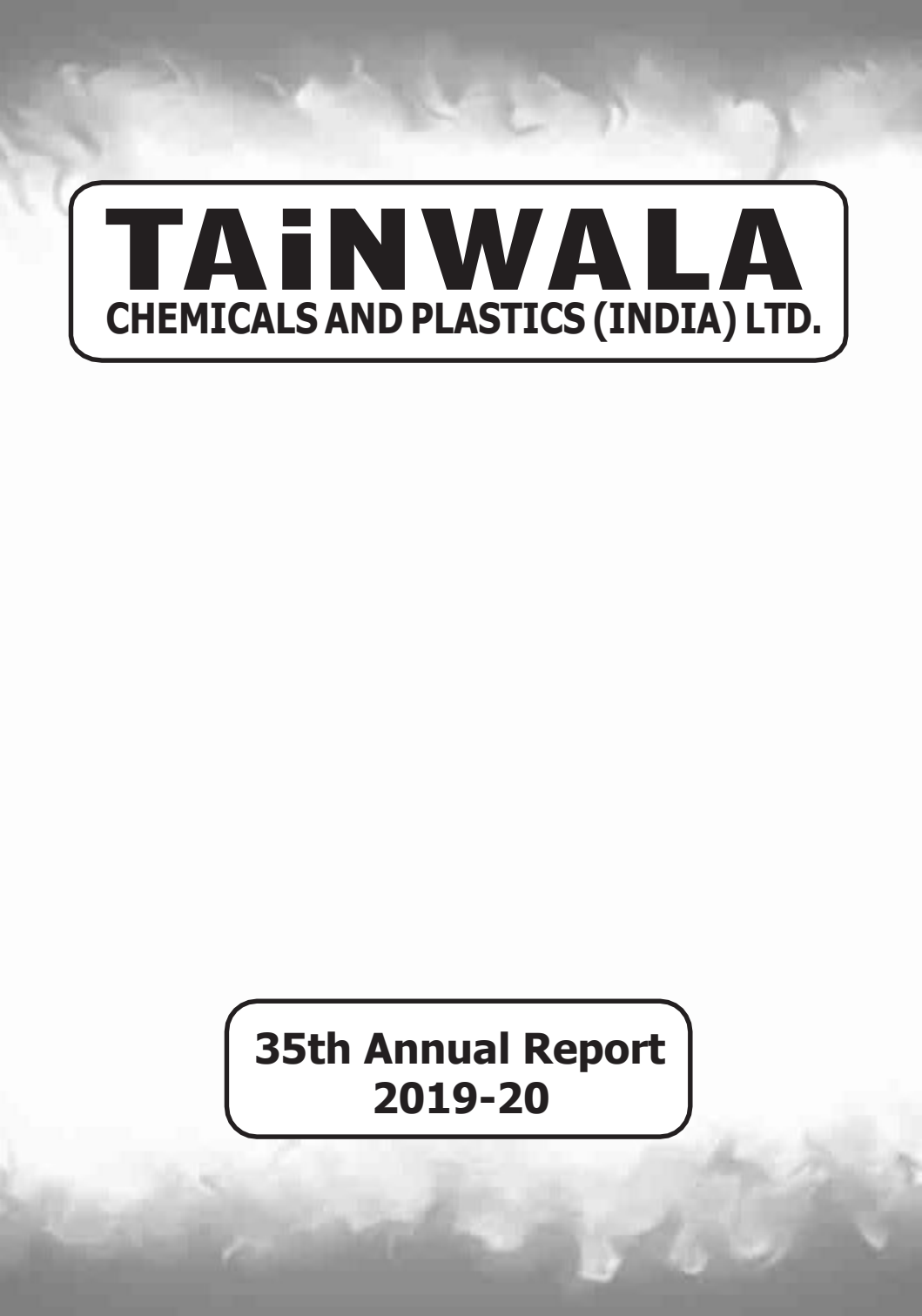




# **TAIiNWALA**

**CHEMICALS AND PLASTICS (INDIA) LTD.**

**35th Annual Report  
2019-20**

## **TAINWALA CHEMICALS AND PLASTICS (INDIA) LIMITED ANNUAL REPORT 2019-20**

### **MANAGEMENT TEAM**

#### **RAKESH TAINWALA**

Chairman & Managing Director

#### **RAJKUMAR TAINWALA**

Executive Director

#### **SIMARAN R. MANSUKHAANI**

Director Finance & CFO

#### **KETAN DHIRAJLAL BARAI**

Independent Director

#### **MAYANK DHULHOYA**

Independent Director

#### **C. K. DOSHI**

Independent Director

#### **V.M.RAJU**

General Manager Works

#### **RUCHIRA SINGHANIA**

Company Secretary and Compliance Officer

### **AUDITORS**

#### **M/s GMJ & CO.**

Chartered Accountants  
Mumbai

### **BANKERS**

**HDFC Bank Ltd.**

### **REGISTERED OFFICE**

"Tainwala House"

Road No. 18, M.I.D.C., Marol,  
Andheri (East), Mumbai-400 093

CIN No. L24100MH1985PLC037387

Tel: 67166100/161

Website: [www.tainwala.in](http://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, 101, 247 Park, L. B. S. Marg,  
Vikhroli (West), Mumbai – 400 083  
Tel.: 49186000.

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### **THIRTY FIFTH ANNUAL GENERAL MEETING**

Wednesday, 23rd September, 2020  
11.00 A.M THROUGH VIDEO-  
CONFERENCING ("VC") OR OTHER  
AUDIO VISUAL MEANS

("OAVM"),

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY FIFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF TAINWALA CHEMICALS AND PLASTICS (INDIA) LIMITED WILL BE HELD ON WEDNESDAY, 23RD SEPTEMBER, 2020 AT 11.00 A.M. THROUGH VIDEO-CONFERENCING ("VC") OR OTHER AUDIO VISUAL MEANS ("OAVM"), TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2020 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rajkumar Dungarmal Tainwala (DIN: 00294029), who retires by rotation and, being eligible, offers himself for re-appointment.

By Order of the Board

Ruchira Singhania  
Company Secretary  
Membership No: A47494

Place: Mumbai  
Date: 29/07/2020

**NOTES:**

1. Generally, a Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. Since the AGM is being held through VC / OAVM, physical attendance of Members is dispensed with and consequently, the facility for appointment of proxies is not applicable. Hence the route map, proxy forms and attendance slips are not annexed to this Notice.
