

TAINWALA

CHEMICALS AND PLASTICS (INDIA) LTD.

27th Annual Report
2011-2012

TAINWALA CHEMICALS AND PLASTICS (INDIA) LIMITED
ANNUAL REPORT 2011-2012

MANAGEMENT TEAM

DUNGARMAL TAINWALA	Chairman and Whole-time Director
RAKESH TAINWALA	Managing Director
ABHAY SHETH	Independent Director
SUBHASH KADAKIA	Independent Director
MAYANK DHULDHOYA	Independent Director
SIMRAN MANSUKHANI	Vice President Accounts & CFO
ASHOK MUKHERJEE	Sr. Vice-President Marketing & Administration
V.M.RAJU	General Manager Works
MILIND BURDE	General Manager Commercial
MALAY SHAH	Company Secretary and Compliance Officer

AUDITORS
M/s RUNGTA & ASSOCIATES
Chartered Accountants
Mumbai

BANKERS

HDFC Bank Ltd.

REGISTERED OFFICE

Tainwala House
Road No. 18, M.I.D.C.,
Andheri (East), Mumbai-400 093
Tel: 67166100
Website: www.tainwala.in

WORKS

87, Government Industrial Estate
Khadoli Village, Silvassa - 396230
Dadra & Nagar Haveli – U.T.

REGISTRAR & SHARE TRANSFER AGENTS

LINK INTIME INDIA PVT. LTD
C-13, Pannalal Silk Mills Compound,
LBS Road, Bhandup (W), Mumbai 400 078.
Tel.: 25963838.

**TWENTY SEVENTH
ANNUAL GENERAL MEETING**

- Tuesday, 18th September, 2012
- 11.00 a.m.
- The All India Plastics Manufacturers Association, A-52, Street No. 1, M.I.D.C. Andheri (East), Mumbai - 400093.

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NOTICE

Notice is hereby given that the TWENTY SEVENTH ANNUAL GENERAL MEETING of the Members of TAINWALA CHEMICALS AND PLASTICS (INDIA) LIMITED will be held at The All India Plastics Manufacturers Association, A-52, Street No 1, M.I.D.C, Marol, Andheri (East), Mumbai - 400 093 on Tuesday, 18th September, 2012 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Subhash Kadakia who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/S. Rungta and Associates, Chartered Accountants, the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of sections 198,269,309 and 310 of the Companies Act, 1956 ("the Act") read together with Schedule XIII thereto and subject to approval of Central Government, if necessary and all other applicable provisions if any, of the Act, (including any statutory modifications or re-enactment thereof, for the time being in force) consent of the Company be and is hereby accorded to the re-appointment of Mr. Rakesh Tainwala as the Managing Director of the Company for a period of 5 (Five) years with effect from 28th June, 2012 on the terms and conditions (including remuneration to be paid in the event of absence or inadequacy of profits in any financial year) as set out in the draft Agreement to be entered into between the Company and Mr. Rakesh Tainwala, submitted to the meeting and signed by a Director for the purpose of identification, which Agreement is hereby specifically sanctioned with liberty to the Directors to grant increments and alter and vary from time to time the terms and conditions, including the amount and type of perquisites, allowances and benefits to be provided to Mr. Rakesh Tainwala subject to the applicable provisions of Schedule XIII of the Company's Act, 1956.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, proper and expedient to give effect to this resolution."

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of sections 198,269,309 and 310 of the Companies Act, 1956 ("the Act") read together with Schedule XIII thereto and subject to approval of Central Government, if necessary and all other applicable provisions if any, of the Act, (including any statutory modifications or re-enactment thereof, for the time being in force) consent of the Company be and is hereby accorded to the re-appointment of Mr. Dungarmal Tainwala as the Whole-time Director of the Company for a period of 5 (Five) years with effect from 1st July, 2012 on the terms and conditions (including remuneration to be paid in the event of absence or inadequacy of profits in any financial year) as set out in the draft Agreement to be entered into between the Company and Mr. Dungarmal Tainwala, submitted to the meeting and signed by a Director for the purpose of identification, which Agreement is hereby specifically sanctioned with liberty to the Directors to grant increments and alter and vary from time to time the terms and conditions, including the amount and type of perquisites, allowances and benefits to be provided to Mr. Dungarmal Tainwala subject to the applicable provisions of schedule XIII of the Company's Act, 1956.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, proper and expedient to give effect to this resolution."

Registered Office:
"Tainwala House",
Road No. 18, M.I.D.C., Marol,
Andheri (East),
Mumbai - 400 093.

By Order of the Board of Directors
For TAINWALA CHEMICALS AND PLASTICS (INDIA) LIMITED

(RAKESH TAINWALA)
Managing Director

Place : Mumbai.
Date : August 8, 2012

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE ON A POLL, INSTEAD OF HIMSELF, SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, THE INSTRUMENT MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 12.09.2012 to 18.09.2012 (both days Inclusive).
4. Members are requested to intimate change of address and send all share transfer lodgment (physical mode) correspondence to RTA i.e. M/s LINK INTIME INDIA PVT. LTD. and Company or mail the same on E-mail Id: mt.helpdesk@linkintime.co.in, cs@tainwala.in, simran@tainwala.in and up to the date of book closure.
5. Members who have multiple accounts in identical names or joint accounts in same order are requested to send all the share certificates to Link Intime India Pvt. Ltd. for Consolidation of all such shareholdings into one account to facilitate better service.
6. Members can avail nomination facility by filing in and forwarding the nomination form to the RTA, pursuant to Section 109A of the Companies Act, 1956, form to the RTA, if not already done.
7. Members are requested to bring their attendance slip duly filled in details like DP Id and Client Id along with their copy of annual reports to the meeting.
8. Members having any questions on accounts are requested to send their queries atleast 15 days in advance to the Company at its Registered office address to enable the Company to collect the relevant information.
9. All documents referred to in the accompanying Notice and Explanatory statement are open for inspection at the Registered Office of the Company between 10.00 a.m. and 12.00 p.m. on any working day up to the date of AGM.
10. In order to support the Green Initiative of the Government and to save paper, Members are requested to please register email ID with their depositories and RTA with a copy to the Company to enable the Company to send documents like Report, Accounts, Notices etc. through electronic mode for convenience of members.

By Order of the Board of Directors
For TAINWALA CHEMICALS AND PLASTICS (INDIA) LIMITED

Place : Mumbai.
Date : August 8, 2012

(RAKESH TAINWALA)
Managing Director

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**ITEM NOS. 4 & 5:**

The Board of Directors of the Company (the 'Board'), at their meeting held on 30th May, 2012, subject to the approval of Members of the Company and subject to such approvals including that of Central Government, if any, as may be required under any applicable laws, has reappointed Mr. Rakesh Tainwala, Managing Director and Mr. Dungarmal Tainwala, Whole Time Director for a further period of 5(five) years with effect from 26th June, 2012 and 1st July, 2012 respectively, on the remuneration determined by the Remuneration Committee and approved by Board.

It is proposed to seek Members' approval for the re-appointment and remuneration payable to Mr. Rakesh Tainwala and Mr. Dungarmal Tainwala, as Managing

Director and Whole Time Director respectively in terms of the applicable provisions of the Companies Act, 1956.

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Rakesh Tainwala and Mr. Dungarmal Tainwala are as under:

(a) Salary, perquisites and benefits

Name	Salary
Mr. Rakesh Tainwala	1,75,000/- per month
Mr. Dungarmal Tainwala	60,000/- per month

(b) The Managing Director and Whole Time Director shall be entitled to the Company's contribution to Provident Fund, Super Annuation Fund or Annuity

Fund if any up to the Tax Exempt limit benefits of gratuity and encashment of leave at the end of the tenure of their services as per the rules of the Company and this shall not be included in the computation of perquisites.

- (c) The aforementioned remuneration has been approved by the Remuneration Committee in its meeting held on 30th May, 2012.
- (d) Reimbursement of medical expenses up to the extent of Rs. 5,00,000 p.a. to each of them.
- (e) Commission: 5 % per annum of the net profit calculated under Section 198 of the Companies Act, 1956 less the total salary paid and medical allowance, during the financial year.
- (f) Reimbursement of Expenses : All the expenses incurred for travelling, boarding and lodging including for their respective spouses and attendant (s) during business trips; provision of car for use on the Company's business; telephone expenses at residence and club membership fees subject to maximum of 2 clubs shall be reimbursed and not considered as perquisites.

Where in any financial year during their tenure, the Company has no profits or its profits are inadequate, the aggregate remuneration by way of salary, medical expenses, commission and perquisites shall not exceed the aggregate of the annual remuneration as provided above, or the maximum remuneration payable as per the limits prescribed under Schedule XIII of the Companies Act, 1956 whichever is lower or such other limit as may be prescribed by the Central Government from time to time.

A copy of the agreement is open for inspection at the registered office of the Company on all working days, except Saturdays between 10.00 a.m. to 12.00 p.m. up to the date of the meeting.

Mr. Rakesh Tainwala and Mr. Dungamal Tainwala are interested in the resolution as set out at item nos. 4 and 5 of the notice which pertains to their respective reappointments and remuneration payable to them. Save and except the above, none of the other directors are concerned or interested in the passing of the resolution at item no. 4 and 5.

Your Directors recommend the Special Resolutions as set out at item number 4 and 5 of the accompanying notice for the approval of the members.

The following additional information as required by Schedule XIII to the Companies Act, 1956 are given below:

I. General Information:

1. Nature of Industry : Chemicals and plastics Industry.
2. Date or expected date of commencement of commercial production : Not Applicable (an Existing Company).
3. In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not Applicable
4. Financial performance based on given indicators : (Rs. in lacs) Turnover - 1062.10, Net profit after Interest, Depreciation and Tax - 25.75
** For detailed financial performance refer to the Audited Financial Statements.
5. Export performance & Net foreign exchange collaborations: Nil
6. Foreign Investments or collaborations if any : Nil

II. INFORMATION ABOUT THE APPOINTEES:

(A) Mr. Rakesh Tainwala : Managing Director

1. Background :

Mr. Rakesh Tainwala aged 44 years has done B.Tech (Computer Engineering) from the College of Engineering Manjpal. He has over 20 years of experience in the plastics Industry.

2. Past remuneration : (During the financial year ended 31st March, 2012)

Salary	Rs.21,15,000 p.a.
Company's Contribution to Provident Fund	Rs. 2,52,000 p.a.
	<u>Rs.23,67,000 p.a.</u>

3. Recognition /Awards: Nil

4. Job Profile & Suitability:

Mr. Rakesh Tainwala is the Managing Director of the Company and looks after the day to day affairs of the Company, including the Company's plant at Silvassa.

5. Remuneration proposed :

Details of remuneration proposed are given in the resolution in the accompanying Notice.

6. Comparative remuneration profile with respect to industry, size, profile of the position etc.

Taking into the consideration the Qualifications, skills and experience of Mr. Rakesh Tainwala, his job profile and the nature and size of the Company's business, his remuneration compares favorably to what is paid to Managerial personnel holding similar post in the Industry.

7. Pecuniary relationship directly/indirectly with the Company.

Apart from the proposed remuneration Mr. Rakesh Tainwala does not have any other pecuniary relationship with the Company. Other Related party transactions have been disclosed in Note No. 31 of Notes to the Financial Statements.

This Explanation together with the accompanying Notice is and shall be regarded as an Abstract under Section 302 of the Companies Act, 1956.

(B) Mr. Dungarmal Tainwala : Whole-Time Director

1. Background :

Mr. Dungarmal Tainwala aged 73 years has over 56 years of experience in the plastics industry. He is one of the first directors of the Company, a self made industrialist and business tycoon having varied business interests.

