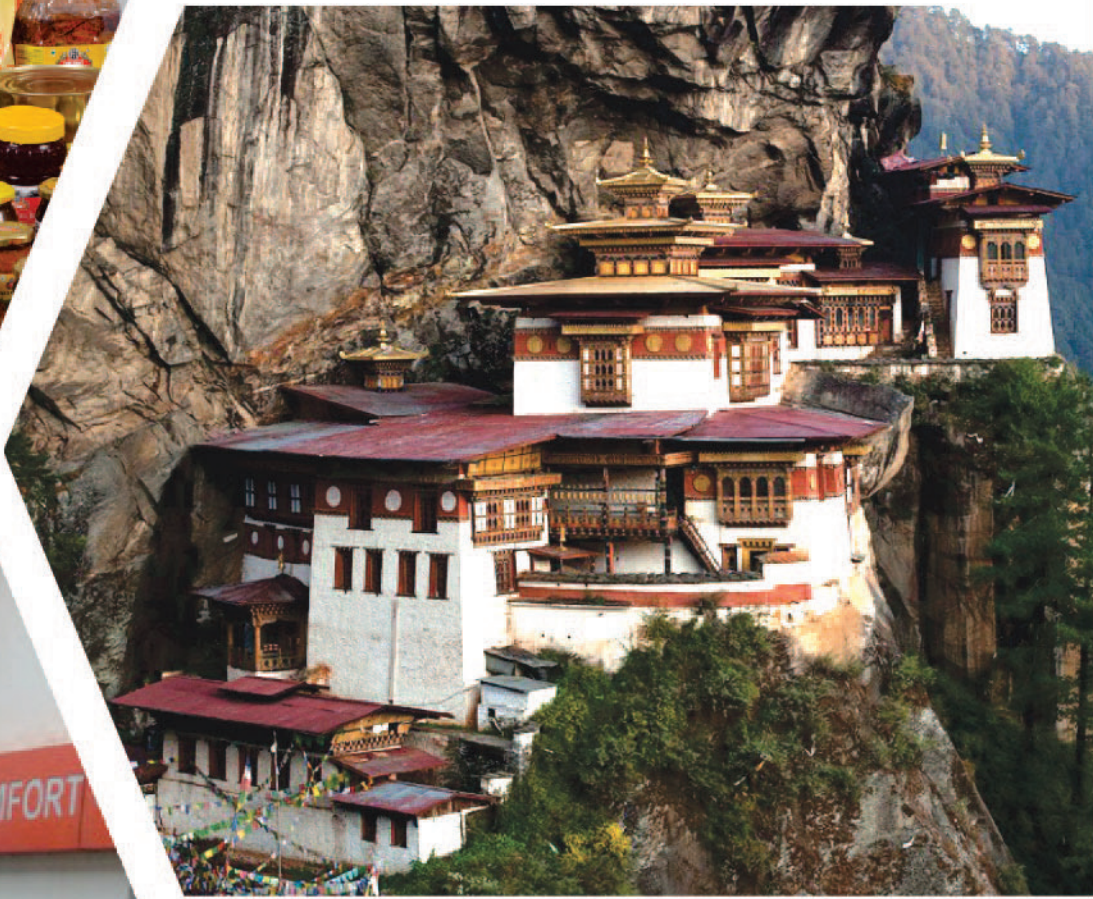


34th ANNUAL REPORT

2016 - 2017



TAI INDUSTRIES LIMITED



TAI INDUSTRIES LIMITED

CIN: L01222WB1983PLC059695

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

Ph No.: (033) 4041 6666; Fax : (033) 22497319

Email: info@taiind.com; Website: www.taiind.com

BOARD OF DIRECTORS

Dasho Wangchuk Dorji (DIN: 00296747)	<i>Chairman & Wholetime Director</i>
Mr. Rohan Ghosh (DIN: 00032965)	<i>Managing Director</i>
Dasho Topgyal Dorji (DIN: 00296793)	<i>Director</i>
Mr. Prem Sagar (DIN: 00040396)	<i>Independent Director</i>
Mr. K.N. Malhotra (DIN: 00128479)	<i>Independent Director</i>
Mr. Vinay Killa (DIN: 00060906)	<i>Independent Director</i>
Ms. Sarada Hariharan (DIN: 06914753)	<i>Independent Director</i>

AUDIT COMMITTEE

Mr. Prem Sagar (DIN: 00040396)	<i>Chairman</i>
Mr. K.N. Malhotra (DIN: 00128479)	<i>Member</i>
Mr. Vinay Killa (DIN: 00060906)	<i>Member</i>

NOMINATION AND REMUNERATION COMMITTEE

Mr. Prem Sagar (DIN: 00040396)	<i>Chairman</i>
Dasho Topgyal Dorji (DIN: 00296793)	<i>Member</i>
Mr. K.N. Malhotra (DIN: 00128479)	<i>Member</i>
Mr. Vinay Killa (DIN: 00060906)	<i>Member</i>

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Prem Sagar (DIN: 00040396)	<i>Chairman</i>
Mr. K.N. Malhotra (DIN: 00128479)	<i>Member</i>
Mr. Vinay Killa (DIN: 00060906)	<i>Member</i>

KEY MANAGERIAL PERSONNEL

Mr. Rohan Ghosh (DIN: 00032965)	<i>Managing Director</i>
Ms. Mou Mukherjee	<i>Chief Financial Officer</i>
Ms. Indira Biswas	<i>Company Secretary</i>

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited
59C, Chowringhee Road,
Kolkata - 700 020
Phone : (033) 2289 0539/2289 0540
E-mail : kolkata@linkintime.co.in

STATUTORY AUDITORS

KAMG & Associates, Chartered Accountants,
AE - 350, 1st Floor,
Sector I, Salt Lake,
Kolkata - 700 064

SECRETARIAL AUDITOR

T. Chatterjee & Associates
"Abhishek Point" 4th Floor,
152, S. P. Mukherjee Road
Kolkata - 700 020

BANKERS

HDFC Bank Limited
Yes Bank
Canara Bank
State Bank of India
United Bank of India



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Annual General Meeting on Monday, 11th September, 2017, at Kalakunj, 48 Shakespeare Sarani, Kolkata - 700 017, at 10.00 a.m. As a measure of economy, copies of the Annual Reports will not be distributed at the Annual 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

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Email: info@taiind.com; Website: www.taiind.com

NOTICE

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

NOTICE is hereby given that the Thirty Fourth Annual General Meeting of the Members of Tai Industries Limited will be held on Monday, 11th September, 2017 at 10.00 a.m., at Kalakunj, 48, Shakespeare Sarani, Kolkata - 700017, 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, 2017, the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Dasho Topgyal Dorji (DIN: 00296793), retiring by rotation and eligible for reappointment.
3. To ratify the appointment of Messers. KAMG and Associates (Reg. No. 311027E) as Statutory Auditors of the Company.

Special Business

4. To consider and if thought fit, to pass with or without modification(s) the following as a Special Resolution:

“RESOLVED THAT, pursuant to 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), the remuneration payable to Mr. Rohan Ghosh (DIN: 00032965) as Managing Director of the Company, in terms of the remuneration, including perquisites, as per the Service Contract dated 19th September, 2014, by and between the Company and Mr. Rohan Ghosh (DIN: 00032965), for the remaining period of two years of his appointment as Managing Director with effect from 20th May, 2017, with liberty to the Board of Directors and the Nomination and Remuneration Committee to alter and vary the said 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 of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof for the time being in force, be and is hereby approved.”

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits during the tenure of Mr. Rohan Ghosh (DIN: 00032965) as Managing Director, the said remuneration including perquisites shall be payable as minimum remuneration.”

“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
(ACS 9621)

*General Manager- Corporate
& Company Secretary*

Place: Kolkata

Date: 25th May, 2017

Notes:

1. The relevant statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the item 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.



A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN AGGREGATE SHARES NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.

3. 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.
4. Members/proxies/authorized representatives should:
 - i) bring their duly filled in Attendance Slips, as enclosed, for easy identification of attendance at the Annual General Meeting.
 - ii) bring their copies of the Annual Report to the Meeting.
5. The Register of Members of the Company will remain closed from 5th September, 2017 to 11th September, 2017 both days inclusive.
6. The Company is registered with National Securities Depository Limited ('NSDL'), and Central Depository Services (India) Limited ('CDSL'), for dematerialization of its Equity Shares which has been allotted the ISIN INE358D01018. Link Intime India Private Limited having their office at 59C, Chowringhee Road, Kolkata - 700 020 are the Registrar and Share Transfer Agents of the Company.
7. Members holding shares in electronic form are requested to intimate any change in their address to their Depository Participants with whom they are maintaining their demat accounts.

Members holding shares in physical form are requested to advise any change in their address to the Company/Company's Registrar and Transfer Agent, Link Intime India Private Limited. The notification of change of address should be accompanied by the address proof, i.e., voter's identity card, electric/telephone bill, driving licence or a copy of the passport or bank statement of the member.

8. Members are requested to:
 - a) update their e-mail addresses with their Depository Participants (in case of the electronic holdings) and the Company (in case of physical holdings) to enable the Company to send communications electronically.
 - 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 IDs and DP IDs;
 - c) note that as per provisions of the Companies Act, 2013, facility for making/ varying/cancelling nominations is available for shareholders in respect of Equity Shares held by them. The relevant Forms can be obtained from the Company's Registrars.
9. 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.

Pursuant to Section 205A of the Companies Act, 1956, dividends declared from the year 1994-95 upto 2001- 02 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. No dividend was declared from the year 2002-03 to 2012-13.

10. Due dates of transfer of unpaid/unclaimed dividend to IEPF are as follows:

Dividend for the financial year ended	Date of declaration of dividend	Due date for transfer to IEPF
31st March, 2014	17th September, 2014	22nd October, 2021
31st March, 2015	28th September, 2015	3rd November, 2022
31st March, 2016	26th September, 2016	1st November, 2023

11. 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/RTA for registration of such transfer of shares.
12. 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 Reports 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 his name and Folio number, to the Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited, 59C, Chowringhee Road, 3rd Floor, Kolkata - 700 020. 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.
 13. (a) In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the items of business set out in the attached Notice may be transacted also through electronic voting system as an alternative mode of voting. The Company is providing the facility of casting votes through the electronic voting system ("remote e-Voting") under an arrangement with The National Securities Depository Limited ("NSDL") as specified more fully in the instructions, provided that once the vote on a Resolution is cast, a Member shall not be allowed to change it subsequently or cast the vote again.
(b) The facility for voting through ballot paper shall also be made available at the Meeting and members attending the Meeting who have not already cast their vote by remote e-Voting shall be able to exercise their right at the Meeting.
(c) The members who have cast their vote by remote e-Voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.
 14. The Notice of the Thirty fourth Annual General Meeting and instructions for e-voting, along with the Attendance Slip and Proxy form is being sent as follows:
 - a. Electronically to those shareholders whose e-mail addresses are registered with the Company/available with the depositories; and
 - b. By courier to those shareholders whose e-mail addresses were not accessible and/or those who has expressly opted to receive a physical copy.
 15. The Notice for the Meeting and the Annual Report 2016-2017 will also be available on the Company's website at www.taiind.com and the website of The National Securities Depository Limited ("NSDL") at www.evoting.nsdl.com.
 16. Voting shall be reckoned in relation to a shareholder's holding of the Paid-up Equity Share Capital of the Company at the close of business of 4th September, 2017 ("cut off date"). Any person who acquires shares of the Company and becomes a member of the Company after despatch of the Notice and holding shares as at the close of business hours of 4th September, 2017, may obtain the Attendance Slip and Proxy form from the Registered Office of the Company.
 17. The instructions for e-Voting are given in the reverse of the Attendance Slip.
 18. Any query relating to the Resolutions and e-Voting, proposed to be passed at the ensuing Annual General Meeting (AGM) may be addressed to the Company Secretary of the Company.
 19. Voting can be exercised only by the concerned Member or his/her duly constituted attorney or, in case of bodies corporate, its duly authorised person. A Member need not use all of his/her votes.
 20. Members who do not have access to the e-Voting facility will be entitled to vote at the AGM as per the extant law.
 21. The Company has appointed Mr. Tarun Chatterjee (ICSI CP Registration No. 17195), Practising Company Secretary, as a Scrutinizer for conducting the entire voting process (including remote e-Voting) in a fair and transparent manner.
 22. The Scrutinizer shall, immediately after the conclusion of the Meeting, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-Voting in the presence of at least two witnesses not in the employment of the Company and, not later than 48 hours from the conclusion of the Meeting, submit a Consolidated Report on the voting pattern, in accordance with the procedure set out in Companies (Management & Administration) Rules, 2014 and any amendments thereto.
 23. The Results declared together with the Scrutinizer's Report shall be placed on the Company's website and on the website of NSDL within forty eight hours of conclusion of the Meeting and communicated to the Stock Exchanges.