2. In view of the continuing restrictions on the movement of people at several places in the country, due to the outbreak of COVID-19, the Ministry of Corporate Affairs, Government of India ("MCA"), and the Securities and Exchange Board of India ("SEBI"), have allowed companies to conduct Annual General Meetings ("AGM") through video-conferencing ("VC") / other audio-visual means ("OAVM") during the calendar year 2020, without the physical presence of Members. This also addresses the health and safety of the Members. This AGM is being convened in compliance with applicable provisions of the Act and the Rules made thereunder; provisions of the Listing Regulations; the provisions of General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020; General Circular No.17/2020 dated 13th April, 2020 issued by the MCA and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by SEBI, ("MCA and SEBI Circulars")
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. Company will provide the facility for voting through remote e-voting, for participating in the AGM through VC / OAVM and e-voting during the AGM.
5. In accordance with the provisions of the MCA and SEBI Circulars, the Notice along with the Annual Report is being sent through email only to Members whose email IDs are registered with Link Intime India Private Limited and the Depository Participant / Depository.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from 17.09.2020 to 23.09.2020 (both days inclusive).
7. Corporate Members intending to send their authorised representative to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorised under the said resolution to attend and vote on their behalf at the meeting.
8. Members are requested to immediately intimate change of address if any, to the Company/Registrar and Share transfer Agent quoting reference to their registered folio number.
9. Members are requested to send all share transfer lodgements (physical mode)/correspondence to the Registrar and Share Transfer Agent at the following address up to the date of book closure :  
  
M/S. LINK INTIME INDIA PRIVATE LIMITED  
C 101, 247 Park, L. B. S. Marg,  
Vikhroli (West), Mumbai – 400 083  
Tel No: 022 - 49186000
10. 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.