2. Past remuneration : (During the financial year ended 31st March, 2012)

Salary	Rs.7,20,000 p.a.
Company's Contribution to Provident Fund	Rs. 86,400 p.a.
	<u>Rs.8,06,400 p.a.</u>

3. Recognition /Awards: Nil

4. Job Profile & Suitability:

Mr. Dungarmal Tainwala is the Whole-Time Director of the Company and looks after the day to day affairs of the Company.

5. Remuneration proposed :

Details of remuneration proposed are given in the resolution in the accompanying Notice.

6. Comparative remuneration profile with respect to industry, size, profile of the position etc.

Taking into the consideration the Qualifications, skills and experience of Mr. Dungarmal Tainwala, his job profile and the nature and size of the Company's business, his remuneration compares favorably to what is paid to Managerial personnel holding similar post in the Industry.

7. Pecuniary relationship directly/indirectly with the Company.

Apart from the proposed remuneration Mr. Dungarmal Tainwala does not have any other pecuniary relationship with the Company. Other Related party transactions have been disclosed in Note No. 31 of Notes to the Financial Statements.

This Explanation together with the accompanying Notice is and shall be regarded as an Abstract under Section 302 of the Companies Act, 1956.

Registered Office:
"Tainwala House",
Road No. 18, M.I.D.C., Marol,
Andheri (East),
Mumbai - 400 093.

By Order of the Board of Directors
For TAINWALA CHEMICALS AND PLASTICS (INDIA) LIMITED

(RAKESH TAINWALA)
Managing Director

Place : Mumbai.
Date : August 8, 2012

DIRECTORS' REPORT

To

The Members,

We take pleasure in presenting the 27th Annual Report and Audited Statement of Accounts for the Year ended 31st March 2012.

Financial Results: (Rs. in Lacs)

	Year ended 31st March 2012	Year ended 31st March 2011
Income from Sale	1062.10	1075.02
Other Income	234.17	295.80
Total Income	1296.27	1370.82
Profit before Depreciation	94.46	220.30
Less: Depreciation	(68.78)	(70.58)
Profit for the year before tax & exceptional items	25.68	149.72
Add: Exceptional Items	-	-
Profit before taxation	25.68	149.72
Less: Provision for Tax	(0.47)	(0.60)
Add: Tax adjustment relating to earlier years	0.54	(0.75)
Net Profit after Tax	25.75	148.37
Balance b/f from previous year	97.83	(50.54)
Surplus (Deficit) carried to Balance Sheet	123.58	97.83

OPERATIONS:

The financial year 2011-12 was a year of challenges and uncertainties for businesses across various segments of industry with the financial crisis and volatile Markets, but your Company continues to demonstrate the robustness of its business model. Your Company has been able to achieve a turnover of Rs. 1062.10 lakhs and a competitive Net Profit before exceptional items of Rs. 25.68 lakhs.

DIVIDEND:

With a view to conserve resources of the Company, your Director considered it prudent not to declare dividend for the year under review.

FIXED DEPOSITS:

During the year under review, the Company has not accepted any deposits within the meaning of Section 58-A of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGOINGS:

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of

Directors) Rules, 1988 is given in Annexure "A" to this report.

DEPOSITORIES:

The Company is registered with both National Securities Depositories Limited (NSDL) and Central Depository (Services) Limited (CDSL). The shareholders can take advantage of holding their shares in dematerialized mode.

INSURANCE:

All the assets of the Company, wherever necessary and to the extent required, have been insured.

SHARE CAPITAL AND LISTING OF SECURITIES:

The equity shares of the Company are listed with Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). Annual Listing fee has been paid to exchange on time.

PARTICULARS OF EMPLOYEES:

There was no employee during the year requiring the disclosure requirement under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended from time to time.

DIRECTORS:

The Board of Directors of the Company provides leadership and strategic guidance objective judgment, independent of management to the Company & exercise control over the Company while remaining at all times accountable to the Shareholders.

In accordance with the provisions of the Companies Act, 1956 and Company's Articles of Association, Mr. Subhash Kadakia retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommended his reappointment as Director.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956 the Board of Directors of the Company hereby state and confirm that:

- (i) in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgements 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 the year;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- (iv) the Directors had prepared the annual accounts on a going concern basis.

AUDITORS:

M/s. Rungta & Associates, Chartered Accountants, having firm registration no.108888W, retire at the ensuing Annual General Meeting and being eligible have offered themselves for Re-appointment. The Company has received a letter as required under section 224(1B) of the Companies Act 1956 from M/s Rungta & associates confirming their eligibility and willingness to act as Statutory auditors, if reappointed. Members are requested to elect auditors for the current year and fix their remuneration.

BOARD COMMITTEES:

In order to ensure compliance with the applicable provisions of the Companies Act, 1956 as well as the provisions of the Listing Agreement the Board has constituted an Audit Committee, Shareholders / Investors Grievance Committee and Remuneration Committee. Details of these committees are given in the Corporate Governance Report which is annexed to the Directors' Report.

CORPORATE GOVERNANCE:

During the year under review, your Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance as stipulated in clause 49 of the Listing Agreement have been complied with. A separate Report on Corporate Governance along with the Auditors' Certificate on its compliance is given in "Annexure B" to this Report.

AUDITORS' REPORT:

With reference to the auditors comments in para 3(a), 3(b) and 3(c) of Annexure to the Auditors Report, management would like to state that these loans were given in earlier years and the Company is confident of recovering the full amount.

With reference to the auditors comments in para 7 of Annexure to the Auditors Report, management would

like to state that the Board is finding out the area of improvement in the Internal Audit System.

WHOLE-TIME COMPANY SECRETARY:

The company has appointed Mr. Rohish Samant as Company Secretary and Compliance Officer w.e.f August 8, 2012 and Mr. Malay Shah has resigned as Company Secretary and Compliance Officer w.e.f. August 8, 2012.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the financial year under review as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchanges is given in this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGOINGS :

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in Annexure "A" to this report

PERSONNEL:

Your Directors are pleased to inform you that employee relations continued to be cordial and peaceful both at the factory and at the office during the year under review.

APPRECIATION:

Your Directors take this opportunity to place on record their sincere appreciation for the co-operation received by the Company from its Bankers, Stakeholders, State and Central Government Authorities, Business Associates, Customers, Dealers and Suppliers. Your Directors also wish to place on record their sincere appreciation for the employee for their commitments, dedication and hard work put by them at all levels.

For and on behalf of the Board of Directors

(MR. DUNGARMAL TAINWALA)
Chairman

Place: Mumbai.
Date: August 8, 2012

ANNEXURE 'A' TO THE DIRECTORS' REPORT:

Information as per Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2012.

A. Conservation of Energy:

a) Energy Conservation measures taken:

1. Provided better load management.
2. Provided automatic power factor control unit.
3. Provided Voltage Stabilizer.
4. Reduced breakdown by proper preventive maintenance.
5. Provided PLC controlled systems on machine.
6. Provided extra -insulation on chilled water pipelines to reduce energy consumption.

b) Impact of the measures at (a) above for reduction of energy consumption and consequent Impact on the cost of production
Implementations of the aforementioned measures have resulted in efficient energy management.

c) Power & Fuel Consumption:

	Year ended 31/03/12	Year Ended 31/03/11
a) Electricity:		
Units Purchased	859,776	767,504
Total amount (Rs.)	3,619,370	2,452,842
Rate per Unit (Rs.)	4.21	3.22
b) Own Generation through Diesel Generator:		
Units Generated	19,840	29,585
Quantity of Diesel Used	6,200 litres	9,400 litres
Total Amount (Rs.)	264,484	377,556
Cost per unit (Rs.)	13.33	12.76
c) Consumption per unit of production Details:		
Production (Kgs)	921,071.23	755,002
Electricity (Rs.)	3,619,370	2,452,842
Cost per Unit Rs.	Rs. 4.21 Per Kg.	Rs.3.74 Per Kg.

B. Technology Absorption:

1. Research and Development (R & D):

- a) Specific areas in which R & D carried out in the Company.**
Nil.
- b) Benefits:**
Not Applicable

c) Future Plan of Action:

On-going Development in product quality and process conditions.

d) Expenditure on R & D:

Expenditure on R & D is an on going process at every stage of operation and forms part of the regular activities of the Company and hence the cost element in the form of R & D is not easily identifiable.

2. Technology Absorption, Adaptation and Innovation:

The company has not acquired any indigenous or imported technology.

C. Foreign Exchange Earnings and Outgoings:

Total Foreign Exchange earned : Rs. Nil
Total Foreign Exchange used : Rs. 1,86,86,619/-
(P.Y.: Rs. 1,16,72,414/-)

**ANNEXURE 'B' TO THE DIRECTORS' REPORT
REPORT ON CORPORATE GOVERNANCE FOR
THE YEAR 2011-2012**

(As required under the Revised Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

Your Company continues to lay great emphasis on Corporate Governance. Our pursuit towards achieving good governance is an ongoing process. In this Report, we confirm the compliance of the Corporate Governance criteria as required under the revised Clause 49 of the Listing Agreement.

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Your Company believes that good Corporate Governance is essential for achieving long-term corporate goals and to enhancing stakeholders' value. In this pursuit, your Company's philosophy on Corporate Governance is led by a strong emphasis on transparency, accountability and integrity and your Company has been practicing the principles of Corporate Governance over the years. All directors and employees are bound by a Code of Conduct that sets forth the Company's policies on important issues, including its relationship with customers, shareholders and Government.

2. BOARD OF DIRECTORS:-**a. COMPOSITION AND CATEGORY:-**

The Company has an optimum combination of Executive and Non-Executive Directors. The Board of Directors comprises of 5 (Five) Directors i.e. 2 (two) Executive Directors and 3 (Three) Non-Executive Directors. During the year, the Board was headed by Executive Chairman – Mr. Dungarmal Tainwala.

The composition of the Board and other relevant details relating to Directors are given below :

Name of the Director	Category	Number of Directorships in other Companies**	Number of committee positions held in other Companies	
			Member	Chairman
Dungarmal Tainwala	Promoter & Executive	Nil	Nil	Nil
Rakesh Tainwala	Promoter & Executive	Nil	Nil	Nil
Subhash Kadakia	Independent & Non-Executive	Nil	Nil	Nil
Abhay Sheth	Independent & Non-Executive	Nil	Nil	Nil
Mayank Dhuldhoya	Independent & Non-Executive	Nil	Nil	Nil

** excluding directorship in Private Companies

None of the above referred Independent Directors have any material pecuniary relationship or transaction with the Company, its promoters or with its Management, except Mr. Subhash Kadakia – Independent Director who holds 200 equity shares in the Company, which would not affect the independence or judgment of Directors.

The Board meets at least once a quarter inter- alia, to review the quarterly performance and financial results and the gap between two meetings is not more than four months.

b. INFORMATION REQUIRED UNDER CLAUSE 49(V)(G) OF THE LISTING AGREEMENT ON DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT:

Mr. Subhash Kadakia, aged 65 years is qualified B.E. (Mech.) from Bangalore University. Mr. Kadakia is the Director of Kadakia Plastics and Chemicals Pvt. Ltd. He is an expert having extensive knowledge in the field of PVC compounds and is a life member of Bombay Industries Association. He was the past Chairman of the governing council of the Indian Plastics Institute a Professional body imparting education and professional training in the plastic industry.

Mr. Subhash Kadakia – Independent Director holds 200 equity shares in the Company

c. BOARD MEETINGS AND ANNUAL GENERAL MEETINGS:

During the financial year ended 31st March, 2012 4 (Four) Board Meetings were held i.e. on 25.05.2011, 9.08.2011, 11.11.2011 and 09.02.2012. The last i.e. the 26th Annual General Meeting of the Company was held on Tuesday, 27th September 2011. Details of attendance of each Director at the Board Meetings and at the Annual General Meeting are given below:

Name of the Director	No. of Board Meetings Attended	Attendance at last AGM
Rakesh Tainwala	4	Present
Dungarmal Tainwala	4	Present
Subhash Kadakia	4	Present
Abhay Sheth	3	Present
Mayank Dhuldhoya	4	Present

3. BOARD COMMITTEES:-

The Board had constituted the following Committees of Directors.

