33rd ANNUAL REPORT 2015-2016

TAI INDUSTRIES LIMITED

TAI INDUSTRIES LIMITED

CIN :L01222WB1983PLC059695
53A, Mirza Ghalib Street, 3rd Floor, Kolkata – 700 016
Phone : (033) 40416666; Fax : (033) 22497319
Email : info@taiind.com; Website : www.taiind.com

BOARD OF DIRECTORS

Dasho Wangchuk Dorji	Chairman
Mr. Rohan Ghosh	Managing Director
Dasho Topgyal Dorji	Non-Executive Director
Mr. Prem Sagar	Independent Director
Mr. K.N. Malhotra	Independent Director
Mr. Vinay Killa	Independent Director
Ms. Sarada Hariharan	Independent Director

AUDIT COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

KEY MANAGERIAL PERSONNEL

Mr. Rohan Ghosh	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 - 700020
Phone : (033) 22890539 / 22890540
Email : Kolkata@linkintime.co.in

STATUTORY AUDITORS

M/s. Ray & Ray, Chartered Accountants
Webel Bhavan, Ground Floor,
Block-EF & GP,
Sector-V, Bidhan Nagar, Salt Lake,
Kolkata - 700 091

SECRETARIAL AUDITOR

M/s. T. Chatterjee & Associates
“Abhishek Point”, 4th Floor,
152, S.P. Mukherjee Road,
Kolkata – 700 020

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Annual General Meeting on Monday, 26th September, 2016, 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 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

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NOTICE

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

NOTICE is hereby given that the Thirty Third Annual General Meeting of the Members of Tai Industries Limited will be held on Monday, 26th September, 2016 at 10.00 a.m. at Kalakunj, 48, Shakespeare Sarani, Kolkata - 700017, to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Statement of Profit and Loss for the year ended 31st March, 2016, the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To declare a dividend. A dividend of Re. 0.50 per equity share of Rs. 10/- each has been recommended by the Board of Directors and, if approved by the share holders, will be paid to those members whose names appear in the Register of Members as on the Book Closure dates.
3. To appoint a Director in place of Mr. Rohan Ghosh (DIN: 00032965), retiring by rotation and eligible for reappointment.
4. To appoint Messers KAMG and Associates (Reg. No. 3110276) as Statutory Auditors of the Company and to fix their remuneration.

Special Business

5. To consider and if thought fit to pass the following Resolution as a Special Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 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 (DIN : 00296747) as Whole time Director of the Company for a period of 3 (three) years with effect from 20th May, 2016 upon such terms and conditions as set out in the Agreement entered into between the Company and Mr.Wangchuk Dorji (DIN : 00296747), a copy whereof is placed before the Meeting and initialled by the Managing Director for the purpose of identification, and the Board of Directors be and is 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 (DIN : 00296747), subject to the limitations in that behalf contained in Schedule V to the Act including any statutory modification or reenactment thereof for the time being in force or any amendment and/or modifications that may hereafter be made thereto by the Central Government."

   "**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits of the Company in any financial year during the term of Mr.Wangchuk Dorji (DIN : 00296747) in the office of the Whole-time Director, the salary and perquisites as set out in the aforesaid agreement be paid or granted to Mr.Wangchuk Dorji (DIN : 00296747) 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."

6. To consider and if thought fit to pass the following Resolution, with or without modification as an Ordinary Resolution.

