

TAI INDUSTRIES LTD

Board of Directors	Mr. Dasho Wangchuk Dorji Mr. Dasho Topgyal Dorji Mr. Prem Sagar Mr. K N Malhotra Mr. Vinay Killa	<i>Chairman & Managing Director</i> <i>Director</i> <i>Director</i> <i>Director</i> <i>Director</i>
Audit Committee	Mr. Prem Sagar Mr. K N Malhotra Mr. Vinay Killa	<i>Chairman</i>
Sr General Manager	Mr. Rohan Ghosh	
Company Secretary	Ms. Indira Biswas	
Bankers	State Bank of India HDFC Bank Limited Canara Bank United Bank of India Vijaya Bank	
Statutory Auditors	Ray & Ray, Chartered Accountants, Kolkata	
Internal Auditors	R K Chandak & Co, Chartered Accountants, Kolkata Soumya Dutta & Associates, Chartered Accountants, Kolkata	
Solicitors	H K Mitter, Kolkata Kaushik Chowdhury Associates, Kolkata	
Registered Office	53A, Mirza Ghalib Street 3rd floor, Kolkata 700 016	

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Annual General Meeting on Friday, 21 September 2007 at Kala Kunj, 48 Shakespeare Sarani, Kolkata – 700017 at 10 A.M. As a measure of economy, copies of the Annual Report will not be distributed at the General Meeting. Shareholders are requested to kindly bring their copies to the Meeting.

Notice

NOTICE is hereby given that the Twenty-fourth Annual General Meeting of Tai Industries Limited will be held at Kalakunj, 48 Shakespeare Sarani, Kolkata – 700017, on Friday, the 21st September, 2007 at 10 a.m. to transact the following business:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March 2007, the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To appoint Directors in place of those retiring by rotation.
3. To appoint Auditors and to fix their remuneration.

53A , Mirza Ghalib Street,
Kolkata – 700016
17th August, 2007

By Order of the Board
Indira Biswas
Company Secretary

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. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A Proxy, in order to be effective, must be received at the Company's Registered Office at 53A, Mirza Ghalib Street, Kolkata - 700016 not less than forty-eight hours before the Meeting.
2. The Company is registered with National Securities Depository Ltd. ('NSDL'), and Central Depository Services (India) Ltd. ('CDSL'), for dematerialization of its Equity Shares which has been allotted the ISIN "INE358D01018". Intime Spectrum Registry Limited having their office at 59C Chowringhee Road, Kolkata 700020 are the Registrar and Share Transfer Agents of the Company.
3. The Register of Members of the Company will remain closed from 14th September, 2007 to 21st September, 2007, both days inclusive.
4. Members are requested to:
 - a. notify any change in their addresses ;
 - b. communicate on all matters pertaining to their shareholdings with the Company's Registered Office, quoting their respective Ledger Folio Numbers, Client ID and DP ID;
 - c. note that as per provisions of the Companies Act, 1956, facility for making nominations is available for shareholders in respect of Equity Shares held by them;
 - d. bring their copies of the Annual Report to the Meeting.
 - e. Bring their respective Ledger Folio Numbers, Client ID and DP ID for easy identification of attendance at the Annual General Meeting.
5.
 - i. Pursuant to Section 205A of the Companies Act, 1956 ('the Act') all dividends declared and relative dividend warrants posted upto and including the Dividend for the year 1993-94 and remaining unclaimed by members have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed their dividend warrants in respect of the said period are requested to prefer their claims to the Registrar of Companies, West Bengal. In case any assistance is required, shareholders are requested to write to the Company's Registered Office.
 - ii. Pursuant to Section 205A of the Companies Act, 1956 dividends declared from the year 1994-95 upto 1999-2000 (Interim Dividend) and remaining unclaimed by the members at the end of the statutory period of seven years require to be transferred to the Investor Education & Protection Fund constituted by the Central Government under Section 205C of the Act on which no claim for Unpaid Dividend can be preferred.

- iii. Those members who have not so far encashed their warrants pertaining to the dividends paid for the years 2000–2001 and 2001–2002 are requested to send the same to the Company's Registered Office for revalidation immediately in view of the fact that dividend remaining unpaid/unclaimed over a period of seven years are required to be transferred to the aforesaid Fund on which no claim for Unpaid Dividend can be preferred.
6. Relevant details in respect of Item no. 2 of the Notice, pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, are given hereunder.

DETAILS OF DIRECTORS RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT
(In pursuance of Clause 49 of the Listing Agreement)

Name of Director: **Mr. K. N. Malhotra**

Brief Resumé:

Mr. K.N. Malhotra is a science graduate from Lucknow University and holds a Postgraduate Diploma in Fruit and Vegetable Technology. He has vast experience in the food and beverage industry. He is the Chief Executive Officer of Bhutan Fruit Products (P) Limited (BFPPL) and Rijal Tashi Industries (P) Limited and looks after the food production department of BFPPL.

Directorships & Committee Memberships of Other Companies:

Mr. Malhotra does not hold any directorships in other companies.

Mr. Malhotra does not hold any share in the Company.

Name of Director: **Dasho Topgyal Dorji**

Brief Resumé :

Dasho Topgyal Dorji graduated from New Hampshire College, USA, with specialization in Marketing. He has also undergone extensive training in Norway for Ferro-Silicon Project.

Directorships & Committee Memberships of Other Companies:

Bhutan Ferro Alloys Limited	Managing Director
Bhutan Beverages Company Limited	Chairman
Bhutan Carbide and Chemicals Limited	Chairman
Bhutan Fruit Products (P) Limited	Director
Bhutan Eco Ventures (P) Limited	Chairman
Rijal Tashi Industries (P) Limited	Director
Royal Insurance Corporation of Bhutan	Director
Tai Projects (P) Limited	Director

Dasho Topgyal Dorji does not hold any share in the Company.

Directors' Report

TO THE MEMBERS

Your Directors have pleasure in presenting their 24th Annual Report on the business and operations of your Company for the year ended 31st March, 2007.

FINANCIAL PERFORMANCE

(Rupees in Lakhs)

Particulars	Year ended 31st March 2007	Year ended 31st March 2006
Turnover	4414.93	4185.84
Profit/(Loss) before Interest, Depreciation & Taxation (PBIDT)	600.54	314.72
Interest	56.54	112.76
Profit/(Loss) before Depreciation & Taxation (PBDT)	544.00	201.96
Depreciation	79.63	88.77
Profit/(Loss) Before Tax (PBT)	464.36	113.18
Provision for Taxation	52.06	10.08
Profit/(Loss) After Tax (PAT)	412.30	103.10
Balance brought forward from previous year	548.96	445.87
Profit available for appropriation	961.26	548.96
Proposed Dividend	–	–
Profit carried to Balance Sheet	961.26	548.96

AUDITORS REPORT

Messrs Ray and Ray, Statutory Auditors, have submitted their Report under Section 227 of the Companies Act, 1956 and the comments made by the Auditors in their Report have been adequately dealt with in the relative Notes on Accounts which are self explanatory.

ACCOUNTING POLICIES AND PROCEDURES

The major accounting policies in conformity with the Accounting Standards and Guidelines issued by The Institute of Chartered Accountants of India from time to time which have been specified in the Companies Act, 1956 have been followed as usual in course of preparing and presenting these Accounts. Such accounting policies have been suitably incorporated in the Notes on Accounts.

Your Company continues to have an adequate internal audit system carried out by external firms of Chartered Accountants who submit their Reports upon completion of audit for consideration by the Directors.

RESUMÉ OF PERFORMANCE

Your Company's financial performance reflects 5.47% rise in total sales of the Company compared to the previous year. The details of Sales/Income from operations are as follows :

PRODUCTS	Sale in 2006-2007 (Rs. In lakhs)	Sale in 2005-2006 (Rs. In lakhs)	Increase/ (Decrease) in Sales (Rs. In lakhs)	Percentage increase/ (Decrease) %
Fruit Products	1768.36	1592.14	176.22	11.07
Calcium Carbide	301.70	334.21	(32.51)	(9.73)
Charcoal	431.49	405.40	26.09	6.44
Retail	1775.86	1721.56	54.30	3.15
Commission on Sale	137.52	132.54	4.98	3.76
Total Turnover	4414.93	4185.84	229.08	5.47

The Profit after tax of Rs. 412.30 lakhs may be attributable to your Company's emphasis on quality of products and delivery of customer satisfaction.

PLANS AND PROSPECTS
Fruit Product Division

The Company continues in its operations for consolidation of its fruit product business. Having successfully operated in the fruit products business with 'DRUK' brand in India for nearly over 20 years, the Company is continuing in its focus on branding, modernization of packaging and expansion of existing product mix. Your Company is also exploring the possibility of procuring fruit products from abroad and marketing it in India through our existing distributor network and buyer base in the north, east and north-eastern states of India as the demand for such products have increased over the years.