I AUDIT COMMITTEE:

The Audit Committee comprises of three members all Non-Executive Independent Directors.

A. COMPOSITION OF AUDIT COMMITTEE AND DETAILS OF ATTENDANCE AT AUDIT COMMITTEE MEETINGS :

During the financial year ended 31st March,2012, 4 (Four) Audit Committee meetings were held during the year i.e. on 25.05.2011, 9.08.2011, 11.11.2011 and 09.02.2012.

The Composition of the Audit Committee during the financial year is as follows:

Name of the Directors	Category	Number of Meetings attended
Subhash Kadakia	Chairman, Non-Executive & Independent	4
Abhay Sheth	Non-Executive & Independent	3
Mayank Dhuldhoya	Non-Executive & Independent	4

All the members of the Audit Committee have good knowledge of finance, Accounts and Business management.

B. TERMS OF REFERENCE OF AUDIT COMMITTEE:

The terms of Reference of the Audit Committee broadly include reviewing the Companies internal control system, audit procedures, compliance with statutory and regulatory requirements, financial reporting process and the disclosure of its financial information to ensure that the financial statements are true and correct. It also reviews the quarterly, half yearly and annual financial results before submission to the Board.

II SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:-

The Share Transfer / Investors Grievance Committee:

- Approves and monitors transfers and transmission of shares, splitting and consolidation of shares and issue of duplicate share certificates.
- Monitors redressal of complaints received from shareholders relating to transfer and transmission of shares, issue of duplicate share certificates, non-receipt of Annual Reports, dematerialization of shares, etc.

A. COMPOSITION OF SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE AND DETAILS OF ATTENDANCE AT SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE MEETINGS :

Mr Subhash Kadakia – Non Executive and Independent Director is the Chairman of the Shareholders/Investors Grievance Committee.

During the year 2011-2012 the Committee held 14 (Fourteen) meetings on 15-04-2011, 31-05-2011, 30-6-2011, 30-7-2011, 20-8-2011, 15-10-2011, 31-10-2011, 15-11-2011, 30-11-2011, 15-12-2011, 31-12-2012, 16-1-2012, 31-01-2012 and 15-3-2012.

Attendance of each member at the Shareholders / Investors Grievance Committee during the year 2011-2012 are detailed below:

Name of the Directors	Executive/Non Executive	No. of Committee Meetings Attended
Dungarmal Tainwala	Executive	14
Subhash Kadakia	Non - Executive	14
Abhay Sheth	Non-Executive	13

B. STATUS OF SHAREHOLDERS/INVESTORS GRIEVANCES AND THEIR REDRESSAL:

During the year under report, the Company has received Three (3) complaints which were resolved satisfactorily. All requests for transfer of shares have been processed normally within prescribed time.

C. NAME AND DESIGNATION OF COMPLIANCE OFFICER:

Mr. Rohish Samant – Company Secretary is appointed as Compliance Officer of the Company with effect from 8th August, 2012.

III. REMUNERATION COMMITTEE:

The Remuneration Committee functions inter alias includes a. Review and recommend Remuneration of Managing Director/Whole Time Director. b. Recommend suitable revision/increments whenever required to the Board of Directors.

A. COMPOSITION OF REMUNERATION COMMITTEE AND DETAILS OF REMUNERATION COMMITTEE MEETINGS AND ATTENDANCE OF MEMBERS:

During the financial year under review the Committee held 2 (Two) meeting on 09-08-2011 and 11-11-2011 Attendance at its Meeting is given hereunder:

The Composition of the Remuneration Committee during the financial year is as follows:

Name of the Directors	Category	No. of Meetings Attended
Abhay Sheth	Chairman, Non-Executive & Independent	2
Subhash Kadakia	Non-Executive & Independent	2
Mayank Dhuldhoya	Non-Executive & Independent	2

4. REMUNERATION OF DIRECTORS:**A. DETAILS OF REMUNERATION OF DIRECTORS FOR THE FINANCIAL YEAR 2011-12****Executive Directors**

Name of the Director	Salary/Benefits **	Stock Option
Rakesh Tainwala – Managing Director	Rs.23,67,000/- p.a.	-
Dungarmal Tainwala-Whole-Time Director	Rs.806,400/- p.a.	-

** includes Company's contribution to Provident Fund.

Non executive Directors

Details of Sitting Fees paid to Non-Executive Directors for attending Board and Committee Meeting during the year 2011-2012 are given below :-

Name	Board Meeting (Rs.)	Committee Meeting (Rs.) ***	Total (Rs.)
Subhash Kadakia	4,000	6,500	10,500
Abhay Sheth	3,000	5,750	8,750
Mayank Dhuldhoya	4,000	3,000	7,000
TOTAL	11,000	15,250	26,250

*** Includes Shareholders / Investors Grievance Committee Meeting, Audit Committee Meeting and Remuneration Committee Meeting.

5. GENERAL BODY MEETINGS:**a. Details of previous Three Annual General Meetings are as under:**

Financial Year	Date of Meeting	Time	Place	Resolution
2010-2011	27.09.2011	11.00 a.m.	All India Plastics Manufacturers Association	Revision in the remuneration of Mr. Rakesh Tainwala as a Managing director for the remaining tenure i.e. till 25th June, 2012.
2009-2010	28.09.2010	11.00 a.m.	A-52, Street No. 1, MIDC, Marol, Andheri (E), Mumbai-400 093.	Revision in the remuneration of i. Mr. Rakesh Tainwala, Managing Director for the remaining tenure of two years i.e. 25th June 2012. ii Mr. Dungarnal Tainwala, Whole Time Director for the remaining tenure of two years i.e. 30th June 2012.
2008-2009	23.09.2009	11.00 a.m.		NIL

b. No Special Resolutions were required to be put through Postal Ballot.**6. CORPORATE SOCIAL RESPONSIBILITIES:**

The Company, as a Corporate Citizen of the Country, is well aware of its social obligations. As a good Corporate Citizen, the Company pays all the taxes, Government dues, cess, duties, etc. well on time.

7. OTHER DISCLOSURES:

- The Company has duly complied with all the mandatory requirements as per Clause 49 of the Listing Agreement.
- Compliance with Non-mandatory requirements is furnished separately under the heading "Non-mandatory Requirements".
- No penalties have been imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to Capital Markets.

8. CEO/CFO Certification

ACEO/CFO Certificate on the Audited/Unaudited Financial Statements of the Company for the each Quarter and Annual Financial Results were placed before the Board.

9. MEANS OF COMMUNICATION:

Quarterly Financial Results are sent to the Stock Exchanges immediately after the Approval of the Board and published in the "Free Press Journal" and "Navshakti" newspapers. The Annual Audited Accounts are also like-wise published. Annual Reports are sent to each shareholders at their address registered with the Company. Annual Reports are available on the Company's Website: www.tainwala.in

The Company has designated the Email Id's: (i) cs@tainwala.in,

(ii) simran@tainwala.in exclusively for Investor servicing.

No presentation to any institutional investors or analysts has been made during the year ended 31st March, 2012.

10. CODE OF CONDUCT:

The Board of Directors has laid down a Code of Conduct for all the Board members and Senior Management of the Company to ensure adherence to a high ethical professional conduct by them in the discharge of their duties. All the Board members and Senior Management personnel have affirmed compliance with the Code of Conduct for the year 2011-12. A Declaration to this effect signed by Chief Executive Officer (CEO) of the Company is annexed to this report.

11. GENERAL SHAREHOLDER INFORMATION:

- a) AGM Date, Time and Venue : Tuesday, 18th September 2012 at 11.00 a.m. at the All India Plastics Manufacturers Association A-52, Street No.1, Marol, M.I.D.C., Andheri(East), Mumbai - 400093
- b) Financial Calendar: 1st April to 31st March

Audited Annual results for the year ended 31st March 2012	By 30th May 2012
Unaudited First quarter results for quarter ended 30th June 2012	By 14th August 2012
Unaudited Second quarter results for quarter ended 30th September, 2012	By 14th November 2012
Unaudited Third quarter results for quarter ended 31st December 2012	By 14th February 2013
Audited Annual results for the year ended 31st March 2013	By 30th May 2013

- c) Book Closure Date : 12/09/2012 to 18/09/2012.
- d) Listing on Stock Exchange : Bombay Stock Exchange Limited.
National Stock Exchange of India Limited.
- e) Stock Code
Bombay Stock Exchange Limited. : 507785
National Stock Exchange of India Limited : TAINWALCHM
- f) Payment of Annual Listing Fees : Listing Fees for the financial year 2011- 2012 has been paid to the concerned stock exchanges within the prescribed time limit.
- g) Dividend payment : Nil
- h) Stock Market Data:

MONTH & YEAR	BOMBAY STOCK EXCHANGE			NATIONAL STOCK EXCHANGE		
	HIGH (RS.)	LOW (RS.)	SENSEX (Rs.)	HIGH (RS.)	LOW (RS.)	NIFTY (Rs.)
2011						
April	22.95	18	19135.96	22.9	16.1	5749.50
May	21.50	17.6	18503.28	22	17	5560.15
June	38.95	21.75	18845.87	39.5	21.45	5847.40
July	40.7	30.75	18197.20	40.75	30	5482.00
August	37.95	24	16676.75	38	24.05	5001.00
September	25.8	21.45	16453.76	25.45	21.75	4943.25
October	24	20.8	17705.01	24	20.1	5326.60
November	22.9	15.1	16123.46	22.65	15.05	4832.05
December	19.4	13.5	15454.92	18.85	13.5	4624.30
2012						
January	20	14	17193.55	21.95	14.8	5199.25
February	20.6	16.35	17752.68	19.25	16.15	5385.20
March	23.2	16.6	17404.20	22.25	17.4	5295.55

- i) Share Transfer Agents:
The Company has appointed Link Intime India Pvt. Ltd., having their office at C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup (West), Mumbai- 400078 as the Registrar & Share Transfer Agents. All Shareholders related services including transfer, demat/remat of shares is carried out by the Registrar & Share Transfer Agents.
- j) Share Transfer System:
The share transfer requests are processed by the Company's Registrar and Share Transfer Agents as mentioned above.

k) Distribution of Shareholdings as on 31st March 2012:

No. of Equity shares held	No. of Shareholders	% of Shareholders	Total No. of Shares Held	% of Shares
1 - 500	5987	88.10%	895,102	9.56%
501 - 1000	447	6.58%	359,440	3.84%
1001 - 2000	174	2.56%	280,423	2.78%
2001 - 3000	62	0.91%	161,548	1.72%
3001 - 4000	24	0.35%	84,900	0.91%
4001 - 5000	24	0.35%	113,316	1.21%
5001 - 10000	24	0.35%	186,905	2.00%
10001 & above	54	0.80%	73,02,229	77.98%
TOTAL	6,796	100.00%	9,363,863	100.00%

l) Shareholding pattern as on 31st March 2012:

Category	No. of Shares Held	%age to Total Capital	No. of Shareholders	%age to Total Shareholders
Promoters	61,71,467	65.91%	7	0.10%
NON-PROMOTERS:				
Mutual Funds & UTI	16,200	0.17%	9	0.13%
Financial Institutions/Banks	23,380	0.25%	7	0.10%
FII's	3,509	0.04%	3	0.04%
Bodies Corporate	375,798	4.01%	116	1.71%
NRI'S, OCB'S & Foreign companies	309,451	3.30%	235	3.46%
Public	24,64,058	26.32%	6419	94.46%
TOTAL	9,363,863	100.00%	6,796	100.00%

m) Status of Dematerialisation of Shares as on 31st March 2012:

