

# **TARAI FOODS LIMITED**



**Tarai**

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## **15TH ANNUAL REPORT 2004 - 2005**

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BEFORE THE MEETING**

## Tarai Foods Limited

### TARAI FOODS LIMITED

Board of Directors	Mr. Gurprit Singh Sandhu Mrs. Kiran Sandhu Mr. Inder Pratap Singh Mr. N.K. Bharti	(Managing Director) (Director) (Director) (Director)
Audit Committee, Investors Grievances Committee & Remuneration & Recruitment Committee	Mr. N.K. Bharti Mrs Kiran Sandhu Mr. I.P. Singh	
Auditors	M/s 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	
Regd. Office	II/E-55, Lajpat Nagar-II, New Delhi-110024	
Plant	Village Fazilpur Meharola Tehsil Kiccha Rudrapur Distt. Udham Singh Nagar, Uttranchal	
Share Transfer Agent	<b>Beetal Financial &amp; Computer Services (P) Ltd.</b> 99, Madangir, Beetal House Behind Local Shopping Centre Near Dada Harsukhdas Mandir New Delhi-110062 Tel.: 29961281/2	
ISIN No.	INE906C01016	

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## Tarai Foods Limited

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### NOTICE

Notice is hereby given that the 15th Annual General Meeting of the members of Tarai Foods Limited will be held on Friday, the 30th day of September, 2005 at 9.30 a.m. at Elcina House, 422, Okhla Industrial Estate, New Delhi-110 020 to transact the following business:

#### AS ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as on 31st March, 2005 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. I. P. Singh who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Statutory Auditors 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 the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company”.



By order of the Board  
For Tarai Foods Limited

Place: New Delhi  
Date : 03/09/2005

Sd/-  
G. S. Sandhu  
Managing Director.

**Tarai Foods Limited**

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**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE 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 Share Transfer Books of the Company will remain closed on 29/09/2005 to 30/09/2005 (both days inclusive).
3. Members seeking further information about the accounts are requested to write at least 10 days before the date of meeting so that it may be convenient to get the information ready at the meeting.
4. Members/Proxies should bring the attendance slips duly filled in for attending the meeting. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
5. Members are requested to bring their copies of Annual Report to the meeting. No copies will be made available at the meeting venue.



**By order of the Board  
For Tarai Foods Limited**

Place: New Delhi  
Date : 03.09.2005

sd/  
**G. S. Sandhu**  
Managing Director

## Tarai Foods Limited

## DIRECTORS' REPORT

Dear Members,

Your Directors present the 15<sup>th</sup> Annual Report together with the Audited Financial Accounts for the year ended 31<sup>st</sup> March, 2005.

Financial Results		(Rupees in lacs)
Particulars	For the period ended 31-03-2005	For the period ended 31-03-2004
Gross Revenue	156	99
Operating Profit/(Loss) before Interest, Finance charges and Depreciation	53	2
Less: Interest & Finance Charges	397	354
Profit/(Loss) before Depreciation	(344)	(352)
Less: Depreciation	46	47
Net Profit/(Loss) for the year	(390)	(399)
Less: Provision for Taxation	—	—
Net Profit/(Loss) after Taxation	(390)	(399)

## MANAGEMENT DISCUSSION &amp; ANALYSIS REPORT, REVIEW OF OPERATIONS DURING THE YEAR &amp; FUTURE PLANS :

Poor infrastructural facilities viz. poor transportation conditions, inadequate and erratic water and power supplies, high maintenance cost of raw material, semi finished and finished good have made some of the frozen products commercially unviable. This coupled with no demands for frozen products other than for frozen peas has made the frozen food industry going through turbulent phase.

The Company was able to procure and execute good amount of job work assignments as a result of which the Company has made operating profits during the year. Your Company is aggressively looking for new orders on job work basis.

Your Company has also launched a new product — frozen American Sweet Corn and the management is very optimistic about the good response of this product.

## DIVIDEND

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

## AUDITORS

M/s Jolly & Chanana, X-16, Hauz Khas, New Delhi, 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 that their reappointment, if made, would be in accordance with the provisions of Section 224 (1-B) of the Companies Act, 1956.

## DIRECTORS

Pursuant to Section 256 of the Companies Act 1956, Mr. I. P. Singh, Director of the Company retire by rotation and being eligible, offer themselves for re-appointment.

## DELISTING OF SECURITIES

The Securities of the company were delisted from the Delhi Stock Exchange Association Limited, Calcutta Stock Exchange and Jaipur Stock Exchange during the year.

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**Tarai Foods Limited**

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**FIXED DEPOSITS**

The Company has not accepted any fixed deposits in terms of Section 58A of the Companies Act, 1956.

**EMPLOYEES**

There are no employees whose particulars have to be submitted in accordance with provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

**STOCK EXCHANGE LISTING**

The shares of your Company are presently listed at The Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001. The Company has duly paid the listing fee at the Stock Exchange at Mumbai.

**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 technology used by the Company is purely indigenous. Continuous flow of information on latest development and improvement in technology absorption have been established.

**FOREIGN EXCHANGE EARNINGS & OUTGO**

During the year under review, the Company has neither earned any foreign exchange nor used any foreign exchange.

**CORPORATE GOVERNANCE**

A Comprehensive report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

Your Company has obtained a certificate from the Statutory Auditor regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and the same is annexed.

**DIRECTORS' RESPONSIBILITY STATEMENT UNDER SEC. 217(2AA)**

Your Directors hereby state that:

1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. Such accounting policies had been selected and applied consistently and judgments and estimates are reasonable and prudent so as to give a true and fair view of the profits or loss of the Company at the end of the financial year and of the profit or loss of the company for that period;
3. Proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. The annual accounts had been prepared on a going concern basis.

