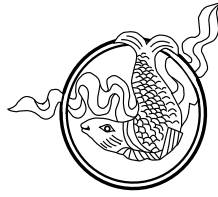




TAI INDUSTRIES LIMITED



29th ANNUAL REPORT 2011-12



Tai Industries Limited

Board of Directors

Dasho Wangchuk Dorji

Chairman & Managing Director

Dasho Topgyal Dorji

Director

Mr. Prem Sagar

Director

Mr. K. N. Malhotra

Director

Mr. Vinay Killa

Director

Audit Committee

Mr. Prem Sagar

Chairman

Mr. K. N. Malhotra

Mr. Vinay Killa

President

Mr. Rohan Ghosh

**General Manager - Corporate
& Company Secretary**

Ms. Indira Biswas

Bankers

State Bank of India

HDFC Bank Limited

Canara Bank

United Bank of India

Axis Bank

Statutory Auditors

Ray & Ray, Chartered Accountants, Kolkata

Registered Office

53A, Mirza Ghalib Street,
3rd Floor, Kolkata - 700 016.



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Annual General Meeting on Monday, 27th August, 2012 at Kalakunj, 48, Shakespeare Sarani, Kolkata - 700 017, at 10.00 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-ninth Annual General Meeting of Tai Industries Limited will be held at Kalakunj, 48 Shakespeare Sarani, Kolkata - 700 017, on Monday, the 27th August, 2012 at 10.00 a.m. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Statement of Profit and Loss for the year ended 31st March, 2012, the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Prem Sagar retiring by rotation and eligible for reappointment.
3. To appoint Auditors and to fix their remuneration. Messrs. Ray & Ray, the retiring Auditors are eligible for reappointment.

By Order of the Board

Kolkata
23rd May, 2012

INDIRA BISWAS
*General Manager-Corporate
& 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 - 700 016 not less than forty-eight hours before the Meeting.
2. The Company is registered with National Securities Depository Limited ('NSDL'), and Central Depository Services (India) Limited ('CDSL'), for dematerialization of its Equity Shares which has been allotted the ISIN INE358D01018. Link Intime India Private Limited, having their office at 59C, Chowringhee Road, Kolkata - 700 020, is the Registrar and Share Transfer Agent of the Company.
3. The Register of Members of the Company will remain closed from 20th August, 2012 to 27th August, 2012, both days inclusive.
4. Members are requested to:
 - a. notify any change in their mailing as well as e-mail addresses registered with the Company.
 - b. communicate on all matters pertaining to their shareholdings with the Company's Registered Office/Company's Registrar, 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.
 - f. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the 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 1993-1994 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 1994-1995 upto 2001-2002 and remaining unclaimed by the members at the end of the statutory period of seven years have been 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.



6. The Ministry of Corporate Affairs, has taken a “Green Initiative in Corporate Governance” by allowing paperless compliances by companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this Green Initiative, members are requested to register their e-mail addresses, in respect of their electronic holdings with the Depositories through their Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses either by *e-mail* at *kolkata@linkintime.co.in* or sending a duly signed letter by the sole/first named shareholder, mentioning their name and Folio number, to the Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited, 59C, Chowringhee Road, 3rd Floor, Kolkata - 700 020. Shareholder(s) are requested to keep the Company/ Depository Participants informed as and when there is any change in their e-mail addresses. Even after registering for e-communication, the Shareholders of the Company shall be entitled to receive such communication in physical form, upon request.
7. Relevant details in respect of Item no. 2 of the Notice, pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges is given hereunder.

DETAILS OF DIRECTOR RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT

(In pursuance of Clause 49 of the Listing Agreement)

Name of Director: Mr. Prem Sagar

Brief Resumé:

Mr. Prem Sagar started his career with TISCO and has assumed several responsible positions in the Tata Group of Companies. He has an experience of over four decades in the industry and is a widely travelled technocrat. Mr. Sagar is connected with several trade, social and sports associations in India.

Directorships & Committee Memberships in Other Companies:

Mr. Prem Sagar is also a Director of Frontier Springs Limited.

Mr. Prem Sagar does not hold any share in the Company.

Kolkata
23rd May, 2012

By Order of the Board

INDIRA BISWAS
*General Manager-Corporate
& Company Secretary*



Directors' Report

TO THE MEMBERS

Your Directors have pleasure in presenting their 29th Annual Report on the business and operations of your Company for the year ended 31st March, 2012.

FINANCIAL PERFORMANCE

Particulars	Year ended 31st March 2012	Year ended 31st March 2011
Turnover	6588.30	7812.80
Profit/(Loss) before Interest, Depreciation & Taxation (PBIDT)	79.17	116.66
Interest	2.12	1.31
Profit/(Loss) before Depreciation & Taxation (PBDT)	77.05	115.35
Depreciation	28.92	30.09
Profit/(Loss) Before Tax and Extraordinary items (PBTE)	48.13	85.26
Extraordinary items	—	—
Profit/(Loss) Before Tax (PBT)	48.13	85.26
Provision for Taxation / (Deferred Tax)	1.24	(1.92)
Profit/(Loss) After Tax (PAT)	46.89	87.18
Balance brought forward from previous year	925.80	838.62
Profit available for appropriation	972.69	925.80
Proposed Dividend	—	—
Profit carried to Balance Sheet	972.69	925.80

AUDITOR'S 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 to Financial Statements 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 to Financial Statements.

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

The details of Revenue/Income from operations of your Company compared to that of the previous year is given hereunder:

Particulars	Druk ([₹])	C3 - Retail ([₹])	Total ([₹])
Segment Revenue			
Current Year	61,11,10,695	8,01,91,843	69,13,02,538
Previous Year	76,13,34,965	5,75,83,667	81,89,18,632
Segment Results			
Current Year	1,03,52,011	(24,34,981)	79,17,030
Previous Year	1,68,67,184	(52,01,074)	1,16,66,110

PLANS AND PROSPECTS
Fruit Product Division

Performance during the year was marked by growth owing to a renewed thrust in marketing and focus on expansion and reach. However, sharp increase in prices remains a concern.

Several new products are on the anvil such as a wider range of fruit drinks and juices and improved varieties of ketchups, with improved packaging.

Future plans revolve around increased promotional activities, broad basing distribution network, upgrading the quality of existing products to suit today's health conscious customer.

Industrial Division

On the Industrial front the demand for Carbide remained constant while the demand for Charcoal increased.

Performance was affected due to frequent plant shutdowns and frequent shut downs in the production of Silico-Manganese in Bhutan.

Your Company is looking at developing additional supply sources and setting up more screening and sizing facilities.

Retail Division

Contrary to the negative trends prevailing in the retail sector, C3's performance exceeded all expectations. Sales projections given at the beginning of the year were overshot significantly.

In the light of the current market scenario, the way forward for C3 is consolidation of its gains by deepening its variant range on offer to customers.

DIVIDEND

Yours Directors express their inability to recommend dividend for the year to plough back profits for conserving funds for the operations of the Company.

CORPORATE GOVERNANCE

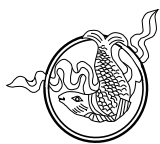
In compliance with the disclosures required under the said Clause 49 of the Listing Agreement, a Management Discussion and Analysis Report is provided in Annexure 'A'.

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 Auditor's 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, 2012 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, 2012, 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, 2012 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, 2012, 59.80% of the total number of shares, stand dematerialised.

