

Tai Industries Limited

Registered Office

53A, Mirza Ghalib Street, 3rd Floor, Kolkata - 700 016
Phone : (033) 2226 0938, 4041 6666, Fax : (033) 2249 7319
E-mail : info@taiind.com, Website : www.taiind.com
CIN : L01222WB1983PLC059695

TAI/SEC/SEBI LODR/19-20/76
27th May, 2019

The Corporate Relationship Department,
Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001.

Scrip Code No. 519483

The Secretary,
The Calcutta Stock Exchange Association Limited,
7, Lyons Range, Kolkata – 700 001.

Scrip Code No. 30055

Dear Sir,

Sub: Outcome of the Board Meeting pursuant to Regulation 30 read with Part A of Schedule III and Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further to our letter no. TAI/SEC/SEBI LODR/19-20/65 dated 18th May, 2019, we hereby inform that the Board of Directors at its Meeting held today, i.e., 27th May, 2019, has considered and approved the following :-

1. The Audited Financial Results for the quarter and year ended 31st March, 2019.
2. Re-appointment of Dasho Wangchuk Dorji (DIN: 00296747) as Whole-time Director of the Company.
3. Re-appointment of Mr. Rohan Ghosh (DIN : 00032965) as Managing Director of the Company.
4. Seeking Shareholders approval vide Special Resolutions for Re-appointment of Mr. Prem Sagar (DIN: 00040396), Mr. K.N. Malhotra (DIN: 00128479), Mr. Vinay Killa (DIN: 00060906) and Ms. Sarada Hariharan (DIN: 06914753), as Independent Directors of the Company for a second term of 5 years from the conclusion of the 36th Annual General Meeting till the conclusion of the 41st Annual General Meeting of the Company.

The Auditor's have given their Report with unmodified opinion on the Audited Financial Results of the Company for the year ended 31st March, 2019.

Please find enclosed the following:

1. Audited Financial Results for the quarter and year ended 31st March, 2019.
2. Auditor's Report on Audited Financial Results.

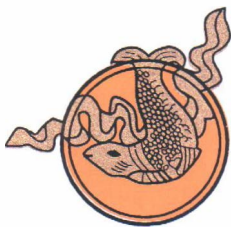
The Board Meeting held today commenced at 1.00 p.m. and concluded at 4.00 p.m.

Kindly take the same on record.

Yours faithfully,
Tai Industries Limited


Indira Biswas
Company Secretary
& Compliance Officer

Encl: As above



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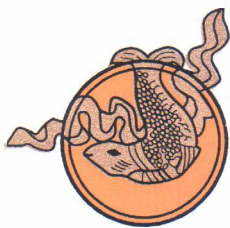
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STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2019

(₹, in lakhs)

	Particulars	Quarter Ended			Year Ended	
		31.03.2019 (Audited)	31.12.2018 (Audited)	31.03.2018 (Audited)	31.03.2019 (Audited)	31.03.2018 (Audited)
I.	Revenue from Operations	5,091.94	2,399.93	1,881.23	11,446.48	7,362.91
II.	Other Income	12.86	21.88	75.85	161.77	178.48
III.	Total Income (I + II)	5,104.80	2,421.81	1,957.08	11,608.25	7,541.39
IV.	Expenses					
	(a) Cost of Materials consumed	-	-	-	-	-
	(b) Purchases of stock-in-trade	4,450.85	2,307.66	1,441.60	9,410.22	5,919.02
	(c) Changes in inventories of	-	-	-	-	-
	finished goods	-	-	-	-	-
	stock-in-trade	129.23	(163.60)	(49.53)	(36.97)	(11.27)
	and work-in-progress	-	-	-	-	-
	(d) Employee benefits expense	82.69	98.33	96.96	393.41	344.05
	(e) Finance costs	0.31	0.36	-	1.66	-
	(f) Depreciation and amortisation expense	14.43	13.55	22.93	49.82	93.99
	(g) Other expenses	408.89	161.94	436.11	1,613.83	1,159.56
	Total Expenses (IV)	5,086.40	2,418.24	1,948.07	11,431.97	7,505.35
V.	Profit/ (Loss) before exceptional items and tax (III-IV)	18.40	3.57	9.01	176.28	36.04
VI.	Exceptional Items	-	-	-	-	-
VII.	Profit/ (Loss) before tax (V-VI)	18.40	3.57	9.01	176.28	36.04
VIII.	Tax Expenses					
	(1) Current Tax	8.20	4.30	-	32.50	-
	(2) Deferred Tax	(19.48)	-	(2.90)	(19.48)	(2.90)
IX.	Profit / (Loss) for the period from continuing operations (after tax) (VII-VIII)	29.68	(0.73)	11.91	163.26	38.94
X.	Profit / (Loss) from discontinued operations	-	-	-	-	-
XI.	Tax expense of discontinued operations	-	-	-	-	-
XII.	Profit / (Loss) from Discontinued operations (after tax) (X-XI)	-	-	-	-	-
XIII.	Profit / (Loss) for the period (IX+XII)	29.68	(0.73)	11.91	163.26	38.94
XIV.	Other Comprehensive Income					
	A (i) Items that will not be reclassified to profit or loss	20.76	11.93	14.02	76.90	36.10
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.35	(1.93)	(5.66)	(7.89)	(6.56)
	B (i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
XV.	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit / (Loss) and Other Comprehensive Income for the period)	50.79	9.27	20.27	232.27	68.48
XVI.	Earnings per Equity Share (for continuing operations) :					
	(1) Basic (₹)	0.49	(0.01)	0.20	2.72	0.65
	(2) Diluted (₹)	0.49	(0.01)	0.20	2.72	0.65
XVII.	Earnings per Equity Share (for discontinued operations) :					
	(1) Basic (₹)	-	-	-	-	-
	(2) Diluted (₹)	-	-	-	-	-
XVIII.	Earnings per Equity Share (for discontinued and continuing operations) :					
	(1) Basic (₹)	0.49	(0.01)	0.20	2.72	0.65
	(2) Diluted (₹)	0.49	(0.01)	0.20	2.72	0.65





