

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, 2010.

FINANCIAL RESULTS :

	Rs.	Rs.
Profit before Interest, Depreciation and Taxation		3,10,15,629
Less : Interest	28,73,630	
Depreciation	21,61,768	50,35,398
Profit / (loss) before Tax		2,59,80,231
Less : Provision for Taxation		28,77,000
Profit / (loss) after Tax		2,31,03,231
Add : Loss brought forward from previous year		(2,16,97,741)
Transferred to General Reserve		14,08,490

DIVIDEND :

To conserve resources 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 retire by rotation and being eligible offer themselves for re-appointment. The required information about Mr. S. Issar and Mr. B. K. Singh 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 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 along with 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 980 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 2009 the tea price surged by 21% in the domestic market due to decline in stock and a shortfall of tea in 2009. Export is more or less same in comparison to 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. 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. Production in Kenya and Sri Lanka have increased significantly in the 1st six months of the year. However the excess production has been utilized by importing countries to replenish stocks and should not adversely impact markets here in 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

During the year 2009-2010 the company's profitability increased largely due to improved price realization and also increase in production. The Company reported a net sale of Rs. 17.50 crores and Net Profit for the year ended 31st March 2010 after Tax of Rs. 231.03 lacs. The Management took necessary steps to reduce debts to save on interest cost. Steps are also being taken to improve quality and increase production. The Company started producing Orthodox Tea, which is expected to earn better prices.

Human Resources and Development.

The Company has around 1500 employees employed at the Tea Estate. The Labour Welfare Officer employed specifically for the purpose monitors 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 31st day of July, 2010

For and on behalf of the Board
S. ISSAR
C. N. TRIPATHI | Directors

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 : —
2. Additional investments and proposals if any, being implemented for reduction of consumption of energy : Installation of Automatic Voltage Regulator
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 has been reduced 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

2,82,551 4,93,944

Total Amount (Rs.)

28,42,140 37,18,915

Rate / Unit

10.06 7.53

b) Own generation

i) Through diesel Generator

Unit

81,871 2,00,778

ii) Units per Litre of diesel

Oil

Cost/Unit (Rs.)

8.62 11.47

2. (a) Natural Gas

Quantity (Scum)

8,33,745 6,38,705

Total Amount

50,14,747 36,13,709

Average Rate

6.01 5.66

(b) Consumption per Unit of Production

Black Tea (in Kgs.)

14,49,170 12,83,913

Electricity (In Unit)

0.19 0.39

Furnace Oil (in Litres)

— —

Coal (in Kgs.)

— —

Natural Gas (in Scum)

8,33,745 6,38,705

Natural Gas (per unit)

0.58 0.50

(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. 1,28,964.00

(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. 74,511/- (Previous year Rs. 1,78,896/-)

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

The 31st day of July, 2010.

For and on behalf of the Board
S. ISSAR
C. N. TRIPATHI | Directors

ANNEXURE TO THE DIRECTOR'S REPORT.
CORPORATE GOVERNANCE REPORT 2010.

1. A brief statement on Company's philosophy on code of governance.

The Company's philosophy on corporate governance adopted by your Board is to ensure transparency consistent with the business environment in which the Company operates, in its dealings and operations as well as the functioning of the Management and the Board.

It seeks to enhance overall shareholder value over a sustained period of time.

2. Board of Directors.

The Company's Board of Directors Comprises of five directors. There are no Executive Directors on the Board. The Board met twelve times on the following dates during the financial year 2009-2010 as against the minimum requirement of four meetings and the maximum time gap between two meetings did not exceed three months.

30th April 2009, 19th May 2009, 20th June 2009, 31st July 2009, 23rd September 2009, 31st October 2009, 16th November 2009, 1st December 2009, 18th December 2009, 15th January 2010, 30th January 2010 and 18th March 2010.

The names and categories of the Directors on the Board, their attendance at the Board Meeting held during the financial year 2009-2010 and at the last Annual General Meeting, and also the Directorship and Committee position held by them in other Public Limited Companies as on 31st March, 2010 are given below: -

The Information under Annexure I to Clause 49 of the Listing Agreement is made available to the Board.

The Company did not have any pecuniary relationship or transaction with the non executive Directors during 2009-2010.

Name	Category	Number of Board Meeting attended during the year 2009-2010	Whether attended AGM held on 23/09/2009	No. of Directorship held in other Public Limited Companies		No. of Committee position held in other Public Limited Company	
				Chairman	Members	Chairman	Members
Mr. A. K. Jalan Director	Promoter Non Executive	11	YES	NIL	NIL	NIL	NIL
Mr. J. K. Bhagat Director	Non Executive Non Independent	12	NO	1	4	1	3
Mr. B. K. Singh Director	Independent Non Executive	4	NO	NIL	NIL	NIL	NIL
Mr. S. Issar Director	Independent Non Executive	12	YES	NIL	4	5	4
Mr. C. N. Tripathi Director	Independent Non Executive	11	YES	NIL	4	NIL	NIL

3. Audit Committee

Mr. S. Issar	Chairman	Independent, Non-executive.
Mr. J. K. Bhagat	Member	Non-Independent, Non-executive.
Mr. B. K. Singh	Member	Independent, Non-executive
Mr. C. N. Tripathi	Member	Independent, Non-executive

Mr. K. C. Mishra Company Secretary cum Cost Controller acts as a Secretary to the Committee.

