

TARAI FOODS LIMITED



Tarai

**19TH
ANNUAL REPORT
2008 - 2009**

Tarai Foods Limited

TARAI FOODS LIMITED

Board of Directors
Mr. Gurprit Singh Sandhu (Managing Director)
Mrs. Kiran Sandhu (Director)
Mr. N.K. Bharti (Director)
Mr. Vijay Jolly (Director)

Audit Committee, Investors
Grievances Committee & Remuneration
& Recruitment Committee
Mr. N.K. Bharti
Mrs Kiran Sandhu
Mr. Vijay Jolly

Auditors
M/s Jolly & Oberoi
13, Hanuman Road,
Connaught Place
New Delhi-110001

Bankers
Axis Bank Ltd.
B-6, Lajpat Nagar-II,
New Delhi-110024

Regd. Office
13, Hanuman Road,
Connaught Place
New Delhi-110001

Head Office :
(Plant)
Village Fazilpur Meharola
Tehsil Kiccha
Rudrapur
Distt. Udham Singh Nagar,
Uttarakhand

Share Transfer Agent
Beetal Financial & Computer Services (P) Ltd.
99, Madangir, Beetal House
Behind Local Shopping Centre
Near Dada Harsukhdas Mandir
New Delhi-110062
Tel.: 29961281/2

ISIN No. INE906C01016

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Tarai Foods Limited

NOTICE

Notice is hereby given that the 19th Annual General Meeting of the members of Tarai Foods Limited will be held on Tuesday, the 29th day of September, 2009 at Elcina House, 422, Okhla Industrial Estate, Phase-III, New Delhi-110 020 at 9.00 a.m. to transact the following businesses :

AS ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as on 31st March, 2009 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vijay Jolly, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors of the Company who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :

"**Resolved that** M/s. Jolly & Oberoi, 13, Hanuman Road, Connaught Place, New Delhi, Chartered Accountants, the retiring Statutory Auditors of the Company be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company".

AS SPECIAL BUSINESS :

4. **APPOINTMENT OF MR. G.S. SANDHU AS MANAGING DIRECTOR :**

To consider and if, thought fit, to pass the following resolution as an **Ordinary Resolution** :

"**Resolved that** pursuant to the provisions of Section 198, 269, 310 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, the approval of the members of the Company be and is hereby accorded to the re-appointment of Shri G.S. Sandhu as Managing Director of the Company for a period of five years without salary."

By order of the Board
For Tarai Food Limited

Place: NEW DELHI
Date : 24/08/2009

Sd/-
G. S. Sandhu
Managing Director

Tarai Foods Limited

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed on 28/09/2009 to 29/09/2009 (both days inclusive).
3. Members seeking further information about the accounts are requested to write at least 10 days before the date of meeting so that it may be convenient to get the information ready at the meeting.
4. Members/Proxies should bring the attendance slips duly filled in for attending the meeting. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
5. Members are requested to bring their copies of Annual Report to the meeting. No copies will be made available at the meeting venue.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item No.-4

Mr. Gurprit Singh Sandhu was re-appointed as Managing Director of the Company for a period of 5 years w. e. f. 27th June, 2008 by the Board of Directors of the Company subject to the approval of members of the Company.

Your Directors recommend the above resolution for approval of the members.

Except Mr. G. S. Sandhu & Mrs. Kiran Sandhu, no other Director of the Company is concerned or interested in the above resolution.

By order of the Board
For Tarai Foods Limited

Place: NEW DELHI
Date : 24/08/2009.

sd/
G. S. Sandhu
Managing Director

Tarai Foods Limited

DIRECTORS' REPORT

Dear Members,

Your Directors present the 19th Annual Report together with the Audited Financial Accounts for the year ended 31st March, 2009.

Financial Results	(Rupees in lacs)	
Particulars	For the period ended 31-03-2009	For the period ended 31-03-2008
Gross Revenue	261	243
Operating Profit/(Loss) before Interest, Finance charges and Depreciation	46	20
Less: Interest & Finance Charges	808	736
Profit/(Loss) before Depreciation	(762)	(716)
Less : Depreciation	55	51
Net Profit (Loss) for the year	(817)	(767)
Less: Prior Year adjustments	-	(20)
Net Profit/(Loss) for the year	(817)	(747)
Less: Provision for Taxation	0.19	0.05
Net Profit/(Loss) after Taxation	(817)	(747)

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

Although the company could procure and execute the job work for the product frozen peas but not for the entire capacity resulting in the reduction in the operating margins but could get good business in the form of cold storage rentals in the year under review. The company could concentrate and increase institutional sales for frozen sweet corn. The company is trying to launch new products in the markets like frozen tomato pulp. The management is trying to raise alternate debts to repay the existing lenders offering them negotiated settlement in order to reduce debt burden of the company.

DIVIDEND

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

AUDITORS

M/s. Jolly & Oberoi, 13, Hanuman Road, Connaught Place, New Delhi, Chartered Accountants, Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and offer themselves for re-appointment. The Company has received a Certificate from the Auditors to the effect that their reappointment, if made, would be in accordance with the provisions of Section 224 (1-B) of the Companies Act, 1956.

DIRECTORS

Pursuant to Section 256 of the Companies Act 1956, Mr. Vijay Jolly, Director of the Company retire by rotation and being eligible, offer himself for re-appointment.

FIXED DEPOSITS

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

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EMPLOYEES

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

STOCK EXCHANGE LISTING

The shares of your Company are presently listed at The Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.

Securities and Exchange Board of India had conducted an investigation into the alleged irregularities in the trading in the shares of Tarai Food Limited during August 12, 2005 to September 15, 2005.

The Company has received the consent order from SEBI vide its letter no. CO/ID2/209/2009 dated 24/04/2009 and complied with the order of SEBI.

CONSERVATION OF ENERGY

The Company has provided energy saving devices and systems, wherever possible. The company is making efforts to keep its staff and workmen aware of energy conservation and is exploring alternative energy systems, wherever necessary.

