) and (4) above, the Managing Director shall be eligible to the following perquisites which shall not be included in the computation of the ceiling on perquisites:-

#### (a) Reimbursement of expenses incurred on joining duty and returning to home country after completion of tenure:

Actual expenses incurred on travel and on packing, forwarding, loading and unloading as well as freight, insurance, customs duty, clearing expenses, local transportation and installation expenses in connection with the moving of personal effect for self and family for joining duty in India and also after completion of the tenure on leaving the employment of the Company.

(b) **Leave Travel concession** : In case it is proposed that the leave be spent in home country instead of anywhere in India, return passage may be allowed for self and family in accordance with the rules specified by the Company.

(c) **Children's educational allowance:** In case of children studying in or outside India, an allowance limited to a maximum of Rs. 5000/- (Rupees five thousand only) per month per child or actual expenses incurred, whichever is less, is admissible. Such allowance is admissible upto a maximum of two children.

(d) **Holidaying passage for children studying outside India/ family staying abroad:** Return holiday passage is admissible once in a year by economy class or once in two years by first class to children from their place of study abroad to India and to the members of the family from the place of their stay abroad to India, if they are not residing in India with the Managing Director.

**Explanation:** For the purpose of Category "A" "family" means spouse, the dependent children and dependent parents of the appointee.

## CATEGORY "B"

Contributions to Provident Fund, Superannuation Fund or Annuity

Contributions to Provident Fund, Superannuation Fund or Annuity will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable shall not exceed half a month's salary for each completed year of service.

## EARNED LEAVE

The unavailed portion of leave shall be encashable on full pay at the end of the tenure as per the rules of the Company, but not exceeding one month's leave for every eleven months of service. However, it will not be included in the computation of the ceiling on perquisites.

## CATEGORY "C"

The Company shall provide a car with driver and telephone facility at the residence of the Managing Director. Provision of car for use on Company's business and telephone at the residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the Company.



Minimum Remuneration: In the absence or inadequacy of profits in any financial year during his term as Managing Director, Mr. Wangchuk Dorji will be entitled to receive the above remuneration and perquisites as minimum remuneration.

The Managing Director shall not be paid any sitting fees for attending meetings of the Board of Directors or Committee thereof from the date of his appointment.

The Head Office of the Company is situated at present in Kolkata and the Managing Director will be attending the office as he thinks appropriate.

Subject to the provisions of the Act, the Managing Director shall not, while he continues to hold the office of the Managing Director be, subject to retirement by rotation of Directors and he shall not be reckoned as a Director for the purpose of determining the rotation or retirement of Director or in fixing the number of Directors to retire, but he shall ipso facto and immediately cease to be the Managing Director if he ceases to hold office of Director for any cause.

The Managing Director shall not during the continuance of his employment or at any time thereafter divulge or disclose to any person whomsoever to make any use whatever for his own or for whatever purpose, of any confidential information or knowledge obtained by him during his employment as to the business or affairs of the Company or as to any trade secrets or secret processes of the Company and the Managing Director shall during the continuance of his employment hereunder also use his best endeavours to prevent any other person from doing so.

In terms of Part II of Section II of Schedule XIII to the Act, consent of the shareholders has to be accorded for a period not exceeding three years by way of a Special Resolution for payment of remuneration exceeding Rs.1,25,000/- per month in the event of loss or inadequate profits in case the effective capital of the Company is less than Rupees 25 crores and accordingly your consent is being sought, by way of a Special Resolution, for the aforesaid appointment.

Your Company is also proceeding to make an application for obtaining the approval of the Central Government in terms of Section 269(2) of the Companies Act, 1956.

Your Board recommends passing of the Resolution.

Except Mr. Wangchuk Dorji and Mr. Topgyal Dorji, none of the Directors are concerned or interested in the Resolution.

## Directors' Report

### TO THE MEMBERS

Your Directors have pleasure in presenting their 27th Annual Report on the business and operations of your Company for the year ended 31st March, 2010.

### FINANCIAL PERFORMANCE

Particulars	Year ended 31st March 2010	Year ended 31st March 2009
Turnover	6054.25	6952.47
Profit/(Loss) before Interest, Depreciation & Taxation (PBIDT)	64.93	25.45
Interest	3.45	8.32
Profit/(Loss) before Depreciation & Taxation (PBDT)	61.48	17.13
Depreciation	38.52	49.32
<b>Profit/(Loss) Before Tax and extraordinary items (PBTE)</b>	<b>22.96</b>	<b>(32.19)</b>
Extraordinary items	—	(2.31)
<b>Profit/(Loss) Before Tax (PBT)</b>	<b>22.96</b>	<b>(29.88)</b>
Provision for Taxation / (Deferred Tax)	(1.40)	(2.44)
<b>Profit/(Loss) After Tax (PAT)</b>	<b>24.36</b>	<b>(27.44)</b>
Balance brought forward from previous year	814.27	841.71
<b>Profit available for appropriation</b>	<b>838.63</b>	<b>814.27</b>
Proposed Dividend	—	—
Profit carried to Balance Sheet	838.63	814.27

### AUDITOR'S REPORT

Messrs. Ray and Ray, Statutory Auditors, have submitted their Report under Section 227 of the Companies Act, 1956 and the comments made by the Auditors in their Report have been adequately dealt with in the relative Notes on Accounts which are self explanatory.

### ACCOUNTING POLICIES AND PROCEDURES

The major accounting policies in conformity with the Accounting Standards and Guidelines issued by The Institute of Chartered Accountants of India from time to time which have been specified in the Companies Act, 1956, have been followed as usual in course of preparing and presenting these Accounts. Such accounting policies have been suitably incorporated in the Notes on Accounts.

Your Company continues to have an internal audit system carried out by external firms of Chartered Accountants who submit their Reports upon completion of audit for consideration by the Directors.

### RESUME OF PERFORMANCE

The details of Sales/Income from operations of your Company compared to that of the previous year is given hereunder:

Products	Sale in 2009-2010 (Rs. in lakhs)	Sale in 2008-2009 (Rs. in lakhs)	Increase/ (Decrease) in Sales (Rs. in lakhs)	Percentage increase/ (decrease) %
Fruit Products	2109.42	2148.66	(39.24)	(1.83)
Calcium Carbide	408.27	541.46	(133.19)	(24.60)
Charcoal	1168.35	1718.75	(550.40)	(32.02)
Manganese Ore	1743.81	1601.79	142.02	8.87
LAM COKE	1.55	113.55	(112.00)	(98.63)
Retail	481.59	683.66	(202.07)	(29.56)
Commission on Sale	141.25	144.60	(3.35)	(2.32)
Others	--	--	--	--
Total Turnover	6054.24	6952.47	(898.23)	(12.92)

## PLANS AND PROSPECTS

### Fruit Products Division

'DRUK' has a strong brand presence in India in the categories of jams, crushes, squashes, preserves and enjoys full customer confidence in terms of the quality of its products. The performance during the year under review has been good despite escalation of costs of raw materials.

During the year new products such as canned Button Mushrooms and Oats have been launched and plans are underway to launch the new Jeera Concentrate drink.

### Industrial Division

The performance in this segment has been more or less encouraging during the period under review.

The brand "Druk" commands a goodwill in the market and despite price fluctuations and competition faced from other players in the field, there has been a steady demand for our products. We are now looking at increased procurement and have revised our targets upward, to meet the demand in the forthcoming financial year.

The traders are signaling a good season ahead and we are working aggressively on the dealer network across North and Eastern India and looking at new supply sources.

### Retail Division

Towards the second quarter of the year, there was a slight thaw in the market which led C3 to undertake a determined drive to increase performance parameters. It was decided to restructure the business of C3 with the induction of a strategic business associate for further streamlining the operations.

### DIVIDEND

Yours Directors express their inability to recommend dividend for the year to plough back profits for conserving funds for the operations of the Company.

### APPROVAL UNDER SECTION 211(4) OF THE COMPANIES ACT, 1956

During the year the Central Government was pleased to pass its Order No. 46/110//2010-CL-III dated 17th May, 2010, exempting the Company from disclosing the quantitative information as required to be stated in terms of paragraph 3(ii) (b) of Part II of Schedule VI to the Companies Act, 1956 for the financial year ended 31st March, 2010.

### CORPORATE GOVERNANCE

In compliance with the disclosures required under Clause 49 of the Listing Agreement, a Management Discussion and Analysis Report is provided in Annexure 'A'.

The Report on Corporate Governance as required under the aforesaid Clause is also provided in Annexure 'B' to this Report, together with the Declaration affirming compliance with the Code of Conduct of the Company and Auditor's Certificate on Compliance with the conditions of Corporate Governance.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions Section 217 (2AA) of the Companies Act, 1956 the Directors hereby confirm that:

- (i) The Accounting Standards as applicable to your Company and corroborated by the Companies Act, 1956 have been followed in course of preparation of the Annual Accounts for the year ended 31st March, 2010 and there has been no material departures to warrant further explanation.
- (ii) The Accounting policies as have been followed are being continued in course of preparation of the Annual Accounts for the year ended 31st March, 2010, so as to exhibit a true and fair view of the state of affairs of the Company and of the profit for that period.
- (iii) Adequate controls and internal audit systems are being followed by the Company in course of running its affairs as also for maintenance and safeguarding of its assets. Every caution has been taken to relate such control measures to the benefit of the Company and to prevent any fraud or irregularities to creep in.
- (iv) The Annual Accounts of the Company for the year ended 31st March, 2010 have been prepared on a going concern basis as hitherto.