Particulars	No. of Shares	% age to Total Capital
NSDL	78,10,619	83.41%
CDSL	8,03,093	8.58%
PHYSICAL	7,50,151	8.01%
TOTAL	9,363,863	100.00%

- n) Company ISIN No. : INE123C01018
- o) Registered Office : Tainwala House, Road No.18, MIDC, Marol, Andheri (East), Mumbai – 400 093.
- p) Works : Plot No. 87 Government Industrial Estate, Khedoli Village, Silvassa Dadra & Nagar Haveli-U.T

- q) Address for Correspondence : (1) Tainwala House, Road No. 18,
MID C, Marol, Andheri (East), Mumbai – 400 093
(2) Shareholders correspondence
should be Addressed to:
M/s Link Intime India Pvt. Ltd.
C-13, Pannaal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai – 400 078
Ph: 022-25946970/25963838
Fax: 022- 25946969
Email: helpdesk@linkintime.co.in
- r) GDRs/ADRs : The Company has not issued any GDRs/ADRs.
- s) Management Discussion and Analysis Report:
The Management Discussion and Analysis Report is given as an Annexure to the Directors' Report.
- t) Risk Management Framework:
The Board members discuss about the risk assessment and minimization procedures.
12. NON-MANDATORY REQUIREMENTS:
- (a) Chairman's office
The Corporate Office of the company supports the Chairman and Managing Director in discharging the responsibilities.
- (b) Shareholders rights
As the Company's Quarterly Financial Results are published in the English Newspaper having circulation all over India, and in Marathi Newspaper widely circulated in Maharashtra, the same are not sent to each Shareholder.
- (c) Training of board Members
The Company's Board of Directors comprise of professionals with expertise in their respective fields. They endeavour to keep themselves abreast with changes in Global Economy and various legislations.
- (d) Mechanism for evaluation of Non Executive Board Members
The Company does not have a mechanism to evaluate the performance of the Non Executive Directors of the Company.
- (e) Whistle Blower Policy
The Company, at present, has not adopted any Whistle Blower Policy.

For and on behalf of the board

Place : Mumbai.
Date : August 8, 2012

**RAKESH TAINWALA
MANAGING DIRECTOR**

AUDITORS' CERTIFICATE

To,
The Members of
Tainwala Chemicals and Plastics (India) Ltd.

We have examined the compliance of conditions of Corporate Governance by Tainwala Chemicals And Plastics (India) Ltd. for the year ended 31st March 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges In India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with guidance note on certification of the Corporate Governance (As stipulated in clause 49 of the listing Agreement) issued by the Institute of Chartered Accountants of India and was limited to procedures and Implementation thereof, adopted by the Company for ensuring 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 the representations made by the Directors and Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

**For RUNGTA & ASSOCIATES
CHARTERED ACCOUNTANT**

Place : Mumbai
Date : 30th May, 2012

Membership No. 42902
Registration No. 108888W

**PAWAN KUMAR RUNGTA
(PROPRIETOR)**

**ANNUAL CERTIFICATION BY THE MANAGING DIRECTOR PURSUANT
TO CLAUSE 49 1D(ii) OF THE LISTING AGREEMENT**

As the Managing Director of Tainwala Chemicals and Plastics (India) Limited and as required pursuant to Clause 49 I D (ii) of the Listing Agreement, I hereby declare and certify that all the Board members and Senior Management Personnel of Tainwala Chemicals and Plastics (India) Limited have affirmed compliance with the Code of Conduct adopted by the Company for the Financial Year 2011-12.

FOR TAINWALA CHEMICALS AND PLASTICS (INDIA) LIMITED

Place : Mumbai
Date : August 8, 2012

**RAKESH TAINWALA
Managing Director**

CERTIFICATE PURSUANT TO CLAUSE 49 (V) OF THE LISTING AGREEMENT

We, Mr. Rakesh Tainwala – Managing Director and Mrs. Simran Mansukhani – Chief Financial Officer of the Company hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2012 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions have been entered into by the company during the year 2011-12 which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies of which we are aware in the design or operation of internal control systems and have taken the required steps to rectify the deficiency.
- (d) We have informed the auditors and the Audit Committee:
 - i. about significant changes in internal control over financial reporting during the year;
 - ii. that there have been no significant changes in accounting policies during the year;
 - iii. that there have been no instances of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

FOR TAINWALA CHEMICALS AND PLASTICS (INDIA) LTD.

Place : Mumbai
Date : August 8, 2012

**RAKESH TAINWALA
Managing Director**

**SIMRAN MANSUKHANI
Chief Financial Officer**

ANNEXURE "C" TO THE DIRECTORS REPORT**MANAGEMENT DISCUSSION & ANALYSIS****INTRODUCTION:**

Tainwala Chemicals and Plastics (India) Limited is engaged in the business of manufacturing extruded plastic sheets of various polymers like PVC, PP, PPGL, HDPE, ABS etc. from 0.5 mm to 30 mm thickness. These sheets have diverse application in the fabrication of industrial equipments, lining of chemical tanks, signboards, automobiles and white goods industry as well as pollution control equipment. These sheets are a very good substitute for conventional materials like wood, metal etc. due to its advantages of being tough, light and anti-corrosive.

INDUSTRY STRUCTURE:

The Plastic Sheet industry has come a long way in India in the last decade. From a few sheet extrusion lines manufacturing engineering plastics, the number of manufacturers has grown almost three fold today. With new entrants in the industry there is excess capacity, as a result of which competition has increased. In spite of the stiff competition your Company is numero uno in the manufacture of PVC Extruded sheets manufacturing and marketing the widest range of PVC Extruded sheet of varying thickness from 0.5 mm to 30 mm. Your Company enjoys a majority market share in the PVC Extruded Sheets, in polypropylene sheets, though there are a large number of manufacturers, we continue to remain one of the few manufacturers of superior quality polypropylene sheets.

FINANCIAL PERFORMANCE:

During the year under review the Company achieved Turnover of 1062.10 lacs. The Company achieved a Net Profit of Rs. 25.68 lacs. The Company continues to focus on tight working capital management. Stringent cost control measures have been initiated and implemented.

FUTURE OUTLOOK:

Your management has been identifying new areas of application where plastic sheets can replace traditional materials like stainless steel, asbestos, iron etc. The market for PVC Engineering Sheets is set to

grow since sheets are mainly used as Pollution Control Equipment, in Waste Water Treatment applications, Sewage Treatment Plants as well as Portable Water Treatment Plants. As our economy moves from a developing to a developed one, the Sewage Treatment Plants and Portable Water Treatment as well as Effluent Treatment plants for treating industrial waste are a must. These are essential for preventing water pollution of both river as well as ground water and for providing safe drinking water to the country's Population. The Government's Policy on social sector development in areas such as low cost housing, safe sewage disposal and safe drinking water will increase the demand for PVC Sheets. In recent years the government has been accorded high priority to social development measures. The World Bank and other International Regional Development Banks are coming forward to finance these projects in the developing countries including India. The Government of India has decided to implement these projects on priority basis as part of the social welfare measures. This itself is an indication that the future outlook for PVC Extruded Engineering Sheets is bright.

The Plastic industry in India symbolizes a promising industry and is creating new employment opportunities for the people of India. The per capita consumption of plastic products in India is growing and is moving towards 2.5 times GDP growth. The Government of India is trying to set up the economic reforms to elevate and boost the plastic industry by joint venturing, foreign investments and entrepreneurs are trying to provide high quality plastic products, so that it becomes a booming industry.

OPPORTUNITIES AND THREATS:

The PVC Extruded sheets are not only in demand in the domestic market, but also exports are expected to grow. This is because of the growing demand for these Sheets from the SAARC countries for applications in similar pollution control projects as those undertaken in our country. Similarly demand for PVC Extruded Plastic Sheets is also expected from the UAE, Saudi Arabia and other Middle East countries.

As these countries resort to cost cutting exercises due to a fall in the oil prices, they look forward to India as a potential low cost supplier for their requirements.

In spite of the immense opportunities for growth of the PVC Extruded Engineering Plastic Sheet Industry, this industry faces certain risk, especially since demand for PVC Sheets depends on the various projects undertaken by the government. China made products are also threat to the Company.

SEGMENTWISE PERFORMANCE:

The business activities of the Company comprises of two business segments i.e. Plastic Sheets and Securities trading and all the business operations are in India only.

RISKS AND CONCERNS:

The company makes responsible approaches towards Risk Management on an integrated basis to cover all aspects of operations to diminish each or a combination of known risks that could affect its business.

The company has a comprehensive insurance coverage and breakdown coverage for all its electronic equipments to protect all its assets from such damages.

Apart from the above, the Company has a well documented Risk Management System. The Company does identify a few risks, which are purely routine in nature and none of any significant impact. There is a mitigation system in place which addresses these risks as part of routine management process.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Your Company has a system of internal controls commensurate with the size of its operation and nature of business to ensure optimum utilization and

protection of resources, speedy and accurate reporting of financial transactions in compliance with applicable laws and regulations. The Company has an Internal audit department which monitors and supplements the Company's operations through regular audits. The Board has also constituted an audit committee which meets periodically inter-alia to review the financial results, and the accuracy of financial records.

HUMAN RESOURCES / INDUSTRIAL RELATIONS:

The Company believes that the success of an Organisation largely depends on the quality of its workforce and hence has always recognised people as its key workforce. The belief 'great people create great organisations' has been at the core of the Company's approach to its people. The Company has created a favourable work environment that encourages innovation and meritocracy.

Employee relations both at the office and at the factory have remained cordial and peaceful throughout the year.

RESEARCH AND DEVELOPMENT (R & D):

Your Company considers R & D as crucial for sustained growth of the Company and has inhouse test facility at its factory premises.

CAUTIONARY STATEMENT:

Any statements made in this report relating to Company's perception of future outlook, objectives, expectations etc. may be considered as forward looking within the meaning of applicable securities laws and regulations which may differ from the actual results. Factors that would make difference to Company operations include competition, price realisation, forex market, changes in government policies and regulations, tax regimes, economic development and other incidental factors.