24. Members are requested to note that in accordance with Clause 14 of the new Secretarial Standards on General Meeting, no gifts, gift coupons, or cash in lieu of gifts shall be distributed to Members at or in connection with this Meeting.

25. The Route Map of the AGM Venue, is provided herein.

BRIEF PARTICULARS OF DASHO TOPGYAL DORJI IN TERMS OF REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ARE GIVEN BELOW:

1. **Name of Director:** Dasho Topgyal Dorji (DIN: 00296793)

Brief resume and nature of his expertise

Dasho Topgyal Dorji, aged about 55 years, graduated from New Hampshire College, USA with specialization in marketing. He had undergone extensive training in Norway on Ferro Alloys. He is on the Board of several companies in Bhutan and is the Vice Chairman of the Tashi Group of Companies, the largest business conglomerate in Bhutan.

Directorships / Committee Memberships in listed entities

Dasho Topgyal Dorji does not hold any Directorship or Committee Membership in any listed entity other than Tai Industries Limited.

Shareholding

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

Relationships between Directors inter-se

Dasho Topgyal Dorji is related to Dasho Wangchuk Dorji, who is a Whole-time Director and Chairman of the Company. Other than Dasho Wangchuk Dorji, he is not related to any other Director or Key Managerial Personnel.

By Order of the Board
Indira Biswas
(ACS 9621)

*General Manager- Corporate
& Company Secretary*

Place: Kolkata

Date: 25th May, 2017

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

Item No. 4

Based upon the recommendations of the Nomination and Remuneration Committee, Mr. Rohan Ghosh (DIN: 00032965) was appointed Managing Director of the Company by the Board for a period of 5 years effective 19th May, 2014, at a remuneration for a period of three years in accordance with the Company's Nomination and Remuneration Policy, which was approved by the shareholders at the Annual General Meeting held on 17th September, 2014 by way of a Special Resolution.

The Board recommends the passing of the Special Resolution referred to in Item No. 4 of the Notice for the purpose of payment of remuneration to Mr. Rohan Ghosh (DIN 00032965) Managing Director, for the remaining two years of his tenure from 20th May 2017 to 19th May 2019.

Mr. Rohan Ghosh in neither a shareholder nor related to any Director or any other Key Managerial Personnel or Promoter of the Company.

Mr. Rohan Ghosh should be deemed concerned or interested in this Resolution. No other Director or Key Managerial Personnel, Promoters or any of their relatives have any concern or interest, financial or otherwise in the Resolution.

As per the proviso to Section 102(2) of the Act, the proposed Resolution does not relate to or affect any other Company. Information required to be disclosed under the Second Proviso to Section II (B), Part-II of Schedule V of the Companies Act, is as follows:

- (i) The proposed remuneration has been approved by a Resolution of the Nomination and Remuneration Committee and the Board;
- (ii) The Company has not defaulted in repaying its debts(including public deposits) or debentures or interest payable for a continuous period of thirty days in the preceding Financial Year before the date of appointment of Mr. Rohan Ghosh;
- (iii) A Special Resolution is being passed at the forthcoming Annual General Meeting for the payment of remuneration to him for a period not exceeding three years;



(iv) A statement containing further information is set out hereunder:

1. GENERAL INFORMATION

Nature of Industry

The Company is a trading organization carrying on the business of:

- marketing and distribution, in India, of “DRUK” brand of fruit products such as squashes, jams, fruit juices, pickles, sauces, etc., manufactured by Bhutan Fruit Products Private Limited, in Bhutan.
- trading and marketing of industrial and mineral products and raw materials such as calcium carbide, charcoal, manganese ore, etc.
- retailing operations.

Date of commencement of commercial production

Tai Industries Limited was incorporated on 5th May 1983 as Tashi Agro Industries Private Limited with the objective of marketing agro based and mineral products.

The Company started its operations in 1986 and since then it has been engaged in the marketing of ‘DRUK’ brand of fruit products manufactured by its group company – Bhutan Fruit Products Private Limited.

Besides fruit products, the Company has also been marketing mineral products, particularly calcium carbide, manganese ore, charcoal, etc., since 1988.

The Company further diversified into the retail segment by commencing operations of a chain of supermarkets called “C3 The Marketplace” in Kolkata since 2004 and currently the Company is operating its store at City Centre, Salt Lake.

Financial performance based on given indicators

The year under review registered a turnover of Rs. 68.30 Crores as against a turnover of Rs. 58.85 Crores during the previous financial year. The Company has posted a profit after tax of Rs. 54.03 lakhs, for the financial year ended 31st March, 2017, against a profit after tax of Rs. 93.26 lakhs in the previous financial year.

Export performance and net foreign exchange collaborations

The Company is trading in Charcoal, Calcium Carbide, Ferro Silicon and Manganese Ore with Bhutan. However, trade between India and Bhutan are being transacted in Indian Rupees.

2. INFORMATION ABOUT THE APPOINTEE

Background details

Mr. Rohan Ghosh, aged about 58 years, started his career as a trader in a Singaporean Company and as its Vice-President (Commodities), looked after the trade in the regions of Nepal, Bangladesh, Sri Lanka and the Middle East.

Mr. Ghosh joined the Company in 1994 and 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.

Past remuneration

His remuneration in the last five years has been as follows:

Particulars	2016 - 2017 (Rupees)	2015 - 2016 (Rupees)	2014 - 2015 (Rupees)	2013 - 2014 (Rupees)	2012-2013 (Rupees)
Salary	17,85,616	17,85,616	17,85,616	17,85,616	17,85,616
Commission	–	–	–	–	–
Other benefits	1,24,940	2,77,370	2,93,889	1,72,572	1,72,572
Retiral Benefits	1,72,572	1,72,572	1,72,572	1,72,572	1,72,572
Total	20,83,128	22,35,558	22,52,077	21,30,760	21,30,760

**Job profile and his suitability**

Mr. Rohan Ghosh (DIN: 00032965) has been serving the Company since 1994 and has been the President till 2014. In view of his experience, expertise and background, he was appointed Managing Director of the Company with effect from 19th May, 2014.

Remuneration proposed

Salary and allowances : Rs : 17,85,616/- per annum.

Perquisites, which shall include maintenance of 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.

Provident Fund and Gratuity, as per the Rules of the Company :

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 remuneration.

Comparative remuneration profile with respect to industry, etc.

The remuneration to the Managing Director is based on both market practice as well as internal business considerations. From the market viewpoint, the Company has positioned his remuneration package keeping in mind the industry and size of the organization. Internally, responsibility, competency and profile of the person forms the basis of remuneration. Additionally, the structure of the remuneration has been so framed as to reward performance.

Pecuniary relationship

Mr. Rohan Ghosh (DIN: 00032965) has no pecuniary relationship directly or indirectly with the Company apart from receiving remuneration as Managing Director.

3. OTHER INFORMATION**Reasons for inadequate profits**

Despite a satisfactory performance in the retail division, the overall profitability of the Company was impacted by the decline in the performance of the Fruit Products division. Market competition and the business being seasonal in nature, amongst others, affected the performance of this division.

Steps taken or proposed to be taken for improvement

Your Company is focusing on building brand value, developing and expanding markets managing margins through judicious pricing and sustained efficiencies and applying aggressive marketing policies and schemes.

Expected increase in productivity and profits in measurable terms

Given the seasonal nature of the industry, the unpredictable economy and market, your Company expects to increase its performance and turnover by 5 percent. The margin of profit will depend, inter alia, on the cost of raw materials and cost of freight and procurement that are subject to the economic policies of the Government.

Place: Kolkata
Date: 25th May, 2017

By Order of the Board
Indira Biswas
(ACS 9621)
General Manager- Corporate
& Company Secretary

**DIRECTORS' REPORT****TO THE MEMBERS**

Your Directors have pleasure in presenting their 34th Annual Report on the business and operations of your Company for the year ended 31st March, 2017.

HIGHLIGHTS OF PERFORMANCE

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Turnover	6830.32	5885.26
Profit/(Loss) before Interest, Depreciation & Taxation (PBIDT)	75.97	100.62
Interest	–	–
Profit/(Loss) before Depreciation & Taxation (PBDDT)	75.97	100.61
Depreciation	18.53	16.52
Profit/(Loss) Before Tax and Extraordinary items (PBTE)	57.44	84.09
Extraordinary items	–	–
Profit/(Loss) Before Tax (PBT)	57.44	84.09
Provision for Taxation / (Deferred Tax)	3.41	(9.17)
Profit/(Loss) After Tax (PAT) (A)	54.03	93.26
Balance brought forward from previous year	1153.42	1096.27
Less: Adjustments due to change in depreciation method	00.00	00.00
Balance after adjustment (B)	1153.42	1096.27
Profit available for appropriation (A+B)	1207.45	1189.53
Proposed Dividend	00.00	36.11
Profit carried to Balance Sheet	1207.45	1153.42

Consolidated income for the year increased by 13.18% to Rs. 69.59 Crore as compared to Rs. 61.49 Crore in 2015 - 2016; Consolidated net sales for the year was Rs. 68.30 Crore as compared to Rs. 58.85 Crore in 2015 - 2016, a growth of 16.06%; Consolidated profit before tax for the year was Rs. 0.57 Crore as compared to Rs. 0.84 Crore in 2015 - 2016; Consolidated Profit after tax for the year was Rs. 0.54 Crore as compared to Rs. 0.93 Crore in 2015 – 2016.

SHARE CAPITAL

The Paid-up Equity Share Capital as on 31st March, 2017 remained at Rs. 6 Crores. The Company has not, during the year, issued any shares with or without differential voting rights, granted stock options or issued sweat equity shares.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure A".

MEETINGS OF THE BOARD

During the year under review, four Board Meetings were held on 26th May, 2016, 4th August, 2016, 14th November, 2016 and 14th February, 2017.

During 2016-2017 the Audit Committee met on 26th May, 2016, 4th August, 2016, 12th November, 2016 and 14th February, 2017.

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 (5) of the Companies Act, 2013, the Directors hereby confirm, to the best of their knowledge and belief, that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;



- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on 31st March, 2017 and of the profit of the Company for that period;
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors have prepared the annual accounts on a going concern basis;
- (e) The Directors have laid down internal financial controls to be followed by the Company which are adequate and operating effectively; and
- (f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS

Mr. Prem Sagar (DIN: 00040396), Mr. K.N. Malhotra (DIN: 00128479), Mr. Vinay Killa (DIN: 00060906) and Ms. Sarada Hariharan (DIN: 06914753), continue to be Independent Directors of the Company, upon receipt of the Nomination and Remuneration Committee's assent based on their performance evaluation, and they have filed the requisite declarations with the Company as per Section 149(7) of the Act to the effect that they qualify as Independent Directors within the meaning of Section 149(6) of the Act.

REMUNERATION POLICY

Upon the recommendations of the Nomination and Remuneration Committee in terms of Section 178(4) of the Companies Act 2013, your Board has in place a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees of the Company. The said policy is annexed herewith as "Annexure B" and may be viewed at the official website of the Company at www.taiind.com.

The composition of the Nomination and Remuneration Committee is as follows:

Mr. Prem Sagar	Independent Director	Chairman
Dasho Topgyal Dorji	Non-executive Director	Member
Mr. Kanwal Nain Malhotra	Independent Director	Member
Mr. Vinay Killa	Independent Director	Member

DIRECTORS' RESPONSE TO COMMENTS MADE IN THE AUDITOR'S REPORT AND IN THE REPORT OF THE SECRETARIAL AUDITOR

There was no qualification, reservation, adverse remark or disclaimer in the Auditors' Report and in the Secretarial Audit Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans, guarantees or made any investments exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more, as prescribed in Section 186 of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company. All Related Party Transactions were placed before the Audit Committee, as also the Board, for approval. Prior omnibus approval of the Audit Committee was obtained on a quarterly basis for the transactions which were of a foreseen and repetitive nature. The statement of particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 is annexed hereto as "Annexure C".