## DEMATERIALISATION OF SECURITIES

The shares of the Company are compulsorily traded in dematerialised form for all shareholders. As on 31st March, 2010, 59.26% of the total number of shares stand dematerialised.

## DIRECTORS

In accordance with Article 56 of the Articles of Association of the Company, Mr. K.N. Malhotra retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

## PARTICULARS OF EMPLOYEES

There were no employees during the year under review in respect of whom details as required under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, are required to be disclosed.

## COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

### A. Conservation of Energy

Your Company's activities being trading in nature, energy consumed is only in the nature of electrical consumption for use and maintenance of office appliances. However, the efforts of your Company are aimed at keeping the consumption levels to as low as practicable.

Your Company not being engaged in any manufacturing activity, disclosure as per Form A of the Annexure in respect of total energy consumption and energy consumption per unit of production is not applicable.

### B. Technology Absorption

Your Company not being engaged in any manufacturing activity, disclosure as per Form B of the Annexure is not applicable.

### C. Foreign exchange earnings and outgo

The Company continues to trade in Charcoal, Calcium Carbide and Manganese Ore with Bhutan.

There has been no foreign exchange earnings or outgo during the year as trade between India and Bhutan are being transacted in Indian Rupees.

## AUDITORS

M/s. Ray & Ray, Chartered Accountants, Auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

## ACKNOWLEDGEMENTS

Your Directors wish to place on record their grateful appreciation of the excellent support and co-operation received from the Shareholders, Banks, Financial Institutions and Investors, Government Authorities, Stock Exchanges, Reserve Bank of India, Central and State Governments. Your Directors also wish to place on record their deep appreciation of the dedication, competence and support of the employees at all levels for their contribution towards the performance of your Company.

For and on behalf of the Board

Place: Kolkata

Date: 28th May, 2010

**Vinay Killa**  
Director

**Wangchuk Dorji**  
Managing Director

Annexure 'A' to the Directors' Report

## Management Discussion and Analysis Report

Clause 49 of the Listing Agreement stipulates disclosure under specific heads which are given in the following paragraphs and which continue to be followed in the usual course of the Company's business over the years in discussions amongst the Directors and other Senior Management Personnel.

### (a) Industry Structure and Developments

The Indian economy has survived the global downturn well; it has posted one of the highest rates of economic growth in the world. However, the drawback of such a rapid economic expansion is a rise in inflation and prospects of more inflation in 2010.

The food processing sector has seen a positive growth over the last few years in ready to serve beverages, fruit juices and pulps, dehydrated and frozen fruits, processed mushrooms, tomato products etc., and this sector is one of the largest in the country in terms of production, consumption, export and growth prospects. While commodity costs are subdued at present, significant upward trends due to global triggers could cause unit prices of products to rise and consequently slow down market growth.

In the industrial front, the metals and minerals sector has witnessed an accelerated growth. The demand for Calcium Carbide, Charcoal, and Manganese ore remained good.

Retail in India is at cross roads. While it has emerged as one of the most dynamic and fast paced industries with several players entering the market, the heavy initial investments have made break even hard to achieve and many players have not tasted success till date. However, the future is promising and the market is growing, buoyed by improved consumer spending.

### (b) Opportunities and threats

The processed food category has a good growth potential as current per capita consumption levels in this country are low as compared to other developing and emerging economies like China, Thailand, Indonesia. Participation by more players through competitive activities will only help expand the market for existing and new product categories. With more and more global players entering the market with international standards of specifications, your Company is continuing to exercise stringent quality control measures and focusing on both development and expansion of markets as appropriate to secure competitive growth.

Despite the high demand for our own brand of Calcium Carbide on account of its quality, this sector faces severe competition from other suppliers in terms of its price. The market response to our Manganese ore also remained good during the year. Competition has affected the supply of charcoal from Tamil Nadu but the demand for the product continued unabated.

Retail is India's largest industry accounting for over 10 percent of the country's GDP and around 8 percent of employment. The future is promising; the market is growing, government policies are more favourable and emerging technologies in IT are facilitating operations. However entry of global players will push up competition in the sector. There are still several challenges facing the Indian retail industry, some of which are as follows:

- The tax structure
- Lack of adequate infrastructure facilities
- High cost of real estate
- Shortage of manpower
- Low retail management skill
- Low awareness of IT systems

### (c) Segment-wise or Product-wise Performance

'Druk' is a well established brand in the processed fruit industry, having a major presence in the market. The 'Druk' brand of jams, crushes, squashes, preserves has a customer loyalty factor on account of the quality of its products. Your Company has been awarded the Second Prize in the categories of its 'Druk' brand Mango Squash and Mango Panna by the Department of Food Processing Industries & Horticulture, Government of West Bengal, The Agri-Horticultural Society of India, Kolkata and Indian Chamber of Commerce.

The performance in the industrial product segment has been encouraging. There is a good demand for our products and our prices are well accepted by the market.



The performance of C3 during its first three quarters, were not very encouraging. As a measure to further streamline the operations of its C3 division, your Company has put in place a new business module.

**(d) Outlook**

Your company will continue to focus on both development and expansion of markets and share gains as appropriate to secure competitive growth. Managing margins through judicious pricing and sustained efficiencies and cost saving will receive constant attention.

**(e) Risks & Concerns**

Despite the prospects being good, the severe competition and weather conditions continue to govern demand and therefore results.

A vital area of concern is the dependence on IT sector for solutions that help automate and integrate the transactional and control system.

**(f) Internal Control Systems & their Adequacy**

Your Company has in place Navision, an integrated ERP (Enterprise Resource Planning) System that consolidates all business operations into a uniform and enterprise wide system environment for effective control.

The statutory requirements of the Audit Committee are being met. In meetings of the Audit Committee, the Statutory Auditors and Partners of Internal Audit Firms participate. Such Internal Auditors also submit before the Audit Committee a quarterly report on their findings.

Activities of each sector are being programmed on a quarterly basis, which get translated into an Annual Activity Plan. Each department head is involved in the preparation of the activity plans and identifying and categorising the areas of risks, which are closely monitored. Such documentations thereafter undergo a further layer of scrutiny and implementation under the direct superintendence of the President of the Company.

**(g) Financial & Operational Performances**

This has been adequately stated in the Directors' Report.

**(h) Material Developments in Human Resources/Industrial Relations Front**

Industrial Relations remained cordial throughout the year. Your Company strongly believes that its intrinsic strength lies in the quality of its pool of dedicated and motivated employees.

**Annexure 'B' to the Directors' Report**
**Report On Corporate Governance**
**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Corporate Governance is the means to maximise the long term shareholder value in a legal and ethical manner ensuring fairness, courtesy and dignity in all transactions of the Company. Your Company is committed to the concept and philosophy of Corporate Governance as a means of effective internal control, highest level of accountability, transparency and professionalism in all areas of its operations for enhancing customer satisfaction and shareholder value.

**2. BOARD OF DIRECTORS**

The Board of Directors at present comprises a Chairman & Managing Director (being Executive Director) and four Non-executive Directors. The particulars of the Directors for the year ended on 31st March, 2010 are given hereunder:

Name	Category	Attendance		Directorships in other companies	Committee Positions in other companies	
		At Board Meetings	At last AGM		As Chairman	As Member
Dasho Wangchuk Dorji	Chairman and Managing Director	5	Yes	14	—	—
Dasho Topgyal Dorji	Non-Executive Director	2	No	13	—	—
Mr. Prem Sagar	Non-Executive Independent Director	6	Yes	1	—	—
Mr. Kanwal Nain Malhotra	Non-Executive Independent Director	5	No	—	—	—
Mr. Vinay Killa	Non-Executive Independent Director	6	Yes	3	—	—

**Note:**

Committee Positions in other companies relate to Chairmanship/Membership of Audit and Investors'/ Shareholders' Grievance Committees only.

During the year under review, six Board meetings were held on 29th April, 2009, 24th June, 2009, 29th July, 2009, 31st August, 2009, 28th October, 2009 and 30th January, 2010.

**3. AUDIT COMMITTEE**

The Audit Committee consists of three Non-executive Independent Directors who are persons of high standing in the industry, possessing the requisite experience and expertise.

The terms of reference of the Audit Committee include:-

- reviewing internal control systems, nature and scope of audit as well as post audit discussions;
- reviewing quarterly, half-yearly and annual financial statements with particular reference to matters to be included in the Directors' Responsibility Statement to be included in the Board's Report;
- ensuring compliance with internal control systems;
- recommending to the Board any matter relating to financial management, including audit report;
- overseeing Company's financial reporting process and disclosure of financial information;

- f) reviewing performance of statutory and internal auditors.
- g) any other matter which may be referred to the Committee by the Board.

During 2009 – 2010 the Audit Committee met on 29th April, 2009, 24th June, 2009, 29th July, 2009, 28th October, 2009 and 28th January, 2010.

Composition of the Audit Committee during the year 2009 – 2010:

Name	Position held	No. of Meetings	
		Held	Attended
Mr. Prem Sagar	Chairman	5	5
Mr. Kanwal Nain Malhotra	Member	5	5
Mr. Vinay Killa	Member	5	5

Invitees: The Senior Manager – Accounts and representatives of the Statutory and Internal Auditors are invited and generally remain present at the meetings of the Audit Committee.

The Company Secretary acts as the Secretary to the Committee.