DIRECTORS

In accordance with Article 56 of the Articles of Association of the Company, Mr. Prem Sagar retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself 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

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.

Your Company not being engaged in any manufacturing activity, disclosure as per Form A of the Annexure in respect of total energy consumption and energy consumption per unit of production is not applicable.

B. Technology Absorption

Your Company not being engaged in any manufacturing activity, disclosure as per Form B of the Annexure is not applicable.

C. Foreign exchange earnings and outgo

Charcoal, Calcium Carbide and Manganese Ore are exported to Bhutan.

There has been no foreign exchange earnings or outgo during the year as trade between India and Bhutan are being transacted in Indian Rupees.

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 of 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, competence and support of the employees at all levels for their contribution towards the performance of your Company.

For and on behalf of the Board

Place: Kolkata

Date: 23rd May, 2012

VINAY KILLA
Director

WANGCHUK DORJI
Managing 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

Food Processing

The food processing industry in India is one of the largest in terms of production, consumption, export and growth prospects and provides vital linkages and synergies between industry and agriculture. It is widely recognised as a sunrise industry having huge potential for uplifting agricultural economy, creation of processed food manufacturing and food chain facilities and the resultant generation of employment and export earnings. The key growth drivers in the processed fruit product segment are:

- Increased spending on health and nutritional foods
- Increased number of nuclear families and working women
- Changing lifestyle
- Preference for fresh or processed functional foods
- Organised retail and private label penetration
- Changing demographics and rising disposable incomes

Calcium Carbide, Charcoal and Manganese ore

Charcoal and Manganese ore find their use in the Ferro alloys industry, which are one of the most important inputs in the manufacture of alloys and special steel. Established as an ancillary industry to cater to the needs of the domestic steel industry, its growth is linked to the development of the iron and steel industry. The product series consists mainly of ferro manganese, silico-manganese and ferro silicon. Calcium Carbide also finds its use in the industry for welding metallic steel.

Retail

During the last few years, the Indian retail market has seen considerable growth in the organised segment. Major domestic players have entered the retail arena and have ambitious plans to expand in the future years across verticals, formats, and cities. For example, several Indian companies have been investing considerably in the booming Indian retail sector. Besides, a number of transnational corporations have also set up retail chains in collaboration with big Indian companies.

(b) Opportunities and threats

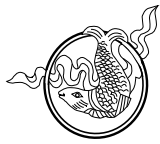
The processed food segment has seen significant growth and changes over the past few years, driven by changing trends in the market, consumer segments and regulations. These trends, such as changing demographics, growing population and rapid urbanization are expected to continue in the future and, therefore, will shape the demand for value added products and thus for the processed foods industry. The demand for processed / convenience foods is on the rise.

However, the path towards growth is not without challenges. Lack of suitable infrastructure in the shape of cold chains, packaging centres, value added centres are some of the hurdles that have to be overcome.

The demand for our own brand of Calcium Carbide remained constant. This sector faces severe competition from other suppliers in terms of its price. Despite competition affecting the supply of our Charcoal, the demand for the product has witnessed an increase with increasing demands in the Bhutan market.

A stable outlook is predicted for the retail sector in 2012 as factors such as expected sales growth-driven expansion and efficient working capital management are likely to benefit retail companies. Despite the economic downturn, the food and value segments are expected to provide a defensive play.

Although the growth potential in the retail sector is immense, rigid regulations, real estate costs, high personnel costs, lack of basic infrastructure, shrinkage, and highly competitive domestic retailer groups could slow the pace of growth for new entrants. Additionally, resource constraints at shopping mall projects are also delaying completion and disrupting many retailers' entry strategies.



(c) Segment-wise or Product-wise Performance

'Druk' has been a prominent brand, particularly in the Eastern and North Eastern part of the country. It is a brand synonymous with quality. Its speciality products like the Orange Marmalade and Baked Beans have an edge in the market. Renewed thrust in marketing and focus on expansion and reach has yielded good results. Performance, however, did not meet expectations owing to sharp increase in prices.

The performance in the industrial product segment has not been very encouraging despite increase in the prices of materials. There is a good demand for our products and we have been able to meet the delivery stipulations. However, the shortfall was on account of frequent plant closures and discontinuance of the production of Silico Manganese.

There was no shortfall in performance in the Retail division of C3 which showed marked improvement compared to that of the previous year.

(d) Outlook

Your company will continue to focus on both development and expansion of markets and share gains as appropriate to secure competitive growth. Managing margins through judicious pricing and sustained efficiencies and cost saving will receive constant attention.

(e) Risks & Concerns

Despite the prospects being good, the severe competition and weather conditions continue to govern demand and therefore results.

Vital areas of concern are the transport system for movement of goods from warehouses to the distributors and the dependence on IT sector for solutions that help automate and integrate the transactional and control system.

(f) Internal Control Systems & their Adequacy

The statutory requirements of the 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 quarterly basis, which get translated into an Annual Activity Plan. 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 President 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

Industrial Relations remained cordial throughout the year. Your Company strongly believes that its intrinsic strength lies in the quality of its pool of dedicated and motivated employees.

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, 2012 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	4	Yes	13	—	—
Dasho Topgyal Dorji	Non-Executive Director	3	Yes	13	—	—
Mr. Prem Sagar	Non-Executive Independent Director	4	Yes	1	—	—
Mr. Kanwal Nain Malhotra	Non-Executive Independent Director	4	Yes	1	—	—
Mr. Vinay Killa	Non-Executive Independent Director	4	Yes	6	—	—

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 23rd May, 2011, 27th July, 2011, 7th November, 2011 and 1st February, 2012.

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:-

- reviewing internal control systems, nature and scope of audit as well as post audit discussions;
- reviewing 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;
- ensuring compliance with internal control systems;
- recommending to the Board on any matter relating to financial management, including audit report;
- overseeing Company's financial reporting process and disclosure of financial information;
- reviewing performance of statutory and internal auditors;
- any other matter which may be referred to the Committee by the Board.

During 2011-2012 the Audit Committee met on 23rd May, 2011, 27th July, 2011, 7th November, 2011 and 1st February, 2012.



Composition of the Audit Committee during the year 2011-2012:

Name	Position held	No. of Meetings	
		Held	Attended
Mr. Prem Sagar	Chairman	4	4
Mr. Kanwal Nain Malhotra	Member	4	4
Mr. Vinay Killa	Member	4	4

Invitees : The General Manager - Finance 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 salary and perquisites to be paid to the Managing Director without commission in the situation of inadequate profits. The Remuneration Committee comprises –

Mr. Prem Sagar	Chairman
Mr. Kanwal Nain Malhotra	Member
Mr. Vinay Killa	Member

The Remuneration Committee did not meet during the year under review as there was no Managerial Remuneration to be considered.

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

	(`)
Salary	16,11,833
Commission	—
Other benefits	—
Retiral Benefits	1,93,420
Total	18,05,253

The remuneration paid to the Managing Director is in accordance with the Service Agreement appointing Dasho Wangchuk Dorji as Chairman and Managing Director of the Company, for a period of 3 (three) years with effect from 20th May, 2010, for which requisite approvals were obtained from the shareholders by way of a Special Resolution at the Annual General Meeting held on 30th August, 2010 and from the Central Government vide letter no. A91571943/2/2010-CL VII dated 22nd December, 2010. Only sitting fees for attending the meetings of the Board and Committees thereof are paid to the Non-Executive Directors.

