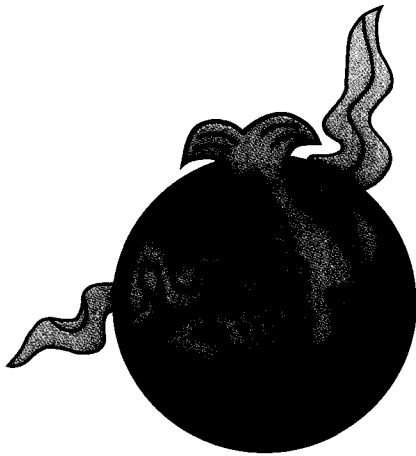


# TAI



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## 20th **ANNUAL REPORT** 2002-2003

**TAI INDUSTRIES LIMITED**

Annual Report  
2007-08



## TAI INDUSTRIES LIMITED

### Board of Directors

<b>G. C. Bhura</b>	<i>Chairman</i>
<b>Dasho Wangchuk Dorji</b>	<i>Managing Director</i>
<b>Dasho Ugen Dorji</b>	<i>Director</i>
<b>Dasho Topgyal Dorji</b>	<i>Director</i>
<b>Prem Sagar</b>	<i>Director</i>
<b>Hardyal Doegar</b>	<i>Director</i>
<b>K. N. Malhotra</b>	<i>Director</i>
<b>Vinay Killa</b>	<i>Director</i>
<b>P. S. Rawat</b>	<i>Director</i> (Alternate for Dasho Ugen Dorji)

**Company Secretary** R. Chakravorty

### Bankers

Canara Bank  
HDFC Bank  
Standard Chartered Bank  
State Bank of India  
United Bank of India  
Vijaya Bank

### Auditors

Ray & Ray  
Chartered Accountants  
Kolkata

### Solicitors

H. K. Mitter  
Kolkata

### Registered Office

53A, Mirza Ghalib Street,  
Kolkata-700 016



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## Notice

NOTICE is hereby given that the Twentieth Annual General Meeting of the members of Tai Industries Limited will be held at Kalakunj, 48, Shakespeare Sarani, Kolkata – 700 017, on Monday, 22<sup>nd</sup> September, 2003 at 10.00 a.m. to transact the following business:

### AS ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2003 and the Profit and Loss Account for the year ended on that date together with the reports of the Directors and the Auditors thereon.
2. a) To appoint a Director in place of Mr. Topgyal Dorji, who retires by rotation and, being eligible, offers himself for reappointment.  
b) To appoint a Director in place of Mr. Vinay Killa, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration. Messrs Ray & Ray, the retiring Auditors are eligible for appointment.

### AS SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification, the following resolution as a special resolution:  
“RESOLVED THAT pursuant to section 372A and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded for investment in equity shares or Debentures or any other security of TAI Projects Private Limited (TPPL) aggregating to an amount not exceeding Rs. 25,00,00,000/- (Rupees twenty five crores only) in one or more tranches, notwithstanding the fact that such investments together with all other existing investments would exceed the limits prescribed under the said section 372A of the Act.  
RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, things, deeds or matters as it may at its absolute discretion deem necessary, proper or expedient for the purpose of giving effect to the resolution or for matters connected therewith or incidental thereto and to settle all questions and difficulties that may arise for or in the implementation of the foregoing resolution.”
5. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:  
“RESOLVED THAT the consent of the Company under the provisions of Section 293(1)(d) of the Companies Act, 1956 be and is hereby accorded to the Board of Directors of the Company to borrow from time to time all such sum(s) of money as the Directors may deem requisite for the purposes of the business of the Company notwithstanding that the money(s) borrowed together with the money(s) to be borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and its free reserves but shall not exceed the sum of Rs. 35,00,00,000/- (Rupees thirty five crores only) at any point of time.”
6. To consider and, if thought fit, to pass with or without modification, the following resolution as a special resolution:
  - (a) “RESOLVED THAT pursuant to section 149(2A) of the Companies Act, 1956, approval be and is hereby accorded to the commencement by the Company of a new business provided in sub-clauses 11 and 12 of the Object clause III(C) of the Memorandum of Association of the Company namely, that of buying, selling and otherwise dealing in all kinds of yarn and all products thereof”.
  - (b) “RESOLVED THAT pursuant to section 149(2A) of the Companies Act, 1956, approval be and is hereby accorded to the commencement by the Company of a new business provided in sub-clauses 38 and 39 of the Object clause III(C) of the Memorandum of Association of the Company namely, that of establishing, maintaining, running and controlling a department store/supermarket for the purpose of dealing in various sorts of merchandise and commodities requisite for personal and household use and also to deal in all kinds of materials, things and produce.”
7. To consider and, if thought fit, to pass with or without modification, the following resolution as a special resolution:  
“RESOLVED THAT pursuant to Section 163 of the Companies Act, 1956 (“the Act”), consent of the company be and