#### 4. REMUNERATION COMMITTEE

No Remuneration Committee has been formed pursuant to Clause 49 of the Listing Agreement. However, a Remuneration Committee is in place in accordance with Schedule XIII to the Companies Act, 1956 to consider and approve the Managerial Remuneration (subject to approval of the shareholders) consisting of the salary and perquisites to be paid to the Managing Director without commission in the situation of inadequate profits. The Remuneration Committee comprises –

Mr. Prem Sagar	Chairman
Mr. Kanwal Nain Malhotra	Member
Mr. Vinay Killa	Member

No meeting of the Committee was held during the year.

Details of remuneration paid to the Managing Director during the year under review are given below:

(Rupees)

Salary	13,80,000
Commission	—
Other benefits	—
Retiral Benefits	1,65,600
Total	15,45,600

The Service Agreement between the Company and Dasho Wangchuk Dorji as Chairman and Managing Director is for a period of 5 years effective 20th May, 2005, approved by the Central Government, vide its Order No. 1/232/2005-CL.VII dated 2nd September, 2005. The reappointment was also approved by the shareholders at the Annual General Meeting held on 28th September, 2005. As per the provisions of Schedule XIII of the Companies Act, 1956, the retiral benefits paid to Dasho Wangchuk Dorji has not been included in the computation of the ceiling on remuneration specified in the said Schedule. No sitting fees have been paid to Dasho Wangchuk Dorji. A new Service Agreement for reappointing Dasho Wangchuk Dorji as Managing Director of the Company for a period of 3 (three) years has been entered into by the Company and Dasho Wangchuk Dorji for which approval of the Central Government is being sought. Approval of the shareholders by way of a Special Resolution is also being sought at the ensuing Annual General Meeting.



Only sitting fees for attending the meetings of the Board and Committees thereof are paid to the Non-Executive Directors.

Name	Board Meetings (Rs.)	Committee Meetings (Rs.)	Total (Rs.)	No. of Shares held in the Company (Rs.)
Dasho Topgyal Dorji	16,000	—	16,000	—
Mr. Prem Sagar	48,000	40,000	88,000	—
Mr. Kanwal Nain Malhotra	40,000	40,000	80,000	—
Mr. Vinay Killa	48,000	40,000	88,000	200

The Company has not issued any convertible instruments.

#### 5. SHARE TRANSFER COMMITTEE:

The Share Transfer Committee comprises Mr. Vinay Killa and Mr. Kanwal Nain Malhotra as Members. The Company Secretary acts as the Secretary to the Committee.

Share Transfer formalities are complied with once a fortnight, the power to approve the same being delegated jointly and severally to Mr. Rohan Ghosh and the Company Secretary.

The Company's Registrar and Share Transfer Agent, Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited) carry out the entire share transfer activities both under physical and demat segment.

#### 6. SHAREHOLDERS' GRIEVANCE COMMITTEE

The Shareholder's Grievance Committee comprises Mr. Prem Sagar, as the Chairman and Mr. Kanwal Nain Malhotra and Mr. Vinay Killa as Members.

The Company Secretary is the Compliance Officer.

E-mail ID pursuant to Clause 47(f) of the Listing Agreement with the Stock Exchanges: [ibiswas@taiind.com](mailto:ibiswas@taiind.com).

Status of Investors' Complaints as on 31st March, 2010:

Number of complaints received during the year and entirely dealt with	1
Number of complaints pending	Nil

#### 7. GENERAL BODY MEETINGS

Location and time where last three Annual General Meetings were held:

Date	Location	Time
21st September, 2007	Kalakunj, 48, Shakespeare Sarani, Kolkata – 700017	10.00 A M
22nd September, 2008	Same as above	10.00 A M
31st August, 2009	Same as above	10.00 A M

No Special Resolution was passed at the Annual General Meeting held on 21st September, 2007. A Special Resolution for commencement of new business provided in the 'Other Objects' clauses of the Memorandum of Association was passed at the Annual General Meeting held on 22nd September, 2008. No Special Resolution was passed at the Annual General Meeting held on 31st August, 2009.

Resumé and other information of the Director to be re-appointed as required under Clause 49IV(G)(i) of the Listing Agreement is given in the Notice of the Annual General Meeting annexed to the Annual Report for the year under review.

**8. DISCLOSURES**

- a) Materially significant related party transactions: The Company has not entered into any transactions of material nature with its Promoters, Directors, the management, subsidiary companies or relatives, etc, that may have potential conflict with its interest during the year under review. However, the list of related party relationships or transactions as required to be disclosed in accordance with Accounting Standard 18 of the Companies (Accounting Standards) Rules, 2006 has been given in Notes on Accounts for the year ended 31st March, 2010.
- b) No penalties/strictures were imposed on the Company by any regulatory authority for non-compliance of any laws or any matter relating to capital markets during the last three years.
- c) The Company has complied with all the mandatory requirements of Sub-clauses I to VII of this Clause. The Company continues in its efforts on improvement, consolidation and documentation of methods of internal control for financial reporting and its effectiveness.

**9. MEANS OF COMMUNICATION**

- a) In compliance with Clause 41 of the Listing Agreement the Company regularly intimates unaudited half yearly and quarterly results as well as the audited annual results to the Stock Exchanges after they are taken on record by the Board of Directors. In addition, the same are also filed on the Electronic Data Information Filing and Retrieval (EDIFAR) website maintained by the SEBI in association with the National Informatics Centre (NIC) pursuant to the requirements of Clause 51 of the Listing Agreement, which has since been deleted from the Listing Agreement.
- b) Such results are also published in newspapers namely, Financial Express and Arthik Lipi/ Dainick Lipi.
- c) Such results are also displayed on www.taiind.com, the Company's website.
- d) No presentations have been made to institutional investors or to the analysts.
- e) The document on Management Discussion and Analysis Report forms a part of this Annual Report.

**10. GENERAL SHAREHOLDER INFORMATION**

- a) AGM date, time and venue:  
Monday, the 30th day of August, 2010 at Kalakunj, 48, Shakespeare Sarani, Kolkata – 700017 at 10.00 a.m.
- b) Financial Year: 1st April to 31st March.
- c) Book closure Period: 23rd August, 2010 to 30th August, 2010, both days inclusive.
- d) Dividend payment date: No dividend has been recommended for the year ended 31st March, 2010.
- e) Listing on Stock Exchanges and Stock Codes: The shares of the Company are listed with the Stock Codes at the Stock Exchanges given hereinbelow:

	Stock Exchange	Stock Code
(i)	The Calcutta Stock Exchange Association Limited 7, Lyons Range, Kolkata – 700 001	30055
(ii)	Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	519483

Listing Fees as prescribed have been paid to all the aforesaid Stock Exchanges upto 31st March, 2011.

Demat Code No. allotted by NSDL & CDSL: INE358D01018

**f) Stock Price Data and Share Price Performance in comparison to BSE SENSEX:**

Year 2009-2010	Stock Price (Rupees) Bombay Stock Exchange Limited		Sensex	
	High	Low	High	Low
April, 2009	21.00	16.50	11492.10	9546.29
May, 2009	21.90	15.50	14930.54	11621.30
June, 2009	18.40	14.05	15600.30	14016.95
July, 2009	16.65	12.50	15732.81	13219.99
August, 2009	16.00	12.90	16002.46	14684.45
September, 2009	16.45	13.25	17142.52	15356.72
October, 2009	15.10	12.80	17493.17	15805.20
November, 2009	15.40	12.06	17290.48	15330.56
December, 2009	16.70	13.13	17530.94	16577.78
January, 2010	19.14	14.25	17790.33	15982.08
February, 2010	16.10	12.90	16669.25	15651.99
March, 2010	15.65	11.30	17793.01	16438.45

**g) Share Transfer System:**

Share transfers are registered within a maximum period of 30 days from the date of receipt, provided, the documents are complete in all respects.

**h) Registrar and Share Transfer Agent:**

Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited) at 59C Chowringhee Road, Kolkata - 700020 acts as the Registrars for Physical as well as Demat segment.

**i) Dematerialisation of shares & liquidity:**

The shares of the Company are compulsorily traded in dematerialised form for all shareholders. As on 31st March, 2010, 59.26% of total number of shares stand dematerialised.

**j) Outstanding GDR/ADR/Warrants or any convertible instruments: Not Applicable.**
**k) (A) Distribution of Shareholding as on 31st March, 2010:**

Equity Shares held	No. of Shareholders	Percentage to Total	No. of Equity shares held	Percentage to Total
1 – 500	9129	95.06	962367	16.04
501 – 1000	238	2.48	196904	3.28
1001 – 2000	97	1.01	152868	2.55
2001 – 3000	54	0.56	132199	2.20
3001 – 4000	11	0.11	39135	0.65
4001 – 5000	20	0.21	94367	1.57
5001 – 10000	23	0.25	169976	2.84
10000 and above	31	0.32	4252184	70.87
Total	9603	100.00	6000000	100.00

**(B) Shareholding Pattern as on 31st March, 2010:**

	Category	No. of Shares held	Percentage of Shareholding
A.	Promoters Holding		
	1. Promoters		
	– Indian Promoters		
	– Foreign Promoters	1216000	20.267
	2. Persons acting in concert		
	<b>Total (A)</b>	<b>1216000</b>	<b>20.267</b>
B.	Public Shareholding		
	1. Institutional Investors		
	a) Mutual Funds and UTI	–	–
	b) Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ Non-Government Institutions)	200	0.003
	c) FIIs	1200000	20.000
	<b>Sub-Total</b>	<b>1200200</b>	<b>20.003</b>
	2. Others		
	a) Private Corporate Bodies	939932	15.666
	b) Individuals	2039767	33.996
	c) NRIs/OCBs	604101	10.068
	<b>Sub-Total</b>	<b>3583800</b>	<b>59.730</b>
	<b>Total (B)</b>	<b>4784000</b>	<b>79.733</b>
	<b>Grand Total (A+B)</b>	<b>6000000</b>	<b>100.000</b>

**l) Address for Correspondence :**

 Registrar and  
Share Transfer Agent

 Link Intime India Private Limited  
(Formerly Intime Spectrum Registry Limited)  
59C Chowringhee Road, Kolkata – 700020  
Phone: (033) 22890539/ (033) 22890540, Fax: (033) 22890539

Corporate Office :

 Ms. Indira Biswas  
General Manager – Corporate  
& Company Secretary – cum – Compliance Officer  
Tai Industries Limited  
53A, Mirza Ghalib Street, Kolkata – 700016.  
Phone: (033) 2229 2292/ (033) 2229 8489, Fax: (033) 2249 7319

Signatures to Annexures A &amp; B

For and on behalf of the Board

 Place: Kolkata  
Date: 28th May, 2010

**Vinay Killa**  
Director

**Wangchuk Dorji**  
Managing Director

**DECLARATION BY THE CEO ON AFFIRMATION OF COMPLIANCE WITH  
THE CODE OF CONDUCT OF THE COMPANY**

To the Members of  
Tai Industries Limited

Pursuant to Clause 49(I)(D)(ii) of the Listing Agreement with the Stock Exchanges, I hereby declare that all Directors of the Company and Members of Senior Management have affirmed compliance with the Code of Conduct of the Company for the year ended 31st March, 2010.