Industrial Division

There is tremendous competition in the Calcium Carbide segment and to sustain our market we are now procuring the same at discounted rates to counter competitive prices. Your Company will continue to increase its buyer base in the eastern states of Orissa, Bihar, Jharkhand, Assam and the eastern parts of Uttar Pradesh.

Retail Division

Retail having emerged as one of the most dynamic and fast paced industries your Company is currently operating three stores under the brand name "C3 The Marketplace" at Elgin Road, Salt Lake and at Gariahat and one express store at WIPRO Campus, Sector-V, Salt Lake, Kolkata. The Company is targeting a higher growth with better margins in the coming year through the following actions:

- More focused operations in express stores
- Opening of new express stores in and around Kolkata
- Manpower rationalization
- Training program for employees to improve customer satisfaction
- Upgrade product mix at stores

The Directors believe that there are tremendous growth opportunities in the retail industry and the Company will capitalize on these to the maximum extent.

In a move to enable unlocking of shareholder value and to explore the opportunities for joint ventures with lead industry players with expertise in retail sales and marketing, the Board of Directors are considering proposals for the transfer/demerger of its C-3 unit into a separate legal entity.

The proposal is based on the sound rationale of imparting greater focus to both retail and marketing and to impart greater financial flexibility as regards financing both the businesses.

While TAI generates healthy cash flow with limited investment needs, the C-3 business, being in the growth phase, requires huge investments and the cash flows in TAI are inadequate to support those ambitions and growth needs.

Taking the aforesaid factors into account your Board has considered a proposal for the formation of a new Company to which the entire business of the C-3 unit would be transferred.

DIVIDEND

Your Directors express their inability to recommend dividend for the year to plough back profits to conserve funds for expansion of the chain of super markets.

APPROVAL UNDER SECTION 211(4) OF THE COMPANIES ACT, 1956

During the year the Central Government was pleased to pass its Order No. 46/105/2007-CL-III dated 14th June, 2007, exempting the Company from disclosing the quantitative information as required to be stated in terms of paragraph 3(ii) (b) of part II of Schedule VI to the Companies Act, 1956 for the financial year ended 31st March, 2007.

CORPORATE GOVERNANCE

In compliance with the disclosures required under the said Clause 49 of the Listing Agreement, a Management Discussion and Analysis Report is provided in Annexure 'A'.

The Report on Corporate Governance as required under the aforesaid Clause is also provided in Annexure 'B' to this Report, together with the Declaration affirming compliance with the Code of Conduct of the Company and Auditors' Certificate on Compliance with the conditions of Corporate Governance.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions Section 217 (2AA) of the Companies Act, 1956 the Directors hereby confirm that:

- (i) The Accounting Standards as applicable to your Company and corroborated by the Companies Act, 1956 have been followed in course of preparation of the Annual Accounts for the year ended 31st March, 2007 and there has been no material departures to warrant further explanation.
- (ii) The accounting policies as have been followed are being continued in course of preparation of the Annual Accounts for the year ended 31st March, 2007, so as to exhibit a true and fair view of the state of affairs of the Company and of the profit for that period.
- (iii) Adequate controls and internal audit systems are being followed by the Company in course of running its affairs as also for maintenance and safeguarding of its assets. Every caution has been taken to relate such control measures to the benefit of the Company and to prevent any fraud or irregularities to creep in.
- (iv) The Annual Accounts of the Company for the year ended 31st March, 2007 have been prepared on a going concern basis as hitherto.

DEMATERIALISATION OF SECURITIES

The shares of the Company are compulsorily traded in dematerialised form for all shareholders. As on 31st March, 2007, 57.42% of total number of shares stand dematerialised.

DIRECTORS

During the year, the Directorship of Mr. Hardyal Doegar ceased owing to his demise on 20th February, 2007

In accordance with Article 56 of the Articles of Association of the Company, Mr. K.N. Malhotra and Dasho Topgyal Dorji retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

PARTICULARS OF EMPLOYEES

There were no employees during the year under review in respect of whom details as required under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, are required to be disclosed.

COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988**A. Conservation of Energy**

- (a) Energy conservation measures taken :

Your Company's activities being trading in nature, energy consumed is only in the nature of electrical consumption for use and maintenance of office appliances. However, the efforts of your Company are aimed at keeping the consumption levels to as low as practicable.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :

As already mentioned above, the electrical consumption required for the use and maintenance of office appliances is kept as low as is practicable.

(c) Impact of the measures at (a) and (b) above for reduction of consumption and consequent impact on the cost of production of goods :

Your Company is not engaged in any manufacturing activity and hence disclosure under this head is not required.

(d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of industries specified in the Schedule thereto:

Your Company is not engaged in any manufacturing activity and hence disclosure under this head is not required.

B. Technology Absorption

(e) Efforts made in technology absorption as per Form B of the Annexure:

Your Company is not engaged in any manufacturing activity and hence disclosure under this head is not required.

C. Foreign exchange earnings and outgo

(f) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; export plans;

Your Company is not engaged in any export activity and hence disclosure under this head is not required.

(g) Total foreign exchange used and earned

There has been no foreign exchange earnings or outgo during the year.

AUDITORS

M/s. Ray & Ray., Chartered Accountants, Auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their grateful appreciation for the excellent support and co-operation received from the Shareholders, Banks, Financial Institutions and Investors, Government Authorities, Stock Exchanges, Reserve Bank of India, Central and State Governments. Your directors also wish to place on record their deep appreciation of the dedication and contributions made by employees at all levels who through their competence, hard work and support have enabled your Company to achieve better performance and look forward to their continued support in the future as well.

By Order of the Board

Place: Kolkata
Date: 17th August, 2007

Wangchuk Dorji
Managing Director

Vinay Killa
Director

Annexure 'A' to the Directors' Report Management Discussion and Analysis Report

Clause 49 of the Listing Agreement stipulates disclosure under specific heads which are given in the following paragraphs and which continue to be followed in the usual course of the Company's business over the years in discussions amongst the Directors and other Senior Management Personnel.

(a) Industry Structure and Developments

Retail is India's largest industry accounting for over 10 percent of the country's GDP and around 8 percent of employment. It has emerged as one of the most dynamic and fast paced industries with several players entering the market. While fresh fruits have long been staple diet, with changing lifestyle and consumer habits, super markets and shopping malls are cropping up everywhere and sales of consumer ready foods are burgeoning.

(b) Opportunities and threats

The Indian foods industry is growing at 9% and has set the growth agenda for modern trade formats. The preserved foods sector is witnessing a significant favourable change driven by changing lifestyle, strong income growth and favourable demographic patterns. This is also one of the key growth drivers of the organised retail sector.

The heavy initial investments required make break even hard to achieve and many players have not tasted success to date. However the future is promising; the market is growing, government policies are becoming more favourable and emerging technologies are facilitating operations.

With several players having entered the retail market, your Company operates in a highly competitive environment. The emphasis on quality of products and delivery of customer satisfaction has enabled your Company to establish a place in the industry.

(c) Segment-wise or Product-wise Performance

As mentioned in the Notes on Accounts, your Company is predominantly engaged in retail, trading of fruit products, calcium carbide and charcoal.

Druk' is a well recognised brand in the processed fruit industry, having a major presence in the market. As a leading distributor of jams, crushes, squashes, preserves under the said brand name, your Company enjoys full customer confidence as to the quality of its products.

Food dominates the shopping basket in India and C3 has been able to establish itself as one of the most popular retail chains in Kolkata. However, the performance has more scope for improvement.

The performance in the industrial product segment has entered the growth phase.

(d) Outlook

Your Directors continue in their emphasis on the 'Quality' of products. The outlook for the forthcoming year looks encouraging in the retail, fruit product and industrial sector.

(e) Risks & Concerns

Despite the prospects being good, the severe competition in the retail sector continue to govern results.

A vital area of concern is the dependence on IT sector for solutions that help automate and integrate the transactional system.

(f) Internal Control Systems & their Adequacy

The statutory requirements of Audit Committee are being met. In meetings of the Audit Committee, the Statutory Auditors and Partners of Internal Audit Firms participate. Such Internal Auditors also periodically visit various divisions of the Company.

Activities of each sector are being programmed on a medium-term basis, which again get translated into an Annual Activity Plan as contained in Budgets. Each departmental head is involved in the preparation of the activity plans and identifying and categorising the areas of risks, which are closely monitored. Such documentations thereafter undergo a further layer of scrutiny and implementation under direct superintendence of the Managing Director of the Company.

(g) Financial & Operational Performances

This has been adequately stated in the Directors' Report.

(h) Material Developments in Human Resources / Industrial Relations Front

The Company has taken in hand to step up activities related to human resource development pursuant to which efforts are under way for improved training and education of the Company's employees at all levels.

Annexure “B” to the Directors Report
Report On Corporate Governance
1. COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is the means to maximise the long term shareholder value in a legal and ethical manner ensuring fairness, courtesy and dignity in all transactions of the Company. Your Company is committed to the concept and philosophy of Corporate Governance as a means of effective internal control, highest level of accountability, transparency and professionalism in all areas of its operations for enhancing customer satisfaction and shareholder value.