**STATE OF COMPANY'S AFFAIRS**

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

Particulars	Druk (₹)	C3 - Retail (₹)	Total (₹)
Segment Revenue			
Current Year	49,68,57,421	19,90,63,370	69,59,20,791
Previous Year	39,45,07,305	16,94,77,717	56,39,85,022
Segment Results			
Current Year	16,18,035	41,25,696	57,43,731
Previous Year	64,78,835	43,83,071	1,08,61,906

PLANS AND PROSPECTS**Fruit Product Division**

The Fruit Product division saw a challenging year. Since de-monetization there has been a slowdown in the market. This has adversely affected our sales. We are facing stiff competition across the category. Focus will be to tap into the potential of the rural market for products that has been seeing a decline in demand in the urban market.

To take the fight to our competitors, we are planning to introduce new products like ginger garlic paste, Rs. 10/- drinks pack, new pickle variety, snacks sauce etc. A detailed market analysis was conducted before short listing these products. It was found that ginger garlic paste has a huge demand but supply is in-sufficient. Also ready to drink Rs. 10/- pack has been in high demand. Snacks sauce is a growing category and we are looking to introduce innovative new products in this range.

Industrial Division

The carbide market witnessed a severe slump owing to reduced prices and imports from China. Despite this we have been able to maintain our strong foothold in the East.

The market demand for Ferro Silicon was low, the Steel Industry scenario continuing to be dull. Imports from Russia/ Malaysia were preferred on account of their low prices and suppliers here faced problems in payment.

Charcoal did not bring in high margins as the Company had to consider purchase from third parties owing to price competitiveness.

Retail Division

The retail department excelled this year, continuing its growth trend. Sales in 2015-2016 closed above Rs. 14 Crores while in 2016-2017, providing a 20% growth, the sales closed just less than Rs. 17 Crores.

These are encouraging signs, and discussions and research for expansion are already underway.

TRANSFER TO RESERVES

Your Board has considered appropriate not to transfer any amount to the General Reserves of the Company. The entire amount of Rs. 0.54 Crores is proposed to be retained in the Statement of Profit and Loss.

DIVIDEND

Your Directors have decided not to recommend payment of dividend on equity shares of the Company for the year ended 31st March, 2017 in order to conserve funds for the future development and growth of the Company.

OTHER INFORMATION**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 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 requirements for the same 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.

**RISK MANAGEMENT POLICY**

Your Company has implemented an effective risk management policy aiming to reduce loss or injury arising out of various risk exposures, focusing on risk assessment, risk management and risk monitoring.

ANNUAL EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

Your Board of Directors has adopted an annual evaluation process for evaluating its own performance and that of its Committees and Independent Directors.

The formal evaluation was performed by sending out assessment questionnaires to all the Directors for their responses, for evaluating the performance of the Board as a whole, the Committees and the individual Directors (self evaluation) and also seeking one on one feedback from each individual Director.

DIRECTORS

In accordance with Article 68 of the Articles of Association of the Company, Dasho Topgyal Dorji, retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for reappointment.

KEY MANAGERIAL PERSONNEL

The following functioned as Key Managerial Personnel during the year:

Rohan Ghosh	–	Managing Director
Mou Mukherjee	–	Chief Financial Officer
Indira Biswas	–	Company Secretary

DEPOSITS

The Company has not accepted any deposit from the public, falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

ORDERS PASSED BY REGULATORS

During the year under review, there were no significant and material orders passed by regulators or courts or tribunals, impacting the Company's going concern status and its future operations.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an Internal Control System, carried out by external firms of Chartered Accountants, which is commensurate with the size, scale and complexity of its operations.

Based on the reports of internal auditors, the respective heads of the departments/divisions undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

The financial statements provide a true and fair view of the state of affairs of the Company and are compliant with the accounting standards notified in the Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY

Your Company was outside the ambit of Section 135 of the Companies Act 2013 as regards Corporate Social Responsibility, in terms of its net worth, turnover and net profit during the financial year ended on 31st March, 2017.

AUDIT COMMITTEE

The Audit Committee consists of three Non-executive Independent Directors, possessing the requisite experience and expertise. The composition of the Audit Committee is as follows:

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

The Company Secretary is the Secretary of the Committee. The Managing Director and the Chief Financial Officer are invitees to the Meetings of the Committee.

All recommendations of the Audit Committee were duly accepted by the Board and there were no instances of any disagreements between the Committee and the Board during the year.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has put in place a Vigil Mechanism Policy in accordance with Section 177(10) of the Companies Act, 2013. The details of the policy may be viewed at the official website of the Company at www.taiind.com and also annexed hereto as "Annexure D"

PREVENTION OF SEXUAL HARASSMENT

Your Company is committed to provide a safe and secure working environment to its women employees and has in place the required Internal Committees as envisaged in the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.



There were no cases of sexual harassment reported during the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of Regulation 34(3) read with the provisions as mentioned in Para E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis Report is provided as "Annexure E".

CORPORATE GOVERNANCE

In terms of Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the Company's share capital being less than Rupees ten crores and its net worth being less than Rupees twenty five crores, during the year under review, the Company is exempted from complying with the Corporate Governance provisions.

DEMATERIALISATION OF SECURITIES

The shares of the Company are compulsorily traded in dematerialised form for all shareholders. As on 31st March, 2017, 62.39% of the total number of shares, stand dematerialised.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is annexed hereto as "Annexure F".

There were no employees, employed during the year or part of the financial year, drawing remuneration in excess of the limits as specified under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014 and subsequent amendments thereto.

There were no employees, employed throughout the financial year or part thereof, who has been in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-Time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.

AUDITORS

M/s. KAMG & Associates, Chartered Accountants (Reg. No. 311027E) had been appointed as Auditors of the Company to hold office from the conclusion of the 33rd Annual General Meeting upto the conclusion of the 38th Annual General Meeting, in terms of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

In terms of the said Section, the appointment of M/s. KAMG & Associates (Reg. No. 311027E) will require ratification at the forthcoming Annual General Meeting, for which an appropriate Resolution will be proposed.

M/s. KAMG & Associates have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for continuing as Auditors of the Company. They have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed Messrs T. Chatterjee & Associates, (Reg. no. S2007WB097600) a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as "Annexure G".

MATERIAL CHANGES BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT

There have been no material changes between the end of the Financial Year and the date of this Report.

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

WANGCHUK DORJI
(DIN : 00296747)
Chairman

Place: Kolkata

Date: 25th May, 2017



ANNEXURE - A

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended 31.03.2017

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details	
CIN	L01222WB1983PLC059695
Registration Date	5th May, 1983
Name of the Company	Tai Industries Limited
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered Office and contact details	53A, Mirza Ghalib Street, 3rd Floor, Kolkata - 700 016 Phone: (033) 2226 0938, 4041 6666 E-mail: info@taiind.com Website: www.taiind.com
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agent	Link Intime India Private Limited 59C, Chowringhee Road, 3rd Floor, Kolkata - 700 020 Phone: (033) 2289 0539/ 2289 0540 Email: kolkata@linkintime.co.in

II. Principal Business Activities of the Company		
All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:		
Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Marketing and Distribution of processed food and drinks	46309	18
Trading in Metals and Minerals	46102	53
Retail sale in Supermarket	47211, 47212, 47213, 47214, 47215, 47219	29

III. Particulars of Holding, Subsidiary and Associate Companies				
Name and address of the Company	CIN / GLN	Holding / Subsidiary	% of shares	Applicable Section
There are no Holding, Subsidiary or Associate Companies	—	—	—	—



IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1):	-	-	-	-	-	-	-	-	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	1216000	1216000	20.267	-	1216000	1216000	20.267	-
c) Bodies Corporate									
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2):	-	1216000	1216000	20.267	-	1216000	1216000	20.267	-
Total Shareholding of Promoters (A) = (A) (1) + (A) (2)	-	1216000	1216000	20.267	-	1216000	1216000	20.267	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	200	200	0.003	-	200	200	0.003	-
c) Central Govt.									
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1):	-	200	200	0.003	-	200	200	0.003	-



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	2550917	48100	2599017	43.317	2472811	48100	2520911	42.015	(1.302)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹1 lakh	785572	676831	1462403	24.373	782121	670515	1452636	24.211	(0.162)
ii) Individual Shareholders holding nominal share capital in excess of ₹1 lakh	346682	21800	368482	6.141	427967	2180	449767	7.496	(1.355)
c) Others (specify)									
i) Directors	200	-	200	0.003	200	-	200	0.003	-
ii) Relatives	59	-	59	0.001	59	-	59	0.001	-
iii) Clearing Members	6109	-	6109	0.102	11766	-	11766	0.196	0.094
iv) Trusts	-	-	-	-	-	-	-	-	-
v) Office Bearers	-	-	-	-	-	-	-	-	-
vi) NRI'S	4201	-	4201	0.070	22411	-	22411	0.374	0.304
vii) NRN	3362	-	3362	0.056	-	-	-	-	(0.056)
viii) Foreign National	-	-	-	-	-	-	-	-	-
ix) Foreign Company	-	300000	300000	5.000	-	300000	300000	5.000	-
x) HUF	39967	-	39967	0.666	26309	-	26309	0.439	(0.227)
Sub-Total (B)(2):	3737069	1046731	4783800	79.730	3743385	1040415	4783800	79.730	-
Total Public Shareholding (B) = (B) (1) + (B) (2)	3737069	1046931	4784000	79.733	3743385	1040615	4784000	79.733	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3737069	2262931	6000000	100.00	3743385	2256615	6000000	100.00	-

ii) Shareholding of Promoters

Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
	No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
Dasho Ugen Dorji	1216000	20.27	0.00	1216000	20.27	0.00	-
Total	1216000	20.27	0.00	1216000	20.27	0.00	-



iii) There was no change in Promoter's Shareholding in the Financial Year 2016-17.

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

For Each of the Top 10 Shareholders	Shareholding		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1. Katherene Dealtrade Private Limited				
At the beginning of the year	300000	5.000	300000	5.000
Bought during the year	-	-	-	-
Sold during the year	-	-	-	-
At the end of the year	300000	5.000	300000	5.000
2. Amas Bank (Switzerland) Limited				
At the beginning of the year	300000	5.000	300000	5.000
Bought during the year	-	-	-	-
Sold during the year	-	-	-	-
At the end of the year	300000	5.000	300000	5.000
3. Neha Dealtrade Private Limited				
At the beginning of the year	299900	4.998	299900	4.998
Bought during the year	-	-	-	-
Sold during the year	-	-	-	-
At the end of the year	299900	4.998	299900	4.998
4. Mangalrashi Tie Up Private Limited				
At the beginning of the year	299500	4.992	299500	4.992
Bought during the year	-	-	-	-
Sold during the year	-	-	-	-
At the end of the year	299500	4.992	299500	4.992
5. Avighna Commosale Private Limited				
At the beginning of the year	299300	4.988	299300	4.988
Bought during the year	-	-	-	-
Sold during the year	-	-	-	-
At the end of the year	299300	4.988	299300	4.988
6. Anuraj Securities Private Limited				
At the beginning of the year	294262	4.904	294262	4.904
Bought during the year	-	-	-	-
Sold during the year	-	-	-	-
At the end of the year	294262	4.904	294262	4.904
7. Jai Pitreshwar Vyapaar Private Limited				
At the beginning of the year	292051	4.868	292051	4.868
Bought during the year	-	-	-	-
Sold during the year	5500	0.092	-	-
At the end of the year	286551	4.776	286551	4.776
8. Oriental Trade And Investments Private Limited				
At the beginning of the year	277400	4.623	277400	4.623
Bought during the year	-	-	-	-
Sold during the year	-	-	-	-
At the end of the year	277400	4.623	277400	4.623