TECHNOLOGY ABSORPTION

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

FOREIGN EXCHANGE EARNINGS & OUTGO

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

CORPORATE GOVERNANCE

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

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

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

Your Directors hereby state that:

1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. Such accounting policies had been selected and applied consistently and judgments and estimates are reasonable and prudent so as to give a true and fair view of the profit or loss of the Company at the end of the financial year and of the profit or loss of the company for that period;
3. Proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the

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provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

4. The annual accounts had been prepared on a going concern basis.

APPRECIATION

We wish to convey our sincere thanks to the Shareholders and various agencies of the Central Government, State Governments, Financial Institutions, Company's Banker and Business Associates for their continued cooperation extended to the Company. We also wish to record our deep appreciation of the contribution made by the employees at all levels.

For and on behalf of the Board of Directors

Place: NEW DELHI
Date: 24/08/2009

Sd/-
Kiran Sandhu
Director

sd/-
G. S. Sandhu
Managing Director

REPORT ON CORPORATE GOVERNANCE

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

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

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

2. BOARD OF DIRECTORS:

a) Composition and Category of Directors:

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

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

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2.	Mrs Kiran Sandhu	PD	NED	Absent	6	6	Director in Tarai Farmlands Pvt. Ltd. Tarai Agro- Inds. Limited Suraiya Exports Pvt. Ltd.	NIL
3.	Mr. Vijay Jolly	NPD	NED/ID	Absent	6	6	NIL	NIL
4.	Mr. N. K. Bharti	NPD	NED/ID	Present	6	6	NIL	NIL

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

b) Details of Board Meetings held during the year :

During the year under review, 6 (Six) Board meetings were held and the dates of the board meetings and attendance at the board meetings were as follows :

Date of Board Meeting	Board Strength	No. of Directors Present
20/04/2008	4	4
30/06/2008	4	4
31/07/2008	4	4
03/09/2008	4	4
31/10/2008	4	4
31/01/2009	4	4

3. AUDIT COMMITTEE :

During the financial year 2008-09, the Members of the Audit Committee met 5 (Five) times. The dates of the meetings were 10/04/2008, 28/06/2008, 30/07/2008, 29/10/2008, 29/01/2009.

a) Composition of Committee and attendance of members :

SI. NO.	NAME OF DIRECTOR	POSITION	CATEGORY	NO. OF MEETINGS	ATTENDANCE
1.	Mr. N. K. Bharti*	Chairman	NED/ID	5	5
2.	Mrs. Kiran Sandhu	Member	NED	5	5
3.	Mr. Vijay Jolly	Member	NED/ID	5	0

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

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b) Terms of reference :

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

4. REMUNERATION & RECRUITMENT COMMITTEE :

During the financial year 2008-09, the Members of the Remuneration and Recruitment Committee met 3 (Three) times. The dates of the meetings were 10/04/2008, 29/10/2008 and 29/01/2009.

a) Composition of Committee and attendance of members :

SI. NO.	NAME OF DIRECTOR	POSITION	CATEGORY	NO. OF MEETINGS	ATTENDANCE
1.	Mr. N. K. Bharti	Chairman	NED/ID	3	3
2.	Mrs. Kiran Sandhu	Member	NED	3	3
3.	Mr. Vijay Jolly	Member	NED/ID	3	3

b) Terms of reference :

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

c) Remuneration Policy:

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

5. INVESTORS'/SHAREHOLDERS' GRIEVANCES COMMITTEE

During the financial year 2008-09, the Members of the Investors'/ Shareholders' Grievance Committee met 3 times. The dates of the meetings were 10/04/2007, 29/10/2008 and 29/01/2009.

a) Composition of Committee and attendance of members :

SI. NO.	NAME OF DIRECTOR	POSITION	CATEGORY	NO. OF MEETINGS	ATTENDANCE
1.	Mr. N. K. Bharti	Chairman	NED/ID	3	3
2.	Mrs. Kiran Sandhu	Member	NED	3	3
3.	Mr. Vijay Jolly	Member	NED/ID	3	3

- b) Mr. G. S. Sandhu , Managing Director, is the Compliance Officer of the Company.

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c) - No. of Investors' Complaints received by the Company : 3

- No. of Complaints not solved / pending : NIL

6. GENERAL MEETINGS :

Location and time, where last three AGMs were held :

Particulars	FY 2005-06	FY 2006-07	FY 2007-08
Date & Time	September 30, 2006. 9.30 A.M.	September 29, 2007 9.30 A.M.	September 30, 2008 9.30 A.M.
Venue	Elcina House, 422, Okhla .Industrial Estate, New Delhi-110020	Elcina House, 422, Okhla Industrial Estate, New Delhi-110020	Amar Inn, k-102, Lajpat Nagar-II, New Delhi-110024

- **Whether any special resolutions passed in the previous 3 AGMs :**
In the Annual General Meeting held on 30th September, 2006, 29th September, 2007 and 30th September, 2008 no special resolution was passed.
- **Whether any special resolution passed in last year through postal ballot, details of Voting pattern :**
No
- **Person who conducted the postal ballot exercise :**
N.A.
- **Whether special resolutions are proposed to be conducted through postal ballot :**
N.A.
- **Procedure for postal ballot :**
N.A.

7. DISCLOSURES :

- **Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, Directors or the management, their subsidiaries or relative that may have potential conflict with the interests of the Company at large :**
The Company does not have any related party transactions, which may have potential conflict with its interest at large.
- **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 :**
Securities and Exchange Board of India had conducted an investigation into the alleged irregularities in the trading in the shares of Tarai Foods Limited during August 12, 2005 to September 15, 2005.
The Company has received the consent order from SEBI vide its letter no. CO/ID2/209/2009 dated 24/04/2009 and complied with the order of SEBI.
- **Whistler Blower policy and affirmation that no personnel has been denied access to the audit committee :**
N.A.
- **Details of compliance of mandatory requirements and adoption of the nonmandatory requirements :**
The Company has complied with the mandatory requirements of the Listing Agreement. The Company has adopted the non-mandatory requirements of the Remuneration Committee.