11. Members can avail nomination facility by filling in and forwarding the nomination form to the RTA, pursuant to Section 72 of the Companies Act, 2013, form to the RTA, if not already done.
12. Members can address their queries to the Company at [cs@tainwala.in](mailto:cs@tainwala.in) / [simran@tainwala.in](mailto:simran@tainwala.in).
13. Members who have not registered their e-mail address with the Company can now register the same by submitting a duly filled in 'E-Communication Registration Form', available on the website of the Company [www.tainwala.in](http://www.tainwala.in).
14. Members having any questions on accounts are requested to send their queries atleast 15 days in advance to the Company at its Registered office to enable the Company to collect the relevant information.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Share Transfer Agent.
16. Voting Instructions to all the shareholder who are desiring to vote through remote E-voting & are eligible to vote are as follows:
  - i) The voting period begins on 20<sup>th</sup> September, 2020 at 09.00 am till 22<sup>nd</sup> September, 2020 at 05.00 pm. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Thursday, 17<sup>th</sup> September, 2020, may cast their vote electronically. The e-voting module shall be disabled thereafter.
    1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

**Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:**

► Click on “**Sign Up**” under ‘**SHARE HOLDER**’ tab and register with your following details: -

**A. User ID:** Enter your User ID

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide Event No + Folio Number** registered with the Company

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.

**C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

**D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

- Shareholders/ members holding shares in **CDSL demat account shall provide either ‘C’ or ‘D’, above**
- Shareholders/ members holding shares in **NSDL demat account shall provide ‘D’, above**
- Shareholders/ members holding shares in **physical form** but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above

► Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).

► Click “confirm” (Your password is now generated).

NOTE: If Shareholders/ members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company then they can use their existing password to login.

2. Click on ‘Login’ under ‘**SHARE HOLDER**’ tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘**Submit**’.
4. After successful login, you will be able to see the notification for e-voting. Select ‘**View**’ icon.
5. E-voting page will appear.
  6. Refer the Resolution description and cast your vote by selecting your desired option ‘**Favour / Against**’ (If you wish to view the entire Resolution details, click on the ‘**View Resolution**’ file link).
7. After selecting the desired option i.e. Favour / Against, click on ‘**Submit**’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘**Yes**’, else to change your vote, click on ‘No’ and accordingly modify your vote.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as ‘**Custodian / Mutual Fund / Corporate Body**’. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘**Custodian / Mutual Fund / Corporate Body**’ login for the Scrutinizer to verify the same.

**If you have forgotten the password:**

- Click on ‘**Login**’ under ‘**SHARE HOLDER**’ tab and further Click ‘**forgot password?**’
- Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on ‘**Submit**’.

- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%^), at least one numeral, at least one alphabet and at least one capital letter.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Shareholders/ members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case shareholders/ members have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to [notice@linkintime.co.in](mailto:notice@linkintime.co.in) or contact on: - Tel: 022 -4918 6000.

## ii) **PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:**

### • **Process and manner for attending the Annual General Meeting through InstaMeet:**

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

► Select the "**Company**" and "**Event Date**" and register with your following details: -

**B. Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. Mobile No.:** Enter your mobile number.

**D. Email ID:** Enter your email id, as recorded with your DP/Company.

► Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

- **Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:**

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the specific email id created for the general meeting.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

- **Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186270.

