



TYROON TEA COMPANY LIMITED

**ANNUAL REPORT AND
ACCOUNTS 2007–2008**

Tyroon Tea Company Limited

ANNUAL GENERAL MEETING

Date : 26th September, 2008

Day : Friday

Time : 10.30 A.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 : 26th September 2008.

Day : Friday

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

Time : 10.30 A.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 2008.
2. To appoint a Director in place of Mr. A. K. Jalan, who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. J. K. Bhagat, who retires by rotation, and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

Registered Office :
"McLeod House"
3, Netaji Subhas Road,
Kolkata 700 001
The 25th day of July, 2008

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 19th September 2008 to 26th September 2008 both days inclusive.

3. DIVIDEND

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.

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.

Details of Directors seeking Appointment at the Annual General Meeting

Particulars	Mr. A. K. Jalan	Mr. J. K. Bhagat
DIN	00196846	00055972
Date of Birth	18/10/1938	22/11/1943
Date of Appointment	28/07/1994	28/07/1994
Qualification	Graduate	Graduate
Nature of Experience Functional Area	Mr. Jalan, having 47 years of experience in Tea and Jute Industry	Mr. Bhagat Industrialist, having rich business experience
Name of Directorship in other companies	<ol style="list-style-type: none"> 1. Euro Securities & Syndication (Banque) Ltd. 2. Rajgir Properties (P) Ltd. 	<ol style="list-style-type: none"> 1. Aekta Limited 2. Ginni Filaments Limited 3. The Naihati Jute Mills Co. Ltd. 4. Ludlow Exports Limited 5. Ginni Flour & Foods Limited 6. Shiva Mercantile & Trading Co. (P) Ltd. 7. Bhagat Refinerers & Chemicals (P) Ltd. 8. Dhan Lakshmi Trading Corporation (P) Ltd. 9. Reform Flour Mills (P) Ltd. 10. Vedant Credit Finance (P) Ltd.
Membership/ Chairmanship of committee in public Company	NIL	<ol style="list-style-type: none"> 1. Aekta Ltd. – Audit Committee – Member 2. Aekta Ltd. – Shareholder grievance committee – Chairman

The above report was placed and approved by the Board at its Meeting held on 25th July, 2008.

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, 2008.

FINANCIAL RESULTS :

	Rs.	Rs.
Profit before Interest, Depreciation and Taxation		55,83,727
Less : Interest	37,50,595	
Depreciation	19,31,789	56,82,384
Profit / (loss) before Tax		(98,657)
Less : Provision for Taxation		6,73,883
Profit / (loss) after Tax		(7,72,540)
Add : Loss brought forward from previous year		(2,92,18,109)
Loss carried to Balance Sheet		(2,99,90,649)

DIVIDEND :

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

DIRECTORS :

Mr. A. K. Jalan and Mr. J. K. Bhagat retires by rotation and being eligible offer themselves for re-appointment. The required information about Mr. A. K. Jalan and Mr. J. K. Bhagat 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 Loss 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 and 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 950 million Kgs annually representing 40% of World Black Tea Production. The Tea Industry plays a vital role in the Indian Economy by way of contributing valuable foreign exchange and providing employment to a vast work force in remote areas.

During 2007 all country's registered higher production except India. Total Production of India during 2007 was 945 million Kgs. which is lower by 10 million Kgs. from the year 2006. Export of Tea from India was also lower by 40 million Kgs. Due to low carry forward stock, lower production and strong consumption growth in India tea price in India generally increased by Rs. 2/- per kg over last year.

Opportunities, threats, risks & concern.

The Company has one Tea Estate together with own processing unit. Your company is committed to improve quality. Tea continues to enjoy the status of a popular beverage in the world, however it is facing tough competition from other beverages like coffee etc. The huge domestic market offers 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. Increase in demand of Orthodox Tea in foreign countries should have a positive impact on export.

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. Lower production in Kenya, higher demand for Orthodox Tea, low carry forward stock and strong consumption growth indicate built-up of shortage and has lead to higher prices both in Domestic and Export market. However due to significant increase in fuel price and other inputs, cost of production is also likely to increase.

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 2007-2008 was another difficult year for the Indian Tea Industry. Due to adverse weather condition the total production of the Company for the year 2007-08 was lower by 1.11 lacs kgs which affected the profitability of the Company. Moreover due to changes in AS-15, the Company has to make additional provision which effected the working result of the Company. Operational profit before depreciation, interest and taxes for the year was Rs. 55.83 Lacs compared to Rs. 91.41 Lacs during the previous year. Steps are being taken by the Management to improve the quality of tea and increase production. The Company during the current year has also started making Orthodox teas, which will help to earn better price.

Human Resources and Development.

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

Your Company runs one Hospital an Ambulance 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, 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, 2008

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	5,41,716	5,80,176
Total Amount (Rs.)	38,17,278	37,93,538
Rate / Unit	7.05	6.54

b) Own generation

i) Through diesel Generator

Unit	1,81,093	2,34,890
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ii) Units per Litre of diesel

Oil

Cost/Unit (Rs.)	10.75	11.84
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2. (a) Natural Gas

Quantity (Scum)	6,16,279	6,78,643
Total Amount	37,02,605	39,18,353
Average Rate	6.00	5.77

(b) Consumption per Unit of Production

Black Tea (in Kgs.)	13,07,400	14,19,293
Electricity (In Unit)	0.41	0.41
Furnace Oil (in Litres)	—	—
Coal (in Kgs.)	—	—
Natural Gas (in Scum)	6,16,279	6,78,643
Natural Gas (per unit)	0.47	0.48

(B) RESEARCH AND DEVELOPMENT

1. Specific area in which R & D carried out by the Company - Vermiculture farming

2. Future plan of action

Works are in hand to improve all aspects of field management which will improve both quality and production.

3. Expenditure on R & D

(a) Capital

(b) Recurring

(c) Total R & D expenditure
as percentage of total turnover

Rs. 5,000.00

(C) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts are being made towards technology absorption, adaptation and innovation

2. In case of imported technology (imported during the last 5 years from the beginning of the financial year) following information may be furnished :

(a) Technology imported (b) year of import (c) has technology been fully absorbed (d) if not fully absorbed areas where they have not taken place, reason and future plan of actions.

No Technology was imported during last 5 years.

FOREIGN EXCHANGE EARNING — Rs. Nil (Previous year Rs. Nil)

FOREIGN EXCHANGE OUTGO — Rs. 2,40,248/- (Previous year Rs. 2,22,639)

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

The 25th day of July, 2008.

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