8. MEANS OF COMMUNICATION :

The Quarterly Unaudited Financial Results are generally published by the Company in Veer Arjun & Business Standard. The Company does not maintain any web-site. During the year under review, the Company has neither released any official news release nor has made any presentation to the Institutional Investors or to the Analysts.

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9. SHAREHOLDERS' INFORMATION :

a) Annual General Meeting :

Date and Time : 29/09/2009 at 9.00 A.M.

Venue : Elcina House, 422, Okhla Industrial Estate, Phase-III, New Delhi-110020

b) Financial Year : The financial year of the Company is from April to March.

c) Book Closure :

The Register of Members and Share Transfer Books of the Company will remain closed from 28/09/2009 to 29/09/2009 (both days inclusive).

d) Dividend payment date

N. A.

e) Stock Exchange Listing :

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

f) Stock Code :

- The Stock Exchange, Mumbai - 519285

g) Registered Office :

13, Hanuman Road, Connaught Place, New Delhi-110001

h) Share Transfer Agent :

Beetal Financial & Computer Services Pvt. Limited,
99, 3rd Floor, Madangir, Behind Local Shopping Center, New Delhi-110 062

i) Connectivity with the Depositories :

National Securities and Depository Limited (NSDL)
Central Depository Services (India) Limited (CDSL)

j) Market Price Data High/Low during each month in last financial year :

At BSE (Bombay Stock Exchange)

Month	Monthly High	Monthly Low
April, 2008	5.44	3.62
May, 2008	4.04	3.20
June, 2008	4.20	2.86
July, 2008	4.19	2.91
August, 2008	3.24	2.68
September, 2008	3.62	2.87
October, 2008	3.50	2.57
November, 2008	2.83	2.80
December, 2008	-	-
January, 2009	2.80	2.80
February, 2009	2.67	2.30
March, 2009	2.53	2.29

Since the shares of the Company are thinly traded, the comparison of the performance of the shares of the Company with indices such as BSE Sensex is not made.

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k) Distribution of Shareholding as on 31.03.2009

Sl.NO.	CATEGORY	NO. OF SHARES	% OF HOLDING
A	Promoter's Holding		
1.	Promoters		
	Indian Promoters	10,74,995	06.07
	Foreign Promoters	63,28,100	35.69
2.	Persons Acting in concert	NIL	NIL
	Sub- Total	74,03,095	41.76
B	Non Promoters Holding		
3.	Institutional Investors:		
	a) Mutual Funds & UTI	12,800	0.07
	b) Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-Govt. Institutions)	1,12,800	0.63
	c) Foreign Institutional Investors	-	-
	Sub- Total	1,25,600	0.70
4.	Others		
	a) Private Corporate Bodies	46,17,817	26.04
	b) Indian Public	53,10,070	29.95
	c) NRIs/OCBs	2,71,438	1.53
	d) Any Other(Clearing Members- NSDL Transit)	100	-
	Grand Total	1,77,28,120	100

k) Dematerialization of Shares & Liquidity :

As on 31st March, 2009, 1,11,70,369 shares, representing 63.01% of total equity capital is held in demat form with the NSDL & CDSL.

l) Plant Location :

Village: Fazilpur-Mehrola,
Tehsil: Kichha, Rudrapur, Dist.: Udham Singh Nagar, Uttarakhand.

m) Address for Correspondence :

13, Hanuman Road, Connaught Place, New Delhi-110001

Tarai Foods Limited

AUDITORS' CERTIFICATE : **To the members of Tarai Foods Limited**

We have examined the compliance of conditions of corporate governance by Tarai Foods Limited for the year ended 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examinations was 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, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances is pending for a period exceeding one month against the company as per the record maintained by the Company which are presented to the investors' Grievances Committee.

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 Jolly and Oberoi
Chartered Accountants

Place : NEW DELHI
Date : 24th August, 2009

Sd/-
K.S. Oberoi
Partner

Tarai Foods Limited

AUDITORS' REPORT

TO THE MEMBERS OF TARAI FOODS LIMITED.

1. We report that we have audited the Balance Sheet of TARAI FOODS LIMITED as at 31st March, 2009 and the relative Profit and Loss Account for the period ended on that date and the Cash Flow statement for the period ended on that date. 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 auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material mis-statement. 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion, and to the best of our information and according to the explanations given to us, the Balance Sheet and the Profit and Loss Account and the Cash Flow statement together with the significant accounting policies and notes thereon and attached thereto give in the prescribed manner, the information required by the Companies Act, 1956 and also give, subject to note 3.1 to 3.3 below, respectively, a true and fair view of the state of the Company's affairs as at 31st March, 2009 in case of Balance Sheet and of the Loss for the period ended on that date in case of the Profit & Loss Account and of the cash flows for the period ended on that date in case of the Cash Flow Statement.
 1. Note 3 on Schedule 20 regarding non-provisions of gratuity.
 2. Note 6 on Schedule 20 regarding details of amount refundable towards share application money pending reconciliation.
 3. Note 7 on Schedule 20 regarding damage to the cold store building.
4. As required by the Companies (Auditor's Report) Order, 2003, as amended by the companies (Auditors Report Amendment) order, 2004 (The Order) issued by the Central Government of India in terms of Section 227 (4A) 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 during the course of our audit, we enclose in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said order.
5. Further to our comments in the Annexure referred to in Paragraph 3 & 4 above, we report that :
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for our audit ;
 - b) In our opinion, proper books of account have been kept as required by law so far as appears from our examination of those books ;
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts ;
 - d) In our opinion the Balance Sheet and Profit and Loss account and Cash Flow statement dealt with by this report comply with the Mandatory Accounting Standards referred to in sub-session 3C of session 211 of the Companies Act, 1956 ;
 - e) In our opinion, and based on the information and explanations given to us, none of the directors of the Company is disqualified as on March 31, 2009 from being appointed as a directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For JOLLY & OBEROI
Chartered Accountant

Place : Rudrapur
Date : 30th June, 2009

Sd/
K.S. Oberoi
Partner

Tarai Foods Limited

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph (1) of our Report of given date of Tarai Foods Limited for the period ended 31st March, 2009)