2. BOARD OF DIRECTORS

The Board of Directors at present comprises a Chairman & Managing Director (being Executive Director) and four Non-executive Directors. The particulars of the Directors for the year ended on 31st March, 2007 are given hereunder:-

Name	Category	Attendance		Directorships in other companies	Committee Positions in other companies	
		At Board Meetings	At last AGM		As Chairman	As Member
Dasho Wangchuk Dorji	Chairman and Managing Director	3	Yes	7	–	–
Dasho Topgyal Dorji	Non-Executive Director	3	No	7	–	–
Mr. Prem Sagar	Non-Executive Independent Director	4	Yes	2	–	1
Mr. Hardyal Doegar*	Non-Executive Independent Director	2	Yes	–	–	–
Mr. K N Malhotra	Non-Executive Independent Director	3	No	–	–	–
Mr. Vinay Killa	Non-Executive Independent Director	4	Yes	1	–	–

The Directorship of Mr. Hardyal Doegar ceased owing to his demise on 20th February, 2007

Note:

Committee Positions in other companies relate to Chairmanship / Membership of Audit and Investors’/ Shareholders’ Grievance Committees only.

During the year under review, four Board meetings were held on 25th April, 2006, 27th July 2006, 28th October 2006 and 18th January 2007.

3. AUDIT COMMITTEE

The Audit Committee consists of three Non-executive Independent Directors who are persons of high standing in the industry possessing the requisite experience and expertise.

The terms of reference of the Audit Committee include:-

- review internal control systems; nature and scope of audit as well as post audit discussions;
- review quarterly, half-yearly and annual financial statements with particular reference to matters to be included in the Directors’ Responsibility Statement to be included in the Board’s Report;
- ensure compliance with internal control systems;
- recommend to the Board on any matter relating to financial management, including audit report;
- oversee Company’s financial reporting process and disclosure of financial information;
- review performance of statutory and internal auditors.

During 2006-2007 the Audit Committee met on 25th April, 2006, 27th July 2006, 28th October 2006 and 18th January 2007. Composition of the Audit Committee during the year 2006-2007:-

Name	Position held	No. of Meetings	
		Held	Attended
Mr. Hardyal Doegar*	Chairman	4	2
Mr. K.N. Malhotra	Member	4	3
Mr. Vinay Killa	Member	4	4

*The Chairmanship of Mr. Hardyal Doegar ceased owing to his demise on 20th February, 2007. Mr. Prem Sagar was inducted as a Member of the Committee by a Resolution of the Directors passed by circulation on 26th March, 2007 and Mr. K.N. Malhotra was appointed Chairman.

Invitees: The Senior General Manager and representatives of the Statutory and Internal Auditors are invited and generally remain present at the meetings of the Audit Committee.

The Company Secretary acts as the Secretary to the Committee.

4. REMUNERATION COMMITTEE

No Remuneration Committee has been formed pursuant to Clause 49 of the Listing Agreement. However, a Remuneration Committee is in place in accordance with Schedule XIII to the Companies Act, 1956 to consider and approve the Managerial Remuneration (subject to approval of the shareholders) consisting of the respective salary and perquisites to be paid to the Executive Directors without commission in the situation of inadequate profits. The Remuneration Committee comprises

Mr. Prem Sagar	Chairman
Mr. K. N. Malhotra	Member
Mr. Vinay Killa	Member

No meeting of the Committee was held during the year.

Details of remuneration paid to the Managing Director during the year under review are given below:-

(Rupees)

Salary	13,10,000
Commission	—
Other benefits	—
Retiral Benefits	1,57,200
Total	14,67,200

The Service Agreement between the Company and Dasho Wangchuk Dorji as Chairman and Managing Director is for a period of 5 years effective 20th May, 2005, approved by the Central Government, vide its Order No. 1/232/2005-CL.VII dated 2nd September, 2005. The reappointment was also approved by the shareholders at the Annual General Meeting held on 28th September, 2005. As per the provisions of Schedule XIII of the Companies Act, 1956, the retiral benefits paid to Dasho Wangchuk Dorji has not been included in the computation of the ceiling on remuneration specified in the said Schedule. No sitting fees have been paid to Dasho Wangchuk Dorji.

Only sitting fees for attending the meetings of the Board and Audit Committee thereof are paid to the Non-Executive Directors.

Particulars of sitting fees paid to the Non-Executive Directors during the year under review are given below:-

Name	Board Meetings (Rs.)	Committee Meetings (Rs.)	Total (Rs.)	No. of Shares held in the Company
Mr. Dasho Topgyal Dorji	24000	—	24000	—
Mr. Prem Sagar	32000	—	32000	—
Mr. Hardyal Doegar	16000	16000	32000	3000
Mr. Kanwal Nain Malhotra	24000	24000	48000	—
Mr. Vinay Killa	32000	32000	64000	200

The Company has not issued any convertible instruments.

5. SHARE TRANSFER COMMITTEE

The Share Transfer Committee was reconstituted on 25th April, 2006 and comprises Mr. Vinay Killa, as the Chairman and Mr. Rohan Ghosh as Member.

Share Transfer formalities are complied with once a fortnight, the power to approve the same being delegated jointly or severally to Mr. Vinay Killa and Mr. Rohan Ghosh.

The Company's Registrar and Share Transfer Agent, Intime Spectrum Registry Limited carry out the entire share transfer activities both under physical and demat segment.

SHAREHOLDERS' GRIEVANCE COMMITTEE

The Shareholder's Grievance Committee was reconstituted on 25th April, 2006 and comprises Mr. Vinay Killa, as the Chairman and Mr. Rohan Ghosh as Member.

Ms. Indira Biswas, Company Secretary, is the Compliance Officer.

E-mail ID pursuant to Clause 47(f) of the Listing Agreement with the Stock Exchanges: ibiswas@taiind.com

Status of Investors' Complaints as on 31st March, 2007

No of complaints received during the year and entirely dealt with : 8

No of complaints pending : Nil

6. GENERAL BODY MEETINGS

Location and time where last three Annual General Meetings were held:-

Date	Location	Time
23rd September, 2004	Kalakunj, 48, Shakespeare Sarani, Kolkata – 700017	10.00 A M
28th September, 2005	Same as above	10.00 A M
21st September, 2006	Same as above	10.00 A M

A Special Resolution for alteration of the Objects Clause of the Memorandum of Association was passed at the Annual General Meeting held on 21st September, 2006. No Special Resolution was passed at the Annual General Meetings held on 23rd September, 2004 and 28th September, 2005.

Resumé and other information on the Directors appointed or re-appointed as required under Clause 49IV(G) (i) of the Listing Agreement is given in the Notice of the Annual General Meeting annexed to the Annual Report for the year under review.

7. DISCLOSURES

- a) Materially significant related party transactions : The Company has not entered into any transactions of material nature with its Promoters, Directors, the management, subsidiary companies or relatives, etc. that may have potential conflict with its interest during the year under review. However, the list of related party relationships or transactions as required to be disclosed in accordance with Accounting Standard 18 issued by the Institute of Chartered Accountants of India has been given in Notes on Accounts for the year ended 31st March, 2007.
- b) No penalties/strictures were imposed on the Company by any regulatory authority for non-compliance of any laws or any matter relating to capital markets during the last three years.
- c) The Company has complied with all the mandatory requirements of Sub-clauses I to VII of this Clause. The Company continues in its efforts on improvement, consolidation and documentation of methods of internal control for financial reporting and its effectiveness.

8. MEANS OF COMMUNICATION

- a) In compliance with Clause 41 of the Listing Agreement the Company regularly intimates unaudited half yearly and quarterly results as well as the audited annual results to the Stock Exchanges after they are taken on record by the Board of Directors. In addition, the same are also filed on the Electronic Data Information Filing and Retrieval (EDIFAR) website maintained by the SEBI in association with the National Informatics Centre (NIC) pursuant to the requirements of Clause 51 of the Listing Agreement.

- b) Such results are also published in newspapers namely, Financial Express and Kalantar.
 c) The Company has no web-site.
 d) No presentations have been made to institutional investors or to the analysts.
 e) The document on Management Discussion and Analysis Report forms a part of this Annual Report.

9. GENERAL SHAREHOLDER INFORMATION

- a) AGM date, time and venue :
 Friday, the 21st day of September, 2007 at Kalakunj, 48, Shakespeare Sarani, Kolkata – 700017 at 10 a.m.
 b) Financial Year: 1st April to 31st March
 c) Book closure Period : 14th September, 2007 to 21st September, 2007, both days inclusive.
 d) Dividend payment date: No dividend has been recommended for the year ended 31st March, 2007.
 e) Listing on Stock Exchanges and Stock Codes: The shares of the Company are listed with the Stock Codes at the Stock Exchanges given hereinbelow:

Stock Exchange	Stock Code
(i) The Calcutta Stock Exchange Association Limited 7, Lyons Range, Calcutta 700 001	30055
(ii) Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 023.	519483

Listing Fees as prescribed have been paid to all the aforesaid Stock Exchanges upto 31st March, 2008.

