



TYROON TEA COMPANY LIMITED

**ANNUAL REPORT AND
ACCOUNTS 2006–2007**

Tyroon Tea Company Limited

ANNUAL GENERAL MEETING

Date : 27th September, 2007

Day : Thursday

Time : 3.00 P. M.

Venue : Bharatiya Bhasha Parishad
36A, Shakespeare Sarani
Kolkata - 700 017

Directors :

A. K. JALAN

J. K. BHAGAT

B. K. SINGH

S. ISSAR

C. N. TRIPATHI

Company Secretary cum Cost Controller :

K. C. MISHRA

Auditors :

MESSRS. LODHA & CO.

CHARTERED ACCOUNTANTS

14, GOVERNMENT PLACE EAST

KOLKATA - 700 069

Registrars & Transfer Agents :

R & D INFOTECH PRIVATE LTD.

CORPORATE OFFICE :

22/4, NAKULESHWAR BHATTACHARJEE LANE

KOLKATA - 700 026

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Bankers :

ALLAHABAD BANK

Garden :

TYROON TEA ESTATE

P. O. KHARIKATIA

DIST. JORHAT

ASSAM

Registered Office :

3, NETAJI SUBHAS ROAD

KOLKATA - 700 001

The practice of distributing copies of the Annual Report at the Annual General Meeting has been discontinued as a measure of economy. Members are therefore requested to bring their copies of the Annual Report at the Meeting.

Tyroon Tea Company Limited

NOTICE

Notice is hereby given that the Annual General Meeting of TYROON TEA COMPANY LIMITED will be held as scheduled below :

Date : 27th September 2007.

Day : Thursday.

Place : Bharatiya Bhasha Parishad
36A, Shakespeare Sarani,
Kolkata – 700 017.

Time : 3.00 P.M.

ORDINARY BUSINESS :

1. To receive, consider and adopt Reports of the Auditors and Directors and the Audited Accounts of the Company for the year ended 31st March 2007.
2. To appoint a Director in place of Mr. S. Issar, who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. B. K. Singh, who retires by rotation, and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

5. To consider if thought fit to pass with or without modification the following resolution as an Ordinary Resolution

"RESOLVED THAT Mr. C. N. Tripathi was appointed by the Board of Directors as an Additional Director of the Company with effect from 08-05-2007 and who hold office upto the date of forthcoming Annual General Meeting of the Company in terms of Section 260 of The Companies Act, 1956 and in respect of whom Company have received a notice in writing from a member Under Section 257 of the Companies Act, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

Registered Office :
"McLeod House"
3, Netaji Subhas Road,
Kolkata 700 001
The 25th day of July, 2007

By Order of the Board
For Tyroon Tea Company Limited
K. C. Mishra
Company Secretary
cum Cost Controller

Notes :

1. PROXY

A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. Proxy in order to be effective must be deposited with the Company at its Registered Office at least forty-eight hours before the commencement of the meeting.

2. CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will remain closed from 20th September 2007 to 27th September 2007 both days inclusive.

3. DIVIDEND

a) UNPAID OR UNCLAIMED DIVIDEND

Pursuant to section 205A of the Companies Act, 1956 all unclaimed / unpaid dividends upto the year ended 31st March, 1995 have been transferred to General Revenue Account of Central Government. Shareholders who have not encashed the dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, West Bengal at Kolkata.

b) In terms of Section 205-C introduced by the Companies (Amendment) Act, 1999 read with Section 205A of the Companies Act, 1956 as amended, the amount of dividend remaining unclaimed for a period of seven years is required to be transferred to the Investor Education and Protection Fund. Members who have so far not encashed their Dividend Warrant(s) for the financial year ended 31st March 2000 or any subsequent years are advised to submit their claim to the Company's Registrars and Transfer Agents immediately.

4. DEPOSITORY SYSTEM

The Company, consequent to introduction of the Depository System, entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Members, therefore now have the option of holding and dealing in the shares of the Company in the electronic form through NSDL or CDSL.

Effective from 28th May 2001, trading in the shares of the Company on any stock exchanges is permitted only in the dematerialised form.

