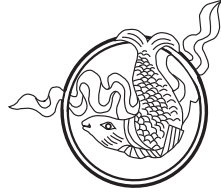




30th ANNUAL REPORT 2012-2013

TAI INDUSTRIES LIMITED





# TAI INDUSTRIES LIMITED

**Board of Directors**

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

*Chairman & Managing Director*  
*Director*  
*Director*  
*Director*  
*Director*

**Audit Committee**

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

*Chairman*

**President**

Mr. Rohan Ghosh

**General Manager - Corporate  
& Company Secretary**

Ms. Indira Biswas

**Bankers**

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

**Statutory Auditors**

Ray & Ray, Chartered Accountants, Kolkata

**Registered Office**

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



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Annual General Meeting on Monday, 2nd September, 2013, at Kalakunj, 48, Shakespeare Sarani, Kolkata - 700 017, at 10.00 a.m. As a measure of economy, copies of the Annual Report will not be distributed at the General Meeting. Shareholders are requested to kindly bring their copies to the Meeting.



## Notice

NOTICE is hereby given that the Thirtieth Annual General Meeting of Tai Industries Limited will be held at Kalakunj, 48, Shakespeare Sarani, Kolkata - 700 017, on Monday, the 2nd September, 2013, at 10.00 a.m. to transact the following business:

### Ordinary Business

1. To receive, consider and adopt the Statement of Profit and Loss for the year ended 31st March, 2013, the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Vinay Killa, retiring by rotation and eligible for reappointment.
3. To appoint Auditors and to fix their remuneration. Messrs. Ray & Ray, the retiring Auditors are eligible for reappointment.

### Special Business

4. To consider and, if thought fit, to pass the following Resolution as Special Resolution:

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 311 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, the consent of the Company be and is hereby accorded to the reappointment of Mr. Wangchuk Dorji as Managing Director of the Company for a period of 3 (three) years with effect from 20th May, 2013 upon such terms and conditions as set out in the Agreement entered into between the Company and Mr. Wangchuk Dorji, a copy whereof is placed before the Meeting and initialled by the Chairman for the purpose of identification, and the Board of Directors be and are hereby authorized to alter and vary from time to time the terms and conditions of the said appointment and/or Agreement in such manner as may be agreed upon by and between the Directors and Mr. Wangchuk Dorji, subject to the limitations in that behalf contained in Schedule XIII to the Act including any statutory modification or reenactment thereof for the time being in force or any amendment and/or modification that may hereafter be made thereto by the Central Government."

"RESOLVED FURTHER that in the event of loss or inadequacy of profits in any financial year of the Company, during the term of Mr. Wangchuk Dorji in the office of the Managing Director, the salary and perquisites, as set out in the aforesaid agreement, be paid or granted to Mr. Wangchuk Dorji as minimum remuneration."

"RESOLVED FURTHER that the Board of Directors be and is hereby authorised to take steps and do all other acts, deeds and things as may be necessary or desirable to give effect to the Resolution."

By Order of the Board

**INDIRA BISWAS**

*General Manager-Corporate  
& Company Secretary*

Kolkata  
29th May, 2013

### Notes:

1. The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956 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 - 700 016 not less than forty-eight hours before the Meeting.
3. The Company is registered with National Securities Depository Ltd. ('NSDL'), and Central Depository Services (India) Ltd. ('CDSL'), for dematerialization of its Equity Shares which has been allotted the ISIN INE358D01018. Link Intime India Private Limited having their office at 59C Chowringhee Road, Kolkata - 700 020 are the Registrar and Share Transfer Agents of the Company.
4. The Register of Members of the Company will remain closed from 26th August, 2013 to 2nd September, 2013, both days inclusive.
5. Members are requested to:
  - a. notify any change in their mailing as well as e-mail addresses registered with the Company.
  - b. communicate on all matters pertaining to their shareholdings with the Company's Registered Office/Company's Registrar, quoting their respective Ledger Folio Numbers, Client ID and DP ID.
  - c. note that as per provisions of the Companies Act, 1956, facility for making nominations is available for shareholders in respect of Equity Shares held by them.
  - d. bring their copies of the Annual Report to the Meeting.



- e. bring their respective Ledger Folio Numbers, Client ID and DP ID for easy identification of attendance at the Annual General Meeting.
- f. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
6. i. Pursuant to Section 205A of the Companies Act, 1956 ('the Act') all dividends declared and relative dividend warrants posted upto and including the Dividend for the year 1993-94 and remaining unclaimed by members have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed their dividend warrants in respect of the said period are requested to prefer their claims to the Registrar of Companies, West Bengal. In case any assistance is required, shareholders are requested to write to the Company's Registered Office.
- ii. Pursuant to Section 205A of the Companies Act, 1956 dividends declared from the year 1994-95 upto 2001-2002 and remaining unclaimed by the members at the end of the statutory period of seven years have been transferred to the Investor Education & Protection Fund constituted by the Central Government under Section 205C of the Act on which no claim for Unpaid Dividend can be preferred.
7. Securities and Exchange Board of India (SEBI) vide circular No. MRD/DOP/Cir-05/2009, dated 20th May, 2009, has issued a circular on PAN requirement for transfer of shares in physical form. For securities market transactions and off market/private transactions involving transfer of shares in physical form, 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.
8. The Ministry of Corporate Affairs, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this Green Initiative, members are requested to register their e-mail addresses, in respect of their electronic holdings with the Depositories through their Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses either by e-mail at [kolkata@linkintime.co.in](mailto:kolkata@linkintime.co.in) or send a duly signed letter by the sole/first named shareholder, mentioning their name and Folio number, to the Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited, 59C, Chowringhee Road, 3rd Floor, Kolkata-700 020. Shareholder(s) are requested to keep the Company/Depository Participants informed as and when there is any change in their e-mail addresses. Even after registering for e-communication, the Shareholders of the Company shall be entitled to receive such communication in physical form, upon request.
9. Relevant details in respect of Item no. 2 of the Notice, pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, and the information in respect of Item No. 4 of the Notice, pursuant to Section II (1) (B) (iv) of Part II of Schedule XIII of the Companies Act 1956, for the reappointment of Managing Director, are given hereunder.

#### DETAILS OF DIRECTORS BEING RE-APPOINTED

(In pursuance of Clause 49 of the Listing Agreement)

#### **Name of Director retiring by rotation and seeking re-appointment:**

Mr. Vinay Killa

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

Mr. Vinay Killa, aged 42 years, is a commerce graduate and holds a post graduate diploma in Business Management with specialization in Finance. He is associated with several companies as a financial consultant and advisor. He has been on the Board of your Company since April, 2001.

#### **Names of companies in which Mr. Vinay Killa holds Directorships and Committee Memberships:**

● Citrus Fashions Private Limited	-	Director
● Shagun Impex Private Limited	-	Director
● Utsav Promoters Private Limited	-	Director
● Inspiration Vinimay Private Limited	-	Director
● Van Info Services Private Limited	-	Director

#### **Shareholding of Mr. Vinay Killa:**

Mr. Vinay Killa holds 200 shares in the Company.

#### **Name of Director being re-appointed as a Managing Director:**

Mr. Wangchuk Dorji

#### **A brief resume of Mr. Wangchuk Dorji:**

Mr. Wangchuk Dorji, aged 46 years, is a graduate from New Hampshire College, USA, with specialization in Business Finance





and Economics. Mr. Wangchuk Dorji is the Vice Chairman of Tashi Commercial Corporation, which is the largest commercial & industrial house in the Royal Kingdom of Bhutan. Mr. Wangchuk Dorji is responsible for the overall supervision and management of Tashi Commercial Corporation.

**Names of companies in which Mr. Wangchuk Dorji holds Directorships and Committee Memberships:**

● Bhutan Fruit Products Private Limited	-	Chairman
● Bhutan Brewery Private Limited	-	Chairman
● Royal Insurance Corporation of Bhutan Limited	-	Chairman
● Tashi Infocomm Limited	-	Chairman
● Bhutan Carbide and Chemicals Limited	-	Managing Director
● JAMIPOL Limited	-	Director
● Rijal Tashi Industries Private Limited	-	Director
● Bhutan Ferro Alloys Limited	-	Director
● Tashi Beverages Limited	-	Director
● Bhutan Silicon Metal Private Limited	-	Director
● Bhutan Tourism Corporation Limited	-	Director
● SKW – Tashi Metals & Alloys Private Limited	-	Director
● T Bank Limited	-	Director

Mr. Wangchuk Dorji does not hold any share in the Company.

**INFORMATION PURSUANT TO SECTION II (1) (B) (iv) OF PART II OF SCHEDULE XIII OF THE COMPANIES ACT, 1956, FOR REAPPOINTMENT OF MANAGING DIRECTOR**

**I. 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 was incorporated on 5 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, Saltlake.

*Financial performance based on given indicators.*

The year under review registered a turnover of ₹ 50.22 Crores as against a turnover of ₹ 65.88 Crores during the previous financial year. However, the Company has posted a profit after tax of ₹ 68.74 lakhs, for the financial year ended 31st March, 2013, against a profit after tax of ₹ 46.89 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.

**II. INFORMATION ABOUT THE APPOINTEE**

*Background details.*

Mr. Wangchuk Dorji, aged 46 years, is a Bhutanese national. He is the Vice-Chairman of Tashi Commercial Corporation, the largest business conglomerate in Bhutan. He is also a Director of several companies in Bhutan and also a Director of Jamipol Limited, a Joint Venture between the Company, the Tata Group and SKW Metalchemie GMBH, Germany, which is engaged in the manufacture of Desulphurisation Compounds which are required in the Iron and Steel industry.

Mr. Wangchuk Dorji is a Graduate of New Hampshire College, USA, with specialization in Finance and has been serving the Company as Managing Director for the last eighteen years.

*Past remuneration.*

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

Particulars	2012 – 2013 (₹)	2011 – 2012 (₹)	2010 – 2011 (₹)	2009 – 2010 (₹)	2008 – 2009 (₹)
Salary	16,71,833	16,11,833	15,35,500	13,80,000	13,65,000
Commission	—	—	—	—	—
Other benefits	—	—	—	—	—
Retiral Benefits	2,00,620	1,93,420	1,84,260	1,65,600	1,63,800
Total	18,72,453	18,05,253	17,19,760	15,45,600	15,28,800

*Job profile and his suitability.*

Mr. Wangchuk Dorji, as Managing Director of the Company, subject to superintendence, control and direction of the Board of Directors of the Company, shall have the general conduct and management of the whole business and affairs of the Company except in matters which may be specifically required to be done by the Board either by the Companies Act, 1956 or by the Articles of Association of the Company. He shall also exercise and perform such powers and duties as the Board of Directors of the Company may from time to time determine, and shall also perform all other acts and things which in the ordinary course of business he may consider necessary or proper or in the interest of the Company and, in particular, but without in any way restricting the general powers and authorities hereinbefore conferred on the Managing Director, he shall be entrusted with substantial powers of management.