AUDITORS' REPORT

To
The Members of
**TAINWALA CHEMICALS AND PLASTICS (INDIA)
LIMITED**

1. We have audited the attached Balance Sheet of TAINWALA CHEMICALS AND PLASTICS (INDIA) LIMITED as at 31st March, 2012, and also the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 ('the Order') issued by Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, on the basis of such checks of the books and records of the Company, as we considered appropriate and according to information and explanations given to us, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, the Statement of the Profit and Loss and the Cash Flow Statement dealt with by this report have been prepared in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956, to the extent applicable;
- e) On the basis of written representations received from the Directors of the Company as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said Financial Statements read with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - ii. In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Rungta & Associates
Chartered Accountants
(Registration No. 108888W)

Pawan Kumar Rungta
Proprietor
(Membership No. 42902)

Place : Mumbai
Dated : 30th May, 2012

**ANNEXURE TO THE AUDITORS' REPORT
REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE
FOR THE YEAR ENDED 31ST MARCH, 2012**

1. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) In our opinion and according to information and explanations given to us, physical verification of fixed assets has been conducted by the management at reasonable intervals and no material discrepancies were noticed on such verification.
 - c) During the year, none of fixed assets have been disposed off by the Company.
2. In respect of its inventories:
 - a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and according to information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company is maintaining proper records of inventory. According to the information and explanations given to us, the discrepancies noticed on physical verification of inventory as compared to book records were not material and the same have been properly dealt with by the Company in the books of account.
3. In respect of loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
 - a) The Company had granted unsecured loans to two companies in earlier years and maximum amount involved during the year was Rs. 79,304,546 and year-end balance of loans given to such parties was Rs. 79,304,546.
 - b) The rate of interest and other terms and conditions of the loans given by the Company are prima facie, not prejudicial to the interests of the Company except for a loan which is fully provided for as doubtful.
 - c) The above loans are repayable on demand and the Company is taking necessary steps for recovery. However, in our opinion more concerted efforts are needed to recover these amounts.
 - d) The Company has not taken any loans, secured or unsecured, from companies, firms and other parties during the year covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(III)f and 4(III)g of the order are not applicable to the Company.
4. In our opinion and according to information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is adequate internal control system commensurate with the size of the Company and nature of its business, for the purchase of inventories and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
5.
 - a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that Section.
 - b) There are no transactions during the year made in pursuance of such contracts or arrangements exceeding Rs. 500,000 in respect of each party.
6. The Company has not accepted any deposits from the public during the year.
7. The Company has an in-house internal audit system during the year, which needs to be strengthened to be commensurate with its size and nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the

Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

9. a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to the Company with appropriate authorities. According to Information and explanations given to us, there are no amounts of statutory dues outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable except for Rs. 60,000 in respect of wealth Tax.
- b) According to information and explanations given to us, there are no dues in respect of Sales Tax, Wealth Tax, Service Tax, Custom Duty, and Cess which have not been deposited on account of any dispute. Dues in respect of Income Tax and Excise Duty not deposited on account of dispute are as follows:

Name of statute	Nature of dues	Amount Rs.	Period to which amount pertains	Forum where dispute is pending
Income tax Act, 1961	Income tax	18,92,018	2006-07	The Commissioner of Income tax (Appeals)
Central Excise Act, 1944	Penalty	92,368	1999-00	The High Court

10. The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current as well as in the immediately preceding financial year.
11. According to information and explanations given to us, the Company has not defaulted in repayment of dues to the banks. The Company does not have any borrowing from financial institution and by way of debentures.
12. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures, and other securities.
13. According to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society, provisions of clause (xii) of paragraph 4 of the Order is not applicable to the Company.
14. The Company has kept adequate records of its transactions and contracts in respect of dealing in shares, securities and other investments and timely entries have been made therein. The shares, securities and other investments have been held in the name of the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. According to information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that term loans were applied for the purpose for which the loans were obtained.
17. According to information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis have not been used for long term investments.
18. The Company has not made any preferential allotment of shares during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money through public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For Rungta & Associates
Chartered Accountants
(Registration No. 108888W)

Pawan Kumar Rungta
Proprietor
(Membership No. 42902)

Place : Mumbai
Dated : 30th May, 2012

BALANCE SHEET AS AT 31ST MARCH, 2012

	Notes Nos.	Rs.	Ast at 31/03/2012 Rs.	Rs.	As at 31/03/2011 Rs.
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	2	93,638,630		93,638,630	
(b) Reserves and Surplus	3	288,124,465		285,549,180	
			381,763,095		379,187,810
(3) Non-Current Liabilities					
(a) Long Term Borrowings	4	361,351		358,351	
(b) Long Term Provisions	5	2,031,653		2,542,232	
			2,393,004		2,900,583
(4) Current Liabilities					
(a) Trade payables	6	5,133,421		3,767,001	
(b) Other current liabilities	7	5,358,984		5,318,327	
(c) Short-term provisions	8	1,324,144		459,506	
			11,816,549		9,544,834
Total			395,972,648		391,633,227
II. Assets					
(1) Non-current assets					
(a) Fixed Assets					
i. Tangible	9	52,726,744		59,140,499	
ii. Intangible		2,169		5,010	
			52,728,913		59,145,509
(b) Non-current Investments	10	138,446,634		114,710,065	
(c) Long Term Loans and Advances	11	54,913,634		83,508,414	
			193,360,268		198,218,479
(2) Current assets					
(a) Current Investments	12	47,442,844		20,518,208	
(b) Inventories	13	50,105,770		59,265,807	
(c) Trade receivables	14	14,937,519		18,318,952	
(d) Cash and Bank balances	15	3,085,655		20,991,987	
(e) Short-term loans and advances	16	32,135,000		7,777,355	
(f) Other current assets	17	2,176,679		7,396,930	
			149,883,467		134,289,239
Total			395,972,648		391,633,227
Significant Accounting Policies and Notes to the Financial Statements	1 to 39				
As per our attached report of even date.				For and on behalf of the Board	
FOR RUNGTA & ASSOCIATES Chartered Accountants				MR. DUNGARMAL TAINWALA Chairman	
(PAWAN KUMAR RUNGTA) Proprietor				MR. RAKESH TAINWALA Managing Director	
Place : Mumbai Dated : 30th May, 2012				MR. MALAY SHAH Company Secretary	

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	Notes Nos.	As at 31/03/2012 Rs.	As at 31/03/2011 Rs.
INCOME			
Revenue from operations	18	106,209,707	107,502,394
Other Income	19	23,417,280	29,580,106
TOTAL REVENUE		129,626,967	137,082,500
EXPENSES			
Cost of materials consumed	20	62,136,362	51,307,801
Purchases of Stock-in-Trade		12,282,400	43,501,509
Changes In Inventories of finished goods, work-in-progress and Stock-in-Trade	21	10,443,098	(13,883,651)
Employee benefits expenses	22	17,131,613	16,478,230
Finance costs	23	185,207	521,059
Depreciation and amortization expense	9	6,878,464	7,058,170
Other expenses	24	18,049,257	17,262,264
TOTAL EXPENSES		127,106,401	122,245,382
Profit before tax		2,520,566	14,837,118
Tax Adjustments for earlier years		54,719	-
Profit After tax for the Year		2,575,285	14,837,118
Earnings per equity share:			
Basic and Diluted	33	0.28	1.58

Significant Accounting Policies and
Notes to the Financial Statements 1 to 39

As per our attached report of even date.

FOR RUNGTA & ASSOCIATES
Chartered Accountants

(PAWAN KUMAR RUNGTA)
Proprietor

Place : Mumbai
Dated : 30th May, 2012

For and on behalf of the Board

MR. DUNGARMAL TAINWALA
Chairman

MR. RAKESH TAINWALA
Managing Director

MR. MALAY SHAH
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

	Current Year Rs.	Previous Year Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax	2,520,566	14,837,118
Adjustments for:		
Depreciation	6,876,464	7,058,170
Sundry Balances and provisions no longer required written back	(339,232)	(276,580)
Interest expense	185,207	521,056
(Profit) / loss on sale of Units of Mutual Fund(Current Investments) (net)	(72,777)	(15,953)
Interest income	(10,259,170)	(10,069,533)
Dividend Income on current investments	(519,043)	(629,822)
Dividend Income from long term Investments	(10,744,556)	(16,884,301)
(Profit) / loss on sale of fixed assets (net)	-	104,138
Operating profit/(loss) before working capital changes	(12,350,541)	(5,355,804)
Movements in working capital		
Increase / (Decrease) in Trade payables	1,705,652	(3,454,455)
Increase / (Decrease) in Long term provisions	(510,580)	707,445
Increase / (Decrease) in Short term provisions	864,636	(17,066)
Increase / (Decrease) in Other current liabilities	40,657	1,388,903
Decrease/ (Increase) in Trade receivables	3,381,433	(7,356,641)
Decrease/ (Increase) in Inventories	9,180,037	(13,954,338)
Decrease/(Increase) in Long term loans and advances	11,829	-
Decrease/(Increase) in Short term loans and advances	642,355	1,351,471
Decrease/(Increase) in Other Current assets	631,370	(4,223,352)
Decrease/(Increase) in other Non-Current assets	-	-
Cash generated from/(used in) operations	3,576,850	(30,913,837)
Direct taxes (paid)/ refund	(1,362,330)	(2,240,678)
Net cash (used in) operating activities	2,214,520	(33,154,513)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(461,867)	(4,080,585)
Sale of fixed assets	-	796,580
(Purchase) / Sale of Investments (Net)		
Current	(26,851,859)	(9,497,675)
Non-Current	(23,736,569)	(6,000,000)
Inter-corporate Deposits	5,000,000	15,000,000
Dividend Income from current investments	519,043	629,822
Dividend income from long term investments	10,744,556	16,884,301
Interest received	15,477,012	4,461,462
Net cash from Investing activities	(19,309,684)	18,213,905
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds/ (repayment) of borrowings	3,000	(1,082,964)
Interest paid	(185,207)	(529,963)
Net cash (used in) financing activities	(182,207)	(1,612,927)
Net increase /(decrease) in Cash and cash equivalents (A+B+C)	(17,277,371)	(16,553,535)
Cash and cash equivalents at beginning of the year	18,610,987	35,164,522
Cash and cash equivalents at the end of the year	1,333,616	18,610,987
Net increase/(decrease) as disclosed above	(17,277,371)	(16,553,535)
Cash and cash equivalents at the end of the year:		
Cash on hand	116,606	2,533
Balances with scheduled banks in:		
Current accounts	1,217,010	1,108,454
Fixed deposits	-	17,500,000
	<u>1,333,616</u>	<u>18,610,987</u>

Notes:

- 1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Statement the Accounting Standard (AS)-3 on Cash Flow.
- 2) Cash and cash equivalents exclude fixed / margin deposit Rs. 1,752,039 (previous year Rs. 2,381,000)

As per our attached report of even date.

FOR RUNGTA & ASSOCIATES
Chartered Accountants(PAWAN KUMAR RUNGTA)
Proprietor

Place : Mumbai

Dated : 30th May, 2012

For and on behalf of the Board

MR. DUNGARMAL TAINWALA
ChairmanMR. RAKESH TAINWALA
Managing DirectorMR. MALAY SHAH
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****a) General:**

- (I) The financial statements are prepared in compliance with all material aspects of the Accounting Standards notified under Companies (Accounting Standards) Rules, 2008 by the Central Government of India and the relevant provisions of the Companies Act, 1956.
- (II) The financial statements are prepared on the basis of historical cost convention, and on the accounting principles of a going concern.
- (iii) All expenses and income to the extent ascertainable with reasonable certainty are accounted for on accrual basis.

b) Use of Estimates:

The presentation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affects the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively.

c) Fixed Assets:

- (i) Fixed assets are capitalised at cost inclusive of freight, duties, taxes and all incidental expenses related thereto and net of cenvat credit.
- (ii) Pre-operative expenses incurred during construction period are allocated to various assets in proportion to their capital cost.
- (iii) Fixed assets are stated at cost less accumulated depreciation thereon.

d) Depreciation / Amortisation:

- (I) Premium on leasehold land is being amortised over the period of lease.
- (ii) Depreciation on fixed assets is provided on straight-line method at the rates and in the manner as specified in Schedule XIV to the Companies Act, 1956.
- (III) "Continuous Process Plant" as defined in the said Schedule, has been considered on technical assessment and depreciation provided accordingly.

e) Investments:

Long-term Investments are stated at cost of acquisition less provision for permanent diminution in the value of such Investments determined for each Investment individually. Current Investments are valued at lower of cost and fair value.

f) Inventories:

- (I) Raw materials are valued at lower of cost and net realisable value. Cost is computed on FIFO basis.
- (ii) Finished goods and stock-in-process include estimated cost of conversion and other costs incurred in bringing the inventories to their present location and condition.
- (III) Stores and spares are charged to consumption in the year of procurement.
- (iv) Valuation of stock in trade of shares is carried out at lower of its cost and quoted market price, computed scrip wise. Cost is ascertained on FIFO basis.

g) Revenue Recognition:

Revenue from sales is recognised on dispatch of material and when risk and reward are transferred to the customers.

Revenue from sale of shares is recognised on the basis of broker's contract note.

h) Equity Derivative Transactions:

Profit / loss in respect of the contracts for equity index options and/or commodity futures are accounted in the statement of profit and loss on the expiry of the respective contract or on the same being squared-off.