5. LODGEMENT OF TRANSFER DOCUMENTS

The instruments of share transfer complete in all respects should reach the Company prior to closure of the Register of Members as stated above.

6. CONSOLIDATION OF MULTIPLE FOLIOS

Shareholders who are holding shares in identical order of names in more than one folio, are requested to write to the Company enclosing their Share Certificates to enable the Company to consolidate their holdings in one folio.

7. CHANGE OF ADDRESS

Members are requested to quote their Registered Folio Number in all correspondence with the Company and notify the Company immediately of change, if any, in their registered address and / or their mandates.

8. ATTENDANCE SLIP

Members are requested to handover the enclosed "Attendance Slip" duly signed in accordance with the specimen signatures registered with Company for admission to the Meeting Hall.

9. MEMBERS' QUERIES

Members desiring any information regarding Accounts are requested to write seven days in advance to the Company before the date of Meeting to enable the Management to keep full information ready.

10. CHANGE OF REGISTRAR

With effect from 1st January, 2007 M/s. R & D Infotech (P) Ltd. Ground Floor, 22/4, Nakuleshwar Bhattacharjee Lane, Kolkata - 700 026 were appointed as Registrar and share transfer agent of the Company in place of AMI Computers (I) Ltd.

EXPLANATORY STATEMENTS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 ARE ANNEXED TO THE NOTICE.

Item No. 5

Mr. C. N. Tripathi was appointed as an Additional Director of the Company on 8th day of May, 2007. As per the provisions of Section 260 of the Companies Act, 1956 Mr. C. N. Tripathi holds office only up to the date of forthcoming Annual General Meeting of the Company and is eligible for appointment. The Company has received notice under Section 257 of the Companies Act, 1956 in respect of Mr. C. N. Tripathi proposing his appointment as a Director of the Company along with the requisite deposit.

Details regarding Mr. C. N. Tripathi proposed to be appointed as Director have been given in the Annexure attached to the notice and keeping in view the experience and expertise of Mr. C. N. Tripathi your Directors recommend the resolution for adoption.

None of the Directors except Mr. C. N. Tripathi is interested in the resolution.

Details of Directors seeking Appointment at the Annual General Meeting

Particulars	Mr. S. Issar	Mr. B. K. Singh	Mr. C. N. Tripathi
DIN	00044295	00165782	00044614
Date of Birth	20/06/1934	08/01/1946	11/02/1929
Date of Appointment	15/10/2004	28/07/1994	08/05/2007
Qualification	B.Sc. (Agriculture)	Graduate	Graduate, LL.B.
Nature of Experience Functional Area	Mr. Issar having over 43 years experience in Tea Industry. He has been a member of the Governing body, Chairman of Technical committee for 3 years and member of Export / Import committee of the Indian Tea Association.	Mr. Singh is a Mechanical Engineer having 38 years of experience in Tea Industry. He has been manager of number of Tea Estates situated in Assam, Dooars and Terai area.	Mr. Tripathi is a legal adviser and consultant to various tea companies.
Name of Directorship in other companies	<ol style="list-style-type: none"> 1. Rajahbhat Tea Co. Ltd. 2. Huldibari Industries & Plantations Co. Ltd. 3. McLeod Industries Ltd. 4. Vikrant Trade Enterprises Ltd. 5. Supra Agrotech (P) Ltd. 6. Creative Services (P) Ltd. 7. Calcom Cement India Ltd. 8. Vinay Cements Ltd. 9. RCL Cements Ltd. 	NIL	<ol style="list-style-type: none"> 1. Bhatkawa Tea Industries Limited 2. Dies & Tools Ltd. 3. Plaspick Enterprises (India) Pvt. Ltd. 4. Euro Securities & Syndication Banque Ltd. 5. Rajgir Properties Pvt. Ltd. 6. Creative Services (P) Ltd. 7. Pran Pack Pvt. Ltd. 8. Super Colorgraphics Pvt. Ltd. 9. Eastern Dooars Tea Co. Ltd.
Membership/ Chairmanship of committee in public Company	NIL	NIL	NIL

The above report was placed and approved by the Board at its Meeting held on 25th July, 2007.