Date: 28th May, 2010

**Wangchuk Dorji**  
*Chief Executive Officer*

## Auditors' Certificate on compliance of Corporate Governance under Clause 49 of the Listing Agreements

To  
The Members of  
**Tai Industries Limited**

We have examined the compliance of conditions of Corporate Governance by TAI INDUSTRIES LIMITED ("Company") for the year ended on 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in Republic of India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance [as stipulated in Clause 49 of the Listing Agreement] issued by The Institute of Chartered Accountants of India and limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements in all material aspects.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata  
Date: 28th May, 2010

For **Ray & Ray**  
Chartered Accountants  
Firm's Registration No: 301072E

**Abhijit Neogi**  
Partner  
Membership No. 61380

## Auditors' Report

### TO THE MEMBERS OF TAI INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of TAI INDUSTRIES LIMITED as on 31st March, 2010 the related Profit & Loss Account and the Cash Flow Statement for the year ended on that date (hereinafter referred to as "financial statements"), all of which we have signed under the reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order 2003, as amended by the Companies (Auditors' Report) (Amendment) Order 2004 ("Order") issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of The Companies Act, 1956, (the 'Act') and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Attention is drawn to note number (n) and (O) of Notes on Accounts. We can not offer any comment as to the adequacy of provision in respect of damaged stock included in the closing inventory of the Company as the same could not be verified by us and the value of which is taken as per management certification.
5. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - 5.1 Subject to our comment in paragraph 4 above, we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - 5.2 In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - 5.3 The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - 5.4 In our opinion, the financial statements dealt with by this report comply with the applicable Accounting Standards referred to in Sub-section (3C) of Section 211 of the 'Act';
  - 5.5 On the basis of written representations received from the directors, as on 31 March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March, 2010 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the 'Act';
  - 5.6 Subject to our comment in paragraph 4 above the effect of which is not readily ascertainable, in our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the 'Act' and also give a true and fair view in conformity with the accounting principles generally accepted in India:
    - a) In the case of Balance Sheet, of the state of affairs of the Company as at 31 March, 2010;
    - b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of

**RAY & RAY**  
Chartered Accountants  
Firm's Registration No: 301072E

Place: Kolkata

Dated: 28th May 2010

Abhijit Neogi  
Partner  
Membership No. 61380

## Annexure To Auditors' Report

[Referred to in paragraph 3 of the Auditors' Report of even date to the Members of TAI INDUSTRIES LIMITED on the financial statements for the year ended 31 March, 2010]

1. (a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.  
(b) The fixed assets of the Company have been physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to such programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical assets have been noticed.  
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
2. (a) The inventory of the Company has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.  
(b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) The Company is maintaining proper record of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the 'Act'. Accordingly, the clauses (iii)(b) to (iii) (d) of the paragraph 4 of the Order are not applicable.  
(b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the 'Act'. Accordingly, the clauses (iii)(e) to (iii) (g) of the paragraph 4 of the Order are not applicable.
4. There are generally adequate internal control procedures commensurate with the size and nature of Company's business for the purchase of inventory and fixed assets and for the sale of goods and services except in respect of timely reconciliation of debtors' balance, which are being strengthened by the Company. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the 'Act' have been entered in the Register required to be maintained under that Section.  
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs in respect of a party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA or any other relevant provisions of the 'Act' and the rules framed there under.
7. The Company has appointed outside firm of Chartered Accountants as its Internal Auditors whose coverage requires to be further widened through inclusion of certain additional areas based on process risk assessment so as to be commensurate with the size and nature of business.
8. The Central Government of India has not prescribed maintenance of cost records under section 209(1)(d) of the 'Act' for any of the activities of the Company.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has been regular in depositing, during the year, the undisputed statutory dues including provident fund, income tax, sales tax, agricultural tax, service tax, education cess and other material statutory dues, as applicable, with appropriate authorities.  
(b) According to the information and explanations given to us and the records of the Company examined by us the particulars of dues of Income Tax as at 31st March, 2010 which has not been deposited on account of a dispute are given below. Apart from the same, there are no undisputed dues in respect of income tax, service tax and education cess.



Name of the Statute	Nature of dues	Amount (Rs.)	Forum where dispute is pending	Assessment year to which the amount relates
Income Tax Act	Income Tax	7,28,206	CIT(Appeal)	2005-2006

10. The Company has no accumulated loss as at 31st March, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company, examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to a bank or financial institutions. The Company has not issued any debenture.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debenture and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi;/mutual benefit fund/societies are not applicable to the Company.
14. In our opinion, the Company is not dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions during the year.
16. There was no term loan outstanding during the year. Hence clause 4(XVI) is not applicable.
17. On the basis of an overall examination of the Balance Sheet and Cash Flow Statement of the Company, in our opinion and according to the information and explanations given to us, there were no funds raised on short-term basis, which have been used for long-term investments.
18. The Company has not made any preferential allotment of shares to any parties and companies covered in the register maintained under Section 301 of the 'Act' during the year.
19. The Company has not issued any debenture.
20. The Company has not raised any money by way of public issue during the year.
21. During the course of our examination of books and records of the Company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company nor have we been informed of such case by the management.

For and on behalf of

**RAY & RAY**

Chartered Accountants

Firm's Registration No: 301072E

Abhijit Neogi

Partner

Membership No. 61380

Place: Kolkata

Dated: 28th May 2010

**Balance Sheet as at 31st March, 2010**

	Schedules	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
<b>I. SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUND:</b>			
Capital	1	60,000,000	60,000,000
Reserves and Surplus	2	88,336,432	85,900,586
		<b>148,336,432</b>	<b>145,900,586</b>
<b>LOAN FUNDS:</b>			
Secured Loan	3	—	4,750,442
<b>TOTAL</b>		<b>148,336,432</b>	<b>150,651,028</b>
<b>II. APPLICATIONS OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	4	74,233,189	73,640,961
Less : Accumulated Depreciation and Amortisation		55,773,438	51,958,699
Net Block		<b>18,459,751</b>	<b>21,682,262</b>
<b>INVESTMENTS</b>	5	<b>8,678,873</b>	<b>8,678,873</b>
<b>DEFERRED TAX ASSET</b> (Note 2 (c) on Schedule 21 )		<b>937,612</b>	<b>797,413</b>
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Inventories	6	16,728,271	19,042,146
Sundry Debtors	7	245,277,140	239,152,621
Cash and Bank Balances	8	31,100,651	19,326,993
Other Current Assets	9	245,107	18,641
Loans and Advances	10	110,967,166	108,424,033
		<b>404,318,335</b>	<b>385,964,434</b>
<b>Less : CURRENT LIABILITIES AND PROVISIONS</b>			
Current Liabilities	11	270,303,849	253,012,783
Provisions	12	13,754,290	13,459,171
		<b>284,058,139</b>	<b>266,471,954</b>
<b>NET CURRENT ASSETS</b>		<b>120,260,196</b>	<b>119,492,480</b>
<b>TOTAL</b>		<b>148,336,432</b>	<b>150,651,028</b>
<b>Notes on Accounts</b>	21		

The schedules referred to above and attached thereto form an integral part of the Balance Sheet.  
This is the Balance Sheet referred to in our report of even date.