For Each of the Top 10 Shareholders	Shareholding		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
9. Sworn Brothers Assets Private Limited				
At the beginning of the year	109280	1.821	109280	1.821
Bought during the year	-	-	-	-
Sold during the year	-	-	-	-
At the end of the year	109280	1.821	109280	1.821
10. Stone Door Resources Private Limited				
At the beginning of the year	108213	1.804	108213	1.804
Bought during the year	-	-	-	-
Sold during the year	-	-	-	-
At the end of the year	108213	1.804	108213	1.804

v) Shareholding of Directors and Key Managerial Personnel

Director

Mr. Vinay Killa	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	200	0.003	200	0.003
Date wise Increase/ Decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	There was no change			
At the end of the year	200	0.003	200	0.003

Other than Mr. Vinay Killa no other Director or Key Managerial Personnel held any shares in the Company during the Financial Year 2016-17.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment for secured loans, unsecured loans, Deposits during the Financial Year 2016-17 - NIL



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/ or Manager:

Sr. No.	Particulars of Remuneration	Mr Rohan Ghosh Managing Director	Dasho Wangchuk Dorji Whole Time Director	Total Amount (₹)
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act , 1961	1785616	2051167	3836783
	(b) Value of perquisites under Section 17(2) Income Tax Act , 1961	124940	–	124940
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act , 1961	–	–	–
2.	Stock Options	–	–	–
3.	Sweat Equity	–	–	–
4.	Commission	–	–	–
	– as % of profit	–	–	–
	– others, specify....	–	–	–
5.	Others, please specify (Provident Fund)	172572	229400	401972
	Total (A)	2083128	2280567	4363695

B. Remuneration to other Directors:

Independent Directors

		Name of Director				Total Amount (₹)
		Mr. Prem Sagar	Mr. K.N. Malhotra	Mr. Vinay Killa	Ms. Sarada Hariharan	
• Fees for attending Board & Committee Meetings	Board	30000	40000	30000	40000	140000
	Audit	30000	40000	30000	–	100000
• Commission		–	–	–	–	–
• Others, please specify		–	–	–	–	–
Total (B) (1)		60000	80000	60000	40000	240000

Other Non Executive Directors

	Name of Director Dasho Topgyal Dorji	Total Amount (₹)
• Fee for attending Board/ Committee Meetings	10000	10000
• Commission	–	–
• Others, please specify	–	–
Total (B) (2)	10000	10000
Total (B) = (1 + 2)	250000	250000
Total Managerial Remuneration		4613695
Overall Ceiling as per Act	The remuneration of the Managing Director is within the limits specified in Schedule V of the Companies Act, 2013. The remuneration of the Wholetime Director is as per the Central Government's Order no. G09226978/1/2016-CL-VII dated 16th November, 2016.	



C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mrs. Mou Mukherjee Chief Financial Officer	Ms. Indira Biswas Company Secretary	Total Amount (₹)
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1557362	1557362	3114724
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	–	–	–
	(c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	–	–	–
2.	Stock Options	–	–	–
3.	Sweat Equity	–	–	–
4.	Commission	–	–	–
	– as % of profit	–	–	–
	– others, specify....			
5.	Others, please specify – (Provident Fund)	127296	127296	254592
	Total (C)	1684658	1684658	3369316

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

For and on behalf of the Board of Directors

Place: Kolkata

Date: 25th May, 2017

WANGCHUK DORJI

(DIN : 00296747)

Chairman



ANNEXURE - B

**POLICY RELATING TO REMUNERATION OF DIRECTORS,
KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES****(Adopted at the Board Meeting dated 5th February, 2015)****I. PREAMBLE**

Pursuant to Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee.

In order to align with the provisions of the Companies Act, 2013 and the amended Listing Agreement, the Board on 19th May, 2014, constituted the "Nomination and Remuneration Committee" with three non-executive Independent Directors and one non-executive Director as Members of the Committee.

This Committee has recommended a Policy which has been formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement, relating to the remuneration for the Directors, key managerial personnel and other employees.

II. DEFINITIONS

"Board" means Board of Directors of the Company.

"Company" means "Tai Industries Limited."

"Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013.

"Key Managerial Personnel" (KMP) means (i) the Managing Director, (ii) Company Secretary, (iii) Whole-time Director (in the absence of a Managing Director), (iv) Chief Financial Officer and (v) Such other officer as may be prescribed.

"Nomination and Remuneration Committee" shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.

"Policy or This Policy" means, "Nomination and Remuneration Policy."

"Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

"Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

III. INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, Listing Agreement and/or any other SEBI Regulation(s) as amended from time to time.

IV. GUIDING PRINCIPLES

The Policy ensures that - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

V. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT**● Appointment criteria and qualifications:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution



based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- **Term / Tenure:**

1. **Managing Director/Whole-time Director (Managerial Person):** - The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
2. **Independent Director:** - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re- appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1 October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

- **Evaluation:**

The Committee shall carry out annually evaluation of performance of every Director, KMP and Senior Management.

- **Removal:**

Due to reasons of any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

- **Retirement:**

The Directors, KMPs and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

VI. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT

- **General:**

1. The remuneration/compensation/commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder, for the time being in force.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Persons. Increments will be effective from the date of reappointment in respect of Managerial Person and 1st April in respect of other employees of the Company.
4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

- **Remuneration to Managerial Person, KMP and Senior Management:**

1. **Fixed pay:**

Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies



Act, 2013, and the Rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

3. Provisions for excess remuneration:

If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

● **Remuneration to Non-Executive / Independent Directors:**

1. Remuneration:

The remuneration shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

2. Sitting Fees:

The Non- Executive / Independent Directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3. Limit of Remuneration:

Remuneration may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

VII. DEVIATIONS FROM THIS POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual cases.



ANNEXURE - C

Form No. AOC - 2

(Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

NOT APPLICABLE

2. Details of contracts or arrangements or transactions at arm's length basis

(a) Name(s) of the related party and nature of relationship

NAME OF THE RELATED PARTY	NATURE OF RELATIONSHIP
Bhutan Fruit Products Private Limited	Common Directors
Bhutan Carbide & Chemicals Limited (Purchase)	Common Directors
Bhutan Carbide & Chemicals Limited (Sale)	Common Directors
Bhutan Silicon Metal Private Limited	Common Directors
Bhutan Ferro Alloys Limited	Common Directors

(b) Nature of contracts/arrangements/transactions

NAME OF THE RELATED PARTY	NATURE OF CONTRACT/AGREEMENT/TRANSACTIONS
Bhutan Fruit Products Private Limited	Agency Agreement and Royalty Agreement
Bhutan Carbide & Chemicals Limited	Purchase Agreement
Bhutan Carbide & Chemicals Limited	Sale Agreement
Bhutan Silicon Metal Private Limited	Sale Agreement
Bhutan Ferro Alloys Limited	Day to day transactions

(c) Duration of the contracts / arrangements/transactions

NAME OF THE RELATED PARTY	DURATION OF CONTRACT/AGREEMENT/TRANSACTIONS
Bhutan Fruit Products Private Limited	Agency Agreement: 01.01.2013 – 31.12.2017 Royalty Agreement: 01.04.2016 – 31.03.2019
Bhutan Carbide & Chemicals Limited	Carbide: 01.01.2017 - 31.12.2017 Ferro Silicon: 01.01.2017 - 31.12.2017
Bhutan Silicon Metal Private Limited	Day to day transactions
Bhutan Ferro Alloys Limited	Day to day transactions



(d) Salient terms of the contracts or arrangements or transactions including the value, if any

NAME OF THE RELATED PARTY	TERMS OF THE CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS INCLUDING THE VALUE (₹)
Bhutan Fruit Products Private Limited (Purchase)	57,865,297
Bhutan Carbide & Chemicals Limited (Purchase)	37,992,187
Bhutan Carbide & Chemicals Limited (Sale)	132,756,249
Bhutan Silicon Metal Private Limited (Sale)	37,832,094
Bhutan Ferro Alloys Limited (Sale)	131,023,773

(e) Date(s) of approval by the Board

The Related Party transactions were approved by the Board on 26th May, 2016, 4th August, 2016, 14th November, 2016 and 14th February, 2017.

(g) Amount paid as advances, if any:

NAME OF THE RELATED PARTY	ADVANCES TO THE RELATED PARTY (as on 31.03.2017) (₹)
Bhutan Fruit Products Private Limited	—
Bhutan Carbide & Chemicals Limited	1,823,224
Bhutan Silicon Metal Private Limited	—
Bhutan Ferro Alloys Limited	3,006,344

Place: Kolkata

Date: 25th May, 2017

S/d
WANGCHUK DORJI
(DIN : 00296747)
Chairman



ANNEXURE - D

WHISTLE BLOWER POLICY / VIGIL MECHANISM POLICY**(Adopted at the Board Meeting dated 19th May, 2014)****BACKGROUND**

Section 177 of the Companies Act, 2013, which has come into effect from 1st April, 2014, mandates that, every listed company is required to establish a vigil mechanism for the directors and employees, to report genuine concerns in such manner as may be prescribed. Such a vigil mechanism shall also provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee, in appropriate or exceptional cases.

The amended Clause 49 of the Listing Agreement, which shall come into effect from 1st October, 2014, also provides for mandatory establishment of vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation. The mechanism is also required to provide for adequate safeguards against victimisation of the directors/employees using the mechanism. (Clause 49, Sub -clause II (F))

Under these circumstances, Tai Industries Limited, being a Company listed with BSE and CSE, proposes to establish a Vigil Mechanism/ Whistle Blower mechanism and to formulate a policy for the same.

POLICY OBJECTIVES

A Vigil mechanism shall provide a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct or Service Rules of the Company. The mechanism shall also provide for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general.

SCOPE OF THE POLICY

This Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of Company's rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers.

ELIGIBILITY

All Employees and directors of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company.

DISQUALIFICATIONS

- a) While it will be ensured that genuine Whistleblowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- b) Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistleblower knowing it to be false or bogus or with a mala fide intention.
- c) Whistleblowers, who make three or more Protected Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistleblowers, the Company/Audit Committee would reserve its right to take/recommend appropriate disciplinary action.

DEFINITIONS

"Alleged wrongful conduct" shall mean violation of law, infringement of Company's rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.

"Audit Committee" means a Committee constituted by the Board of Directors of the Company in accordance with the Companies Act, 2013 and the Listing Agreement.

"Board" means the Board of Directors of the Company.

"Company" means Tai Industries Limited and all its offices.

"Compliance Officer" shall mean the Compliance Office of the Company under the Listing Agreement and shall mean an officer



to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the whistle blower the result thereof.

“Employee” means all the present employees and whole time Directors of the Company.

“Protected Disclosure” means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title “SCOPE OF THE POLICY” with respect to the Company. However, the Protected Disclosures should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

“Subject” means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

“Vigilance Officer” means an officer of the Company nominated by the Audit Committee for conducting appropriate investigation of the protected disclosure.

“Whistle Blower” is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES

Protected Disclosures should be reported in writing by the complainant as soon as possible after the whistle blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English.

The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as “Protected disclosure under the vigil mechanism policy”. If the complaint is not super scribed and closed as mentioned above it will not be possible for the Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure. In order to protect identity of the complainant, the Compliance officer will not issue any acknowledgement to the complainant and the complainants are advised not to write the name / address of the complainant on the envelope, nor to enter into any further correspondence with the nodal officer / audit committee. The audit committee assures that in case any further clarification is required he will get in touch with the complainant.

Anonymous / Pseudonymous disclosure shall not be entertained by the Compliance Officer.

The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Compliance Officer/ MD/Chairman of Audit Committee shall detach the covering letter bearing the identity of the whistle blower and process only the Protected Disclosure.

All Protected Disclosures should be addressed to the Compliance Officer of the Company. The contact details of the Compliance Officer is as under:-

Address of Compliance Officer:

Ms. Indira Biswas

General Manager Corporate & Company Secretary,
Tai Industries Limited,
53A, Mirza Ghalib Street,
Kolkata 700016.

Protected Disclosure against the Compliance Officer should be addressed to the Managing Director (MD) of the Company and the Protected Disclosure against the MD of the Company should be addressed to the Chairman of the Audit Committee. The contact details of the MD and the Chairman of the Audit Committee are as under:

Name and Address of MD

Mr. Rohan Ghosh
Tai Industries Limited,
53A, Mirza Ghalib Street,
Kolkata 700016.