- **Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET**

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMeet, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>

OR

- b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

|               |                                                                                                                                                                                                                                                                                                                                                     |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Step 1</b> | <b>Enter your First Name, Last Name and Email ID and click on Join Now.</b>                                                                                                                                                                                                                                                                         |
| <b>1 (A)</b>  | If you have already installed the Webex application on your device, join the meeting by clicking on Join Now                                                                                                                                                                                                                                        |
| <b>1 (B)</b>  | If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or <a href="#">Run a temporary application</a> . Click on <a href="#">Run a temporary application</a> , an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now |

Event Information:

Event status:

Date and time:

Duration:

Description:

By joining this event, you are accepting the Cisco Webex [Terms of Service](#) and [Privacy Statement](#).

Join Event Now

You cannot join the event now because it has not started.

First name:

Last name:

Email address:

Event password:

[Join by browser](#) **NEW!**

If you are the host, [start your event](#).

**Details of Directors seeking appointment/ re-appointment at the forthcoming Annual General Meeting (Pursuant to Regulation 36 (3) of the Listing Regulation)****MR. RAJKUMAR DUNGARMAL TAINWALA (DIN: 00294029)**

Mr. Rajkumar Tainwala, aged 57 years is qualified B.A. (Economics). He is the Managing Director of Tainwala Personal Care Private Limited and also the Director in Tainwala Healthcare Products Private Limited. Mr. Tainwala is an expert having extensive Knowledge in the field of Marketing & Finance.

Keeping in view his experience and knowledge, it will be in the interest of the Company that Mr. Rajkumar Tainwala shall be appointed as an Executive Director of the Company.

Mr. Rajkumar Tainwala is the elder brother of Mr. Rakesh Tainwala (Managing Director).

The Following information about Mr. Rajukumar Tainwala is provided pursuant to Regulation 36(3) of SEBI Listing Regulations and Secretarial Standard -2 on General Meetings:

|                                                                                                                                          |                                                       |
|------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|
| Name of the Director                                                                                                                     | Mr. Rajkumar Tainwala                                 |
| DIN                                                                                                                                      | 00294029                                              |
| Date of Birth                                                                                                                            | 20/10/1963                                            |
| Nationality                                                                                                                              | INDIAN                                                |
| Qualification                                                                                                                            | Bachelor in Economics                                 |
| Expertise in specific areas                                                                                                              | Marketing and Finance                                 |
| Date of first appointment on the Board                                                                                                   | 29/09/2015                                            |
| Number of shares held                                                                                                                    | 522982                                                |
| Directorship/ Chairmanship / Membership on the Board of other Companies                                                                  | 2                                                     |
| Inter-se Relationships between Directors                                                                                                 | Elder brother of Rakesh Tainwala                      |
| Terms of Appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable. | Appointed as Executive Director<br>Remuneration - NIL |
| Number of Board meetings attended                                                                                                        | 3                                                     |

**DIRECTORS' INTEREST**

The Director may be deemed to be concerned or interested to the extent of Shares held by him in the Company as given in the table below.

| Name of the Director  | No. of Shares | % Holding |
|-----------------------|---------------|-----------|
| Mr. Rajkumar Tainwala | 522,982       | 5.59      |

**DIRECTORS' REPORT**

To

The Members,  
Tainwala Chemicals & Plastics (India) Limited

Your Directors have pleasure in presenting the 35<sup>th</sup> Annual Report and Audited Statement of Accounts for the Year ended 31<sup>st</sup> March, 2020.

