

TARAI FOODS LIMITED



Tarai

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9TH

ANNUAL REPORT 1998 - 99

NO COUPONS/GIFTS WILL BE DISTRIBUTED AT OR BEFORE THE MEETING

TARAI FOODS LIMITED

BOARD OF DIRECTORS

Mr. Gurprit Singh Sandhu	(Managing Director)
Mrs. Kiran Sandhu	(Director)
Mr. Inder Pratap Singh	(Director)
Mr. Mohan Lal	(Nominee IDBI)
Mr. Y.N Ramachandran	(Nominee RCTC)
Mr. Yashpal Singh Tyagi	(Nominee UPSIDC)
Mr. Manoj Trehan	(Director)
Mr. D.S.Majithia	(Additional Director)
Dr. P.N.Bajpai	(Nominee UPSIDC)

AUDITORS Jolly & Chanana
X-26, Hauz Khas
New Delhi 110016

BANKERS State Bank of Travancore
Ansal Chamber I
Bhikaji Cama Place
R.K.Puram
New Delhi - 110066

REGISTERED OFFICE B-200, Mount Kailash
East of Kailash
New Delhi - 110065

PLANT Village Fazilpur Meharola
Tehsil Kiccha

REGISTERED & SHARE Rudrapur
Distt. Udham Singh Nagar
Uttar Pradesh
SRG Infotech Limited
Devraha House
A-256, Indl. Area Phase-I
Okhla
New Delhi - 110020.

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TARAI FOODS LIMITED

NOTICE

Notice is hereby given that the 9th Annual General Meeting of the members of **TARAI FOODS LIMITED** will be held on Monday, the 29th day of November, 1999 at 9.30 a.m. at A-18, Ansal Farm Villas, Satbari, Dist. Mehrauli, New Delhi - 110 030 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st May, 1999 and Profit & Loss Account for the year ended on that date and the Reports of the Directors and the Auditor's thereon.
2. To appoint a Director in place of Mrs. Kiran Sandhu who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint a Director in place of Mr. Inder Pratap Singh who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Statutory Auditor of the Company who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration and in this regard, to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"Resolved that M/s. Jolly & Chanana, X-26, Hauz Khas, New Delhi, Chartered Accountants, the retiring Statutory Auditors of the Company be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

"Resolved that Mr.D.S.Majithia who was appointed as Additional Director of the Company on 22nd January, 1999 and who holds such office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, pursuant to Section 257 of the Companies Act, 1956 proposing his candidature to the office of Director be and is hereby appointed as Director of the Company liable to retire by rotation."

BY ORDER OF THE BOARD
For TARAI FOODS LIMITED

Place : New Delhi
Date : 02.11.1999

(G.S.SANDHU)
MANAGING DIRECTOR

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 AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 16.11.99 to 29.11.99. (both days inclusive).
3. The documents referred to in the proposed resolutions are open for inspection at the Registered Office of the Company during the working hours between 11.00 A.M. to 1.00 P.M. except on holidays.

TARAI FOODS LIMITED

4. Members seeking further information about the accounts are requested to write atleast 10 days before the date of meeting so that it may be convenient to get the information ready at the meeting.
5. The Members are requested to bring their copies of Annual Report to the meeting. No copies will be made available at the meeting venue.
6. The Explanatory Statement required under Section 173(2) of the Companies Act, 1956 is annexed hereto and forms part of the notice.

ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 5

Mr. D.S.Majithia was appointed as Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 in the meeting of Board of Directors held on 22nd January, 1999 and holds office upto the date of this Annual General Meeting. A notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose the candidature of Mr. D.S.Majithia for the office of the Director of the Company.

Mr. D.S.Majithia brings with him vast knowledge and experience in corporate management. The Board is of the opinion that induction of Mr. D.S.Majithia on the Board will be beneficial to the Company and recommends the resolution for approval of shareholders.

None of the Directors except Mr. D.S.Majithia is interested in this resolution.