   "RESOLVED THAT sanction of the Company be and is hereby accorded as per the Proviso to Section 20(2) of the Companies Act, 2013, to demand from any Shareholder, in respect of each of his/her folios, as appearing in the shareholders' ledger, and/or each of his/her DPID/Client ID in the list of beneficial holders, as applicable,

irrespective of which order his/her name appears in each such folio and/or DPID/Client ID, advance postage amounting to Rs.1 lakh, should s/he request the Company for despatching documents meant for shareholders, to him/her through a particular mode;"

"RESOLVED FURTHER that upon receipt of the prescribed amount from the Shareholder such amount be credited to a Postage Suspense Account in the name of the concerned Shareholder and Company documents be despatched to the Shareholder only through such mode and no other mode;"

"RESOLVED FURTHER that such amount credited in Postage Suspense Account in the name of the Shareholder be adjusted against actual postage incurred by the Company in despatching Company documents to him/her through the particular mode indicated by him/her;"

"RESOLVED FURTHER that no interest is payable to a Shareholder in respect of any balance in his/her Postage Suspense Account."

"**RESOLVED FURTHER THAT** should the Shareholder sell his/her holding in the Company, the balance lying to his/her credit in the Postage Suspense Account, be refunded by the Company to him/her within fifteen working days by the Company receiving an intimation from the Shareholder to this effect."

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

Place: Kolkata
Date: 26th May, 2016

Notes:

1. The relevant statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the items of Special Business is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

   A PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE AT 53A, MIRZA GHALIB STREET, KOLKATA – 700016, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING.

   A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN AGGREGATE SHARES NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.
3. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
4. Members/ proxies/ authorized representatives should:

   i) bring their duly filled in Attendance Slips, as enclosed, for easy identification of attendance at the Annual General Meeting.

   ii) bring their copies of the Annual Report to the Meeting.
5. The Register of Members of the Company will remain closed from 20th September, 2016 to 26th September, 2016 both days inclusive, for determining the names of Members eligible for final dividend on Equity Shares for the financial year 2015-2016.
6. The dividend on Equity Shares, if declared at the Meeting, will be paid within a period of 30 days from the date of declaration to those members whose names appear on the Register of Members of the Company as on the Book Closure dates.

7. 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.
8. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Only the bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend.

   Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/Company's Registrar and Transfer Agent, Link Intime India Private Limited. The notification of change of address should be accompanied by the address proof, i.e., voter's identity card, electric/telephone bill, driving licence or a copy of the passport or bank statement of the member.
9. Members are requested to:
   a) update their e-mail addresses with their Depository Participants (in case of the electronic holdings) and the Company (in case of physical holdings) to enable the Company to send communications electronically.
   b) communicate on all matters pertaining to their shareholdings with the Company's Registered Office/Company's Registrar, quoting their respective Ledger Folio Numbers/Client IDs and DP IDs;
   c) note that as per provisions of the Companies Act, 2013, facility for making/ varying/cancelling nominations is available for shareholders in respect of Equity Shares held by them. The relevant Forms can be obtained from the Company's Registrars.
10. Pursuant to Section 205A of the Companies Act, 1956, all dividends declared and relative dividend warrants posted upto and including the Dividend for the year 1993-94 and remaining unclaimed by members have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed their dividend warrants in respect of the said period are requested to prefer their claims to the Registrar of Companies, West Bengal. In case any assistance is required, shareholders are requested to write to the Company's Registered Office.

    Pursuant to Section 205A of the Companies Act, 1956, dividends declared from the year 1994-95 upto 2001 – 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.
11. The last dates of claim for the following dividends are as follows:

Dividend for the financial year ended	Date of declaration of dividend	Last date for claiming unpaid dividend
31st March, 2014	17th September, 2014	22nd October, 2021
31st March, 2015	28th September, 2015	3rd November, 2022

12. Securities and Exchange Board of India (SEBI) vide circular No. MRD/DOP/Cir-05/2009, dated 20th May, 2009, has clarified that for securities market transactions and off market/private transactions involving transfer of shares in physical form of Listed Companies, it shall be mandatory for the transferee(s) to furnish a copy of the PAN Card to the Company/RTA for registration of such transfer of shares.
13. To support the Ministry of Corporate Affairs' "Green Initiative in Corporate Governance" for paperless compliances by companies, members are requested to register their e-mail addresses, in respect of their holdings in the securities of the Company, for service of notice/documents including Annual Reports by the Company by email. Members who hold securities in electronic form are requested to register their e-mail addresses with the Depositories

through their Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses either by e-mail at or sending a duly signed letter by the sole/ first named shareholder, mentioning his name and Folio number, to the Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited, 59C, Chowringhee Road, 3rd Floor, Kolkata – 700 020. Members are requested to keep the Company/ Depository Participants informed as and when there is any change in their e-mail addresses. Even after registering for e-communication, the Shareholders of the Company shall be entitled to receive such communication in physical form, upon request.