For **RAY & RAY**  
Chartered Accountants

Firm's Registration No. 301072E

**ABHIJIT NEOGI**  
Partner  
Membership No. 61380

Place : Kolkata  
Date : 28th May, 2010

**INDIRA BISWAS**  
Company Secretary

For and on behalf of the Board

**WANGCHUK DORJI**  
Managing Director

**VINAY KILLA**  
Director

**Profit and Loss Account for the year ended 31st March, 2010**

	Schedule	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
<b>INCOME</b>			
Turnover	13	605,424,803	695,247,068
Profit on Sale of Investments		-	-
Other Income	14	16,606,599	12,546,906
Increase/(Decrease) in Inventories	15	(2,313,875)	(9,760,468)
<b>TOTAL</b>		<b>619,717,527</b>	<b>698,033,506</b>
<b>EXPENDITURE</b>			
Purchases	16	508,136,642	603,551,220
Employee's remuneration and welfare expenses	17	18,819,516	16,947,605
Interest	18	345,404	831,545
Administrative, Selling and Other Expenses	19	86,268,098	74,989,676
Depreciation/Amortisation		3,852,220	4,931,970
<b>TOTAL</b>		<b>617,421,880</b>	<b>701,252,016</b>
<b>Profit/(Loss) before taxes &amp; extraordinary items</b>		<b>2,295,647</b>	<b>(3,218,510)</b>
Prior Period & Extra-ordinary items	20	-	(230,980)
<b>Profit/(Loss) before taxation</b>		<b>2,295,647</b>	<b>(2,987,530)</b>
Taxation			
- Current Tax		-	162,166
- Fringe Benefit Tax		-	345,710
- Deferred Tax		(140,199)	(751,430)
Income Tax paid for earlier years		-	-
<b>Profit after Taxation</b>		<b>2,435,846</b>	<b>(2,743,976)</b>
Balance brought forward from previous year		81,426,698	84,170,674
<b>Balance carried to Balance Sheet</b>		<b>83,862,544</b>	<b>81,426,698</b>
<b>Notes on Accounts</b>	21		
Earning Per Share (Rs) (Note 2 (I) on Schedule 21)		0.41	(0.46)

The schedules referred to above and attached thereto form an integral part of the Profit and Loss Account

This is the Profit and Loss Account referred to in our report of even date.

For **RAY & RAY**  
Chartered Accountants

Firm's Registration No. 301072E

**ABHIJIT NEOGI**  
Partner  
Membership No. 61380

Place : Kolkata  
Date : 28th May, 2010

**INDIRA BISWAS**  
Company Secretary

For and on behalf of the Board

**WANGCHUK DORJI**  
Managing Director

**VINAY KILLA**  
Director

**Cash Flow Statement for the year ended 31st March, 2010**

	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and extra ordinary items	2,295,647	(3,218,510)
Adjustments for :		
Depreciation	3,852,220	4,931,970
Interest Received	(602,814)	(57,147)
Dividend Received	(6,105,571)	(3,631,427)
Provision for Gratuity	(374,104)	524,652
Provision For Leave Encashment	1,369,826	585,053
(Profit) / Loss on Sale of Fixed Assets	-	(5,000)
Interest paid	214,154	831,545
Adjustment for Fixed Assets	9,567	664,499
Commission Received	(14,125,174)	(14,460,205)
Fixed Deposit Written Off	-	5,000
Liabilities no longer required, written back	(1,121,755)	(4,134,200)
Debts & other debits written off	361,077	341,596
Breakage & Damage	1,432,792	1,011,917
Discount Given	2,190,755	2,544,260
Other Income	(2,867,457)	-
<b>Operating Profit before Working Capital changes</b>	<b>(13,470,837)</b>	<b>(14,065,996)</b>
Adjustment for changes in Working Capital :		
(Increase)\Decrease in Trade and other Receivables	(8,603,482)	9,774,154
(Increase)\Decrease in Inventories	2,313,875	9,760,468
Increase\Decrease in Trade payables	18,332,356	(11,610,088)
Commission Received	14,125,174	14,121,413
<b>Cash Generated from Operations</b>	<b>12,697,086</b>	<b>79,79,951</b>
Interest paid	(214,154)	(700,295)
Taxes paid	(986,399)	(862,452)
Leave Encashment Paid	(622,343)	(492,751)
Gratuity Paid	(78,260)	(95,977)
<b>Net Cash from Operating Activities</b>	<b>(A) 10,795,931</b>	<b>5,828,476</b>

	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(639,277)	(213,272)
Sale of Fixed Assets	–	5,000
Interest Received	602,814	42,484
Dividend Received	6,105,571	3,631,427
<b>Net Cash from Investing Activities ( B )</b>	<b>6,069,108</b>	<b>3,465,639</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Proceeding from Borrowings :</b>		
Secured Loans	(4,750,442)	(116,927)
Dividend Paid [Deposited to Central Government]	(340,938)	(314,140)
<b>Net Cash used in Financing Activities ( C )</b>	<b>(5,091,380)</b>	<b>(431,067)</b>
Net Increase/(Decrease)in Cash and Cash Equivalents <b>(A+B+C)</b>	11,773,659	8,863,048
Opening Balance of Cash and Cash Equivalents	19,326,993	10,463,945
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>31,100,651</b>	<b>19,326,993</b>

**Notes :**

1. The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at 31March,2010 and the related Profit and Loss Account for the year ended on that date.
2. The above Cash Flow Statement has been prepared under "Indirect Method"as set out in the Accounting Standard (AS) on "Cash Flow Statement", AS -3,issued by Companies (Accounting Standards) Rules 2006, and reallocations required for this purpose are as made by the Company.
3. Previous year's figures have been regrouped, wherever necessary, to conform current year's presentation.

This is the Cash Flow referred to in our report of even date.

For **RAY & RAY**  
Chartered Accountants

Firm's Registration No. 301072E

**ABHIJIT NEOGI**  
Partner  
Membership No. 61380

Place : Kolkata  
Date : 28th May, 2010

**INDIRA BISWAS**  
Company Secretary

For and on behalf of the Board

**WANGCHUK DORJI**  
Managing Director

**VINAY KILLA**  
Director

## Schedules to Balance Sheet

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
<b>SCHEDULE : 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
7,500,000 (2009 - 7,500,000) Equity Shares of Rs.10/- each	75,000,000	75,000,000
<b>ISSUED, SUBSCRIBED, CALLED AND PAID UP</b>		
6,000,000 ( 2009 - 6,000,000 )Equity Shares of Rs. 10/- each fully paid up [Out of the above 20,000 (2009 - 20,000 ) Equity Shares were allotted as fully paid bonus shares by capitalisation of General Reserve]	60,000,000	60,000,000
	<b>60,000,000</b>	<b>60,000,000</b>
<b>SCHEDULE : 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
General Reserve		
Balance as per last Account	3,878,788	3,878,788
Less: Adjustment relating to Opening Liability in respect of Employee Benefit in accordance with transitional provision of Accounting Standard-15(Revised)	—	—
	3,878,788	3,878,788
Capital Reserve	595,100	595,100
Profit and Loss Account	83,862,544	81,426,698
	<b>88,336,432</b>	<b>85,900,586</b>
<b>SCHEDULE : 3</b>		
<b>SECURED LOANS</b>		
Overdraft Account with HDFC Bank (formerly Centurion Bank of Punjab, now merged with HDFC Bank)	—	47,50,442
(Secured against hypothecation of present and further inventories, book debts & equitable mortgage of the immovable property of the company)	—	47,50,442
	<b>—</b>	<b>47,50,442</b>



**Schedule Forming Part of Balance Sheet as at 31st March, 2010**

**SCHEDULE : 4  
FIXED ASSETS**

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	Cost as on 01.04.2009 Rs.	Additions during the year Rs.	Sales during the year Rs.	Total as on 31.03.2010 Rs.	As on 01.04.2009 Rs.	Additions during the year Rs.	Adjustment on sales Rs.	Total as on 31.03.2010 Rs.	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
<b>Building</b>	2,896,312	-	-	2,896,312	1,530,498	62,864	-	1,593,362	1,302,950	1,365,814
<b>Furniture</b>	18,895,903	6,025	2,200	18,899,728	12,014,803	1,248,444	2,200	13,261,047	5,638,681	6,881,100
<b>Office Equipments</b>	5,079,444	166,320	44,848	5,200,916	2,862,469	333,038	35,281	3,160,226	2,040,690	2,216,975
<b>Electrical Equipments</b>	2,545,818	32,485	-	2,578,303	1,378,714	186,500	-	1,565,214	1,013,089	1,167,104
<b>Motor Vehicles</b>	1,220,345	-	-	1,220,345	1,075,394	37,514	-	1,112,908	107,437	144,950
<b>Computers</b>	24,044,586	58,612	-	24,103,198	22,358,262	466,657	-	22,824,919	1,278,279	1,686,325
<b>Plant &amp; Machineries</b>	15,229,702	111,004	-	15,340,706	7,549,841	1,083,709	-	8,633,550	6,707,156	7,679,861
<b>Total</b>	<b>69,912,110</b>	<b>374,446</b>	<b>47,048</b>	<b>70,239,508</b>	<b>48,769,981</b>	<b>3,418,726</b>	<b>37,481</b>	<b>52,151,226</b>	<b>18,088,282</b>	<b>21,142,129</b>
<b>Software Charges</b>	3,728,851	264,830	-	3,993,681	3,188,718	433,494	-	3,622,212	371,469	540,133
<b>Total</b>	<b>73,640,961</b>	<b>639,276</b>	<b>47,048</b>	<b>74,233,189</b>	<b>51,958,699</b>	<b>3,852,220</b>	<b>37,481</b>	<b>55,773,438</b>	<b>18,459,751</b>	<b>21,682,262</b>
<b>PREVIOUS YEAR</b>	74,097,188	213,272	669,499	73,640,961	47,554,783	4,931,971	528,055	51,958,699	21,682,262	26,542,405

**Notes :**

1. Building includes Rs 20,48,838 (2008-09 - Rs. 20,48,838) purchased on 97 years lease basis.
2. The Software has been acquired for internal use. The same has been amortised as on the basis stated in Note 1 (h) on Schedule 21.