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The fixed assets have been physically verified by the Management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c) In our opinion, the company has not disposed of substantial part of fixed assets during the year and the going concern status of the company is not affected.
2. a) As explained to us, inventories have been physically verified by the Management at regular intervals during the year.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by Management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The company has maintained proper records of inventories. There were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of loans, secured or unsecured, granted or taken by the company to / from companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956:
 - a) The company has not taken any loan in the year under review. The interest free unsecured loan taken from the Managing Director as on 31st March, 2009 is Rs. 20.50 Lacs. The company has not granted any loan in the year under review.
 - b) In our opinion and according to the information and explanations given to us, the loan taken from Managing Director is interest free and the other terms and conditions are not prima facie prejudicial to the interest of the Company.
 - c) In respect of loans taken by the company the loan is interest free and the principal amount is repayable on demand.
 - d) In respect of loans taken by the company, these are repayable on demand which is not demanded as on the date of signing of this report and thus is not overdue.
 - e) The company has neither granted nor taken any loans, secured or unsecured to or from companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently clauses 4 (iii) (a) to 4 (iii) (g) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and Services. During the course of our audit, we have not observed any Continuing failure to correct major weaknesses in internal control System.
5. a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, there are no such transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rs. 5,00,000/- or more in respect of any party.
6. The company has not accepted any deposits from the public.
7. In our opinion, the internal audit system of the company is commensurate with its size and nature of its business.
8. The Central Government has not prescribed maintenance of Cost Records under Section 209 (1) (d) of the Companies Act, 1956.
9. In respect of statutory dues :
 - a) According to the records of the Company, in the year under review undisputed statutory dues including income tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities except for provident fund of Rs. 6.67 lacs, and Sales Tax of Rs. 3.25 Lacs, which are due for more than six months after they have become payable. According to the Information and explanations given to us, except for provident fund and Sales Tax, no undisputed amounts payable in respect of the aforesaid dues in the year under review were outstanding as at 31st March, 2009 for a period of more than six months from the date of becoming payable.
 - b) As at 31st March, 2009 according to the records of the Company, the following are the particulars of disputed dues

Tarai Foods Limited

on account of sales tax, Income Tax and excise duty matters that have not been deposited :

Name of the statute	Amount Rs. in lacs	Forum where dispute is pending
Sales tax	0.32	Appellate Authority—upto Commissioner's level
Excise Duty	0.59	Appellate Authority Upto Commissioner's level
Income Tax	129.84	Appellate Authority -Appellate Tribunal

10. The company has accumulated losses and has incurred cash Loss during the current financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has defaulted in repayment of dues to financial institutions and the bank. The Company has been defaulting to the institutions for a period of more than ten years to the tune of Rs. 465.lacs towards principal amount and in respect of working capital loans from bank, to the tune of Rs. 190 lacs as principal amount for last eight years. As per the books of accounts maintained by the company, the default of unpaid interest to the institutions and bank is approx Rs. 4498 lacs as on 31st March, 2009 subject to reconciliation of accounts.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order 2003 is not applicable to the company.
14. The company is not dealing in or trading in securities, debentures and other investments.
15. The company has not given guarantees for loans taken by others from banks or financial institutions.
16. The company has not raised any new term loans during the year.
17. According to the information and explanations given to us and on an overall examination of the financial statements of the company, we are of the opinion that no funds raised on short term basis have been used for long term investment.
18. During the year, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies act, 1956.
19. The company has not issued any debentures and hence question of creation of securities or charge in respect of debentures issued does not arise.
20. The company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year, that causes the financial statements to be materially misstated.

For JOLLY & OBEROI
Chartered Accountants

Place : Rudrapur
Date : 30th June, 2009

Sd/
K.S. Oberoi
Partner

Tarai Foods Limited

BALANCE SHEET AS AT MARCH 31st 2009

	Schedule	AS AT 31st March 09	AS AT 31st March 08
SOURCE OF FUNDS			
SHAREHOLDERS' FUNDS			
		Rs.	Rs.
Share Capital	1	143,381,200	143,381,200
Reserves & Surplus	2	36,959,311	36,959,311
		<u>180,340,511</u>	<u>180,340,511</u>
LOAN FUNDS			
Secured	3	515,295,112	434,565,336
Unsecured	4	2,050,000	2,050,000
		<u>517,345,112</u>	<u>436,615,336</u>
		<u>697,685,623</u>	<u>616,955,847</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	139,324,742	139,283,867
Less : Depreciation Reserve		77,577,850	72,039,421
NET BLOCK		<u>61,746,892</u>	<u>67,244,446</u>
Capital Work in Progress		1,269,337	1,269,337
		<u>63,016,229</u>	<u>68,513,783</u>
INVESTMENT			
CURRENT ASSETS, LOANS & ADVANCES			
Inventory	6	3,964,664	3,515,117
Sundry Debtors	7	10,536,565	3,726,119
Cash & Bank Balances	8	2,526,701	6,306,952
Loans & Advances	9	7,519,168	3,811,899
		<u>24,547,099</u>	<u>17,360,086</u>
Less : Current Liabilities & Provisions	10	11,519,266	8,781,445
		<u>13,027,833</u>	<u>8,578,640</u>
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)			
PROFIT & LOSS ACCOUNT			
		621,641,561	539,863,424
		<u>621,641,561</u>	<u>539,863,424</u>
		<u>697,685,623</u>	<u>616,955,847</u>
SIGNIFICANT ACCOUNTING POLICIES	19		
NOTES TO ACCOUNTS	20		

