



Tai Industries Limited

Board of Directors

Dasho Wangchuk Dorji
Dasho Topgyal Dorji
Mr. Prem Sagar
Mr. K N Malhotra
Mr. Vinay Killa

Chairman & Managing Director
Director
Director
Director
Director

Audit Committee

Mr. Prem Sagar
Mr. K N Malhotra
Mr. Vinay Killa

Chairman

President

Mr. Rohan Ghosh

**General Manager-Corporate
& Company Secretary**

Ms. Indira Biswas

Bankers

State Bank of India
HDFC Bank Limited
Canara Bank
United Bank of India
Vijaya Bank

Statutory Auditors

Ray & Ray, Chartered Accountants, Kolkata

Registered Office

53A, Mirza Ghalib Street
3rd floor, Kolkata 700 016

Contents

Notice	3
Directors' Report	5
Management Discussion and Analysis Report	9
Report on Corporate Governance	10
CEO's declaration on the Affirmation of Code of Conduct	15
Auditor's Certificate on Corporate Governance	16
Auditor's Report	17
Balance Sheet	20
Profit & Loss Account	21
Cash Flow Statement	22
Schedules	24
Balance Sheet Abstract	37
Addendum to the Accounts	38
Proxy Form	39

Annual General Meeting on Monday, 22nd September 2008 at Kalakunj, 48, Shakespeare Sarani, Kolkata-700017 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-fifth Annual General Meeting of Tai Industries Limited will be held at Kalakunj, 48 Shakespeare Sarani, Kolkata – 700017, on Monday, the 22nd September, 2008 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 2008, 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. Prem Sagar 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 Section 149 (2A) and other applicable provisions, if any, of the Companies Act, 1956 consent be and is hereby accorded for the commencement of business of purchase and sale, including import and export of machinery as provided in sub-clause 6 and 9 of the Other Objects Clause of the Memorandum of Association of the Company.”

“RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds or things which may be required to give effect to this resolution.”

Thimpu, Bhutan
25th June, 2008

By Order of the Board

Indira Biswas

General Manager-Corporate
& Company Secretary

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. Intime Spectrum Registry Limited having their office at 59C Chowringhee Road, Kolkata 700020 are the Registrar and Share Transfer Agents of the Company.
4. The Register of Members of the Company will remain closed from 15th September, 2008 to 22nd September, 2008, both days inclusive.
5. Members who are holding shares in physical form 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, 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.

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 1999-2000 (Interim Dividend) 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. The Statutory period of seven years pertaining to dividend for the year 2000-2001 expires on 9th September, 2008, following which the unpaid/unclaimed dividend for the said year shall be transferred to the Investor Education and Protection Fund.
 - iii. Those members who have not so far encashed their warrants pertaining to the dividend paid for the year 2001 – 2002 are requested to send the same to the Company's Registered Office for revalidation immediately in view of the fact that dividend remaining unpaid/unclaimed over a period of seven years are required to be transferred to the aforesaid Fund 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, 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. Prem Sagar

Brief Resumé:

Mr. Prem Sagar started his career with TISCO and has assumed several responsible positions in the Tata Group of Companies. He has an experience of over four decades in the industry and is a widely travelled technocrat. Mr. Sagar is connected with several trade, social and sports associations in India.

Directorships & Committee Memberships of Other Companies:

Mr. Prem Sagar is also a Director of Frontier Springs Limited

Mr. Prem Sagar does not hold any share in the Company.

Thimpu, Bhutan
25th June, 2008

By Order of the Board
Indira Biswas
General Manager-Corporate
& Company Secretary

Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956.

Item No. 4

As a diversification programme, your Company proposes to enter into the business of purchase and sale, including export and import of machinery which has vast potentials of growth.

The Company is permitted to enter into this activity vide clauses 6 and 9 in the Other Objects Clause of the Memorandum of Association of the Company.

As per section 149 (2A) of the Companies Act, 1956, approval of members by way of special resolution is necessary for commencement of new business provided in the 'Other Objects' clauses of the Memorandum of Association. Accordingly this resolution is placed before the shareholders for their approval.

No Director is interested or concerned in this resolution.

Thimpu, Bhutan
25th June, 2008

By Order of the Board
Indira Biswas
General Manager-Corporate
& Company Secretary

Directors' Report

TO THE MEMBERS

Your Directors have pleasure in presenting their 25th Annual Report on the business and operations of your Company for the year ended 31st March, 2008.

FINANCIAL PERFORMANCE

(Rupees in Lakhs)

Particulars	Year ended 31st March 2008	Year ended 31st March 2007
Turnover	4463.53	4414.93
Profit before Interest, Depreciation & Taxation (PBIDT)	113.77	600.54
Interest	5.07	56.54
Profit before Depreciation & Taxation (PBDT)	108.70	544.00
Depreciation	62.88	79.63
Profit Before Tax and Extraordinary Items (PBTE)	45.82	464.37
Extraordinary Items	151.98	-
Profit/(Loss) Before Tax (PBT)	(106.16)	464.37
Provision for Taxation	13.41	52.07
Profit/(Loss) After Tax (PAT)	(119.57)	412.30
Balance brought forward from previous year	961.27	548.97
Profit available for appropriation	841.71	961.27
Proposed Dividend	-	-
Profit carried to Balance Sheet	841.71	961.27

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.

Referring to Item No. 4 of the Auditor's Report, your Directors clarify that during the year stocks worth Rs.1,43,78,087 were damaged by inundation in the month of September. The amount of damage has been duly surveyed by the Insurance Company and a claim for the aforesaid amount has been lodged. The settlement of the claim is awaited.

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 the 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 adequate internal audit system carried out by external firms of Chartered Accountants who submit their Reports upon completion of audit for consideration by the Directors.

RESUMÉ OF PERFORMANCE

Your Company's financial performance reflects 1.10 % rise in total sales of the Company from the previous year. The details of Sales/Income from operations are as follows:

PRODUCTS	Sales in 2007-2008 (Rs. in lakhs)	Sales in 2006-2007 (Rs. in lakhs)	Increase/ (Decrease) in Sales (Rs. in lakhs)	Percentage increase/ (decrease) %
Fruit Products	2073.27	1768.36	304.91	17.24
Calcium Carbide	282.85	301.70	(18.85)	(6.25)
Charcoal	445.04	431.49	13.55	3.14
Retail	1520.83	1775.86	(255.03)	(14.36)
Commission on Sale	141.54	137.52	4.02	2.92
Total Turnover	4463.53	4414.93	48.60	1.10

The Loss of Rs. 119.57 lakhs is attributable to stocks damaged during the year due to inundation owing to heavy rainfall.

PLANS AND PROSPECTS

Fruit Product Division

The 'DRUK' brand in India continues to enjoy customer confidence for over two decades in terms of the quality of its products and your Company continues in its endeavour for consolidation and expansion of this division.

Presently the focus has been on squashes and, during the year, your Company has test launched the Litchi Squash and has received a very favourable response. Your Company is thus also contemplating introducing new variants in this category.

