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TAI INDUSTRIES LIMITED



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Annual Report & Accounts - 1996 - 1997

TAI INDUSTRIES LIMITED

Board of Directors : G. C. Bhura : Chairman
 Dasho Wangchuk Dorji : Managing Director
 Dasho Ugen Dorji : Director
 Dasho Topgyal Dorji : Director
 Prem Sagar : Director
 Hardyal Doegar : Director
 K. N. Malhotra : Director
 P. S. Rawat : Alternate Director
 K. P. Nowlakha : Alternate Director
 A. Doegar : Alternate Director

Company Secretary cum**Finance Manager :** R. Chakravorty

Bankers : Canara Bank
 Vijaya bank
 Standard Chartered Bank
 State Bank of India
 United Bank of India

Auditors : Ray & Ray
 Chartered Accountants
 6, Church Lane
 Calcutta 700 001

Solicitor : H. K. Mitter
 Calcutta.

Registered Office : 53A, Mirza Ghalib Street,
 Calcutta - 700 016

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TAI INDUSTRIES LIMITED**NOTICE TO THE MEMBERS**

NOTICE is hereby given that the fourteenth Annual General Meeting of the members of Tai Industries Limited will be held at the Calcutta Hosiery Traders Hall at 53A, Mirza Ghalib Street, 2nd floor, Calcutta 700 016 on Monday, the 22nd September, 1997 at 10.00 am. to transact the following business:-

1. To consider and adopt the Balance Sheet as at 31st March, 1997 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and the Auditors.
2. To declare a dividend.
3. (a) To appoint a Director in place of Mr. Prem Sagar who retires by rotation, and being eligible, offers himself for reappointment.
(b) To appoint a Director in place of Mr. Hardyal Doegar who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration. Messrs Ray & Ray, the retiring Auditors are eligible for reappointment.

SPECIAL BUSINESS

5. To appoint Mr. Kanwal Nain Malhotra, earlier appointed an Additional Director of the Company, who vacates his office at this meeting pursuant to section 260 of the Companies Act, 1956, and to consider and, if thought fit, to pass with or without modification the following ordinary resolution of which the prescribed notice under Section 257 of the Companies Act, 1956, has been received by the Company, Mr. Malhotra having filed with the Company his consent to act as a Director, if appointed:

"RESOLVED that Mr. Kanwal Nain Malhotra be and is hereby appointed a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

SPECIAL RESOLUTIONS

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

"RESOLVED that pursuant to the provisions of Section 17 of the Companies Act, 1956, clause III (A) of the Memorandum of Association of the Company be altered by inserting the following sub-clauses immediately after the existing sub-clause 5:

TAI INDUSTRIES LIMITED

6. To promote or carry on the business of manufacturers, buyers, sellers, importers, exporters, agents, dealers, distributors, converters, packers and suppliers of all kinds of industrial chemicals, including calcium carbide, activated carbon, etc. metals, ferro alloys and other alloys, minerals, turpentine oil, sophia oil, lemon grass oil and other various oils, rosin, carpets, plywood, veneer, flush doors, block boards and other wood products and charcoal.
 7. To promote or carry on the business of manufacturers, buyers, sellers, importers, exporters, agents, dealers, distributors, converters, packers and suppliers of all kinds of provisions, groceries, canned goods and preserves, milk and milk products, meat, poultry, vegetables, fruits and fruit juices and foods and drinks of every description, detergents, cosmetics, toilet requisites, and other household goods and articles of personal utility and for the said purpose to purchase, construct or otherwise acquire and maintain factories, canning and bottling plants, freezing plants, cold storage depot, warehouses, transport vehicles, machinery and equipments as may be required.
 8. To promote or carry on the business of running nursing homes, clinics, pharmacies, indoor and outdoor hospitals, pathological centres, to conduct all kinds of medical, anatomical, orthopaedic, surgical, x-ray and other tests and investigations, laboratories, research establishments and nature cure centres and to carry on either as manufacturers, traders, importers, exporters or otherwise generally deal in all kinds of drugs and pharmaceuticals, patent medicines, medical requirements, surgical instruments, medical preparation, restorative and disinfectants and to engage in any other business pertaining to health care and cure".
7. To consider and, if thought fit, to pass with or without modification, the following as a Special Resolution:
- "RESOLVED that in accordance with the provisions of Section 149 (2A) of the Companies Act, 1956, the Company hereby approves the commencement and undertaking of all such new business as has been set out in sub-clauses 6, 7 and 8 under clause III (A) as incorporated now and also under the existing sub clause 3 under clauses III (C) of the Memorandum of Association of the Company".
8. To consider, and if thought fit, to pass with or without modification the following resolution as a Special Resolution."
- "RESOLVED that pursuant to Section 31 of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered by insertion of the following new Article 57A after the existing Article 57 with the marginal notes:

TAI INDUSTRIES LIMITED

"57A. The Board shall have power at any time, and from time to time to appoint a person as an Additional Director pursuant to Section 260 of the Companies Act, 1956 provided that the number of Directors and Additional Directors together shall not at any time exceed the maximum strength fixed for the Board by Article 51 of the Articles of Association of the Company."