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

The Schedules referred to above form an integral part of the Balance Sheet

Sd/-
K.S. Oberoi
 Partner
 For and on behalf of Jolly & Oberoi
 Chartered Accountants
 Place : Rudrapur
 Date : 30-06-09

sd/-
G.S. SANDHU
 Managing Director

sd/-
KIRAN SANDHU
 Director

Tarai Foods Limited

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31st 2009

	Schedule	For the year ended 31st March 09	For the year ended 31st March 08
		Rs.	Rs.
INCOME			
Sale (including processing charges)	11	20,898,478	21,794,667
Other Income	12	5,225,913	2,473,918
Increase/(Decrease) in Inventory	13	449,547	595,825
		26,573,938	24,864,410
EXPENDITURE			
Material Purchase	14	3,583,953	4,076,478
Fuel, Power & Water		11,172,323	10,357,568
Personnel Expenses	15	2,614,766	3,318,716
Marketing Expenses	16	697,901	630,024
Administrative Expenses	17	3,936,347	4,483,102
		22,005,290	22,865,888
PROFIT / (LOSS) BEFORE FINANCIAL CHARGES & DEPRECIATION			
Financial Charges	18	4,568,648	1998,522
Depreciation		80,788,883	73,624,247
		5,538,430	5,157,098
PROFIT / (LOSS) BEFORE TAX			
		(81,758,665)	(76,782,824)
Prior Year Expenses		-	(2,049,349)
PROFIT / (LOSS) BEFORE TAX			
		(81,758,665)	(74,733,475)
Provision for Taxation		19472	5778
PROFIT / (LOSS) AFTER TAX			
		(81,778,137)	(74,739,253)
Less Brought forward from previous year		539,863,424	465,124,171
LOSS TRANSFERED TO BALANCE SHEET			
		(621,641,561)	(539,863,424)
Significant Accounting Policies	19		
Notes to Accounts	20		

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

The Schedules referred to above form an integral part of the Profit & Loss Account

Sd/-

K.S. Oberoi
Partner
For and on behalf of
Jolly & Oberoi
Chartered Accountants

sd/-

sd/-

Place : Rudrapur
Date : 30-06-09

G.S. SANDHU
Managing Director

KIRAN SANDHU
Director

Tarai Foods Limited

SCHEDULE 1. SHARE CAPITAL

	31st March 2009	31st March 2008
	Rs.	Rs.
32,000,000 Equity Share of Rs. 10/- each	320,000,000	320,000,000
150,000 Cumulative Convertible Preference Share Of Rs. 100/- each	15,000,000	15,000,000
	<u>335,000,000</u>	<u>335,000,000</u>
ISSUED, SUBSCRIBED, CALLED UP AND PAID UP		
13,728,120 Equity Shares of Rs. 10 each - fully paid up (previous year 13728120 Equity Shares)	137,281,200	137,281,200
40,00,000 Equity share of Rs. 10/- each Rs. 10/- called up issued on preferential basis (Previous Year 40 lacs equity shares)	40,000,000	40,000,000
	<u>177,281,200</u>	<u>177,281,200</u>
LESS : Calls in arrears	33,900,000	33,900,000
	<u>143,381,200</u>	<u>143,381,200</u>

SCHEDULE 2 : RESERVES & SURPLUS

	31st March 2009	31st March 2008
	Rs.	Rs.
Share Premium Account	36,959,311	36,959,311
	<u>36,959,311</u>	<u>36,959,311</u>

SCHEDULE 3 : SECURED LOAN

	31st March 2009	31st March 2008
	Rs.	Rs.
From Financial Insitutions*	46,500,000	46,500,000
Interest Accrued & Due	449,795,112	369,065,336
From Banks**		
-Cash Credit (Irregular account recalled)	19,000,000	19,000,000

* Term Loans from financial institutions are secured by mortgage of Company's Immovable properties, both present and future and hypothecation by way of first charge on the Company's movable assets (except book debts) including movable machinery, Machinery spares, tools and accessories, present and future, subject to prior charges in favour of Company's Bankers on the stock of raw material, semi finished goods, finished goods, consumable stores and such other movable as may be specifically permitted to secure its working capital requirements and guaranteed by the promoters of the Company as per the terms of the agreement.

** Recalled Working Capital facilities availed from Bank are secured by way of pari-passu charge on the whole of the Company's present and future stocks of raw material spares, stock - in - process and finished goods stored at the Company's godown or elsewhere in India and the Company's present and future book debt and other receivables. There is an additional security by way of second charge on fixed assets of the Company in case of working capital facilities availed from State Bank of Travancore. The loan from State Bank of Travancore is further secured by way of personal guarantee of a director of the Company.

*** The amounts debited are subject to the reconciliation of accounts and the same stands disputed.

515,295,112

434,565,336

Tarai Foods Limited

SCHEDULE 4. UNSECURED LOAN

	31st March 2009	31st March 2008
	Rs.	Rs.
Short Term		
- From Bank	2,050,000	2,050,000
- From Directors		
	2,050,000	2,050,000

SCHEDULE 6: INVENTORY

Refer Note 4 on Schedule 19	31st March 2009	31st March 2008
	Rs.	Rs.
Finished Goods	2,699,307	2,440,157
Raw Material and Stock in process	81,795	0
Oil and Lubricants	455,954	192,306
Stores & Spares and Packing Material	727,608	882,654
	3,964,664	3,515,117

SCHEDULE 7 : SUNDRY DEBTORS

Refer Note 2 & 5 on Schedule 20 (Unsecured)	31st March 2009	31st March 2008
	Rs.	Rs.
Debts outstanding for a period over six months		
- considered good	283,890	219,404
- considered doubtful	2,032,978	2,032,978
Others		
- considered good	9,347,070	2,616,509
- considered doubtful	15,400	
Less : Provision for doubtful debts	1,142,773	1,142,773
	10,536,565	3,726,119