Your Company is also contemplating entering into agreements with reputed FMCG companies for distributorship of their food products throughout India. This would not only be beneficial from the operations point of view but would also augment the Company's revenue.

Your Company also continues in its focus on branding and modernization of packaging and expansion of existing product mix.

Industrial Division

1. Charcoal

- There has been encouraging performance on the Charcoal procurement front during the year.
- Your Directors are contemplating shifting of base from Trichy to Manamadurai and the Logistics and costs involved in the move are being considered.
- There is a very good demand for Charcoal from Bhutan and other parties. We are looking at an increased procurement and have revised our targets upward to meet the demand in the coming financial year.

2. Manganese Ore

- We have been able to locate good resources of supply and have good business prospects in the coming financial year.

3. Low Ash Metallurgical Coke

We are looking at tie ups with Coking Coal companies as there are regular requirements for the same. We are also looking at opening of new opportunities.

4. Silico-Manganese

We are looking at marketing of the above product in India.

5. Calcium Carbide

- Our performance on the Calcium Carbide front has been satisfactory.
- We have revised our sales target for the Quarter April – June 2008, as we are looking at very good demands because of the rise in production capacities of end users.
- The traders are also signaling a good season ahead.
- We are working aggressively on the dealer network across Eastern India and are able to see the demands growing.

Retail Division

The Retail sector has been witnessing a tremendous growth with an explosion of all formats of retail stores by big groups on a national level. The competition for customer patronage is also very keen and the overall base of customers visiting Modern Trade retail outlets has increased exponentially. Equally, your Company has been pursuing a strategy of aggressive growth in this segment.

The first store under the brand name "C3 the Marketplace" was opened in Lee Road, way back in January, 2004. Thereafter your Company has since been on the expansion mode.

During the year your Company has entered into an arrangement with oil mammoth HPCL for a tie up with their suitable retail outlets for opening of Express stores. Accordingly, the first store was opened at Narendrapur in February '08. Further outlets are being readied in terms of infrastructure by HPCL for C3 to commission.

In accordance with the focus on building and monitoring a customer-centric culture your Company is implementing:

1. An ongoing and continuous programme of delivering increased customer satisfaction by way of a range of offers which will make C3 the preferred shopping destination.
2. Upgradation of Stores infrastructure and renovation, of which the exercise in Lee Road has been completed and City Centre is impending.
3. Upgradation of product mix for competitive advantage and higher margins.
4. Manpower rationalization and optimal efficiency in logistics and stocking to ensure faster rotation with lower inventory levels.
5. A focused promotional programme targeted at niche customers such as senior citizens and other such clientele.

The proposal to spin off the retail business continues to be under the Board's consideration.

DIVIDEND

Your Directors express their inability to recommend dividend for the year to plough back profits to conserve funds for expansion.

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

During the year the Company has made an application to the Central Government, Ministry of Corporate Affairs for obtaining an exemption 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, 2008. The approval of the Central Government is awaited.

CORPORATE GOVERNANCE

In compliance with the disclosures required under the said 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, 2008 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, 2008, so as to exhibit a true and fair view of the state of affairs of the Company and of the loss 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, 2008 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, 2008, 58.62% of total number of shares stand dematerialised.

DIRECTORS

In accordance with Article 56 of the Articles of Association of the Company, Mr. Prem Sagar 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

- (a) Energy conservation measures taken :

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.

- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :

As already mentioned above, the electrical consumption required for the use and maintenance of office appliances is kept as low as is practicable.

- (c) Impact of the measures at (a) and (b) above for reduction of consumption and consequent impact on the cost of production of goods :

Your Company is not engaged in any manufacturing activity and hence disclosure under this head is not required.

- (d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of industries specified in the Schedule thereto:

Your Company is not engaged in any manufacturing activity and hence disclosure under this head is not required

B. Technology Absorption

- (e) Efforts made in technology absorption as per Form B of the Annexure:

Your Company is not engaged in any manufacturing activity and hence disclosure under this head is not required.

C. Foreign exchange earnings and outgo

- (f) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; export plans;

Your Company is not engaged in any export activity and hence disclosure under this head is not required.

- (g) Total foreign exchange used and earned

There has been no foreign exchange earnings or outgo during the year.

AUDITORS

Messrs. 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 for 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 and contributions made by employees at all levels who through their competence, hard work and support have enabled your Company to achieve better performance and look forward to their continued support in the future as well.

For and on behalf of the Board

Place : Thimpu, Bhutan
Date : 25th June, 2008

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

Indian cities are witnessing a paradigm shift from traditional forms of retailing into a modern organised sector. Of the 12 million retail outlets in the country, nearly 5 million sell food and related products. Organised retail accounts for only 4 percent of the total market, and is likely to increase its share to 22 percent, opening huge growth potential in this segment.

The processed fruits industry is a dominant segment of the food industry. Fruit items are primarily processed in order to extend their shelf life and to preserve their nutritional value. The secondary purpose is to deliver convenience, taste and appeal to the target consumers. This industry is set to register a significant growth rate against the backdrop of increased consumer demands and a step up in investments.

In the industrial sector, Calcium Carbide is generally used as a desulphuriser in the iron and steel industry. Your Company's main focus in the past year has been in the manufacture of acetylene gas. Due to its long chain of importance Calcium Carbide is one of the most required and manufactured chemicals.

Charcoal is a product with many uses in the industry at different scales of activity, specially in furnaces for forging and metal working.

(b) Opportunities and threats

The Indian retail market which is the fifth largest retail destination globally, according to industry estimates is estimated to grow from USD 330 billion in 2007 to USD 427 billion by 2010 and USD 637 billion by 2015. While there are significant opportunities for growth in this sector, your Company operates in a highly competitive environment with the entry of several big players.

While India has an abundant supply of fruits and vegetables, the processed food industry is still in its nascent stages. In a country like India where local taste preferences differ from region to region, it poses a much bigger problem to market food products which can have a much larger acceptance and hence a bigger market potential. Apart from certain exotic items such as preserved bamboo shoots and Kiwi fruit juices, your Company is into marketing of generic category of fruit preserves having universal acceptance for the Indian market.

The Indian foods industry is growing at 9% and has set the growth agenda for modern trade formats. The preserved foods sector is witnessing a significant favourable change driven by changing lifestyle, strong income growth and favourable demographic patterns. This is also one of the key growth drivers of the organised retail sector.

Our country remains a net importer of Calcium Carbide, with the demand growing at 3-3.5 percent, the requirement for the same being in large quantities.

(c) Segment-wise or Product-wise Performance

As mentioned in the Notes on Accounts, your Company is predominantly engaged in retail, trading of fruit products, calcium carbide and charcoal.

"C3 The Marketplace", with its clear competitive advantage over its competitors in certain segments such as liquor, frozen non vegetarian, and imported items and its USP of personalized service has created a dedicated customer clientele.