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

Name	Board Meetings (`)	Committee Meetings (`)	Total (`)	No. of Shares held in the Company
Dasho Topgyal Dorji	30,000	—	30,000	—
Mr. Prem Sagar	38,000	38,000	76,000	—
Mr. Kanwal Nain Malhotra	38,000	38,000	76,000	—
Mr. Vinay Killa	38,000	38,000	76,000	200

The Company has not issued any convertible instruments.

5. SHARE TRANSFER COMMITTEE

The Share Transfer Committee comprises Mr. Vinay Killa and Mr. Kanwal Nain Malhotra as Members. The Company Secretary acts as the Secretary to the Committee.

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

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

During the year 2011-2012 the Share Transfer Committee met once every fortnight to attend to Share Transfer formalities.

6. SHAREHOLDERS' GRIEVANCE COMMITTEE

The Shareholders' Grievance Committee comprises Mr. Prem Sagar, as the Chairman and Mr. Kanwal Nain Malhotra and Mr. Vinay Killa as Members.

The Shareholders' Grievance Committee met on 23rd May, 2011, 27th July, 2011, 7th November, 2011 and 1st February, 2012.

The 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, 2012:

Number of complaints received during the year and entirely dealt with	Nil
Number of complaints pending	Nil

7. GENERAL BODY MEETINGS

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

Date	Location	Time
31st August, 2009	Kalakunj, 48, Shakespeare Sarani, Kolkata - 700 017	10.00 A M
30th August, 2010	Same as above	10.00 A M
29th August, 2011	Same as above	10.00 A M

No Special Resolution was passed at the Annual General Meeting held on 31st August, 2009. A Special Resolution pursuant to Section II (1) (b) (iv) of part II of Schedule XIII of the Companies Act, 1956 for Reappointment of Managing Director was passed at the Annual General Meeting held on 30th August, 2010. No Special Resolution was passed at the Annual General Meeting held on 29th August, 2011.

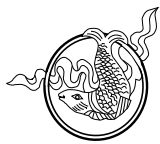
Resumé and other information of the Director re-appointed as required under Clause 49 IV(G)(i) of the Listing Agreement is given in the Notice of the Annual General Meeting annexed to the Annual Report for the year under review.

8. DISCLOSURES

- 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 of the Companies (Accounting Standards) Rules, 2006 has been given in Notes to Financial Statements for the year ended 31st March, 2012.
- 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.
- 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.

9. MEANS OF COMMUNICATION

- 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 Corporate Filing and Dissemination System (CFDS) pursuant to the requirements of Clause 52 (1)(a) of the Listing Agreement.

- b) Such results are also published in newspapers namely, Financial Express and Arthik Lipi/Dainick Lipi.
- c) Such results are also displayed on the Company's website at www.taiind.com.
- 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.

10. GENERAL SHAREHOLDER INFORMATION

- a) AGM date, time and venue:

Monday, the 27th day of August, 2012 at Kalakunj, 48, Shakespeare Sarani, Kolkata - 700017 at 10.00 a.m

- b) Financial Year: 1st April to 31st March.
- c) Book closure Period: 20th August, 2012 to 27th August, 2012, both days inclusive.
- d) Dividend payment date: No dividend has been recommended for the year ended 31st March, 2012.
- 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, Kolkata - 700 001	30055
(ii)	Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	519483

Listing Fees as prescribed have been paid to all the aforesaid Stock Exchanges upto 31st March, 2013.

Demat Code No. allotted by NSDL & CDSL: INE358D01018

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

Year 2011-2012	Stock Price (₹) Bombay Stock Exchange Limited		Sensex	
	High	Low	High	Low
April, 2011	12.58	9.85	19811.14	18976.19
May, 2011	11.31	8.60	19253.87	17786.13
June, 2011	11.55	8.77	18873.39	17314.38
July, 2011	11.50	9.13	19131.70	18131.86
August, 2011	11.50	9.04	18440.07	15765.53
September, 2011	13.05	9.65	17211.80	15801.01
October, 2011	11.24	9.12	17908.13	15745.43
November, 2011	11.19	10.00	17702.26	15478.69
December, 2011	11.10	8.97	17003.71	15135.86
January, 2012	11.53	8.71	17258.97	15358.02
February, 2012	10.96	9.24	18523.78	17061.55
March, 2012	11.30	8.72	18040.69	16920.61



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:

Link Intime India Private Limited at 59C, Chowringhee Road, Kolkata - 700 020 acts as the Registrar 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, 2012, 59.80 % 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, 2012:**

Equity Shares held	No. of Shareholders	Percentage to Total	No. of Equity shares held	Percentage to Total
1 – 500	9327	95.38	929701	15.50
501 – 1000	225	2.30	188939	3.15
1001 – 2000	94	0.96	144823	2.41
2001 – 3000	45	0.46	110862	1.85
3001 – 4000	15	0.15	53394	0.89
4001 – 5000	18	0.18	85514	1.43
5001 – 10000	22	0.23	153027	2.55
10000 and above	33	0.34	4333740	72.22
Total	9779	100.00	6000000	100.00



(B) Shareholding Pattern as on 31st March, 2012:

	Category	No.of Shares held	Percentage of Shareholding
A.	Promoters Holding		
	1. Promoters		
	– Indian Promoters		
	– Foreign Promoters	1216000	20.267
	2. Persons acting in concert		
	Total (A)	1216000	20.267
B.	Public Shareholding		
	1. Institutional Investors		
	a) Mutual Funds and UTI	–	–
	b) Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ Non-Government Institutions)	200	0.003
	c) FII's	1199900	19.998
	Sub-Total	1200100	20.001
	2. Others		
	a) Private Corporate Bodies	948515	15.809
	b) Individuals	2031384	33.856
	c) NRIs/OCBs	604001	10.067
	Sub-Total	3583900	59.732
	Total (B)	4784000	79.733
	Grand Total (A+B)	6000000	100.000



l) Address for Correspondence :

Registrar and
Share Transfer Agent :

Link Intime India Private Limited
59C, Chowringhee Road, Kolkata - 700020
Phone: (033) 22890539/(033) 22890540
Fax: (033) 22890539

Corporate Office :

Ms. Indira Biswas
General Manager - Corporate
& Company Secretary-cum-Compliance Officer
Tai Industries Limited
53A, Mirza Ghalib Street, Kolkata - 700016.
Phone: (033) 2229 2292/(033) 2229 8489
Fax: (033) 2249 7319

Signatures to Annexures A & B

For and on behalf of the Board

Place: Kolkata

Date: 23rd May, 2012

VINAY KILLA
Director

WANGCHUK DORJI
Managing 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, 2012.

Date: 23rd May, 2012

WANGCHUK DORJI
Chief Executive Officer

Auditor's Certificate on compliance of Corporate Governance under Clause 49 of the Listing Agreement

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, 2012 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 Agreement in all material aspects.

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.