## Tarai Foods Limited

### APPRECIATION

We wish to convey our sincere thanks to the Shareholders and various agencies of the Central Government, State Governments, Financial Institutions, Company's Banker 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

Place: New Delhi  
Date: 03.09.2005

Sd/-  
Kiran Sandhu  
Director

sd/-  
G. S. Sandhu  
Managing Director

## REPORT ON CORPORATE GOVERNANCE

### 1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

Your Company strives to imbibe fairness, transparency, accountability and responsibility through the adoption of the practice of Corporate Governance. The Company has taken adequate steps to ensure that the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges are complied with.

The Company has the following committees viz. Audit Committee, Remuneration and Recruitment Committee and Investors'/ Shareholders' Grievances Committee to ensure the effective implementation of Clause 49 of the Listing agreement.

### 2. BOARD OF DIRECTORS:

#### a) Composition and Category of Directors:

The Board of directors of the Company consists of 4 directors whose category, attendance in Board meetings and in last AGM is as follows:

Sl No.	Name of Directors	PD/ NPd*	ED/NED/ ID*	Attendance in last AGM	Attendance in Board Meetings		Other Board	
					Held	Attended	Directorship	Committee Chairmanship
1	Mr. Gurprit Singh Sandhu	PD & Chairman	ED	Present	6	6	Director in Tarai Farmlands Pvt. Ltd. Tarai Agro Inds. Ltd. Suraiya Exports Pvt. Ltd	NIL

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2	Mrs Kiran Sandhu	PD	NED	Absent	6	6	Director in Tarai Farmlands Pvt. Ltd. Tarai Agro- Inds. Limited Suraiya Exports Pvt. Ltd.	NIL
3	Mr. I. P. Singh	NPD	NED/ID	Absent	6		Director in R. B. N. S. Sugarmills Ltd. Corbett Country Resorts Pvt. Ltd. T.P.S. Investments Pvt. Ltd.	NIL
4	Mr. N. K. Bharti	NPD	NED/ID	Absent	6	6	NIL	NIL

\* PD - Promoter Director ; NPD - Non Promoter Director ; ED - Executive Director ;  
NED - Non-Executive Director ; ID - Independent Director

## b) Details of Board Meetings held during the year :

Date of Board Meeting	Board Strength	No. of Directors Present
10/04/2004	4	3
30/06/2004	4	3
30/10/2004	4	3
24/11/2004	4	3
31/01/2005	4	3

## 3. AUDIT COMMITTEE :

During the financial year 2004-05, the Members of the Audit Committee met 3 times. The dates of the meetings were 28/04/2004, 23/10/2004 and 09/02/2005.

## a) Composition of Committee and Attendance of members :

SI NO.	NAME OF DIRECTOR	POSITION	CATEGORY	NO. OF MEETINGS	ATTENDANCE
1.	Mr. N. K. Bharti*	Chairman	NED/ID	03	03
2.	Mrs. Kiran Sandhu	Member	NED	03	03
3.	Mr. I. P. Singh	Member	NED/ID	03	

\* Mr. N. K. Bharti having the requisite qualification as required under Clause 49 (II) of the Listing Agreement is the Chairman of the Audit Committee.



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### b) Terms of reference :

- To review the performance of Statutory Auditors and recommend their appointment and remuneration to the Board, considering their independence and effectiveness ;
- To review of internal controls, delegation of authority limits;
- To act as an interface between the management and the statutory and internal auditors overseeing the internal audit functions.
- To oversee the Company's financial statements, including annual and quarterly financial results, and financial accounting practices & policies.
- To review all internal systems, review the Company's financial and risk management policies, audit and control procedures of the company including but not limited to appointment of statutory/internal auditors from time to time and also to review the annual accounts, quarterly unaudited financial results and limited review report before they are put up to Board for its approval".

### 4. REMUNERATION & RECRUITMENT COMMITTEE :

During the financial year 2004-05, the Members of the Remuneration and Recruitment Committee met 3 times. The dates of the meetings were 28/04/2004, 23/10/2004 and 9/02/2005.

#### a) Composition of Committee and attendance of members :

SI. NO.	NAME OF DIRECTOR	POSITION	CATEGORY	NO. OF MEETINGS	ATTENDANCE
1.	Mr. N. K. Bharti*	Chairman	NED/ID	03	03
2.	Mrs. Kiran Sandhu	Member	NED	03	03
3.	Mr. I. P. Singh	Member	NED/ID	03	

### b) Terms of reference :

- To oversee the method, criteria and quantum of compensation for Executive and Non-Executive Directors;
- To review the recruitment of key management employees and their compensation;
- Formulation of initiatives leading to greater transparency and improved corporate governance.

### c) Remuneration Policy:

No remuneration is paid to the Directors by the Company & there is no remuneration policy of the Company.

### 5. INVESTORS'/SHAREHOLDERS' GRIEVANCES COMMITTEE

During the financial year 2004-05, the Members of the Investors/ Shareholders' Grievance Committee met 3 times. The dates of the meetings were 28/04/2004, 23/10/2004 and 09/02/2005.

#### a) Composition of Committee and attendance of members :

SI. NO.	NAME OF DIRECTOR	POSITION	CATEGORY	NO. OF MEETINGS	ATTENDANCE
1.	Mr. N. K. Bharti*	Chairman	NED/ID	03	03
2.	Mrs. Kiran Sandhu	Member	NED	03	03
3.	Mr. I. P. Singh	Member	NED/ID	03	03