**Appointment of
Additional Director**

The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 29th August, 1997 to Monday, the 22nd September, 1997, both days inclusive.

By order of the Board
Tai Industries Limited

R Chakravorty
Company Secretary-cum-Finance-Manager

Registered Office:

53A, Mirza Ghalib Street,
Calcutta 700 016

11th August, 1997.

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself and such proxy need not be a member of the Company.
2. Proxies in order to be effective must be received at the Registered Office of the Company at least 48 hours before the time for holding the meeting.
3. Members and proxies should bring the attendance slip duly filled in for attending the meeting.
4. Members are requested to notify immediately change of address, if any, quoting their Folio numbers.
5. The Explanatory Statement relating to item Nos. 5,6,7 and 8 of the Notice is annexed hereto.

TAI INDUSTRIES LIMITED

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item No. 5

Mr. Kanwal Nain Malhotra was appointed Additional Director of the Company with effect from 16th April, 1997 pursuant to Section 260 of the Companies Act, 1956. He vacates office at this Annual General Meeting.

A notice under Section 257 of the Companies Act, 1956 has been received from a member of the Company proposing to appoint Mr. Kanwal Nain Malhotra as a Director of the Company. Mr. Malhotra has filed with the Company his consent to act as a Director pursuant to Section 264 (1) of the Companies Act, 1956.

Mr. Malhotra has vast and wide experience in the field of production and marketing of fruits and related products,

None of the Directors of the Company other than Mr. K. N. Malhotra is interested in the resolution.

The Board recommends the resolution for your approval.

Item No. 6

It may be recalled that at the Annual General Meeting of the Company held on 3rd September, 1993, members had accorded approval under Section 17 of the Companies Act, 1956 (the Act) for diversifying its area of operation. The proposed alteration to the objects clause was subject to confirmation of the Company Law Board (CLB) as then required under Section 17 of the Act. However, the matter was not pursued further as the Company did not have any immediate plan to diversify into the proposed areas.

Section 17 of the Act has recently been amended which allows companies to alter the objects clause in the Memorandum of Association without seeking CLB's approval. As the Company has already obtained the members approval to the aforesaid alteration in the objects clause, it could commence such new business activities without seeking the members' approval again. However, as a matter of good practice and abundant caution, the Company is seeking your approval for alteration of the Objects clause set out above in the resolution. The proposed alteration in the objects clause will enable the company to carry on its business economically and the proposed activities can be, under the existing circumstances, conveniently and advantageously combined with the present activities of the Company. This will also enlarge the area of operation of the Company.

TAI INDUSTRIES LIMITED

A copy of the Memorandum of Association of the Company together with the proposed amendments, referred to above, is available for inspection of the members of the company at the Registered Office during normal business hours on any working day upto and including the date of the Annual General Meeting.

None of the Directors of the Company is interested in the resolution.

The Board recommends the resolution for your approval.

Item No. 7

Consequent upon the alterations of the objects clause of the Memorandum of Association for enlargement of the business activities of your Company as proposed under item No. 6 of the Notice, your approval is necessary to commence the said new activities pursuant to the provisions of Section 149 (2-A) of the Act.

Further, for some time past your Board of Directors has been considering proposals for expanding the Company's activities in the area set out in sub-clause III (C) 3 of the objects clause of the Memorandum of Association. Your Directors feel that commencement of such activities would be beneficial to the Company. The Directors seek your approval to carry on such business in pursuance of provisions of Section 149 (2-A) of the Act.

None of the Directors of the Company is interested in the resolution.

The Board recommends the resolution for your approval.

Item No. 8

At present there is no express provision in the Company's Articles of Association for appointment of Additional Directors, Regulations contained in Table "A" in Schedule 1 to the Companies Act, 1956, being applicable to the Company.

The Board felt that the Articles should include an express provision for appointment of Additional Directors as provided in Section 260 of the Companies Act, 1956. The Board recommends inclusion of the Article by way of abundant caution.

A copy of the Articles of Association of the Company together with the proposed amendment, referred to above, is available for inspection of the members of the Company at the Registered Office during normal business hours on any working day upto and including the date of the Annual General Meeting.