Place: Kolkata

Dated: 23rd May, 2012

For and on behalf of
RAY & RAY
Chartered Accountants
Firm's Registration No: 301072E

AMITAVA CHOWDHURY
Partner
Membership No. 056060

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, 2012 the related Statement of Profit & Loss 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 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 (Auditor's Report) Order 2003, as amended by the Companies (Auditor's 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. Attention is drawn to note number 24.11, 24.12 and 24.13 of Notes on Accounts. We can not offer any comment as to the adequacy of provision in respect of damaged stock included in the closing inventory of the Company as the same could not be verified by us and the value of which is taken as per management certification. We can not also offer comment on recoverability of certain old debts amounting to ₹ 51,19,380.43 for which necessary steps are stated to be taken by the management for recovery.
5. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - 5.1. Subject to our comment in paragraph 4 above, 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. 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, Statement of Profit & Loss 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, 2012 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2012 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 our comment in paragraph 4 above the effect of which is not readily ascertainable, 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, 2012.
 - b) In the case of the Statement of Profit & Loss, 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 and on behalf of

RAY & RAY

Chartered Accountants

Firm's Registration No: 301072E

AMITAVA CHOWDHURY

Partner

Membership No. 056060

Place: Kolkata

Dated: 23rd May, 2012

Annexure To Auditors' Report

[Referred to in paragraph 3 of the Auditors' Report of even date to the Members of TAI INDUSTRIES LIMITED on the financial statements for the year ended 31st March, 2012]

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 stated to be physically verified by the management during the year and no material discrepancies between the book records and the physical assets 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 Company is maintaining proper record of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
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. There are generally adequate internal control procedures commensurate with the size and nature of Company's business for the purchase of inventory and fixed assets and for the sale of goods and services except in respect of timely reconciliation of debtors' balance, which are being strengthened by the Company. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
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 coverage requires to be further widened through inclusion of certain additional areas based on process risk assessment so as to be commensurate with the size and nature of 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 on the basis of records of the Company examined by us, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and cess which have not been deposited as at 31st March, 2012 on account of dispute.
10. The Company has no accumulated loss as at 31st March, 2012 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 a 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 explanation given to us, term loan have been applied for the purpose for which it is 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 and on behalf of

RAY & RAY

Chartered Accountants

Firm's Registration No: 301072E

AMITAVA CHOWDHURY

Partner

Membership No. 056060

Place: Kolkata

Dated: 23rd May, 2012



Balance Sheet as at 31st March, 2012

Particulars	Note No.	Figures as at the end of the Current Reporting Year		Figures as at the end of the Previous Reporting Year
		(₹)	(₹)	(₹)
EQUITY AND LIABILITIES				
Shareholders' funds				
Share Capital	1	60,000,000		60,000,000
Reserves and Surplus	2	101,743,343		97,054,065
Total Shareholders' funds			161,743,343	157,054,065
Non-current liabilities				
Long-term borrowings	3	434,461		–
Other Long term liabilities	4	5,615,500		5,654,500
Long-term provisions	5	4,498,737		3,823,153
Total Non-current liabilities			10,548,698	9,477,653
Current liabilities				
Trade payables [Refer Note No. 24.3]		260,731,870		298,426,650
Other current liabilities	6	54,438,610		11,184,206
Short-term provisions	7	12,244,561		12,092,077
Total current liabilities			327,415,041	321,702,933
TOTAL			499,707,082	488,234,651
ASSETS				
Non-current assets				
Fixed assets				
	8			
(i) Tangible assets				
Gross Block		70,171,970		70,435,300
Less : Depreciation		54,554,053		54,054,115
Net Block		15,617,917		16,381,185
(ii) Intangible assets				
Gross Block		3,993,681		3,993,681
Less : Depreciation		3,869,426		3,811,495
Net Block		124,255		182,186
Non-current investments	9	8,678,873		8,678,873
Deferred tax assets (net)	10	1,009,541		1,133,928
Long-term loans and advances	11	85,674,026		85,663,982
Total non-current assets			111,104,612	95,476,783
Current assets				
Inventories	12	32,252,712		36,761,298
Trade receivables	13	225,118,418		258,927,662
Cash and cash equivalents	14	31,050,505		38,509,714
Short-term loans and advances	15	100,180,835		41,995,823
Total current assets			388,602,470	376,194,497
TOTAL			499,707,082	488,234,651

Statement of Significant Accounting Policies 23

Other notes to financial statement 24

The accompanying notes are integral part of the financial statements

For **RAY & RAY**

Chartered Accountants

Firm's Registration No. 301072E

AMITAVA CHOWDHURY

Partner

Membership No. 056060

Place : Kolkata

Date : 23rd May, 2012

INDIRA BISWAS

General Manager Corporate
& Company Secretary

For and on behalf of the Board

WANGCHUK DORJI

Managing Director

VINAY KILLA

Director



Statement of Profit and Loss for the year ended 31st March, 2012

Particulars	Note No.	Figures for the	
		Current Reporting Year	Previous Reporting Year
		(₹)	(₹)
Revenue from operations	16	658,830,195	781,279,714
Other income	17	32,472,343	37,638,918
Total Revenue		691,302,538	818,918,632
Expenses :			
Purchases of Stock-in-Trade	18	580,074,088	702,182,033
Changes in inventories and Stock-in-Trade	19	4,508,586	(20,033,027)
Employee benefits expense	20	26,380,420	24,217,110
Finance costs	21	211,655	131,250
Depreciation and amortization expense			
Tangible assets		2,833,780	2,819,940
Intangible assets		57,930	189,284
		2,891,710	
Other expenses	22	72,422,414	100,886,406
Total expenses		686,488,873	810,392,996
Profit / (loss) before tax		4,813,665	8,525,636
Tax expense :			
(1) Current tax		-	-
(2) Deferred tax		124,387	(196,316)
(3) Income Tax paid for earlier years		-	4,320
Profit / (Loss) for the year after tax		4,689,278	8,717,632
Earnings per equity share :			
Basic & Diluted		0.78	1.45

Statement of Significant Accounting Policies 23

Other notes to financial statement 24

The accompanying notes are integral part of the financial statements

For **RAY & RAY**
Chartered Accountants

Firm's Registration No. 301072E

AMITAVA CHOWDHURY

Partner

Membership No. 056060

Place : Kolkata

Date : 23rd May, 2012

INDIRA BISWAS
General Manager Corporate
& Company Secretary

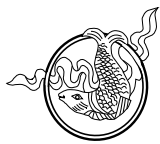
For and on behalf of the Board

WANGCHUK DORJI

Managing Director

VINAY KILLA

Director



Cash Flow Statement for the year ended 31st March, 2012

	Year ended 31st March, 2012 ([^])	Year ended 31st March, 2011 ([^])
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	4,813,665	8,525,636
Adjustments for :		
Depreciation	2,891,710	3,009,224
Interest Received	(1,995,508)	(1,586,660)
Dividend Received	(8,844,521)	(13,308,802)
Provision for Gratuity	628,662	1,264,071
Provision For Leave Encashment	1,463,157	1,648,000
Loss / adjustment on Sale of Fixed Assets	56,846	44,009
Interest paid	211,655	131,250
Profit on sale of Investment	—	(260)
Commission Received	(8,706,690)	(14,169,322)
Operating Profit before Working Capital changes	(9,481,024)	(14,442,854)
Adjustment for changes in Working Capital :		
(Increase)\Decrease in Trade and other Receivables	(24,385,812)	(28,473,913)
(Increase)\Decrease in Inventories	4,508,586	(20,033,027)
Increase\Decrease in Trade payables	5,213,861	43,337,367
Commission Received	8,706,690	14,169,322
Cash Generated from Operations	(15,437,699)	(5,443,106)
Interest paid	(211,655)	(131,250)
Taxes paid	—	(4,320)
Leave Encashment Paid	(983,154)	(731,573)
Gratuity Paid	(280,597)	(19,558)
Net Cash from Operating Activities (A)	(16,913,105)	(63,29,807)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,152,758)	(1,322,151)
Sale of Investments	—	260
Sale of Fixed Assets	25,401	165,300
Interest Received	1,995,508	1,586,660
Dividend Received	8,844,521	13,308,802
Net Cash from Investing Activities (B)	8,712,672	13,738,871



