



31st ANNUAL REPORT 2013-14

TAI INDUSTRIES LIMITED





TAI INDUSTRIES LIMITED

BOARD OF DIRECTORS

Dasho Wangchuk Dorji	Chairman
Mr. Rohan Ghosh	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	

NOMINATION AND REMUNERATION COMMITTEE

Mr. Prem Sagar	Chairman
Dasho Topgyal Dorji	
Mr. K.N. Malhotra	
Mr. Vinay Killa	

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

KEY MANAGERIAL PERSONNEL

Mr. Rohan Ghosh	Managing Director
Ms. Mou Mukherjee	Chief Financial Officer
Ms. Indira Biswas	Company Secretary

STATUTORY AUDITORS

Ray & Ray, Chartered Accountants, Kolkata

REGISTERED OFFICE

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

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited
59C, Chowringhee Road, Kolkata - 700020



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Annual General Meeting on Wednesday, 17th September, 2014, 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.

For any queries, you may write to the Company Secretary at ibiswas@taiind.com



TAI INDUSTRIES LIMITED

CIN :L01222WB1983PLC059695

Regd. Office : 53A, Mirza Ghalib Street, 3rd Floor, Kolkata – 700 016

Email : taiind@cal.vsnl.net.in; Website : www.taiind.com

Phone : (033) 22492956, 22292292; Fax : (033) 22497319

Notice

(Note: The business of this Meeting may be transacted through electronic voting system)

NOTICE is hereby given that the Thirty First Annual General Meeting of Tai Industries Limited will be held at Kalakunj, 48, Shakespeare Sarani, Kolkata - 700017, on Wednesday, the 17th September, 2014 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, 2014, the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Dasho Topgyal Dorji (DIN: 00296793), retiring by rotation and eligible for reappointment.
4. To appoint Auditors and to fix their remuneration. Messrs. Ray & Ray, the retiring Auditors are eligible for reappointment.

Special Business

To consider and if thought fit to pass with or without modification(s) the following Resolutions as Ordinary Resolutions:

5. **“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Mr. Prem Sagar (DIN: 00040396), Director of the Company, who has filed with the Company the required declaration as per Section 149(7) of the Companies Act, 2013, be and is hereby appointed an Independent Director of the Company, to hold office for a period of five consecutive years from the conclusion of this Meeting upto the conclusion of the Company’s Thirty Sixth Annual General Meeting in the calendar year 2019, or till such earlier date as may be determined by any applicable statute, rules, regulations or guidelines.”
6. **“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Mr. K.N. Malhotra (DIN: 00128479), Director of the Company, who has filed with the Company the required declaration as per Section 149(7) of the Companies Act, 2013, be and is hereby appointed an Independent Director of the Company, to hold office for a period of five consecutive years from the conclusion of this Meeting upto the conclusion of the Company’s Thirty Sixth Annual General Meeting in the calendar year 2019, or till such earlier date as may be determined by any applicable statute, rules, regulations or guidelines.”
7. **“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Mr. Vinay Killa (DIN: 00060906), Director of the Company, who has filed with the Company the required declaration as per Section 149(7) of the Companies Act, 2013, be and is hereby appointed an Independent Director of the Company, to hold office for a period of five consecutive years from the conclusion of this Meeting upto the conclusion of the Company’s Thirty Sixth Annual General Meeting in the calendar year 2019, or till such earlier date as may be determined by any applicable statute, rules, regulations or guidelines.”
8. **“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Ms. Sarada Hariharan (DIN: 06914753) who has filed with the Company the required declaration as per Section 149(7) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing her candidature for the office of Director, be and is hereby appointed an Independent Director of the Company under Section 152(2) of the Companies Act, 2013,



for a period of five consecutive years from the conclusion of this Meeting upto the conclusion of the Company's Thirty Sixth Annual General Meeting in the calendar year 2019, or till such earlier date as may be determined by any applicable statute, rules, regulations or guidelines."

9. **"RESOLVED THAT** in accordance with the applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, Mr. Rohan Ghosh (DIN: 00032965), who was appointed an Additional Director of the Company by the Board of Directors at its meeting held on 19th May, 2014, pursuant to Article 57A of the Articles of Association of the Company and who holds office as a Director upto the date of this Annual General Meeting pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company."

"RESOLVED FURTHER THAT in accordance with the provisions of Sections 196, 197 and 203, read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) approval of the Company be and is hereby accorded to the appointment of Mr. Rohan Ghosh (DIN: 00032965) as Managing Director of the Company for a period of 5 (five) years with effect from May 19, 2014, on the terms and conditions including remuneration as set out in the statement annexed to the Notice convening this Meeting with liberty to the Board of Directors and the Nomination and Remuneration Committee to alter and vary the terms and conditions of the said appointment and /or remuneration as the Board or the Nomination and Remuneration Committee may deem fit and as may be acceptable to Mr. Rohan Ghosh (DIN: 00032965), subject to the same not exceeding the limits specified in Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board

Indira Biswas
General Manager - Corporate
& Company Secretary

Kolkata
19th May, 2014

Notes:

1. The relevant statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the items of Special Business is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE AT 53A, MIRZA GHALIB STREET, KOLKATA - 700016, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING.
3. The Company is registered with National Securities Depository Ltd. ('NSDL'), and Central Depository Services (India) Ltd. ('CDSL'), for dematerialization of its Equity Shares which has been allotted the ISIN INE358D01018. Link Intime India Private Limited having their office at 59C, Chowringhee Road, Kolkata - 700020 are the Registrar and Share Transfer Agents of the Company.
4. The Register of Members of the Company will remain closed from 10th September, 2014 to 17th September, 2014, both days inclusive, for determining the names of Members eligible for dividend on Equity Shares if declared at the Meeting.
5. The dividend on Equity Shares, if declared at the Meeting, will be credited/dispatched on 13th October, 2014 to those members whose names appear on the Register of Members of the Company as on the Book Closure dates. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Only the bank particulars registered against their respective depository accounts will be used by the Company for



payment of dividend. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/Company's Registrar and Transfer Agent, Link Intime India Private Limited.

Members holding shares in physical form are requested to notify the change of address along with the address proof, i.e., voter identity card, electric/telephone bill, driving licence or a copy of the passport or bank statement to the share department of the Registrar and Transfer Agent. For members holding shares in dematerialized form, the change of address should be notified to the respective Depository Participants.

6. Members are requested to:
 - a. notify any change in their 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, 2013, facility for making/varying/cancelling nominations is available to shareholders in respect of Equity Shares held by them. The relevant Forms can be obtained from the Company's Registrars.
 - 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.
7. 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.
8.
 - i. Pursuant to Section 205A of the Companies Act, 1956, all dividends declared and relative dividend warrants posted upto and including the Dividend for the year 1993-94 and remaining unclaimed by members have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed their dividend warrants in respect of the said period are requested to prefer their claims to the Registrar of Companies, West Bengal. In case any assistance is required, shareholders are requested to write to the Company's Registered Office.
 - ii. Pursuant to Section 205A of the Companies Act, 1956, dividends declared from the year 1994-95 upto 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 Companies Act, 1956, presently Section 125 of Companies Act, 2013.
9. The Securities and Exchange Board of India (SEBI) vide circular No. MRD/DOP/Cir-05/2009, dated 20th May, 2009, has clarified that for securities market transactions and off market/private transactions involving transfer of shares in physical form of Listed Companies, it shall be mandatory for the transferee(s) to furnish a copy of the PAN Card to the Company/Registrar and Transfer Agent for registration of such transfer of shares.
10. To support the Ministry of Corporate Affairs' "Green Initiative in Corporate Governance" for paperless compliances by companies, members are requested to register their e-mail addresses, in respect of their holdings in the securities of the Company, for service of notice/documents including Annual Report by the Company by email. Members who hold securities in electronic form are requested to register their e-mail addresses 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 - 700020. Members 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.
11. Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the items of business may be transacted through electronic voting system. The Company is providing the facility of casting votes through electronic voting systems ("e-voting") under arrangement with the Central Depository Services (India) Limited ("CDSL"), the instructions for which have been provided in the addendum to the Notice.



12. The Notice of the meeting will also available on the Company's Website <http://www.taiind.com> and on the website of Central Depository Services (India) Limited ("CDSL") at <http://www.evotingindia.co.in>.
13. Voting shall be reckoned in relation to a share holder's holding of the Paid-up Equity Share Capital of the Company as at close of business of 8th August, 2014 ("record date").
14. E-voting period will commence from 11th September, 2014 at 10:00 a.m. and end on 13th September, 2014 at 6:00 p.m. During this period shareholders holding shares either in Physical form or Dematerialised form may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder by electronic means, the shareholder shall not be allowed to change it subsequently or cast his vote by any other means.
15. Mr Tarun Chatterjee, Practising Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. His e-mail address is tchatterjeeassociates@gmail.com.
16. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
17. The Result shall be declared on or after the date of the Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website, www.taiind.com and on the website of CDSL within two (2) days of passing of the Resolutions at the AGM of the Company and communicated to BSE Limited and Calcutta Stock Exchange Association Limited, where the shares of the Company are listed.
18. Relevant details in respect of Item Nos. 3, 5, 6, 7, 8 & 9 of the Notice, pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, are given hereunder.