Demat Code No. allotted by NSDL & CDSL :

INE358D01018

- f) Stock Price Data and Share Price Performance in comparison to BSE SENSEX:

Year 2006-2007	(Rupees)			
Month	Bombay Stock Exchange Limited		Sensex	
	High	Low	High	Low
April, 2006	30.00	22.65	12102.00	11008.43
May, 2006	30.80	23.80	12671.11	9826.91
June, 2006	26.70	20.55	10626.84	8799.01
July, 2006	28.45	21.20	10940.45	9875.35
August, 2006	27.25	24.00	11794.43	10645.99
September, 2006	29.25	23.55	12485.17	11444.18
October, 2006	29.00	24.30	13075.85	12178.83
November, 2006	30.30	22.85	13799.08	12937.30
December, 2006	39.75	24.80	14035.30	12801.65
January, 2007	46.00	34.95	14325.92	13303.22
February, 2007	42.00	28.00	14723.88	12800.91
March, 2007	30.70	22.65	13386.95	12316.10

- g) Share Transfer System :

Share transfers are registered within a maximum period of 30 days from the date of receipt, provided, the documents are complete in all respects.

h) Registrar and Share Transfer Agent :

Intime Spectrum Registry Limited at 59C Chowringhee Road, Kolkata - 700020 acts as the Registrars for Physical as well as Demat segment.

i) Dematerialisation of shares & liquidity :

The shares of the Company are compulsorily traded in dematerialised form for all shareholders. As on 31st March, 2007, 57.42 % of total number of shares stand dematerialised.

j) Outstanding GDR/ADR/Warrants or any convertible instruments: Not Applicable.

 k) **(A) Distribution of Shareholding as on 31st March, 2007:**

Break-up of Equity shares Shareholders	No. of Shareholders	Percentage of Shares held	No. of Equity shares held	Percentage of Equity shares
1-100	7448	77.616	655455	10.924
101-500	1593	16.601	445993	7.433
501-1000	265	2.762	223871	3.731
1001-2000	126	1.313	189483	3.158
2001-3000	63	0.657	154874	2.581
3001-4000	18	0.188	62842	1.047
4001-5000	29	0.302	140642	2.344
5001-10000	23	0.240	162892	2.715
10000 and above	31	0.323	3963948	66.066
Total	9596	100.000	6000000	100.000

(B) Shareholding Pattern as on 31st March, 2007:

Category	No. of Shares held	Percentage of Shareholding
A Promoters Holding		
1. Promoters		
- Indian Promoters	252350	4.20
- Foreign Promoters	1216000	20.27
2. Persons acting in concert	-	-
Total (A)	1468350	24.47
B Public Shareholding		
1. Institutional Investors		
a) Mutual Funds and UTI	-	-
b) Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ Non-Government Institutions)	700	0.01
c) FIIs	1200000	20.00
Sub-Total	1200700	20.01
2. Others		
a) Private Corporate Bodies	600843	10.01
b) Individuals	2126106	35.44
c) NRIs/OCBs	604001	10.07
Sub-Total	3330950	55.51
Total (B)	4531650	75.52
Grand Total (A+B)	6000000	100.00

m) Address for Correspondence :

Registrar and
Share Transfer Agent

Mr. S. P. Guha,
Intime Spectrum Registry Limited,
59C Chowringhee Road, Kolkata – 700020.
Phone: 22890540
Fax: 22890539

Corporate Office :

Ms. Indira Biswas,
Company Secretary – cum – Compliance Officer,
Tai Industries Limited,
53A, Mirza Ghalib Street,
Kolkata – 700016.

Signatures to Annexures A & B

By Order of the Board

Place: Kolkata
Date: 17th August, 2007

Wangchuk Dorji
Managing Director

Vinay Killa
Director

**DECLARATION BY THE CEO ON AFFIRMATION OF COMPLIANCE WITH
THE CODE OF CONDUCT OF THE COMPANY**

To the Members of
Tai Industries Limited

Pursuant to Clause 49(I)(D)(ii) of the Listing Agreement with the Stock Exchanges, I hereby declare that all Directors of the Company and Members of Senior Management have affirmed compliance with the Code of Conduct of the Company, for the year ended 31st March, 2007.

Date : 17th August, 2007

(Dasho Wangchuk Dorji)
Chief Executive Officer

Auditors' Certificate on compliance of Corporate Governance under Clause 49 of the Listing Agreements

To
The Members of
Tai Industries Limited

We have examined the compliance of conditions of Corporate Governance by TAI INDUSTRIES LIMITED ("Company") for the year ended on 31st March, 2007 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in Republic of India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance [as stipulated in Clause 49 of the Listing Agreement] issued by The Institute of Chartered Accountants of India and limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements though the Company's established control mechanism/risk assessment and minimisation procedure is in the process of being formalised/updated.

We state that in respect of investor grievances received during the year ended 31st March, 2007 no investor grievances were pending for a period exceeding one month against the Company, as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **RAY & RAY**
Chartered Accountants

ABHIJIT NEOGI
(Partner)
(Membership No. 61380)

Place : Kolkata
Date : 17th August, 2007

Auditors' Report

To the Members of Tai Industries Limited

1. We have audited the attached Balance Sheet of **TAI INDUSTRIES LIMITED** as on 31st March, 2007, the related Profit & Loss Account and the Cash Flow Statement for the year ended on that date (hereinafter referred to as "financial statements"), all of which we have signed under the reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order 2003, as amended by the Companies (Auditors' Report) (Amendment) Order 2004 ("Order") issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of The Companies Act, 1956, (the 'Act') and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we give in the **Annexure**, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Without qualifying our report attention is drawn to Note no.8 on Notes on Accounts regarding non receipt of confirmations from certain Sundry Debtors, Sundry Creditors and Loans and Advances of the company and their subsequent reconciliation. Consequential revenue impact, if any, will be adjusted in the subsequent period.
5. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - 5.1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - 5.2 **Subject to Note no. 2 on Notes on Accounts**, in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - 5.3 The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - 5.4 In our opinion, the financial statements dealt with by this report comply with the applicable Accounting Standards referred to in Sub-section (3C) of Section 211 of the 'Act';
 - 5.5 On the basis of written representations received from the directors, as on 31st March 2007 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2007 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the 'Act';
 - 5.6 **Subject to Note no.2 on Notes on Accounts**, in our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the 'Act' and also give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2007;
 - b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **RAY & RAY**
Chartered Accountants

ABHIJIT NEOGI
(Partner)

(Membership No. 61380)

Place : Kolkata
Date : 17th August, 2007

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date to the Members of TAI INDUSTRIES LIMITED on the financial statements for the year ended 31st March 2007)

1. (a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
(b) The fixed assets of the Company have been physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to such programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
2. (a) The inventory of the Company has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
(b) In our opinion, the procedures of physical verification of Inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The records of inventory maintained by the Company in respect of its C3 division need to be improved with respect to timeliness of entries and adjustments, quantitative reconciliation of stocks at various locations and unit price. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the 'Act'. Accordingly, the clauses (iii)(b) to (iii) (d) of the paragraph 4 of the Order are not applicable.
(b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the 'Act'. Accordingly, the clauses (iii)(e) to (iii) (g) of the paragraph 4 of the Order are not applicable.
4. On the basis of our evaluation of Internal Control procedures and according to the information and explanations given to us, we are of the opinion that internal control procedures for recording of purchase and sale of inventory in the books require to be strengthened to commensurate with the size of the company and nature of its business.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the 'Act' have been entered in the Register required to be maintained under that Section.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs in respect of a party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA or any other relevant provisions of the 'Act' and the rules framed there under.
7. The Company has appointed outside firm of Chartered Accountants as its Internal Auditors whose scope of work as Internal Auditors and coverage requires to be further widened to be commensurate with size and nature of Company's business.
8. The Central Government of India has not prescribed maintenance of cost records under section 209(1)(d) of the 'Act' for any of the activities of the Company.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has been regular in depositing, during the year, the undisputed statutory dues including provident fund, income tax, sales tax, agricultural tax, service tax, education cess and other material statutory dues, as applicable, with appropriate authorities.

- (b) According to the information and explanations given to us and the records of the Company examined by us the particulars of dues of sales tax as at 31st March 2007 which are not been deposited on account of a dispute are given below. Apart from the same, there are no undisputed dues in respect of income tax, service tax and education cess

Name of the Statute	Nature of dues	Amount (Rs.)	Forum where dispute is pending	Assessment Year to which the amount relates
Central Sales Tax Act,1956	Sales Tax	4,16,983	High Court of Chennai	2003-2004

10. The Company has no accumulated loss as at 31st March 2007 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company, examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to a bank or financial institutions. The Company has not issued any debenture.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debenture and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
14. In our opinion, the Company is not dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions during the year.
16. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purpose for which they were obtained.
17. On the basis of an overall examination of the Balance Sheet and Cash Flow Statement of the Company, in our opinion and according to the information and explanations given to us, there were no funds raised on short-term basis, which have been used for long-term investments.
18. The Company has not made any preferential allotment of shares to any parties and companies covered in the register maintained under Section 301 of the 'Act' during the year.
19. The Company has not issued any debenture.
20. The Company has not raised any money by way of public issue during the year.
21. During the course of our examination of books and records of the Company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company nor have we been informed of such case by the management.