Tyroon Tea Company Limited

REPORT OF THE DIRECTORS

The Directors of the Company have pleasure in presenting the Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2007.

FINANCIAL RESULTS :

	Rs.	Rs.
Profit before Interest, Depreciation and Taxation		91,40,913
Less : Interest	36,63,278	
Depreciation	18,09,331	54,72,609
Profit / (loss) before Tax		36,68,304
Less : Provision for Taxation		1,34,526
Profit / (loss) after Tax		35,33,778
Add : Loss brought forward from previous year		(3,27,51,887)
Loss carried to Balance Sheet		(2,92,18,109)

DIVIDEND :

In view of inadequate profit your Directors do not recommend any dividend on the equity shares for the year under review.

DIRECTORS:

Mr. S. Issar and Mr. B. K. Singh retires by rotation and being eligible offer themselves for re-appointment. Mr. C. N. Tripathi appointed as an Additional Director of the Company with effect from 08-05-2007. The required information about Mr. S. Issar, Mr. B. K. Singh and Mr. C. N. Tripathi as stipulated in clause 49 of the listing agreement, have been given separately.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors confirm :

- I. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- II. that the directors had selected such accounting policies and applied them consistently and made judgements 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 of the Company for that period;
- III. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- IV. that the directors had prepared the annual accounts on a going concern basis.

AUDITORS :

Messrs. Lodha & Co., Chartered Accountants will cease to hold office as Auditors of the Company at the conclusion of the forthcoming Annual General Meeting but being eligible offer themselves for reappointment. Necessary certificate has been obtained from the Auditors as per section 224 (1) of the Companies Act, 1956.

The other observations made in the Auditors' Report are self-explanatory and therefore, do not call for any further comments under Section 217 of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES :

No employee of the Company was in receipt of such remuneration as to disclose particulars U/S. 217(2A) of the Companies Act, 1956 and rules framed thereunder.

ENERGY, TECHNOLOGY, FOREIGN EXCHANGE:

The information in accordance with the provisions of Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure 'A' which forms part of this Report.

REPORT ON CORPORATE GOVERNANCE

A separate report on Corporate Governance alongwith the Auditor's Certificate on its compliance is annexed to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industrial Structure and Development.

India is the largest producer of Tea in the world, producing about 956 million Kgs representing 27% of World Production. Of the total production in India over 50% is produced in Assam. The Tea Industry plays a vital role in the Indian Economy by way of contributing valuable foreign exchange and providing employment to vast work force in remote areas.

Over the last 5 years import of Tea has increased without any significant increase in exports. This lead to fall in price realization which has adversely affected the industry.

The Company produced 14.19 Lacs Kgs Tea during the year under review as compared to 12.76 Lacs Kgs. in the previous year.

Opportunities, threats, risks & concern.

The Company has one Tea Estate together with own processing unit. Your company is committed to improve quality. Although tea continues to enjoy the status of being a popular beverage in the world, it is facing tough competition from other beverages like coffee etc. However the huge domestic market and the low per capita consumption of Tea by Indians offer a significant opportunity for the Tea Industry in India. Tea is now also being promoted as a Health Drink and offers significant opportunities for increase in consumption worldwide.

Outlook.

The health of our industry depends to a large extent on the geographical conditions which are outside the realm of the control of the Company. The Tea Industry is a highly labour intensive. The wages of workers are determined according to periodic wage settlement agreement which often increase the labour cost to a significant extent irrespective of any improvement in productivity and realization. World production has increased significantly in Kenya in the first half of 2007 which is a major CTC Tea producer. This may adversely effect export of CTC Tea from India.

Internal Control system and their adequacy.

The Company has an adequate internal control system to ensure proper and efficient use of the Company's resources, their protection against any unauthorised use, accuracy in financial reporting and due compliance of the Company policy procedure as well as the statutes. Statutory and Internal Auditors also review its implementation and progress at periodic intervals and take corrective action where any shortcomings are identified. The Audit committee similarly reviews the internal control system and provides guidance for improvement.