DETAILS OF DIRECTORS BEING REAPPOINTED / APPOINTED

(In pursuance of Clause 49 of the Listing Agreement)

Name of Director: Dasho Topgyal Dorji (DIN: 00296793)

A brief resume of Dasho Topgyal Dorji and nature of his expertise:

Dasho Topgyal Dorji, aged about 51 years, graduated from New Hampshire College, USA, with specialization in marketing. He had undergone extensive training in Norway on Ferro Alloys. In recognition of his manifold contribution to the economy, Dasho Topgyal Dorji was made the President of the Bhutan Chamber of Commerce and Industries.

Directorships & Committee Memberships of Other Companies:

In India

JAMIPOL Limited	Director
Tai Projects Private Limited	Director

In Bhutan

Bhutan Carbide and Chemicals Limited	Chairman
Bhutan Eco Ventures Private Limited	Chairman
Tashi Beverages Limited	Chairman
Bhutan Silicon Metal Private Limited	Chairman
Tashi Group of Companies	Vice Chairman
Bhutan Ferro Alloys Limited	Chairman-cum-Managing Director
SKW – Tashi Metals & Alloys Private Limited	President
Royal Insurance Corporation of Bhutan Limited	Director
Bhutan Fruit Products Private Limited	Director
Bhutan Brewery Private Limited	Director
Tashi Infocomm Limited	Director
T Bank Limited	Director



In Nepal

Rijal Tashi Industries Private Limited

Director

Shareholding

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

Relationships between Directors inter – se

Dasho Topgyal Dorji is related to Dasho Wangchuk Dorji.

Name of Director: Mr. Prem Sagar (DIN: 00040396)

A brief resume of Mr. Prem Sagar and nature of his expertise :

Mr. Prem Sagar aged about 77 years 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 of Other Companies:

Mr. Prem Sagar is not a director in any other company.

Shareholding

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

Relationships between Directors inter – se

Mr. Prem Sagar is not related to any Director or Key Managerial Personnel

Name of Director: Mr. K.N. Malhotra (DIN: 00128479)

A brief resume of Mr. K.N. Malhotra and nature of his expertise :

Mr. K.N. Malhotra aged about 72 years is a science graduate from Lucknow University and holds a postgraduate diploma in Fruit and Vegetable Technology. He has vast experience in the food and beverages industry.

Directorships & Committee Memberships of Other Companies:

In Nepal

Rijal Tashi Industries Private Limited

Director

Shareholding

Mr. K.N. Malhotra does not hold any shares in the Company.

Relationships between Directors inter - se

Mr. K.N. Malhotra is not related to any Director or Key Managerial Personnel.

Name of Director: Mr. Vinay Killa (DIN: 00060906)

A brief resume of Mr. Vinay Killa and nature of his expertise :

Mr Vinay Killa, aged 43 years is a commerce graduate and holds a post graduate diploma in Business Management with specialization in Finance. He is associated with several companies as a financial consultant and advisor. He has been on the Board of your Company since April, 2001.

Directorships & Committee Memberships of Other Companies:

Citrus Fashion Private Limited Director

Shagun Impex Private Limited Director

Utsav Promoters Private Limited Director

Inspiration Vinimay Private Limited Director

Van Info Services Private Limited Director

Ganadhipati Infraventures Private Limited Director

Shareholding

Mr. Vinay Killa holds 200 shares in the Company.



Relationships between Directors inter - se

Mr. Vinay Killa is not related to any Director or Key Managerial Personnel

Name of Director: Ms. Sarada Hariharan (DIN: 06914753)

A brief resume of Ms. Sarada Hariharan and nature of her expertise :

Ms. Sarada Hariharan aged about 40 years, is a legal professional with more than 15 years experience in the industry. Having graduated from the prestigious National Law School of India University at Bangalore in 1997, she enrolled as an Advocate with the Bar Council of West Bengal in 1998.

Apart from having been trained under several senior legal professionals in Mumbai, Bangalore and Cochin, she has worked as an Associate for the Chambers of Zia Mody (now known as AZB & Partners), a prestigious Mumbai based law firm, distinguished for its international clientele. She has her own practice as a solicitor/ Advocate on Record, Calcutta High Court.

Her core competencies and practice areas are corporate transactions and contracts, including international contracts, corporate and commercial litigation, civil litigation, real estate and other civil or civil related matters.

Directorships & Committee Memberships of Other Companies:

Ms. Sarada Hariharan is not a director in any other company

Shareholding

Ms. Sarada Hariharan does not hold any shares in the Company

Relationships between Directors inter – se

Ms. Sarada Hariharan is not related to any Director or Key Managerial Personnel

Name of Director: Mr. Rohan Ghosh (DIN: 00032965)

A brief resume of Mr. Rohan Ghosh and nature of his expertise:

Mr. Rohan Ghosh aged about 55 years started his career as a trader in a Singaporean Company as its Vice-President (Commodities), looking after the trade in the regions of Nepal, Bangladesh, Sri Lanka and the Middle East.

He has been working with this organisation for over 2 decades as Senior General Manager and thereafter President.

In recognition of his leadership abilities, Mr. Ghosh had been entrusted with the oversight of the entire operations of Tai Industries Limited. He has been instrumental in spearheading the Company's diversification into the areas of sale of industrial minerals and retail. In fact, 'C3 The Marketplace', the large format superstore is the brainchild of Mr. Rohan Ghosh.

Mr. Rohan Ghosh was educated at the prestigious St Pauls' School, Darjeeling and has graduated from Presidency College, Kolkata. Mr. Rohan Ghosh is an avid sports enthusiast.

Directorships & Committee Memberships of Other Companies:

In India

JAMIPOL Limited Director

Ronan Services Private Limited Director

In Bhutan

SKW – Tashi Metals & Alloys Private Limited Director

Shareholding

Mr. Rohan Ghosh does not hold any shares in the Company.

Relationships between Directors inter - se

Mr. Rohan Ghosh is not related to any Director or Key Managerial Personnel

By Order of the Board

Indira Biswas
General Manager - Corporate
& Company Secretary

Kolkata
19th May, 2014



STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item Numbers 5, 6 and 7

Mr. Prem Sagar, Mr. K.N. Malhotra and Mr. Vinay Killa are existing Independent Directors of the Company under Clause 49 of the Listing Agreement.

Section 149 of the Companies Act, 2013, *inter alia*, stipulates the criteria of independence, should a company propose to appoint an Independent Director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received declarations from Mr. Prem Sagar, Mr. K.N. Malhotra and Mr. Vinay Killa under Section 149(7) of the Act that they meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement and in the opinion of the Board, Mr. Prem Sagar, Mr. K.N. Malhotra and Mr. Vinay Killa fulfill the conditions specified in the Act for being appointed as Independent Directors.

Brief resumés of Mr. Prem Sagar, Mr. K.N. Malhotra and Mr. Vinay Killa, nature of their expertise in specific functional areas and names of companies in which they hold directorships and their shareholding in the Company and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, have been provided in the Notice.

In view of the above position, shareholder approval is sought, through Ordinary Resolutions, to formally appoint them as Independent Directors as per Section 149(10) of the Act for a period of five years from the conclusion of this Meeting upto the conclusion of the Company's Thirty Sixth Annual General Meeting in the calendar year 2019, or till such earlier date as may be determined by any applicable statute, rules, regulations or guidelines.

The Board is of the opinion that it would be in the interest of the Company to appoint Mr. Prem Sagar, Mr. K.N. Malhotra and Mr. Vinay Killa as Independent Directors and the Board recommends the Resolutions to the shareholders for acceptance.

Copies of the draft letters of appointment of Mr. Prem Sagar, Mr. K.N. Malhotra and Mr. Vinay Killa as Independent Directors, setting out the terms and conditions, are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Prem Sagar, Mr. K.N. Malhotra and Mr. Vinay Killa should be deemed concerned or interested in the particular Resolutions seeking to appoint each of them as Independent Directors. No other Director or Key Managerial Personnel or their relatives has any concern or interest in the Resolutions.

Item Number 8

The second proviso to Section 149(1) of the Companies Act, 2013 mandates every listed company to have at least one woman director.