For **RAY & RAY**
Chartered Accountants

ABHIJIT NEOGI
(Partner)
(Membership No. 61380)

Place : Kolkata
Date : 17th August, 2007

Balance Sheet as at 31st March, 2007

	Schedules	As at 31st March, 2007 Rs.	As at 31st March, 2006 Rs.
I. SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS :			
Capital	1	60,000,000	60,000,000
Reserves and Surplus	2	100,413,137	59,182,847
		<u>160,413,137</u>	<u>119,182,847</u>
LOAN FUNDS :			
Secured Loan	3	–	91,217,605
Deferred Tax Liability (Net) (Note 5 on Schedule 20)		756,240	1,655,349
TOTAL		<u>161,169,377</u>	<u>212,055,801</u>
II. APPLICATIONS OF FUNDS			
FIXED ASSETS			
	4		
Gross Block		74,073,085	73,432,081
Less : Accumulated Depreciation and Amortisation		<u>41,493,767</u>	<u>33,737,943</u>
Net Block		32,579,318	39,694,138
INVESTMENTS			
	5	8,631,173	43,486,861
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	6	36,804,533	61,158,742
Sundry Debtors	7	168,455,395	129,519,172
Cash and Bank Balances	8	10,761,491	5,715,308
Other Current Assets	9	24,736	24,070
Loans and Advances	10	127,082,566	123,390,079
		<u>343,128,722</u>	<u>319,807,371</u>
Less : CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	11	204,883,476	179,136,278
Provisions	12	18,286,360	11,796,291
NET CURRENT ASSETS		<u>119,958,886</u>	<u>128,874,802</u>
TOTAL		<u>161,169,377</u>	<u>212,055,801</u>

Notes on Accounts

20

The schedules referred to above and attached thereto form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

For and on behalf of the Board

 For **RAY & RAY**
Chartered Accountants

WANGCHUK DORJI
Managing Director

ABHIJIT NEOGI
Partner
Membership No. 61380

INDIRA BISWAS
Company Secretary

VINAY KILLA
Director

 Place : Kolkata
Date : 17th August, 2007

Profit and Loss Account for the Year ended 31st March, 2007

	Schedule	For the year ended 31st March, 2007 Rs.	For the year ended 31st March, 2006 Rs.
INCOME			
Turnover	13	441,493,359	418,583,999
Profit on Sale of Investments		82,791,584	-
Other Income	14	15,819,487	12,090,854
Increase/(Decrease) in Inventories	15	(24,354,209)	14,304,719
TOTAL		515,750,220	444,979,572
EXPENDITURE			
Purchases	16	361,871,255	331,594,162
Employee's remuneration and Welfare expenses	17	15,070,334	12,727,283
Interest	18	5,654,943	11,276,907
Administrative, Selling and Other Expenses	19	78,753,666	69,186,069
Depreciation/Amortisation		7,963,046	8,877,035
TOTAL		469,313,244	433,661,456
Profit before Taxation		46,436,976	11,318,116
Taxation			
- Current Tax		5,750,610	1,526,444
- Fringe Benefit Tax		355,185	462,473
- Deferred Tax		(899,109)	(980,639)
Profit after Taxation		41,230,290	10,309,838
Balance brought forward from previous year		54,896,959	44,587,121
Balance carried to Balance Sheet		96,127,249	54,896,959
Notes on Accounts	20		
Earning Per Share (Rs) (Note 14 on Schedule 20)		6.87	1.72

The schedules referred to above and attached thereto form an integral part of the Profit and Loss Account

This is the Profit and Loss Account referred to in our report of even date.

For and on behalf of the Board

For **RAY & RAY**
Chartered Accountants

WANGCHUK DORJI
Managing Director

ABHIJIT NEOGI
Partner
Membership No. 61380

INDIRA BISWAS
Company Secretary

VINAY KILLA
Director

Place : Kolkata
Date : 17th August, 2007

Cash Flow Statement for the Year ended 31st March, 2007

	Year ended 31 March, 2007 Rs.	Year ended 31 March, 2006 Rs.
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and extra ordinary items	46,436,976	11,318,116
Adjustments for :		
Depreciation	7,963,046	8,877,036
Interest Received	(36,648)	(37,022)
Dividend Received	(7,113,423)	(8,019,401)
Provision for Gratuity	617,712	209,663
Provision for Leave Encashment	488,181	533,801
(Profit) / Loss on Sale of Fixed Assets	(14,312)	(7,241)
Interest paid	5,654,943	11,276,907
(Profit) / Loss on sale of investments	(82,791,583)	1,260,334
Commission Received	(13,751,828)	(13,253,415)
Investment written off	-	3,000
Liabilities no longer required, written back	(1,242,303)	-
Debts & other debits written off	4,370,984	-
Discount Given	1,019,022	-
Operating Profit before Working Capital changes	(38,399,232)	12,161,777
Adjustment for changes in Working Capital		
(Increase)\Decrease in Trade and other Receivables	(42,629,376)	38,173,703
(Increase)\Decrease in Inventories	24,354,209	(14,304,720)
Increase\Decrease in Trade payables	26,092,772	(36,557,416)
Commission Received	13,530,169	12,993,783
Cash Generated from Operations	17,051,459	12,467,127
Interest paid	(5,654,943)	(11,276,907)
Direct Tax paid	(4,617,586)	(1,977,894)
Leave Encashment Paid	(340,267)	(452,030)
Gratuity Paid	(30,779)	(28,961)
Net Cash from Operating Activities (A)	(27,695,034)	(1,268,665)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(852,915)	(13,694,946)
Sale of Investments	117,647,271	1,073,486
Sale of Fixed Assets	19,000	345,001
Interest Received	32,442	60,508
Dividend Received	7,113,423	8,019,401
Purchase of investments	-	(47,250)
Net Cash from Investing Activities (B)	123,959,221	(4,243,800)

	Year ended 31 March, 2007 Rs.	Year ended 31 March, 2006 Rs.
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeding from Borrowings :		
Secured Loans	(91,217,605)	7,139,449
Dividend Paid	(400)	(4,300)
Net Cash used in Financing Activities (C)	(91,218,005)	7,135,149
Net increase/(decrease)in Cash and Cash Equivalents (A+B+C)	5,046,183	1,622,684
Opening Balance of Cash and Cash Equivalents	5,715,308	4,092,624
Closing Balance of Cash and Cash Equivalents	10,761,491	5,715,308

Notes :

1. The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at 31st March, 2007 and the related Profit and Loss Account for the year ended on that date.
2. The above Cash Flow Statement has been prepared under "Indirect Method" as set out in the Accounting Standard (AS) on "Cash Flow Statement", AS - 3, issued by The Institute of Chartered Accountants of India and reallocations required for this purpose are as made by the Company.
3. Figures in parenthesis represent outflows.
4. Previous year's figures have been regrouped, wherever necessary, to conform current year's presentation.

This is the Cash Flow referred to in our report of even date.

For and on behalf of the Board

For **RAY & RAY**
Chartered Accountants

WANGCHUK DORJI
Managing Director

ABHIJIT NEOGI
Partner
Membership No. 61380

INDIRA BISWAS
Company Secretary

VINAY KILLA
Director

Place : Kolkata
Date : 17th August, 2007

Schedules to Balance Sheet

	As at 31st March 2007 Rs.	As at 31st March 2006 Rs.
SCHEDULE : 1		
SHARE CAPITAL		
AUTHORISED		
7,500,000 (2006 - 7,500,000) Equity Shares of Rs.10/- each	75,000,000	75,000,000
ISSUED, SUBSCRIBED, CALLED AND PAID UP		
6,000,000 (2006-6,000,000) Equity Shares of Rs. 10/- each fully paid up [Out of the above 20,000 (2006-20,000) Equity Shares were allotted as fully paid bonus shares by capitalisation of General Reserve]	60,000,000	60,000,000
	<u>60,000,000</u>	<u>60,000,000</u>

SCHEDULE : 2

RESERVES & SURPLUS

General Reserve	3,690,788	3,690,788
Capital Reserve	595,100	595,100
Profit and Loss Account	96,127,249	54,896,959
	<u>100,413,137</u>	<u>59,182,847</u>

SCHEDULE : 3

SECURED LOANS

Working Capital Loan from State Bank of India	-	65,653,247
Term Loan from State Bank of India	-	25,564,358
	<u>-</u>	<u>91,217,605</u>

