



35TH ANNUAL REPORT

2017 - 2018

TAI INDUSTRIES LIMITED



TAI INDUSTRIES LIMITED

CIN: L01222WB1983PLC059695

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

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

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

KEY MANAGERIAL PERSONNEL

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

REGISTRAR AND SHARE TRANSFER AGENT

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

STATUTORY AUDITORS

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

SECRETARIAL AUDITOR

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

BANKERS

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



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Annual General Meeting on Monday, 24th September, 2018, at Kalakunj, 48, Shakespeare Sarani, Kolkata - 700 017, at 10.00 a.m. As a measure of economy, copies of the Annual Reports will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the Meeting.

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

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

Your Directors have pleasure in presenting their 35th Annual Report on the business and operations of your Company for the year ended 31st March, 2018.

HIGHLIGHTS OF PERFORMANCE

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Turnover	7399.76	6830.32
Profit/(Loss) before Interest, Depreciation & Taxation (PBIDT)	130.03	87.75
Interest	—	—
Profit/(Loss) before Depreciation & Taxation (PBDT)	130.03	87.75
Depreciation	93.99	18.53
Profit/(Loss) Before Tax and Extraordinary items (PBTE)	36.04	69.22
Extraordinary items	—	—
Profit/(Loss) Before Tax (PBT)	36.04	69.22
Provision for Taxation / (Deferred Tax)	(2.90)	7.01
Profit/(Loss) After Tax (PAT) (A)	38.94	62.21
Other Comprehensive Income	29.54	5.09
Total Comprehensive Income	68.48	67.30

SHARE CAPITAL

The Paid-up- Share Capital of the Company, comprising Equity Shares, remained at Rs. 6 Crores as on 31st March, 2018. The Company has not, during the year, issued any shares with or without differential voting rights, granted stock options or issued sweat equity shares.

EXTRACT OF ANNUAL RETURN

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

MEETINGS OF THE BOARD

During the year under review, four Board Meetings were held on 25th May, 2017, 11th September, 2017, 8th December, 2017 and 3rd February, 2018.

During the year under review, the Audit Committee met on 25th May, 2017, 11th September, 2017, 8th December, 2017 and 3rd February, 2018.

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

ACCOUNTING POLICIES AND PROCEDURES

The Company adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 during the year for preparation and presentation of these Financial Statements. Consequently, the Financial Statements of the previous year have had to be restated to conform to the provisions of Ind AS.

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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



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

STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS

Mr. Prem Sagar (DIN: 00040396), Mr. K.N. Malhotra (DIN: 00128479), Mr. Vinay Killa (DIN: 00060906) and Ms. Sarada Hariharan (DIN: 06914753), Independent Directors, have filed the requisite declarations with the Company in accordance with Section 149(7) of the Companies Act, 2013 ("the Act") to the effect that they qualify as Independent Directors within the meaning of Section 149(6) of the Act.

REMUNERATION POLICY

Upon the recommendations of the Nomination and Remuneration Committee in terms of Section 178(4) of the Companies Act 2013, your Board has adopted a policy relating to the remuneration for the Directors, key managerial personnel and other employees of the Company. The salient features of the said policy is annexed herewith as "Annexure B" and the complete Policy can be viewed at the official website of the Company at www.taiind.com.

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

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

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

The Statutory Auditors have issued an Audit Report with unmodified opinion on the Financial Results of the Company for the year ended 31st March, 2018 and there were no qualifications, reservations, adverse remarks or disclaimers in the said Report and also in the Secretarial Audit Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans, guarantees or made any investments in excess of the threshold amounts as prescribed in Section 186 of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

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

**STATE OF COMPANY'S AFFAIRS**

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

Particulars	Fruit Product (₹ Lakhs)	Industrial (₹ Lakhs)	C3 - Retail (₹ Lakhs)	Total (₹ Lakhs)
Revenue				
Current Year	1369.34	4242.56	1787.86	7399.76
Previous Year	1214.84	3637.74	1977.74	6830.32

PLANS AND PROSPECTS**Fruit Product Division**

Increasing urbanization, lifestyle changes, greater affluence and increased rates of women working outside of home are driving the demand for processed foods.

Given that the industry is under penetrated, efforts are underway to develop an efficient supply chain and distribution network that ensures visibility and availability of products in the market.

Industrial Division

The Calcium Carbide sales were affected due to falling market prices and imports from China. Despite the market slump, we have maintained our fast hold in Eastern India. The last quarter supply was affected due to discontinuance in production.

The Ferro Silicon market was generally down owing to escalating costs.