Your Company has received a notice in writing from a member together with a deposit of rupees one lakh in terms of Section 160 of the Companies Act, 2013, signifying his intention to propose the appointment of Ms. Sarada Hariharan as Director of your Company.

The Company has also received a declaration from Ms. Sarada Hariharan under Section 149(7) of the Act that she meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement and in the opinion of the Board, Ms. Sarada Hariharan fulfils the conditions specified in the Act for being appointed as Independent Director.

Brief resumé of Ms. Sarada Hariharan, nature of her expertise in specific functional areas and other particulars as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges have been provided in the Notice. The Board considers that the appointment of Ms. Hariharan will be highly beneficial to the Company and accordingly recommends the acceptance of the Resolution as set out in item 8 of the convening Notice.

No Director or Key Managerial Personnel or their relatives is concerned or interested in the said Resolution.

Item Number 9

The Board of Directors of your Company appointed Mr. Rohan Ghosh as Additional Director and, thereafter, Managing



Director of the Company with effect from 19th May, 2014, at its Meeting held on that date, for a period of 5 (five) years at a remuneration recommended by the Nomination and Remuneration Committee and approved by the Board. It is proposed to seek the Members' approval for the appointment and remuneration payable to Mr. Rohan Ghosh as Managing Director.

Broad particulars of the terms of appointment and remuneration payable to Mr. Ghosh are given hereunder:

- Salary and allowances: Rs: 17,85,616/- per annum.
- Perquisites, which shall include fully furnished and maintained Company owned/leased residential accommodation and other benefits such as electricity and cooking gas, annual maintenance contract for all electrical and electronic equipments and gadgets, use of Company's car and chauffeur, reimbursement of actual cost of petrol, club fees and other benefits such as medical insurance for self and family, entertainment expenses, etc. For the purpose of calculating the ceiling of remuneration, perquisites and allowances shall be evaluated as per the Income Tax Rules wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost incurred by the Company in providing such perquisites and allowances.

The Company's contribution to provident fund, superannuation or annuity fund, to the extent these singly or together are not taxable under the Income Tax law, gratuity payable and encashment of leave, as per the rules of the Company and to the extent not taxable under the Income Tax law, shall not be included for the purpose of computation of the overall ceiling of remuneration.

Reimbursement of Expenses:

Expenses incurred for travelling, board and lodging including for respective spouse and attendant(s) during business trips, any medical assistance provided including for family members and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.

General:

- (i) The Managing Director shall perform his respective duties as such with regard to all work of the Company and shall manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and shall conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.
- (ii) The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- (iii) The Managing Director shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.

Mr. Rohan Ghosh satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for appointment. He is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

Your Company has also received a notice in writing from a member together with a deposit of rupees one lakh in terms of Section 160 of the Companies Act, 2013, signifying his intention to propose the appointment of Mr. Rohan Ghosh as Director of your Company.

Brief resumé of Mr. Ghosh, nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships amongst directors *inter-se* as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges, has been provided in the Notice.

Mr. Rohan Ghosh is interested in the resolutions set out in Item No. 9 of the Notice, which pertain to his appointment and remuneration.

Save and except the above, none of the other Directors / Key Managerial Personnel or their relatives is in any way, concerned or interested in these resolutions.

The Board recommends the Ordinary Resolutions set out in Item No. 9 of the Notice for approval by the shareholders.



Directors' Report

TO THE MEMBERS

Your Directors have pleasure in presenting their 31st Annual Report on the business and operations of your Company for the year ended 31st March, 2014.

FINANCIAL PERFORMANCE

(₹ in Lakhs)

Particulars	Year ended 31st March 2014	Year ended 31st March 2013
Turnover	5099.99	5021.70
Profit/(Loss) before Interest, Depreciation & Taxation (PBIDT)	130.51	98.31
Interest	1.69	6.02
Profit/(Loss) before Depreciation & Taxation (PBDT)	128.82	92.29
Depreciation	23.78	26.47
Profit/(Loss) Before Tax and Extraordinary items (PBTE)	105.04	65.82
Extraordinary items	—	—
Profit/(Loss) Before Tax (PBT)	105.04	65.82
Provision for Taxation / (Deferred Tax)	26.75	(2.92)
Profit/(Loss) After Tax (PAT)	78.29	68.74
Balance brought forward from previous year	1041.43	972.69
Profit available for appropriation	1119.73	1041.43
Proposed Dividend & Tax on Proposed Dividend	49.14	—
Profit carried to Balance Sheet	1070.59	1041.43

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	42,54,29,277	12,90,28,856	55,44,58,133
Previous Year	44,19,20,986	11,01,24,052	55,20,45,038
Segment Results			
Current Year	1,41,92,042	(11,40,896)	1,30,51,146
Previous Year	1,02,77,332	(4,46,129)	98,31,203



PLANS AND PROSPECTS

Fruit Product Division

The fruit product business saw a challenging year, brought about by the overall slowdown in the economy which affected the FMCG sector, with companies posting deceleration in volume growth in their financial results.

To alleviate the situation, several trade and consumer initiatives were launched during the year to reach out to a large number of consumers. Your Company's main focus, therefore, will continue to be in further consolidating the Brand's potential and market penetration into areas beyond our traditional markets and customer segments.

Industrial Division

Despite market competition coupled with the sluggish growth of the steel industry the performance of this division was good.

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

Retail Division

C3's performance grew significantly over that of last year.

Future plans and prospects lie in the direction of introducing hard liquor to boost liquor sales and gradually phase out shop in shops after profitability is achieved.

DIRECTORS' RESPONSE TO COMMENTS MADE IN THE AUDITOR'S REPORT

There were no qualifications or adverse comments by the Auditors in their Report.

DIVIDEND

Your Directors have recommended a dividend of Rs. 0.70 per share (7.0 % on an equity share of Rs. 10/- each). The payment of the aforesaid dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

CORPORATE GOVERNANCE

In compliance with the disclosures required under 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 of 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, 2014 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, 2014, 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 the 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, 2014 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, 2014, 59.91 % of the total number of shares stand dematerialised.

BOARD COMMITTEES

The terms of reference of the Audit Committee has been duly modified in accordance with the provisions of Section 177 of the Companies Act, 2013.

The Nomination and Remuneration Committee and the Stakeholders Relationship Committee have been duly constituted in accordance with the provisions of sub sections (1) to (4) of Section 178 of the Companies Act, 2013.

DIRECTORS

The Board re-designated Dasho Wangchuk Dorji, Managing Director, as a Whole Time Director of the Company on 19th May, 2014, so that he could continue as the Chairman of the Company as per Section 203 of the Companies Act, 2013.

In accordance with Article 56 of the Articles of Association of the Company and under the Companies Act, 1956, Mr. K.N. Malhotra would have been due for retirement by rotation at the forthcoming Annual General Meeting. However, the new Companies Act of 2013, which has come into force from 1st April, 2014, has excluded the independent directors from the requirement of retiring by rotation. The only Director liable to retire by rotation therefore is Dasho Topgyal Dorji. Hence Dasho Topgyal Dorji shall retire by rotation at the forthcoming Annual General Meeting.

The Board confirms that it has the required number of Independent Directors as envisaged under Section 149(4) of the Companies Act, 2013 ("the Act"). Mr. Prem Sagar, Mr. K.N. Malhotra and Mr. Vinay Killa, who constitute the Independent Directors have filed the requisite declarations with the Company as per Section 149(7) of the Act to the effect that they are qualified as Independent Directors within the meaning of Section 149(6) of the Act. Appropriate Resolutions are being proposed at the forthcoming Annual General Meeting to appoint them for a five year term as contemplated under Section 149(10) of the Act.

The Board appointed Mr. Rohan Ghosh as Managing Director of the Company on 19th May, 2014, based upon the recommendations of the Nomination and Remuneration Committee. Mr. Rohan Ghosh has been with the Company for more than two decades and had been overseeing the entire operations of the Company as its President. Your consent is being sought for the appointment and remuneration of Mr. Rohan Ghosh as the Managing Director at the forthcoming Annual General Meeting for an initial period of five years.

In terms of Section 149(1) of the Companies Act, 2013, every listed company is required to have one woman director on its Board. The Board of Directors, upon recommendations received from the Nomination and Remuneration Committee, is proposing the appointment of Ms. Sarada Hariharan as an Independent Director at the forthcoming Annual General Meeting. Ms. Sarada Hariharan is a legal professional with more than a decade's experience in the industry. She has filed the requisite declarations with the Company to the effect that she qualifies as an Independent Director under the Act as well as the Listing Agreement. The Board considers that the appointment will be highly beneficial for the Company. Your consent is being sought for the said appointment at the forthcoming Annual General Meeting of the Company.