None of the Directors of the Company is interested in the Resolution.

The Board recommends the resolution for your approval.

TAI INDUSTRIES LIMITED**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors have pleasure in presenting the 14th Annual Report and Audited Accounts for the year ended 31st March, 1997.

Financial Results

(Rs. in lacs)

For the year ended	31.03.1997	31.03.1996
Profit before depreciation	120.73	119.24
Less: Depreciation	4.39	4.19
Net Profit after depreciation	116.34	115.05
Less: Provision for taxation including adjustment of earlier years	52.49	53.40
Balance brought forward from previous year	61.65	—
Less: Proposed Dividend	60.00	—
Less: Tax on Dividend	6.00	—
Carried forward to:		
General Reserve	—	—
Transfer to Capital Reserve	5.95	—
Balance in Profit & Loss Account	53.55	61.65

Workings

Working of the Company showed marginal improvement during the year under review. Total sales in the year increased to Rs. 1380.22 lacs compared to Rs. 1361.99 lacs in the previous year indicating a very small increase of 1.34% as per details given hereunder:

	(Rs. in lacs)			
Products	Sale in 1995-96	Sale in 1996-97	Increase in sales	Percentage increase
Fruit products	916.44	977.58	61.14	6.7%
Calcium Carbide	311.59	270.14	(41.45)	(13.3%)
Ferro Silicon	133.70	6.21	(127.49)	(95.4%)
Charcoal	—	124.81	124.81	—
Others	0.26	1.48	1.22	469.2%
Total	1361.99	1380.22	18.23	1.3%

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TAI INDUSTRIES LIMITED

The fruit products division would have shown better results had there been no loss of production due to some technical problems in the plant of Bhutan Fruit Products Limited, Samtse, Bhutan.

Due to logistic problems there was a decrease in sales of Calcium Carbide to the tune of 13.3%.

The Company is now acting as an Indenting Agent of Bhutan Ferro Alloys Limited for sale of Ferro Silicon and has earned indenting commission of Rs. 19.92 lacs during the year under review.

The Company's Charcoal operation started during the year under review and the total sales from this operation during the year amounted to Rs. 124.81 lacs.

In addition the Company could achieve a sale of Rs. 1.48 lacs within a span of less than four weeks at the end of the year by selling Coca Cola and other beverages from its Hasimara Depot in North Bengal.

Plans & Prospects

The Company is looking into the possibilities of having production centre in Western India to meet the stiff competition in the market.

More extensive Charcoal operation is anticipated in 1997-98 which is expected to yield a substantial increase in sales volume.

The Company has obtained Dealership/Distributorship of Hindustan Lever Limited and other reputed multinationals and the year 1997-98 will reap the full year's benefit of sales from Hasimara Depot.

Dividend

Directors are pleased to recommend to the members in their forthcoming Annual General Meeting a dividend of 10% for the year.

Auditors

Messrs. Ray & Ray, Chartered Accountants, the Company's Auditors retire at the Annual General Meeting and being eligible offer themselves for re-appointment.

Auditors Report

The comments in the Auditors Report read with the notes to the accounts in schedule are self-explanatory and do not call for further explanation.

Directors

In accordance with the requirements of the Companies Act, 1956, Mr. Prem Sagar and

TAI INDUSTRIES LIMITED

Mr. Hardyal Doegar will retire by rotation at this Annual General Meeting and being eligible offer themselves for re-appointment.

Mr. K.N. Malhotra who was earlier appointed as Additional Director with effect from 16th April, 1997 will vacate his seat at this Annual General Meeting and is eligible for re-appointment. His name has been proposed by a Member. Mr. Malhotra's appointment, if passed in this Annual General Meeting will be liable to retirement by rotation.

Public Deposits

The Company has not accepted any public deposit from the public during the year.

Particulars of Employees Under Section 217 (2A) of the Companies Act, 1956.

None of the employees of the Company was in receipt or entitled to receive remuneration in aggregate of Rs. 25,000/- or more per month or Rs. 3,00,000/- or more per annum during the year.

Conservation of energy, technology absorption and foreign exchange earnings and outgoings.

In accordance with the requirements of Section 217 (i) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 statement showing particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgoings are annexed hereto and form apart of this Report.

Statement pursuant to Clause 43 of the Listing Agreement showing Projected Profitability in the Prospectus versus Actuals

For the year ended 31st March, 1996

(Rupees in lacs)

	Projected	Actual
Sales	810.00	1361.99
Other Income	138.50	162.04
Total Income	948.50	1524.03
Total Expenses	729.00	1408.98
Profit before Tax	219.50	115.05
Provision for Taxation	56.12	53.40
Profit after Tax	163.80	61.65