'Druk' is a well recognised brand in the processed fruit industry, having a major presence in the market. As a leading distributor of jams, crushes, squashes, preserves under the said brand name, your Company enjoys full customer confidence as to the quality of its products.

The performance in the industrial product segment has been very encouraging and your Directors are contemplating expansion of this division.

(d) Outlook

Your Directors continue in their emphasis on the 'Quality' of products. The outlook for the forthcoming year looks encouraging in the retail, fruit product and industrial sector.

(e) Risks & Concerns

Despite the prospects being good, the severe competition continue to govern results.

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

(f) Internal Control Systems & their Adequacy

The statutory requirements of 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 periodically visit various divisions of the Company.

Activities of each sector are being programmed on a quarterly basis, which get translated into an Annual Activity Plan. Each departmental 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 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

The Company has taken in hand to step up activities related to human resource development pursuant to which efforts are under way for improved training and education of the Company's employees at all levels.

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, 2008 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	12	–	–
Dasho Topgyal Dorji	Non-Executive Director	3	Yes	10	–	–
Mr. Prem Sagar	Non-Executive Independent Director	5	Yes	1	–	–
Mr. Kanwal Nain Malhotra	Non-Executive Independent Director	5	Yes	–	–	–
Mr. Vinay Killa	Non-Executive Independent Director	5	Yes	1	–	–

Note:

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

During the year under review, five Board meetings were held on 24th April 2007, 30th July 2007, 17th August 2007, 29th October 2007 and 31st January 2008.

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:-

- review internal control systems; nature and scope of audit as well as post audit discussions;
- review 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;
- ensure compliance with internal control systems;
- recommend to the Board on any matter relating to financial management, including audit report;
- oversee Company's financial reporting process and disclosure of financial information;
- review performance of statutory and internal auditors;
- any other matter which may be referred to the Committee by the Board.

During 2007-2008 the Audit Committee met on 24th April 2007, 30th July 2007, 17th August 2007, 29th October 2007 and 31st January 2008.

Composition of the Audit Committee during the year 2007-2008:

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

Invitees: The Senior Manager Finance, the 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. K.N. 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	13,20,000
Commission	-
Other benefits	-
Retiral Benefits	1,58,400
Total	14,78,400

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 retrial 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.

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

Particulars of sitting fees paid to the Non-Executive Directors during the year under review are given below:

Name	Board Meetings (Rs.)	Committee Meetings (Rs.)	Total (Rs.)	No. of Shares held in the Company
Dasho Topgyal Dorji	24,000	-	24,000	-
Mr. Prem Sagar	40,000	40,000	80,000	-
Mr. Kanwal Nain Malhotra	40,000	40,000	80,000	-
Mr. Vinay Killa	40,000	40,000	80,000	200

The Company has not issued any convertible instruments.

5. SHARE TRANSFER COMMITTEE:

The Share Transfer Committee comprises Mr. Vinay Killa, as the Chairman and Mr. Rohan Ghosh as Member. 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 severally to Mr. Rohan Ghosh and the Company Secretary.

The Company's Registrar and Share Transfer Agent, 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 was reconstituted on 29th October, 2007 and 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.

Status of Investors' Complaints as on 31st March, 2008:

No of complaints received during the year and entirely dealt with	2
No of complaints pending	Nil

7. GENERAL BODY MEETINGS

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

Date	Location	Time
28th September, 2005	Kalakunj, 48, Shakespeare Sarani, Kolkata – 700017.	10.00 A M
21st September, 2006	Same as above	10.00 A M
21st September, 2007	Same as above	10.00 A M

A Special Resolution for alteration of the Objects Clause of the Memorandum of Association was passed at the Annual General Meeting held on 21st September, 2006. No Special Resolution was passed at the Annual General Meetings held on 28th September, 2005 and 21st September, 2007.

Resumé and other information on the Director 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

- 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 issued by the Institute of Chartered Accountants of India has been given in Notes on Accounts for the year ended 31st March, 2008.
- 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.
- 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

- 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 and approved 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.
- Such results are also published in newspapers namely, Financial Express and Arthik Lipi.
- The Company has no web-site.
- No presentations have been made to institutional investors or to the analysts.
- 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 22nd day of September, 2008 at Kalakunj, 48, Shakespeare Sarani, Kolkata – 700017 at 10.00 a.m.
- b) Financial Year: 1st April to 31st March.
- c) Book closure Period: 15th September, 2008 to 22nd September, 2008, both days inclusive.
- d) Dividend payment date: No dividend has been recommended for the year ended 31st March, 2008.
- 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, Calcutta 700 001	30055
(ii) Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 023.	519483

Listing Fees as prescribed have been paid to all the aforesaid Stock Exchanges upto 31st March, 2009.

Demat Code No. allotted by NSDL & CDSL:

INE358D01018

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

Year 2007-2008	(Rupees)			
Month	Bombay Stock Exchange Limited		Sensex	
	High	Low	High	Low
April, 2007	34.00	21.00	14383.72	12425.52
May, 2007	27.90	22.70	14576.37	13554.34
June, 2007	25.30	21.70	14683.36	13946.99
July, 2007	32.50	24.00	15868.85	14638.88
August, 2007	28.00	21.15	15542.40	13779.88
September, 2007	28.00	21.40	17361.47	15323.05
October, 2007	24.90	19.60	20238.16	17144.58
November, 2007	24.90	18.55	20204.21	18182.83
December, 2007	33.00	22.15	20498.11	18886.40
January, 2008	42.90	20.50	21206.77	15332.42
February, 2008	23.10	16.75	18895.34	16457.74
March, 2008	19.10	11.30	17227.56	14677.24

- 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:
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, 2008, 58.62% 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, 2008:

Break-up of Equity shares held	No. of Shareholders	Percentage of Shares held	No. of Equity shares held	Percentage of Equity shares
1-500	8733	94.31	1026726	17.11
501-1000	251	2.71	209313	3.49
1001-2000	117	1.26	179279	2.99
2001-3000	62	0.67	155184	2.59
3001-4000	16	0.17	56740	0.95
4001-5000	26	0.28	123536	2.06
5001-10000	22	0.24	162259	2.70
10000 and above	33	0.36	4086963	68.12
Total	9260	100.00	6000000	100.00

(B) Shareholding Pattern as on 31st March, 2008:

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	–	–
Total (A)	1216000	20.267
B Public Shareholding		
1. Institutional Investors		
a) Mutual Funds and UTI	–	–
b) Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ Non-Government Institutions)	300	0.005
c) FIIs	1200000	20.00
Sub-Total	1200300	20.005
2. Others		
a) Private Corporate Bodies	790964	13.183
b) Individuals	2188735	36.478
c) NRIs/OCBs	604001	10.067
Sub-Total	3583700	59.729
Total (B)	4784000	79.733
Grand Total (A+B)	6000000	100.00

m) Address for Correspondence :

Registrar and
Share Transfer Agent

Intime Spectrum Registry Limited,
59C Chowringhee Road, Kolkata – 700020.
Phone: 22890539 / 22890540
Fax: 22890539

Corporate Office :

Ms. Indira Biswas,
General Manager- Corporate & Company Secretary
Tai Industries Limited,
53A, Mirza Ghalib Street,
Kolkata – 700016.