is hereby accorded to the register of members, index of members, copies of all annual returns prepared under section 159 of the Act together with copies of all certificates and documents required to be annexed thereto under section 161 of the Act or any one or more of them and other related documents being kept with the Company's recently appointed Registrars and Transfer Agent, Intime Spectrum Registry Limited at Flat No. 7, 3rd Floor, 1/17 Prince Ghulam Mohammed Road, Kolkata-700 026.

RESOLVED FURTHER THAT the aforesaid resolution be made effective with retrospective effect from 1st February, 2003."

8. To consider and, if thought fit, to pass with or without modification, the following resolution as a special resolution :

"RESOLVED THAT, in accordance with the applicable provisions of the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, the Listing Agreement with Stock Exchanges and the provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003, or any amendment or modification thereof, and subject to such other approvals, permissions and sanctions as may be necessary, and such conditions and modifications as may be prescribed or imposed by any Authority while granting such approvals, permissions or sanctions which may be agreed to by the Board of Directors of the Company ("the Board"), consent be and is hereby accorded to delist the Ordinary Shares of the Company from the Stock Exchanges at Ahmedabad and Jaipur.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all such acts and deeds as may be necessary, expedient and desirable for the purpose of giving effect to the resolution or for matters connected therewith or incidental thereto."

Registered Office:

3<sup>rd</sup> Floor, 53A, Mirza Ghalib Street,  
Kolkata – 700 016  
26<sup>th</sup> June, 2003.

By Order of the Board  
R. Chakravorty  
Company Secretary

#### NOTES :

- Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956 is annexed.
- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company. The proxies to be effective should be deposited at the Registered Office of the Company not later than forty-eight hours before the time fixed for holding the meeting.
- The Register of Members and the Share Transfer Register of the Company will remain closed from Tuesday, 9<sup>th</sup> September, 2003 to Monday, 22<sup>nd</sup> September, 2003, both days inclusive.
- Members are requested to bring admission slips along with their copy of the Annual Report and Accounts to the meeting.
- For shares held in physical form any change in address/ other details may be intimated immediately to the Company by quoting folio number(s). For shares held in demat form, change in address/ other details may be intimated directly to the members' DP.
- Dividend for the financial year ended 31<sup>st</sup> March, 1997, which remains unpaid or unclaimed will be due for transfer to the Investor Education and Protection Fund of the Central Government on 27<sup>th</sup> October, 2004 pursuant to the provisions of Section 205A of the Companies Act, 1956. Members who have not encashed their dividend warrants(s) for the financial year ended 31<sup>st</sup> March, 1997 or any subsequent financial year(s), are requested to lodge their claims for the unpaid dividend, if any, to the Company.
- Members holding shares in physical form may nominate a person to whom the shares in the Company shall vest in the event of their death. Nomination form is available at the end of the Annual Report.
- Documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days except for Saturdays and holidays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.