Finance & operational performance

The year 2006-2007 was another difficult year for the Indian Tea Industry. However due to improvement in price realization, increase in production and cost cutting measures undertaken by the Company operational profit before

depreciation, interest and taxes for the year was Rs. 91.41 Lacs compared to loss of Rs. 60.52 Lacs during the previous year. Steps are being taken by the Management to improve the quality of tea and increase production, The Company has now fully shifted from oil firing to Natural Gas firing which has helped in reducing cost.

Human Resources and Development.

The Company have around 1500 employees employed on the Tea Estate. The Labour Welfare Officer employed specifically for the purpose to monitor the welfare of the workers.

Your Company runs one Hospital and two dispensaries at its out divisions providing Medical Care to the Employees.

Personnel

The Industrial relation remains satisfactory for the year under review.

ACKNOWLEDGEMENT:

The Directors wish to express their appreciation to all officers, members of staff and workmen of the Company for valuable services rendered and dedication exhibited by them. They also express their gratitude to Tea Board and Bankers for their co-operation and support extended to the Company and express their thanks to Shareholders for their confidence and understanding.



Registered Office :
"McLeod House"
3, Netaji Subhas Road,
Kolkata - 700 001.
The 25th day of July, 2007

For and on behalf of the Board
A. K. JALAN | Directors
S. ISSAR

Tyroon Tea Company Limited

ANNEXURE "A"

ANNEXURE TO DIRECTORS' REPORT

Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

(A) CONSERVATION OF ENERGY

1. Energy Conservation Measure taken : Replaced Oil Fired Burner with Gas run Heaters
2. Additional investments and proposals if any, being implemented for reduction of consumption of energy : Based on the study made by the Company, necessary equipment/s for energy conservation as required will be installed.
3. Impact of the measures at (1) and (2) above for reduction of energy consumption and consequent impact on the cost of production. : The cost of production is expected to reduce after installation of the energy saving equipments barring increase in rates of inputs.

4. Power and Fuel Consumption

	Current Year	Previous Year
1. Electricity		
a) Purchased Unit	5,80,176	9,05,180
Total Amount (Rs.)	37,93,538	49,07,809
Rate / Unit	6.54	5.42
b) Own generation		
i) Through diesel Generator		
Unit	2,34,890	2,08,888
ii) Units per Litre of diesel		
Oil		
Cost/Unit (Rs.)	11.84	13.34
2. Coal (specify quality and where used)		
Quantity (Kgs)		46,455
Total Cost (Rs)	—	1,23,536
Average Rate per Kg. (Khasi and ROM coal used in Drier)	—	2.66
3. (a) Furnace Oil		
Quantity (Litres)	—	3,29,706
Total Amount (Rs.)	—	69,16,785
Average Rate	—	20.98
(b) Natural Gas		
Quantity (Scum)	6,78,643	—
Total Amount	39,18,353	—
Average Rate	5.77	—

Tyroon Tea Company Limited

Regd. Office : "McLeod House", 3, Netaji Subhas Road, Kolkata 700 001

PROXY

I/We.....
 of.....
 being a Member / Members of Tyroon Tea Company Limited, hereby appoint
of.....or
 failing him.....of.....
 as my / our proxy in my / our presence to attend and vote for me / us, and on my / our behalf at
 the Annual General Meeting of the Company to be held at Bharatiya Bhasha Parishad, 36A,
 Shakespeare Sarani, Kolkata-700 017 on Thursday the 27th day of September, 2007 at
 3.00 P.M. and / or at any adjournment thereof.

Signed this day of.....2007

Affix
 Revenue
 Stamp

Signature

Note : The proxy must be deposited at the Registered Office of the Company at "McLeod House",
 3, Netaji Subhas Road, Kolkata - 700 001 not less than 48 hours before the meeting.

(Tear Off)

Tyroon Tea Company Limited

Regd. Office : "McLeod House", 3, Netaji Subhas Road, Kolkata 700 001

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE

.....
 Name of Shareholder/s (In Block Letters)

Folio No/Client ID No..... No. of Shares held.....

D.P. Id No.....

.....
 Name of the Proxy (In Block Letters) in case the Proxy attends instead of the Shareholder(s).

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company at the auditorium
 of Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata-700 017, on Thursday,
 the 27th day of September, 2007 at 3.00 P.M.

Signature of the Shareholder or Proxy.....