Name and Address of Chairman of Audit Committee

Mr. Prem Sagar
Tai Industries Limited,
53A, Mirza Ghalib Street,
Kolkata 700016.



On receipt of the protected disclosure the Compliance Officer / MD / Chairman of the Audit Committee shall make a record of the Protected Disclosure and also ascertain from the complainant whether he was the person who made the protected disclosure or not before referring the matter to the Audit Committee of the Company for further appropriate investigation and needful action. The record will include:

- a) Brief facts;
- b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- c) Whether the same Protected Disclosure was raised previously on the same subject;
- d) Details of actions taken by Compliance officer/ MD for processing the complaint.
- e) Findings of the Audit Committee;
- f) The recommendations of the Audit Committee / other action(s).

The Audit Committee if deems fit may call for further information or particulars from the complainant.

INVESTIGATION

All protected disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee (AC) may investigate and may at its discretion consider involving any other Officer of the Company including the Vigilance Officer of the Company for the purpose of investigation.

The decision to conduct an investigation taken by the Audit Committee is by itself not an accusation and is to be treated as a neutral fact finding process.

Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

Subject(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard to the extent that such cooperation will not compromise self incrimination protections available under the applicable laws.

Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s).

Unless there are compelling reasons not to do so, subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.

Subject(s) have a right to be informed of the outcome of the investigations.

The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit and as applicable.

DECISION AND REPORTING

The Audit Committee along with its recommendations will report its findings to the Managing Director through the Compliance Officer within 15 days of receipt of report for further action as deemed fit. In case prima facie case exists against the subject, then the Managing Director shall forward the said report with its recommendation to the concerned disciplinary authority for further appropriate action in this regard or shall close the matter, for which he shall record the reasons. Copy of above decision shall be addressed to the Audit Committee, the Compliance Officer, the Vigilance Officer, the complainant and the subject.

In case the subject is the Compliance officer of the Company, the protected disclosure shall be addressed to the Managing Director who, after examining the protected disclosure shall forward the matter to the audit committee. The Audit Committee after providing an opportunity to the subject to explain his position and after completion of investigation shall submit a report along with its recommendation to the MD. After considering the report and recommendation as aforesaid, MD shall forward the said report with its recommendation to the concerned disciplinary authority for further appropriate action in this regard or shall close the matter, for which he shall record the reasons. Copy of the above decision shall be addressed to the Audit Committee, the Compliance Officer, the Vigilance Officer, the complainant and the subject.

In case the subject is the MD of the Company, the Chairman of the Audit Committee after examining the Protected Disclosure shall forward the Protected Disclosure to other members of the Audit Committee if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.

If the report of investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the appropriate legal or investigating agency.

A complainant who makes false allegations of unethical & improper practices or about wrongful conduct of the subject to the Compliance Office or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

**SECURITY / CONFIDENTIALITY**

The complainant, the Compliance Officer, the Vigilance Officer, Members of Audit committee, the Subject and everybody involved in the process shall:

Maintain confidentiality of all matters under this Policy.

Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.

Not keep the papers unattended anywhere at any time.

Keep the electronic mails / files under password.

PROTECTION

No unfair treatment will be meted out to a whistle blower by virtue of his/ her having reported a Protected Disclosure under this policy. The company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination / suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like, including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties / functions including making further Protected Disclosure. The company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure etc.

A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate the same and recommend suitable action to the management.

The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the complainant will not be revealed unless he himself has made either his details public or disclosed his identity to any other office or authority. In the event of the identity of the

complainant being disclosed, the Audit Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure. The identity of the Whistleblower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement agencies, in which case members of the organization are subject to subpoena.

Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

Provided however that the complainant before making a complaint has reasonable belief that an issue exists and he has acted in good faith. Any complaint not made in good faith as assessed as such by the audit committee shall be viewed seriously and the complainant shall be subject to disciplinary action as per the Service Rules of the Company. This policy does not protect an employee from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.

ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

COMMUNICATION

A whistleblower policy cannot be effective unless it is properly communicated to employees. Employees shall be informed through by publishing in notice board and the web site of the company.

RETENTION OF DOCUMENTS

All Protected disclosures documented along with the results of Investigation relating thereto, shall be retained by the Compliance Officer for a period of 5 (five) years or such other period as specified by any other law in force, whichever is more.

ADMINISTRATION AND REVIEW OF THE POLICY

The Managing Director shall be responsible for the administration, interpretation, application and review of this policy. The Managing Director also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee.

ANNUAL AFFIRMATION

The Company shall annually affirm that it has in place an adequate vigil mechanism policy and that it has provided protection to the complainant from unfair adverse personal action. The affirmation shall also form part of Corporate Governance report which is attached to the Annual report of the Company.



ANNEXURE - E

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Para B of schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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, Key Managerial Personnel and other Management Personnel.

(a) Industry Structure and Developments**Food Processing**

India being the second most populated country has one of the largest food processing industries in terms of production, consumption, export and growth prospects. It provides an important synergy between agricultural produce and industries. The fruit and vegetable processing is equally divided between organized and unorganized sector in India. Due to its diversity in climate and taste, India is one of the most challenging markets for FMCG industry. Due to changing lifestyle, consumer preferences are also seeing a marked change. With higher disposable income and limited time, people have moved toward fast food, ready to consume drinks, readymade pastes. This shift in buyer preference has motivated us in developing 10/- drink pack, ginger garlic paste.

Calcium Carbide, Charcoal, Ferro Silicon and Manganese ore

Ferro Silicon is a major input in the preparation of alloys and special steel. Its growth is linked to the development of iron and steel industry. Calcium Carbide is used for welding and charcoal is used in the production of both ferrosilicon and Calcium Carbide.

The steel plants are gradually shifting to LPG and hence the demand for Calcium Carbide is on the decline. The demand for charcoal increased during the year and the demand for ferro silicon remained stable, except that the money market being unfavourable, most users preferred to hold low inventory.

Retail

The Indian retail market has seen a growth of 15 to 20 percent. Organized retail penetration in India is less than 10% as compared to 85% in USA, hence opportunity for growth is immense. With more and more people getting use to modern retail marketing the penetration of retail is bound to grow. Favorable Demographics, increase in urbanization and disposable income preference for brand and high aspirations will drive the growth in retail industry.

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

Due to changing lifestyle, higher disposable income and limited time, change in consumer consumption pattern will continue. The biggest challenge will be to anticipate this change and be ahead of the curve. The even bigger challenge is posed due to distinct consumer preferences varying by each region. These complexities combined with change in consumption pattern and increased competition pose a major challenge for Food Processing Industry.

Calcium Carbide, Charcoal, Ferro Silicon and Manganese ore

There is always a demand for quality material and our endeavor has always been to maintain high standard. We enjoy a strong brand and extensive all India reach.

Market competition, erratic supply, counterfeit material sold under the brand name "DRUK", shifting from Carbide to LPG by the steel industry are the threats being faced by this division.

Retail

Opportunities in retail are immense however; limitations of space in C3 and lack of branches are some of the major challenges in further growth. To overcome these constrains the company plans to introduce online selling platform.

(c) Segment-wise or Product-wise Performance

The performance of FPD this year has been below the satisfactory level. The last quarter has shown a growth trend against previous quarter which had taken a hit due to de-monetization. This shows that the action taken throughout the year has been in the right direction.

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



Out of all departments C3 retail has had the best performance providing a 20% growth against last year. Buoyant with this growth we have set our sights at crossing Rs. 19 Crores in the year 2017-2018.

(d) Outlook

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

(e) Risks & Concerns

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

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

(f) Internal Control Systems & their Adequacy

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

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

The total no. of employees of the Company is 110.



ANNEXURE - F

Information as required under Sections 134(3)(q) and 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2017

Sl. No.	Requirement	Details
(i)	The ratio of the remuneration of each Director to the median of remuneration of employees of the Company for the Financial Year	Mr. Dasho Wangchuk Dorji- 13.87:1 Mr. Rohan Ghosh-12.67:1 Mr. Prem Sagar-0.36:1 Mr. K.N.Malhotra-0.48:1 Mr. Vinay Killa-0.36:1 Ms. Sarada Hariharan-0.24:1 Mr. Dasho Topgyal Dorji-0.06:1
(ii)	The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the Financial Year	Directors: Mr. Dasho Wangchuk Dorji-3.03% Mr. Rohan Ghosh-(-) 6.82% Mr. Prem Sagar-(-)25% Mr. K.N.Malhotra-14.29% Mr. Vinay Killa-(-)25% Ms. Sarada Hariharan-33.33% Mr. Dasho Topgyal Dorji-(-)50% Mrs. Mou Mukherjee, CFO-7% Mrs. Indira Biswas, CS-7%
(iii)	The percentage increase in median remuneration of employees in the Financial Year	1.50%
(iv)	The number of permanent employees on the rolls of Company	110
(v)	a) Average percentage increase already made in salaries of employees other than the managerial personnel in the last Financial Year	5.50%
	b) Its comparison with the percentage increase in the managerial remuneration	1.33%
	c) Justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Increase in remuneration is as per the Service Agreement as approved by the Central Government
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes



ANNEXURE - G

SECRETARIAL AUDIT REPORT

FORM MR-3

(For the period 01-04-2016 to 31-03-2017)

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
TAI Industries Ltd

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TAI Industries Ltd (hereinafter called the company)**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents (including RTA) and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period ended on **31st March, 2017**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the audit period ended on 31st March, 2017 according to the provisions of :
 - I. The Companies Act, 2013 (**the Act**) and the rules made thereunder;
 - II. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the rules made thereunder;
 - III. The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
 - IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - V. Secretarial Standards as prescribed by the Institute of Company Secretaries of India.
 - VI. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the company :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - h. The Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015;
 - VII. Management represented that other fiscal, labour and environmental laws which are generally applicable to all manufacturing/trading companies, are duly complied the following laws/Acts are also inter-alia specifically applicable to the Company, the management represented that same are complied with, to the extent applicable:
 - a. Food Safety and Standards Act, 2006
 - b. The Standards of Weights and Measures (Enforcement) Act, 1985.



We have also examined compliance with the applicable clauses of the following:

- a. Secretarial Standards issued by The Institute of Company Secretaries of India,
- b. The Provisions of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015;

During the period under review the Company has generally complied with the provisions of the SEBI Act, Rules, Regulations, Secretarial Standards, and SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 etc. mentioned above to the extent applicable.

2. We further report that:

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c. None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

For T. Chatterjee & Associates

Tarun Chatterjee

Membership No: 17195

COP No. : 6935

Place: Kolkata

Date: 12th May, 2017



To,
The Members
TAI Industries Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company.
Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For T. Chatterjee & Associates

Tarun Chatterjee

Membership No: 17195

COP No. : 6935

Place: Kolkata

Date: 12th May, 2017



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, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information .

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (*"the Act"*) with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Emphasis Of Matters

We draw attention to note no 25.5 (ii) of Other Notes to the Financial Statements where management has stated about its efforts to reconcile and trace the relevant papers and documents which could not be made available to us for adequate verification and confirmation. In view of the continuing efforts of the management which were documented in the normal course, our opinion is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except documents and papers relating to old outstanding debtors reconciliation and confirmation.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 25.1 of other Notes to Accounts;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - h) As required by notification no G.S.R. 307(E) dated 30th March, 2017 issued by Ministry of Corporate affairs (MCA), we report that the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 as per notification no G.S.R. 308(E) dated 30th March, 2017 and the same are in accordance with the books of account maintained by the Company. (Refer Note No 25.12 of Other Notes to Accounts).