Signatures to Annexures A & B

For and on behalf of the Board

Place : Thimpu, Bhutan
Date : 25th June, 2008

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(l)(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, 2008.

Date : 25th June, 2008

Wangchuk Dorji
Chief Executive Officer

Auditor's Certificate on Corporate Governance

To
The Members of
Tai Industries Limited

We have examined the compliance of conditions of Corporate Governance by Tai Industries Limited for the year ended as 31st March, 2008, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.

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 the 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 of 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 representation made by the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2008 no investor grievances were pending for a period exceeding one month against the company, as per the records maintained by the company.

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.

For **RAY & RAY**
Chartered Accountants

ABHIJIT NEOGI
(Partner)
(Membership No. 61380)

Place : Thimpu, Bhutan
Date : 25th June, 2008

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, 2008, 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 no. n and o of Notes to Accounts (Schedule 21). Damaged stock of the Company could not be physically verified by us and we have relied upon the Certification from Management. We further state that we are unable to offer any comment as to the adequacy of the provision in respect of the damaged stock.*
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 no. 4**, 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, the 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 Companies Act, 1956;
 - 5.5 On the basis of written representations received from the directors, as on 31 March 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March, 2008 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956';
 - 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 Companies Act, 1956 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 2008;
 - b) In the case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **RAY & RAY**
Chartered Accountants

ABHIJIT NEOGI
(Partner)
(Membership No. 61380)

Place : Thimpu, Bhutan
Date : 25th June, 2008

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 2008]

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 inventory 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 records of inventory maintained by the Company in respect of its C3 division need to be improved with respect to timeliness of entries and adjustments, quantitative reconciliation of stocks at various locations and unit price.** The discrepancies noticed on physical verification of inventory as compared to book records were not material.
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. On the basis of our evaluation of Internal Control procedures and according to the information and explanations given to us, we are of the opinion that internal control procedures for purchase and sale of inventory is in commensurate with the size of the company and nature of its business.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts of 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 scope of work as Internal Auditors and coverage is in commensurate with the size and nature of Company's 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, no undisputed amounts payable in respect of provident fund, investor education and protection fund, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess were in arrears as at 31st March, 2008 for a period of more than six months from the date they became payable.

- (c) 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 2008 which are 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	Commissioner of Income Tax (Appeal)	2005-2006

10. The Company has no accumulated loss as at 31st March 2008 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. In our opinion and according to the information and explanations given to us, on an overall basis, the company has not obtained any term loan during the year.
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 **RAY & RAY**
Chartered Accountants

ABHIJIT NEOGI
(Partner)
(Membership No. 61380)

Place : Thimpu, Bhutan
Date : 25th June, 2008

Balance Sheet as at 31st March, 2008

	Schedules	As at 31st March, 2008 Rs.	As at 31st March, 2007 Rs.
I. SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Capital	1	60,000,000	60,000,000
Reserves and Surplus	2	88,644,562	100,413,137
		148,644,562	160,413,137
LOAN FUNDS			
Secured Loan	3	4,867,368	-
Deferred Tax Liability (Note 2 (c) on Schedule 21)		-	756,240
TOTAL		153,511,930	161,169,377
II. APPLICATIONS OF FUNDS			
FIXED ASSETS			
Gross Block	4	74,097,188	74,073,085
Less : Accumulated Depreciation and Amortisation		47,554,783	41,493,767
Net Block		26,542,405	32,579,318
INVESTMENTS			
Deferred Tax Asset (Note 2 (c) on Schedule 21)	5	8,631,173	8,631,173
		45,983	-
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	6	28,802,614	36,804,533
Sundry Debtors	7	230,519,150	168,455,395
Cash and Bank Balances	8	10,463,945	10,761,491
Other Current Assets	9	59,620	24,736
Loans and Advances	10	126,529,083	127,082,566
		396,374,412	343,128,722
Less : CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	11	265,651,725	204,883,476
Provisions	12	12,430,318	18,286,360
		278,082,043	223,169,836
NET CURRENT ASSETS		118,292,369	119,958,886
TOTAL		153,511,930	161,169,377

Notes on Accounts

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

For and on behalf of the Board

ABHIJIT NEOGI
Partner
Membership No. 61380

WANGCHUK DORJI
Managing Director

Place : Thimpu, Bhutan
Date : 25th June, 2008

INDIRA BISWAS
Company Secretary

VINAY KILLA
Director

Profit and Loss Account for the Year ended 31st March, 2008

	Schedule	For the year ended 31st March, 2008 Rs.	For the year ended 31st March, 2007 Rs.
INCOME			
Turnover	13	446,352,560	441,493,359
Profit on Sale of Investments		-	82,791,584
Other Income	14	12,938,409	15,819,487
Increase/(Decrease) in Inventories	15	6,376,168	(24,354,209)
TOTAL		465,667,137	515,750,220
EXPENDITURE			
Purchases	16	364,354,504	361,871,255
Employee's remuneration and welfare expenses	17	13,738,686	15,070,334
Interest	18	507,725	5,654,943
Administrative, Selling and Other Expenses	19	76,195,803	78,753,666
Depreciation/Amortisation		6,287,831	7,963,046
TOTAL		461,084,549	469,313,244
Profit/(Loss) before taxes & extraordinary items		4,582,588	46,436,976
Prior Period & Extra-ordinary items	20	15,197,714	-
Profit/(Loss) before taxation		-10,615,126	46,436,976
Taxation			
- Current Tax		-	5,750,610
- Fringe Benefit Tax		369,321	355,185
- Deferred Tax		(802,223)	(899,109)
Income Tax paid for earlier years		1,774,351	-
Profit after Taxation		-11,956,575	41,230,290
Balance brought forward from previous year		96,127,249	54,896,959
Balance carried to Balance Sheet		84,170,674	96,127,249
Notes on Accounts	21		

Earning Per Share (Rs) -1.99 6.87

(Note 2 (I) on Schedule 21)