In case of unsettled contracts for equity Index options as at the balance sheet date, mark-to-market position is recognised in case of losses and ignored in case of profits, considering conservative principle.

i) Accounting for Taxes on Income:

Provision for taxation comprises of current tax and deferred tax.

Current tax represents tax on Profits for the current year as determined as per the provisions of the Income Tax Act, 1961.

The deferred tax for timing differences between the book and tax profits for the year are accounted based on tax rates in force and tax laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences, are recognised to the extent there is reasonable / virtual certainty that these would be realized in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

j) Borrowing Costs:

Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such asset up to the date when such asset is ready for its intended use. Other borrowing costs are charged to the statement of Profit and Loss.

k) Transactions in Foreign Currency:

Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing at the date of the Balance Sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement/ translation of monetary assets and liabilities are recognised in the Statement of Profit and Loss. Non-monetary foreign currency items are carried at cost.

l) Retirement Benefits:

Liability in respect of retirement benefits is provided and charged to the Statement of Profit and Loss on accrual basis as follows:

- a) **Provident / Pension Funds:** At a specified percentage of salary / wages for eligible employees.
- b) **Leave Encashment:** As determined on the basis of accumulated leave to the credit of the employees as at the year end as per the Company's rules.
- c) **Gratuity** is provided in accordance with the provisions of Accounting Standard (AS) – 15 "Employee Benefits" on the basis of actuarial valuation carried out as at year end by an independent actuary.

m) Impairment of Assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

n) Accounting for Provisions and Contingent Liabilities:

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

o) Operating Cycle:

Assets and Liabilities have been classified in to current and Non-Current based on the Operating Cycle.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	As at 31/03/2012 Rs.	As at 31/03/2011 Rs.
NOTE 2: SHARE CAPITAL		
Authorised: 14,000,000 Equity shares of Rs. 10 each	140,000,000	140,000,000
Issued, subscribed and paid-up: 9,363,863 Equity shares of Rs. 10 each fully paid up	<u>93,638,630</u>	<u>93,638,630</u>
	<u>93,638,630</u>	<u>93,638,630</u>

a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period
Equity Shares

	31st March, 2012 Number of Shares (Rs.)		31st March, 2011 Number of Shares (Rs.)	
At the beginning	9,363,863	93,638,630	9,363,863	93,638,630
Changes during the year	-	-	-	-
Outstanding at the end	<u>9,363,863</u>	<u>93,638,630</u>	<u>9,363,863</u>	<u>93,638,630</u>

b) Details of shareholders holding more than 5% shares in the company

Name of the Shareholders	31st March, 2012		31st March, 2011	
	Number of Shares	% holding	Number of Shares	% holding
Dungamal Tainwala	2,427,664	25.93	2,387,848	25.50
Concept Reality and Securities Pvt. Ltd.	1,806,658	19.29	1,806,658	19.29
Shobha Tainwala	972,069	10.38	1,104,269	11.79
Rajkumar Tainwala	504,676	5.39	496,976	5.31

c) Terms and Rights attached to equity shares:

The company has only one class of equity shares having par value of Rs. 10 per share. Each Shareholder of equity is entitled to one vote per share.

In the Event of Liquidation by the company, the shareholders will be entitled in proportion to the number of equity shares held by them to receive remaining assets of the company, after distribution to those it was secured.

The shareholders have all other rights as available to equity shareholders as per the provisions of the Companies Act, 1956, read together with the Memorandum of Association and Articles of Association of the company, as applicable.

NOTE 3: RESERVES AND SURPLUS

Capital reserve:				
Balance as per the last Financial Statements		25,049,992		25,049,992
(Arising on forfeiture of upfront payment received on convertible warrants)				
Securities premium account:				
Balance as per the last Financial Statements		250,716,250		250,716,250
Surplus/(Deficit) as per the statement of Profit and Loss				
Balance as per the last Financial Statements	9,782,938		(5,054,180)	
Add: Profit as per annexed Statement of Profit and Loss	<u>2,575,285</u>	<u>12,358,223</u>	<u>14,837,118</u>	<u>9,782,938</u>
		<u>288,124,465</u>		<u>285,549,180</u>

	As at 31/03/2012 Rs.	As at 31/03/2011 Rs.
NOTE 4: LONG TERM BORROWINGS		
Security deposits (unsecured)	<u>361,351</u>	<u>358,351</u>
	<u>361,351</u>	<u>358,351</u>
NOTE 5: LONG TERM PROVISIONS		
Provision for Employees Benefits		
Gratuity	1,757,356	2,368,475
Leave encashment	<u>274,297</u>	<u>173,757</u>
	<u>2,031,653</u>	<u>2,542,232</u>
NOTE 6: TRADE PAYABLES		
- Outstanding dues of micro and small enterprises	-	-
Trade Payables (Refer Note 35)	<u>5,133,421</u>	<u>3,767,001</u>
	<u>5,133,421</u>	<u>3,767,001</u>
NOTE 7: OTHER CURRENT LIABILITIES		
Current Maturities of Long Term borrowings:		
Vehicle loans from bank #	-	901,516
Interest accrued but not due on above	-	6,985
Other Payables		
Statutory Dues	2,220,220	2,146,367
Advance from customers	1,720,005	764,119
Due to employees	1,349,609	1,264,990
Payable for fixed assets	<u>69,150</u>	<u>234,350</u>
TOTAL	<u>5,356,984</u>	<u>5,318,327</u>
# Secured against hypothecation of Vehicles purchase there against		
NOTE 8: SHORT TERM PROVISIONS		
Provision for Employees Benefits		
Bonus		
Gratuity	1,014,119	239,884
Leave encashment	<u>203,025</u>	<u>159,622</u>
	<u>1,217,144</u>	<u>399,506</u>
Others		
Provision for excise duty on closing stock of finished goods		
Wealth tax	107,000	60,000
	<u>107,000</u>	<u>60,000</u>
TOTAL	<u>1,324,144</u>	<u>459,506</u>

(In Rs.)

NOTE 9 : FIXED ASSETS
FROM 01-Apr-11 to March 31, 2012

PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK			
	As at 01/04/11	Additions	Disposal/ Adjustments	As at 31/03/2012	Up to 01/04/11	For the year	Disposal/ Adjustments	Up to 31/03/2012	As at 31/03/2012	As on 31/03/2011
Tangible Assets										
Freehold Land	3,292,015	-	-	3,292,015	-	-	-	-	-	3,292,015
Leasehold Land	215,400	-	-	215,400	48,888	2,169	-	50,855	164,545	166,714
Buildings	33,432,360	-	-	33,432,360	12,537,504	887,737	-	13,425,240	20,007,140	20,894,876
Plant and Equipment	71,137,864	-	-	71,137,864	49,329,839	3,952,900	-	63,282,739	17,865,125	21,608,025
Dies and Moulds	14,218,040	104,040	-	14,322,080	13,964,088	155,886	-	14,119,974	202,106	253,952
Laboratory Equipments	183,085	-	-	183,085	158,449	8,721	-	167,170	15,915	24,636
Furniture and Fixtures	4,186,842	-	-	4,186,842	3,461,751	110,865	-	3,572,616	614,226	725,091
Vehicles	16,341,805	-	-	16,341,805	5,721,813	1,519,857	-	7,241,670	9,100,135	10,619,982
Office Equipments	1,938,019	123,541	-	2,061,560	1,109,632	99,546	-	1,209,178	852,382	828,387
Computers	1,732,719	234,286	-	1,967,005	1,205,908	137,942	-	1,343,860	623,155	526,811
	146,678,169	461,867	-	147,140,036	87,537,670	6,875,623	-	94,413,292	52,726,744	59,140,499
Intangible Assets										
Software	112,590	-	-	112,590	107,580	2,841	-	110,421	2,169	5,010
Grand TOTAL	146,790,759	461,867	-	147,252,626	87,645,250	6,878,464	-	94,523,713	52,728,913	59,145,509
Previous Year	144,926,566	4,060,585	2,196,362	146,790,759	81,882,754	7,058,170	1,295,674	87,645,250	59,145,509	

NOTE 10: NON-CURRENT INVESTMENTS

Long Term, non-trade and Valued at cost unless otherwise stated

PARTICULARS	Face value Rs.	As on 31/03/2012 (Nos/Units.)	As on 31/03/2011 (Nos/Units)	As on 31/03/2012 Rs.	As on 31/03/2011 Rs.
NON CURRENT INVESTMENTS (Long Term Investments)					
i. Equity Shares:					
a) Quoted					
ABG Infralogistics Ltd., fully paid up	10	100	100	2,427	2,427
Elegant Pharmaceuticals Ltd., fully paid up	10	500	500	16,184	16,184
Jain Irrigation Systems Ltd., fully paid up	10	73*	70	3,724	3,724
				22,335	22,335
Less: Provision for diminution in value of Investments				(11,000)	(11,000)
				11,335	11,335
b) Unquoted					
Samsonite South Asia Pvt.Ltd., fully paid up	10	3,069,873	3,069,873	30,698,730	30,698,730
Periwinkle Fashions Pvt. Ltd., fully paid up	10	17,500	17,500	70,000,000	70,000,000
ii. Debentures (Unquoted)					
Tikona Digital Network Private Ltd Series C (CCD)	3,408	4,399	—	14,992,628	—
Tikona Digital Network Private Ltd Series C	3,408	2	—	6,816	—
iii. Units of Mutual Funds : (Unquoted)					
Kotak India Growth Fund II, Rs. 53,500 (previous year Rs. 38,000) Paid up.	100,000	250	250	13,375,000	9,500,000
Kotak India Real estate fund -IV-Fully Paid up	1,000	1,862	—	1,862,125	—
India Advantage fund - Fully Paid Up	100	75,000	45,000	7,500,000	4,500,000
TOTAL				138,446,634	114,710,065
Aggregate value of quoted investments					
Book value				11,335	11,335
Market value				23,087	89,997
Aggregate value of unquoted investments					
Book value				138,435,299	114,687,395

Note: * Including 3 differential Voting rights bonus shares.

	As at 31/03/2012 Rs.	As at 31/03/2011 Rs.
NOTE 11: LONG TERM LOANS AND ADVANCES		
To Related Parties In the nature of Loans (Refer note nos. 29 and 31)		
Inter Corporate Deposits(unsecured considered good unless otherwise stated)	40,188,604	40,188,604
(net of provision for doubtful advances of Rs. 39,115,942 previous year Rs. 39,115,942)		
To Others (Unsecured, Considered good)		
Inter Corporate Deposits	-	30,000,000
Security Deposits*	1,102,000	1,113,829
Income Tax Deducted at Source and Payments (net of provision of Rs. 66,926; previous year Rs. 716,926)	12,414,398	10,997,349
VAT Receivables	1,208,632	1,208,632
TOTAL	54,913,634	83,508,414

*Includes Rs. 1,000,000 given to a relative of Director.