E-VOTING FACILITY

In terms of Clause 35B of the Listing Agreement, the shareholders shall be provided e-voting facility in respect of all shareholders' resolutions to be passed at the forthcoming Thirty First Annual General Meeting of the Company, in accordance with the Companies (Management and Administration) Rules, 2014.

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.****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.

Technology Absorption

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

Foreign exchange earnings and outgo

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

AUDITORS

M/s. Ray & Ray, Chartered Accountants, Auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting and, being eligible, offer themselves for re – appointment from the conclusion of the Thirty First Annual General Meeting till the conclusion of the Thirty Second Annual General Meeting, as per the provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

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: 19th May, 2014

VINAY KILLA **WANGCHUK DORJI**
Director *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 is of enormous significance for India's development owing to the vital linkages and synergies it promotes between industry and agriculture. It constitutes a share of around 9 – 10% of GDP and is currently growing at more than 10% per annum.

The fruit and vegetable processing in India is divided almost equally between the organised and unorganised sector. While juices, pulps and concentrates are largely manufactured by the organised sector, the unorganised sector's foothold is in the traditional areas of processed items such as pickles, sauces and squashes. Most units engaged in the above are currently export oriented. Domestic consumption of processed fruits and vegetable products is low, indicating a potential for growth through increased penetration of the domestic market.

Calcium Carbide, Charcoal, Ferro Silicon and Anthracite coal

Calcium Carbide, Charcoal, Ferro Silicon and Anthracite coal constitute raw materials to various industries, particularly the iron and steel industry. The rate of growth in the manufacturing sector has declined. Our Finance Minister, while talking about the state of the economy in his interim budget speech, said "Manufacturing is the Achilles heel of the Indian economy". There has been an alarming deceleration in investment in the manufacturing sector. Companies have shrunk their expansion plans. Although domestic demand for steel is weak, some companies are increasing exports to gain from the weak rupee.

The performance of our metals and minerals trading division is linked to the growth of the manufacturing sector.

Retail

India's retail industry is aggressively expanding itself with a noticeable shift towards organized retailing formats.

Favourable demographics, increased urbanization, nuclear families, purchasing power of consumers, preference for branded products and higher aspirations are the key drivers of retail consumption in the country.

(b) Opportunities and threats**Food Processing**

Large material base, rising income levels and changing consumption patterns coupled with favourable demographic profile and changing lifestyles have opened up a plethora of opportunities for players in this sector.

However, proliferation of competition and the pro activeness of the competitors in product development, from both branded competitors and low cost local players are major threats to the Company. Branded players are aggressively marketing their range, offering good retail schemes coupled with attractive packaging as well as innovative, consumer friendly packs. Unbranded players are taking advantage of compromise in quality benchmarks as well as barest of logistic costs factoring in local manufacturing. DRUK continues to be at a disadvantage in fighting both ends of the competition.

Calcium Carbide, Charcoal, Ferro Silicon and Anthracite coal

There has been a decline in the demands for Calcium Carbide and Anthracite coal. Demand for Ferro silicon has been steady and there had been an increased demand for Charcoal.



Threats are in the form of suppliers increasing their prices by withholding material, passing off of inferior material in the name of "DRUK" brand, fluctuating supplies and cheaper Chinese supplies of Calcium Carbide flooding the Indian market.

Retail

Opportunities in food and grocery retail are immense.

However the challenges faced are escalating real estate prices, shortage of trained manpower, supply chain management and supervision and administrative concerns.

(c) Segment-wise or Product-wise Performance

The performance of the Fruit Product Division during the year was not satisfactory as the Company was severely challenged by seasonality of raw materials and demands, high requirement of working capital, high inventory carrying costs, high taxation and high packaging cost.

The overall performance of the industrial division was good during the year.

The performance of C3 was consistent and good during the year. Turnover increased by 19.5% over the last 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 seasonality 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 Managing Director of the Company.

(g) Financial & Operational Performances

This has been adequately stated in the Directors' Report.

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

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 during the year under review comprised a Managing Director and four Non-executive Directors. The particulars of the Directors for the year ended on 31st March, 2014 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	Managing Director	3	Yes	14	—	—
Dasho Topgyal Dorji	Non-Executive Director	1	No	14	—	—
Mr. Prem Sagar	Non-Executive Independent Director	4	Yes	0	—	—
Mr. Kanwal Nain Malhotra	Non-Executive Independent Director	4	Yes	1	—	—
Mr. Vinay Killa	Non-Executive Independent Director	1	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 29th May, 2013, 2nd August, 2013, 13th November, 2013 and 22nd January, 2014.

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 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 2013 – 2014 the Audit Committee met on 29th May, 2013, 2nd August, 2013, 13th November, 2013 and 22nd January, 2014.

Composition of the Audit Committee during the year 2013 – 2014:

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	1

Invitees: The Chief Financial Officer 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	17,31,833
Commission	—
Other benefits	—
Retiral Benefits	2,07,820
Total	19,39,653

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, 2013, for which requisite approvals were obtained from the shareholders by way of a Special Resolution at the Annual General Meeting held on 2nd September, 2013 and from the Central Government vide letter no. B81974925/2013-CL-VII dated 8th January, 2014.

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	10,000	—	10,000	-
Mr. Prem Sagar	40,000	40,000	80,000	-
Mr. Kanwal Nain Malhotra	40,000	40,000	80,000	-
Mr. Vinay Killa	10,000	10,000	20,000	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 2013 – 2014 the Share Transfer Committee met once every fortnight to attend to Share Transfer formalities.

6. SHAREHOLDERS' GRIEVANCE COMMITTEE

The Shareholder's 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 29th May, 2013, 2nd August, 2013, 13th November, 2013 and 22nd January, 2014.

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, 2014.

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
29th August, 2011	Kalakunj, 48, Shakespeare Sarani, Kolkata – 700017.	10.00 A M
27th August, 2012	Same as above	10.00 A M
2nd September, 2013	Same as above	10.00 A M

No Special Resolution was passed at the Annual General Meeting held on 29th August, 2011. No Special Resolution was passed at the Annual General Meeting held on 27th August, 2012. 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 2nd September, 2013.

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



8. DISCLOSURES

- a) Materially significant related party transactions: The Company has not entered into any transactions of material nature with its Promoters, Directors, the management 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 on Accounts for the year ended 31st March, 2014.
- b) No penalties/strictures were imposed on the Company by any regulatory authority for non-compliance of any laws or any matter relating to capital markets during the last three years.
- c) The Company has complied with all the mandatory requirements of Sub-clauses I to VII of this Clause. The Company continues in its efforts on improvement, consolidation and documentation of methods of internal control for financial reporting and its effectiveness.

9. MEANS OF COMMUNICATION

- a) In compliance with Clause 41 of the Listing Agreement the Company regularly intimates unaudited half yearly and quarterly results as well as the audited annual results to the Stock Exchanges after they are taken on record by the Board of Directors. In addition, the same are also filed on 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/ Ek Din.
- 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 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:
Wednesday, the 17th day of September, 2014 at Kalakunj, 48, Shakespeare Sarani, Kolkata – 700017 at 10.00 a.m.
- b) Financial Year : 1st April to 31st March.
- c) Book closure Period: 10th September, 2014 to 17th September, both days inclusive.
- d) Dividend payment date: The dividend on Equity Shares, if declared at the Meeting, will be credited/dispatched on 13th October, 2014 to those members whose names appear on the Register of Members of the Company as on the Book Closure dates.
- 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, 2014.