**BY ORDER OF THE BOARD
For TARAI FOODS LIMITED**

**(G.S.SANDHU)
MANAGING DIRECTOR**

Place : New Delhi
Date : 02.11.1999



TARAI FOODS LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Directors present the 9th Annual Report together with the Audited Financial Accounts for the year ended May 31, 1999.

FINANCIAL RESULTS

	For the year ended 31.05.99	For the year ended 31.05.98 (Rs. in Lakhs)
Gross Revenue	374.80	253.38
Operating Profit/(Loss) before interest		
Finance charges & Depreciation	(0.99)	(274.55)
Less: Interest & Finance Charges	137.46	173.08
Profit/(Loss) before Depreciation	(138.45)	(447.63)
Less: Depreciation	50.08	50.09
Net Profit/(Loss) for the year	(188.53)	(497.72)
Less: Provision for Taxation	0.42	0.94
Net Profit/(Loss) after taxation	(188.95)	(498.66)

DIVIDEND

Due to losses incurred by your company, no dividend is recommended on the equity shares of the company.

REVIEW OF OPERATIONS DURING THE YEAR

The Company has reverted back to vegetable processing operations during the year. After having successfully recommissioned the vegetable processing line, we have produced over 1900 tonnes of vegetables and fruits. The company has created a market network for distribution of frozen vegetables which is reflected in increased revenue during the year. The company has registered a sales turnover of Rs. 372.61 lakhs during the year as against the sales of Rs. 205.41 lakhs in the previous year.

FUTURE PLANS

The company having reverted back to vegetable processing is in process of creating all India marketing network. The products have been launched in the retail market under our own Brand name which is registered now.

In addition, the company is in process of setting up a mushroom growing and processing facility. Mushroom growing will have negligible operational cost when complimented with the current freezing activity. Mushroom growing will utilise the existing un-utilised assets of the company fruitfully.

The company has been involved in the backward intigration linkage with the farmers and also assisting them with the new technology of growing better crops with higher yields.

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DIRECTORS

Pursuant to Section 256 of the Companies Act, 1956, Mrs. Kiran Sandhu and Mr. I.P. Singh, Directors of the Company retire by rotation and being eligible, offer themselves for reappointment.

During the year, Mr. D.S. Majithia was co-opted as Additional Director of the Company who holds office upto the date of the ensuing Annual General Meeting. A notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose the candidature of Mr. D.S. Majithia for the office of the Director of the Company.

R.C.T.C. has changed their Nominee Director whereby Mr. Y.N. Ramachandran, Manager has been nominated as its Nominee Director w.e.f. 30th November, 1998.

U.P.S.I.D.C. has also withdrawn their Nominee Director, Mr. K.P. Saxena w.e.f. 30th November, 1998 and has recently inducted Dr. P.N. Bajpai as their nominee director. During the year Mr. Amar Dev Singh resigned from the Board. The Directors would like to place their sincere appreciation for the services rendered by these Directors during their tenure.

FIXED DEPOSITS

During the year under review, Company has not accepted any deposit from the public.

AUDITORS

M/s. Jolly & Chanana, X-26, Hauz Khas, New Delhi - 110016, Chartered Accountants, Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and offer themselves for re-appointment. The Company has received a Certificate from the Auditors to the effect their reappointment, if made, would be in accordance with the provisions of Section 224(1-B) of the Companies Act, 1956.

The remarks of the Auditors in their report read with notes attached to the accounts are self-explanatory and therefore do not call for any further comments.

EMPLOYEES

The statement showing the particulars of employees pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is annexed as Annexure-I to the Report.

Y2K COMPLIANCE

The company does not envisage any material risk to its business on year 2000 issue as all software and hardware are Y2K compliant. No extra cost is likely to be incurred in the near future and as such Company does not have any contingency plans. However hard copies of important information/data are being maintained to meet unforeseen contingency, if any.