SCHEDULE 5 : FIXED ASSETS											
(Refer Note 1 to Schedule 19)		GROSS BLOCK				DEPRECIATION				NET BLOCK	
Particulars	As at 01-Apr-08	Additions during the year	Sale/ Adjustment	As at 31-Mar-09	As at 01-Apr-08	For the Year	On Sale/ Adjustment	As at 31-Mar-09	As at 31-Mar-09	As at 31-Mar-00	
Land	11,083,208	-	-	11,083,208	-	-	-	-	11,083,208	11,083,208	
Approach Road	918,569	-	-	918,569	224,572	14,973	-	239,545	679,024	693,997	
Building	34,362,362	-	-	34,362,362	12,270,097	1,147,703	-	13,417,800	20,944,562	22,092,265	
Plant & Machinery	90,659,621	40,875	-	90,700,496	57,456,242	4,291,543	-	61,747,785	28,952,711	33,203,379	
Furniture & Fixtures	1,583,047	-	-	1,583,047	1,412,815	84,211	-	1,497,026	86,021	170,232	
Vehicle *	677,060	-	-	677,060	675,695	-	-	675,695	1,365	1,365	
Total	139,283,867	40,875	-	139,324,742	72,039,421	5,538,430	-	77,577,850	61,746,892	67,244,446	
Previous Period	128,181,789	11,102,078	-	139,283,867	66,882,323	5,157,098	-	72,039,421	1,269,337	1,269,337	
CAPITAL WIP	1,269,337	-	-	1,269,337					63,016,229	68,513,783	
* subsidy adjusted against the Referigerated Van											

Tarai Foods Limited

	31st March 2009	31st March 2008
SCHEDULE 8 : CASH & BANK BALANCES		
	Rs.	Rs.
Cash in Hand	656,875	150,092
Balance with Scheduled Banks		
- In Current Accounts	1,644,280	5,931,314
- Share Application Money Refundable	225,546	225,546
(Refer note 6 on Schedule 20)	<u>2,526,701</u>	<u>6,306,952</u>
SCHEDULE 9 : LOANS & ADVANCES		
(Refer Note-5 on Schedule 20) (Unsecured)		
Advances recoverable in cash or in kind or for value to be received		
- considered good	1,279,819	1,090,162
- considered doubtful	670,500	670,500
Advance Tax	2,889,314	2,371,703
Deposit with Sales Tax (Disputed Demand)	90,583	90,583
Custom Duty & Excise Duty	100	100
Less Provision for doubtful Advances	670,500	670,500
VAT ON INPUT	259,351	259,351
Deposit with FIs (under no lien)	3,000,000	
	<u>7,519,168</u>	<u>3,811,899</u>
SCHEDULE 10: CURRENT LIABILITIES		
(Refer note 6 on Schedule 20)		
Sundry Creditors	10,169,600	7,824,292
Other Liabilities	1,124,120	731,607
Share Application Money Refundable	225,546	225,546
	<u>11,519,266</u>	<u>8,781,445</u>
SCHEDULE 11: SALES		
Sale of vegetables & Fruits (frozen, fresh & canned)	5,246,807	6,255,367
Processing of vegetables & fruits	15,651,671	15,539,300
	<u>20,898,478</u>	<u>21,794,667</u>
SCHEDULE 12 : OTHER INCOME		
Miscellaneous Income	4,931,416	2,411,341
Interest Income	294,497	62,577
	<u>5,225,913</u>	<u>2,473,918</u>
SCHEDULE 13 : INCREASE/ (DECREASE) IN INVENTORY		
Opening Stock	3,515,117	2,919,292
Stock w/off		
Adjusted Stock	3,515,117	2,919,292
Closing Stock	3,964,664	3,515,117
Increase/(Decrease) in inventory	<u>449,547</u>	<u>595,825</u>

Tarai Foods Limited

	31st March 2009	31st March 2008
	Rs.	Rs.
SCHEDULE 14 : MATERIALS PURCHASED		
Raw Materials and Packing, Stores & Spares	3,583,953	4,076,478
	<u>3,583,953</u>	<u>4,076,478</u>
SCHEDULE 15 : PERSONNEL EXPENSES		
Salary & Wages	1,833,328	2,401,993
House Rent and other Allowances	234,466	264,372
Employer Contribution to Provident Fund	196,964	253,802
Leave Encashment	867	11,526
Medical Expenses	72,215	74,604
Staff Welfare	149,169	134,145
Staff Uniform	9,175	10,075
Ex-gratia/Bonus	118,582	128,301
Gratuity	-	39,898
	<u>2,614,766</u>	<u>3,318,716</u>
SCHEDULE 16 : MARKETING EXPENSES		
Loading & Unloading Charges	253,578	285,152
Freight Outward	339,557	234,044
Cold Store Hire charges	104,766	110,828
	<u>697,901</u>	<u>630,024</u>
SCHEDULE 17. ADMINISTRATIVE EXPENSES		
Traveling & Conveyance Expenses	199,221	185,353
Rent	118,500	161,777
General/Board meeting Expenses	6,900	3,375
Miscellaneous Expenses	30,831	45,183
Legal & Professional Charges	804,266	957,705
License & Filing Charges	31,820	18,554
Insurance	-	48,628
Repair & Maintenance - Office	104,045	137,962
Repair & Maintenance - Building	127,307	374,702
Repair & Maintenance - Plant & Machinery	1,852,375	1,925,764
Repair & Maintenance-Cold Store	255,111	249,449
Listing Fee & Expenses	101,043	74,944
Share Registrar Charges	57,914	56,609
Printing & Stationery	96,017	90,280
Telephone Charges	54,428	61,018
Postage Charges	93,060	91,799
Sales Tax	3,509	-
	<u>3,936,347</u>	<u>4,483,102</u>
SCHEDULE 18. FINANCIAL CHARGES		
Interest		
- Term Loan	70,569,799	65,582,247
- Others	10,202,939	8,003,855
Bank Charges	16,145	38,145
	<u>80,788,883</u>	<u>73,624,247</u>

Tarai Foods Limited

SCHEDULE 19 : STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES.

1. Fixed Assets :

Fixed Assets are stated at cost of acquisition and subsequent improvement hereto including taxes, duties, freight and other incidental expenses related to acquisition and installation.

2. Depreciation:

Depreciation is charged on straight line method at the rates specified in Schedule XIV of the Companies Act, 1956.

3. Revenue Recognition :

Revenue on sale of goods is recognised on despatch of goods to the parties.

4. Inventories :

Raw material and finished goods are valued at the lower of cost and net realisable value. Cost includes an appropriate portion on allocable overheads. Stores and spares are valued at cost.