Mr. Wangchuk Dorji joined the Company as Managing Director in 1995 and since then has been closely involved in resolving various complex business issues. His extensive practical experience as director of several companies in Bhutan and as Vice-Chairman of Tashi Commercial Corporation, the largest conglomerate in Bhutan, have proved invaluable in the successful completion of varied transactions.

*Remuneration proposed.*

₹ 1,45,000/- (Rupees one lakh forty five thousand only) per month with effect from 20th May, 2013 with annual increment of ₹ 5,000/- (Rupees five thousand only) in the scale of ₹ 1,45,000/- – ₹ 5,000/- – ₹ 1,55,000/-.

*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. Wangchuk Dorji has no pecuniary relationship directly or indirectly with the Company apart from receiving remuneration as Managing Director. He is related to Mr. Topgyal Dorji, who is a Non-Executive Director of the Company.

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

Despite a satisfactory performance in the fruit products and retail division, the overall profitability of the Company was impacted by the decline in the performance of the industrial division. Market competition, unavailability of raw material owing to frequent closure of factories and sluggish steel and foundry sector 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 20 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.

By Order of the Board

**INDIRA BISWAS**

General Manager-Corporate  
& Company Secretary

Kolkata  
29th May, 2013

**Explanatory Statement Pursuant to Section 173 of the Companies Act, 1956**

Mr. Wangchuk Dorji was appointed Managing Director of the Company for a period of 5 (five) years with effect from 20th May, 1995 with the approval of the Company at its Extra Ordinary General Meeting held on 10th July, 1995 and approval of the Central Government, vide its letter no. 4/126/95-CLIX dated 21st November, 1995. He was reappointed twice for successive periods of 5 (five) years and thereafter for a period of 3 (three) years as follows :

Period	Date of Annual General Meeting at which shareholders approval was obtained	Letter of approval received from Central Government
20th May, 2000 to 19th May, 2005	25th September, 2000	letter No. 1/232/2000 – CL.VII dated 28-09-2000
20th May, 2005 to 19th May, 2010	28th September, 2005	letter No. 1/232/2005 – CL.VII dated 02-09-2005
20th May, 2010 to 19th May, 2013	30th August, 2010	letter No. 1/232/2010 – CL.VII dated 22-12-2010

As the last term of appointment of Mr. Wangchuk Dorji as Managing Director expired on 19th May, 2013, the Board of Directors at its meeting held on 29th May, 2013 for the sake of continuity of the present management and for efficient running of the Company, re-appointed Mr. Wangchuk Dorji as Managing Director for a further period of 3 (three) years with effect from 20th May, 2013, on the following terms and conditions as contained, inter alia, in the Service Agreement dated 29th May, 2013, entered into by and between the Company and Mr. Wangchuk Dorji.

**A. SALARY**

₹ 1,45,000/- (Rupees one lakh forty five thousand only) per month with effect from 20th May, 2013 with annual increment of ₹ 5,000/- (Rupees five thousand only) in the scale of ₹ 1,45,000/- – ₹ 5,000/- – ₹ 1,55,000/-.

**B. PERQUISITES**

These shall be restricted to an amount equal to annual salary. Unless the context otherwise requires, the perquisites are classified into three categories “A” “B” and “C” as follows:

**CATEGORY “A”****1. Medical Reimbursement**

Expenses incurred for self and family subject to a ceiling of one month's salary (including premium for mediclaim insurance policy) in a year or three month's salary over a period of three years;

**2. Leave Travel Concession**

For self and family once in a year, incurred in accordance with the rules specified by the Company;

**3. Club Fees**

Fees of Clubs, subject to a maximum of two clubs but not including admission and life membership fees;

**4. Personal Accident Insurance**

Premium not to exceed ₹ 4,000/- (Rupees four thousand only) per annum.

For the purpose of this part, “family” means spouse, dependent children and dependent parents of Mr. Wangchuk Dorji;

**5. Other Allowances**

In addition to the perquisites at (1), (2), (3) and (4) above, the Managing Director shall be eligible for the following perquisites which shall not be included in the computation of the ceiling on perquisites:-

**(a) Reimbursement of expenses incurred on joining duty and returning to home country after completion of tenure:**

Actual expenses incurred on travel and on packing, forwarding, loading and unloading as well as freight, insurance, customs duty, clearing expenses, local transportation and installation expenses in connection with the moving of personal effect for self and family for joining duty in India and also after completion of the tenure on leaving the employment of the Company.

**(b) Leave Travel concession:** In case it is proposed that the leave be spent in the home country instead of anywhere in India, return passage may be allowed for self and family in accordance with the rules specified by the Company.





**(c) Children's educational allowance:** In case of children studying in or outside India, an allowance limited to a maximum of ₹ 5,000/- (Rupees five thousand only) per month per child or actual expenses incurred, whichever is less, is admissible. Such allowance is admissible upto a maximum of two children.

**(d) Holidaying passage for children studying outside India/ family staying abroad:** Return holiday passage is admissible once in a year by economy class or once in two years by first class to children from their place of study abroad to India and to the members of the family from the place of their stay abroad to India, if they are not residing in India with the Managing Director.

**Explanation:** For the purpose of Category "A", "family" means spouse, the dependent children and dependent parents of the appointee.

#### CATEGORY "B"

##### **Contributions to Provident Fund, Superannuation Fund or Annuity**

Contributions to Provident Fund, Superannuation Fund or Annuity will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable shall not exceed half a month's salary for each completed year of service.

##### **Earned Leave**

The unavailed portion of leave shall be encashable on full pay at the end of the tenure as per the rules of the Company, but not exceeding one month's leave for every eleven months of service. However, it will not be included in the computation of the ceiling on perquisites.

#### CATEGORY "C"

The Company shall provide a car with driver and telephone facility at the residence of the Managing Director. Provision of car for use on Company's business and telephone at the residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the Company.

**Minimum Remuneration:** In the absence or inadequacy of profits in any financial year during his term as Managing Director, Mr. Wangchuk Dorji will be entitled to receive the above remuneration and perquisites as minimum remuneration.

The Managing Director shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof from the date of his appointment.

The Head Office of the Company is situated at present in Kolkata and the Managing Director will be attending the office as he thinks appropriate.

Subject to the provisions of the Act, the Managing Director shall not, while he continues to hold the office of the Managing Director, be subject to retirement by rotation of Directors and he shall not be reckoned as a Director for the purpose of determining the rotation or retirement of Director or in fixing the number of Directors to retire, but he shall ipso facto and immediately cease to be the Managing Director if he ceases to hold office of Director for any cause.

The Managing Director shall not during the continuance of his employment or at any time thereafter divulge or disclose to any person whomsoever to make any use whatever for his own or for whatever purpose, of any confidential information or knowledge obtained by him during his employment as to the business or affairs of the Company or as to any trade secrets or secret processes of the Company and the Managing Director shall during the continuance of his employment hereunder also use his best endeavours to prevent any other person from doing so.

In terms of Part II of Section II of Schedule XIII to the Act, consent of the shareholders has to be accorded for a period not exceeding three years by way of a Special Resolution for payment of remuneration exceeding ₹ 1,25,000/- per month in the event of loss or inadequate profits, in case the effective capital of the Company is less than ₹ 25 crores and accordingly your consent is being sought, by way of a Special Resolution, for the aforesaid appointment.

Your Company is also proceeding to make an application for obtaining the approval of the Central Government in terms of Section 269(2) of the Companies Act, 1956.

Your Board recommends passing of the Resolution.

Except Mr. Wangchuk Dorji and Mr. Topgyal Dorji, none of the Directors are concerned or interested in the Resolution.



## Directors' Report

### TO THE MEMBERS

Your Directors have pleasure in presenting their 30th Annual Report on the business and operations of your Company for the year ended 31st March, 2013.

### FINANCIAL PERFORMANCE

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Turnover	5021.70	6588.30
Profit/(Loss) before Interest, Depreciation & Taxation (PBDIT)	98.31	79.17
Interest	6.02	2.12
Profit/(Loss) before Depreciation & Taxation (PBDT)	92.29	77.05
Depreciation	26.47	28.92
<b>Profit/(Loss) Before Tax and Extraordinary items (PBTE)</b>	<b>65.82</b>	<b>48.13</b>
Extraordinary items	—	—
<b>Profit/(Loss) Before Tax (PBT)</b>	<b>65.82</b>	<b>48.13</b>
Provision for Taxation/(Deferred Tax)	(2.92)	1.24
<b>Profit/(Loss) After Tax (PAT)</b>	<b>68.74</b>	<b>46.89</b>
Balance brought forward from previous year	972.69	925.80
<b>Profit available for appropriation</b>	<b>1041.43</b>	<b>972.69</b>
Proposed Dividend	—	—
<b>Profit carried to Balance Sheet</b>	<b>1041.43</b>	<b>972.69</b>

### ACCOUNTING POLICIES AND PROCEDURES

The major accounting policies in conformity with the Accounting Standards and Guidelines, issued by The Institute of Chartered Accountants of India from time to time, which have been specified in the Companies Act, 1956, have been followed as usual in course of preparing and presenting these Accounts. Such accounting policies have been suitably incorporated in the Notes to Financial Statements.

Your Company continues to have an adequate internal audit system carried out by external firms of Chartered Accountants who submit their Reports upon completion of audit for consideration by the Directors.

### RESUME OF PERFORMANCE

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

Particulars	Druk (₹)	C3 - Retail (₹)	Total (₹)
<b>Segment Revenue</b>			
Current Year	44,19,20,986	11,01,24,052	55,20,45,038
Previous Year	61,11,10,695	8,01,91,843	69,13,02,538
<b>Segment Results</b>			
Current Year	1,02,77,332	(4,46,129)	98,31,203
Previous Year	1,03,52,011	(24,34,981)	79,17,030

**PLANS AND PROSPECTS****Fruit Products Division**

The performance during the year, as compared to the previous year, showed a satisfactory growth.

Our endeavours in broadening our network has resulted in an increase in the demand for our products. New products such as the pet 200 ml fruit drinks were introduced in the market during the year.

It is being planned to take a drive for a quantum jump in sales in the fiscal 2013-2014 by exploiting the processed food market potential of the Southern States and the potential of megacity Mumbai.

It is also being planned to consolidate the brand's potential in the Eastern markets, which has been the anchor of our sales so far, by fully exploiting the existing Brand goodwill.

A good start has already been made in terms of fortifying the Brand goodwill, where present already, and awareness, where not present, by using cost effective media and shop promotions.

**Industrial Division**

During the year, the demand for Carbide remained constant with extensive marketing and timely supplies. Performance of the Charcoal business was affected, since, charcoal being an agricultural product, the supplies were erratic, as a result of which we were unable to meet the market demands. The demand for our Ferro Silicon remained steady.