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

ABHIJIT NEOGI
Partner
Membership No. 61380

Place : Thimpu, Bhutan
Date : 25th June, 2008

For and on behalf of the Board

WANGCHUK DORJI
Managing Director

INDIRA BISWAS
Company Secretary

VINAY KILLA
Director

Cash Flow Statement for the Year ended 31st March, 2008

	Year ended 31 March, 2008 Rs.	Year ended 31 March, 2007 Rs.
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and extra ordinary items	4,582,588	46,436,976
Adjustments for :		
Depreciation	6,287,831	7,963,046
Interest Received	(38,459)	(36,648)
Dividend Received	(5,275,876)	(7,113,423)
Provision for Gratuity	213,435	617,712
Provision For Leave Encashment	878,316	488,181
(Profit) / Loss on Sale of Fixed Assets	-	(14,312)
Interest paid	507,725	5,654,943
Loss on sale of investments	-	(82,791,583)
Commission Received	(14,153,911)	(13,751,828)
Investment written off	-	-
Liabilities no longer required, written back	(1,535,410)	(1,242,303)
Debts & other debits written off	-	4,370,984
Discount Given	1,265,054	1,019,022
Operating Profit before Working Capital changes	(7,268,707)	(38,399,232)
Adjustment for changes in Working Capital :		
(Increase)\Decrease in Trade and other Receivables	(61,545,155)	(42,629,376)
(Increase)\Decrease in Inventories	8,073,502	24,354,209
Increase\Decrease in Trade payables	54,923,567	26,092,772
Commission Received	13,241,958	13,530,169
Cash Generated from Operations	7,425,164	(17,051,459)
Interest paid	(507,725)	(5,654,943)
Taxes paid	(2,341,000)	(4,617,586)
Leave Encashment Paid	(409,134)	(340,267)
Gratuity Paid	(26,972)	(30,779)
Cash Flow before Extra ordinary items	4,140,333	(27,695,034)
Extra Ordinary Items	(14,803,153)	-
Net Cash from Operating Activities (A)	(10,662,820)	(27,695,034)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(250,918)	(852,915)
Sale of Investments		117,647,271
Sale of Fixed Assets	226,814	19,000
Interest Received	24,538	32,442
Dividend Received	5,275,876	7,113,423
Advance for Purchase of investments	47,700	-
Net Cash from Investing Activities (B)	5,324,011	123,959,221

	Year ended 31 March, 2008 Rs.	Year ended 31 March, 2007 Rs.
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeding from Borrowings :		
Secured Loans	4,867,368	(91,217,605)
Dividend Paid (Deposited to Central Government)	(382,585)	(400)
Discount Received	556,480	
Net Cash used in Financing Activities (C)	5,041,264	(91,218,005)
Net increase/(decrease)in Cash and Cash Equivalents (A+B+C)	(297,545)	5,046,183
Opening Balance of Cash and Cash Equivalents	10,761,491	5,715,308
Closing Balance of Cash and Cash Equivalents	10,463,945	10,761,491

Notes :

1. The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at 31 March, 2008 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 The Institute of Chartered Accountants of India and reallocations required for this purpose are as made by the Company.
3. Figures in parenthesis represent outflows.
4. 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

ABHIJIT NEOGI
Partner
Membership No. 61380

Place : Thimpu, Bhutan
Date : 25th June, 2008

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 2008 Rs.	As at 31st March 2007 Rs.
--	---------------------------------	---------------------------------

SCHEDULE : 1

SHARE CAPITAL

AUTHORISED

7,500,000 (2007 - 7,500,000) Equity Shares of Rs.10/- each	75,000,000	75,000,000
---	------------	------------

ISSUED, SUBSCRIBED, CALLED AND PAID UP

6,000,000 (2007-6,000,000) Equity Shares of Rs. 10/- each fully paid up [Out of the above 20,000 (2007-20,000) Equity Shares were allotted as fully paid bonus shares by capitalisation of General Reserve]	60,000,000	60,000,000
	60,000,000	60,000,000

SCHEDULE : 2

RESERVES & SURPLUS

General Reserve		
Balance as per last Account	3,690,788	3,690,788
Less: Adjustment relating to Opening Liability in respect of Employee Benefit in accordance with transitional provision of Accounting Standard-15(Revised)	188,000	-
	3,878,788	3,690,788
Capital Reserve	595,100	595,100
Profit and Loss Account	84,170,674	96,127,249
	88,644,562	100,413,137

SCHEDULE : 3

SECURED LOANS

Overdraft Account with Centurion Bank	4,867,368	-
(Secured against hypothecation of present and further inventories, book debts & equitable mortgage of the immovable property of the company)		
	4,867,368	-



Schedule Forming Part of Balance Sheet As At 31st March, 2008

SCHEDULE : 4

FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	Cost as on 01.04.2007 Rs.	Addition during the year Rs.	Adjustment during the year Rs.	Total as on 31.03.2008 Rs.	As on 01.04.2007 Rs.	Additions during the year Rs.	Adjustment on sales Rs.	Total as on 31.03.2008 Rs.	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
Building	2,896,312	-	-	2,896,312	1,344,613	96,284		1,440,897	1,455,415	1,551,699
Furniture	19,036,103	-	140,200	18,895,903	8,692,304	1,945,529	140,200	10,497,633	8,398,270	10,343,799
Office Equipment	5,027,698	109,560	86,614	5,050,643	2,185,465	408,389	86,614	2,507,240	2,543,403	2,842,233
Electrical Equipment	2,839,796	2,050	-	2,841,846	1,082,760	246,454	-	1,329,214	1,512,632	1,757,036
Motor Vehicles	1,521,816	-	-	1,521,816	1,251,229	68,694	-	1,319,923	201,892	270,586
Computers	23,828,063	114,556	-	23,942,619	20,302,534	1,339,714	-	21,642,248	2,300,371	3,525,529
Plant & Machinery	15,219,198	-	-	15,219,198	4,869,409	1,439,655	-	6,309,065	8,910,133	10,349,788
Total (A)	70,368,986	226,166	226,814	70,368,337	39,728,316	5,544,719	226,814	45,046,220	25,322,116	30,640,670
INTANGIBLE ASSETS										
Software (Note-2)	3,704,099	24,752	-	3,728,851	1,765,451	743,112	-	2,508,563	1,220,289	1,938,649
Total (B)	3,704,099	24,752	-	3,728,851	1,765,451	743,112	-	2,508,563	1,220,289	1,938,649
Grand Total(A+B)	74,073,085	250,918	226,814	74,097,188	41,493,767	6,287,831	226,814	47,554,783	26,542,405	32,579,319
PREVIOUS YEAR	73,432,081	852,915	211,912	74,073,084	33,737,943	7,963,046	207,224	41,493,767	32,579,317	39,694,138

Notes :

1. Building includes Rs.20,48,838(2006-2007-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.

Particulars	No. of Shares	Face Value Rs.	As at 31st March, 2008 Cost Rs.	As at 31st March, 2007 Cost Rs.
SCHEDULE 5				
INVESTMENTS-LONG TERM				
Other Investments:				
Equity Shares Fully Paid (Quoted)				
Usha Ispat Limited	300	10	3,000	3,000
Core Health Care Limited	100	10	15,000	15,000
Industrial Finance Corporation of India	100	10	3,500	3,500
State Bank of India	150	10	15,000	15,000
Bata India Limited	4,375	10	152,250	152,250
Infosys Technologies Limited	104	5	3,448	3,448
Reliance Industries Limited	1,030	10	102,167	102,167
ISI Bars Limited	250	10	2,500	2,500
Reliance Capital Limited	51	10	2,554	2,554
Reliance Communication Limited	1,030	5	76,036	76,036
Reliance Energy Limited	77	10	14,343	14,343
Reliance Natural Resources Limited	1,030	5	1,375	1,375
Nirma Ltd.	1	5	-	-
TOTAL (A)			391,173	391,173
Equity Shares Fully Paid (Unquoted)				
Jamshedpur Injection Powder Limited	800,000	10	8,000,000	8,000,000
TOTAL (B)			8,000,000	8,000,000
Others Fully Paid (Quoted)				
UTI Master Gain 92 (Note-1)	10,000	10	100,000	100,000
SBI Magnum Multiplier Plus 1993	10,000	10	100,000	100,000
Morgan Stanley Mutual Fund	4,000	10	40,000	40,000
TOTAL (C)			240,000	240,000
GRAND TOTAL [(A)+(B)+(C)]			8,631,173	8,631,173