	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
<b>3. Market value/Net Asset Value ( NAV ) of quoted investment</b>		
a) Shares	4,222,327	2,640,126
b) Others		
I) UTI Master Gain 92 (NAV)	483,500	243,400
II) SBI Magnam Multipler Plus 1993 (NAV)	752,100	326,400
III) Morgan Stanly Mutual Fund (NAV)	236,120	124,040
<b>TOTAL</b>	<b><u>5,694,047</u></b>	<b><u>3,333,966</u></b>
<b>4. During 2009-10, 1030 Bonus Shares received from Reliance Industries Ltd</b>		
<b>SCHEDULE : 6</b>		
<b>INVENTORIES (As certified by Management)</b>		
Stock of Traded Goods		
(Refer Note No 2 (n) of Schedule 21)		
- Good	16,728,271	19,042,146
- Damaged	14,378,087	14,378,087
	<b><u>31,106,358</u></b>	<b><u>33,420,233</u></b>
Less: Provision for Damaged Stock	14,378,087	14,378,087
	<b><u>16,728,271</u></b>	<b><u>19,042,146</u></b>
<b>SCHEDULE : 7</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured - Considered Good)		
Debts exceeding six months	3,965,041	3,752,832
Other Debts	241,312,099	235,399,789
	<b><u>245,277,140</u></b>	<b><u>239,152,621</u></b>
<b>SCHEDULE : 8</b>		
<b>CASH AND BANK BALANCES</b>		
Cash in hand	1,209,298	625,788
Balances with Scheduled Banks on :		
Current Accounts	11,664,896	17,469,310
Dividend Accounts	-	340,938
Fixed Deposits	18,226,457	890,957
(pledged against Bank Guarantee Rs. 3,65,133/- ( 2009- Rs. 3,57,000/-)		
	<b><u>31,100,651</u></b>	<b><u>19,326,993</u></b>
<b>SCHEDULE : 9</b>		
<b>OTHER CURRENT ASSETS</b>		
(Unsecured - Considered Good)		
Interest accrued on fixed deposits	245,107	18,641
	<b><u>245,107</u></b>	<b><u>18,641</u></b>

As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
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**SCHEDULE : 10**
**LOANS AND ADVANCES**
**(Unsecured - Considered Good)**

Advances recoverable in cash or kind or for value to be received (Note 2(b) of Schedule 21)	92,607,092	90,818,466
Prepaid Expenses	231,179	380,123
Deposits	5,806,070	5,889,015
[including deposits with Government Authorities]		
Income Tax [including Tax Deducted at Sources Rs. 18,43,018 (2009 - Rs. 14,38,128) and Fringe Benefit Tax Rs.17,16,432 (2009 - Rs. 16,34,925)]	12,322,825	11,336,429
	<b><u>110,967,166</u></b>	<b><u>108,424,033</u></b>

**SCHEDULE : 11**
**CURRENT LIABILITIES**

Sundry Creditors		
Micro and Small Enterprise (Refer Note 2(d) of Schedule 21)	2,455,081	1,520,146
Other than Micro and Small Enterprise	238,745,231	238,662,969
	241,200,312	240,183,115
Advances from Customers	20,646,547	4,730,002
Unclaimed Dividend	-	340,950
Other Liabilities	8,456,990	7,758,716
	<b><u>270,303,849</u></b>	<b><u>253,012,783</u></b>

**SCHEDULE : 12**
**PROVISIONS**

Particulars	As at 1st April 2009 Rs.	Addition Rs.	Total Rs.	Payments / Utilization Rs.	As at 31st March 2010 Rs.
Gratuity	1,816,023	(374,104)	1,441,919	78,260	<b>1,363,659</b>
Leave Encashment	1,071,049	230,048	1,301,097	91,423	<b>1,209,674</b>
Income Tax	9,039,410	-	9,039,410	-	<b>9,039,410</b>
Fringe Benefit Tax	1,532,689	79,428	1,612,117	79,428	<b>1,532,689</b>
Leave Encashment (Short term benefit)	-	1,139,778	1,139,778	530,920	<b>608,858</b>
<b>TOTAL</b>	<b>13,459,171</b>	<b>1,075,150</b>	<b>14,534,321</b>	<b>780,031</b>	<b>13,754,290</b>

## Schedules to Profit & Loss Account

	Year ended 31st March, 2010 Rs.	Year ended 31st March, 2009 Rs.
<b>SCHEDULE : 13</b>		
<b>TURNOVER</b>		
<b>Sales :</b>		
Fruit Products	133,723,329	109,588,162
Calcium Carbide	40,826,943	54,146,313
Charcoal	116,835,282	171,874,632
Manganese Ore	174,381,150	160,179,365
LAM Coke	155,235	11,354,447
Lays	1,255,515	920,624
Food Product	75,963,500	104,357,500
Sale of Retail Products	48,158,675	68,365,820
Commission on sale of above related products [Taxes Deducted at Source - Rs.15,87,469 (2009 - Rs.12,50,775/-)]	14,125,174	14,460,205
	<b><u>605,424,803</u></b>	<b><u>695,247,068</u></b>
<b>SCHEDULE : 14</b>		
<b>OTHER INCOME</b>		
Dividend on Long Term Investments - Others	6,105,571	3,631,427
Interest - Gross [Taxes Deducted at Source Rs. 54,268/- (2009 - Rs. 28,584/- )]	602,814	57,147
Liabilities no longer required ,written back	1,121,754	4,134,200
Profit on Sale of Fixed Assets	—	5,000
Miscellaneous Income	5,909,003	4,719,132
Loss of C3 Division recovered (Refer Note No 2 (p) of Schedule 21)	2,867,457	—
	<b><u>16,606,599</u></b>	<b><u>12,546,906</u></b>
<b>SCHEDULE : 15</b>		
<b>ACCRETION / ( DECRETION ) OF INVENTORIES</b>		
Opening Stock	33,420,233	43,180,701
Less : Closing Stock	31,106,358	33,420,233
Accretion / (Decretion) of Inventories	<b><u>(2,313,875)</u></b>	<b><u>(9,760,468)</u></b>
<b>SCHEDULE : 16</b>		
<b>PURCHASE OF TRADED GOODS</b>		
Fruit Products	98,817,635	82,593,947
Calcium Carbide	36,220,542	48,092,578
Charcoal	87,835,790	143,460,617
Manganese Ore	153,439,388	155,416,343
Lam Coke	129,363	9,035,424
Lays Product	1,602,098	1,665,725
Food Products	76,751,500	98,457,500
Retail Products	42,161,753	57,006,889
Carraige Inward, Octroi Expenses and Other related expenses	11,178,573	7,822,197
	<b><u>508,136,642</u></b>	<b><u>603,551,220</u></b>

	Year ended 31st March, 2010 Rs.	Year ended 31st March, 2009 Rs.
<b>SCHEDULE : 17</b>		
<b>EMPLOYEES REMUNERATION AND WELFARE EXPENSES</b>		
Salaries, Wages, Bonus etc	16,577,121	14,830,151
Contribution to Provident and Other Funds	1,507,148	1,439,118
Staff Welfare	735,247	678,336
	<b><u>18,819,516</u></b>	<b><u>16,947,605</u></b>
<b>SCHEDULE : 18</b>		
<b>INTEREST</b>		
On Secured Loans	214,154	700,295
Other Interest	131,250	131,250
	<b><u>345,404</u></b>	<b><u>831,545</u></b>
<b>SCHEDULE : 19</b>		
<b>ADMINISTRATIVE, SELLING &amp; OTHER EXPENSES</b>		
Rent	4,123,902	5,770,105
Repairs to Building	597,147	559,653
Repairs to Others	8,573,641	11,997,330
Insurance	229,907	385,809
Rates and Taxes	2,079,906	1,623,886
Electricity	2,967,918	4,005,000
Travelling and Conveyance	4,856,274	4,307,806
Communication Expenses	1,590,129	1,765,972
Legal and Professional charges	1,616,534	1,708,085
Printing and Stationery	846,074	921,070
Doubtful Debts	–	2,394,900
Carriage Outward	21,995,753	13,549,726
Commission on Depot Sales	797,621	716,028
Breakage and Damages	1,432,792	1,011,917
Discount	2,190,755	2,482,475
Advertisement, Publicity and Sales Promotion	7,977,996	1,510,328
Other Selling Expenses	18,245,210	12,947,199
Debts and other debits written off	361,077	341,596
Bank & Other Charges	774,588	948,003
Miscellaneous Expenses (Note 2(h) on Schedule 21)	3,703,502	3,952,194
Security Charges	521,948	1,228,774
Common expenses Stores	785,424	861,820
	<b><u>86,268,098</u></b>	<b><u>74,989,676</u></b>
<b>SCHEDULE : 20</b>		
<b>PRIOR PERIOD AND EXTRA-ORDINARY ITEMS</b>		
Provision for Damaged Stock (Note 2(o) on Schedule 21)	–	–
Prior Period Adjustment	–	(230,980)
	<b><u>–</u></b>	<b><u>(230,980)</u></b>

**SCHEDULE - 21**

**ACCOUNTING POLICIES AND NOTES ON THE FINANCIAL STATEMENTS**

**1. Significant Accounting Policies**

**(a) Basis of preparation of Financial Statements**

The Financial Statements have been prepared on the accrual basis of accounting, under the historical cost convention, in accordance with the accounting principles generally accepted in India and comply with the requirements of Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

**(b) Use of Estimates**

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the Financial Statement and the reported amount of revenue and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognised in the period in which the results are known / materialised.

**(c) Fixed Assets**

Fixed Assets are stated at cost. Cost includes taxes, duties, freight and other incidental expenses related to acquisition, improvements and installation of the assets.

**(d) Depreciation**

- (i) Depreciation is provided on "Written Down Value Method", at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.
- (ii) Assets costing Rs.5,000 or less are depreciated in full in the year of purchase.