5. Miscellaneous Expenditure :

Preliminary expenses are amortised over a period of 10 years from the date of commencement of commercial operation of the company.

6. Retirement Benefits :

No provision has been made for accrued leave of employees at the Balance Sheet date, the same shall be accounted for on cash basis.

SCHEDULE 20 : NOTES TO ACCOUNTS.

1. Contingent Liabilities not provided for :

- a) in respect of demands against the company not admitted as debts regarding excise duty on unbranded french fries Rs.0.59 lacs (previous Rs. 0.59 lacs) - Matters under appeal hence interest on such demand not provided for.
- b) in respect of demands against the company not admitted as debts regarding sales tax approx. Rs.0.39 lacs (previous period Rs.0.39 lacs)

2. Certain debtors and creditors balances remain unconfirmed.

3. No provision has been made in these accounts in respect of gratuity payable under the Payment of Gratuity Act, 1972 (amount unascertained). The same will be accounted for as and when paid.

4. In the absence of any possibility of taxable profits in the near future, the company has not provided for Deferred Tax Asset as per AS- 22. The company is not recognizing deferred tax assets in respect of huge unabsorbed depreciation and carried forward losses and other deferred tax assets as there is no certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

5. The company has raised invoice claims on Lamb Weston Inc. amounting to Rs.12.17 lacs during earlier years towards renting of cold storage, testing charges, custom duty and freight charges which are outstanding as at March 31, 2009. These amounts are recoverable in foreign currency and are doubtful of recovery. Accordingly, provision for these amounts has been made in these accounts. The company is in process of applying to Reserve Bank of India for granting the permission to write off these debts.

6. The company is in the process of obtaining details of shares application money payable to the investors from Registrars to the Issue and reconciling them with the records. Pending such reconciliation the amount has been disclosed as share application money refundable under cash and bank balances and share application money refundable under current liabilities.

Tarai Foods Limited

7. The cold store building had suffered substantial damages due to earthquake in March, 1999. The building requires major repairs in insulation and RCC works has to be repaired and substantial insulation will have to be re-done. The company had filed insurance claim with the National Insurance Co. which remains unsettled till date.
8. The Company suffered loss on account of deterioration of stocks arising out of break down in Generating set and earthquake damages to the cold store building. Company had filed insurance claim with National Insurance Co. for deterioration of stocks, machinery break down, for generator set and cold store building which are all pending till date.
9. The company has filed a case in Delhi High Court which is pending for adjudication for losses on account of damages to the cold store, deterioration of stocks, machinery break down and consequential losses on account of losses and damages suffered due to inaction of the Insurance Authorities. The case has been admitted and the evidences are being taken up.
10. The company has been served with a statutory notice under section 13 (2) of Securitization and Reconstruction of the Financial assets and Enforcement of Securities Interest Act, 2002, by IDBI Bank Ltd. in earlier years.

11. I. Payment to Auditors	Year ended	Year ended
	31/3/2009	31/3/2008
	Rs.	Rs.
Audit fee	30,000	30,000
Tax Audit Fee	6,000	6,000
	36,000	36000
II Expenditure in Foreign Currency		
(on payment basis)	Nil	Nil
III Value in imports calculated on CIF basis	Nil	Nil
IV. Earning in foreign currency	Nil	Nil
V. Consumption of raw material and stores		

(Rs. in Lacs)

Year ended 31/3/09			Year Ended 31/3/2008	
	Quantity (in MT)	Value (Rs.)	Quantity (in MT)	Value (Rs.)
i) Peas	174	16.04	133	12.21
ii) Sweet Corn	150	6.73	242	12.24
iii) Others	-	13.80	-	14.59
Total		36.57		39.04

Full quantitative details could not be given as company has worked on job work basis for others as well as have manufactured for itself.

VI Value of Raw Materials, stores and spares consumed.

		Year ended 31/3/2009		Year ended 31/3/2009	
		%	(Rs. in lacs)	%	(Rs. in lacs)
i)	Imported	-	-	-	-
ii)	Indigenous	100	36.57	100	39.04
	Total	100	36.57	100	39.04

Tarai Foods Limited

VII	Licenced/installed capacities (Tonnes per annum)	LICENSED		INSTALLED**	
		Year Ending	Year ending	Year Ending	Year ending
		31/3/2009	31/3/2008	31/3/2009	31/3/2008
	Processing of Frozen French Fries, Vegetables And fruits	10000	10000	7200	7200
**	Installed capacity certified by the Management and not verified by the Auditors, being a technical matter.				

VIII	Production/Purchase (MT per annum)	Year ended 31/3/2009	Year ended 31/3/2008
		Frozen Sweet Corn	65
Frozen Peas	73	51	
Processing of green peas	1658	1986	

IX	Finished goods	Year ended 31/3/09		Year ended 31/3/08	
		Qty. (in MT)	Value (Rs. in Lacs)	Qty. (in MT)	Value (Rs. in Lacs)
	Opening stock				
	- Frozen Sweet Corn	60	10.86	25	3.83
	- Frozen Peas	67	12.75	76	14.37
	- Others	-	0.79	-	1.11
	Closing Stock				
	- Frozen Sweet Corn	66	9.91	60	10.86
	- Frozen Peas	63	13.28	67	12.75
	- Others	-	3.80	-	0.79
	Turnover				
	- Frozen Sweet Corn	51	20.01	51	17.73
	- Frozen Peas	68	21.68	45	12.03
	- Others	-	167.29	-	188.19
	(including processing)				
	Written off/sorting losses/destruction				
	- Frozen Sweet Corn	8	-	16	-
	- Frozen Peas	9	-	15	-

12. Previous year figures have been re-grouped/reclassified, wherever necessary to conform to current year presentation.

Tarai Foods Limited

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	State Code	55
Registration No.	39291	
Balance Sheet Date	March 31, 2009	

II. Capital Raised during the year (Amount)

Public Issue	Rs. Nil	Right Issue	Rs. Nil
Bonus Issue	Rs. Nil	Private Placement	Rs. Nil