For KAMG & Associates
Chartered Accountants
(Firm's Registration No.311027E)

Koushik Roy
Partner

Membership No. 50066

Place: Kolkata

Date: 25th May, 2017

**ANNEXURE - A****Annexure to the Auditor's Report****(Referred to in Paragraph 1 of 'Report on Other Legal and Regulatory Requirements' of our report of even date)**

- (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 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 stated to be verified during the year and no material discrepancies were stated noticed on such verification. In our opinion, this frequency of physical verification as stated is reasonable having regard to the size of the Company and nature of business.
- (c) The title deed of immoveable properties is held in the name of the Company.
- (ii) The Inventory has been physically verified and certified by the management at the year end. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on such verification were not material and have been properly dealt within the books of account.
- (iii) On the basis of examination of books of account of the Company and on the basis of information and explanation given to us, the company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, clauses (iii) (a), (b) and (c) of the aforesaid Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanation given to us, during the year the Company has not given loans, made investments, given guarantees and provided securities covered by provisions of section 185 and 186 of the Act.
- (v) The Company has not accepted any deposits from public during the year, within the meaning of the directives issued by The Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Moreover, no order has been passed by Company Law board or National Company Law Tribunal or The Reserve Bank of India or any other court or tribunal.
- (vi) The Central Government has not specified maintenance of cost records under sub section (i) of section 148 of the Companies Act for any of the products of the Company.
- (vii) (a) According to the information and explanations given to us and from the records of the Company examined by us, the Company has been regular in depositing undisputed statutory dues including Provident fund, Employees' state insurance, Income tax, Sales tax, Service tax, duty of Customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. On the basis of checking of records of the Company and according to the information and explanations given to us, there were no arrears of statutory dues as on the last day of the financial year concerned outstanding for a period of more than six months from the date they became payable.
- (b) On the basis of checking of records of the Company and according to the information and explanations given to us, there were no dues of income tax, sales tax, service tax, duty of Customs, duty of excise, value added tax, cess as on the last day of the financial year concerned which have not been deposited on account of any dispute.
- (viii) On the basis of records of the Company examined by us, there is no loan outstanding to financial institution, bank, government or dues to debenture holders. Therefore, clause (viii) of the aforesaid Order is not applicable to the Company.
- (ix) On the basis of records of the Company examined by us, the Company has not raised money by way of initial public offer or further public offer including debt instruments and term loan during the year. Therefore, the clause (ix) of the aforesaid Order is not applicable to the Company.
- (x) During the course of our examination of the records of the Company, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year nor have we been informed of any such case by the management.



- (xi) On the basis of our examination of the records of the Company, the managerial remuneration has been paid /provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The Company is not a Nidhi Company. Therefore, clause (xii) of the aforesaid Order is not applicable to the Company.
- (xiii) On the basis of our examination of the books of account of the Company and according to the information and explanations given to us, the transactions entered with the related parties are in compliance with section 177 and 188 of the Act and the same has been disclosed in the Financial Statements as required by the applicable Accounting Standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) On the basis of our examination of the records of the Company and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, clause (xvi) of the aforesaid Order is not applicable to the Company.

For **KAMG & Associates**
Chartered Accountants
(Firm's Registration No.311027E)

Koushik Roy
Partner

Membership No. 50066

Place: Kolkata

Date: 25th May, 2017

**ANNEXURE - B****ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF TAI INDUSTRIES LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the 2013 Act")****Report on the Financial Statements**

We have audited the internal financial controls over financial reporting of Tai Industries Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for laying down and maintaining internal financial controls based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing, to the extent applicable to an audit of internal financial controls and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note"), both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

In view of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has generally maintained, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **KAMG & Associates**
Chartered Accountants
(Firm's Registration No.311027E)

Koushik Roy
Partner

Membership No. 50066

Place: Kolkata

Date: 25th May, 2017

**Balance Sheet as at 31st March, 2017**

Particulars	Note No.	As at	
		31st March 2017 (₹)	31st March 2016 (₹)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	60,000,000	60,000,000
Reserve and Surplus	2	125,219,177	119,816,066
Total Shareholders' Funds		185,219,177	179,816,066
Non-Current Liabilities			
Other Long-term Liabilities	3	2,874,500	3,559,500
Long-term Provisions	4	7,886,633	6,356,058
Total Non-current Liabilities		10,761,133	9,915,558
Current Liabilities			
Trade payables [Refer Note No.24.3]		322,864,387	347,280,490
Other current Liabilities	5	62,241,229	57,900,248
Short-term Provisions	6	4,159,494	6,680,111
Total current Liabilities		389,265,110	411,860,849
TOTAL		585,245,420	601,592,473
ASSETS			
Non-Current Assets			
Fixed Assets	7		
(i) Tangible Assets		17,284,565	6,130,704
(ii) Intangible Assets		1,737,797	245,140
(iii) CWIP - Intangible assets under development		—	1,921,435
Total Non-Current Assets		19,022,362	8,297,279
Non-current Investments	8	8,622,374	8,633,947
Deferred tax assets (net)	9	666,813	1,201,299
Long-term Loans and Advances	10	128,391,022	128,669,259
Other non-current assets	11	283	378,946
Total Other Non-Current Assets		137,680,492	138,883,451
Total Non-Current Assets		156,702,854	147,180,730
Current Assets			
Inventories	12	27,744,437	24,688,719
Trade receivables	13	337,604,400	353,612,524
Cash and Bank Balances	14	20,765,602	30,507,706
Short-term Loans and Advances	15	42,229,196	45,344,096
Other Current Assets	16	198,931	258,698
Total Current Assets		428,542,566	454,411,743
TOTAL		585,245,420	601,592,473
Statement of Significant Accounting Policies	23		
Other notes to financial statement	24		
The accompanying notes are integral part of the financial statements			

For **KAMG & ASSOCIATES**
Chartered Accountants
Firm's Registration No. 311027E
KOUSHIK ROY
Partner
Membership No. 0500066

Place : Kolkata
Date : 25th May, 2017

For and on behalf of the Board

WANGCHUK DORJI
Chairman
DIN : 00296747

INDIRA BISWAS
Company Secretary
Membership No.A- 9621

MOU MUKHERJEE
Chief Financial Officer

**Statement of Profit and Loss Account for the year ended 31st March, 2017**

Particulars	Refer Note No.	Figures for the year ended 31st March, 2017		Figures for the year ended 31st March, 2016
		(₹)	(₹)	(₹)
Revenue from operations	17	683,032,009		588,526,420
Other Income	18	12,888,783		26,380,851
Total Revenue		695,920,792		614,907,271
Expenses:				
Purchases of Stock-in-Trade	19	559,291,528		495,784,590
Changes in inventories and Stock-in-Trade	20	(3,055,719)		(3,632,281)
Employee benefits expense	21	33,582,501		31,427,521
Depreciation and amortization expense				
Tangible assets		1,424,131		1,511,775
Intangible assets		428,778		140,684
			1,852,909	—
Other expenses	22	98,505,836		81,265,535
Total expenses		690,177,055		606,497,824
Profit / (Loss) before tax		5,743,737		8,409,447
Tax expense:				
(1) Current tax				65,000
(2) Deferred tax			534,486	(520,552)
(3) For earlier years			(193,860)	(461,153)
Profit / (Loss) for the year after tax		5,403,111		9,326,152
Earnings per equity share:				
Basic & Diluted (Note 24.10)			0.90	1.55
Statement of Significant Accounting Policies	23			
Other notes to financial statement	24			

The accompanying notes are integral part of the financial statements

For **KAMG & ASSOCIATES**
Chartered Accountants
Firm's Registration No. 311027E
KOUSHIK ROY
Partner
Membership No. 0500066
Place : Kolkata
Date : 25th May, 2017

For and on behalf of the Board

WANGCHUK DORJI
Chairman
DIN : 00296747

INDIRA BISWAS
Company Secretary
Membership No.A- 9621

MOU MUKHERJEE
Chief Financial Officer

**Cash Flow Statement for the year ended 31st March, 2017**

	Year ended 31st March, 2017 (₹)	Year ended 31st March, 2016 (₹)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	5,743,737	8,409,447
Adjustments for :		
Depreciation	1,852,909	1,652,459
Interest Income	(647,376)	(2,315,101)
Dividend Income	(7,152,974)	(8,116,746)
Provision for Gratuity	946,205	868,681
Provision For Leave Encashment	2,814,032	1,710,488
Provision for LTA, Bonus & Exgratia	2,460,786	1,100,312
Loss / adjustment on Sale of Fixed Assets	101,817	19,624
Provision for dimunition in value of Investments	11,573	13,291
Operating Profit before Working Capital changes	6,130,709	3,342,455
Adjustment for changes in Working Capital :		
(Increase)\Decrease in Trade and other Receivables	19,401,261	(8,664,041)
(Increase)\Decrease in Inventories	(3,055,718)	(3,632,281)
Increase\((Decrease) in Trade payables and other payables	(20,760,121)	23,990,055
Cash Generated from Operating Activities	1,716,131	15,036,188
Direct taxes paid (net of refunds)	(351,140)	(88,847)
Leave Encashment Paid	(1,576,936)	(1,247,602)
Gratuity Paid	(165,779)	(49,500)
LTA, Bonus & Exgratia paid	(1,312,620)	(969,940)
Net Cash from Operating Activities (A)	(1,690,344)	12,680,299
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including Capital-Work-in-Progress	(12,905,775)	(1,139,190)
Sale of Fixed Assets	225,965	24,500
Interest Received	1,085,806	2,122,800
Dividend Received	7,152,974	8,116,746
Net Cash from Investing Activities (B)	(4,441,030)	9,124,856
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid including dividend distribution tax	(3,610,730)	(5,055,036)
Net Cash used in Financing Activities (C)	(3,610,730)	(5,055,036)
Net Increase/\(Decrease)in Cash and Cash Equivalents	(9,742,104)	16,750,119
(A+B+C)		
Opening Balance of Cash and Cash Equivalents	30,507,706	13,757,587
Closing Balance of Cash and Cash Equivalents	20,765,602	30,507,706

**Notes :**

1. The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at 31st March,2017 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 3 (AS-3) on "Cash Flow Statement", 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 **KAMG & ASSOCIATES**
Chartered Accountants
Firm's Registration No. 311027E
KOUSHIK ROY
Partner
Membership No. 0500066
Place : Kolkata
Date : 25th May, 2017

For and on behalf of the Board

WANGCHUK DORJI
Chairman
DIN : 00296747

INDIRA BISWAS
Company Secretary
Membership No.A- 9621

MOU MUKHERJEE
Chief Financial Officer

**Notes to Financial Statements**

	As at 31 March 2017		As at 31 March 2016	
	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

(a) Reconciliation of number of shares at the beginning and at the end of the period

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

(b) Shareholders holding more than 5% shares

Name of Shareholder	As at 31 March 2017		As at 31 March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
LATE DASHO UGEN DORJI	1,216,000	20.2667	1,216,000	20.2667

(c) Each equity share carries one vote to be exercised at a General Meeting. Dividend except interim dividend are declared by the board and approval at the shareholder's meeting.



	As at 31st March, 2017 (₹)	As at 31st March, 2016 (₹)
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	<u>595,100</u>	<u>595,100</u>
b. General Reserve		
Opening Balance	3,878,789	3,878,789
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	-	-
Closing Balance	<u>3,878,789</u>	<u>3,878,789</u>
c. Surplus		
Opening balance	115,342,177	109,626,755
Less : Adjustment due to change in depreciation method	-	-
	<u>115,342,177</u>	<u>109,626,755</u>
Net Profit/(Net Loss) For the current year	5,403,111	9,326,152
Less : Appropriations		
Proposed Dividend	-	3,000,000
Tax on Proposed Dividend	-	610,730
Total Appropriations	-	3,610,730
Closing Balance	<u>120,745,288</u>	<u>115,342,177</u>
Total	<u>125,219,177</u>	<u>119,816,066</u>

NOTE : 3**Other Long Term Liabilities**

Security deposit received	2,874,500	3,559,500
Total	<u>2,874,500</u>	<u>3,559,500</u>

NOTE : 4**Long Term Provisions****(a) Provision for employee benefits**

Gratuity (unfunded) (Note 24.4)	4,893,393	4,123,294
Leave Encashment (unfunded) (Note 24.4)	2,993,240	2,232,764
Total	<u>7,886,633</u>	<u>6,356,058</u>



	As at 31st March, 2017 (₹)	As at 31st March, 2016 (₹)
NOTE : 5		
Other Current Liabilities		
Salary payable	1,133,364	1,582,606
Statutory dues	3,764,007	3,181,212
Liabilities for Stale Cheque	52,031	22,031
Other liability	1,104,478	484,099
Security deposit received	2,950,000	3,115,000
Advance from Customer	6,578,980	2,758,328
Advances from others	45,554,559	45,919,267
Unclaimed dividend	1,103,810	837,705
Total	62,241,229	57,900,248