14. (a) In compliance with Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the items of business set out in the attached Notice may be transacted also through electronic voting system as an alternative mode of voting. The Company is providing the facility of casting votes through the electronic voting system ("remote e-Voting") under an arrangement with The National Securities Depository Limited ("NSDL") as specified more fully in the instructions, provided that once the vote on a Resolution is cast, a Member shall not be allowed to change it subsequently or cast the vote again.

    (b) The facility for voting through polling paper shall also be made available at the Meeting and members attending the Meeting who have not already cast their vote by remote e-Voting shall be able to exercise their right at the Meeting.

    (c) The members who have cast their vote by remote e-Voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.

15. The Notice of the Thirty third Annual General Meeting and instructions for e-voting, along with the Attendance Slip and Proxy form is being sent as follows:

    a. Electronically to those shareholders whose e-mail addresses are registered with the Company/available with the depositories; and

    b. By courier to those shareholders whose e-mail addresses were not accessible and/or those who has expressly opted to receive a physical copy.

16. The Notice for the meeting and the Annual Report 2015-2016 will also be available on the Company's website http:/www.taiind.com and the website of The National Securities Depository Limited ("NSDL") at **www.evoting.nsdl.com**.

17. Voting shall be reckoned in relation to a shareholder's holding of the Paid-up Equity Share Capital of the Company at the close of business of 19th September, 2016 ("record date"). Any person who acquires shares of the Company and becomes a member of the Company after despatch of the Notice and holding shares as at the close of business hour of 19th September, 2016, may obtain the Attendance Slip and Proxy form from the Registered Office of the Company.

18. The instructions for e-Voting are enclosed.

19. Any query relating to the Resolutions and e-Voting proposed to be passed at the ensuing Annual General Meeting (AGM) may be addressed to the Company Secretary of the Company.

20. Voting can be exercised only by the concerned Member or his/her duly constituted attorney or, in case of bodies corporate, its duly authorised person. A Member need not use all his/her votes.

21. Members who do not have access to the e-voting facility will be entitled to vote at the AGM as per the extant law.

22. The Company has appointed Mr. Tarun Chatterjee (ICSI CP Registration no. 17195), Practising Company Secretary, as a Scrutinizer for conducting the entire polling process (including e-Voting) in a fair and transparent manner. His e-mail address is tchatterjeeassociates@gmail.com.

23. The Scrutinizer shall, immediately after the conclusion of the Meeting, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-Voting and not later than 46 hours from the conclusion of the

Meeting, submit a Consolidated Report on the voting pattern in accordance with the procedure set out in Companies (Management & Administration) Rules, 2014 and any amendments thereto.

24. The Results declared together with the Scrutinizer's Report shall be placed on the Company's website **www.taiind.com** and on the website of NSDL within forty eight hours of conclusion of the Meeting and communicated to the Stock Exchanges.
25. Members are requested to note that in accordance with Clause 14 of the new Secretarial Standards on General Meeting, no gifts, gift coupons, or cash in lieu of gifts shall be distributed to Members at or in connection with this Meeting.

INFORMATION PURSUANT TO SECTION II (B) (iv) OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013, FOR REAPPOINTMENT OF WHOLE TIME 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, Salt Lake.

Financial performance based on given indicators.