III. Position of Mobilisation and Deployment of Funds (Amount in Thousand Rupees)

	Rupees		Rupees
Total Liabilities		Total Assets	
Source of Funds			
Paid-up Capital	1,43,381	Reserves & Surplus	36,959
Secured Loans	515,295	Unsecured Loans	2,050
Application of Funds			
Net Fixed Assets	61747	Investments	
Capital work-in-progress (including Capital Advances)	1,269		
Net Current Assets	13,028	Misc. Expenditure	-
Accumulated Losses	6,21,642		

IV. Performance of Company

Turnover	26,124	Total expenditure	107,883
Profit Before Tax	(81,759)	Profit After Tax	(81,778)
Earning per share	N/A	Dividend Rate.(%)	Nil

V. Generic Names of Three Principal Products of Company (as per monetary terms)

Items Code No.	07-10	07-10	20-03
Product Description	Frozen Sweet Corn	Frozen Peas	Canned Mushroom

Tarai Foods Limited

CASH FLOW STATEMENT

(Prepared pursuant to Clause 32 of the Listing Agreement for the year ended March 31, 2009)

	For the Period 31st March, 2009	For the Period 31st March, 2008
A Cash Flow from Operating Activities :		
Net Loss Before Tax & Extraordinary items	(81,778,137)	(74,496,252)
Adjustments for		
Depreciation	5,538,430	5,157,098
Interest Expense	80,772,738	73,586,102
Miscellaneous Expenditure written off	-	-
Debtors written off	-	-
Subsidy- Written-back	-	(2,150,000)
Creditors written back	-	-
Operating Profit / (Loss) before Working Capital Changes	4,533,031	2,096,949
Adjustment for		
Trade & other Recievables	(6,810,447)	(2,685,132)
Loans and Advances	(189,659)	(167,171)
Inventories	(449,547)	(595,825)
Trade Payables	2,737,821	(1,121,787)
Cash Generated from operations	(178,803)	(2,472,966)
Interest Paid	(42,962)	(5,147)
Tax deducted at source	(517,611)	(158,283)
Taxes Paid	-	(243,001)
Net Cash from Operating Activities (A)	(739,376)	(2,879,397)
B) Cash Flow From Investing Activities.		
Purchase of Fixed Assets	(40,875)	(39,462)
Addition in Capital W-I-P	-	-
Interest Received	-	-
Cash Flow before Extraordinary Items	(40,875)	(39,462)
Adjustments for Extraordinary Items	-	-
Net Cash used in investing Activities (B)	(40,875)	(39,462)

Tarai Foods Limited

	For the Period 31st March, 2009	For the Period 31st March, 2008
C) Cash Flow from Financing Activities :		
Proceeds from Issue of Share Capital & Share Premium	-	-
Increase in Cash Credits from Banks	-	-
Proceeds from Long Term Borrowings	-	-
Repayment to Financial Institutions (under no lien)	(3,000,000)	-
Repayment of Finance Lease Liabilities	-	-
Cash Flow before Extraordinary Items	(3,000,000)	-
Adjustments for Extraordinary Items	-	-
Net Cash used in Financing Activities (C)	(3,000,000)	-
Net Increase in Cash & Cash Equivalents (A+B+C)	(3,780,251)	(2,918,859)
Cash & Cash Equivalents as at the beginning of the period (Note Below)	6,306,952	9,225,810
Cash & Cash Equivalents as at the Close of the period (Note Below)	2,526,701	6,306,952

Cash & Cash Equivalents including

- Cash in hand	656,875	150,092
- Balances with Scheduled Banks	1,644,280	5,931,314
Share application money refundable	225,546	225,546
Total	2,526,701	6,306,952

Note : Previous period figures have been regrouped/reclassified, wherever necessary to conform to current year presentation.

For and on behalf of the Board.

Sd/-
G. S. Sandhu
Managing Director
TARAI FOODS LIMITED

AUDITORS CERTIFICATE

The above Cash Flow Statement has been compiled from and is based on the audited accounts of Tarai Foods Limited for the year ended 31st March 2009, reported upon by us on June 30th, 2009. According to the informations and explanations given the aforesaid Cash Flow Statement has been preped pursuant to Clause 32 of the Lisiting Agreements with the Stock Exchanges and the reallocations required for the purpose are as made-by the company.

Place : Rudrapur
Date : 30-06-2009

Sd/-
K. S. Oberoi
Partner
For and on behalf of
Jolly & Oberoi
Chartered Accountants

Tarai Foods Limited

Tarai Foods Limited

Regd. Office : 13, Hanuman Road, Connaught Place, New Delhi-110001

ATTENDANCE SLIP

Please fill attendance slip and hand it over at the entrance of the meeting hall. Joint shareholders may obtain additional Slip on request.

Master Folio No. _____ No. of Shares held _____

Name of Shareholder _____

Address _____

I hereby record my presence at the 19th Annual General Meeting of the Company held on Tuesday, 29th day of September 2009, at 9.00 A.M. at Elcina House, 422, Okhla Industrial Estate, New Delhi-110020

(Signature of the Shareholder or Proxy*)

* Strike out whichever is not applicable.

IMPORTANT

Shareholders may please note that No Coupons / Gifts will be-distributed at or before the Meeting.

----- TEAR HERE -----

Tarai Foods Limited

Regd. Office : 13, Hanuman Road, Connaught Place, New Delhi-110001

PROXY FORM

Master Folio No.

I/We:..... of..... being a member / members of Tarai Foods Limited hereby appoint

..... of.....

or failing him / her of

as my/our proxy to vote for me / us and on my / our behalf at the 19th Annual General Meeting held on Tuesday, 29th day of September 2009, at 9.00 A.M. at Elcina House, 422, Okhla Industrial Estate, New Delhi - 110020

Signed.....day of.....2009

Affix
1 Rupee Revenue
Stamp

Note : The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less that 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

BOOK - POST

If undelivered please return to :

TARAI FOODS LIMITED

Regd. Office :

13, Hanuman Road, Connaught Place,
New Delhi-110001