Notes:

1. UTI Master gain 92 is in the name of Tashi Agro Industries LTD, Company is taking steps to change the name.

	As at 31st March, 2008 (Rs.)	As at 31st March , 2007 (Rs.)
2. Aggregate Book Value		
of quoted Investments	631,173	631,173
of unquoted Investments	8,000,000	8,000,000
TOTAL	8,631,173	8,631,173

	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
3. Market value/Net Asset Value (NAV) of quoted investment		
a) Shares	5,684,216	2,029,372
b) Others		
I) UTI Master Gain 92 (NAV)	425,700	307,000
II) SBI Magnum Multiplier Plus 1993 (NAV)	623,100	501,700
III) Morgan Stanley Mutual Fund (NAV)	211,400	190,280
TOTAL	6,944,416	3,028,352

4. Received on allotment made by Nirma Limited on 26.06.07 in the ratio of 1 (one) fully paid up Equity Share of Rs.5/- under a Composite Scheme of Compromise and Arrangement for Demerger of an Undertaking of Core Healthcare Limited (CHL) and vesting the same into the Company (Nirma Limited), approved by Hon'ble High Court of Gujarat on dated 01.03.07

SCHEDULE : 6

INVENTORIES (As certified by Management)

Stock of Traded Goods-Good	28,802,614	36,804,533
(Refer Note No 2 (n) on Schedule 21)		
Stock of Traded Goods-Damaged	14,378,087	-
	43,180,701	
Less: Provision for Damaged Stock	14,378,087	-
	28,802,614	36,804,533

SCHEDULE : 7

SUNDRY DEBTORS

(Unsecured - Considered Good)

Debts exceeding six months	6,049,995	89,006,044
Other Debts	224,469,155	79,449,351
	230,519,150	168,455,395

SCHEDULE : 8

CASH AND BANK BALANCES

Cash in hand	911,710	856,892
Balances with Scheduled Banks on :		
Current Accounts	8,327,788	8,211,143
Dividend Accounts	655,078	1,037,663
Fixed Deposits	569,369	655,793
(pledged against letters of credit and Bank Guarantee)		
	10,463,945	10,761,491

	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
--	------------------------------------	------------------------------------

SCHEDULE : 9
OTHER CURRENT ASSETS

(Unsecured - Considered Good)

Interest accrued on fixed deposits	59,620	24,736
	59,620	24,736

SCHEDULE : 10
LOANS AND ADVANCES

(Unsecured - Considered Good)

Advances recoverable in cash or kind or for value to be received (Note 2(b) on Schedule 21)	107,258,669	98,960,181
Prepaid Expenses	428,998	550,644
Deposits [including deposits with Government Authorities- -in National Savings Certificate Rs.Nil (2007-Rs. 6,000) -in Other Deposit Rs.127,860 (2007-Rs.127,860)]	8,805,035	11,049,905
Income Tax [including Tax Deducted at Sources Rs. 1,000,533 (2007 - Rs. 1,393,006) and Fringe Benefit Tax Rs.12,72,473 (2007 - Rs. 782,473)]	10,036,381	16,521,836
	126,529,083	127,082,566

SCHEDULE : 11
CURRENT LIABILITIES

Sundry Creditors

Micro and Small Enterprise (Refer Note 2(d) on Schedule 21)	2,034,756	-
Other than Micro and Small Enterprise	250,022,520	192,738,435
	252,057,276	192,738,435
Advances from Customers	5,958,217	4,827,597
Unclaimed Dividend	628,660	903,939
Other Liabilities	7,007,572	6,413,505
	265,651,725	204,883,476

SCHEDULE : 12
PROVISIONS

Particulars	As at 1st April 2007 Rs.	Addition Rs.	Total Rs.	Payments / Utilization/ Rs.	Reversals Rs.	As at 31st March 2008 Rs.
Gratuity	1,555,624	213,435	1,769,059	14,712	367,000	1,387,348
Leave Encashment	424,334	968,000	1,392,334	353,587	60,000	978,747
Income Tax	15,488,744	-	15,488,744	-	6,611,500	8,877,244
Fringe Benefit Tax	817,658	369,321	1,186,979	-	-	1,186,979
TOTAL	18,286,360	1,550,756	19,837,116	368,299	7,038,500	12,430,318

Schedules to Profit and Loss Account

	For the year ended 31 March, 2008 Rs.	For the year ended 31 March, 2007 Rs.
--	---	---

SCHEDULE : 13

TURNOVER

Sales :

Fruit Products	102,474,487	93,066,797
Calcium Carbide	28,285,157	30,170,560
Charcoal	44,504,467	43,148,980
Food Product	104,852,000	83,769,500
Sale of Retail Products	152,082,538	177,585,693
Commission on sale of above related products [Taxes Deducted at Sources - Rs.911,953 (2007 - Rs. 251,659)]	14,153,911	13,751,828
	446,352,560	441,493,359

SCHEDULE : 14

OTHER INCOME

Dividend on Long Term Investments - Others	5,275,876	7,113,423
Interest - Gross [Taxes Deducted at Sources Rs.13,921 (2007 - Rs.4,206)]	38,459	36,648
Liabilities no longer required ,written back	1,535,410	1,242,303
Profit on Sale of Fixed Assets	-	14,312
Miscellaneous Income	6,088,664	7,412,800
	12,938,409	15,819,487

SCHEDULE : 15

ACCRETION / (DECCRETION) OF INVENTORIES

Opening Stock	36,804,533	61,158,742
Less : Closing Stock	43,180,701	36,804,533
Accretion of Inventories	6,376,168	(24,354,209)

SCHEDULE : 16

PURCHASE OF TRADED GOODS

Fruit Products	81,498,368	76,611,315
Calcium Carbide	25,693,303	27,120,326
Charcoal	41,713,701	32,986,330
Food Products	79,220,500	69,355,000
Retail Products	133,861,213	154,286,090
Carraige Inward, Octroi Expenses and Other related expenses	2,367,419	1,512,194
	364,354,504	361,871,255

SCHEDULE : 17

EMPLOYEES REMUNERATION AND WELFARE EXPENSES

Salaries, Wages, Bonus etc	11,891,024	11,885,165
Contribution to Provident and Other Funds	1,254,147	1,132,115
Staff Welfare	593,515	2,053,054
	13,738,686	15,070,334