Market competition coupled with the sluggish growth of the steel industry affected your Company's performance in this sector.

Your Company is looking at developing additional supply sources for charcoal in Andhra Pradesh and setting up more screening and sizing facilities.

**Retail Division**

C3's performance grew significantly over that of last year. During the year, C3 has been able to defy the consolidation trends in favour of the hypermarkets and complete failure of smaller format stores.

Future plans and prospects lie in the direction of branding and promotional activities.

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

In response to the observations made by the Auditors in their Audit Report, your Directors state that breakage and damage is an ongoing occurrence in our business where, some damaged goods are also returnable to the manufacturers. Regarding old debts and advances, necessary steps are being taken by the management for their recovery.

**DIVIDEND**

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

**CORPORATE GOVERNANCE**

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

The Report on Corporate Governance, as required under the aforesaid Clause, is also provided in Annexure 'B' to this Report, together with the Declaration affirming compliance with the Code of Conduct of the Company and Auditor's Certificate on Compliance with the conditions of Corporate Governance.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, the Directors hereby confirm that:

- (i) The Accounting Standards as applicable to your Company and corroborated by the Companies Act, 1956, have been followed in course of preparation of the Annual Accounts for the year ended 31st March, 2013 and there has been no material departures to warrant further explanation.
- (ii) The Accounting policies as have been followed are being continued in course of preparation of the Annual Accounts for the year ended 31st March, 2013, so as to exhibit a true and fair view of the state of affairs of the Company and of the profit for that period.
- (iii) Adequate controls and internal audit systems are being followed by the Company in course of running its affairs as also for maintenance and safeguarding of its assets. Every caution has been taken to relate such control measures to the benefit of the Company and to prevent any fraud or irregularities to creep in.



(iv) The Annual Accounts of the Company for the year ended 31st March, 2013 have been prepared on a going concern basis as hitherto.

**DEMATERIALIZATION OF SECURITIES**

The shares of the Company are compulsorily traded in dematerialised form for all shareholders. As on 31st March, 2013, 59.87% of the total number of shares, stand dematerialised.

**DIRECTORS**

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

**PARTICULARS OF EMPLOYEES**

There were no employees during the year under review in respect of whom details, as required under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, are required to be disclosed.

**COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988****Conservation of Energy**

Your Company's activities being trading in nature, energy consumed is only in the nature of electrical consumption for use and maintenance of office appliances. However, the efforts of your Company are aimed at keeping the consumption levels to as low as practicable.

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

**Technology Absorption**

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

**Foreign exchange earnings and outgo**

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

**AUDITORS**

Messrs. Ray & Ray., Chartered Accountants, Auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

**ACKNOWLEDGEMENTS**

Your Directors wish to place on record their grateful appreciation of the excellent support and co-operation received from the Shareholders, Banks, Financial Institutions and Investors, Government Authorities, Stock Exchanges, Reserve Bank of India, Central and State Governments. Your Directors also wish to place on record their deep appreciation of the dedication, competence and support of the employees at all levels for their contribution towards the performance of your Company.

For and on behalf of the Board

Place: Kolkata

Date: 29th May, 2013

**PREM SAGAR**  
Director

**WANGCHUK DORJI**  
Managing Director

**Annexure 'A' to the Directors' Report****Management Discussion and Analysis Report**

Clause 49 of the Listing Agreement stipulates disclosure under specific heads which are given in the following paragraphs and which continue to be followed in the usual course of the Company's business over the years in discussions amongst the Directors and other Senior Management Personnel.

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

Fuelled by large disposable incomes, the food processing industry in India has been witnessing a marked change in consumption patterns. The processed food sector is one of the largest in terms of production, consumption, export and growth prospects and provides vital linkages and synergies between industry and agriculture. The fruit and vegetable processing in India is divided almost equally between the organised and unorganised sector. While juices, pulps and concentrates are largely manufactured by the organised sector, the unorganised sector's foothold is in the traditional areas of processed items such as pickles, sauces and squashes. Most units engaged in the above are currently export oriented. Domestic consumption of processed fruits and vegetable products is low, indicating a potential for growth through increased penetration of the domestic market.

**Calcium Carbide, Charcoal, Ferro Silicon and Manganese ore**

Calcium Carbide, Charcoal, Ferro Silicon and Manganese ore constitute raw materials to various industries. Charcoal and Manganese ore find their use in the Ferro alloys industry, which are one of the most important inputs in the manufacture of alloys and special steel. Ferrosilicon is used to deoxidise steel and other ferroalloys. It is also important as an additive to cast iron. Calcium Carbide also finds its use in the industry for welding metallic steel. The growth of this sector is therefore linked to the development of the iron and steel industry.

**Retail**

Retail sector in India is the second largest employer after agriculture. Although the sector is highly fragmented, Retail Trade in the country has burgeoned in the past decade mainly on account of a gradual increase in the disposable incomes of the middle and upper middle class households. Currently India constitutes only 8% of organized retail and the remaining 92% is left unorganized.

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

The Indian food industry presents a very large opportunity to every stakeholder. This is primarily driven by a robust consumer demand, the changing nature of the Indian consumer, who is more informed and willing to try new products, and the strong production base of the country. Needless to add, the several gaps in the current production and delivery systems actually present a huge opportunity for the growth of companies willing to bet long term in this sector.

Threats to the Company are present in the proliferation of competition and the pro activeness of the competition in product development. This competition comes from both branded competitors and low cost local players. Branded competition has taken the form of aggressive consumer and retail schemes coupled with an explosion of attractive packaging as well as innovative, consumer friendly packs. In the low cost segment cut throat pricing is resorted to by competition, taking advantage of compromise in quality benchmarks as well as barest of logistic costs factoring in local manufacturing. DRUK is at a double disadvantage in fighting both ends of the competition.

**Calcium Carbide, Charcoal, Ferro Silicon and Manganese ore**

Most steel companies have been expanding production capacity, whereby the demand for the raw materials have been high. However the growth has been sluggish and this sector, faces severe competition from other suppliers in terms of its price. Despite competition and unavailability affecting the supply of our charcoal, the demand for the products have been steady albeit with fluctuations in price. There have also been instances of suppliers increasing their purchase prices by withholding material.

**Retail**

India remains a high potential market for accelerated retail growth of 15 to 20 percent over the next five years. Growth is





supported by strong macroeconomic conditions including a 6 to 7 percent rise in GDP, higher disposable incomes and rapid urbanization. Yet, while the overall retail market contributes to 14 percent of India's GDP, organized retail penetration remains low at 5 to 6 percent, indicating room for growth.

High interest rates, expensive rentals and a value conscious consumer make retail a tough business in India. On top of this there are current political and economic uncertainties and the slowing of consumer spending.

**(c) Segment-wise or Product-wise Performance**

The performance of the Fruit Products Division during the year, as compared to the previous year, showed a satisfactory growth.

The products in the DRUK stable that grew in demand over the year were the Mango Panna, Tomato Ketchup, Tai Sauce, Baked Beans and Cornflakes.

The performance of Calcium Carbide was good owing to extensive marketing and timely supplies. The shortfall in Charcoal business was due to the fact that charcoal, being an agricultural product, its supplies had been erratic. We were unable to procure adequate quantities to meet the demands in the market.

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

**(d) Outlook**

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

**(e) Risks & Concerns**

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

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

**(f) Internal Control Systems & their Adequacy**

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

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

**(g) Financial & Operational Performances**

This has been adequately stated in the Directors' Report.

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

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



## Annexure 'B' to the Directors' Report

**Report on Corporate Governance****1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Corporate Governance is the means to maximise the long term shareholder value in a legal and ethical manner ensuring fairness, courtesy and dignity in all transactions of the Company. Your Company is committed to the concept and philosophy of Corporate Governance as a means of effective internal control, highest level of accountability, transparency and professionalism in all areas of its operations for enhancing customer satisfaction and shareholder value.

**2. BOARD OF DIRECTORS**

The Board of Directors at present comprises a Chairman & Managing Director (being Executive Director) and four Non-executive Directors. The particulars of the Directors for the year ended on 31st March, 2013 are given hereunder:

Name	Category	Attendance		Directorships in other companies	Committee Positions in other companies	
		At Board Meetings	At last AGM		As Chairman	As Member
Dasho Wangchuk Dorji	Chairman and Managing Director	4	Yes	13	—	—
Dasho Topgyal Dorji	Non-Executive Director	2	Yes	13	—	—
Mr. Prem Sagar	Non-Executive Independent Director	4	Yes	1	—	—
Mr. Kanwal Nain Malhotra	Non-Executive Independent Director	4	Yes	1	—	—
Mr. Vinay Killa	Non-Executive Independent Director	4	Yes	5	—	—

**Note:**

Committee positions in other companies relate to Chairmanship/Membership of Audit and Investors'/Shareholders' Grievance Committees only.

During the year under review, four Board meetings were held on 23rd May, 2012, 30th July, 2012, 5th November, 2012 and 30th January, 2013.

**3. AUDIT COMMITTEE**

The Audit Committee consists of three Non-executive Independent Directors who are persons of high standing in the industry, possessing the requisite experience and expertise.

The terms of reference of the Audit Committee include:-

- reviewing internal control systems, nature and scope of audit as well as post audit discussions;
- reviewing quarterly, half-yearly and annual financial statements with particular reference to matters to be included in the Directors' Responsibility Statement to be included in the Board's Report;
- ensuring compliance with internal control systems;
- recommending to the Board any matter relating to financial management, including audit report;
- overseeing Company's financial reporting process and disclosure of financial information;
- reviewing performance of statutory and internal auditors;
- any other matter which may be referred to the Committee by the Board.



During 2012-2013 the Audit Committee met on 23rd May, 2012, 30th July, 2012, 5th November, 2012 and 30th January, 2013.

Composition of the Audit Committee during the year 2012-2013:

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

Invitees: The General Manager – Finance and representatives of the Statutory and Internal Auditors are invited and generally remain present at the meetings of the Audit Committee.

The Company Secretary acts as the Secretary to the Committee.

#### 4. REMUNERATION COMMITTEE

No Remuneration Committee has been formed pursuant to Clause 49 of the Listing Agreement. However, a Remuneration Committee is in place in accordance with Schedule XIII to the Companies Act, 1956, to consider and approve the Managerial Remuneration (subject to approval of the shareholders) consisting of the salary and perquisites to be paid to the Managing Director without commission in the situation of inadequate profits.