	Year ended 31st March, 2012 (`)	Year ended 31st March, 2011 (`)
--	---------------------------------------	---------------------------------------

CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from Borrowings :

Term loan from bank	950,000	—
Repayment of Term loan	(208,776)	—
Net Cash used in Financing Activities (C)	741,224	—
Net Increase/(Decrease)in Cash and Cash Equivalents (A+B+C)	(7,459,209)	7,409,063
Opening Balance of Cash and Cash Equivalents	38,509,714	31,100,651
Closing Balance of Cash and Cash Equivalents	31,050,505	38,509,714

Notes :

1. The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at 31st March, 2012 and the related Statement of Profit and Loss 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. Cash and Cash equivalents represent Cash and Bank balances.
4. Additions to Fixed Assets are stated inclusive of movements of Capital Work-in-Progress between the beginning and the end of the year and are treated as part of Investing Activities.
5. Figures in parenthesis represent outflows.
6. 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 **RAY & RAY**
Chartered Accountants

Firm's Registration No. 301072E

AMITAVA CHOWDHURY
Partner

Membership No. 056060

Place : Kolkata
Date : 23rd May, 2012

INDIRA BISWAS
General Manager Corporate
& Company Secretary

For and on behalf of the Board

WANGCHUK DORJI
Managing Director

VINAY KILLA
Director

Notes to Balance Sheet

	As at 31st March, 2012		As at 31st March, 2011	
	Number	(`)	Number	(`)
NOTE : 1				
SHARE CAPITAL				
AUTHORISED				
Equity Shares of ` 10 each	7,500,000	75,000,000	7,500,000	75,000,000
ISSUED, SUBSCRIBED, PAID UP				
Equity Shares of ` 10 each	6,000,000	60,000,000	6,000,000	60,000,000
Total	6,000,000	60,000,000	6,000,000	60,000,000

Disclosure pursuant to Note no. 6 (A)(d) of Part I of Schedule VI to the Companies Act, 1956

Particulars	Equity Shares		Preference Shares	
	Number	(`)	Number	(`)
Shares outstanding at the beginning of the year	6,000,000	60,000,000	N.A.	N.A.
Shares issued during the year	N.A.	N.A.	N.A.	N.A.
Shares bought back during the year	N.A.	N.A.	N.A.	N.A.
Shares outstanding at the end of the year	6,000,000	60,000,000	N.A.	N.A.

Disclosure pursuant to Note no. 6 (A)(g) of Part I of Schedule VI to the Companies Act, 1956 (if more than 5%)

Name of Shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Lotus Global Investments Ltd.	Nil	Nil	600,000	10.000
Mavi Investment Fund Ltd.	600,000	10.000	600,000	10.000
Camberly Investments Ltd.	300,000	5.000	300,000	5.000
Amas Bank (Switzerland) Ltd.	300,000	5.000	300,000	5.000
Ipro Funds Ltd.	599,900	9.998	Nil	Nil

	As at 31st March, 2012 (⁻)	As at 31st March, 2011 (⁻)
NOTE : 2		
RESERVES & SURPLUS		
a. Capital Reserves		
Opening Balance	595,100	595,100
Add : Current Year Transfer	-	-
Less : Written Back in Current Year	-	-
Closing Balance	595,100	595,100
b. General Reserves		
Opening Balance	3,878,789	3,878,789
Add : Current Year Transfer	-	-
Less : Written Back in Current Year	-	-
Closing Balance	3,878,789	3,878,789
c. Surplus		
Opening Balance	92,580,176	83,862,544
Add : Net Profit/(Net Loss) for the current year	4,689,278	8,717,632
Less : Transfer from Reserves	-	-
Closing Balance	97,269,454	92,580,176
Total	101,743,343	97,054,065

NOTE : 3
LONG TERM BORROWINGS
Term Loan from Bank

Car loan from ICICI Bank (repayable after 12 months from the reporting date) secured against hypothecation of car	434,461	-
Total	434,461	-

NOTE : 4
OTHER LONG TERM LIABILITIES

Security deposit received	5,615,500	5,654,500
Total	5,615,500	5,654,500

	As at 31st March, 2012 (´)	As at 31st March, 2011 (´)
--	----------------------------------	----------------------------------

NOTE : 5
LONG TERM PROVISIONS

Provision for employee benefits Gratuity (unfunded)	2,570,984	2,256,544
Leave Encashment (unfunded)	1,927,753	1,566,609
Total	<u>4,498,737</u>	<u>3,823,153</u>

NOTE : 6
OTHER CURRENT LIABILITIES

Current maturities of long term debt	306,763	-
Salary payable	124,242	108,910
Statutory dues	1,175,034	1,048,031
Liabilities for Stale Cheque	67,299	67,299
Other liability	410,544	32,306
Security deposit received	553,000	-
Advance from Customer	3,651,925	8,896,305
Advances from others	48,149,803	1,031,355
Total	<u>54,438,610</u>	<u>11,184,206</u>

NOTE : 7
Short Term Provisions
(a) Provision for employee benefits

Gratuity (unfunded)	385,253	351,628
Leave Encashment (unfunded)	313,813	265,334
Leave Encashment for Continuing Employee	973,396	903,016

(b) Others Provisions

Provision for income tax & fringe benefit tax	10,572,099	10,572,099
Total	<u>12,244,561</u>	<u>12,092,077</u>



NOTE : 8

FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Balance as on 01.04.2011 (₹)	Additions during the year (₹)	Disposals during the year (₹)	Balance as on 01.04.2011 (₹)	Depreciation during the year (₹)	Adjustment due on Disposals (₹)	Balance as on 31.03.2012 (₹)	Balance as on 31.03.2011 (₹)
(a) Tangible Assets								
Building	2,896,312	-	-	1,673,170	74,352	-	1,747,522	1,223,142
Furniture & Fixture	18,346,238	5,051	-	13,843,623	809,333	-	14,652,956	4,502,615
Office Equipment	5,283,219	220,368	13,500	3,382,439	271,580	7,640	3,646,379	1,900,780
Electrical Equipment	2,578,303	-	-	1,704,724	121,318	-	1,826,042	873,579
Motor Vehicle	1,561,149	1,532,218	23,118	885,054	490,518	23,113	1,352,454	676,095
Computer	24,429,373	389,120	2,379,470	22,998,590	257,488	2,303,084	20,952,994	1,430,783
Plant & Machinery	15,340,706	6,001	-	9,566,515	809,191	-	10,375,706	5,774,191
Total	70,435,300	2,152,758	2,416,088	54,054,115	2,833,780	2,333,842	54,554,053	16,381,185
(b) Intangible Assets								
Software Charges	3,993,681	-	-	3,811,496	57,930	-	3,869,426	182,186
Total	74,428,981	2,152,758	2,416,088	57,865,611	2,891,710	2,333,842	58,423,479	16,563,371
PREVIOUS YEAR	74,233,189	1,322,151	1,126,359	55,773,438	3,009,224	917,051	16,563,371	18,459,751