SCHEDULE : 4
FIXED ASSETS

PARTICULARS	GROSS BLOCK - AT COST			DEPRECIATION/AMORTISATION				NET BLOCK		
	As at 01.04.2006 Rs.	Addition during the year Rs.	Deductions during the year Rs.	As at 31.03.2007 Rs.	As at 01.04.2006 Rs.	During the year Rs.	Deductions during the year Rs.	As at 31.03.2007 Rs.	As at 01.04.2006 Rs.	
BUILDING (Note 1)	2,896,312	-	-	2,896,312	1,241,074	103,539	-	1,344,613	1,551,699	1,655,238
FURNITURE	18,558,493	477,610	-	19,036,103	6,398,306	2,293,998	-	8,692,304	10,343,798	12,160,187
OFFICE EQUIPMENT	4,804,755	222,943	-	5,027,698	1,735,612	449,854	-	2,185,466	2,842,232	3,069,142
ELECTRICAL EQUIPMENTS	2,809,406	30,390	-	2,839,796	799,498	283,261	-	1,082,760	1,757,036	2,009,908
MOTOR VEHICLES	1,733,728	-	211,912	1,521,815	1,363,925	94,528	207,224	1,251,229	270,586	369,803
COMPUTER	23,706,091	121,972	-	23,828,063	17,977,693	2,324,841	-	20,302,534	3,525,529	5,728,398
PLANT AND MACHINERY	15,219,198	-	-	15,219,198	3,197,140	1,672,268	-	4,869,409	10,349,789	12,022,058
TOTAL (A)	69,727,982	852,915	211,912	70,368,985	32,713,248	7,222,290	207,224	39,728,316	30,640,669	37,014,734
INTANGIBLE ASSETS										
SOFTWARE (Note-2)	3,704,099	-	-	3,704,099	1,024,695	740,756	-	1,765,451	1,938,649	2,679,405
TOTAL (B)	3,704,099	-	-	3,704,099	1,024,695	740,756	-	1,765,451	1,938,649	2,679,405
GRAND TOTAL [(A)+(B)]	73,432,081	852,915	211,912	74,073,084	33,737,943	7,963,046	207,224	41,493,767	32,579,317	39,694,138
PREVIOUS YEAR	60,143,428	13,694,946	406,293	73,432,081	24,929,441	8,877,035	68,533	33,737,943	39,694,138	

Notes:

1. Building includes Rs. 2,048,838 (2005-2006-Rs. 2,048,838) purchased on 97 years lease basis.
2. The software has been amortised as on the basis stated in Note I (g) on Schedule 20.

**SCHEDULE 5
INVESTMENTS-LONG TERM**

	No. of Shares	Face Value Rs.	As at 31st March, 2007 Cost Rs.	As at 31st March, 2006 Cost Rs.
Equity Shares fully paid (Quoted)				
1. Trade Investment :-				
Tai Chonbang Textile Industries Limited	-	10	-	32,866,180
2. Other Investments :-				
Usha Ispat Limited	300	10	3,000	3,000
Core Health Care Limited	100	10	15,000	15,000
Industrial Finance Corporation of India	100	10	3,500	3,500
State Bank of India	150	10	15,000	15,000
Bata India Limited	4,375	10	152,250	152,250
Infosys Technologies Limited	104	5	3,448	1,992,956
Reliance Industries Limited	1,030	10	102,167	102,167
I S I Bars Limited	250	10	2,500	2,500
Reliance Capital Limited	51	10	2,554	2,554
Reliance Communication Limited	1,030	5	76,036	76,036
Reliance Energy Limited	77	10	14,343	14,343
Reliance Natural Resources Limited	1,030	5	1,375	1,375
TOTAL (A)			<u>391,173</u>	<u>35,246,861</u>
Equity Shares Fully Paid (Unquoted)				
Jamshedpur Injection Powder Limited	800,000	10	8,000,000	8,000,000
TOTAL (B)			<u>8,000,000</u>	<u>8,000,000</u>
Others Fully Paid (Quoted)				
UTI Master Gain 92 (Note - 1)	10,000	10	100,000	100,000
SBI Magnum Multiplier Plus 1993	10,000	10	100,000	100,000
Morgan Stanley Mutual Fund	4,000	10	40,000	40,000
TOTAL (C)			<u>240,000</u>	<u>240,000</u>
GRAND TOTAL [(A)+(B)+(C)]			<u>8,631,173</u>	<u>43,486,861</u>

Notes:

1. UTI Master gain 92 is in the name of Tashi Agro Industries LTD, Company is taking steps to change the name.

	As at 31st March, 2007 (Rs.)	As at 31st March, 2006 (Rs.)
2. Aggregate book value		
of quoted investments:	631,173	35,486,861
of unquoted investments:	8,000,000	8,000,000
Total	<u>8,631,173</u>	<u>43,486,861</u>

	As at 31st March, 2007 (Rs.)	As at 31st March, 2006 (Rs.)
3. Market Value/Net Asset Value (NAV) of quoted investments are as follows:		
a) Shares	2,029,372	99,897,890
b) Others		
i) UTI Master Gain 92 (NAV)	307,000	321,200
ii) SBI Magnum Multipler Plus 1993 (NAV)	501,700	422,500
iii) Morgan Stanley Mutual Fund (NAV)	190,280	192,760
Total	<u>3,028,352</u>	<u>100,834,350</u>

SCHEDULE : 6**INVENTORIES** (As certified by Management)

Stock of Traded Goods	36,804,533	61,158,742
[Refer Note No 16 on Notes on Accounts]		
	<u>36,804,533</u>	<u>61,158,742</u>

SCHEDULE : 7**SUNDRY DEBTORS**

(Unsecured - Considered Good)

Debts exceeding six months	89,006,044	45,759,639
Other Debts	79,449,351	83,759,533
	<u>168,455,395</u>	<u>129,519,172</u>

SCHEDULE : 8**CASH AND BANK BALANCES**

Cash in hand	856,892	794,360
Balances with Scheduled Banks on :		
Current Accounts	8,211,143	3,116,188
Dividend Accounts	1,037,663	1,038,063
Fixed Deposits (pledged against letters of credit and Bank Guarantee)	655,793	766,697
	<u>10,761,491</u>	<u>5,715,308</u>

SCHEDULE : 9**OTHER CURRENT ASSETS**

(Unsecured - Considered Good)

Interest accrued on fixed deposits	24,736	24,070
	<u>24,736</u>	<u>24,070</u>

**As at 31st
March, 2007
(Rs.)** **As at 31st
March, 2006
(Rs.)**

SCHEDULE : 10
LOANS AND ADVANCES
(Unsecured - Considered Good)

Advances recoverable in cash or kind or for value to be received (Note 4 on Schedule 20)	98,960,181	98,525,869
Prepaid Expenses	550,644	711,298
Deposits [including deposits with Government Authorities-	11,049,905	12,535,688
-in National Savings Certificate Rs. 6,000 (2006-Rs. 6,000)		
-in Other Deposit Rs.127,860 (2006-Rs.127,860)]		
Income Tax [including Tax Deducted at Sources Rs. 1,393,006] (2006 - Rs. 1,105,980) and Fringe Benefit Tax Rs.782,473 (2006 - Rs. 255,000)]	16,521,836	11,617,224
	<u>127,082,566</u>	<u>123,390,079</u>

SCHEDULE : 11
CURRENT LIABILITIES

Sundry Creditors (Note 6 on Schedule 20)	192,738,435	167,690,869
Advances from Customers	4,827,597	3,785,928
Unclaimed Dividend	903,939	904,339
Other Liabilities	6,413,505	6,755,142
	<u>204,883,476</u>	<u>179,136,278</u>

SCHEDULE : 12
PROVISIONS

Particulars	As at 1st April 2006	Addition	Total	Payments / Utilization/ Charged Off	Reversals	As at 31st March 2007
Gratuity	968,691	617,712	1,586,403	30,779	-	1,555,624
Leave Encashment	626,993	488,181	1,115,174	340,267	350,573	424,334
Income Tax	9,738,134	5,750,610	15,488,744	-	-	15,488,744
Fringe Benefit Tax	462,473	355,185	817,658	-	-	817,658
TOTAL	11,796,291	7,211,688	19,007,979	371,046	350,573	18,286,360