	For the year ended 31 March, 2008 Rs.	For the year ended 31 March, 2007 Rs.
--	---	---

SCHEDULE : 18
INTEREST

On Secured Loans	368,450	5,273,881
Other Interest	139,275	381,063
	507,725	5,654,943

SCHEDULE : 19
ADMINISTRATIVE, SELLING & OTHER EXPENSES

Rent	6,908,716	5,856,508
Repairs to Building	590,188	594,589
Repairs to Others	19,111,812	17,353,998
Insurance	250,704	240,456
Rates and Taxes	1,600,171	2,001,423
Electricity	6,106,607	7,278,727
Travelling and Conveyance	3,530,728	3,566,871
Communication Expense	1,809,117	1,951,523
Legal and Professional charges	1,971,700	1,938,664
Printing and Stationery	797,469	999,478
Cutting and other processing charges	-	1,031,456
Carriage Outward	11,329,487	9,349,842
Commission on Depot Sales	673,733	620,575
Breakage and Damages	2,447,041	3,519,777
Discount	1,265,054	1,019,022
Advertisement, Publicity and Sales Promotion	1,825,968	1,972,761
Other Selling Expenses	4,678,353	6,326,981
Debts and other debits written off	-	4,370,984
Bank Charges	1,723,995	1,793,434
Miscellaneous Expenses (Note 2(h) on Schedule 21)	5,771,080	3,051,047
Security Charges	1,978,378	2,067,781
Common expenses Stores	1,825,502	1,847,767
	76,195,803	78,753,666

SCHEDULE : 20
PRIOR PERIOD AND EXTRA-ORDINARY ITEMS

Provision for Damaged Stock (Note 2(o) on Schedule 21)	14,378,087	-
Prior Period Adjustment	819,627	-
	15,197,714	-

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 Accounting Standards issued by The Institute of Chartered Accountants of India 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 "First- In- First- Out" 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 based on the estimated economic life of the asset. 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) 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 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 and gratuity liability are made on the basis of actuarial valuation.

(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 to the cost of those assets.

(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 recognised nor disclosed in the Financial Statements.

2. Notes on the Balance Sheet and Profit & Loss Account
a. Contingent liabilities

	As at 31st March 2008 (Rs.)	As at 31st March 2007 (Rs.)
(a) Claim not acknowledged as debts -		
(i) Sales Tax under appeal	NIL	4,16,983.00
(ii) Income Tax under appeal	7,28,206.00	NIL
(b) Bank Guarantees	2,25,000.00	2,25,000.00

- b. Advances recoverable in cash or in kind or for value to be received include Rs. 3,36,45,103.29 (previous year-Rs. 750,85,467) 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 -

Liabilities	As at 31st March 2008 (Rs.)	As at 31st March 2007 (Rs.)
Depreciation	7,58,252	14,22,694
Total Liabilities – (A)	7,58,252	14,22,694
Assets		
Provision for Gratuity and Leave Encashment	804,235	6,66,454
Total Assets – (B)	804,235	6,66,454
Net Deferred Tax Liability / (Asset) [(A) - (B)]	(45,983)	7,56,240

- 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, 2008 are as under:

Sr.no.	Description	Amount outstanding as at 31st March, 2008. (Rs.)
1.	The principal amount remaining unpaid to suppliers as at the end of the year	20,34,756
2.	The interest due thereon remaining unpaid to supplier as at the end of the accounting year	NIL
3.	The amount of interest paid in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during the year 2007-08	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
5.	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	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

The previous year's figures are not given as there were no reported Micro and Small enterprises upto 31st March, 2007.

e. Employee benefit

The employee benefits have been determined in accordance with the Accounting Standard-15 issued by the Institute of Chartered Accountants of India.

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)
a. Reconciliation of opening and closing balances of Defined Benefit Obligations		
Defined Benefit Obligation at the beginning of the year	11,88,000	6,03,000
Current Service Cost	2,22,000	4,42,000
Interest Cost	NIL	59,000
Actuarial (gain)/ loss	-9,000	2,28,000
Benefit paid	-25,000	-3,54,000
Defined Benefit Obligation at the year end	13,76,000	9,78,000
b. Reconciliation of fair value of assets and obligations		
Fair value of plan assets as at 31st March, 2008	Not funded	Not funded
Present value of obligation as at 31st March, 2008.	13,76,000	9,78,000
Amount recognized in Balance Sheet	13,87,348	9,78,747

	Gratuity (Rs)	Leave Encashment (Rs)
c. Expenses recognised during the year		
Current service cost	2,22,000	4,42,000
Interest cost	Nil	59,000
Expected return on plan assets	Nil	Nil
Actuarial (gain)/ loss	-9,000	2,28,000
Net cost	2,13,000	7,29,000

Actuarial method
Projected Unit Credit
d. Actuarial assumptions

	For Gratuity	
	31.03.2007	31.03.2008
Discount rate per annum compound	7.50%	7.50%
Rate of increase salaries	15.00%	15.00%
Expected average remaining working lives of employees (years)		21.09
Withdrawal Rates	Varying between 2% per annum and 1% per annum depending on duration and age of the employees	
	For Leave Liability	
	31.03.2007	31.03.2008
Discount rate per annum compound	7.50%	7.50%
Rate of increase salaries	15.00%	15.00%
Expected average remaining working lives of employees (years)	13.00	21.09
Withdrawal Rates	Varying between 2% per annum and 1% per annum depending on duration and age of the employees	

B. Defined Contribution Plans

The contributions to Defined Contribution Plans recognized as expenses in the Profit & Loss account for the year ended 31st march, 2008 are as follows:

Nature of contributions	Rs.
Employers' contributions to Provident Fund	5,71,839.00
Employers' contributions to Pension Fund	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. Managing Director's Remuneration :

Particulars	2007-08 Rs.	2006-07 Rs.
(i) Salary	13,20,000	13,10,000
(ii) Contribution to Provident Fund	1,58,400	1,57,200
(iii) Monetary value of perquisites	-	-
Total	14,78,400	14,67,200

h. Miscellaneous expenses include -

Particulars	2007-08 Rs.	2006-07 Rs.
(a) Amount paid/payable to Auditors		
(i) Statutory Audit Fee	90,000	75,000
(ii) Tax Audit Fee	20,000	20,000
(iii) Other Certificates	55,500	55,500
(iv) Reimbursement of Expenses [(Including Service-Tax Rs.23,510) 2006-07 - Rs.21,655]	48,510	46,655
Total	2,14,010	1,97,155
(b) Directors Fees	2,64,000	2,00,000

i. The company has entered into a lease agreement for obtaining a possession of a premise at Salt Lake, Kolkata for one of its retail shop. The future minimum lease payment for the said leased premise are as follows:

Sr. no.	Duration	Amount
1.	Not later than one year;	17,80,200
2.	Later than one year and not later than five years	78,74,718
3.	later than five years	155,49,281