The Remuneration Committee comprises –

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

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

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

	(₹)
Salary	16,71,833
Commission	—
Other benefits	—
Retiral Benefits	2,00,620
Total	18,72,453

The Service Agreement between the Company and Dasho Wangchuk Dorji as Managing Director of the Company, approved by the Central Government vide its Order No. 1/232/2010-CL.VII dated 22nd December, 2010, and also approved by the shareholders at the Annual General Meeting held on 30th August, 2010, was for a period of 3 years effective 20th May, 2010. A new Service Agreement for reappointing Dasho Wangchuk Dorji as Managing Director of the Company for a period of 3 (three) years, effective from 20th May, 2013, has been entered into by the Company and Dasho Wangchuk Dorji for which the approval of the Central Government is being sought. Approval of the shareholders by way of a Special Resolution is also being sought at the ensuing Annual General Meeting.

As per the provisions of Schedule XIII of the Companies Act, 1956, the retiral benefits paid to Dasho Wangchuk Dorji has not been included in the computation of the ceiling on remuneration specified in the said Schedule.

No sitting fees have been paid to Dasho Wangchuk Dorji.

Only sitting fees for attending the meetings of the Board and Committees thereof are paid to the Non-Executive Directors.



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

Name	Board Meetings (₹)	Committee Meetings (₹)	Total (₹)	No. of Shares held in the Company
Dasho Topgyal Dorji	20,000	—	20,000	—
Mr. Prem Sagar	40,000	40,000	80,000	—
Mr. Kanwal Nain Malhotra	40,000	40,000	80,000	—
Mr. Vinay Killa	40,000	40,000	80,000	200

The Company has not issued any convertible instruments.

#### 5. SHARE TRANSFER COMMITTEE:

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

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

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

During the year 2012-2013 the Share Transfer Committee met at least once every fortnight to attend to Share Transfer formalities.

#### 6. SHAREHOLDERS' GRIEVANCE COMMITTEE

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

The Shareholders' Grievance Committee met on 23rd May, 2012, 30th July, 2012, 5th November, 2012 and 30th January, 2013.

The Company Secretary is the Compliance Officer.

E-mail ID pursuant to Clause 47(f) of the Listing Agreement with the Stock Exchanges: ibiswas@taiind.com.

Status of Investors' Complaints as on 31st March, 2013.

Number of complaints received during the year and entirely dealt with 1

Number of complaints pending Nil

#### 7. GENERAL BODY MEETINGS

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

Date	Location	Time
30th August, 2010	Kalakunj, 48, Shakespeare Sarani, Kolkata - 700 017	10.00 A M
29th August, 2011	Same as above	10.00 A M
27th August, 2012	Same as above	10.00 A M

A Special Resolution pursuant to Section II (1) (b) (iv) of part II of Schedule XIII of the Companies Act, 1956 for Reappointment of Managing Director was passed at the Annual General Meeting held on 30th August, 2010. No Special Resolution was passed at the Annual General Meeting held on 29th August, 2011. No Special Resolution was passed at the Annual General Meeting held on 27th August, 2012.

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

**8. DISCLOSURES**

- a) Materially significant related party transactions: The Company has not entered into any transactions of material nature with its Promoters, Directors, the management, or relatives, etc., that may have potential conflict with its interest during the year under review. However, the list of related party relationships or transactions as required to be disclosed in accordance with Accounting Standard 18 of the Companies (Accounting Standards) Rules, 2006 has been given in Notes to Financial Statements for the year ended 31st March, 2013.
- b) No penalties/strictures were imposed on the Company by any regulatory authority for non-compliance of any laws or any matter relating to capital markets during the last three years.
- c) The Company has complied with all the mandatory requirements of Sub-clauses I to VII of this Clause. The Company continues in its efforts on improvement, consolidation and documentation of methods of internal control for financial reporting and its effectiveness.

**9. MEANS OF COMMUNICATION**

- a) In compliance with Clause 41 of the Listing Agreement the Company regularly intimates unaudited half yearly and quarterly results as well as the audited annual results to the Stock Exchanges after they are approved by the Board of Directors. In addition, the same are also filed on Corporate Filing and Dissemination System (CFDS) pursuant to the requirements of Clause 52 (1)(a) of the Listing Agreement.
- b) Such results are also published in newspapers namely, Financial Express and Arthik Lipi/Dainick Lipi.
- c) Such results are also displayed on the Company's website at [www.taiind.com](http://www.taiind.com)
- d) No presentations have been made to institutional investors or to the analysts.
- e) The document on Management Discussion and Analysis Report forms a part of this Annual Report.

**10. GENERAL SHAREHOLDER INFORMATION**

- a) AGM date, time and venue:  
Monday, the 2nd day of September, 2013 at Kalakunj, 48, Shakespeare Sarani, Kolkata - 700 017, at 10.00 a.m.
- b) Financial Year: 1st April to 31st March.
- c) Book closure Period: 26th August, 2013 to 2nd September, 2013, both days inclusive.
- d) Dividend payment date: No dividend has been recommended for the year ended 31st March, 2013.
- e) Listing on Stock Exchanges and Stock Codes: The shares of the Company are listed with the Stock Codes at the Stock Exchanges given hereinbelow:

	Stock Exchange	Stock Code
(i)	The Calcutta Stock Exchange Association Limited 7, Lyons Range, Kolkata - 700 001	30055
(ii)	Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	519483

Listing Fees as prescribed have been paid to all the aforesaid Stock Exchanges upto 31st March, 2014.

Demat Code No. allotted by NSDL & CDSL:

INE358D01018





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

Year 2012-2013	Stock Price (₹) Bombay Stock Exchange Limited		Sensex	
	High	Low	High	Low
April, 2012	10.65	8.82	17,664.10	17,010.16
May, 2012	10.59	8.72	17,432.33	15,809.71
June, 2012	10.64	8.69	17,448.48	15,748.98
July, 2012	10.75	9.22	17,631.19	16,598.48
August, 2012	10.70	9.10	17,972.54	17,026.97
September, 2012	9.76	5.90	18,869.94	17,250.80
October, 2012	10.54	6.60	19,137.29	18,393.42
November, 2012	12.72	8.56	19,372.70	18,255.69
December, 2012	13.95	11.03	19,612.18	19,149.03
January, 2013	12.50	10.17	20,203.66	19,508.93
February, 2013	11.02	9.12	19,966.69	18,793.97
March, 2013	11.00	9.03	19,754.66	18,568.43

g) Share Transfer System:

Share transfers are registered within a maximum period of 15 days from the date of receipt, provided, the documents are complete in all respects.

h) Registrar and Share Transfer Agent:

Link Intime India Private Limited at 59C Chowringhee Road, Kolkata - 700 020 acts as the Registrar for Physical as well as Demat segment.

i) Dematerialisation of shares & liquidity:

The shares of the Company are compulsorily traded in dematerialised form for all shareholders. As on 31st March, 2013, 59.87% of total number of shares stand dematerialised.

j) Outstanding GDR/ADR/Warrants or any convertible instruments: Not Applicable.

k) **(A) Distribution of Shareholding as on 31st March, 2013:**

Equity Shares held	No. of Shareholders	Percentage to Total	No. of Equity shares held	Percentage to Total
1 – 500	9742	95.72	923073	15.38
501 – 1000	219	2.15	184115	3.07
1001 – 2000	89	0.87	137983	2.30
2001 – 3000	43	0.42	106712	1.78
3001 – 4000	14	0.14	49715	0.83
4001 – 5000	18	0.18	85903	1.43
5001 – 10000	20	0.20	142117	2.37
10000 and above	33	0.32	4370382	72.84
Total	10178	100.00	6000000	100.00



**(B) Shareholding Pattern as on 31st March, 2013:**

	Category	No. of Shares held	Percentage of Shareholding
A.	Promoters Holding		
	1. Promoters		
	– Indian Promoters		
	– Foreign Promoters	1216000	20.267
	2. Persons acting in concert		
	<b>Total (A)</b>	<b>1216000</b>	<b>20.267</b>
B.	Public Shareholding		
	1. Institutional Investors		
	a) Mutual Funds and UTI	–	–
	b) Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ Non-Government Institutions)	200	0.003
	c) FIIs	1199900	19.998
	<b>Sub-Total</b>	<b>1200100</b>	<b>20.002</b>
	2. Others		
	a) Private Corporate Bodies	1261853	21.031
	b) Individuals	2018046	33.634
	c) NRIs/OCBs	304001	5.067
	<b>Sub-Total</b>	<b>3583900</b>	<b>59.732</b>
	<b>Total (B)</b>	<b>4784000</b>	<b>79.733</b>
	<b>Grand Total (A+B)</b>	<b>6000000</b>	<b>100.000</b>

**l) Address for Correspondence :**

Registrar and Share Transfer Agent : Link Intime India Private Limited  
59C Chowringhee Road, Kolkata - 700 020  
Phone: (033) 2289 0539/2289 0540  
Fax: (033) 2289 0539

Corporate Office : Ms. Indira Biswas,  
General Manager – Corporate &  
Company Secretary-cum-Compliance Officer  
Tai Industries Limited  
53A, Mirza Ghalib Street, Kolkata - 700 016  
Phone: (033) 2229 2292/2229 8489  
Fax: (033) 2249 7319

Signature to Annexures A & B

For and on behalf of the Board

Place: Kolkata

Date: 29th May, 2013

**PREM SAGAR**  
Director

**WANGCHUK DORJI**  
Managing Director



**DECLARATION BY THE CEO ON AFFIRMATION OF COMPLIANCE WITH  
THE CODE OF CONDUCT OF THE COMPANY**

To the Members,  
Tai Industries Limited.

Pursuant to Clause 49(I)(D)(ii) of the Listing Agreement with the Stock Exchanges, I hereby declare that all Directors of the Company and Members of Senior Management have affirmed compliance with the Code of Conduct of the Company, for the year ended 31st March, 2013.

Date: 29th May, 2013

**WANGCHUK DORJI**  
*Chief Executive Officer*



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

The Members,  
**Tai Industries Limited**

We have examined the compliance of Corporate Governance by TAI INDUSTRIES LIMITED ("Company") for the year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in Republic of India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement) issued by the Institute of Chartered Accountants of India and limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of

**RAY & RAY**

Chartered Accountants

Firm's Registration No: 301072E

**AMITAVA CHOWDHURY**

Partner

Membership No. 056060

Place: Kolkata

Dated: 29th May, 2013



## Independent Auditor's Report

### TO THE MEMBERS OF TAI INDUSTRIES LIMITED

#### 1. 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, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other notes to financial statements.

#### 2. Management's Responsibility for the Financial Statements

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

#### 3. Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### 4. Opinion

We report that:

- 4.1** Attention is drawn to note numbers 24.11 and 24.13 of Notes to Financial Statements. We cannot offer any comment as to the adequacy of provision in respect of damaged stock included in the closing inventory of the Company as the same could not be verified by us and the value of which is taken as per management certification. We cannot also offer comment on the recoverability of certain old debts and advances aggregating to ₹ 5,002,949.51 and ₹ 1,583,234.03 respectively for which necessary steps are stated to be taken by the management for recovery.
- 4.2** Subject to our comments in paragraph 4.1 above, the effect of which is not readily ascertainable, in our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a. in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
  - b. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
  - c. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

#### 5. Report on Other Legal and Regulatory Requirements

- 5.1** As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.