Particulars	No. of Shares	Face Value (₹)	As at 31st March, 2012 Cost (₹)	As at 31st March, 2011 Cost (₹)
NOTE : 9				
NON-CURRENT INVESTMENT				
Other Investments:				
Equity Shares fully paid (Quoted - at cost)				
Usha Ispat Limited	300	10	3,000	3,000
Core Health Care Limited	100	10	15,000	15,000
IFCI Limited	100	10	3,500	3,500
State Bank of India	180	10	62,700	62,700
Bata India Limited	4,375	10	152,250	152,250
Infosys Limited	104	5	3,448	3,448
Reliance Industries Limited	2,060	10	102,167	102,167
India Steel Works Limited	250	10	2,500	2,500
Reliance Capital Limited	51	10	2,554	2,554
Reliance Communications Limited	1,030	5	76,036	76,036
Reliance Infrastructure Limited	77	10	14,343	14,343
Reliance Power Limited	257	10	1,375	1,375
TOTAL (A)			438,873	438,873
Equity shares fully paid (Unquoted)				
Jamipol Limited	800,000	10	8,000,000	8,000,000
TOTAL (B)			8,000,000	8,000,000
Others Fully Paid (Quoted)				
UTI Equity Fund (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)			240,000	240,000
GRAND TOTAL [(A) + (B) + (C)]			8,678,873	8,678,873

Notes:

1. UTI Equity Fund is not in the name of the Company. The same is registered in the name of Canara Bank to whom instruments were hypothecated by the company. Steps have been taken to transfer the ownership of instruments in favour of the company.

Particulars	As at 31st March, 2012 (₹)	As at 31st March, 2011 (₹)
2. Aggregate Book Value		
Quoted Investments	678,873	678,873
Unquoted Investments	8,000,000	8,000,000
TOTAL	8,678,873	8,678,873
Particulars	As at 31st March, 2012 (₹)	As at 31st March, 2011 (₹)
Aggregate amount of quoted investments (Market value)	7,029,216	6,238,047
Aggregate amount of unquoted investments	8,000,000	8,000,000

Particulars	As at 31st March, 2012 ([₹])	As at 31st March, 2011 ([₹])
NOTE : 10		
DEFERRED TAX ASSET (NET)		
Liabilities :		
Depreciation	Nil	Nil
Total Liabilities - (A)	Nil	Nil
Assets		
Depreciation	363,169	234,098
Provision for Gratuity & Leave Encashment	646,372	899,830
Total Assets - (B)	1,009,541	1,133,928
Net Deferred Tax Liability / (Asset) [(A) - (B)]	(1,009,541)	(1,133,928)
NOTE : 11		
LONG TERM LOANS AND ADVANCES		
a. Security Deposits		
Secured, considered good	Nil	Nil
Unsecured, considered good	4,971,223	5,371,660
Doubtful	2,394,900	2,394,900
Less : Provision for doubtful deposits	2,394,900	2,394,900
	<u>4,971,223</u>	<u>5,371,660</u>
b. Loans and advances to related parties	<u>74,461,295</u>	<u>74,461,295</u>
	74,461,295	74,461,295
c. Other loans and advances		
Loans and Advances to others	5,324,074	5,324,074
Interest accrued but not received	917,434	506,953
	<u>6,241,508</u>	<u>5,831,027</u>
Total	85,674,026	85,663,982
NOTE : 12		
INVENTORIES		
a. Stock-in-trade	46,570,479	51,139,385
b. Goods in Transit	60,320	-
	<u>46,630,799</u>	<u>51,139,385</u>
Less : Provision for Damaged Stock	14,378,087	14,378,087
Total	32,252,712	36,761,298



Particulars	As at 31st March, 2012 ([₹])	As at 31st March, 2011 ([₹])
NOTE : 13		
TRADE RECEIVABLES		
Unsecured considered good (Outstanding for a period more than six months)	6,278,850	5,811,142
Unsecured considered good (Outstanding for a period less than six months)	218,839,568	253,116,520
Total	225,118,418	258,927,662

NOTE : 14
CASH AND CASH EQUIVALENTS

	As at 31st March, 2012 ([₹])		As at 31st March, 2011 ([₹])	
a. Balances with banks :	14,921,791		13,189,067	
In Current Accounts	6,700,708		12,812,435	
In Fixed deposits with less than 12 months maturity	8,221,083		376,632	
Fixed deposit held as margin for obtaining bank guarantees ` 4,87,396 (previous year ` 3,65,133)				
b. Cash in hand	1,879,239		2,295,822	
c. Fixed deposits with more than 12 months maturity	14,249,475		23,024,825	
Total	31,050,505		38,509,714	

NOTE : 15
SHORT-TERM LOANS AND ADVANCES

	As at 31st March, 2012 ([₹])		As at 31st March, 2011 ([₹])	
a. Loans and advances to related parties	4,313,111		2,908,779	
b. Loans and advances to others	70,738,364		16,696,867	
c. Security Deposits				
Unsecured, considered good	810,127		427,376	
	<u>75,861,602</u>		<u>20,033,022</u>	
d. Others				
Advance Income Tax	15,028,946		9,935,699	
TDS & TCS Receivable	3,463,399		2,506,181	
Interest accrued but not received (Less than 12 months)	617,446		75,533	
Prepaid Expenses	122,857		117,730	
Prepaid Insurance Premium	171,080		155,424	
Advance to vendors	4,915,505		9,172,234	
	<u>24,319,233</u>		<u>21,962,801</u>	
Total	100,180,835		41,995,823	



Particulars	For the year ended 31st March, 2012 ([₹])	For the year ended 31st March, 2011 ([₹])
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NOTE : 16

REVENUE FROM OPERATIONS

Sales :

Fruit Products	204,397,077	227,032,193
Calcium Carbide	39,528,893	45,873,847
Charcoal	223,877,639	174,360,528
Manganese Ore	29,846,314	284,255,949
Others	88,508,159	-
Sale of Retail Products	72,672,113	49,757,197
Total	<u>658,830,195</u>	<u>781,279,714</u>

NOTE : 17

OTHER INCOME

Interest Income - Gross	1,995,508	1,586,660
[Taxes Deducted at Source ` 3,16,216 (2011 - ` 2,08,114)]		
Dividend Income	8,844,521	13,308,802
Other non-operating income (net of expenses directly attributable to such income)	21,632,314	22,743,196
Profit on Sale of Investments	-	260
Total	<u>32,472,343</u>	<u>37,638,918</u>

NOTE : 18

PURCHASES OF STOCK-IN-TRADE

Fruit Products	165,152,677	201,640,907
Calcium Carbide	35,260,286	40,781,300
Charcoal	185,244,411	158,336,791
Manganese ore	17,856,844	246,697,190
Others	98,342,399	-
Retail Products	65,857,409	43,549,409
Carraige Inward, Octroi Expenses and Other related expenses	12,360,062	11,176,436
Total	<u>580,074,088</u>	<u>702,182,033</u>

NOTE : 19

CHANGES IN INVENTORIES AND STOCK-IN-TRADE

Opening Stock	51,139,385	31,106,358
Less : Closing Stock	46,630,799	51,139,385
Total	<u>4,508,586</u>	<u>(20,033,027)</u>