STOCK EXCHANGE LISTING

The shares of your Company are listed at the following Stock Exchanges and Annual Listing Fee for the year 1999-2000

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have been paid:

1. The Delhi Stock Exchange Association Ltd., I.G.Stadium, West Plaza, Indraprastha Estate, New Delhi 110002.
2. The Calcutta Stock Exchange Association Ltd., 7, Lyons Range Calcutta - 700001.
3. The Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.
4. The Stock Exchange, Kandhenu Complex, Opposite Sahajanand College, Panjarapole, Ahmedabad.
5. The Jaipur Stock Exchange Ltd., Rajasthan Chamber Bhawan, MI Road, Jaipur - 302001.

CONSERVATION OF ENERGY

The Company has provided energy saving devices and systems, wherever possible. The Company is making efforts to keep its staff and workmen aware of energy conservation and is exploring alternative energy systems, wherever necessary.

TECHNOLOGY ABSORPTION

The Company has retained key technical staff who are well trained.

APPRECIATION

We wish to convey our sincere thanks to the Shareholders and various agencies of the Central Government, State Government, Banks & Financial Institutions and Business Associates for their continued cooperation extended to the Company. We also wish to record our deep appreciation of the contribution made by the employees at all levels.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(G.S.SANDHU)
MANAGING DIRECTOR

Place : New Delhi

Date : 02.11.1999

ANNEXURE - 'A'

PERSONS WHO HAVE DRAWN REMUNERATION IN EXCESS OF Rs. 25,000/- p.m. or Rs. 3,00,000 p.a.

Sl. No.	NAME	AGE	DESIGNATION/ NATURE OF EMPLOYMENT	REMUNERATION RECEIVED (in Rupees)	QUALIFICATION	EXPERIENCE (IN YEARS)	DATE OF COMMENT- CEMENT OF EMPLOYMENT	PREVIOUS EMPLOY MENT
1.	Shri Rajiv Goel	44	Vice President Sales & Marketing	178200/- (01.06.98 to 31.08.98)	B.Com	23	1991	City Farmers Organisation Delhi

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AUDITORS' REPORT

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1. We report that we have audited the Balance Sheet of **TARAI FOODS LIMITED** as at 31st May, 1999 and the relative Profit & Loss Account for the year ended on that date, both of which we have signed under reference to this report.
2. In our opinion, and to the best of our information and according to the explanations given to us, the Balance Sheet and the Profit & Loss Account together with the significant accounting policies and notes thereon and attached thereto give in the prescribed manner, the information required by the Companies Act, 1956 and also, give, subject to note 2.1 & 2.2 below, respectively, a true and fair view of the state of the Company's affairs as at 31st May, 1999 and its loss for the year ended on that date.
- 2.1 Note 7 on Schedule 19 regarding non-provision of gratuity.
- 2.2 Note 13 on Schedule 19 regarding details of amount refundable towards share application money pending reconciliation.
3. Subject to Note 2.1 and 2.2 above we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for our audit. In our opinion, proper books of accounts have been kept as required by law so far as appears from our examination of the books and the above mentioned accounts are in agreement therewith.
4. As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988 dated 7th September, 1988 issued by the Central Government and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that:
 - i. (a) The Company is in the process of maintaining proper records to show full particulars including quantitative details item wise break up, and situation of its fixed assets.

(b) The management had decided to carry out a physical verification of Fixed Assets of the company according to a phased program designed to cover all the items over a period of three years, which we consider reasonable. However, no physical verification of fixed assets has been carried out during the year. Accordingly, we are unable to comment on any discrepancies between physical assets and book records.
 - ii. None of the fixed assets have been revalued during the year.
 - iii. According to the information and explanations given to us the stock of finished goods, raw material and stores and spares, have been physically verified by the management at the year-end.
 - iv. In our opinion the procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
 - v. The discrepancies between the physical stock and the book stocks, which have been properly dealt with, were not material.
 - vi. In our opinion, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the previous period.
 - vii. The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. The Company does not have any other company under the same management as defined under section 370(1B) of the Companies Act, 1956.
 - viii. The Company has not granted any loans, secured or unsecured to Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. The Company does not have any other