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STATEMENT OF ASSETS AND LIABILITIES

(₹ in lakhs)

Particulars	As at 31 March 2019 (Audited)	As at 31 March 2018 (Audited)
ASSETS		
(1) Non-Current Assets		
(a) Property, Plant & Equipment	58.19	89.95
(b) Capital work-in-progress	-	-
(c) Intangible assets	60.41	17.85
(d) Financial assets		
(i) Investments	296.69	213.76
(ii) Other non current financial assets	228.81	161.07
(e) Deferred tax assets (net)	3.42	-
(f) Other non-current assets	4.77	4.99
Sub total -Non current assets	652.29	487.62
(2) Current assets		
(a) Inventories	325.67	288.71
(b) Financial assets		
(i) Trade Receivables	2,405.47	3,095.87
(ii) Cash & cash equivalents	238.83	124.75
(iii) Other Bank Balances	40.29	11.02
(iv) Other financial assets	24.23	3.37
(c) Current tax assets(net)	37.96	19.96
(d) Other current assets	1,918.28	1,774.15
Sub total Current assets	4,990.73	5,317.83
TOTAL - ASSETS	5,643.02	5,805.45
EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity Share Capital	600.00	600.00
(b) Other Equity	843.19	610.91
Sub total Equity	1,443.19	1,210.91
(2) Non-current liabilities		
(a) Employee Benefit Obligation	79.10	66.70
(b) Deferred tax liabilities (net)	-	8.17
(c) Other non-current financial liabilities	-	-
Sub total -Non current liabilities	79.10	74.87
(3) Current liabilities		
(a) Financial liabilities		
(i) Trade payables	3,313.85	3,825.43
(ii) Other financial liabilities	82.36	52.24
(b) Other current liabilities	647.44	589.05
(c) Short Term Provisions	32.71	32.15
(d) Employee Benefit Obligation	44.37	20.80
Sub total - Current liabilities	4,120.73	4,519.67
TOTAL - EQUITY AND LIABILITIES	5,643.02	5,805.45

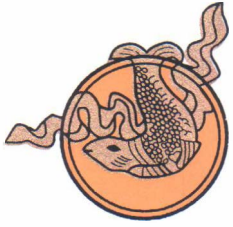
Place : Kolkata
Date : 27th May 2019



RANG & ASSO.

Rohan Ghosh

Rohan Ghosh
(Managing Director)
(DIN:-00032965)



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1. These financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013.
2. The format for unaudited quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated 30th November 2015 has been modified to comply with the requirements of SEBI's Circular CIR/CFD/FAC/62/2016 dated 5th July 2016, Ind AS and Schedule III (Division II) to the Companies Act, 2013 as applicable to the companies that are required to comply with Ind AS.
3. The above financial results were reviewed by the Audit Committee of the Company and approved by the Board of Directors of the Company at its meeting held on 27th May 2019.
4. The Company is primarily engaged in business of trading of goods and managed organisationally as a single unit. Therefore, according to the management, the Company's operations are carried in a single segment.
5. Management is continuing with its efforts to locate the relevant papers and documents for reconciling old outstanding balances of debtors and advances and in the process has been able to adjust substantial funds. Pending reconciliation, no provision for old debts and advances has been made in the accounts.
6. The company has material balances pertaining to Goods and Service Tax in its books whose reconciliation with the statutory returns and payment challans is in progress.
7. Effective 1st April 2018, the company has adopted Ind AS 115 using modified retrospective approach. Certain payment made to customers earlier classified as discount paid under the head other expenses are to be treated as variable component of consideration and are therefore in accordance with Ind AS 115 have now been netted off from sales. These adjustments have resulted in decrease in both revenue and other expenses in the Statement of Profit and Loss. The impact on net profit on adoption of Ind AS 115 for the year ended 31st March 2019 and 31st March 2018 respectively is nil.
8. Steps are being taken to obtain confirmation for balances of receivables, advances and payables as on 31st March 2019
9. Figures of the previous periods have been regrouped/recast, wherever necessary, to conform to the current period's classification.
10. Figures in respect of the results for the quarter ended March 31, 2019 and March 31, 2018 are the balancing figures between the audited financial results of full financial years and the published year to date figures upto the third quarter of the respective financial year.

