



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



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Annual General Meeting on Monday, 31st August, 2009 at Kalakunj, 48 Shakespeare Sarani, Kolkata - 700 017 at 10.00 a.m. As a measure of economy, copies of the Annual Report will not be distributed at the General Meeting. Shareholders are requested to kindly bring their copies to the Meeting.



Notice

NOTICE is hereby given that the Twenty-sixth Annual General Meeting of Tai Industries Limited will be held at Kalakunj, 48 Shakespeare Sarani, Kolkata - 700 017, on Monday, the 31st August, 2009 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, 2009, 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. Vinay Killa 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.

Kolkata
24th June, 2009

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



Notes:

1. 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 - 700 016, not less than forty-eight hours before the Meeting.

2. The Company is registered with National Securities Depository Ltd. ('NSDL'), and Central Depository Services (India) Ltd. ('CDSL'), for dematerialization of its Equity Shares which has been allotted the ISIN INE358D01018. Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited) having their office at 59C Chowringhee Road, Kolkata 700 020 are the Registrar and Share Transfer Agents of the Company.
3. The Register of Members of the Company will remain closed from 24th August, 2009 to 31st August, 2009, both days inclusive.
4. Members are requested to:
 - a. notify any change in their addresses ;
 - b. communicate on all matters pertaining to their shareholdings with the Company's Registered Office/Company's Registrar, quoting their respective Ledger Folio Numbers, Client ID and DP ID;
 - c. note that as per provisions of the Companies Act, 1956, facility for making nominations is available for shareholders in respect of Equity Shares held by them;
 - d. bring their copies of the Annual Report to the Meeting.
 - e. bring their respective Ledger Folio Numbers, Client ID and DP ID for easy identification of attendance at the Annual General Meeting.



5. 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 2000 - 2001 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.
- 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.
6. 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. Vinay Killa

Brief Resumé:

Mr. Vinay Killa has been on the Board of the Company since April, 2001. He holds a post graduate diploma in Business Management and is associated with several companies as financial consultant and advisor.

Directorships & Committee Memberships of Other Companies:

Mr. Vinay Killa is also a Director of the following companies:

- Citrus Fashions Private Limited
- Shagun Impex Private Limited
- Utsav Promoters Private Limited

Mr. Vinay Killa holds 200 shares in the Company.

Kolkata
24th June, 2009

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

Directors' Report

TO THE MEMBERS

Your Directors have pleasure in presenting their 26th Annual Report on the business and operations of your Company for the year ended 31st March, 2009.

FINANCIAL PERFORMANCE

(Rupees in Lakhs)

Particulars	Year ended 31st March, 2009	Year ended 31st March, 2008
Turnover	6952.47	4463.53
Profit/(Loss) before Interest, Depreciation & Taxation (PBIDT)	25.45	113.77
Interest	8.32	5.07
Profit/(Loss) before Depreciation & Taxation (PBDT)	17.13	108.70
Depreciation	49.32	62.88
Profit/(Loss) Before Tax and extraordinary items (PBTE)	(32.19)	45.82
Extraordinary items	(2.31)	151.98
Profit/(Loss) Before Tax (PBT)	(29.88)	(106.16)
Provision for Taxation	(2.44)	13.41
Profit/(Loss) After Tax (PAT)	(27.44)	(119.57)
Balance brought forward from previous year	841.71	961.27
Profit available for appropriation	814.27	841.71
Proposed Dividend	–	–
Profit carried to Balance Sheet	814.27	841.71

AUDITOR'S REPORT

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

ACCOUNTING POLICIES AND PROCEDURES

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

Your Company continues to have an 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.

RESUME OF PERFORMANCE

Your Company's financial performance reflects 55.76% 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 2008-2009 (Rs. in lakhs)	Sale in 2007-2008 (Rs. in lakhs)	Increase/ (Decrease) in Sales (Rs. in lakhs)	Percentage increase/ (decrease) %
Fruit Products	2148.66	2073.27	75.39	3.64
Calcium Carbide	541.46	282.85	258.61	91.43
Charcoal	1718.75	445.04	1273.71	286.20
Manganese Ore	1601.79	–	1601.79	–
Lam Coke	113.55	–	113.55	–
Retail	683.66	1520.83	(837.17)	(55.05)
Commission on Sale	144.60	141.54	3.06	2.16
Others	–	–	–	–
Total Turnover	6952.47	4463.53	2488.94	55.76

PLANS AND PROSPECTS

Fruit Product Division

The 'DRUK' brand in India continues to have a major presence in the market as a leading distributor of jams, crushes, squashes, preserves and enjoys full customer confidence in terms of the quality of its products and has shown a good performance during the year under review.

Your Company is focusing on expanding and consolidating this division by introducing new and exotic products, specific to a region's preference such as canned cherries, fruit cocktail and button mushrooms for the Northern region and white oats for the South.