- j. The Company is predominantly engaged in trading of fruit products, calcium carbide and charcoal. 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.
- Segmental Revenue, Segmental Results, Segmental Assets and Segmental Liabilities include the respective amounts identifiable to each of the segments to the extent possible, as also amounts allocated on a reasonable basis.
- 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.)	Others (Rs.)	C3-Retail (Rs.)	Total (Rs.)
Revenue	21,34,26,135	3,60,67,099	4,45,04,467	69,79,230	15,83,14,038	45,92,90,969
(Previous Year)	(18,31,99,479)	(3,75,59,207)	(4,31,48,980)	(84,06,487)	(18,49,98,693)	(45,73,12,846)
Profit on sale of Investment	-	-	-	(8,27,91,584)	-	(8,27,91,584)
Operating Expenses	19,19,97,154	3,07,09,000	4,19,62,000	6,33,634	18,26,11,338	44,79,13,126
(Previous Year)	(19,60,28,000)	(3,58,68,000)	(4,11,96,000)	(96,67,465)	(19,72,90,000)	48,00,49,465
Operating Income	2,14,28,981	53,58,099	25,42,067	63,45,996	-2,42,97,300	1,13,77,843
(Previous Year)	(-1,28,29,521)	(16,91,207)	(19,52,980)	(8,15,30,606)	(-1,22,91,307)	(6,00,54,965)
Un-allocable Expenses						67,95,556
(Previous Year)						(1,36,17,989)
Net Profit Before Tax						45,82,287
(Previous Year)						(464,36,976)
Income Tax (including Deferred Taxation and Fringe Benefit Tax)						13,41,448
(Previous Year)						52,06,686
Prior Period & Extra-ordinary items						1,51,97,714
(Previous Year)						--
Net Profit / (-) Loss After Tax						-1,19,56,875
(Previous Year)						(4,12,30,290)

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
Key management Personnel	<ul style="list-style-type: none"> • Dasho Topgyal Dorji • Dasho Wangchuk Dorji
Enterprise in which key Management Personnel have significant influence	<ul style="list-style-type: none"> • Bhutan Fruit Products Private Limited • Bhutan Carbide and Chemicals Limited • Bhutan Ferro Alloys Limited • Tashi Infocom Ltd. • Tashi Commercial Corporation – Super Market • Tashi Commercial Corporation • Tai Projects Private Limited • Bhutan Eco Ventures Pvt. Ltd. • Rijal Tashi Industries Pvt. Ltd. • Tashi Metals Limited • Bhutan Brewery Pvt. Ltd. • Tashi Beverages Company Limited. • Druk Plaster and Chemicals Limited. • Druk Sat Air Corporation Limited. • Bhutan Toursim Corporation Limited.

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 31.03.2008 Rs.	For the year ended 31.03.2007 Rs.	For the year ended 31.03.2008 Rs.	For the year ended 31.03.2007 Rs.
Purchase of goods	7,82,70,014	7,45,88,420		
Sale of Goods	3,42,12,467	Nil		
Rendering of Services	5,40,350	5,08,240		
Commission Received	1,38,81,661	1,37,51,829		
Royalty Paid	1,91,287	2,35,577		
Advance to related Party	3,36,45,103	7,50,85,467		
Outstanding Balance Due to Company	11,47,32,823	14,47,84,592		
Outstanding Balance Payables to Company	14,04,23,750	12,41,73,944		
Remunerations - Dasho Topgyal Dorji Dasho Wangchuk Dorji			13,20,000	13,10,000
Director's Sitting Fees - Dasho Topgyal Dorji Dasho Wangchuk Dorji			24,000 Nil	24,000 Nil

I. Earnings Per Share (EPS)

Particulars	2007-08 Rs.	2006-07 Rs.
Profit(Loss) after Tax attributable to Equity Shareholders	(11,956,575)	41,230,290
Weighted Average number of Equity Share Outstanding	60,00,000	60,00,000
EPS – Basic & diluted (Rs.).	(1.99)	6.87

- m. During the last three previous years the company had received the approval from the Central Government exempting it from the disclosures of quantitative information as required under paragraph 3(ii)b of Part-II of Schedule-VI of the Companies Act, 1956. In the current year the company has applied to the Central Government on 3rd March, 2008 for the same exemption, the reply of which is still awaited. In view of this the required quantitative information is not disclosed in the financial year 2007-2008 also.
- n. The Value of closing stock amounting to Rs.43,180,701/- is certified by the management of the company and is included in the stock of traded goods.
- o. The extraordinary items represents provision for stock amounting to Rs.143,78,087/-, damaged due to flood in respect of which claim has already been lodged with the insurance company. The insurance company has completed the necessary formalities regarding the examination by the surveyor but the settlement of the same is still pending.
- p. (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	31.3.2008

(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	153512
Total Assets	153512

Sources of Funds

Paid-up capital	60000
Reserves and Surplus	88645
Secured Loans	4867
Unsecured Loans	Nil

Applications of funds

Net Fixed Assets	26542
Investments	8631
Deferred Tax Asset	46
Net Current Assets	118292
Miscellaneous expenditure	Nil
Accumulated Losses	Nil

(IV) Performance of the Company

(Amount in Rs.thousands)

Turnover (including other income)	459291
Total expenditure	469906
Profit (+)/loss (-) before Tax	(-) 10615
Profit (+)/loss (-) after Tax	(-) 11956
Earning per share (in Rs.) annualized	(-) 1.99
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

Signatures to Schedules 1 to 21

For **RAY & RAY**
Chartered Accountants

For and on behalf of the Board

ABHIJIT NEOGI
Partner
Membership No. 61380

WANGCHUK DORJI
Managing Director

Place : Thimpu, Bhutan
Date : 25th June, 2008

INDIRA BISWAS
Company Secretary

VINAY KILLA
Director

Addendum to the Accounts for the year ended 31st March, 2008.

To The Members

Your Directors wish to draw your attention to Note 2m of Schedule 21 of the Accounts for the year ended 31st March, 2008.

It has been stated in the said note that during the last three previous years the Company had received the approval from the Central Government exempting it from the disclosures of quantitative information as required under paragraph 3 (ii) b of Part – II of Schedule – VI of the Companies Act, 1956. In the year under review the Company has applied to the Central Government on 3rd March, 2008 for the same exemption, the reply of which is still awaited. In view of this the required quantitative information is not disclosed for the year 2007 – 2008.

Your Directors now wish to inform you that pursuant to an application dated 3rd March 2008, under section 211(4) of the Companies Act, 1956, your Company has received from the Central Government, Ministry of Corporate Affairs, their Order No. 46/116/2008 – CL – III dated 10th July, 2008 exempting your Company from disclosing the quantitative details envisaged in para 3(ii)(b) of Part II of Schedule VI to the Companies Act, 1956. Accordingly the information published in the Accounts for the year ended 31st March, 2008 is in conformity with the requirements of the said Order.

For and on behalf of the Board

Place : Kolkata
Date : 24th July, 2008

INDIRA BISWAS
Company Secretary

VINAY KILLA
Director

WANGCHUK DORJI
Managing Director