**(e) Impairment**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

**(f) Investments**

Long term Investments are stated at cost less provision for permanent diminution, if any, in value of such investments. Current investments are stated at lower of cost and fair value.

**(g) Inventories**

Inventories are valued at lower of cost or net realizable value. Cost is computed on the basis of cost of purchase inclusive of freight etc, on "weighted average" basis.

**(h) Intangible Assets**

Software which is not an integral part of related hardware, is treated as intangible asset and are capitalized in accordance with the relevant Accounting Standard. The cost of such assets is amortized on straight-line method over a period of five years or the estimated economic life of the asset whichever is lower. The carrying value of the capitalized software costs is reviewed at each Balance Sheet date.

**(i) Revenue Recognition**

- (i) Sales, net of taxes, are accounted for when property in the goods is transferred to the customers.
- (ii) Commission is accounted for as and when the Company's right to receive the same is established.
- (iii) Dividend is recognised, when the right to receive the dividend arises.
- (iv) Interest income is recognised on a time proportion basis.
- (v) Items of Income /Expenditure are recognized on accrual basis, unless otherwise stated.

**(j) Employee Benefits**

- (i) Defined Contribution Schemes  
Provident Funds and Employees State Insurance Fund are administered by the Central Government of India and contribution to the said funds are charged to Profit and Loss Account on actual basis.
- (ii) Defined Benefit Schemes  
Provision for leave encashment (Retirement Benefit) and gratuity liability are made on the basis of actuarial valuation.
- (iii) Provision for leave encashment (short term benefit) is made on accrual basis.

**(k) Borrowing Cost**

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of

such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognized as expense in the period in which these are incurred.

**(l) Foreign Currency Transactions**

Transactions denominated in foreign currencies are recorded at the rates of exchange prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currency are converted at the rate of exchange prevailing on the date of Balance Sheet. Any exchange loss or gain, on such conversion is accounted for in the Profit and Loss Account. Exchange gain/ loss relating to acquisition of fixed assets is adjusted in the profit and loss account

**(m) Treatment of Prior Period and Extra Ordinary Items**

- (i) Any material items (other than those arising out of over / under estimation in earlier years) arising as a result of error or omission in preparation of earlier years financial statements are separately disclosed.
- (ii) Any material gains / losses which arise from the events or transaction which are distinct from ordinary activities of the Company are separately disclosed.

**(n) Income Tax**

Income tax expense comprises of current tax and deferred tax charge or credit. Current Tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred Tax expenses or benefit is recognized on timing differences being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only to the extent that there is virtual certainty that sufficient taxable income will be available in future to realize such assets. In other situations, deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

**(o) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized when the company has a legal and constructive obligation as a result of a past event, for which it is probable that a cash outflow will be required and reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed when the Company has a present obligation and it is probable that a cash outflow will not be required to settle the obligation.

Contingent assets are neither recognized nor disclosed in the Financial Statements.

**2. Notes on the Balance Sheet and Profit & Loss Account**

**a. Contingent liabilities**

	As at 31 March 2010 (Rs.)	As at 31 March 2009 (Rs.)
(i) <b>Claim not acknowledged as debts -</b> Income Tax under appeal	7,28,206.00	7,28,206.00
(ii) Bank Guarantees	2,25,000.00	2,25,000.00

(iii) A claim of Rs.68,00,000/- towards enhanced municipal taxes over 10% of the previous rate was raised by the landlords of the premises from where the Company, as a subtenant, was operating one of its retail stores, in terms of the Company's sub tenancy agreement with them.

The said claim has been disputed by the Company on the ground that the said enhancement pertained to assessment of Annual Valuation based on the status (residential or commercial) of the property in question, which the landlords had concealed before the municipal authorities as well as before the Company and the Company has initiated legal proceedings to that effect which are pending for disposal.

b. Advances recoverable in cash or in kind or for value to be received include Rs.7,42,37,147.63 (previous year- Rs. 2,46,61,396.52 ) on account of Tai Projects Private Ltd, in which one of the directors of the Company is also a director, incorporated with an object of setting up of a Family Entertainment Complex (FEC) at Nonadanga in Eastern Metropolitan, Kolkata in pursuance of a decision to make investment in the said Company, which was approved by the share holders of the Company in its Annual General Meeting held on 17 September 2002.

**c. Deferred Taxation**

The major components of deferred taxation arising out of timing differences are -

Particulars	As at 31st March 2010 (Rs.)	As at 31st March 2009 (Rs.)
<b>Liabilities</b>		
Depreciation	NIL	1,83,902
<b>Total Liabilities – (A)</b>	NIL	1,83,902
<b>Assets</b>		
Depreciation	1,42,452	NIL
Provision for Gratuity and Leave Encashment	7,95,160	9,81,315
<b>Total Assets – (B)</b>	9,37,612	9,81,315
<b>Net Deferred Tax Liability / (Asset) [(A)-(B)]</b>	<b>(9,37,612)</b>	<b>(7,97,413)</b>

- d. The amount due to Micro and Small Enterprises as defined in ‘The Micro, Small and Medium Enterprises Development Act, 2006 (as disclosed in Schedule- Current Liabilities) has been determined to the extent such parties have been identified on the basis of information available with the company. The disclosures relating to Micro and Small enterprises as at 31st March, 2010 are as under:

Sl. no.	Description	Amount outstanding as at 31st March, 2010 (Rs.)	Amount outstanding as at 31st March, 2009 (Rs.)
1.	The principal amount remaining unpaid to suppliers as at the end of the year	24,55,081	15,20,146
2.	The interest due thereon remaining unpaid to supplier as at the end of the accounting year	NIL	NIL
3.	The amount of interest paid in terms of section 16 alongwith the amount of the payment made to the supplier beyond the appointed day during the year 2009-10	NIL	NIL
4.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the act.	NIL	NIL
5.	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	NIL	NIL
6.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23.	NIL	NIL

**e. Employee benefit**

The employee benefits have been determined in accordance with the Accounting Standard-15 issued by the Companies (Accounting Standards) Rules, 2006.

**A. Defined Benefit Plans**

**Gratuity & Leave** – The gratuity liability is determined on the basis of actuarial valuation using the Projected Unit Credit Method. This method recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The leave encashment is recognized in the financial statement in the same manner as gratuity.



	Gratuity (Rs.)			Leave Encashment (Rs.)		
	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2010	31st March, 2009	31st March, 2008
<b>a. Reconciliation of opening and closing balances of Defined Benefit Obligations</b>						
Defined Benefit Obligation at the beginning of the year	18,04,778	13,76,103	11,88,103	10,66,372	9,78,022	6,03,022
Current Service Cost	3,46,210	2,76,349	2,22,000	37,199	7,69,415	4,42,000
Interest Cost	1,41,702	1,27,235	NIL	81,840	81,776	59,000
Actuarial (gain)/ loss	(8,62,016)	1,21,068	(9,000)	1,11,009	(2,66,138)	2,28,000
Benefit paid	(67,015)	(95,977)	(25,000)	(86,746)	(4,96,703)	(3,54,000)
Defined Benefit Obligation at the year end	13,63,659	18,04,778	13,76,103	12,09,674	10,66,372	9,78,022
<b>b. Reconciliation of fair value of assets and obligations</b>						
Fair value of plan assets as at 31st March	Not funded	Not funded	Not funded	Not funded	Not funded	Not funded
Present value of obligation at 31st March	13,63,659	18,04,778	13,76,103	12,09,674	10,66,372	9,78,022
Amount recognized in Balance Sheet	13,63,659	18,16,023	13,87,348	12,09,674	10,71,049	9,78,747
<b>c. Expenses recognised during the year</b>						
Current service cost	3,46,210	2,76,349	2,22,000	37,199	7,69,415	4,42,000
Interest cost	1,41,702	1,27,235	NIL	81,840	81,776	59,000
Expected return on plan assets	NIL	NIL	NIL	NIL	NIL	NIL
Actuarial (gain)/ loss	(8,62,016)	1,21,068	(9,000)	1,11,009	(2,66,138)	2,28,000
Net cost	(3,74,104)	5,24,652	2,13,000	2,30,048	5,85,053	7,29,000

d. Actuarial method Actuarial assumptions	Projected Unit Credit		
	31.03.2010	31.03.2009	31.03.2008
Discount rate per annum compound	8.25%	8.00%	7.50%
Rate of increase salaries	5.00%	5.00%	15.00%
Expected average remaining working lives of employees (years)	22.70	21.72	21.09
Withdrawal Rates	Varying between 2% per annum and 1% per annum depending on duration and age of the employees		
Mortality Rate	LIC (1994 - 96) table		

**B. Defined Contribution Plans**

The contributions to Defined Contribution Plans recognized as expenses in the Profit & Loss account, are as follows:

Nature of contributions	2009-10 Rs.	2008-09 Rs.	2007-08 Rs.
Employers' contributions to Provident Fund	7,26,397.00	6,96,144.00	5,71,839.00
Employers' contributions to Pension Fund	5,13,234.00	4,82,257.00	3,95,064.81





- f. Certain confirmation of balances from Sundry Debtors, Loans & Advances, Deposits and Sundry Creditors, including Advances received from Customers are awaited and the account reconciliation of some parties, where confirmations have been received, are in progress. Adjustment for differences, if any, arising out of such confirmation/reconciliation would be made in the accounts on receipt of final agreed balances / reconciliation. The management is of the opinion that the impact of adjustment, if any, is not likely to be significant.

Furthermore, in the opinion of the management, all current assets, loans and advances including advances on capital accounts, would be realized at the values at which these are stated in the accounts in the ordinary course of business.