Particulars	For the year ended 31st March, 2012 ([₹])	For the year ended 31st March, 2011 ([₹])
NOTE : 20		
EMPLOYEE BENEFITS EXPENSE		
(a) Salaries and incentives	22,414,712	20,076,674
(b) Contribution to Provident Fund & other Funds	2,040,864	1,741,217
(c) Gratuity provision	348,065	1,244,513
(d) Gratuity Paid	280,597	19,558
(e) Staff welfare expenses	1,296,182	1,135,148
Total	<u>26,380,420</u>	<u>24,217,110</u>
NOTE : 21		
FINANCE COSTS		
Interest expense	211,655	131,250
Total	<u>211,655</u>	<u>131,250</u>
NOTE : 22		
OTHER EXPENSES		
Rent	6,390,936	5,937,365
Repairs to Building	863,788	641,408
Repairs to Others	10,389,838	8,357,421
Insurance	236,998	243,680
Rates and Taxes	963,068	847,583
Electricity	3,197,050	3,623,703
Travelling and Conveyance	6,920,393	6,486,072
Communication Expense	1,968,211	2,121,429
Legal and Professional charges	2,743,617	1,777,693
Printing and Stationery	1,102,072	883,909
Carriage Outward	13,540,876	39,574,425
Commission on Depot Sales	1,853,698	833,135
Breakage and Damages	1,593,849	1,552,720
Discount	4,109,261	3,126,747
Advertisement, Publicity and Sales Promotion	3,150,818	1,455,205
Other Selling Expenses	7,830,024	18,503,483
Debts and other debits written off	442,842	799,448
Bank & Other Charges	747,648	7,49,378
Miscellaneous Expenses [Note 24.6]	2,653,715	1,725,322
Security Charges	623,442	616,847
Common expenses Stores	785,424	785,424
Director's sitting fees	258,000	200,000
Loss on sale of Fixed Assets (Net)	56,846	44,009
Total	<u>72,422,414</u>	<u>100,886,406</u>



NOTE - 23

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 requirements of Companies (Accounting Standards) Rules, 2006 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 recognised in the period in which the results are known / materialised.

(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.
- (ii) Assets costing ` 5,000 or less are depreciated in full in the year of purchase.

(e) Impairment

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to statement of profit and loss 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.

(f) Investments

Long term Investments are stated at cost less provision for permanent diminution, if any, in value of such investments. Current investments are stated at lower of cost and fair value.

(g) Inventories

Inventories are valued at lower of cost or net realizable value. Cost is computed on the basis of cost of purchase on "FIFO" basis.

(h) Intangible Assets

Software which is not an integral part of related hardware, is treated as intangible asset and 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 or the estimated economic life of the asset whichever is lower. The carrying value of the capitalized software costs is reviewed at each Balance Sheet date.

(i) Revenue Recognition

- (i) Sales, net of taxes, are accounted for when property in the goods is transferred to the customers.
- (ii) Commission is accounted for as and when the Company's right to receive the same is established.
- (iii) Dividend is recognised, when the right to receive the dividend arises.
- (iv) Interest income is recognised on a time proportion basis.
- (v) Items of Income/Expenditure are recognized on accrual basis, unless otherwise stated.

(j) Employee Benefits

- (i) Defined Contribution Schemes

Provident Funds and Employees State Insurance Fund are administered by the Central Government of India and contribution to the said funds are charged to Statement of Profit and Loss on actual basis.



(ii) Defined Benefit Schemes

Provision for leave encashment (Retirement Benefit) and gratuity liability are made on the basis of actuarial valuation.

(iii) Provision for leave encashment (short term benefit) is made on accrual basis.

(k) Borrowing Cost

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognized as expense in the period in which these are incurred.

(l) Foreign Currency Transactions

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

(m) 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.

(n) 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 there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

(o) 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 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.

24. Other notes to Financial Statement

24.1 Contingent liabilities

		As at 31 March 2012 (`)	As at 31 March 2011 (`)
(i)	Claim not acknowledged as debts - Income Tax under appeal	NIL	NIL
(ii)	Bank Guarantees	3,25,000.00	2,25,000.00

(iii) A claim of ` 68,00,000 towards enhanced municipal taxes over 10% of the previous rate was raised by the landlords of the premises from where the Company, as a subtenant, was operating one of its retail stores, in terms of the Company's sub tenancy agreement with them.

The said claim has been disputed by the Company on the ground that the said enhancement pertained to assessment of Annual Valuation based on the status (residential or commercial) of the property in question, which the landlords had concealed before the municipal authorities as well as before the Company and the Company has initiated legal proceedings to that effect which are awaiting ex-parte disposal.



- 24.2. Advances recoverable in cash or in kind or for value to be received include ₹ 7,42,37,147.63 (previous year - ₹ 7,42,37,147.63) on account of Tai Projects Private Limited, 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 17 September 2002.
- 24.3. The amount due to Micro and Small Enterprises as defined in 'The Micro, Small and Medium Enterprises Development Act, 2006' has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small enterprises as at 31st March, 2012 are as under:

Sl. no.	Description	Amount outstanding as at 31st March, 2012 (₹)	Amount outstanding as at 31st March, 2011 (₹)
1.	The principal amount remaining unpaid to suppliers as at the end of the year	35,96,649	30,45,393
2.	The interest due thereon remaining unpaid to supplier as at the end of the accounting year	NIL	NIL
3.	The amount of interest paid in terms of section 16, alongwith the amount of the payment made to the supplier beyond the appointed day during the year 2011-12	NIL	NIL
4.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the act.	NIL	NIL
5.	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	NIL	NIL
6.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23.	NIL	NIL

24.4. Employee benefit

The employee benefits have been determined in accordance with the Accounting Standard-15 issued by the Companies (Accounting Standards) Rules, 2006.



A. Defined Benefit Plans

Gratuity & Leave Encashment – The gratuity liability is determined on the basis of actuarial valuation using the Projected Unit Credit Method. This method recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The leave encashment is recognized in the financial statement in the same manner as gratuity.

		Gratuity (`)			Leave Encashment (`)		
a.	Reconciliation of opening and closing balances of Defined Benefit Obligations	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2012	31st March, 2011	31st March, 2010
	Defined Benefit Obligation at the beginning of the year	26,08,172	13,63,659	18,04,778	18,31,943	12,09,674	10,66,372
	Current Service Cost	2,85,883	2,41,338	3,46,210	23,043	22,633	37,199
	Interest Cost	2,04,834	1,11,695	1,41,702	1,45,771	94,736	81,840
	Past Service Cost	–	7,02,357	–	–	–	–
	Actuarial (gain)/ loss	1,37,945	2,08,681	(8,62,016)	3,92,130	6,27,615	1,11,009
	Benefit paid	2,80,597	19,558	(67,015)	1,51,321	1,22,715	(86,746)
	Defined Benefit Obligation at the year end	29,56,237	26,08,172	13,63,659	22,41,566	18,31,943	12,09,674
b.	Reconciliation of fair value of assets and obligations						
	Fair value of plan assets as at 31st March	NIL	NIL	NIL	NIL	NIL	NIL
	Present value of obligation at 31st March	29,56,237	26,08,172	13,63,659	22,41,566	18,31,943	12,09,674
	Net Assets/(Liability) recognized in Balance Sheet	(29,56,237)	(26,98,172)	(13,63,659)	(22,41,566)	(18,31,943)	(12,09,674)
c.	Expenses recognised during the year						
	Current service cost	2,85,833	2,41,338	3,46,210	23,043	22,633	37,199
	Interest cost	2,04,834	1,11,695	1,41,702	1,45,771	94,736	81,840
	Past service cost	–	7,02,357	–	–	–	–
	Expected return on plan assets	NIL	NIL	NIL	NIL	NIL	NIL
	Actuarial (gain)/loss	1,37,945	2,08,681	(8,62,016)	3,92,130	6,27,615	1,11,009
	Net cost	6,28,662	12,64,071	(3,74,104)	5,60,944	7,44,984	2,30,048
d.	Gratuity Provision is shown separately in Note - 20 and Leave Encashment has been shown under Salaries & incentives in Note - 20						
		Gratuity (`)			Leave Encashment (`)		
	Actuarial assumptions	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2012	31st March, 2011	31st March, 2010
	Discount rate per annum compound	8.75%	8.30%	8.25%	8.75%	8.30%	8.25%
	Rate of increase in salaries	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
	Expected average remaining working lives of employees (years)	21.86	21.30	22.70	21.80	21.30	22.70
	Withdrawal Rates	Varying between 2% per annum and 1% per annum depending on duration and age of the employees					
	Mortality Rate	L I C (1994 - 96) table					



e. Net Asset / (Liability) recognized in Balance Sheet for Leave Encashment.