NOTE : 6**Short Term Provisions****(a) Provision for employee benefits**

Gratuity (unfunded) (Note 24.4)	118,872	108,545
Leave Encashment (unfunded) (Note 24.4)	59,783	47,642
Leave Encashment for Continuing Employee	1,783,255	1,318,776
Provision for LTA	1,104,557	1,049,418
Provision for Exgratia	399,765	-
Provision for Bonus	693,262	-

(b) Other Provisions

Proposed Dividend	-	3,000,000
Tax on Proposed Dividend	-	610,730
Provision for Income tax & fringe benefit tax	-	545,000
Total	4,159,494	6,680,111



NOTE : 7 - Fixed Assets

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance as at 1 April, 2016 (₹)	Additions (₹)	Disposals (₹)	Balance as at 31 Mar, 2017 (₹)	Balance as at 1 April, 2016 (₹)	Depreciation charge for the year (₹)	Adjustments on Sale/Transfer (₹)	Balance as at 31 Mar, 2017 (₹)	Balance as at 1 April, 2016 (₹)	
(a) Tangible Assets										
Building	2,896,312	-	105,000	2,791,312	2,012,864	39,373	71,744	1,980,492	810,820	883,449
Furniture & Fixture	11,269,320	99,750	1,567,462	9,801,608	10,579,461	55,941	1,489,600	9,145,803	655,805	689,859
Office Equipment	6,311,265	263,337	457,433	6,117,169	5,435,466	378,688	413,241	5,400,913	716,256	875,799
Electrical Equipment	2,491,002	2,550	199,858	2,293,694	2,366,939	3,397	191,223	2,179,114	114,580	124,063
Motor Vehicle	2,486,175	-	-	2,486,175	2,077,408	135,473	-	2,212,881	273,294	408,767
Computer	21,689,917	12,540,138	4,062,257	30,167,798	20,530,996	320,931	3,901,416	16,950,511	13,217,287	1,158,921
Plant & Machinery	14,517,762	-	30,000	14,487,762	12,527,915	490,328	27,003	12,991,240	1,496,522	1,989,847
Total	61,661,753	12,905,775	6,422,010	68,145,518	55,531,050	1,424,131	6,094,227	50,860,954	17,284,565	6,130,703
(b) Intangible Assets										
Software Charges	2,831,181	1,921,435	2,129,681	2,622,935	2,586,041	428,778	2,129,681	885,138	1,737,797	245,140
(c) CAPITAL WIP	1,921,435	-	1,921,435	-	-	-	-	-	-	1,921,435
Total	66,414,369	14,827,210	10,473,126	70,768,453	58,117,091	1,852,909	8,223,908	51,746,092	19,022,362	8,297,278
Previous Year	65,821,038	1,139,190	545,859	66,414,369	56,966,366	1,652,459	501,735	58,117,091	8,279,279	8,854,671



NOTE : 8 - Non-current Investment

Particulars	No. of Shares Units		Face Value (₹)	As at 31st March 2017			As at 31st March 2016		
				Cost of Investment (₹)	Provision for diminution in value of Investment (₹)	Net cost of Investment (₹)	Cost of Investment (₹)	Provision for diminution in value of Investment (₹)	Net cost of Investment (₹)
	Year 2017	Year 2016	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	
Other Investments:									
Equity Shares fully paid (Quoted - at cost)									
Usha Ispat Limited	300	300	10	3,000	3,000	-	3,000	3,000	-
Core Health Care Limited	100	100	10	15,000	15,000	-	15,000	14,313	687
IFCI Limited	100	100	10	3,500	530	2,970	3,500	1,030	2,470
State Bank of India	1,800	1,800	10	62,700	-	62,700	62,700	-	62,700
Bata India Limited	8,750	8,750	10	152,250	-	152,250	152,250	-	152,250
Infosys Limited	416	416	5	3,448	-	3,448	3,448	-	3,448
Reliance Industries Limited	2,060	2,060	10	102,167	-	102,167	102,167	-	102,167
India Steel Works Limited	250	250	10	2,500	1,382	1,118	2,500	2,047	453
Reliance Capital Limited	51	51	10	2,554	-	2,554	2,554	-	2,554
Reliance Communications Limited	1,030	1,030	5	76,036	36,587	39,449	76,036	24,536	51,500
Reliance Infrastructure Limited	77	77	10	14,343	-	14,343	14,343	-	14,343
Reliance Power Limited	257	257	10	1,375	-	1,375	1,375	-	1,375
TOTAL (A)				438,873	56,499	382,374	438,873	44,926	393,947
Equity shares fully paid (Unquoted)									
Jamipol Limited	800,000	800,000	10	8,000,000	-	8,000,000	8,000,000	-	8,000,000
TOTAL (B)				8,000,000	-	8,000,000	8,000,000	-	8,000,000
Investment in Mutual Funds									
Fully Paid (Quoted)									
UTI Equity Fund - Dividend Plan (NAV)	10,000	10,000	10	100,000	-	100,000	100,000	-	100,000
SBI Magnum Multiplier Plus 19]93 - Regular Plan - Dividend (NAV)	10,000	10,000	10	100,000	-	100,000	100,000	-	100,000
HDFC Large Cap Fund - Regular Growth Plan (NAV)	4,000	4,000	10	40,000	-	40,000	40,000	-	40,000
TOTAL (C)				240,000	-	240,000	240,000	-	240,000
GRAND TOTAL [(A) + (B) + (C)]				8,678,873	56,499	8,622,374	8,678,873	44,926	8,633,947
2. Aggregate Book Value of quoted Investments				678,873	56,499	622,374	678,873	44,926	633,947
of unquoted Investments				8,000,000	-	8,000,000	8,000,000	-	8,000,000
Total				8,678,873	56,499	8,622,374	8,678,873	44,926	8,633,947
				As at 31st March 2017	As at 31st March 2016				
Aggregate amount of quoted investments (Market value)				10,983,590	7,376,551				
Aggregate provision for diminution in value of investments				56,499	44,926				



	As at 31st March, 2017 (₹)	As at 31st March, 2016 (₹)
NOTE : 9		
Deferred Tax Asset (Net)		
Liabilities :		
Depreciation	NIL	NIL
Provision for Gratuity & Doubtful Debts	NIL	NIL
Total Liabilities - (A)	NIL	NIL
Assets :		
Depreciation	39,823	801,034
Provision for Leave Encashment & Diminution Value of Investment	385,839	147,139
Provision for Gratuity	241,152	253,127
Total Assets - (B)	666,813	1,201,299
Net Deferred Tax Liability / (Asset) [(A)-(B)]	(666,813)	(1,201,299)

NOTE : 10**Long Term Loans and Advances****a. Security Deposits (Unsecured)**

Considered good	4,657,813	4,936,050
Considered Doubtful	2,474,900	2,474,900
Less: Provision for doubtful deposits	2,474,900	2,474,900
	4,657,813	4,936,050

b. Loans and advances to related parties (Unsecured, considered good)

	74,237,148	74,237,148
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c. Other loans and advances

Loans and Advances to Others (Unsecured, considered good)	49,496,061	49,496,061
	128,391,022	128,669,259

NOTE : 11**Other non-current assets**

Interest accrued but not received (Unsecured, considered good)	283	378,946
	283	378,946

NOTE : 12**Inventories**

(Measured at lower of cost or net realisable value)

a) Stock-in-trade	27,744,437	24,688,719
Total	27,744,437	24,688,719

NOTE : 13**Trade Receivables**

Unsecured, considered good		
Outstanding for a period more than six months	64,886,872	67,403,142
Unsecured, considered good		
Outstanding for a period less than six months	272,717,528	286,209,382
Total	337,604,400	353,612,524



	As at 31 March 2017		As at 31 March 2016	
	₹	₹	₹	₹
NOTE : 14				
CASH AND BANK BALANCES				
A. Cash and Cash Equivalents				
i) Cash in hand	1,471,938		1,716,544	
ii) Bank balances in current accounts	10,679,281		10,550,037	
iii) Unpaid Dividend Account	1,103,810	13,255,029	837,705	13,104,285
B. Other Bank Balances				
Fixed Deposits more than 12 months maturity	7,510,573	7,510,573	17,403,421	17,403,421
	20,765,602		30,507,706	

NOTE : 15**Short Term Loans and Advances****a. Loans and advances to related parties**

(Unsecured, considered good)	4,917,859		4,852,562	
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b. Loans and advances to others

(Unsecured, considered good)	31,827,577		30,984,526	
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c. Security Deposits

(Unsecured, considered good)	724,800	37,470,236	473,170	36,310,258
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d. Others (Unsecured, considered good)

Advance Income Tax	–		109,670	
TDS & TCS Receivable	989,990		2,291,549	
Prepaid Expenses	206,610		125,251	
Prepaid Insurance Premium	242,780		204,436	
Advance to vendors	3,319,580	4,758,960	6,302,932	9,033,838
Total		42,229,196		45,344,096

	As at	As at
	31st March, 2017	31st March, 2016
	(₹)	(₹)

NOTE : 16**Other Current Assets**

Interest accrued but not received (Less than 12 months)	198,931	258,698
	198,931	258,698



Particulars	For the year ended 31st March, 2017 (₹)	For the year ended 31st March, 2016 (₹)
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NOTE : 17**Revenue from Operations****Sales :**

Fruit Products	121,484,476	115,333,672
Calcium Carbide	42,921,510	59,522,979
Charcoal	301,612,116	214,945,304
Quartz	-	4,705,350
Sale of Retail Products	190,450,515	169,477,717
Other Operating Income	26,563,392	24,541,398
Total	683,032,009	588,526,420

NOTE : 18**Other income**

Interest Income -Gross [Taxes Deducted at Sources Rs. 35486/- (2016 - Rs. 39,871/-)]	647,376	2,315,101
Dividend Income	7,152,974	8,116,746
Other non-operating income (net of expenses directly attributable to such income)	5,088,433	15,949,004
Total	12,888,783	26,380,851

NOTE : 19**Purchases of Stock-in-Trade**

Fruit Products	82,909,603	83,024,800
Calcium Carbide	37,992,180	52,560,059
Charcoal	268,638,206	200,514,776
Quartz	-	4,611,243
Retail Products	162,409,313	147,201,628
Carraige Inward, Octroi Expenses and Other related expenses	7,342,226	7,872,084
Total	559,291,528	495,784,590

NOTE : 20**Changes in inventories and Stock-in-Trade**

Opening Stock	24,688,718	21,056,438
Less : Closing Stock	27,744,437	24,688,719
Total	(3,055,719)	(3,632,281)



Particulars	For the year ended 31st March, 2017 (₹)	For the year ended 31st March, 2016 (₹)
NOTE : 21		
Employee benefits expense		
(a) Salaries and incentives	28,502,040	26,602,786
(b) Contribution to Provident Fund & other Funds	2,430,776	2,397,304
(c) Gratuity Provision (Note 24.4)	946,205	868,681
(d) Staff welfare expenses	1,703,480	1,558,750
Total	33,582,501	31,427,521
NOTE : 22		
Other Expenses		
Rent	6,392,153	6,093,476
Repairs to Building	456,225	695,103
Repairs to Others	13,417,888	12,045,524
Insurance	629,895	472,911
Rates and Taxes	1,071,490	1,057,425
Electricity	4,704,418	4,267,546
Travelling and Conveyance	7,211,687	7,725,057
Communication Expense	2,163,821	2,281,407
Legal and Professional charges	2,947,987	2,411,646
Printing and Stationery	1,211,882	857,207
Carriage Outward	24,116,304	12,082,461
Commission on Depot Sales	688,547	762,760
Commission Paid on Ferro Silicon	-	2,171,879
Breakage and Damages	3,255,612	4,665,971
Discount	9,198,388	6,473,446
Advertisement, Publicity and Sales Promotion	629,591	1,247,548
Other Selling Expenses	3,041,436	2,935,134
Debts and Advances written off	9,008,209	6,070,590
Bank & Other Charges	1,420,224	1,451,180
Miscellaneous Expenses [Note 24.6]	3,207,622	2,718,301
Security Charges	2,088,097	1,408,000
Common expenses Store	1,280,970	1,058,048
Director's sitting fees	250,000	280,000
Loss on sale of Fixed Assets (Net)	101,817	19,624
Provision for dimunition in value of Investments	11,573	13,291
Total	98,505,836	81,265,535

**NOTE : 23****1. Significant Accounting Policies****(a) Basis of preparation of Financial Statements**

The Financial Statements are prepared on accrual basis under the historical cost convention (except where impairment is made) on the basis of going concern and in accordance with the accounting standards notified under section 133 pursuant to section 129(1) of the Companies Act, 2013.