The Statutory Auditors, Internal Auditors and heads of the Finance are invitees to the Meetings.

The Audit Committee met four times during the year ended 31st March, 2010.

The Audit Committee met on the following dates during the financial year 2009-2010.

30th April 2009, 31st July 2009, 30th October 2009, 30th January 2010.

Attendance of the Audit Committee**Name of Director**

No of Meetings	
Held	Attended
4	4
4	4
4	4
4	3

The terms of reference of the Audit Committee includes

- Review of annual accounts of the Company before submission to the Board.
- Review with the Management, Statutory Auditors and the annual financial Statements before submission to the Board.
- Review with the Management, Statutory Auditors and Internal Auditors the adequacy of the Internal Control System.
- Consideration of the Reports submitted by Internal Auditors and discussion about their findings with the Management and suggesting corrective actions whenever necessary.

4. Remuneration Committee

There is no remuneration committee because non-executive directors do not receive any remuneration except sitting fees paid for attending the meeting of the Board of Directors and Committee thereof.

5. Investors' / Shareholders' Grievance Committee.

The committee consists of Mr. A. K. Jalan and Mr. J. K. Bhagat.

Mr. A. K. Jalan — Chairman, Mr. J. K. Bhagat — Member.

The Investors' / Shareholders' Grievance Committee met two times during the financial year 2009-10, on 31st July, 2009 and 30th January, 2010.

Given below is the position of Complaints received and attended during the year.

Complaints received	-	20
Complaints attended	-	20
Pending Complaints as on 31-03-2010	-	NIL

No transfer were pending at the end of the financial year.

Name and Designation of the Compliance officer.

Mr. K. C. Mishra
Company Secretary cum Cost Controller.

6. General Body Meetings

Date	Time	Venue	No. of Special Resolution passed
27-09-2007	3.00 P.M.	Auditorium of Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata - 700 017.	NIL
26-09-2008	10.30 A.M.	Auditorium of Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata - 700 017.	NIL
23-09-2009	3.00 P.M.	Auditorium of Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata - 700 017.	NIL

At the ensuing Annual General Meeting no resolution is proposed to be passed by Postal Ballot.

7. Disclosures :-

There are no materially significant transactions made by the Company with its Promoters, Directors or management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

The Register of Contracts containing transactions in which Directors are interested is placed before the Board for its approval whenever such transaction exists.

Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years: NIL

Disclosure on Risk Management: The Company has in place mechanism to inform Board Member about the risk assessment and minimization procedure which is subject to review by the Management and is required to be placed by the Board on an annual basis.

CEO/CFO Certificate: A certificate from Director (who is head of financial function also) on the financial statement of the Company was placed before the Board.

Declaration of Compliance with the Code of Conduct: All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as approved and adopted by the Board of Directors. A declaration to this effect signed by the Director of the Company is given elsewhere in this Annual Report.

8. Means of Communication :

The quarterly results are published in the Financial Express and Arthik Lipi. There is no website at present, nor are half yearly results sent to each household of shareholders. Management discussions and analysis report forms part of this annual report.

9. GENERAL SHAREHOLDER'S INFORMATION.

a. **A.G.M. Date -** 27th September 2010 at 10.30 A.M.

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

b. **Financial Calendar -** April to March.

c. **Date of Book Closure -** 20/09/2010 to 27/09/2010 (both days inclusive).

d. **Dividend : NIL**

e. **Listing on Stock Exchanges:**

Name	Address
Bombay Stock Exchange Ltd.	Phirojee Jeejeebhoy Tower Dalal Street, Mumbai - 400 001.
The Calcutta Stock Exchange Association Ltd.	7, Lyons Range, Kolkata - 700 001.

The Company has paid annual listing fees to Kolkata and Bombay Stock Exchange, for financial year 2010 - 2011.