		31st March, 2012	31st March, 2011
1.	Present value of deference benefit obligation	22,41,566	18,31,943
2.	Fair value of plan Assets	Nil	Nil
3.	Status [Surplus/ (Deficit)]	(22,41,566)	(18,31,943)

f. Net Asset/ (Liability) recognized in Balance Sheet for Gratuity.

		31st March, 2012	31st March, 2011
1.	Present value of deference benefit obligation	29,56,237	26,08,127
2.	Fair value of plan Assets	Nil	Nil
3.	Status [Surplus/(Deficit)]	(29,56,237)	(26,08,127)

B. Defined Contribution Plans

The contributions to Defined Contribution Plans recognized as expenses in the Statement of Profit & Loss are as follows:

Nature of contributions	2011-12 ([^])	2010-11 ([^])	2009-10 ([^])
Employers' contributions to Provident Fund	10,55,662	8,55,892	7,26,397
Employers' contributions to Pension Fund	6,08,367	5,41,406	5,13,234

24.5. Confirmation of year end 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.

24.6. Miscellaneous expenses include -

		2011-12 ([^])	2010-11 ([^])
(a)	Amount paid/payable to Auditors :-		
	(i) Statutory Audit Fee	1,50,000	1,25,000
	(ii) Tax Audit Fee	40,000	20,000
	(iii) Other Certificates	91,500	55,500
	(iv) Reimbursement of Expenses [(Including Service-Tax ` 32,815.80) 2010-11 - ` 23,226]	32,816	48,226
	Total	3,14,316	2,48,726



24.7. The Company has entered into an operating lease agreement for occupying premises at Salt Lake, Kolkata for its retail outlet. The future minimum lease payment for the said leased premises are as follows:

Sl. no.	Duration	Current Year (`)	Previous Year (`)
1.	Not later than one year	20,47,230	20,47,230
2.	Later than one year and not later than five years	96,53,031	90,55,582
3.	Later than five years	58,96,250	85,40,931

Lease rent recognized in Statement of Profit & Loss, ` 22,58,088 (Previous year - ` 22,05,727)

24.8. The disclosure pursuant to Accounting Standard (AS) -17 on 'Segment Reporting' issued by The Institute of Chartered Accountants of India in respect of its business segments, Druk and C3 division are shown below.

Particulars	Druk (`)	C3-Retail (`)	Total (`)
Segment Revenue (Previous Year)	61,11,10,695 (76,13,34,965)	8,01,91,843 (5,75,83,667)	69,13,02,538 (81,89,18,632)
Segment Results (Previous Year)	1,03,52,011 (1,68,67,184)	(24,34,981) (-52,01,074)	79,17,030 (1,16,66,110)
Depreciation, Amortizations & Finance Cost (Previous Year)			31,03,365 (31,40,474)
Net Profit Before Tax (Previous Year)			48,13,665 (85,25,636)
Income Tax (including Deferred Taxation and Fringe Benefit Tax) (Previous Year)			1,24,387 (-1,91,996)
Net Profit / (-) Loss After Tax (Previous Year)			46,89,278 (87,17,632)



24.9. Related Parties Disclosure

As per Accounting Standard-18 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India, the names of the related parties are given below:

Nature of relationship	Names of the related parties
Key management Personnel	<ul style="list-style-type: none"> n Dasho Topgyal Dorji n Dasho Wangchuk Dorji
Enterprise in which key Management Personnel have significant influence	<ul style="list-style-type: none"> n Bhutan Fruit Products Private Limited n Bhutan Carbide and Chemicals Limited n Bhutan Ferro Alloys Limited n Tashi Infocom Limited n Tashi Commercial Corporation n Tai Projects Private Limited n Bhutan Eco Ventures Private Limited n Bhutan Brewery Private Limited n Tashi Metals Limited n SKW - Tashi Metals & Alloys Private Limited n T Bank Limited n Tashi Beverages Limited

The following table provides the total amount of transactions, which have been entered into with related parties for the relevant financial year :-

	Enterprise in which Key Management Personnel have significant influence		Key Management Personnel	
	For the year ended 31.03.2012 ([₹])	For the year ended 31.03.2011 ([₹])	For the year ended 31.03.2012 ([₹])	For the year ended 31.03.2011 ([₹])
Purchase of goods	11,19,50,603	11,21,16,937	-	-
Sale of Goods	22,32,04,030	51,31,82,597	-	-
Rendering of Services	9,75,000	7,07,650	-	-
Commission Received	1,11,69,620	1,32,60,322	-	-
Royalty Paid	2,97,818	2,40,201	-	-
Advance to related Party	3,11,58,888	7,70,91,877	-	-
Outstanding Balance				
Due to Company	3,63,18,502	8,14,80,718	-	-
Payables by Company	19,15,36,223	18,41,06,394	-	-
Remunerations -				
Dasho Wangchuk Dorji	-	-	18,05,253	17,19,760
Directors' Sitting Fees -				
Dasho Topgyal Dorji	-	-	30,000	24,000



24.10. Earnings Per Share (EPS)

Particulars	2011-12	2010-11
Profit/(Loss) after Tax attributable to Equity Shareholders	46,89,278	87,17,632
Weighted Average number of Equity Share Outstanding	60,00,000	60,00,000
EPS - Basic & diluted	0.78	1.45

24.11. The Value of closing stock amounting to ` 4,66,30,799 (Previous year - ` 5,11,39,385) is certified by the Management of the Company and is included in the closing stock of traded goods.

24.12. A provision of ` 1,43,78,087 was made in the year 2007-08 in respect of Stock damaged/destroyed by flood but included in stock. The Company had filed a claim with the Insurance Company. As the claim has been pending for a considerable period of time, the Company has notified the office of the insurance ombudsman for disposal of the matter. The claim is yet to be settled.

24.13. No provision has been made in the accounts in respect of old debts amounting to ` 51,19,380.43, as necessary steps are been taken by the management for recovery of the same.

24.14. (a) Previous years figures have been regrouped/rearranged, wherever necessary to conform current year's presentation.

(b) Figures in parenthesis represent previous year's figures.

Signatures to Notes 1 to 24

For **RAY & RAY**
Chartered Accountants
Firms Registration No. 301072E

AMITAVA CHOWDHURY
Partner
Membership No. 056060

Place : Kolkata, India
Date : 23rd May 2012

INDIRA BISWAS
General Manager - Corporate
& Company Secretary

For and on behalf of the Board

WANGCHUK DORJI
Managing Director

VINAY KILLA
Director

BOOK POST

If undelivered, please return to :

TAI INDUSTRIES LIMITED

53A, Mirza Ghalib Street

3rd Floor, Kolkata 700 016