The year under review registered a turnover of Rs. 58.85 Crores as against a turnover of Rs. 55.03 Crores during the previous financial year. The Company has posted a profit after tax of Rs. 93.26 lakhs, for the financial year ended 31st March, 2016, against a profit after tax of Rs. 92.42 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 (DIN : 00296747), aged 50 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 (DIN : 00296747) is a Graduate of New Hampshire College, USA, with specialization in Finance and has been serving the Company for the last twenty one years.

Past remuneration.

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

Particulars	2015 - 2016 (Rupees)	2014 - 2015 (Rupees)	2013 - 2014 (Rupees)	2012 - 2013 (Rupees)	2011 - 2012 (Rupees)
Salary	18,51,833	17,91,833	17,31,833	16,71,833	16,11,833
Commission	—	—	—	—	—
Other benefits	1,35,000	1,30,500	—	—	—
Retiral Benefits	222,220	2,15,020	2,07,820	2,00,620	1,93,420
Total	22,09,053	21,37,353	19,39,653	18,72,453	18,05,253

Job profile and his suitability.

Mr. Wangchuk Dorji (DIN : 00296747) has been the Managing Director of the Company since 1995. He was designated as a Whole-Time Director of the Company on 19th May, 2014, with no change in the terms of his employment. Mr. Wangchuk Dorji (DIN : 00296747), as a Whole Time Director, shall 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.

Since 1995, Mr. Wangchuk Dorji (DIN : 00296747) 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.

Rs. 1,60,000/- (Rupees One lakh sixty thousand only) per month with effect from 20th May, 2016 with annual increment of Rs. 5000/- (Rupees five thousand only) in the scale of Rs. 1,60,000/ – Rs. 5000/ – Rs.1,70,000/-.

Comparative remuneration profile with respect to industry, etc.

The remuneration to the Whole-time 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 (DIN : 00296747) has no pecuniary relationship directly or indirectly with the Company apart from receiving remuneration as Whole-Time Director. He is related to Mr. Topgyal Dorji, (DIN : 00296747) who is a Non Executive Director of the Company.

III. OTHER INFORMATION

Reasons for inadequate profits.

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

Steps taken or proposed to be taken for improvement.

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

Expected increase in productivity and profits in measurable terms.

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

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

Place: Kolkata
Date: 26th May, 2016

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

Item No. 5

Mr. Wangchuk Dorji (DIN : 00296747) 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 re-appointed twice for successive periods of 5 (five) years and thereafter twice for the successive periods of 3 (three) years, the details of which are as follows:

Period	Date of Annual General Meeting at which shareholders approval	Letter of approval received from Central Government was obtained
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
20th May, 2013 to 19th May, 2016	2nd September, 2013	letter No.B81974925/2013–CL.VII dated 08-01-2014

As per the service agreement dated 29th May, 2013, entered into by and between the Company and Mr.Wangchuk Dorji, the term of appointment of Mr.Wangchuk Dorji (DIN : 00296747) expired on 19th May, 2016. During the term of the agreement, the Board of Directors at its meeting held on 19th May, 2014 redesignated Mr. Wangchuk Dorji (DIN : 00296747) as a Whole Time Director of the Company without any change in the terms of his employment.

The Board of Directors at its meeting held on 26th May, 2016 for the sake of continuity of the present management and for efficient running of the Company, re-appointed Mr. Wangchuk Dorji (DIN : 00296747) as the Whole Time Director for a further period of 3 (three) years with effect from 20th May, 2016, on the following terms and conditions as contained interalia, in the Service Agreement dated 26th May, 2016, entered into by and between the Company and Mr. Wangchuk Dorji (DIN : 00296747).

A. SALARY

Rs.1,60,000/- (Rupees one lakh sixty thousand only) per month with effect from 20th May, 2016 with annual increment of Rs.5000/- (Rupees five thousand only) in the scale of Rs.1,60,000/ – Rs.5000/ – Rs.1,70,000/-.