**g. Managerial Remuneration:**

1.	Remuneration paid to Managing Director	2009-10 Rs.	2008-09 Rs.
(i)	Salary	13,80,000	13,65,000
(ii)	Contribution to Provident Fund	1,65,600	1,63,800
(iii)	Monetary value of perquisites	—	—
	<b>Total</b>	<b>15,45,600</b>	<b>15,28,800</b>

Managing Director's remuneration was approved by Central Government vide their order no. 1/232/2005 – CL.VII dated 2nd September, 2005.

2.	<b>Directors' Sitting Fees</b>	<b>2,72,000</b>	<b>2,48,000</b>
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**h. Miscellaneous expenses include -**

		2009-10 Rs.	2008-09 Rs.
(a)	Amount paid/payable to Auditors :-		
(i)	Statutory Audit Fee	1,25,000	1,25,000
(ii)	Tax Audit Fee	20,000	20,000
(iii)	Other Certificates	55,500	55,500
(iv)	Reimbursement of Expenses [(Including Service-Tax Rs. 23,226) 2008-09 - Rs.23,433]	48,226	48,433
	<b>Total</b>	<b>2,48,726</b>	<b>2,48,933</b>

- i. The company has entered into an operating lease agreement for occupying premises at Salt Lake, Kolkata for its retail outlet. The future minimum lease payment for the said leased premises are as follows:

Sl. no.	Duration	Amount (Rs)
1.	Not later than one year	19,99,758
2.	Later than one year and not later than five years	87,48,496
3.	Later than five years	1,08,95,244

- j. The Company is predominantly engaged in trading of fruit products, calcium carbide, charcoal and manganese ore. Accordingly revenues from the above products comprise the primary basis of segmental information in these financial statements.

The company has no export sales and as such there are no reportable geographical segments.

The net expenses, which are not directly attributable to the Business Segment, are shown as unallocated corporate cost. It is not possible to allocate Assets and Liabilities of the Company between the Segments and therefore they are treated entirely as unallocated Corporate Assets and Corporate Liabilities respectively and consequently they are not disclosed separately here.



Particulars	Fruit Products (Rs.)	Carbide (Rs.)	Charcoal (Rs.)	Manganese Ore (Rs.)	LAM Coke (Rs.)	Others (Rs.)	C3-Retail (Rs.)	Total (Rs.)
<b>Revenue</b>	21,57,05,923	5,01,88,537	11,69,90,641	17,43,81,150	1,55,235	84,31,782	5,61,78,134	62,20,31,402
(Previous Year)	(21,99,06,808)	(6,33,93,145)	(17,18,74,632)	(16,01,79,365)	(1,13,54,447)	(47,32,249)	(7,63,53,328)	(70,77,93,974)
<b>Operating Expenses</b>	21,25,15,028	4,53,94,554	11,33,16,648	17,28,05,154	1,53,739	64,51,878	6,49,01,130	61,55,38,131
(Previous Year)	(20,59,21,054)	(5,84,49,743)	(16,62,14,276)	(15,95,95,518)	(1,04,50,298)	(40,76,602)	(10,05,41,478)	(70,52,48,969)
<b>Operating Income</b>	31,90,895	47,93,983	36,73,993	15,75,996	1,496	19,79,904	-87,22,997	64,93,270
(Previous Year)	(1,39,85,754)	(49,43,402)	(56,60,356)	(5,83,847)	(9,04,149)	(6,55,647)	(-2,41,88,150)	(25,45,005)
<b>Un-allocable Expenses</b>								41,97,624
(Previous Year)								(57,63,515)
<b>Net Profit Before Tax</b>								22,95,647
(Previous Year)								(-32,18,510)
<b>Income Tax (including Deferred Taxation and Fringe Benefit Tax)</b>								-1,40,199
(Previous Year)								(-2,43,554)
<b>Prior Period &amp; Extra-ordinary items</b>								NIL
(Previous Year)								(-2,30,980)
<b>Net Profit / (-) Loss After Tax</b>								24,35,846
(Previous Year)								(-27,43,976)

**k. Related Parties Disclosure**

As per Accounting Standard-18 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India, the names of the related parties are given below:

Nature of relationship	Names of the related parties
<b>Key management Personnel</b>	<ul style="list-style-type: none"> <li>■ Dasho Topgyal Dorji</li> <li>■ Dasho Wangchuk Dorji</li> </ul>
<b>Enterprise in which key Management Personnel have significant influence</b>	<ul style="list-style-type: none"> <li>■ Bhutan Fruit Products Private Limited</li> <li>■ Bhutan Carbide and Chemicals Limited</li> <li>■ Bhutan Ferro Alloys Limited</li> <li>■ Tashi Infocom Ltd.</li> <li>■ Tashi Commercial Corporation – Super Market</li> <li>■ Tashi Commercial Corporation</li> <li>■ Tai Projects Private Limited</li> <li>■ Bhutan Eco Ventures Pvt. Ltd.</li> <li>■ Rijal Tashi Industries Pvt. Ltd.</li> <li>■ Bhutan Brewery Pvt. Ltd.</li> <li>■ Bhutan Hyundi Motors</li> <li>■ Druk Plaster and Chemicals Limited.</li> <li>■ Druk Sat Air Corporation Limited.</li> <li>■ Bhutan Tourism Corporation Limited.</li> <li>■ Tashi Metals Limited</li> <li>■ SKW – Tashi Metals &amp; Alloys Pvt. Ltd.</li> </ul>

The following table provides the total amount of transactions, which have been entered into with related parties for the relevant financial year :-

	Enterprise in which Key Management Personnel have significant influence		Key Management Personnel	
	For the year ended 31.03.2010 Rs.	For the year ended 31.03.2009 Rs.	For the year ended 31.03.2010 Rs.	For the year ended 31.03.2009 Rs.
Purchase of goods	9,96,72,023	10,20,52,834		
Sale of Goods	29,13,71,666	34,34,08,444		
Rendering of Services	6,25,900	6,29,300		
Commission Received	1,33,07,174	1,35,62,855		
Royalty Paid	2,10,844	2,01,082		
Advance to related Party	7,52,89,472	7,43,86,657		
<b>Outstanding Balance</b>				
Due to Company	7,67,61,929	8,06,16,550		
Payables by Company	18,53,32,190	15,25,38,190		
<b>Remunerations -</b>				
Dasho Topgyal Dorji				
Dasho Wangchuk Dorji			15,45,600	15,28,800
<b>Directors' Sitting Fees -</b>				
Dasho Topgyal Dorji			16,000	24,000
Dasho Wangchuk Dorji			NIL	NIL

#### I. Earnings Per Share (EPS)

Particulars	2009-10 Rs.	2008-09 Rs.
Profit(Loss) after Tax attributable to Equity Shareholders	24,35,845	(27,43,976)
Weighted Average number of Equity Share Outstanding	60,00,000	60,00,000
EPS – Basic & diluted (Rs.).	0.41	(0.46)

- m. The Central Government of India vide its order no. 46/110/2010 – CL – III dated 17.05.2010 has exempted the company to disclose certain quantitative information, as prescribed in paragraph 3(ii)(b) of part II of schedule VI of the companies Act, 1956 for the financial year ended 31st March, 2010.
- n. The Value of closing stock amounting to Rs.3,11,06,358/- is certified by the Management of the Company and is included in the closing stock of traded goods.
- o. A provision of Rs.1,43,78,087/- was made in the year 2007-08 in respect of Stock damaged/destroyed by flood but included in stock. The Company had filed a claim with the Insurance Company. As the claim has been pending for a considerable period of time, the Company has notified the office of the insurance ombudsman for disposal of the matter.
- p. Loss of Rs.28,67,457/- recovered on account of C-3 Division as per Memorandum of Understanding dated 01.10.2009.
- q. a) Previous years figures have been regrouped/rearranged, wherever necessary to conform current year's presentation.  
(b) Figures in parenthesis represent previous year's figures.



Information pursuant to Part IV of Schedule VI to the Companies Act, 1956.

**Balance Sheet Abstract and Company's General Business Profile:**

**(I) Registration Details**

Registration Number	59695
State Code	21
Balance Sheet Date	31.3.2010

**(II) Capital raised during the year**

*(Amount in Rs.thousands)*

Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

**(III) Position of mobilization and deployment of funds**

*(Amount in Rs.thousands)*

Total Liabilities	148336
Total Assets	148336

**Sources of Funds**

Paid-up capital	60000
Reserves and Surplus	88336
Secured Loans	Nil
Unsecured Loans	Nil

**Applications of funds**

Net Fixed Assets	18460
Investments	8679
Deferred Tax Asset	938
Net Current Assets	120260
Miscellaneous expenditure	Nil
Accumulated Losses	Nil

**(IV) Performance of the Company**

*(Amount in Rs.thousands)*

Turnover (including other income)	622031
Total expenditure	617421
Profit (+)/loss (-) before Tax	2296
Profit (+)/loss (-) after Tax	2436
Earning per share (in Rs.) annualized	0.41
Dividend rate (%)	Nil

**(V) Generic names of the principal products and/ services of the company as per monetary terms:**

Item code no. (ITC Code)	Not Applicable
Product description	Not Applicable

For **RAY & RAY**  
Chartered Accountants  
Firms Registration No. 301072E

For and on behalf of the Board

**ABHIJIT NEOGI**  
Partner  
Membership No. 61380

**WANGCHUK DORJI**  
Managing Director

Place : Kolkata, India  
Date : 28th May 2010

**INDIRA BISWAS**  
Company Secretary

**VINAY KILLA**  
Director

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