TAI INDUSTRIES LIMITED

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 4**

TAI Projects Private Limited (TPPL) is a company incorporated with the object of setting up a Family Entertainment Complex (FEC). The said company is in advanced stage of implementing/setting up an FEC at Nonadanga in Eastern Metropolitan Bypass, Kolkata. The facilities proposed to be developed in the FEC include a 5-screen multiplex, F&B activities, pub and jazz bar, gym, spa, supermarket, retailing facilities, convention-cum-banquet center, kids amusement center etc. Your Company shall invest an amount not exceeding Rs. 25,00,00,000/- (Rupees twenty five crores only) either in the form of Equity or Debt or such other instrument as may be decided by the Board of Directors of your company.

The said investment together with all other existing investments already made would then exceed 60% of paid-up share capital and free reserves or 100% of free reserves whichever is more. The approval of the members by way of a Special Resolution is thus required for the purpose of making such investments in TPPL as required under Section 372A of the Companies Act, 1956.

The Directors recommend the resolution for adoption.

Mr. Wangchuk Dorji and Mr. P. S. Rawat are also Directors of TPPL. Except Mr. Wangchuk Dorji and Mr. P. S. Rawat, no other Director is in any way concerned or interested in the resolution.

**ITEM NO. 5**

The Board of Directors propose to increase their activities and would require funds from time to time. At present the Board of Directors have been authorised to borrow upto Rs. 20,00,00,000/- (Rupees twenty crores only). The Board of Directors propose that the amount upto which they may borrow money be increased to Rs. 35,00,00,000/- (Rupees thirty five crores only).

The Directors recommend the resolution for adoption.

None of the Directors of the Company is in any way concerned or interested in the resolution.

**ITEM NO. 6(a) and 6(b)**

6. (a) The resolution stated in item No. 6 (a) of the Notice is proposed to accord authority to the Board of Directors of the Company to commence and undertake, at any time it would consider appropriate and expedient in the interest of the Company, all or any of the business activities particularly the business of fabrics including yarn specified in sub-clauses 11 & 12 of Clause III (C) of the Memorandum of Association of the Company.

The Directors recommend the resolution for adoption.

Apart from Mr. G. C. Bhura, Mr. Hardyal Doegar, Mr. Ugen Dorji and Mr. Vinay Killa who are deemed to be interested to the extent of their shareholding, no other Directors are interested in the resolution.

6. (b) The resolution stated in item No. 6 (b) of the Notice is proposed to accord authority to the Board of Directors of the Company to commence and undertake, at any time it would consider appropriate and expedient in the interest of the Company, all or any of the business activities particularly the business of establishing, controlling, running and maintaining of a department store/supermarket specified in sub-clauses 38 & 39 of Clause III (C) of the Memorandum of Association of the Company.

The Directors recommend the resolution for adoption.

Apart from Mr. G. C. Bhura, Mr. Hardyal Doegar, Mr. Ugen Dorji and Mr. Vinay Killa who are deemed to be interested to the extent of their shareholding, no other Directors are interested in the resolution.

**ITEM NO. 7**

Pursuant to the resolution adopted under section 163 of the Companies Act, 1956 at the meeting of the shareholders of the Company held on 10th September, 2001 certain documents as required were kept until recently with the erstwhile Registrars, MCS Limited. The said Registrars having informed of their no objection in shifting the DEMAT connectivity from them to Intime Spectrum Registry Limited, the Board after due consideration decided to appoint Intime Spectrum



TAI INDUSTRIES LIMITED

Registry Limited as the Registrars and Transfer Agent with effect from 1st February 2003. Accordingly, the several documents specified in the resolution are to be kept at the office of Intime Spectrum Registry Limited at the address stated in the resolution with effect from 1st February 2003.

Pursuant to section 163 of the Companies Act, 1956, it is necessary to obtain approval of the members of the Company by way of a special resolution for this purpose.

The Directors recommend the resolution for adoption.