Schedules to Profit and Loss Account

	As at 31st March, 2007 (Rs.)	As at 31st March, 2006 (Rs.)
SCHEDULE : 13		
TURNOVER		
Sales :		
Fruit Products	93,066,797	86,404,310
Calcium Carbide	30,170,560	33,421,282
Charcoal	43,148,980	40,539,835
Food Products	83,769,500	72,808,900
Sale of Retail Products	1,77,585,693	1,72,156,257
Commission on sale of above related products [Taxes Deducted at Sources - Rs. 251,659 (2006 Rs. 259,632)]	13,751,828	13,253,415
	<u>441,493,359</u>	<u>418,583,999</u>
SCHEDULE : 14		
OTHER INCOME		
Dividend on Long Term Investments - Others	7,113,423	8,019,401
Interest - Gross [Taxes Deducted at Sources Rs 4,206 (2006 - Rs.8,437)]	36,648	37,022
Liabilities no longer required written back	1,242,303	88,193
Profit on Sale of Fixed Assets	14,312	7,241
Miscellaneous Income	7,412,800	3,938,997
	<u>15,819,487</u>	<u>12,090,854</u>
SCHEDULE : 15		
ACCRETION / (DECRETION) OF INVENTORIES		
Opening Stock	61,158,742	46,854,023
Less : Closing Stock	36,804,533	61,158,742
Accretion of Inventories	<u>(24,354,208)</u>	<u>14,304,719</u>
SCHEDULE : 16		
PURCHASE OF TRADED GOODS		
Fruit Products	76,611,315	58,791,326
Calcium Carbide	27,120,326	28,721,608
Charcoal	32,986,330	31,970,772
Food Products	69,355,000	49,987,050
Retail Products	154,286,090	150,855,753
Carraige Inward, Octroi Expenses and Other related expenses	1,512,194	11,267,653
	<u>361,871,255</u>	<u>331,594,162</u>

**As at 31st
March, 2007
(Rs.)** **As at 31st
March, 2006
(Rs.)**

SCHEDULE : 17
**EMPLOYEES REMUNERATION AND
WELFARE EXPENSES**

Salaries, Wages, Bonus etc	11,885,165	11,144,201
Contribution to Provident and Other Funds	1,132,115	1,000,729
Staff Welfare	2,053,054	582,353
	<u>15,070,334</u>	<u>12,727,283</u>

SCHEDULE : 18
INTEREST

On Secured Loans	5,273,881	10,747,052
Interest on Deposits	381,063	529,855
	<u>5,654,943</u>	<u>11,276,907</u>

SCHEDULE : 19
ADMINISTRATIVE, SELLING & OTHER EXPENSES

Rent	5,856,508	5,519,417
Repairs to Building	594,589	666,121
Repairs to Others	17,353,998	13,907,687
Insurance	240,456	314,625
Rates and Taxes	2,001,423	1,761,268
Electricity	7,278,727	5,620,373
Travelling and Conveyance	3,566,871	3,492,957
Communication Expenses	1,951,523	1,998,666
Legal and Professional charges	1,938,664	1,601,952
Printing and Stationery	999,478	1,160,866
Cutting and other processing charges	1,031,456	150,232
Carriage Outward	9,349,842	8,018,804
Commission on Depot Sales	620,575	508,879
Breakage and Damages	3,519,777	3,516,498
Discount	1,019,022	808,022
Advertisement, Publicity and Sales Promotion	1,972,761	5,494,572
Loss on Sale of Investment	-	1,260,334
Other Selling Expenses	6,326,981	6,133,422
Investment written off	-	3,000
Debts and other debts written off	4,370,984	255,698
Bank Charges	1,793,434	1,525,914
Miscellaneous Expenses (Note 10 on Schedule 20)	3,051,047	2,554,348
Security Charges	2,067,781	1,615,222
Common expenses Stores	1,847,767	1,297,192
	<u>78,753,666</u>	<u>69,186,069</u>

SCHEDULE - 20**NOTES ON ACCOUNTS****1. Significant Accounting Policies****(a) Basis of Preparation of financial statements**

The financial statements have been prepared on the accrual basis of Accounting, under the historical cost convention, in accordance with the accounting principles generally accepted in India and comply with the accounting standards issued by The Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

(b) Use of Estimates

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the Financial Statement and the reported amount of revenue and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized in the period in which the results are known / materialized.

(c) Fixed Assets

Fixed Assets are stated at cost. Cost includes taxes, duties, freight and other incidental expenses related to acquisition, improvements and installation of the assets.

(d) Depreciation

- (i) Depreciation is provided on "Written Down Value Method", at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956 of India.
- (ii) Assets costing Rs.5,000 or less are depreciated in full in the year of purchase.

Impairment

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

(e) Investments

Long term Investments are stated at cost after deducting provision, if any, made for decline, other than temporary, in the values. Current investments are stated at lower of cost and market/fair value.

(f) Inventories

Inventories are valued at lower of cost or net realizable value. Cost is computed on the basis of cost of purchase inclusive of freight etc, on "First- In- First- Out" basis.

(g) Intangible Assets

The intangible assets (Computer Software acquired for internal use) are capitalized in accordance with the relevant Accounting Standard. The cost of such assets is amortized on straight-line method over a period of five years, the estimated economic life of the asset. The carrying value of the capitalized software costs is reviewed at each Balance Sheet date.

(h) Revenue Recognition

- (i) Sales, net of taxes, are accounted for on despatch of goods to customers.

- (ii) Commission is accounted for as and when the Company's right to receive the same is established.
- (iii) Income from investment is recognized, as and when received.
- (iv) Items of Income /Expenditure are recognized on accrual basis, unless otherwise stated.

(l) Retirement Benefits

- (i) Provident Funds and Employees State Insurance Fund (Defined Contribution Schemes) are administered by Central Government of India and contribution to the said funds are charged to Profit and Loss Account on actual basis.
- (ii) Leave encashment (Defined Benefit Scheme) is provided annually based on management estimates in accordance with the policies of the company.
- (iii) Year-end accrued liability on account of Gratuity (Defined Benefit Scheme) is provided for the employees, based on their last drawn salary, completed years of services, instead of ascertaining actuarial impact.

(j) Borrowing Cost

Borrowing costs that are allocated to the acquisition or construction of qualified assets are capitalised as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

(k) Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the rates of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are converted at the rate of exchange prevailing on the date of the Balance Sheet. Any exchange loss or gain, on such conversion is accounted for in the Profit and Loss Account. Exchange gain/loss relating to acquisition of fixed assets is adjusted to the cost of those assets.

(l) Treatment of Prior Period and Extra Ordinary Items

- (i) Any material items (other than those arising out of over / under estimation in earlier years) arising as a result of error or omission in preparation of earlier years financial statements are separately disclosed.
- (ii) Any material gains / losses which arise from the events or transaction which are distinct from ordinary activities of the Company are separately disclosed.

(m) Income Tax

Income tax expense comprises of current tax and deferred tax charge or credit. Current Tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred Tax expenses or benefit is recognized on timing differences being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only to the extent that there is virtual certainty that sufficient taxable income will be available in future to realize such assets. In other situations, deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

(n) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the company has a legal and constructive obligation as a result of a past event, for which it is probable that a cash outflow will be required and reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed when the Company has an obligation or a present obligation and it is probable that a cash outflow will not be required to settle the obligation.

Contingent assets are neither recognized nor disclosed in the financial statements.

2. Due to malfunctioning of EDP system, the opening and year end balances shown therein could not be reconciled and the trial balance was prepared on the basis of audited opening balances and manual adjustments in respect of transactions carried out during the year. The flaws in the system are under review and efforts are being made to implement the correct system at the earliest.

3. Contingent liabilities

	As at 31st March 2007 (Rs.)	As at 31st March 2006 (Rs.)
(a) Claim not acknowledged as debts -		
(i) Sales Tax under appeal	4,16,983.00	42,474.00
(ii) Income Tax under appeal	NIL	27,80,390.00
(b) Bank Guarantees	2,25,000.00	NIL

4. Advances recoverable in cash or in kind or for value to be received include Rs.7,50,85,467.00 (2005-2006 -Rs.7,20,03,406) on account of Tai Projects Private Ltd, in which one of the directors of the Company is also a director, incorporated with an object of setting up of a Family Entertainment Complex (FEC) at Nonadanga in Eastern Metropolitan, Kolkata in pursuance of a decision to make investment in the said Company, which was approved by the share holders of the Company in its Annual General Meeting held on 17th September 2002.

5. Deferred Taxation

The major components of deferred taxation arising out of timing differences are -

	As at 31st March 2007 (Rs.)	As at 31st March 2006 (Rs.)
Liabilities		
Depreciation	14,22,694	21,91,110
Total Liabilities - (A)	14,22,694	21,91,110
Assets		
Provision for Gratuity and Leave Encashment	6,66,454	5,35,761
Total Assets - (B)	6,66,454	5,35,761
Net Deferred Tax Liability [(A) - (B)]	7,56,240	16,55,349

6. Sundry Creditors include Rs. 19,92,739.00 (2006 - Rs.18,97,897) due to Natural Condiments & Fruit Company, a Small Scale Industrial (SSI) Undertaking, which has been identified from the available information. There are no other amounts due to any other SSI undertakings.

Such amounts remained outstanding for more than thirty days (but within normal credit period) and consequently provision for interest has not been considered necessary.

7. As per information and explanations available to management there are no micro, small and medium enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 to who company owes any dues.
8. Certain confirmation of balances from Sundry Debtors, Loans & Advances, Deposits and Sundry Creditors, including Advances received from Customers are awaited and the account reconciliation of some parties, where confirmations have been received, are in progress. Adjustment for differences, if any, arising out of such confirmation/reconciliation would be made in the accounts on receipt of final agreed balances / reconciliation.

The management is of the opinion that the impact of adjustment, if any, is not likely to be significant.