Demat Code No. allotted by NSDL & CDSL:

INE358D01018



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

Year 2013 – 2014	Stock Price (₹) Bombay Stock Exchange Limited		Sensex	
	High	Low	High	Low
April, 2013	10.29	9.80	19622.68	18144.22
May, 2013	9.78	9.78	20443.62	19451.26
June, 2013	10.26	9.75	19860.19	18467.16
July, 2013	10.00	8.75	20351.06	19126.82
August, 2013	9.97	9.00	19569.20	17448.71
September, 2013	16.00	10.25	20739.69	18166.17
October, 2013	16.90	13.35	21205.44	19264.72
November, 2013	14.07	13.37	21321.53	20137.67
December, 2013	12.83	8.68	21483.74	20568.70
January, 2014	9.50	8.00	21409.66	20343.78
February, 2014	9.39	7.85	21140.51	19963.12
March, 2014	9.60	8.00	22467.21	20920.98

g) Share Transfer System:

Share transfers are registered within a maximum period of 15 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 - 700020 acts as the Registrars for Physical as well as Demat segment.

i) Dematerialisation of shares & liquidity:

The shares of the Company are compulsorily traded in dematerialised form for all shareholders. As on 31st March, 2014, 59.91% 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, 2014:**

Equity shares held	No. of Shareholders	Percentage to Total	No. of Equity shares held	Percentage to Total
1 – 500	9875	95.98	921592	15.36
501 – 1000	216	2.10	181482	3.03
1001 – 2000	84	0.81	130260	2.17
2001 – 3000	43	0.42	106162	1.77
3001 – 4000	14	0.14	49715	0.83
4001 – 5000	19	0.18	90804	1.51
5001 – 10000	20	0.19	143346	2.39
10000 and above	34	0.33	4376639	72.94
Total	10305	100.00	6000000	100.00

**(B) Shareholding Pattern as on 31st March, 2014:**

	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) FIs	—	—
	Sub-Total	200	0.003
	2. Others		
	a) Private Corporate Bodies	2494540	41.576
	b) Individuals	1985259	33.088
	c) NRIs/OCBs	304001	5.067
	Sub-Total	4783800	79.731
	Total (B)	4784000	79.733
	Grand Total (A+B)	6000000	100.00

I) 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
e-mail id: kolkata@linkintime.co.in

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
e-mail id: ibiswas@taiind.com
Signatures to Annexures A & B

For and on behalf of the Board

VINAY KILLA
Director

WANGCHUK DORJI
Managing Director

Place: Kolkata
Date: 19th May, 2014



**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, 2014.

Date: 19th May, 2014

Wangchuk Dorji
Chief Executive Officer



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

The Members,

Tai Industries Limited

We have examined the compliance of Corporate Governance by TAI INDUSTRIES LIMITED ("Company") for the year ended 31st March, 2014 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 Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements 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.

For and on behalf of
RAY & RAY
Chartered Accountants
Firm Registration No. 301072E

AMITAVA CHOWDHURY
Partner
Membership No. 056060

Place : Kolkata

Dated : 19th May, 2014



Independent Auditor's Report

TO THE MEMBERS OF TAI INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **TAI INDUSTRIES LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other notes to financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and 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, 2014;
- b. in the case of the Statement of Profit and 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of 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 Order.

2. As required by section 227(3) of the Act, we report that:
- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. 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;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act read with the General Circular 15/ 2013 dated 13 September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.;
 - e. on the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
 - f. the Central Government has neither issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid. However, no cess is due and payable by the Company.

For and on behalf of
RAY & RAY
Chartered Accountants
Firm Registration No. 301072E

AMITAVA CHOWDHURY

Partner

Membership No. 056060

Place : Kolkata

Dated : 19th May, 2014



Annexure to Auditor's Report

[Referred to in paragraph 1 of our Report of even date to the Members of TAI INDUSTRIES LIMITED on the financial statements for the year ended 31st March, 2014]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noted on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern assumption of the Company.
- (ii) (a) As explained to us, the inventories were physically verified by the Management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) (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, clauses (iii)(b) to (iii)(d) of 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, clauses (iii)(e) to (iii)(g) of paragraph 4 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there are generally adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and the sale of goods and services, except in respect of timely reconciliation of debtors' balances, which is being strengthened by the Company. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- (v) (a) According to the information and explanations given to us and on the basis of checking of books of account of the Company, we are of the opinion that the Company had not entered into any contracts or arrangements, particulars of which are required to be entered in the Register required to be maintained in pursuance to Section 301 of 'the Act'.
- (b) In view of our comments in paragraph (v) (a) above, in our opinion, requirements of clause (v) (b) of paragraph 4 of the aforesaid Order are not applicable to the Company for the current year.
- (vi) The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA or any other relevant provisions of the Act and the rules framed there under.
- (vii) In respect of the internal audit functions carried out during the year by firms of Chartered Accountants, appointed by the Company, the coverage of which, in our opinion, requires to be further widened through inclusion of certain additional areas based on risk assessment so as to be commensurate with the size of the Company and nature of its business.



- (viii) 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.
- (ix) According to the information and explanations given to us and the records of the Company examined by us in respect of statutory dues:
- (a) The Company has been regular in depositing during the year the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, VAT, Sales Tax, Agricultural Tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues which have not been deposited as on 31st March, 2014 on account of disputes.
- (x) The Company has no accumulated loss as at 31st March, 2014 and it has not incurred any cash loss in the financial year ended on that date or in the immediately preceding financial year.
- (xi) According to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of dues to a bank or financial institution. The Company has not issued any debenture.
- (xii) According to the information and explanations given to us and the records of the Company examined by us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debenture and other securities.
- (xiii) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
- (xiv) In our opinion the Company is not a dealer or trader in shares, securities, debentures and other investments.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion and according to the information and explanations given to us, term loan was applied for the purpose for which it is obtained.
- (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, we report that funds raised on short-term basis have not been used during the year for long-term investments.
- (xviii) The Company has not made any preferential allotment of shares to any party or company covered in the register maintained under section 301 of the Act during the year.
- (xix) The Company has not issued any debenture.
- (xx) The Company has not raised any money during the year by way of public issue.
- (xxi) 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 Registration No. 301072E

AMITAVA CHOWDHURY
 Partner
 Membership No. 056060

Place : Kolkata
 Dated : 19th May, 2014

**Balance Sheet as at 31st March, 2014**

Particulars	Note No.	As at	
		31st March 2014 (₹)	31st March 2013 (₹)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	60,000,000	60,000,000
Reserves and Surplus	2	111,532,967	108,617,854
Total Shareholders' funds		171,532,967	168,617,854
Non-Current Liabilities			
Long-term borrowings	3	-	91,770
Other Long term liabilities	4	5,823,500	5,525,500
Long-term provisions	5	13,087,491	16,869,384
Total Non-current liabilities		18,910,991	22,486,654
Current Liabilities			
Trade payables [Refer Note No. 24.3]		262,482,046	263,808,783
Other current liabilities	6	56,551,291	56,031,605
Short-term provisions	7	6,735,055	2,548,698
Total current liabilities		325,768,392	322,389,086
TOTAL		516,212,350	513,493,594
ASSETS			
Non-Current Assets			
Fixed Assets			
(i) Tangible Assets	8		
Gross Block		67,850,472	67,975,662
Less : Depreciation		56,040,441	54,464,319
Net Block		11,810,031	13,511,343
(ii) Intangible Assets			
Gross Block		2,831,181	3,331,181
Less : Depreciation		2,291,069	2,597,803
Net Block		540,112	733,378
Total Net Block		12,350,143	14,244,721
Non-Current Investments	9	8,661,291	8,660,020
Deferred tax assets (net)	10	99,866	1,301,976
Long-term loans and advances	11	128,800,334	79,503,470
Total Other Non-current assets		137,561,491	89,465,466
Total Non-Current assets		149,911,634	103,710,187
Current Assets			
Inventories	12	23,722,500	27,593,992
Trade receivables	13	264,058,392	251,354,646
Cash and Bank Balances	14	18,634,208	19,904,904
Short-term loans and advances	15	59,885,616	110,929,865
Total Current Assets		366,300,716	409,783,407
TOTAL		516,212,350	513,493,594

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 : 19th May, 2014

INDIRA BISWASGeneral Manager-Corporate
& Company Secretary**MOU MUKHERJEE**

Chief Financial Officer

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, 2014

Particulars	Refer Note No.	Figures for the Current Reporting Year		Figures for the Previous Reporting Year
		(₹)	(₹)	(₹)
Revenue from operations	16	509,999,016		502,170,109
Other income	17	44,459,117		49,874,929
Total Revenue		554,458,133		552,045,038
Expenses:				
Purchases of Stock-in-Trade	18	419,621,461		412,039,415
Changes in inventories and Stock-in-Trade	19	3,871,492		4,658,720
Employee benefits expense	20	28,836,420		30,511,355
Finance costs	21	168,951		601,818
Depreciation and amortization expense				
Tangible assets		2,184,588		2,554,932
Intangible assets		193,266		92,377
			2,377,854	
Other expenses	22	89,077,615		95,004,345
Total expenses		543,953,793		545,462,962
Profit / (Loss) before tax		10,504,340		6,582,076
Tax expense:				
(1) Current tax		550,000		-
(2) Deferred tax		1,202,110		(292,435)
(3) Income Tax paid for earlier years		923,327		-
Profit / (Loss) for the year after tax		7,828,903		6,874,511
Earnings per equity share:				
Basic & Diluted (Note 24.10)		1.30		1.15
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 : 19th May, 2014