Industrial Division

Despite the depressed market scenario, the performance in this segment has been encouraging during the period under review.

The Indian economy is on the path to recovery from recession and the engine for this growth is the traditional basic sector of steel. Thus we foresee a good demand for our Charcoal, Calcium Carbide, Low Ash Metallurgical Coke and Manganese Ore, all of which are directly or indirectly linked to the Steel Industry.

We are now looking at an increased procurement and have revised our targets upward to meet the demand in the coming financial year.

The traders are signaling a good season ahead and we are working aggressively on the dealer network throughout the country.

Retail Division

Despite "C3 the marketplace" having certain advantages over its competitors, the year 2008 has not been very favourable.

Slowing sales resulting in lower inventory turnover and increasing working capital requirements have resulted in strong liquidity pressures. Your management has been quick to go back to the discussion table and concentrate their efforts to develop a format which will be a mix of the following:

- The right kind of store
- Right pricing and
- Consumer loyalty.

In the given environment, therefore, and in an effort to rationalize the cost of its operations, the management of C3 has opted to operate only out of two stores namely one at City Centre, Salt Lake and the other within the Wipro Campus in Salt Lake.

Your Directors are also contemplating expansion plans for the future for recovering the losses.

With the objective of building and monitoring a customer-centric culture your Company is continuing to implement :

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 the stores' infrastructure.
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 matter pertaining 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 on account of the loss incurred.

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, 2009. 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, 2009 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, 2009, 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, 2009 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, 2009, 59.02 % of total number of shares stand dematerialised.

DIRECTORS

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

PARTICULARS OF EMPLOYEES

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

COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.**A. Conservation of Energy**

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

Your Company is not engaged in any manufacturing activity and hence disclosure as per Form A of the Annexure is not applicable.

B. Technology Absorption

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

C. Foreign exchange earnings and outgo

Charcoal, Calcium Carbide, Low Ash Metallurgical Coke and Manganese Ore are exported to Bhutan.

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

AUDITORS

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

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Place: Kolkata

Date: 24th June, 2009

Vinay Killa
Director

Wangchuk Dorji
Managing Director

Annexure 'A' to the Directors' Report**Management Discussion and Analysis Report**

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

(a) Industry Structure and Developments

The impact of the global economic downturn has been felt across all nations and regions and India too does not seem to be insulated against the adverse impact of the global downturn.

The food processing sector being indispensable for the overall development of an economy for providing a vital linkage and synergy between agriculture and industry, has seen a positive growth over the last few years in ready to serve beverages, fruit juices and pulps, dehydrated and frozen fruits, processed mushrooms, tomato products etc. This sector is one of the largest in the country in terms of production, consumption, export and growth prospects.

In the industrial sector, the demand for Calcium Carbide, Charcoal, Low Ash Metallurgical Coke (LAMC) and Manganese ore remained good.

The year 2008 has not been a significant growth story for the Indian retail. Marginal increase in sales coupled with burgeoning cost pressures resulted in shrinking bottomlines and a large number of retailers shut shop and slammed the brakes on further expansion and are avoiding fresh Capex.

(b) Opportunities and threats

As a result of rapid urbanisation, increased literacy and changing lifestyles, 200 million more consumers are expected to shift to processed food by 2010. The government has thus accorded it a high priority with a number of fiscal reliefs and incentives. Your Company, therefore, is focusing its attention on new products and building brand value for a lasting impact on its marketing goals.

The demand for our own brand of Calcium Carbide remained high on account of its quality. However this sector faces severe competition from other suppliers in terms of its price. The market response for our Manganese ore also remained good during the year. Your Company is endeavouring to procure high quality LAMC for its users. Customers are also increasing their capacities and we are looking at better demands.

In the retail segment, a lack of demand in general has put a punctuation on marketing spends. In such a scenario, marketing to bring in better sales numbers may not be the best option at hand on account of the consumer not having enough spending power. Your Company, putting survival in the forefront, has turned its focus into consolidating its business and building brand value.

(c) Segment-wise or Product-wise Performance

"C3 the marketplace", continues to have a clear competitive advantage 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. Your Company has been awarded a Second Prize in the categories of its 'Druk' brand Mango Squash and Mango Panna by the Department of Food Processing Industries & Horticulture, Government of West Bengal, The Agri-Horticultural Society of India, Kolkata and Indian Chamber of Commerce.

The performance in the industrial product segment has been very encouraging.

(d) Outlook

Your Directors continue in their emphasis on the 'Quality' of products and its relationship with its customers, suppliers and other stakeholders. The outlook for the forthcoming year looks encouraging in all the sectors.

(e) Risks & Concerns



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

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

(f) Internal Control Systems & their Adequacy

The statutory requirements of the Audit Committee are being met. In meetings of the Audit Committee, the Statutory Auditors and Partners of Internal Audit Firms participate. Such Internal Auditors also 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

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