NOTE 12 :CURRENT INVESTMENTS
PARTICULARS

	Face value Rs.	As on 31/03/2012 (Nos/Units.)	As on 31/03/2011 (Nos/Units)	As on 31/03/2012 Rs.	As on 31/03/2011 Rs.
Unquoted:					
(i) Debentures					
Prakaushali Investments India Pvt Ltd. fully paid	807,636	-	10	-	8,076,360
(ii) Mutual Funds :					
HDFC Cash Management Fund – Treasury Advantage - Dally – Dividend	10	4,084,275	260,267	40,971,403	2,610,868
BirlaSunlife saving Fund-Weekly Dividend	10	-	6,368	-	63,725
JM High Liquid Fund-Weekly Dividend	10	-	74,190	-	800,103
LIC MF Income Plus Fund -Weekly Dividend	10	-	240,052	-	2,402,252
Principal Cash Management Institutional Premium	1,644	237	62,885	389,735	927,400
Anand Rathi-Yield Enhancer	112,750	50	50	5,837,500	5,837,500
Morgan stanley fund Dividend scheme	1,000	444	-	444,206	-
TOTAL				47,442,844	20,518,208
Aggregate value of unquoted investments					
Book value				47,442,844	20,518,208

NOTE 13: INVENTORIES

(As taken, valued and certified by the Managing Director)

Raw materials and components	10,499,179	9,216,118
Stock In process	12,437,476	10,757,077
Finished goods	9,622,190	10,784,608
Shares	17,546,925	28,508,004
TOTAL	50,105,770	59,265,807

	As at 31/03/2012 Rs.	As at 31/03/2011 Rs.
NOTE 14: TRADE RECEIVABLES		
(Unsecured, considered good)		
Outstanding for a period exceeding six months from the date of becoming due for payment	862,586	2,368,739
Others	14,074,933	15,950,213
TOTAL	14,937,519	18,318,952
NOTE 15: CASH & BANK BALANCES		
Cash and Cash equivalents		
Balances with banks in:		
Current accounts	1,217,010	1,108,454
Cheques, drafts on hand		
Cash on hand	116,606	2,533
Fixed deposit with bank, having original maturity of three months or less	-	17,500,000
Other Bank Balances		
Deposits with maturity for more than 3 months less than 12 months	-	-
Margin money Deposits (Lien Marked)	1,752,039	2,381,000
TOTAL	3,085,655	20,991,987
NOTE 16: SHORT TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Intercompany Deposits	30,000,000	5,000,000
Others loans and advances		
Prepaid Expenses	504,041	286,744
Advances to Suppliers/expenses	885,596	615,234
Loans & Advances to Employees	20,500	45,000
Balances with Statutory/ Government Authorities	1,390,137	948,978
VAT receivable	301,996	1,319,271
Balances with central excise authority	442,867	511,106
TOTAL	32,135,000	7,777,355
NOTE 17: OTHER CURRENT ASSETS		
Dividend receivable on traded shares	-	2,409
Accrued interest:		
Related parties (Refer Note no.31)	-	3,255,277
On Bank Deposits	5,804	38,124
Intercompany Deposits	2,160,000	3,902,659
Income Tax Refund	10,875	-
Debentures (Long Term Investment)	-	198,461
TOTAL	2,176,679	7,396,930

	Current year Rs.	Previous year Rs.
NOTE 18: REVENUE FROM OPERATIONS		
a) Revenue from operations		
Sale of finished products	94,128,387	82,710,781
Less : Excise duty	(8,992,662)	(7,572,940)
Revenue from operations (net)	<u>85,135,725</u>	<u>75,137,841</u>
b) Other Operating Revenue		
Sale of trading products	-	
Sale of shares	20,685,499	32,032,615
Dividend on traded shares	408,483	331,938
	<u>21,073,982</u>	<u>32,364,553</u>
TOTAL	<u>106,209,707</u>	<u>107,502,394</u>
<p>Note: Excise Duty on sales amounting to Rs. 89,92,662 (31st March 2011 Rs. 75,72,940) has been reduced from Sales in the Statement of Profit and Loss and excise duty on increase/ (decrease) in stock amounting to (Rs. 1,08,050) (31st March 2011 Rs. 1,79,353) has been considered as (income)/expense in Note 24.</p>		
NOTE 19: OTHER INCOME		
a. Interest on:		
Fixed deposits with Banks	421,053	282,927
Inter corporate deposits	9,579,098	7,964,221
Income Tax refund	284,121	146,126
Debentures (Long Term Investment)	259,019	1,822,485
Customers and Others	143,698	74,672
	<u>10,686,989</u>	<u>10,290,431</u>
b. Dividend Income On Investments:		
- Long Term	10,744,556	16,884,301
- Units of Mutual Fund	519,043	629,822
	<u>11,263,599</u>	<u>17,514,123</u>
c. Net gain on sale of units of Mutual Fund (current investments)	71,300	17,430
d. (Diminution)/Appreciation in Value of Current Investments	1,477	(1,477)
e. Gain on arbitrage In commodities futures	444,720	-
f. Profit on sale of fixed assets	-	45,563
g. Rent Income	444,000	1,344,000
h. Insurance Claim	1,674	-
i. Sundry balances and provisions no longer required written back	339,232	276,580
j. Gain on Exchange rate difference (Net)	164,269	93,456
TOTAL	<u>23,417,260</u>	<u>29,580,106</u>
NOTE 20: COST OF MATERIALS CONSUMED		
Inventories at the beginning of the year:-	9,216,118	9,145,431
Add: Purchases	63,419,423	51,378,488
	<u>72,635,541</u>	<u>60,523,919</u>
Less: Inventories at the end of the year:-	(10,499,179)	(9,216,118)
TOTAL	<u>62,136,362</u>	<u>51,307,801</u>
NOTE 21: CHANGES IN INVENTORIES OF FINISHED GOODS STOCK IN PROCESS AND STOCK IN TRADE		
Inventories at the end of the year:-		
Traded Shares	17,546,925	28,508,004
Stock in Process	12,437,476	10,757,077
Finished goods	9,622,190	10,784,608
	<u>39,606,591</u>	<u>50,049,689</u>
Inventories at the beginning of the year:-		
Traded Shares	28,508,004	18,858,891
Stock in Process	10,757,077	8,132,547
Finished goods	10,784,608	9,174,600
	<u>50,049,689</u>	<u>36,166,038</u>
TOTAL	<u>(10,443,098)</u>	<u>13,883,651</u>

	Current year Rs.	Previous year Rs.
NOTE 22: EMPLOYEE BENEFITS EXPENSES		
Salaries, wages and Bonus	15,526,457	14,518,382
Contribution to provident and other funds	1,366,224	1,710,585
Staff welfare expenses	238,932	249,263
TOTAL	17,131,613	16,478,230
NOTE 23: FINANCE COSTS		
Interest	185,207	521,059
TOTAL	185,207	521,059
NOTE 24: OTHER EXPENSES		
Labour charges	1,448,514	742,643
Power and fuel	4,605,921	3,731,819
Repairs and maintenance:		
Machinery	940,240	477,395
Buildings	205,073	378,362
Others	1,208,170	817,895
Rates and taxes	342,349	283,063
Rent	17,200	1,068,000
Insurance	328,114	383,566
Directors' sitting fees	26,750	27,000
Legal and professional	370,487	398,388
Syndication / Portfolio Management fees	355,783	473,168
Auditors' Remuneration:		
Audit Fees	102,000	102,000
Other Services	32,000	32,000
Payment to Auditor (Refer details below)		
Rebates and discounts	1,601,211	1,436,380
Donations	8,400	9,251
Printing and stationery	135,992	188,093
Security charges	1,253,127	1,144,829
Bank charges and commission	163,741	97,914
Postage and telephone	562,436	528,484
Travelling and conveyance	2,814,824	2,953,703
Advertising	60,909	79,820
Sales commission	33,322	226,349
Sales Promotion	683,427	696,301
Sundry irrecoverable balances written off	49,474	1,057,386
Less: Provision for doubtful advances utilised	-	(1,057,386)
Loss on Sale of Vehicles	-	149,701
Increase / (decrease) in excise duty on stocks of finished goods#	(108,050)	179,353
Selling Expenses	368,576	313,859
Loss on sale of Debentures	-	59,138
Miscellaneous expenses	439,257	283,690
TOTAL	18,049,257	17,262,264

Excise Duty shown under expenditure represents the aggregate of excise duty borne by the company and the difference between excise duty on opening and closing stock of finished goods.

25. Commitments and contingent liabilities not provided for In respect of :

	As at 31/03/2012 Rs.	As at 31/03/2011 Rs.
i. Income tax demands against which appeals are pending (Excluding further interest liability as may be determined on conclusion of the matter) :		
a. 1995-96	NIL	5,055,515
	Rs.	
Amount deposited	2,285,000	
Amount adjusted against refund granted by the Department	1,165,457	
TOTAL	3,450,457	
b. 2004-05 (Including penalty Rs. Nil Previous year Rs. 17,877,960)	1,091,941	18,969,901
Adjusted against refund granted by the Department and Rs. 5,00,000 Deposited.		
c. 2006-2007	3,317,036	3,317,036
Amount adjusted against refund granted by the Department Rs. 1,425,018		
ii. Disputed liabilities in respect of central excise and custom duty	92,368	92,368
iii. Capital commitment in respect of long term investments	22,125,000	26,000,000

26. Working capital facilities from a bank are secured by hypothecation of stocks of raw materials, finished goods, stock in process and book debts and further secured by equitable mortgage of plot of land measuring about 3,000 square meters bearing Survey No. 26, Plot No. 87 in the Govt. Industrial Estate, Village Khadoli, Dadra & Nagar Haveli, Silvassa and also the personal guarantee of a Director of the Company. Borrowings under the said facilities as at the year end were Rs. Nil, previous year Rs. Nil.

27. No provision has been considered necessary for diminution in fair value of a long term unquoted equity investment, as in opinion of the management, such diminution is not of permanent nature and the investment was made on long term basis.

28. 'Stock in process' represents salvaged/ pelletised materials accumulated over a period of time to be consumed in the due course of time.

29. Disclosure as per requirement of Clause 32 of the Listing agreement:

- Tainwala Holdings Pvt. Ltd.: Balance as at 31/03/2012 Rs. 39,115,942 (as at 31/03/2011 Rs. 39,115,942) and maximum amount outstanding during the year Rs. 39,115,942 (Previous year Rs. 39,115,942). The Company has given legal notices to Tainwala Holdings Pvt. Ltd.
- Abhishri Packaging Pvt. Ltd.: Balance as at 31/03/2012 Rs. 40,188,604 (as at 31/03/2011 Rs. 40,188,604) and maximum amount outstanding during the year Rs. 40,188,604 (Previous year Rs. 40,188,604).

30. a) The balances in accounts of certain trade receivables, trade payables and loans and advances are subject to confirmation, and consequent reconciliations. Adjustments in this respect in the opinion of the management are not likely to be material and would be carried out as and when ascertained.

b) In the opinion of the management, assets other than Fixed assets and non-current investments have a value on realisation in the ordinary course of business at the amount at which they are stated.

31. Related party disclosures:

i. Related parties:

Key management personnel:

Mr. Durgamal Tainwala -Chairman
Mr. Rakesh Tainwala- Managing Director

Relatives of Key management personnel:

Ms. Vandana Tainwala
Mr. Rajkumar Tainwala

Enterprises in which Key management personnel and/ or their relatives have significant influence:

Tainwala Holdings Pvt Ltd
Abhishri Polycontainers
Abhishri Packaging Pvt. Ltd.
Tainwala Personal Care Products Pvt Ltd

II. Related party transactions:

(Amount in Rs.)