INDIRA BISWAS

General Manager-Corporate
& Company Secretary

MOU MUKHERJEE

Chief Financial Officer

For and on behalf of the Board

WANGCHUK DORJI

Managing Director

VINAY KILLA

Director

**Cash Flow Statement for the year ended 31 March, 2014**

	Year ended 31st March, 2014 (₹)	Year ended 31 March, 2013 (₹)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	10,504,340	6,582,076
Adjustments for :		
Depreciation	2,377,854	2,647,309
Interest Income	(870,991)	(1,681,874)
Dividend Income	(7,658,483)	(11,910,505)
Provision for Gratuity	531,102	1,007,834
Provision For Leave Encashment	848,017	1,938,372
Provision for LTA	1,000,836	1,073,882
Loss / adjustment on Sale of Fixed Assets	29,983	48,245
Finance Cost	168,951	601,818
Provision for diminution in value of Investments	(1,271)	18,853
Operating Profit before Working Capital changes	6,930,338	326,010
Adjustment for changes in Working Capital :		
(Increase)\Decrease in Trade and other Receivables	(11,579,688)	(30,714,702)
(Increase)\Decrease in Inventories	3,871,492	4,658,720
Increase\Decrease in Trade payables and other payables	(4,216,556)	4,543,980
Cash Generated from Operating Activities	(4,994,414)	(21,185,992)
Taxes paid	(300,000)	(100,000)
Leave Encashment Paid	(1,762,319)	(1,108,808)
Gratuity Paid	(522,690)	(236,496)
LTA paid	(1,195,844)	-
Net Cash from Operating Activities (A)	(8,775,267)	(22,631,296)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(545,059)	(1,217,401)
Sale of Fixed Assets	31,800	19,298
Interest Received	870,991	1,681,874
Dividend Received	7,658,483	11,910,505
Net Cash from Investing Activities (B)	8,016,215	12,394,276



Cash Flow Statement for the year ended 31 March, 2014 (Contd.)

	Year ended 31st March, 2014 (₹)	Year ended 31 March, 2013 (₹)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Term loan	(342,693)	(306,763)
Interest paid	(168,951)	(601,818)
Net Cash used in Financing Activities (C)	(511,644)	(908,581)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(1,270,696)	(11,145,601)
Opening Balance of Cash and Cash Equivalents	19,904,904	31,050,505
Closing Balance of Cash and Cash Equivalents	18,634,208	19,904,904

Notes :

1. The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at 31st March, 2014 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 : 19th May, 2014

INDIRA BISWAS

General Manager-Corporate
& Company Secretary

MOU MUKHERJEE

Chief Financial Officer

For and on behalf of the Board

WANGCHUK DORJI

Managing Director

VINAY KILLA

Director

**Notes to Balance Sheet**

	As at 31st March 2014		As at 31st March 2013	
	Number	(₹)	Number	(₹)
Note 1				
Share Capital				
Authorised				
Equity Shares of Rs.10/- each	7,500,000	75,000,000	7,500,000	75,000,000
Issued, Subscribed & Paid up				
Equity Shares of Rs.10/- each fully paid-up	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 2014		As at 31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
LATE DASHO UGEN DORJI	1,216,000	20.267	1,216,000	20.267
MAVI INVESTMENT FUND LTD.	-	-	600,000	10.000
IPRO FUNDS LTD.	-	-	599,900	9.998



	Year ended 31st March, 2014 (₹)	Year ended 31 March, 2013 (₹)
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 Reserve		
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	104,143,965	97,269,454
Net Profit/(Net Loss) For the current year	7,828,903	6,874,511
Less : Appropriations		
Proposed Dividend	4,200,000	-
Tax on Proposed Dividend	713,790	-
Total Appropriations	4,913,790	-
Closing Balance	107,059,078	104,143,965
Total	<u>111,532,967</u>	<u>108,617,854</u>

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	-	91,770
Total	-	<u>91,770</u>

Note 4**OTHER LONG TERM LIABILITIES**

Security deposit received	5,823,500	5,525,500
Total	<u>5,823,500</u>	<u>5,525,500</u>



	Year ended 31st March, 2014 (₹)	Year ended 31 March, 2013 (₹)
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Note 5**LONG TERM PROVISIONS**

(a) Provision for employee benefits		
Gratuity (unfunded) (Note 24.4)	3,612,899	3,612,838
Leave Encashment (unfunded) (Note 24.4)	2,310,921	2,684,447
(b) Other Provisions :		
Provision for Income tax & fringe benefit tax	7,163,671	10,572,099
Total	<u>13,087,491</u>	<u>16,869,384</u>

Note 6**OTHER CURRENT LIABILITIES**

Car loan from ICICI Bank (repayable within 12 months of the reporting date) secured against hypothecation of car	91,768	342,691
Salary payable	1,300,420	156,102
Statutory dues	2,330,936	1,876,432
Liabilities for Stale Cheque	19,985	27,000
Other liability	1,132,735	343,062
Security deposit received	2,700,000	2,098,000
Advance from Customer	1,998,602	1,844,645
Advance from others	46,976,845	47,711,493
Bank overdraft	-	1,632,180
Total	<u>56,551,291</u>	<u>56,031,605</u>

Note 7**SHORT TERM PROVISIONS****(a) Provision for employee benefits**

Gratuity (unfunded)(Note 24.4)	123,088	114,737
Leave Encashment (unfunded)(Note 24.4)	57,711	54,192
Leave Encashment for Continuing Employees	761,592	1,305,887
Provision for LTA	878,874	1,073,882

(b) Other Provisions

Proposed Dividend	4,200,000	-
Tax on Proposed Dividend	713,790	-
Total	<u>6,735,055</u>	<u>2,548,698</u>

SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2014

Note : 8

FIXED ASSETS :

Fixed Assets	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at 01.04.2013 (₹)	Additions (₹)	Disposals (₹)	Balance as at 31.03.2014 (₹)	Balance as at 01.04.2013 (₹)	Depreciation charge for the year (₹)	Adjustments (₹)	Balance as at 31.03.2014 (₹)	Balance as at 31.03.2014 (₹)	Balance as at 31.03.2013 (₹)
(a) Tangible Assets										
Building	2,896,312	–	–	2,896,312	1,816,837	64,661	–	1,881,498	1,014,814	1,079,475
Furniture & Fixture	17,512,662	–	–	17,512,662	14,462,104	543,822	–	15,005,926	2,506,736	3,050,558
Office Equipment	5,628,210	214,659	86,175	5,756,694	3,786,074	277,567	53,596	4,010,045	1,746,649	1,842,136
Electrical Equipment	2,491,002	–	–	2,491,002	1,843,184	89,915	–	1,933,099	557,903	647,818
Motor Vehicle	3,070,249	–	584,074	2,486,175	1,789,461	323,866	554,870	1,558,457	927,718	1,280,788
Computer	21,064,720	308,645	–	21,373,365	19,733,687	288,379	–	20,022,066	1,351,299	1,331,033
Plant & Machinery	15,312,507	21,755	–	15,334,262	11,032,972	596,378	–	11,629,350	3,704,912	4,279,535
Total	67,975,662	545,059	670,249	67,850,472	54,464,319	2,184,588	608,466	56,040,441	11,810,031	13,511,343
(b) Intangible Assets										
Software Charges	3,331,181	–	500,000	2,831,181	2,597,803	193,266	500,000	2,291,069	540,112	733,378
Total	71,306,843	545,059	1,170,249	70,681,653	57,062,122	2,377,854	1,108,466	58,331,510	12,350,143	14,244,721
Previous Year	74,165,651	1,217,401	4,076,209	71,306,843	58,423,479	2,647,309	4,008,665	57,062,123	14,244,721	–





Particulars	No. of Shares Units	Face Value	As at 31st March, 2014 Cost (₹)	As at 31st March, 2013 Cost (₹)
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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			438,873	438,873

Less : Aggregate provision for dimunition
in value of investments

			17,582	18,853
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TOTAL(A)			421,291	420,020
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Equity shares fully paid (Unquoted)

Jamipol Limited	800,000	10	8,000,000	8,000,000
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TOTAL (B)			8,000,000	8,000,000
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Others Fully Paid (Quoted)

UTI Equity Fund	10,000	10	100,000	100,000
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SBI Magnum Multiplier Plus 1993	10,000	10	100,000	100,000
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Morgan Stanley Mutual Fund - Growth Plan	4,000	10	40,000	40,000
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TOTAL (C)			240,000	240,000
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GRAND TOTAL[(A)+(B)+(C)]			8,661,291	8,660,020
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2. Aggregate Book Value

of quoted Investments			678,873	678,873
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of unquoted Investments			8,000,000	8,000,000
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Total			8,678,873	8,678,873
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Aggregate amount of quoted investments (Market value)			9,369,019	6,797,027
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Aggregate provision for dimunition in value of investments			17,582	18,853
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	As at 31st March, 2014 (₹)	As at 31 March, 2013 (₹)
NOTE 10		
DEFERRED TAX ASSET (NET)		
Liabilities :		
Depreciation	–	–
Provision for Gratuity & Leave Encashment	279,920	–
Total Liabilities - (A)	279,920	–
Assets		
Depreciation	379,786	391,598
Provision for Gratuity & Leave Encashment	–	910,378
Total Assets - (B)	379,786	1,301,976
Net Deferred Tax Liability / (Asset) [(A)-(B)]	(99,866)	(1,301,976)