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

#### ITEM NO. 8

The Equity shares of the Company are presently listed on the four stock exchanges of the country, viz., The Stock Exchange, Mumbai, The Calcutta Stock Exchange Association Limited, The Stock Exchange, Ahmedabad and the Jaipur Stock Exchange Limited. Although the shares are listed on The Stock Exchange, Ahmedabad and The Jaipur Stock Exchange Limited, there has not been any trading of the Company's shares for a considerable length of time. Continuing listing with the Ahmedabad and Jaipur Stock Exchanges are not therefore considered necessary.

The Board of Directors of your Company ('the Board') at its meeting held on 26th April, 2003, accordingly recommended for the approval of the members, the proposal to voluntarily delist the Company's shares from the Stock Exchanges at Ahmedabad and Jaipur as per clause 5 of the "Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003". However, the Company's shares will continue to be listed on the Calcutta Stock Exchange and the Stock Exchange, Mumbai, which has nationwide trading terminals.

Delisting of the Company's shares from the aforesaid Stock Exchanges would result in administrative convenience and saving in costs on account of listing fees, etc.

In accordance with the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003, consent of the members by way of a special Resolution is required for voluntary delisting of the Company's shares from the aforesaid Stock Exchanges.

The Directors recommend the resolution for adoption.

None of the Directors of the Company is in any way concerned or interested in the resolution.

Registered Office :

3rd Floor, 53A, Mirza Ghalib street,  
Kolkata-700 016  
26th June, 2003

By Order of the Board  
**R. Chakravorty**  
Company Secretary

SANSKO INDUSTRIES LIMITED



## Directors' Report

### TO THE MEMBERS

Your Directors have pleasure in presenting their Twentieth Annual Report for the year ended 31<sup>st</sup> March, 2003.

### FINANCIAL HIGHLIGHTS

		(Rs. in lacs)
	31.03.2003	31.03.2002
For the year ended		
Profit before depreciation	167.20	158.48
Less: depreciation	32.93	27.05
Net Profit after depreciation	134.27	131.43
Less: Provision for taxation including adjustment in earlier years	49.13	41.42
Profit after taxation	85.14	90.01
Balance brought forward from previous year	173.17	143.16
Profit available for appropriation	258.31	233.17

In terms of the provisions of the Investor Education and Protection Fund (awareness and protection of investor) Rules 2001, Rs. 7881.05 (Rupees seven thousand eight hundred eighty one and paise five only) of unclaimed share application money were transferred during the financial year to the Investor Education and Protection Fund.

### APPROPRIATIONS

Proposed dividend	—	60.00
Balance in Profit & Loss Account carried to Balance Sheet	258.31	173.17
	258.31	233.17

### WORKINGS

Working of the Company reflects 21.86 % rise in total sales of the Company compared to the previous year. The details of Sales / Income from operations are as follows:

PRODUCTS	Sale in 2002-2003	Sale in 2001-2002	Increase/ Decrease in Sales	Percentage Increase/ decrease
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	
Fruit Products	1891.47	1379.14	512.33	37.15%
Calcium Carbide	279.18	309.10	(29.92)	(9.68%)
Charcoal	152.45	278.50	(126.05)	(45.26%)
Yarn	185.85	—	185.85	100%
Soft Drinks, Consumer & Cosmetic Products	88.03	161.47	(73.44)	(45.48%)
Indenting Commission	147.55	123.90	23.65	19.09%
Total Turnover	2744.53	2252.11	492.42	21.86

The Decrease in sales of Calcium Carbide by 9.68%, Charcoal by 45.26%, Soft Drinks, Consumer & Cosmetic Products by 45.48% was more than compensated by the increase in the sale of fruit products by 37.15 % and yarn by 100%.