**5.2** As required by section 227(3) of the Act, we report that:

- a. Subject to our comments in paragraph 4.1 above, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
- e. on the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
- f. the Central Government has neither issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid. However, no cess is due and payable by the Company.

For and on behalf of

**RAY & RAY**

Chartered Accountants

Firm's Registration No: 301072E

**AMITAVA CHOWDHURY**

Partner

Membership No. 056060

Place: Kolkata

Dated: 29th May, 2013



## Annexure To Auditor's Report

**[Referred to in paragraph 5.1 of the Auditor's Report of even date to the Members of TAI INDUSTRIES LIMITED on the financial statements for the year ended 31st March, 2013]**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noted on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern assumption of the Company.
- (ii) (a) As explained to us, the inventories were physically verified by the Management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, clauses (iii)(b) to (iii)(d) of paragraph 4 of the Order are not applicable.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, clauses (iii)(e) to (iii)(g) of paragraph 4 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there are generally adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and the sale of goods and services, except in respect of timely reconciliation of debtors' balances, which is being strengthened by the Company. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of section 301 of the Act, to the best of our knowledge and belief and according to the information and explanations given to us:
  - (a) The particulars of contracts or arrangements referred to in section 301 that needed to be entered in the Register maintained under the said section have been entered.
  - (b) Where each of such transaction is in excess of Rs. 5 lakhs in respect to any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time except in respect of certain purchases for which comparable quotations are not available and in respect of which we were unable to comment.
- (vi) The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA or any other relevant provisions of the Act and the rules framed thereunder.
- (vii) In respect of the internal audit functions carried out during the year by firms of Chartered Accountants, appointed by the Company, the coverage of which, in our opinion, requires to be further widened through inclusion of certain additional areas based on risk assessment so as to be commensurate with the size of the Company and nature of its business.
- (viii) The Central Government of India has not prescribed maintenance of cost records under section 209(1)(d) of the Act for any of the activities of the Company.
- (ix) According to the information and explanations given to us and the records of the Company examined by us in respect of statutory dues:
  - (a) The Company has been regular in depositing during the year the undisputed statutory dues including Provident Fund,



Employees' State Insurance, Income Tax, VAT, Sales Tax, Agricultural Tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

- (b) There were no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues which have not been deposited as on 31st March, 2013 on account of disputes.
- (x) The Company has no accumulated loss as at 31st March, 2013 and it has not incurred any cash loss in the financial year ended on that date or in the immediately preceding financial year.
- (xi) According to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of dues to a bank or financial institution. The Company has not issued any debenture.
- (xii) According to the information and explanations given to us and the records of the Company examined by us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debenture and other securities.
- (xiii) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
- (xiv) In our opinion the Company is not a dealer or trader in shares, securities, debentures and other investments.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion and according to the information and explanations given to us, term loan was applied for the purpose for which it is obtained.
- (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, we report that funds raised on short-term basis have not been used during the year for long-term investments.
- (xviii) The Company has not made any preferential allotment of shares to any party or company covered in the register maintained under section 301 of the Act during the year.
- (xix) The Company has not issued any debenture.
- (xx) The Company has not raised any money during the year by way of public issue.
- (xxi) During the course of our examination of books and records of the Company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company nor have we been informed of such case by the management.

For and on behalf of

**RAY & RAY**

Chartered Accountants

Firm's Registration No: 301072E

**AMITAVA CHOWDHURY**

Partner

Membership No. 056060

Place: Kolkata

Dated: 29th May, 2013



## Balance Sheet as at 31st March, 2013

Particulars	Note No.	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	1	60,000,000	60,000,000
Reserves and surplus	2	108,617,854	101,743,343
<b>Total Shareholders' funds</b>		<b>168,617,854</b>	<b>161,743,343</b>
<b>Non-current liabilities</b>			
Long-term borrowings	3	91,770	434,461
Other Long-term liabilities	4	5,525,500	5,615,500
Long-term provisions	5	6,297,285	4,498,737
<b>Total Non-current liabilities</b>		<b>11,914,555</b>	<b>10,548,698</b>
<b>Current liabilities</b>			
Trade payables (Refer Note No. 24.3)		263,808,783	260,731,870
Other current liabilities	6	56,031,605	54,438,610
Short-term provisions	7	13,120,797	12,244,561
<b>Total current liabilities</b>		<b>332,961,185</b>	<b>327,415,041</b>
<b>TOTAL</b>		<b>513,493,594</b>	<b>499,707,082</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	8		
(i) Tangible assets			
Gross Block		67,975,662	70,171,970
Less: Depreciation		54,464,319	54,554,053
Net Block		13,511,343	15,617,917
(ii) Intangible assets			
Gross Block		3,331,181	3,993,681
Less: Depreciation		2,597,803	3,869,426
Net Block		733,378	124,255
<b>Total Net Block</b>		<b>14,244,721</b>	<b>15,742,172</b>
Non-current investments	9	8,660,020	8,678,873
Deferred tax assets (net)	10	1,301,976	1,009,541
Long-term loans and advances	11	79,503,470	85,674,026
<b>Total non-current assets</b>		<b>89,465,466</b>	<b>95,362,440</b>
Total non-current assets		<b>103,710,187</b>	<b>111,104,612</b>
<b>Current assets</b>			
Inventories	12	27,593,992	32,252,712
Trade receivables	13	251,354,646	225,118,418
Cash and cash equivalents	14	19,904,904	31,050,505
Short-term loans and advances	15	110,929,865	100,180,835
<b>Total current assets</b>		<b>409,783,407</b>	<b>388,602,470</b>
<b>TOTAL</b>		<b>513,493,594</b>	<b>499,707,082</b>
Statement of Significant Accounting Policies	23		
Other notes to financial statement	24		
The accompanying notes are integral part of the financial statements			

For **RAY & RAY**

Chartered Accountants

Firm's Registration No. 301072E

**AMITAVA CHOWDHURY**

Partner

Membership No. 056060

Place: Kolkata

Date: 29th May, 2013

**INDIRA BISWAS**  
General Manager Corporate  
& Company Secretary

For and on behalf of the Board

**WANGCHUK DORJI**

Managing Director

**PREM SAGAR**

Director

**Statement of Profit and Loss for the year ended 31st March, 2013**

Particulars	Note No.	Figures for the Current Reporting Year		Figures for the Previous Reporting Year
		(₹)	(₹)	(₹)
Revenue from operations	16	502,170,109		658,830,195
Other income	17	49,874,929		32,472,343
<b>Total Revenue</b>		<b>552,045,038</b>		<b>691,302,538</b>
Expenses:				
Purchases of Stock-in-Trade	18	412,039,415		580,074,088
Changes in inventories and Stock-in-Trade	19	4,658,720		4,508,586
Employee benefits expense	20	30,511,355		26,380,420
Finance costs	21	601,818		211,655
Depreciation and amortization expense				
Tangible assets		2,554,932		2,833,780
Intangible assets		92,377		57,930
		2,647,309		
Other expenses	22	95,004,345		72,422,414
<b>Total expenses</b>		<b>545,462,962</b>		<b>686,488,873</b>
<b>Profit/(loss) before tax</b>		<b>6,582,076</b>		<b>4,813,665</b>
Tax expense:				
(1) Deferred tax		(292,435)		124,387
<b>Profit/(Loss) for the year after tax</b>		<b>6,874,511</b>		<b>4,689,278</b>
Earnings per equity share:				
Basic & Diluted (Note 24.10)		1.15		0.78
Statement of Significant Accounting Policies	23			
Other notes to financial statement	24			

The accompanying notes are integral part of the financial statements

For **RAY & RAY**  
Chartered Accountants  
Firm's Registration No. 301072E  
**AMITAVA CHOWDHURY**  
Partner  
Membership No. 056060  
Place: Kolkata  
Date: 29th May, 2013

**INDIRA BISWAS**  
General Manager Corporate  
& Company Secretary

For and on behalf of the Board  
**WANGCHUK DORJI**  
Managing Director  
**PREM SAGAR**  
Director



**Cash Flow Statement for the year ended 31st March, 2013**

	Year ended 31st March, 2013 (₹)	Year ended 31st March, 2012 (₹)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	6,582,076	4,813,665
Adjustments for:		
Depreciation	2,647,309	2,891,710
Interest Received	(1,681,874)	(1,995,508)
Dividend Received	(11,910,505)	(8,844,521)
Provision for Gratuity	1,007,834	628,662
Provision For Leave Encashment	1,938,372	1,463,157
Provision for LTA	1,073,882	—
Loss/adjustment on Sale of Fixed Assets	48,245	56,846
Interest paid	601,818	211,655
Provision for dimunition in value of Investments	18,853	—
Commission Received	(18,983,171)	(8,706,690)
<b>Operating Profit before Working Capital changes</b>	<b>(18,657,161)</b>	<b>(9,481,024)</b>
Adjustment for changes in Working Capital:		
(Increase/Decrease in Trade and other Receivables	(30,714,702)	(24,385,812)
(Increase)/Decrease in Inventories	4,658,720	4,508,586
Increase/(Decrease) in Trade payables	4,543,980	5,213,861
Commission Received	18,983,171	8,706,690
<b>Cash Generated from Operations</b>	<b>(21,185,992)</b>	<b>(15,437,699)</b>
Interest paid	(601,818)	(211,655)
Taxes paid	(100,000)	—
Leave Encashment Paid	(1,108,808)	(983,154)
Gratuity Paid	(236,496)	(280,597)
<b>Net Cash from Operating Activities (A)</b>	<b>(23,233,114)</b>	<b>(16,913,105)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1,217,401)	(2,152,758)
Sale of Fixed Assets	19,298	25,401
Interest Received	1,681,874	1,995,508
Dividend Received	11,910,505	8,844,521
<b>Net Cash from Investing Activities (B)</b>	<b>12,394,276</b>	<b>8,712,672</b>



	Year ended 31st March, 2013 (₹)	Year ended 31st March, 2012 (₹)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Proceeds from Borrowings:</b>		
Term loan from bank	—	950,000
Repayment of Term loan	(306,763)	(208,776)
<b>Net Cash used in Financing Activities (C)</b>	<b>(306,763)</b>	<b>741,224</b>
Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)	(11,145,601)	(7,459,209)
Opening Balance of Cash and Cash Equivalents	31,050,505	38,509,714
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>19,904,904</b>	<b>31,050,505</b>

**Notes:**

1. The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at 31st March, 2013 and the related Statement of Profit and Loss for the year ended on that date.
2. The above Cash Flow Statement has been prepared under "Indirect Method" as set out in the Accounting Standard (AS) on "Cash Flow Statement", AS -3, issued by The Institute of Chartered Accountants of India and reallocations required for this purpose are as made by the Company.
3. Cash and Cash equivalents represent Cash and Bank balances.
4. Additions to Fixed Assets are stated inclusive of movements of Capital Work-in-Progress between the beginning and the end of the year and are treated as part of Investing Activities.
5. Figures in parenthesis represent outflows.
6. Previous year's figures have been regrouped, wherever necessary, to conform current year's presentation.