(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

Depreciation has been provided in the accounts on the basis of useful life as per Schedule II of the Companies Act, 2013.

(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 determined on FIFO basis.

(h) Intangible Assets

Software which is not an integral part of related hardware is treated as intangible asset and are capitalized in accordance with the relevant Accounting Standard. The cost of such assets is amortized on straight-line method over a period of five years or the estimated economic life of the asset whichever is lower. The carrying value of the capitalized software costs is reviewed at each Balance Sheet date.

(i) Revenue Recognition

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

(j) Employee Benefits

- (i) Short Term Employee Benefits.

Short Term Employee Benefits are recognized as an expense at the undiscounted amount in the statement of Profit and Loss of the year in which the related service is rendered.

- (ii) Defined Contribution Schemes.

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

- (iii) Defined Benefit Schemes

Provision for leave encashment and gratuity are made in the accounts on the basis of actuarial valuation.

**(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 transactions 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 Statements**24.1. Contingent liabilities**

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 7,42,37,148 (previous year- 7,42,37,148) 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. The Company is not in physical possession of the complex. The Company has initiated legal proceedings against KMDA which is now pending disposal before the Calcutta High Court.



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, 2017 are as under

Sl. No.	Description	Amount outstanding as at 31st March, 2017 (₹)	Amount outstanding as at 31st March, 2016 (₹)
1.	The principal amount remaining unpaid to suppliers as at the end of the year	51,48,095	35,82,560
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, along with the amount of the payment made to the supplier beyond the appointed day during the year 2016-17	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

Note: As per terms of purchase, no interest is payable by the Company to the party covered under MSMED Act, 2006.

24.4. Employee benefit

The Employee benefits have been determined in accordance with the Accounting Standard-15(AS-15) issued by The Institute of Chartered Accountants of India.

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, 2017	31st March, 2016	31st March, 2017	31st March, 2016
a. Reconciliation of opening and closing balances of Defined Benefit Obligations				
Defined Benefit Obligation at the beginning of the year	42,31,839	34,12,658	22,80,406	19,64,185
Current Service Cost	3,13,856	2,48,338	56,834	15,548
Interest Cost	3,25,693	2,66,967	1,68,012	1,47,943
Past Service Cost	–	–	–	–
Actuarial (gain)/ loss	3,06,656	3,53,376	8,28,031	3,26,191
Benefit paid	(1,65,779)	(49,500)	(2,80,260)	(1,73,461)
Defined Benefit Obligation at the year end	50,12,265	42,31,839	30,53,023	22,80,406



	Gratuity (₹)		Leave Encashment (₹)	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
b. Change in Fair Value of Assets				
Plan assets at beginning of period	–	–	–	–
Expected return on plan assets	–	–	–	–
Actual Company contributions	1,65,779	49,500	2,80,260	1,73,461
Actuarial gain/(loss)	–	–	–	–
Employee contributions	–	–	–	–
Benefits paid	(1,65,779)	(49,500)	(2,80,260)	(1,73,461)
Plan assets at the end of period	–	–	–	–
c. Expenses recognized during the year				
Current service cost	3,13,856	2,48,338	56,834	15,548
Interest cost	3,25,693	2,66,967	1,68,012	1,47,943
Past Service Cost	NIL	NIL	NIL	NIL
Expected return on plan assets	NIL	NIL	NIL	NIL
Actuarial (gain)/ loss	3,06,656	3,53,376	8,28,031	3,26,191
Net cost	9,46,205	8,68,681	10,52,877	4,89,682
d. Gratuity Provision is shown separately in Note - 21 and Leave Encashment has been shown under Salaries & incentives in Note – 21				
Discount rate per annum compound	7.35%	7.85%	7.35%	7.85%
Rate of increase in salaries	2.00%	2.00%	2.00%	2.00%
Expected average remaining working lives of employees (years)	19.39	19.93	19.39	19.93
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.

	Funded Status	31st March, 2017 (₹)	31st March, 2016 (₹)
1.	Net asset/(liability) recognized in balance sheet at beginning of period	(22,80,406)	(19,64,185)
2.	Employer expense	10,52,877	4,89,682
	Employer contributions	2,80,260	1,73,461
3.	Net asset/(liability) recognized in balance sheet at end of the period	(30,53,023)	(22,80,406)



f. Expenses History (Leave Encashment)

		31st March, 2017 (₹)	31st March, 2016 (₹)	31st March, 2015 (₹)	31st March, 2014 (₹)	31st March, 2013 (₹)
1.	Present value of Defined Benefit Obligation	30,53,023	22,80,406	19,64,185	23,68,632	27,38,639
2.	Fair Value of plan assets	NIL	NIL	NIL	NIL	NIL
3.	Funded status [Surplus/ (Deficit)]	(30,53,023)	(22,80,406)	(19,64,185)	(23,68,632)	(27,38,639)
4.	Experience (Gain)/ Loss adjustment on plan liabilities	6,96,375	3,20,662	1,36,056	1,14,661	2,67,249
5.	Experience Gain/(Loss) adjustment on plan assets	NIL	NIL	NIL	NIL	NIL
6.	Experience (Gain)/Loss adjustment on plan liabilities due to change in assumption	1,31,656	5,529	(4,06,444)	(2,43,692)	1,42,115
	Discount Rate Assumption					
	Opening	7.85%	7.88%	9.15%	8.30%	8.75%
	Closing	7.35%	7.85%	7.88%	9.15%	8.30%

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

	Funded Status	31st March, 2017 (₹)	31st March, 2016 (₹)
1.	Net asset/(liability) recognized in balance sheet at beginning of period	(42,31,839)	(34,12,658)
2.	Employer expense	9,46,205	8,68,681
3.	Employer contributions	1,65,779	49,500
4.	Net asset/(liability) recognized in balance sheet at end of the period	(50,12,265)	(42,31,839)

h. Experience History (Gratuity)

		31st March, 2017 (₹)	31st March, 2016 (₹)	31st March, 2015 (₹)	31st March, 2014 (₹)	31st March, 2013 (₹)
1.	Present value of Defined Benefit Obligation	50,12,265	42,31,839	34,12,658	37,35,987	37,27,575
2.	Fair Value of plan assets	NIL	NIL	NIL	NIL	NIL
3.	Funded status [Surplus/ (Deficit)]	(50,12,265)	(42,31,839)	(34,12,658)	(37,35,987)	(37,27,575)
4.	Experience (Gain)/Loss adjustment on plan liabilities	1,22,129	3,44,776	1,06,087	1,84,212	2,60,034
5.	Experience Gain/(Loss) adjustment on plan assets	NIL	NIL	NIL	NIL	NIL
6.	Experience (Gain)/Loss adjustment on plan liabilities due to change in assumption	1,84,527	8,600	(3,97,597)	(3,41,214)	1,68,170
	Discount rate assumption					
	Opening	7.85%	7.88%	9.15%	8.30%	8.75%
	Closing	7.35%	7.85%	7.88%	9.15%	8.30%

**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	2016-17 (₹)	2015-16 (₹)
Employers' contributions to Provident Fund	10,39,044	10,49,639
Employers' contributions to Pension Fund	9,31,241	8,87,014
Employer's Contribution to EDLI	54,142	54,012

- 24.5. (i) The Company has not obtained year-end balance confirmation certificates from most of 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.

- (ii) Management is continuing with its efforts to locate the relevant papers and documents for reconciling old outstanding debtors balances and in the process has been able to recover substantial funds.

24.6. Miscellaneous expenses include

Nature of contributions	2016-17 (₹)	2015-16 (₹)
(a) Amount paid/payable to Auditors		
(i) Statutory Audit Fee	1,70,000	1,70,000
(ii) Tax Audit Fee	50,000	50,000
(iii) Other Certificates	82,500	82,500
(iv) Reimbursement of Expenses [[Including Service -Tax 45,375/-] 2015-16 - 43,725/-]	45,375	43,725
Total	3,47,875	3,46,225

- 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	27,07,462	26,44,680
2.	Later than one year and not later than five years	31,88,788	58,96,251
3.	Later than five years	—	—

Lease rent recognized in Statement of Profit & Loss 30,39,407/- (Previous year – .26,81,396/-)

- 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)	49,68,57,421 (39,45,07,305)	19,90,63,370 (16,94,77,717)	69,59,20,791 (56,39,85,022)
Segment Results (Previous Year)	16,18,035 (64,78,835)	41,25,696 (43,83,071)	57,43,731 (1,08,61,906)
Depreciation, Amortizations & Finance Cost (Previous Year)			18,52,909 (16,52,459)
Net Profit Before Tax (Previous Year)			57,43,737 (84,09,447)
Income Tax (including Deferred Tax) (Previous Year)			3,40,626 (9,16,705)
Net Profit / (-) Loss After Tax (Previous Year)			54,03,111 (93,26,152)



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 – Director ■ Dasho Wangchuk Dorji - Chairman ■ Mr. Rohan Ghosh - Managing Director ■ Mrs. Mou Mukherjee – Chief Financial Officer ■ Mrs.Indira Biswas – Company Secretary
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 ■ Bhutan Hyundai Motors

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 31.03.2017 ₹	For the year ended 31.03.2016 ₹	For the year ended 31.03.2017 ₹	For the year ended 31.03.2016 ₹
Purchase of goods	9,58,57,484	11,19,35,838		
Sale of Goods	30,16,12,116	21,96,50,654		
Rendering of Services	9,75,000	9,75,000		
Discount Received	1,90,12,883	1,67,92,117		
Royalty Paid	1,40,921	1,87,047		
Outstanding Balance				
Due to Company	20,41,08,985	18,23,14,238		
Payables by Company	20,06,90,852	22,03,88,812		
Remunerations -				
Dasho Wangchuk Dorji			22,80,567	22,09,053
Mr. Rohan Ghosh			20,83,128	19,58,188
Mrs. Mou Mukherjee			16,84,658	15,74,501
Mrs.Indira Biswas			16,84,658	15,74,501
Directors' Sitting Fees -				
Dasho Topgyal Dorji			10,000	20,000

**24.10. Earnings Per Share (EPS)**

Particulars	2016 - 2017 (₹)	2015 - 2016 (₹)
Profit(Loss) after Tax attributable to Equity Shareholders	54,03,111	93,26,152
Weighted Average number of Equity Share Outstanding	60,00,000	60,00,000
EPS – Basic & diluted	0.90	1.55

24.11 Due to absence of virtual certainty about future taxable income, no deferred tax asset with respect to unabsorbed depreciation and carried forward loss has been recognized in the accounts.

24.12 Details of Specified Bank Notes (SBN) held and transacted by the Company during the period from 8th November, 2016 to 30th December 2016 as per Notification No. G.S.R. 308(E) dated 30th March, 2017 are as below.

Particulars	Specified Bank Notes (SBNs) (₹)	Other denomination notes (₹)	Total (₹)
Closing cash in hand as on 08.11.2016	10,21,000	16,132	10,37,132
Add: Permitted receipts	36,000	18,75,873	19,11,873
Less: Permitted payments	–	10,71,827	10,71,827
Less: Amount deposited in Banks	10,57,000	–	10,57,000
Closing cash in hand as on 30.12.2016	–	–	8,20,178

24.13. a) Previous year's 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 25

For **KAMG & ASSOCIATES**
Chartered Accountants
Firm's Registration No. 311027E
KOUSHIK ROY
Partner
Membership No. 0500066

Place : Kolkata
Date : 25th May, 2017

For and on behalf of the Board

WANGCHUK DORJI
Chairman
DIN : 00296747

INDIRA BISWAS
Company Secretary
Membership No.A- 9621

MOU MUKHERJEE
Chief Financial Officer



ROUTE MAP TO THE AGM VENUE "Kala Kunj", 48, Shakespeare Sarani, Kolkata - 700 017



If undelivered, please return to:
TAI INDUSTRIES LIMITED
53A, Mirza Ghalib Street
3rd Floor, Kolkata 700 016