NOTE 11**LONG TERM LOANS AND ADVANCES****a. Security Deposits (Unsecured)**

Considered good	4,549,240	5,039,681
Considered Doubtful	2,874,900	2,394,900
Less: Provision for doubtful deposits	2,874,900	2,394,900
	4,549,240	5,039,681

b. Loans and advances to related parties (Unsecured)

Considered good	74,525,306	74,354,293
	74,525,306	74,354,293

c. Other loans and advances

Loans and Advances to Others(Unsecured)(Considered good)	49,653,202	42,234
Interest accrued but not received (Unsecured)(Considered good)	72,586	67,262
	49,725,788	109,496
Total	128,800,334	79,503,470

NOTE 12**INVENTORIES**

a. Stock-in-trade	23,397,246	27,593,992
b. Goods in transit	325,254	–
Total	23,722,500	27,593,992



	As at 31st March, 2014 (₹)	As at 31 March, 2013 (₹)
NOTE 13		
TRADE RECEIVABLES		
Unsecured considered good (Outstanding for a period more than six months)	31,304,372	76,373,568
Unsecured considered good (Outstanding for a period less than six months)	232,754,020	174,981,078
Total	<u>264,058,392</u>	<u>251,354,646</u>

Note 14

CASH AND BANK BALANCES

	As at 31st March, 2014 (₹)		As at 31 March, 2013 (₹)	
A. Cash and Cash Equivalents				
i) Cash in hand	1,655,200		1,806,818	
ii) Cheques in hand	147,709		-	
iii) Bank balances in current accounts	12,852,364		6,551,697	
iv) Fixed Deposits upto 3 months maturity	<u>190,359</u>	14,845,632	<u>-</u>	8,358,515
B. Other Bank Balances				
i) Fixed Deposits more than 3 months and upto 12 months maturity	1,090,915		10,508,551	
ii) Fixed Deposits more than 12 months maturity	<u>2,697,661</u>	3,788,576	<u>1,037,838</u>	11,546,389
Fixed deposit held as margin for obtaining bank guarantees Rs. 4,27,544/- (previous year -Rs. 3,15,680/-)				
		<u>18,634,208</u>		<u>19,904,904</u>

NOTE 15

SHORT-TERM LOANS AND ADVANCES

a. Loans and advances to related parties

(Unsecured) (considered good)	4,245,573	3,971,657
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b. Loans and advances to others

(Unsecured) (Considered good)	29,020,404	77,514,618
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c. Security Deposits (Note 24.12)

(Unsecured) (Considered good)	735,965	902,469
	<u>34,001,942</u>	<u>82,388,744</u>

d. Others (unsecured) (Considered good)

Advance Income Tax	11,002,368	14,870,916
TDS & TCS Receivable	4,671,815	4,745,004
Interest accrued but not received (Less than 12 months)	150,997	938,492
Prepaid Expenses	92,015	99,065
Prepaid Insurance Premium	177,769	161,590
Advance to vendors	9,788,710	7,726,054
	<u>25,883,674</u>	<u>28,541,121</u>
Total	<u>59,885,616</u>	<u>110,929,865</u>



Particulars	For the year ended 31st March, 2014 (₹)	For the year ended 31 March, 2013 (₹)
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NOTE 16**REVENUE FROM OPERATIONS****Sales :-**

Fruit Products	161,494,730	218,364,714
Calcium Carbide	48,203,615	48,615,072
Charcoal	151,741,666	99,082,861
Anthracite Coal	27,769,428	14,435,010
Others	-	19,318,172
Sale of Retail Products	120,789,577	102,354,280
Total	509,999,016	502,170,109

NOTE 17**OTHER INCOME**

Interest Income -Gross [Taxes Deducted at Sources Rs. 88,527/- (2013 - Rs. 2,61,815/-)]	870,991	1,681,874
Dividend Income	7,658,483	11,910,505
Other non-operating income (net of expenses directly attributable to such income)	35,929,643	36,282,550
Total	44,459,117	49,874,929

NOTE 18**PURCHASES OF STOCK-IN-TRADE**

Fruit Products	107,082,980	159,336,496
Calcium Carbide	42,739,433	43,135,259
Charcoal	131,765,191	76,916,960
Anthracite Coal	22,602,072	12,215,878
Others	-	18,280,158
Retail Products	104,233,975	89,831,109
Carraige Inward, Octroi Expenses and Other related expenses	11,197,810	12,323,555
Total	419,621,461	412,039,415

NOTE 19**CHANGES IN INVENTORIES AND STOCK-IN-TRADE**

Opening Stock	27,593,992	32,252,712
Less : Closing Stock	23,722,500	27,593,992
Total	3,871,492	4,658,720



Particulars	For the year ended 31st March, 2014 (₹)	For the year ended 31 March, 2013 (₹)
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NOTE 20**EMPLOYEE BENEFIT EXPENSES**

(a) Salaries and incentives	24,557,354	25,717,712
(b) Contribution to Provident Fund & other Funds	2,308,849	2,295,662
(c) Gratuity Provision (Note 24.4)	531,102	1,007,834
(d) Staff welfare expenses	1,439,115	1,490,147
Total	28,836,420	30,511,355

NOTE 21**FINANCE COSTS**

Interest expense	168,951	601,818
Total	168,951	601,818

NOTE 22**OTHER EXPENSES**

Rent	7,463,526	7,333,603
Repairs to Building	1,240,235	1,266,960
Repairs to Others	11,656,930	10,712,103
Insurance	282,696	274,312
Rates and Taxes	1,008,349	733,933
Electricity	4,480,870	3,889,721
Travelling and Conveyance	9,465,480	14,087,317
Communication Expense	2,166,583	2,274,258
Legal and Professional charges	3,656,222	2,921,539
Printing and Stationery	882,482	1,603,714
Carriage Outward	14,120,821	12,812,197
Commission on Depot Sales	1,146,390	1,205,924
Commission Paid on Ferro Silicon	5,407,489	2,863,882
Breakage and Damages	1,880,481	2,498,887
Discount	3,877,903	5,303,655
Advertisement, Publicity and Sales Promotion	5,308,341	4,456,872
Other Selling Expenses	6,687,762	6,917,334
Debts and Advances written off	1,821,635	8,674,977
Bank & Other Charges	1,221,744	1,095,228
Miscellaneous Expenses [Note 24.6]	3,116,652	2,130,160
Security Charges	1,037,393	746,173
Common expenses Stores	927,648	874,498
Director's sitting fees	190,000	260,000
Loss on sale of Fixed Assets (Net)	29,983	48,245
Provision for dimunition in value of Investments	-	18,853
Total	89,077,615	95,004,345

**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.

(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 and gratuity 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 substantially 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 2014 (₹)	As at 31 March 2013 (₹)
(i) Bank Guarantees	2,25,000	2,25,000

(ii) 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 sub-tenant, 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 Ltd, in which one of the directors of the Company is also a director, incorporated with an object of setting up of a Family Entertainment Complex (FEC) at Nonadanga in Eastern Metropolitan, Kolkata in pursuance of a decision to make investment in the said Company, which was approved by the share holders of the Company in its Annual General Meeting held on 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, 2014 are as under:

Sl. no.	Description	Amount outstanding as at 31st March, 2014 (₹)	Amount outstanding as at 31st March, 2013 (₹)
1.	The principal amount remaining unpaid to suppliers as at the end of the year	70,46,839	62,85,625
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 2013-14	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 (₹)		
	31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2014	31st March, 2013	31st March, 2012
a. Reconciliation of opening and closing balances of Defined Benefit Obligations						
Defined Benefit Obligation at the beginning of the year	37,27,575	29,56,237	26,08,172	27,38,639	22,41,566	18,31,943
Current Service Cost	4,00,407	3,31,306	2,85,883	37,187	31,484	23,043
Interest Cost	2,87,697	2,48,324	2,04,834	2,07,166	1,90,272	1,45,771
Past Service Cost	-	-	-	-	-	-
Actuarial (gain)/ loss	(1,57,002)	4,28,204	1,37,945	(1,29,031)	4,09,364	3,92,130
Benefit paid	5,22,690	2,36,496	2,80,597	4,85,329	1,34,047	1,51,321
Defined Benefit Obligation at the year end	37,35,987	37,27,575	29,56,237	23,68,632	27,38,639	22,41,566
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 as at 31st March	37,35,987	37,27,575	29,56,237	23,68,632	27,38,639	22,41,566
Net Asset/(Liability) recognized in Balance Sheet	(37,35,987)	(37,27,575)	(29,56,237)	(23,68,632)	(27,38,639)	(22,41,566)
c. Expenses recognised during the year						
Current service cost	4,00,407	3,31,306	2,85,833	37,187	31,484	23,043
Interest cost	2,87,697	2,48,324	2,04,834	2,07,166	1,90,272	1,45,771
Past Service Cost	NIL	NIL	NIL	NIL	NIL	NIL
Expected return on plan assets	NIL	NIL	NIL	NIL	NIL	NIL
Actuarial (gain)/ loss	(1,57,002)	4,28,204	1,37,945	(1,29,031)	4,09,364	3,92,130
Net cost	5,31,102	10,07,834	6,28,662	1,15,322	6,31,120	5,60,944



d. Gratuity Provision is shown separately in Note - 20 and Leave Encashment has been shown under Salaries & incentives in Note – 20