This is the Cash Flow referred to in our report of even date.

For **RAY & RAY**

Chartered Accountants

Firm's Registration No. 301072E

**AMITAVA CHOWDHURY**

Partner

Membership No. 056060

Place: Kolkata

Date: 29th May, 2013

**INDIRA BISWAS**

General Manager Corporate  
& Company Secretary

For and on behalf of the Board

**WANGCHUK DORJI**

Managing Director

**PREM SAGAR**

Director

**Notes to Balance Sheet**

	As at 31st March, 2013		As at 31st March, 2012	
	Number	(₹)	Number	(₹)

**NOTE : 1****SHARE CAPITAL****AUTHORISED**

Equity Shares of ₹ 10 each	7,500,000	75,000,000	7,500,000	75,000,000
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**ISSUED, SUBSCRIBED, PAID UP**

Equity Shares of ₹ 10 each fully paid up	6,000,000	60,000,000	6,000,000	60,000,000
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<b>Total</b>	<b>6,000,000</b>	<b>60,000,000</b>	<b>6,000,000</b>	<b>60,000,000</b>
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**Disclosure pursuant to Note no. 6 (A)(d) of Part I of Schedule VI to the Companies Act, 1956**

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

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

Name of Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mavi Investment Fund Ltd.	600,000	10.000	600,000	10.000
I PRO Funds Ltd.	599,900	9.998	599,900	9.998



	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
<b>NOTE : 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>a. Capital Reserves</b>		
Opening Balance	595,100	595,100
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	-	-
Closing Balance	<b>595,100</b>	<b>595,100</b>
<b>b. General Reserves</b>		
Opening Balance	3,878,789	3,878,789
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	-	-
Closing Balance	<b>3,878,789</b>	<b>3,878,789</b>
<b>c. Surplus</b>		
Opening Balance	97,269,454	92,580,176
Add: Net Profit/(Net Loss) for the current year	6,874,511	4,689,278
Closing Balance	<b>104,143,965</b>	<b>97,269,454</b>
<b>Total</b>	<b><u>108,617,854</u></b>	<b><u>101,743,343</u></b>

**NOTE : 3**

**LONG TERM BORROWINGS**

**Term Loan from Bank**

Car loan from ICICI Bank (repayable after 12 months from the reporting date) Secured against hypothecation of car	91,770	434,461
<b>Total</b>	<b><u>91,770</u></b>	<b><u>434,461</u></b>

**NOTE : 4**

**OTHER LONG TERM LIABILITIES**

Security deposit received	5,525,500	5,615,500
<b>Total</b>	<b><u>5,525,500</u></b>	<b><u>5,615,500</u></b>



	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
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**NOTE : 5****LONG TERM PROVISIONS**

Provision for employee benefits Gratuity (unfunded) (Note 24.4)	3,612,838	2,570,984
Leave Encashment (unfunded) (Note 24.4)	2,684,447	1,927,753
<b>Total</b>	<b>6,297,285</b>	<b>4,498,737</b>

**NOTE : 6****OTHER CURRENT LIABILITIES**

Car loan from ICICI Bank (repayable within 12 months from the reporting date) Secured against hypothecation of car	342,691	306,763
Salary payable	156,102	124,242
Statutory dues	1,876,432	1,175,034
Liabilities for Stale Cheque	27,000	67,299
Other liability	343,062	410,544
Security deposit received	2,098,000	553,000
Advance from Customer	1,844,645	3,651,925
Advances from others	47,711,493	48,149,803
Bank overdraft	1,632,180	—
<b>Total</b>	<b>56,031,605</b>	<b>54,438,610</b>

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

Gratuity (unfunded) (Note 24.4)	114,737	385,253
Leave Encashment (unfunded) (Note 24.4)	54,192	313,813
Leave Encashment for Continuing Employee	1,305,887	973,396
Provision for LTA	1,073,882	—

**(b) Others Provisions**

Provision for income tax & fringe benefit tax	10,572,099	10,572,099
<b>Total</b>	<b>13,120,797</b>	<b>12,244,561</b>



**NOTE : 8**  
**FIXED ASSETS**

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	Balance as on 01.04.2012 (₹)	Additions during the year (₹)	Disposals during the year (₹)	Balance as on 31.03.2013 (₹)	Balance as on 01.04.2012 (₹)	Depreciation during the year (₹)	Adjustment due to Disposals (₹)	Balance as on 31.03.2013 (₹)	Balance as on 31.03.2012 (₹)
<b>(a) Tangible Assets</b>									
Building	2,896,312	-	-	2,896,312	1,747,522	69,315	-	1,816,837	1,148,790
Furniture & Fixture	18,351,289	15,133	853,760	17,512,662	14,652,956	661,166	852,018	14,462,104	3,698,333
Office Equipment	5,490,087	320,000	181,877	5,628,210	3,646,379	281,030	141,335	3,786,074	1,843,708
Electrical Equipment	2,578,303	-	87,301	2,491,002	1,826,042	104,443	87,301	1,843,184	752,261
Motor Vehicle	3,070,249	-	-	3,070,249	1,352,454	437,007	-	1,789,461	1,717,795
Computer	22,439,023	180,768	1,555,071	21,064,720	20,952,994	310,504	1,529,811	19,733,687	1,486,029
Plant & Machinery	15,346,707	-	34,200	15,312,507	10,375,706	691,466	34,200	11,032,972	4,971,001
<b>Total</b>	<b>70,171,970</b>	<b>515,901</b>	<b>2,712,209</b>	<b>67,975,662</b>	<b>54,554,053</b>	<b>2,554,931</b>	<b>2,644,665</b>	<b>54,464,319</b>	<b>15,617,917</b>
<b>(b) Intangible Assets</b>									
Software Charges	3,993,681	701,500	1,364,000	3,331,181	3,869,426	92,377	1,364,000	2,597,803	124,255
<b>Total</b>	<b>74,165,651</b>	<b>1,217,401</b>	<b>4,076,209</b>	<b>71,306,843</b>	<b>58,423,479</b>	<b>2,647,309</b>	<b>4,008,665</b>	<b>57,062,123</b>	<b>15,742,172</b>
<b>PREVIOUS YEAR</b>	74,428,981	2,152,758	2,416,088	74,165,651	57,865,611	2,891,710	2,333,842	58,423,479	16,563,371



Particulars	No. of Shares Units	Face Value (₹)	As at 31st March, 2013 Cost (₹)	As at 31st March, 2012 Cost (₹)
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**NOTE : 9**

**NON-CURRENT INVESTMENT**

**Other Investments:**

**Equity Shares fully paid (Quoted - at cost)**

Usha Ispat Limited	300	10	360	3,000
Core Health Care Limited	100	10	687	15,000
IFCI Limited	100	10	3,500	3,500
State Bank of India	180	10	62,700	62,700
Bata India Limited	4,375	10	152,250	152,250
Infosys Limited	104	5	3,448	3,448
Reliance Industries Limited	2,060	10	102,167	102,167
India Steel Works Limited	250	10	600	2,500
Reliance Capital Limited	51	10	2,554	2,554
Reliance Communications Limited	1,030	5	76,036	76,036
Reliance Infrastructure Limited	77	10	14,343	14,343
Reliance Power Limited	257	10	1,375	1,375
<b>TOTAL (A)</b>			<b>420,020</b>	<b>438,873</b>

**Equity shares fully paid (Unquoted)**

Jamipol Limited	800,000	10	8,000,000	8,000,000
<b>TOTAL (B)</b>			<b>8,000,000</b>	<b>8,000,000</b>

**Others Fully Paid (Quoted)**

UTI Equity Fund (Master Gain 92) (Note-1) - Dividend Plan	10,000	10	100,000	100,000
SBI Magnum Multiplier Plus 1993 - Dividend Plan	10,000	10	100,000	100,000
Morgan Stanley Mutual Fund - Growth Plan	4,000	10	40,000	40,000
<b>TOTAL (C)</b>			<b>240,000</b>	<b>240,000</b>
<b>GRAND TOTAL [(A) + (B) + (C)]</b>			<b>8,660,020</b>	<b>8,678,873</b>

**Notes:**

1. UTI Equity Fund (Master gain 92) is not in the name of the Company. The same is registered in the name of Canara Bank to whom instruments were hypothecated by the Company. Steps are being taken to transfer the ownership of instruments in favour of the Company.

	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
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**2. Aggregate Book Value**

Quoted Investments	660,020	678,873
Unquoted Investments	8,000,000	8,000,000
<b>TOTAL</b>	<b>8,660,020</b>	<b>8,678,873</b>

Particulars	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
Aggregate amount of quoted investments (Market value)	6,797,027	7,029,216
Aggregate provision for diminution in value of investments	18,853	—





Particulars	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
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**NOTE : 10**

**DEFERRED TAX ASSET (NET)**

**Liabilities:**

Depreciation	Nil	Nil
Total Liabilities - (A)	Nil	Nil

**Assets**

Depreciation	391,598	363,169
Provision for Gratuity & Leave Encashment	910,378	646,372
Total Assets - (B)	1,301,976	1,009,541
<b>Net Deferred Tax Liability/(Asset) [(A) - (B)]</b>	<b>(1,301,976)</b>	<b>(1,009,541)</b>

**NOTE : 11**

**LONG TERM LOANS AND ADVANCES**

**a. Security Deposits (Unsecured)**

Considered good	5,039,681	4,971,223
Considered doubtful	2,394,900	2,394,900
Less: Provision for doubtful deposits	2,394,900	2,394,900
	<u>5,039,681</u>	<u>4,971,223</u>

**b. Loans and advances to related parties (Unsecured)**

Considered good	74,354,293	74,461,295
	<u>74,354,293</u>	<u>74,461,295</u>

**c. Other loans and advances**

Loans and Advances to others (Unsecured) (Considered good)	42,234	5,324,074
Interest accrued but not received (Unsecured) (Considered good)	67,262	917,434
	<u>109,496</u>	<u>6,241,508</u>

<b>Total</b>	<b><u>79,503,470</u></b>	<b><u>85,674,026</u></b>
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**NOTE : 12**

**INVENTORIES**

a. Stock-in-trade	41,972,079	46,570,479
b. Goods in Transit	—	60,320
	<u>41,972,079</u>	<u>46,630,799</u>
Less: Provision for Damaged Stock	14,378,087	14,378,087
<b>Total</b>	<b><u>27,593,992</u></b>	<b><u>32,252,712</u></b>