TAJ INDUSTRIES LIMITED

## PLANS AND PROSPECTS

The Company has decided to expand its coverage by establishing its foothold in new territories. Presently, the Company has around 60 premium products. The Company plans to promote selected products in each region to suit the taste buds of the people of the particular region. The Management has identified certain premium products like Mango Panna, Corn Flakes, Honey, Pickles, and Baked Beans etc. as thrust products and primarily promote these. Other traditional products like Jam, Jelly and Squash will continue to play a supporting role in increasing the volume of business. The Company also proposes to introduce Fruit Crush and Fruit Pulp in pet and tinned packs in North and South India. New Products have also been planned to be introduced in the forthcoming year, as the Company believes that innovations have to be constantly made in the products to meet the ever-changing tastes and demands of the consumers. The Company has its own share of loyal customers, of which Institutions occupy a very important place. This Customer base continues to increase every year due to the consistency maintained by the Company in terms of quality, taste and price effectiveness.

The Calcium Carbide, Charcoal and Ferro Silicon business of the Company are running satisfactorily. The Company plans to explore new markets and expand its business.

## DIVIDEND

The Directors express their inability to recommend dividend for the year to plough back profits to conserve funds for the future development and growth of the Company including the new Project.

## CORPORATE GOVERNANCE

Certificate of the auditors of your Company regarding compliance of the conditions of Corporate Governance as stipulated in clause 49 of the listing agreement with stock exchanges is enclosed.

This report also includes elsewhere a text of the Management Discussion and Analysis Reports.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanations relating to material departures;
2. They had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
3. They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, to the best of the knowledge and ability of the Directors;
4. They had prepared the Annual Accounts on a going concern basis.

## LISTING OF SECURITIES OF THE COMPANY

The Company is listed with The Calcutta Stock Exchange Association Limited, Kolkata, The Stock Exchange, Mumbai, The Stock Exchange, Ahmedabad and Jaipur Stock Exchange Limited, Jaipur. The shares of the Company are rarely quoted in The Ahmedabad and Jaipur Stock Exchanges. There are practically no transactions in the shares of the Company in The Stock Exchange, Ahmedabad and The Jaipur Stock Exchange Limited. Accordingly the Directors propose that shares of the Company be delisted from these two stock exchanges and a suitable resolution has been included in the Notice convening the Annual General Meeting to this effect. The shares will continue to be listed with the other two stock exchanges i.e. The Stock Exchange, Mumbai and The Calcutta Stock Exchange Association Limited.

## DEMATERIALIZATION OF SECURITIES

As per the direction of the Stock Exchange, Mumbai, the Company's shares have been dematerialized from July, 2001. About 34% of the shares have been dematerialized as at end June, 2003.

## DIRECTORS

In accordance with article 56 of the Articles of Association of the Company, Mr. Topgyal Dorji and Mr. Vinay Killa, retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

**TAI INDUSTRIES LIMITED**

Mr. Topgyal Dorji (41) graduated from New Hampshire College, U.S.A. with specialization in marketing. He had undergone extensive training for the period of one year in Norway for the ferro-silicon project. He is the Managing Director of Bhutan Ferro Alloys Limited, Chairman of Bhutan Beverages Company Limited and the Director of Bhutan Carbide & Chemicals Limited, Bhutan Food Products Limited, Rijal Tashi Industries (P) Limited and Royal Insurance Corporation of Bhutan.

Mr. Vinay Killa (32) is a commerce graduate and also holds a postgraduate diploma in business management. He is associated with several companies as a financial consultant and advisor. He joined the Board on 30.04.2001. He is also a director of Tai Chonbang Textile Industries Ltd.

**PARTICULARS OF EMPLOYEES**

None of the employees of the Company receives remuneration attracting provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1956.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

- a) Conservation of energy - Not applicable
- b) Technology absorption - Not applicable
- c) Foreign Exchange earnings and outgo - There was no foreign exchange earnings and there was foreign exchange outgo of Rs. 695,800/- during the year.

**AUDITORS**

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

**ACKNOWLEDGEMENTS**

The Directors express their sincere thanks for the co-operation extended by the Central Government and the State Governments, banks and the investors. Your Directors also desire to place on record their appreciation of the services rendered by its employees.

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By Order of the Board

Place: Kolkata  
Dated : 26<sup>th</sup> June, 2003

**Wangchuk Dorji**  
Managing Director

**Vinay Killa**  
Director