Place- Kolkata
Date-27th May, 2019



For and on behalf of the Board

Rohan Ghosh
(Managing Director)
(DIN:-00032965)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TAI INDUSTRIES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **TAI Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We would like to emphasize and express our concern on the matters stated in Note nos 9 and 13 of financial statements regarding receivables and advances which include outstanding balances of Rs 2,90,38,305 and Rs 6,93,70,742 respectively. The management has taken steps during the year to retrieve relevant documents relating to outstanding debtors and carry out reconciliation with books and records. Though they have partially resolved the issues but still the above amounts remain unreconciled. The advances are also outstanding for a considerable period of time though confirmed by parties. We feel the management should take special efforts to resolve the issues at the earliest.

Our opinion is not modified in respect of this matter.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

	Key Audit Matter	Auditor's Response
	<p><i>Evaluation of uncertain indirect tax positions pertaining to GST regime</i></p> <p>The Company has material balances pertaining to Goods and Service Tax in its books whose reconciliation with the Statutory Returns and payment Challans is pending as on the reporting date</p>	<p><i>Principal Audit Procedures</i></p> <p>We have sought from the Management the requisite reconciliation of the book balances of GST with the related Statutory records which, as explained by the management, is still under progress.</p>
s	<p><i>Evaluation of the recoverability of certain old outstanding receivables and advances</i></p> <p>The Company has substantial balances of receivables and advances to the tune of Rs 2.90 crores and Rs 6.94 crores respectively which are outstanding for a period of more than 3 years and considered good by the company.</p>	<p><i>Principal Audit Procedures</i></p> <p>We have sought from the Management the relevant records and documents to ascertain the veracity of the balances. As explained, all the related documents are not readily available. This is reported in Emphasis of Matter paragraph of our report</p>

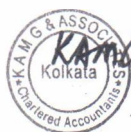
Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ☐ Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ☐ Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- ☐ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ☐ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related



disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

☐ Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143(3) of the Act, based on our audit we report 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.
- 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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 March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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, as amended 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 standalone financial statements. Refer Note 32.1 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.

For **KAMG & ASSOCIATES**
Chartered Accountants
(Firm's Registration No311027E.)



A handwritten signature in dark ink, appearing to read "Amitabha Niyogi".

AMITABHA NIYOGI
Partner
(Membership No.056720)

Kolkata,
May 27, 2019

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of TAI Industries Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **TAI INDUSTRIES LIMITED** (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls 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. 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 respective 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 internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 included 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 of the Company.



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.

Limitations of Internal Financial Controls Over Financial Reporting

Because 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, to the best of our information and according to the explanations given to us, the Company has generally an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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, except in respect of the following-

- i) Internal control is not based on risk assessment and risk matrix.
- ii) Standard Operating Procedures (SOP) are not documented.
- iii) Furthermore, we noticed lack of control regarding debtors and advances resulting in non recovery of substantial amount.
- iv) Reconciliation of the book balances of GST with the related statutory records is under progress

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



A handwritten signature in black ink, appearing to read "Amitabha Niyogi".

AMITABHA NIYOGI
Partner
(Membership No.056720)

Kolkata,
May 27, 2019

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of TAI Industries Limited of even date)

i. In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were stated to be physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were stated to be noticed on such verification.

(c) The title deeds of immovable properties are held in the name of the Company.

ii. As explained to us and on the basis of certificate given to us, all the inventory of the Company has been physically verified during the year by the management. In our opinion and according to the information and explanations given to us, the frequency of the verification is reasonable having regard to the size of the Company and the nature of its business.

iii. According to the information and explanations given to us, the Company has neither granted nor taken any loans to and from companies, firms, limited liability partnerships or other parties as listed in the register maintained under section 189 of the Companies Act, 2013. Accordingly, provisions of the clause 3 (iii) (b) and (c) of the Order are not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not given any loans to directors as mentioned in Section 185 of the Companies Act, 2013 and has not made any investments or given any guarantees and security as mentioned in Section 186 of the Companies Act, 2013. Accordingly, provisions of the clause 3 (iv) of the Order is not applicable to the Company.

v. The Company has not accepted any deposits during the year and so the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable.

vi. The Central Government has not prescribed for the maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of the products of the Company.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty, Customs Duty, Cess and other material statutory dues applicable to it. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.



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Chartered Accountants

(b) There were no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty, Customs Duty and Cess as on the last day of the financial year concerned which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution, Bank or Government. The Company has not issued any debentures.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those were raised.

x. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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



Amitabha Niyogi

AMITABHA NIYOGI
Partner
Membership No.056720)

Kolkata,
May 27, 2019