Particulars	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
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**NOTE : 13**

**TRADE RECEIVABLES**

Unsecured considered good Outstanding for a period more than six months	76,373,568	6,278,850
	<b>76,373,568</b>	<b>6,278,850</b>
Unsecured considered good Outstanding for a period less than six months	174,981,078	218,839,568
	174,981,078	218,839,568
<b>Total</b>	<b>251,354,646</b>	<b>225,118,418</b>

**NOTE : 14**

**CASH AND CASH EQUIVALENTS**

	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
<b>a. Balances with banks:</b>	<b>17,060,248</b>	<b>14,921,791</b>
In Current Accounts	6,551,697	6,700,708
In Fixed deposits with less than 12 months maturity	10,508,551	8,221,083
Fixed deposit held as margin for obtaining bank guarantees ₹ 3,15,680 (previous year ₹ 4,87,396)		
<b>b. Cash in hand</b>	<b>1,806,818</b>	<b>1,879,239</b>
<b>c. Other Bank Balances</b>		
Fixed deposits with more than 12 months maturity	1,037,838	14,249,475
<b>Total</b>	<b>19,904,904</b>	<b>31,050,505</b>

**NOTE : 15**

**SHORT-TERM LOANS AND ADVANCES**

	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
<b>a. Loans and advances to related parties</b>		
(Unsecured) (Considered good)	3,971,657	4,313,111
<b>b. Loans and advances to others</b>		
(Unsecured) (Considered good)	77,514,618	70,738,364
<b>c. Security Deposits (Note 24.14)</b>		
(Unsecured) (considered good)	902,469	810,127
	<b>82,388,744</b>	<b>75,861,602</b>
<b>d. Others (Unsecured) (Considered good)</b>		
Advance Income Tax	14,870,916	15,028,946
TDS & TCS Receivable	4,745,004	3,463,399
Interest accrued but not received (Less than 12 months)	938,492	617,446
Prepaid Expenses	99,065	122,857
Prepaid Insurance Premium	161,590	171,080
Advance to vendors	7,726,054	4,915,505
	<b>28,541,121</b>	<b>24,319,233</b>
<b>Total</b>	<b>110,929,865</b>	<b>100,180,835</b>



Particulars	For the year ended 31st March, 2013 (₹)	For the year ended 31st March, 2012 (₹)
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**NOTE : 16**

**REVENUE FROM OPERATIONS**

**Sales:**

Fruit Products	218,364,714	204,397,077
Calcium Carbide	48,615,072	39,528,893
Charcoal	99,082,861	223,877,639
Manganese Ore	–	29,846,314
Anthracite Coal	14,435,010	–
Others	19,318,172	88,508,159
Sale of Retail Products	102,354,280	72,672,113
<b>Total</b>	<b>502,170,109</b>	<b>658,830,195</b>

**NOTE : 17**

**OTHER INCOME**

Interest Income - Gross	1,681,874	1,995,508
[Taxes Deducted at Source ₹ 2,61,815 (2012 - ₹ 3,16,216)]		
Dividend Income	11,910,505	8,844,521
Other non-operating income (net of expenses directly attributable to such income)	36,282,550	21,632,314
<b>Total</b>	<b>49,874,929</b>	<b>32,472,343</b>

**NOTE : 18**

**PURCHASES OF STOCK-IN-TRADE**

Fruit Products	159,336,496	165,152,677
Calcium Carbide	43,135,259	35,260,286
Charcoal	76,916,960	185,244,411
Manganese ore	–	17,856,844
Anthracite Coal	12,215,878	–
Others	18,280,158	98,342,399
Retail Products	89,831,109	65,857,409
Carraige Inward, Octroi Expenses and Other related expenses	12,323,555	12,360,062
<b>Total</b>	<b>412,039,415</b>	<b>580,074,088</b>

**NOTE : 19**

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

Opening Stock	46,630,799	51,139,385
Less: Closing Stock	41,972,079	46,630,799
<b>Total</b>	<b>4,658,720</b>	<b>4,508,586</b>



Particulars	For the year ended 31st March, 2013 (₹)	For the year ended 31st March, 2012 (₹)
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**NOTE : 20****EMPLOYEE BENEFITS EXPENSE**

(a) Salaries and incentives	25,717,712	22,414,712
(b) Contribution to Provident Fund & other Funds	2,295,662	2,040,864
(c) Gratuity provision	1,007,834	628,662
(d) Staff welfare expenses	1,490,147	1,296,182
<b>Total</b>	<b>30,511,355</b>	<b>26,380,420</b>

**NOTE : 21****FINANCE COSTS**

Interest expense	610,818	211,655
<b>Total</b>	<b>601,818</b>	<b>211,655</b>

**NOTE : 22****OTHER EXPENSES**

Rent	7,333,603	6,390,936
Repairs to Building	1,266,960	863,788
Repairs to Others	10,712,103	10,389,838
Insurance	274,312	236,998
Rates and Taxes	733,933	963,068
Electricity	3,889,721	3,197,050
Travelling and Conveyance	14,087,317	6,920,393
Communication Expense	2,274,258	1,968,211
Legal and Professional charges	2,921,539	2,743,617
Printing and Stationery	1,603,714	1,102,072
Carriage Outward	12,812,197	13,540,876
Commission on Depot Sales	1,205,924	1,853,698
Commission Paid on Ferro Silicon	2,863,882	—
Breakage and Damages	2,498,887	1,593,849
Discount	5,303,655	4,109,261
Advertisement, Publicity and Sales Promotion	4,456,872	3,150,818
Other Selling Expenses	6,917,334	7,830,024
Sundry balances written off	8,674,977	442,842
Bank & Other Charges	1,095,228	747,648
Miscellaneous Expenses (Note 24.6)	2,130,160	2,653,715
Security Charges	746,173	623,442
Common expenses Stores	874,498	785,424
Director's sitting fees	260,000	258,000
Loss on sale of Fixed Assets (Net)	48,245	56,846
Provision for dimunition in value of Investments	18,853	—
<b>Total</b>	<b>95,004,345</b>	<b>72,422,414</b>

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

The Financial Statements have been prepared on the accrual basis of accounting, under the historical cost convention, in accordance with the accounting principles generally accepted in India and comply with the requirements of Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

**(b) Use of Estimates**

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the Financial Statement and the reported amount of revenue and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognised in the period in which the results are known / materialised.

**(c) Fixed Assets**

Fixed Assets are stated at cost. Cost includes taxes, duties, freight and other incidental expenses related to acquisition, improvements and installation of the assets.

**(d) Depreciation**

(i) Depreciation is provided on "Written Down Value Method", at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

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

**(e) Impairment**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

**(f) Investments**

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

**(g) Inventories**

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

**(h) Intangible Assets**

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

**(i) Revenue Recognition**

(i) Sales, net of taxes, are accounted for when property in the goods is transferred to the customers.

(ii) Commission is accounted for as and when the Company's right to receive the same is established.

(iii) Dividend is recognised, when the right to receive the dividend arises.

(iv) Interest income is recognised on a time proportion basis.

(v) Items of Income/Expenditure are recognized on accrual basis, unless otherwise stated.

**(j) Employee Benefits**

(i) Defined Contribution Schemes

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



(ii) **Defined Benefit Schemes**

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

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

(k) **Borrowing Cost**

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

(l) **Foreign Currency Transactions**

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

(m) **Treatment of Prior Period and Extra Ordinary Items**

(i) Any material items (other than those arising out of over/under estimation in earlier years) arising as a result of error or omission in preparation of earlier years financial statements are separately disclosed.

(ii) Any material gains/losses which arise from the events or transaction which are distinct from ordinary activities of the Company are separately disclosed.

(n) **Income Tax**

Income tax expense comprises of current tax and deferred tax charge or credit. Current Tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred Tax expenses or benefit is recognized on timing differences being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only to the extent that there is virtual certainty that sufficient taxable income will be available in future to realize such assets. In other situations, deferred tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

(o) **Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that a cash outflow will be required and reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed when the Company has a present obligation and it is probable that a cash outflow will not be required to settle the obligation.

Contingent assets are neither recognized nor disclosed in the Financial Statements.

**24. Other notes to Financial Statement**

**24.1 Contingent liabilities**

		As at 31 March, 2013 (₹)	As at 31 March, 2012 (₹)
(i)	Bank Guarantees	225,000	325,000

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

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



- 24.2. Advances recoverable in cash or in kind or for value to be received include ₹ 7,42,37,147.63 (previous year- ₹ 7,42,37,147.63) on account of Tai Projects Private 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 17th September, 2002.
- 24.3. The amount due to Micro and Small Enterprises as defined in 'The Micro, Small and Medium Enterprises Development Act, 2006' has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small enterprises as at 31st March, 2013 are as under:

Sl. no.	Description	Amount outstanding as at 31st March, 2013 (₹)	Amount outstanding as at 31st March, 2012 (₹)
1.	The principal amount remaining unpaid to suppliers as at the end of the year	59,42,575	35,96,649
2.	The interest due thereon remaining unpaid to supplier as at the end of the accounting year	NIL	NIL
3.	The amount of interest paid in terms of section 16, alongwith the amount of the payment made to the supplier beyond the appointed day during the year 2012-13	NIL	NIL
4.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the act.	NIL	NIL
5.	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	NIL	NIL
6.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23.	NIL	NIL

#### 24.4. Employee benefit

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





#### A. Defined Benefit Plans

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

		Gratuity (₹)			Leave Encashment (₹)		
a.	Reconciliation of opening and closing balances of Defined Benefit Obligations	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2013	31st March, 2012	31st March, 2011
	Defined Benefit Obligation at the beginning of the year	29,56,237	26,08,172	13,63,659	22,41,566	18,31,943	12,09,674
	Current Service Cost	3,31,306	2,85,883	2,41,338	31,484	23,043	22,633
	Interest Cost	2,48,324	2,04,834	1,11,695	1,90,272	1,45,771	94,736
	Past Service Cost	–	–	7,02,357	–	–	–
	Actuarial (gain)/ loss	4,28,204	1,37,945	2,08,681	4,09,364	3,92,130	6,27,615
	Benefit paid	2,36,496	2,80,597	19,558	1,34,047	1,51,321	1,22,715
	Defined Benefit Obligation at the year end	37,27,575	29,56,237	26,08,172	27,38,639	22,41,566	18,31,943
b.	Reconciliation of fair value of assets and obligations						
	Fair value of plan assets as at 31st March	NIL	NIL	NIL	NIL	NIL	NIL
	Present value of obligation at 31st March	37,27,575	29,56,237	26,08,172	27,38,639	22,41,566	18,31,943
	Net Assets/(Liability) recognized in Balance Sheet	(37,27,575)	(29,56,237)	(26,08,172)	(27,38,639)	(22,41,566)	(18,31,943)
c.	Expenses recognised during the year						
	Current service cost	3,31,306	2,85,833	2,41,338	31,484	23,043	22,633
	Interest cost	2,48,324	2,04,834	1,11,695	1,90,272	1,45,771	94,736
	Past service cost	–	–	7,02,357	–	–	–
	Expected return on plan assets	NIL	NIL	NIL	NIL	NIL	NIL
	Actuarial (gain)/loss	4,28,204	1,37,945	2,08,681	4,09,364	3,92,130	6,27,615
	Net cost	10,07,834	6,28,662	12,64,071	6,31,120	5,60,944	7,44,984
d.	Gratuity Provision is shown separately in Note - 20 and Leave Encashment has been shown under Salaries & incentives in Note - 20						
		Gratuity (₹)			Leave Encashment (₹)		
Actuarial assumptions		31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2013	31st March, 2012	31st March, 2011
Discount rate per annum compound		8.30%	8.75%	8.30%	8.30%	8.75%	8.30%
Rate of increase in salaries		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Expected average remaining working lives of employees (years)		20.94	21.86	21.30	20.87	21.80	21.30
Withdrawal Rates	Varying between 2% per annum and 1% per annum depending on duration and age of the employees						
Mortality Rate	L I C (1994 - 96) table						