Nature of transactions	Key management personnel	Relative of a key management personnel	Enterprises in which key management personnel and / or their relatives have significant influence	Total
Remuneration	3,173,400 (3,410,400)	537,600 (537,600)	- (-)	3,711,000 (39,52,000)
Sale of Goods	- (-)	- (-)	189,361 (-)	189,361 (-)
Rent income	- (-)	- (-)	444,000 (444,000)	444,000 (444,000)
Interest income	- (-)	- (-)	3,616,974 (3,616,974)	3,616,974 (3,616,974)
Deposits given outstanding as at year end	- (-)	1,000,000 (1,000,000)	- (-)	1,000,000 (1,000,000)
Debit balance as at year end	- (-)	- (-)	40,424,068 (44,249,578)	40,424,068 (44,249,578)
Receivable as at year end (fully provided for)	- (-)	- (-)	39,115,942 (39,115,942)	39,115,942 (39,115,942)

Notes:

- Figures in brackets pertain to previous year.
 - The related party relationships have been determined by the Company on the basis of the requirements of the Accounting Standard (AS)-18 'Related Party Disclosures' and the same have been relied upon by the auditors.
 - The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the year, except where control exists.
- iii. Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year:
- Remuneration includes, paid to Mr. Rakesh Tainwala Rs. 2,367,000 (Previous year Rs. 2,604,000); Mr. Durgamal Tainwala Rs. 806,400 (Previous year Rs. 806,400); Ms. Vandana Tainwala Rs. 537,600 (Previous year Rs. 537,600);
 - Sale of goods has been made to Abhishri Packaging Private Ltd Rs. 189,361 (Previous year Rs. Nil)
 - Rent income is from Abhishri Polycontainers Rs. 300,000 (Previous year Rs. 300,000) and from Tainwala Personal Care Products Pvt Ltd Rs. 144,000 (Previous year Rs. 144,000).
 - Interest income is from Abhishri Packaging Pvt. Ltd. Rs. 3,616,974 (Previous year Rs. 3,616,974).
 - Deposits outstanding as at year end Rs. 1,000,000 (Previous Year Rs. 1,000,000) is given to Mr. Rajkumar Tainwala towards industrial Premises hired by the Company.
 - Debit Balance as at year end relates to Abhishri Packaging Pvt Ltd Rs. 40,188,604 (Previous Year Rs. 43,805,578), Abhishri Polycontainers Rs. 61,800 (Previous Year Rs. 3,00,000) and Tainwala Personal care products Pvt Ltd Rs. 1,73,664 (Previous Year Rs. 1,44,000)
 - Receivables as at year end fully provided for relates to Tainwala Holdings Pvt. Ltd.

32. Segment reporting

The disclosure in respect of Segment Information as per Accounting Standard (AS) - 17 on "Segment Reporting" is given as follows:

A. Primary segment reporting (Business segments):

Particulars	2011-2012			2010-2011		
	Plastic Sheets	Securities Trading	Total	Plastic Sheets	Securities Trading	Total
REVENUE:						
External	85,135,725	21,073,982	106,209,707	75,137,841	32,364,553	107,502,394
Inter segment	-	-	-	-	-	-
Total revenue	85,135,725	21,073,982	106,209,707	75,137,841	32,364,553	107,502,394
RESULT:						
Segment results	(17,694,677)	(3,016,810)	(20,100,067)	(12,110,261)	(1,976,644)	(14,086,905)
Unallocable income/ (expense) (net)	-	-	12,730,271	-	-	19,154,651
Interest expenses	-	-	(185,207)	-	-	(521,059)
Interest income	-	-	10,686,989	-	-	10,290,431
Profit before taxation			25,20,566			14,837,118
Provision for tax	-	-	54,719	-	-	-
Profit after tax			2,575,285			14,837,118
OTHER INFORMATION:						
Segment assets	90,253,571	17,754,710	108,008,281	113,162,862	28,667,222	141,830,084
Unallocable assets	-	-	273,754,814	-	-	249,803,143
Total assets			381,763,095			391,633,227
Segment liabilities	14,209,553	-	14,209,553	11,543,901	-	11,543,901
Unallocable liabilities	-	-	-	-	-	-
Total liabilities			14,209,553			11,543,901
Capital expenditure	461,867	-	461,867	3,159,897	-	3,159,897
Depreciation/ amortisation	6,878,464	-	6,878,464	7,058,170	-	7,058,170

b. Secondary segment reporting (Geographical segments):

In accordance with Accounting Standard (AS)-17 "Segment Reporting" there is no reportable geographical segment.

33. Calculation of Earnings per share (EPS):

	Current Year	Previous Year
Profit after tax (Rs.)	25,75,285	14,837,118
Weighted average number of equity shares (Nos.)	9,363,863	9,363,863
Face value of equity shares (Rs.)	10	10
Basic and diluted earnings per share (Rs.)	0.28	1.58

34. As per Accounting Standard (AS)-22 "Accounting for taxes on Income", deferred tax assets (net) pertaining to timing difference arising for the period upto 31/03/2012 of Rs. 45,023,821 (31/03/2011 Rs. 49,275,516) have been determined.

As the Company has unabsorbed depreciation and carry forward losses and there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised, deferred tax assets (net) upto 31st March 2012 has not been recognised.

Major components of deferred tax assets and liabilities, arising on account of timing differences are as under:

Particulars	As at 31/03/2012 Rs.	As at 31/03/2011 Rs.
Deferred tax assets on account of:		
Statutory payments under Section 43B of the Income-tax Act, 1961	985,263	937,572
Business loss	1,026,614	1,552,646
Capital loss	15,722,538	21,551,858
Speculation Loss	1,358,808	—
Unabsorbed depreciation	18,413,230	19,026,106
Provision for doubtful debts/ advances	12,086,826	12,086,826
Total (A)	49,593,379	55,153,008
Deferred tax liability on account of:		
Depreciation	4,569,558	5,877,492
Total (B)	4,569,558	5,877,492
Deferred tax asset / (liability) [Net]:		
[Total A – B]	45,023,821	49,275,516

35. As per the requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2008 following information are disclosed :

	As at 31/03/2012	As at 31/03/2011
A) (I) The principal amount remaining unpaid to any supplier at the end of accounting year included in sundry creditors	Nil	Nil
(II) The Interest due on above	Nil	Nil
The total of (i) & (ii)	Nil	Nil
B) The amount of interest paid by the buyer in terms of section 16 of the Act, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year.	Nil	Nil
C) 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
D) The amounts of interest accrued and remaining unpaid at the end of accounting year	Nil	Nil
E) 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 enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Act.	Nil	Nil

36. Gratuity payable to employees as per provision of the Payment of Gratuity Act 1972 is a defined benefit plan. As per the Accounting Standard (AS)-15 "Employee Benefits", disclosure in respect of defined benefit plan are as under:

		(Amount in Rs.)	
		Current Year	Gratuity (Unfunded) Previous Year
I	Components of employer expense		
1	Current service cost	193,750	201,983
2	Interest cost	215,190	173,410
3	Actuarial losses/(gains)	(5,939)	281,956
4	Total expense recognised in the statement of profit and loss Account	403,000	657,350
II	Net asset / (liability) recognised in Balance Sheet as at year end		
1	Present value of defined benefit obligation	(2,771,475)	(2,608,359)
2	Fair value on plan assets	-	-
3	Status [surplus/(deficit)]	(2,771,475)	(2,608,359)
4	Unrecognised past service cost	-	-
5	Net asset / (liability) recognized in Balance Sheet	(2,771,475)	(2,608,359)
III	Change in defined benefit obligations (DBO) during the year		
1	Present value of DBO at the beginning of period	2,608,359	2,101,943
2	Current service cost	193,750	201,983
3	Interest cost	215,190	173,410
4	Actuarial (gains)/ losses	(5,939)	281,956
5	Benefits paid	(239,884)	(150,934)
6	Present value of DBO at the end of the year	2,771,475	2,608,359
IV	Actuarial assumptions		
1	Discount rate (%)	8.50%	8.25%
2	Rate of increase in compensation level	5.00%	5.00%
3	Retirement age	58 years	58 years
4	Maturity table	LIC 1994-96	LIC 1994-96

37. The management based on their review of assets and operation of the Company has determined that there is no indication of potential impairment and that the recoverable amount of its fixed assets is not lower than its carrying amount. Accordingly, no provision for impairment has been considered necessary as at 31st March, 2012.

38. Additional information pursuant to paragraphs 3 and 4 of part II of Schedule VI to the Companies Act, 1956:

A. Details of turnover and stocks of finished goods:

Items	Opening stock	Turnover*	Closing stock
	Value Rs.	Value Rs.	Value Rs.
Processed Plastics**	10,784,608 (82,710,781)	(91,74,600) 9,622,190	94,128,387 (10,784,608)

Notes:

1. Figures in brackets relate to previous year.
2. *Includes samples, breakages, damages, write-off, etc, sale of non usable palletized /salvaged materials.
3. **Including excise duty.

B. Raw materials consumed:**1 Rate of increase in compensation**

Items	Current year Value (Rs.)	Previous year Value (Rs.)
Chemicals	18,652,508	34,874,019
Plastic powder	42,658,732	15,742,618
Packing materials	825,122	691,164
	62,136,362	51,307,801

C. Value of imported and indigenous Raw materials consumed and percentage thereof to the total consumption:

	%	Current year Value Rs.	%	Previous year Value Rs.
Imported	33.41	20,758,752	16.85	8,643,244
Indigenous	66.59	41,377,610	83.15	42,664,557
TOTAL	100.00	62,136,362	100.00	51,307,801
		Current Year Rs.		Previous Year Rs.

D. CIF value of imports:

Raw materials	18,085,328	7,798,183
Plant & Machinery	—	3,157,920
Computer	110,635	—

E. Expenses in foreign currency:

Travelling and others expenses	490,656	716,311
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F. Foreign currency exposure not hedged as at 31st March 2012 is as follows:

Particulars	Foreign Currency	Amount in Foreign Currency	Equivalent INR
Sundry creditors	USD	—	—
		(-)	(-)

39. The revised Schedule VI has been effective from 1st April, 2011 for the preparation of Financial Statements. This has significantly impacted the disclosure and presentation made in the Financial Statements. Accordingly the company has reclassified the previous year figure to this year classification. The adoption of revised Schedule VI does not impact revenue recognition and measurement principles followed for preparation of Financial Statements.

Signature to Notes 1 to 39

For and on behalf of the Board

MR. DUNGARMAL TAINWALA
Chairman

MR. RAKESH TAINWALA
Managing Director

Place : Mumbai
Dated : 30th May, 2012

MR. MALAY SHAH
Company Secretary

TAINWALA CHEMICALS AND PLASTICS (INDIA) LIMITED
Registered Office: Tainwala House, Road No. 18, M.I.D.C. Marol, Andheri (E), Mumbai - 400 093.

ATTENDANCE SLIP
(To be filled in and handed over at the entrance of the meeting hall)

Name of the attending Member
(In block letters)

Member's Folio Number/or
Client ID & DP ID

Name of Proxy
(In block letters to be filled in if the Proxy attends instead of the Member)

No. of Shares held

* I hereby record my presence at the TWENTY SEVENTH ANNUAL GENERAL MEETING of the Company being held at The All India Plastics Manufacturers Association, A-52, Street No. 1, M.I.D.C. Marol, Andheri (E), Mumbai - 400 093 at 11.00 a.m. on Tuesday, the 18th day of September, 2012.

.....
* Member's/Proxy's signature

* To be signed at the time of handing over this slip.

TAINWALA CHEMICALS AND PLASTICS (INDIA) LIMITED
Registered Office: Tainwala House, Road No. 18, M.I.D.C. Marol, Andheri (E), Mumbai - 400 093.

PROXY FORM

L.F. No.	:
Or Client ID & DP ID	:
No. of Shares held	:

I/We
of being a Member(s) of TAINWALA CHEMICALS AND PLASTICS (INDIA) LIMITED, hereby
appoint of or falling him
..... of as my/our proxy to
attend and vote for me/us, on my/our behalf at the TWENTY SEVENTH ANNUAL GENERAL MEETING of the
Company, to be held on Tuesday, the 18th day of September, 2012 at 11.00 a.m. and at any adjournment
thereof.

Signed this day of 2012.

Signature

Affix One Rupee Revenue Stamp
--

Address

Note: The Proxy and the Power of Attorney (if any) under which it is signed or a notarially certified copy of the power of Attorney must be deposited at the Registered Office of the Company at "Tainwala House", Road No. 18, M.I.D.C. Marol, Andheri (E), Mumbai - 400 093, not less than 48 hours before the time for holding the Meeting.

If Undelivered Kindly return to:

LINKINTIME INDIA PVT. LTD.
C-13, Pannatal Silk Mills Compound,
LBS Road, Bhandup (W),
Mumbai - 400 078.
Tel : 022-25963838
Fax : 022-25946969