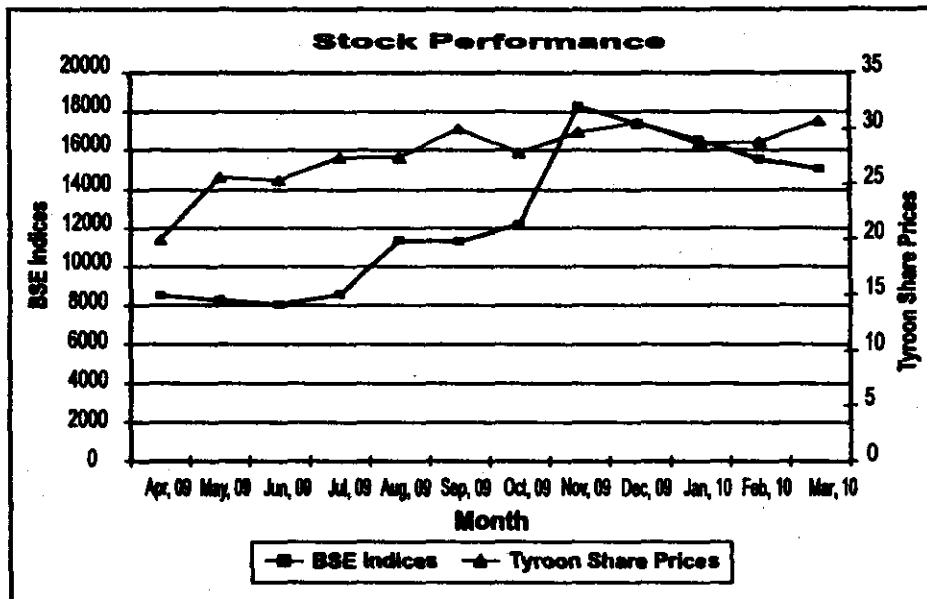
f. **Stock Code :** BSE - 526945

**Demat ISIN in NSDL and
CDSL for the Equity Shares. : INE 945B01016**

- g. Market Price Data : High Low during each month in the last financial year.

MONTH	BOMBAY STOCK EXCHANGE (In Rs.)	
	High	Low
April, 09	15.03	12.45
May, 09	15.55	12.40
June, 09	15.10	13.66
July, 09	17.69	13.17
August, 09	20.95	14.11
September, 09	22.50	18.30
October, 09	22.15	18.35
November, 09	32.00	21.05
December, 09	36.70	26.95
January, 10	35.30	26.05
February, 10	33.00	25.40
March, 10	30.85	25.05

- h. Performance in comparison to Broad based indices such as BSE Sensex.



▲ BSE Sensex

■ Share Prices

- i. Registrar & Transfer Agent - R & D Infotech Private Ltd.,
Ground Floor, 22/4, Nakuleshwar Bhattacharjee Lane
Kolkata - 700 026
Phone Nos.: 033-24631657 / 8

- j. Share Transfer System

Share Transfer documents received are approved by the Share Transfer Committee every fortnight, if documents are complete in all respects.

k. **DISTRIBUTION OF SHAREHOLDING AS ON 31-03-2010**

No. of Shares	SHAREHOLDERS		SHAREHOLDING	
	NOS.	%	NOS.	%
Upto 500	2008	86.59	379894	10.45
501-1000	160	6.90	131487	3.62
1001-2000	70	3.02	102413	2.82
2001-3000	23	0.99	56632	1.56
3001-4000	9	0.39	32059	0.88
4001-5000	6	0.26	28031	0.77
5001-10000	14	0.60	104926	2.89
Above 10001	29	1.25	2799058	77.01

SHAREHOLDING PATTERN (AS ON 31-03-2010)

Category	No. of Shares held	Shareholding (%)
Financial Institutions	157071	4.62
Mutual Funds	24200	0.71
Bodies Corporate	992368	29.17
Directors and relatives	1160472	34.11
NRI / OCB	85121	2.50
Others	982868	28.89
	3402100	100.00
Forfeited Shares	232400	
Total	3634500	

t. Dematerialisation of shares and Liquidity :- 1771311 out of 3402100 equity shares have been dematerialised upto 31st March, 2010.

m. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity. Not Applicable.

n. Plant Location : Tyroon Tea Estate,
P.O. Kharikatia,
Dist. Jorhat, Assam. Pin-785633

o. Address for Correspondence

Company - K. C. Mishra, Company Secretary cum Cost Controller,
Tyroon Tea Company Limited
3, N. S. Road, Kolkata - 700 001.
Phone Nos. : 2248-3236/6071, e-mail : tyroon@vsnl.com

Transfer Agent - R & D Infotech Private Ltd.
Ground Floor, 22/4, Nakuleshwar Bhattacharjee Lane, Kolkata - 700 026
Phone Nos.: 033-24631657 / 8, e-mail : rdinfotech@yahoo.com

Certificate of the Director of the Company in terms of Clause 49-1(D) of Listing Agreement

To
The Members of
Tyroon Tea Company Limited

In terms of Clause 49-1(D) of the Listing Agreement It is hereby declared that all the Directors and Senior Management personnel including functional heads have affirmed the Code of Conduct as applicable to them for the year ended 31st March, 2010.

Place: Kolkata
Date : 31st July, 2010.

For and on behalf of
Tyroon Tea Company Limited
S. Issar - Director