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

		31st March, 2013	31st March, 2012
1.	Present value of deference benefit obligation	27,38,639	22,41,566
2.	Fair value of plan Assets	Nil	Nil
3.	Status [Surplus/ (Deficit)]	(27,38,639)	(22,41,566)

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

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

**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	2012-13 (₹)	2011-12 (₹)	2010-11 (₹)
Employers' contributions to Provident Fund	11,93,259	10,55,662	8,55,892
Employers' contributions to Pension Fund	6,59,388	6,08,367	5,41,406

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

Furthermore, in the opinion of the management, all Trade Receivables, Advances and Deposits (both Current & Non-current) would be realized at the values at which these are stated in the accounts in the ordinary course of business.

**24.6. Miscellaneous expenses include -**

		2012-13 (₹)	2011-12 (₹)
(a)	Amount paid/payable to Auditors:-		
	(i) Statutory Audit Fee	1,50,000	1,50,000
	(ii) Tax Audit Fee	45,000	40,000
	(iii) Other Certificates	1,15,000	91,500
	(iv) Reimbursement of Expenses [(Including Service - Tax ₹ 38,316) 2011-12 - ₹ 32,815.80]	38,316	32,816
	<b>Total</b>	<b>3,48,316</b>	<b>3,14,316</b>



- 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	22,99,722	20,47,230
2.	Later than one year and not later than five years	1,00,60,771	96,53,031
3.	Later than five years	31,88,788	58,96,250

Lease rent recognized in Profit & Loss A/c ₹ 23,00,256 (Previous year - ₹ 22,58,088)

- 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)	44,19,20,986 (61,11,10,695)	11,01,24,052 (8,01,91,843)	55,20,45,038 (69,13,02,538)
Segment Results (Previous Year)	1,02,77,332 (1,03,52,011)	(4,46,129) (-24,34,981)	98,31,203 (79,17,030)
<b>Depreciation, Amortizations &amp; Finance Cost</b> (Previous Year)			32,49,127 (31,40,365)
<b>Net Profit Before Tax</b> (Previous Year)			65,82,076 (48,13,665)
<b>Income Tax (including Deferred Taxation and Fringe Benefit Tax)</b> (Previous Year)			(2,92,435) (1,24,387)
<b>Net Profit / (-) Loss After Tax</b> (Previous Year)			68,74,511 (46,89,278)



#### 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
<b>Key management Personnel</b>	<ul style="list-style-type: none"> <li>■ Dasho Topgyal Dorji</li> <li>■ Dasho Wangchuk Dorji</li> </ul>
<b>Enterprise in which key Management Personnel have significant influence</b>	<ul style="list-style-type: none"> <li>■ Bhutan Fruit Products Private Limited</li> <li>■ Bhutan Carbide and Chemicals Limited</li> <li>■ Bhutan Ferro Alloys Limited</li> <li>■ Tashi Infocom Limited</li> <li>■ Tashi Commercial Corporation</li> <li>■ Tai Projects Private Limited</li> <li>■ Bhutan Eco Ventures Private Limited</li> <li>■ Bhutan Brewery Private Limited</li> <li>■ Tashi Metals Limited</li> <li>■ SKW - Tashi Metals &amp; Alloys Private Limited</li> <li>■ T Bank Limited</li> <li>■ Tashi Beverages Limited</li> <li>■ Bhutan Silicon Metal Private Limited</li> <li>■ Bhutan Tourism Corporation Limited</li> <li>■ JAMIPOL Limited</li> <li>■ Royal Insurance Corporation of Bhutan Limited</li> <li>■ Rijal Tashi Industries Private Limited</li> </ul>

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 31.03.2013 (₹)	For the year ended 31.03.2012 (₹)	For the year ended 31.03.2013 (₹)	For the year ended 31.03.2012 (₹)
Purchase of goods	13,60,78,949	11,19,50,603	–	–
Sale of Goods	9,12,51,673	22,32,04,030	–	–
Rendering of Services	9,75,000	9,75,000	–	–
Commission Received	2,07,18,262	1,11,69,620	–	–
Royalty Paid	3,59,186	2,97,818	–	–
<b>Outstanding Balance</b>				
Due to Company	4,44,92,992	3,63,18,502	–	–
Payables by Company	20,21,12,840	19,15,36,223	–	–
<b>Remunerations -</b>				
Dasho Wangchuk Dorji	–	–	18,72,453	18,05,253
<b>Directors' Sitting Fees -</b>				
Dasho Topgyal Dorji	–	–	20,000	30,000

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

Particulars	2012-13 (₹)	2011-12 (₹)
Profit/(Loss) after Tax attributable to Equity Shareholders	68,74,511	46,89,278
Weighted Average number of Equity Share Outstanding	60,00,000	60,00,000
EPS - Basic & diluted	1.15	0.78

- 24.11. The Value of closing stock amounting to ₹ 4,19,72,079/- (Previous year - ₹ 4,66,30,799/-) is certified by the Management of the Company.
- 24.12. A provision of ₹ 1,43,78,087/- was made in the year 2007-08 in respect of Stock damaged/destroyed by flood but included in stock. The Company had filed a claim with the Insurance Company. As the claim has been pending for a considerable period of time, the Company has notified the office of the insurance ombudsman for disposal of the matter. The claim is yet to be settled.
- 24.13. No provision has been made in the accounts in respect of old debts and advances amounting to ₹ 50,02,949.51 & ₹ 15,83,234.03 respectively for which necessary steps are being taken by the management for recovery.
- 24.14. Fixed deposits include ₹ 26,000/- (Previous year - Nil) lodged with bank towards security deposit in favour of a party for sale.
- 24.15. In the absence of assessable income, no provision for income tax is required to be made in the accounts this year.
- 24.16. a) Previous years figures have been regrouped/rearranged, wherever necessary to conform to current year's presentation.  
b) Figures in parenthesis represent previous year's figures.

**Signatures to Notes 1 to 24**

For **RAY & RAY**  
Chartered Accountants  
Firm's Registration No. 301072E  
**AMITAVA CHOWDHURY**  
Partner  
Membership No. 056060  
Place: Kolkata  
Date: 29th May, 2013

**INDIRA BISWAS**  
General Manager Corporate  
& Company Secretary

For and on behalf of the Board  
**WANGCHUK DORJI**  
Managing Director  
**PREM SAGAR**  
Director



## TAI INDUSTRIES LIMITED

53A, MIRZA GHALIB STREET, 3RD FLOOR  
KOLKATA - 700 016

### PROXY FORM

I/We .....  
of ..... in the district  
of ..... being a member/members of the  
abovenamed Company hereby appoint Shri ..... of  
..... in the district  
of ..... or failing him  
Shri .....  
of ..... in the district  
of ..... as my/our Proxy  
to vote for me/us on my/our behalf at the 30th Annual General Meeting of the Company to be held on Monday, the  
2nd September, 2013 at 10.00 a.m. and at any adjournment thereof.

Signed this ..... day of ..... 2013

Signature of Member .....

Membership Folio No./Client ID; DPID .....

Affix  
Re. 1/-  
Revenue  
Stamp  
only

**Note :** The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.



### ATTENDANCE SLIP

I hereby record my presence at the 30th Annual General Meeting of Tai Industries Limited at Kalakunj, 48 Shakespeare Sarani, Kolkata - 700 017 on Monday, the 2nd September, 2013 at 10.00 a.m.

Full name of the Shareholder (in block letters) .....

Member's Folio No./Client ID; DPID ..... Signature .....

Full name of Proxy (in block letters) .....

Signature .....

Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

# BOOK POST

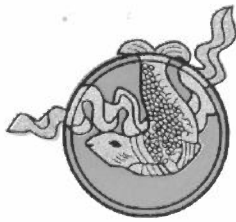
*If undelivered, please return to :*

**TAI INDUSTRIES LIMITED**

53A, Mirza Ghalib Street

3rd Floor, Kolkata 700 016





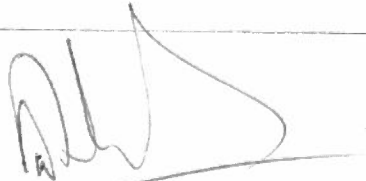

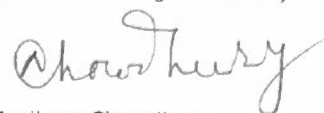
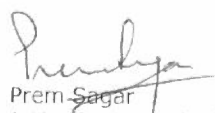
# Tai Industries Limited

Registered Office

53-A, Mirza Ghalib Street, 3rd Floor, Kolkata - 700 016  
Phone : (033) 2249 2956, 2229 2292, 2229 8489, 2217 1473  
Fax : (033) 2249 7319, E-mail : taiind@cal.vsnl.net.in

## FORM B

Covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	Tai Industries Limited
2.	Annual Financial Statements for the year ended	31 <sup>st</sup> March, 2013
3.	Type of Audit Qualification	Subject to
4.	Frequency of qualification	Since 2008 – 2009 for unascertainability of damaged stock included in closing inventory. Since 2010 – 2011 for recoverability of old debts
5.	Relevant notes in the annual financial statements and management response to the qualification in the Directors' Report	Notes 24.11 and 24.13 Management response: 24.11 It is an ongoing process, considering also the shelf life of a product. Upon expiry, the same is charged to the breakage and damage account. 24.13 Necessary steps are being taken by the management for recovery.
6.	Additional comments from the board/audit committee chair	
7.	Signatures	 Wangchuk Dorji (Managing Director)  Mou Mukherjee (General Manager Finance)  Amitava Chowdhury (Partner, Ray & Ray, Chartered Accountants)  Prem Sagar (Chairman, Audit Committee)