Charcoal supply was maintained as per regular demand in Bhutan, except during June - July, as Bhutan was considering the possible effects of GST on the business.

Margins continued to remain constrained due to competition.

Retail Division

The performance of C3 was subdued during this year. High cost of real estate and various diversities in state policies continue to remain a challenge. Efforts are underway to explore the untapped markets with the right set of products and pricing.

TRANSFER TO RESERVES

Your Board has considered appropriate not to transfer any amount to the reserves of the Company.

DIVIDEND

In order to conserve funds for the future development and growth of the Company, your Directors have not recommended payment of any dividend on equity shares of the Company for the year ended 31st March, 2018.

OTHER INFORMATION**Conservation of Energy**

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

Technology Absorption

Your Company not being engaged in any manufacturing activity, there is no information to be provided in this regard.

Foreign exchange earnings and outgo

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

RISK MANAGEMENT POLICY

Your Company has implemented an effective risk management policy focusing on risk assessment, risk management and risk monitoring, aimed at reducing losses or injury arising out of various risk exposures.

ANNUAL EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

In terms of section 134(3)(p) of the Companies Act, 2013, your Board of Directors has adopted an annual evaluation process for evaluating its own performance as a whole and that of its Committees and of its individual Directors.



As the law has not prescribed any evaluation methodology, the following factors have been considered for evaluating the performance of the Board/Committees/Directors/Chairperson/Managing Director/Whole-time Director on a case to case basis:

- People factors (knowledge, personal characteristics, Board size, structure, directors' contribution, inter personal skills, level of commitment, Board room behaviour, etc); and
- Process factors (planning and managing Board meetings, information flow, oversight management, risk management, coordination, etc.)

Each Director is given a Form for assessing the overall performance of Board/Committees/Directors/Chairperson/Managing Director/Wholetime Director as the case may be, sufficiently in advance. The forms, which include a set of questions having a rating mechanism, are reviewed and analysed by the Nomination & Remuneration Committee after they are received from each Director, duly filled in, before placing its feedback before the Board.

DIRECTORS

In accordance with Article 72(ii) of the Articles of Association of the Company, Dasho Wangchuk Dorji (DIN : 00296747), retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for reappointment. Your Directors hereby affirm that Dasho Wangchuk Dorji is not debarred from holding the office of director by virtue of any SEBI order or any order from such other authority.

A brief profile of Dasho Wangchuk Dorji has been provided in the Notice of the Annual General Meeting.

KEY MANGERIAL PERSONNEL

The following functioned as Key Managerial Personnel during the year:

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

DEPOSITS

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

ORDERS PASSED BY REGULATORS

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an adequate internal audit system, carried out by external firms of Chartered Accountants, which is commensurate with the size, scale and complexity of its operations. The Internal Auditors submit their Reports every quarter for consideration by the Directors.

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

CORPORATE SOCIAL RESPONSIBILITY

It is not obligatory on the part of your Company to have a Corporate Social Responsibility Policy/Committee since your Company's net worth, turnover and net profit during the financial year ended on 31st March, 2018 is below the threshold limits as specified in Section 135 of the Companies Act, 2013.

AUDIT COMMITTEE

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

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

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

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

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

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

PREVENTION OF SEXUAL HARASSMENT

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis Report is annexed hereto as "Annexure E".

CORPORATE GOVERNANCE

Your Company is exempted from compliance with the Corporate Governance provisions under Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 since the Company's share capital and net worth, was less than the specified threshold as on the last day of the previous financial year.

SECRETARIAL STANDARDS

Your Directors confirm that the Company has, during the year, complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

DEMATERIALISATION OF SECURITIES

The shares of the Company are compulsorily traded in dematerialised form for all shareholders. 62.51% of the total number of shares stand dematerialised as on 31st March, 2018.

PARTICULARS OF EMPLOYEES

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

AUDITORS

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

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s T. Chatterjee & Associates, Company Secretaries (FRN No. - P2007WB067100), to undertake the Secretarial Audit of the Company.

The Report of the Secretarial Audit is annexed herewith as "Annexure G".

MATERIAL CHANGES

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

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

WANGCHUK DORJI

(DIN : 00296747)

Chairman

Place: Kolkata

Date: 28th May, 2018



ANNEXURE - A

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended 31.03.2018

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

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

II. Principal Business Activities of the Company		
All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:		
Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Marketing and Distribution of processed food and drinks	46309	18.51
Trading in Metals and Minerals	46102	57.34
Retail sale in Supermarket	47211, 47212, 47213, 47214, 47215, 47219	24.16

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



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

i) Category-wise Shareholding

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