	Gratuity (₹)			Leave Encashment (₹)		
	31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2014	31st March, 2013	31st March, 2012
Actuarial assumptions						
Discount rate per annum compound	9.15%	8.30%	8.75%	9.15%	8.30%	8.75%
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)	20.83	20.94	21.86	20.83	20.87	21.80
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, 2014 (₹)	31st March, 2013 (₹)	31st March, 2012 (₹)
1. Present value of defined benefit obligation	23,68,632	27,38,639	22,41,566
2. Fair value of plan Assets	NIL	NIL	NIL
3. Status [Surplus/(Deficit)]	(23,68,632)	(27,38,639)	(22,41,566)

f. Experience History (Leave Encashment)

	31st March, 2014 (₹)	31st March, 2013 (₹)	31st March, 2012 (₹)
1. Present value of Defined Benefit Obligation	23,68,632	27,38,639	22,41,566
2. Fair Value of plan assets	NIL	NIL	NIL
3. Funded status [Surplus/ (Deficit)]	(23,68,632)	(27,38,639)	(22,41,566)
4. Experience (Gain) / Loss adjustment on plan liabilities	1,14,661	2,67,249	5,18,195
5. Experience Gain / (Loss) adjustment on plan assets	NIL	NIL	NIL
6. Experience (Gain) / Loss adjustment on plan liabilities due to change in assumption	(2,43,692)	1,42,115	(1,26,065)
Discount Rate Assumption			
Opening	8.30%	8.75%	8.30%
Closing	9.15%	8.30%	8.75%

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

	31st March, 2014 (₹)	31st March, 2013 (₹)	31st March, 2012 (₹)
1. Present value of defined benefit obligation	37,35,987	37,27,575	29,56,237
2. Fair value of plan Assets	NIL	NIL	NIL
3. Status [Surplus/(Deficit)]	(37,35,987)	(37,27,575)	(29,56,237)

**h. Experience History (Gratuity)**

	31st March, 2014 (₹)	31st March, 2013 (₹)	31st March, 2012 (₹)
1. Present value of Defined Benefit Obligation	37,35,987	37,27,575	29,56,237
2. Fair Value of plan assets	NIL	NIL	NIL
3. Funded status [Surplus/ (Deficit)]	(37,35,987)	(37,27,575)	(29,56,237)
4. Experience (Gain)/Loss adjustment on plan liabilities	1,84,212	2,60,034	2,82,705
5. Experience Gain/(Loss) adjustment on plan assets	NIL	NIL	NIL
6. Experience (Gain)/Loss adjustment on plan liabilities due to change in assumption	(3,41,214)	1,68,170	(1,44,760)
Discount rate assumption			
Opening	8.30%	8.75%	8.30%
Closing	9.15%	8.30%	8.75%

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	2013-14 (₹)	2012-13 (₹)	2011-12 (₹)
Employers' contributions to Provident Fund	12,28,796	11,93,259	10,55,662
Employers' contributions to Pension Fund	6,46,883	6,59,388	6,08,367

24.5 The Company has not obtained year-end balance confirmation certificates from sundry debtors, sundry creditors and for loans & advances and deposits. However, the Company has a system of obtaining balance confirmations more than once during the year and adjustment for difference in balances, arising out of such confirmation/reconciliation statement, is made in the accounts on receipt of final agreed balances / reconciliation statement. The management is of the opinion that the impact of adjustment, if any, on year-end balances is not likely to be significant. Furthermore, in the opinion of the management, all Trade Receivables, Advances and Deposits (both Current & Non-current) 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 -

	2013-14 (₹)	2012-13 (₹)
(a) Amount paid/payable to Auditors		
(i) Statutory Audit Fee	1,50,000	1,50,000
(ii) Tax Audit Fee	45,000	45,000
(iii) Other Certificates	1,20,000	1,15,000
(iv) Reimbursement of Expenses [(Including Service-Tax 38,934) 2012-13 - 38,316]	38,934	38,316
Total	3,53,934	3,48,316



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	23,54,315	22,99,722
2.	Later than one year and not later than five years	1,04,13,919	1,00,60,771
3.	Later than five years	4,81,327	31,88,788

Lease rent recognized in Profit & Loss A/c 25,83,953/- (Previous year – .23,00,256/-)

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)	42,54,29,277 (44,19,20,986)	12,90,28,856 (11,01,24,052)	55,44,58,133 (55,20,45,038)
Segment Results (Previous Year)	1,41,92,042 (1,02,77,332)	(11,40,896) (-4,46,129)	1,30,51,146 (98,31,203)
Depreciation, Amortizations & Finance Cost (Previous Year)			25,46,805 (32,49,127)
Net Profit Before Tax (Previous Year)			1,05,04,341 (65,82,076)
Income Tax (including Deferred Taxation and Fringe Benefit Tax) (Previous Year)			26,75,437 (2,92,435)
Net Profit / (-) Loss After Tax (Previous Year)			78,28,904 (68,74,511)



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"> ✓ Dasho Topgyal Dorji ✓ Dasho Wangchuk Dorji
Enterprise in which key Management Personnel have significant influence	<ul style="list-style-type: none"> ✓ Bhutan Fruit Products Private Limited ✓ Bhutan Carbide and Chemicals Limited ✓ Bhutan Ferro Alloys Limited ✓ Tashi Infocom Limited ✓ Tashi Commercial Corporation ✓ Tai Projects Private Limited ✓ Bhutan Eco Ventures Private Limited ✓ Bhutan Brewery Private Limited ✓ Tashi Metals Limited ✓ SKW – Tashi Metals & Alloys Private Limited ✓ T Bank Limited ✓ Tashi Beverages Limited ✓ Bhutan Silicon Metal Private Limited ✓ Bhutan Tourism Corporation Limited ✓ JAMIPOL Limited ✓ Royal Insurance Corporation of Bhutan Limited ✓ Rijal Tashi Industries Private Limited ✓ Tashi Air Private 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 31.03.2014 (₹)	For the year ended 31.03.2013 (₹)	For the year ended 31.03.2014 (₹)	For the year ended 31.03.2013 (₹)
Purchase of goods	10,71,66,621	13,60,78,949		
Sale of Goods	17,95,11,093	9,12,51,673		
Rendering of Services	9,75,250	9,75,000		
Discount Received	2,39,86,896	2,07,18,262		
Royalty Paid	2,11,833	3,59,186		
Outstanding Balance				
Due to Company	6,53,91,111	4,44,92,992		
Payables by Company	20,08,92,158	20,21,12,840		
Remunerations -				
Dasho Wangchuk Dorji			19,39,653	18,72,453
Directors' Sitting Fees -				
Dasho Topgyal Dorji			10,000	20,000



24.10 Earnings Per Share (EPS)

Particulars	2013-14 (₹)	2012-13 (₹)
Profit/(Loss) after Tax attributable to Equity Shareholders	78,28,903	68,74,511
Weighted Average number of Equity Share Outstanding	60,00,000	60,00,000
EPS – Basic & diluted	1.30	1.15

24.11 Necessary steps are being taken by the management for recovery of old debts and advances amounting to 80,58,060 & 8,83,387 respectively.

24.12 Fixed deposits include NIL (Previous year – 26,000) lodged with bank towards security deposit in favour of a party for sale.

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

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

Signatures to Notes 1 to 24

For **RAY & RAY**

Chartered Accountants

Firm's Registration No. 301072E

AMITAVA CHOWDHURY

Partner

Membership No. 056060

Place : Kolkata

Date : 19th May, 2014

INDIRA BISWAS

*General Manager-Corporate
& Company Secretary*

MOU MUKHERJEE

Chief Financial Officer

For and on behalf of the Board

WANGCHUK DORJI

Managing Director

VINAY KILLA

Director

If undelivered, please return to :

TAI INDUSTRIES LIMITED

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