Furthermore, in the opinion of the management, all current assets, loans and advances including advances on capital accounts, would be realized at the values at which these are stated in the accounts in the ordinary course of business.

9. As at 31st March 2007, an amount of Rs. 2,44,679/- is due for transfer to Investor Education and Protection Fund (IEPF), as required under Section 205C of the Companies Act, 1956 which will be deposited to IEPF subsequently.

10. Managing Director's Remuneration:

Particulars	2006-07	2005-06
	Rs.	Rs.
(i) Salary	13,10,000	12,60,000
(ii) Contribution to Provident Fund	1,57,200	1,51,200
(iii) Monetary value of perquisites	-	-
Total	14,67,200	14,11,200

The company has obtained the Approval of the Central Government u/s 269,198(4)/309(3) & 637AA of the Companies Act 1956 for the appointment & remuneration payable to the Managing Director. However, as per the provisions of Schedule XIII of the Companies Act 1956, the retiral benefits paid to the Managing Director should not be included in the computation of the ceiling on remuneration as specified in the said Schedule.

11. Miscellaneous expenses include -

	2006-07	2005-06
	Rs.	Rs.
(a) Amount paid/payable to Auditors		
(i) Statutory Audit Fee	75,000	60,000
(ii) Tax Audit Fee	20,000	20,000
(iii) Other Certificates	55,500	55,500
(iv) Reimbursement of Expenses [(Including Service-Tax Rs.21,655) 2005-06 - Rs.16,177]	46,655	41,177
Total	1,97,155	176,677
(b) Directors Fees	2,00,000	1,99,000

12. The Company is predominantly engaged in trading of fruit products, calcium carbide and charcoal.

Accordingly revenues from the above products comprise the primary basis of segmental information in these financial statements.

The company has no export sales and as such there are no reportable geographical segments.

Segmental Revenue, Segmental Results, Segmental Assets and Segmental Liabilities include the respective amounts identifiable to each of the segments to the extent possible, as also amounts allocated on a reasonable basis.

The net expenses, which are not directly attributable to the Business Segment, are shown as unallocated corporate cost.

It is not possible to allocate Assets and Liabilities of the Company between the Segments and therefore they are treated entirely as unallocated Corporate Assets and Corporate Liabilities respectively and consequently they are not disclosed separately here.

	Fruit Products	Carbide	Charcoal	Others	C3-Retail	Total
Particulars	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Revenue	18,31,99,479	3,75,59,207	4,31,48,980	–	17,75,85,693	44,14,93,359
(Previous Year)	(16,41,59,668)	(4,09,56,640)	(4,05,39,835)	(7,71,599)	(17,21,56,257)	(41,85,83,999)
Operating Expenses	14,63,79,799	2,82,19,036	3,29,86,330	–	15,42,86,090	36,18,71,255
(Previous Year)	(10,44,09,513)	(2,99,17,487)	(3,10,34,000)	–	(14,06,60,789)	(30,60,21,789)
Operating Income	3,68,19,680	93,40,171	1,01,62,650	–	2,31,06,775	7,96,22,104
(Previous Year)	(5,97,50,155)	(1,10,39,153)	(95,05,835)	(7,71,599)	(3,14,95,468)	(11,25,62,210)
Un-allocable Expenses						13,17,96,199
(Previous Year)						(11,33,34,948)
Other Income						9,86,11,071
(Previous Year)						(1,20,90,854)
Net Profit Before Tax						4,64,36,976
(Previous Year)						(1,13,18,116)
Income Tax (including Deferred Taxation and Fringe Benefit Tax)						52,06,686
(Previous Year)						(10,08,279)
Net Profit After Tax						4,12,30,290
(Previous Year)						(1,03,09,837)

13. Related Parties Disclosure

a) Enterprise in which key Management Personnel have significant influence

- Bhutan Fruit Products Private Limited
- Bhutan Carbide and Chemicals Limited
- Bhutan Ferro Alloys Limited
- Tashi Infocom
- Tashi Commercial Corporation- Super Market
- Tashi Commercial Corporation
- Tai Projects Private Limited

b) Key management Personnel

- Dasho Topgyal Dorji
- Dasho Wangchuk Dorji

Details of transactions are as follows:

i) Service charges/reimbursements from related parties

Enterprise in which key	Rs. 5,08,240
Management Personnel have significant influence	(Rs. 5,14,990)

ii) Purchases from related parties

Enterprises in which key	Rs.7,45,88,420
Management Personnel have significant influence	(Rs.7,48,91,884)

iii) Commission received from related parties

Enterprises in which key	Rs.1,37,51,829
Management Personnel have significant influence	(Rs.1,32,53,415)

iv) Royalty paid to enterprises in which Key Management Personnel have significant influence

Payable by the Company	Rs. 2,35,577
	(Rs. 2,32,830)

v) Advances made to a related party in which the management personnel have significant influence.

Advances	Rs.75,085,467
	(Rs. 7,20,03,406)

vi) Outstanding Balances as at 31st March 2007

Dues to the Company	Rs. 14,47,84,592
	(Rs. 13,17,83,865)
Payables by Company	Rs.12,41,73,944
	(Rs.15,83,15,868)

14. Earnings Per Share (EPS)

Particulars	2006-07	2005-06
Profit after Tax attributable to Equity Shareholders (Numerator used for calculating Basic EPS) – Rs.	4,12,30,290	1,03,09,838
Weighted Average number of Equity Share Outstanding (Denominator used for calculating Basic EPS)	60,00,000	60,00,000
EPS – Basic (Rs.).	6.87	1.72

15. During the year all working capital loan and term loan from SBI have been entirely repaid. (Ref schedule)
16. Value of closing stock of C3 division amounting to Rs. 2,37,54,803/- is certified by the internal auditor of the company and is included in the stock of Traded goods.
17. (a) Previous years figures have been regrouped/rearranged, wherever necessary to conform current year's presentation.
(b) Figures in parenthesis represent previous years figures.
18. Interest debited to the Profit & Loss Account being net of interest capitalized amounting to Rs.NIL (2006 – Rs. 2,11,964/-)
19. Information pursuant to Part IV of Schedule VI to the Companies Act, 1956.

Balance Sheet Abstract and Company's General Business Profile:

(I) Registration Details

Registration Number	59695
State Code	21
Balance Sheet Date	31.3.2007

(II) Capital raised during the year*(Amount in Rs.thousands)*

Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

(III) Position of mobilization and deployment of funds*(Amount in Rs.thousands)*

Total Liabilities	384339
Total Assets	384339
Sources of Funds	
Paid-up capital	60,000
Reserves and Surplus	1,00,413
Secured Loans	Nil
Unsecured Loans	Nil
Deferred Tax Liability	756

Applications of funds

Net Fixed Assets	32,579
Investments	8,631
Net Current Assets	1,19,959
Miscellaneous expenditure	Nil
Accumulated Losses	Nil

(IV) Performance of the Company

(Amount in Rs.thousands)

Turnover (including other income)	515,750
Total expenditure	469,313
Profit (+)/loss (-) before Tax	(+) 46,436
Profit (+)/loss (-) after Tax	(+) 41,230
Earning per share (in Rs.) annualized	6.87
Dividend rate (%)	Nil

(V) Generic names of the principal products and/ services of the company as per monetary terms:

Item code no. (ITC Code)	Not Applicable
Product description	Not Applicable

Signatures to Schedules 1 to 20

For and on behalf of the Board

For **RAY & RAY**
Chartered Accountants

WANGCHUK DORJI
Managing Director

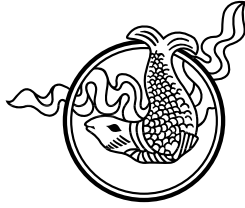
ABHIJIT NEOGI
Partner
Membership No. 61380

INDIRA BISWAS
Company Secretary

VINAY KILLA
Director

Place : Kolkata
Date : 17th August 2007

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TAI INDUSTRIES LIMITED
53A, MIRZA GHALIB STREET, 3RD FLOOR
KOLKATA-700 016

PROXY FORM

I/We
of in the district
of being a member/members of the
abovenamed Company hereby appoint Shri of
..... in the district
of or failing him Shri
of in the district
of as my/our Proxy
to vote for me/us on my/our behalf at the 24th Annual General Meeting of the Company to be held on Friday,
21st September, 2007 at 10.00 a.m. and at any adjournment thereof.

As witness my/our hand(s) this day of 2006.

Signed by the said
membership Folio No./Client ID; DPID

Affix
Re 1/-
Revenue
Stamp
only

Note: The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

Cut here

ATTENDANCE SLIP

I hereby record my presence at the 24th Annual General Meeting of the Company at Kalakunj, 48 Shakespeare Sarani, Kolkata-700 017 on Friday, the 21st September, 2007 at 10.00 a.m.

Full name of the Shareholder (in block letter)

Member's Folio No./Client ID; DPID /Signature

Full name of Proxy (in block letters)

Signature

Shareholders attending the Meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.