**Financial Results: (Rs. in Lacs)**

|                                                                                 | <b>Year ended<br/>31<sup>st</sup> March, 2020</b> | <b>Year ended<br/>31<sup>st</sup> March, 2019</b> |
|---------------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| Income from Sale                                                                | 1057.77                                           | 1152.90                                           |
| Other Income                                                                    | 686.48                                            | 563.81                                            |
| <b>Total Income</b>                                                             | <b>1744.25</b>                                    | <b>1716.71</b>                                    |
| Profit before Depreciation                                                      | 485.09                                            | 219.74                                            |
| Less: Depreciation                                                              | (49.75)                                           | (41.05)                                           |
| <b>Profit for the year before tax &amp; exceptional items</b>                   | <b>435.34</b>                                     | <b>178.69</b>                                     |
| Add: Exceptional Items                                                          | --                                                | --                                                |
| <b>Profit before taxation</b>                                                   | <b>435.34</b>                                     | <b>178.69</b>                                     |
| Less: Provision for Tax                                                         | (1.68)                                            | 26.66                                             |
| <b>Net Profit after Tax</b>                                                     | <b>433.66</b>                                     | <b>205.35</b>                                     |
| Remeasurement of gains (losses) on defined benefit plans                        | <b>0.92</b>                                       | <b>(0.71)</b>                                     |
| Equity Instruments through Other Comprehensive Income                           | <b>445.79</b>                                     | <b>(52.35)</b>                                    |
| <b>Balance b/f from previous year</b>                                           | <b>4003.64</b>                                    | <b>3851.35</b>                                    |
| Less: Adjustment for Depreciation as per schedule II to the companies Act, 2013 | --                                                | --                                                |
| <b>Surplus (Deficit) carried to Balance Sheet</b>                               | <b>4884.03</b>                                    | <b>4003.64</b>                                    |

**OPERATIONS:**

The financial year 2019-20 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. **1057.77** lakhs and a competitive Net Profit of Rs. **433.66** lakhs.

**DIVIDEND:**

Considering the future prospects and better operations of the company, the board is deciding not to declare dividend for the year under review.

**FIXED DEPOSITS:**

Your Company has not accepted any deposits covered by the provisions of Section 73 of the Companies Act, 2013 and the Rules framed there under.

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

Information pursuant to Section 134(3) (m) of the Companies Act, 2013 read with the Rule, 8 of The Companies (Accounts) Rules, 2014 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 the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). Annual Listing fee has been paid to the exchange.

**VOLUNTARY DELISTING FROM BOMBAY STOCK EXCHANGE:**

The Company has applied for delisting of its Equity shares under regulation 6(a) of the SEBI (Delisting of Equity Shares) Regulations, 2009 from BSE Limited. Equity Shares of the Company will continue to remain listed on the National Stock Exchange of India Limited (NSE) having nationwide Trading terminal and hence no exit opportunity is required to be given to public shareholders under SEBI (Delisting of Equity Shares) Regulations, 2009.

**PARTICULARS OF EMPLOYEES:**

The Percentage of remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20, ratio of the remuneration of each Director to the median of remuneration of the employees of the Company for the Financial Year 2019-20 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

**Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

- i) Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2019-20, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and Other Executive Director and Company Secretary during the financial year 2019-20.

| Sr.No. | Name of Director and Designation | Remuneration of Directors for financial year 2019-20 (in Rs.) | Ratio of remuneration of each Director/ to median remuneration of employees | % increase in Remuneration in the Financial Year 2019-20 |
|--------|----------------------------------|---------------------------------------------------------------|-----------------------------------------------------------------------------|----------------------------------------------------------|
| 1.     | Mr. Rakesh Tainwala              | 73,80,000                                                     | 44.30:1                                                                     | 13.76                                                    |
| 2.     | Mrs. Simran Ram Mansukhani       | 14,42,562                                                     | 8.66:1                                                                      | -                                                        |
| 3.     | Ms. Ruchira Singhania            | 1,91,580                                                      | 1.15:1                                                                      | -                                                        |

- ii) The percentage increase in the median remuneration of Employees for the financial year was 3.30.

- iii. The Company has 51 permanent Employees on the payroll of Company as on 31<sup>st</sup> March, 2020.
- iv. **Relationship between average increase in remuneration and Company's performance:**  
The individual increment is decided on the basis of employees potential, experience, contribution to company's progress over a time and bench marking exercise that is undertaken with the similar profile organizations, consideration of cost of living adjustments/inflation. Salary increase during the year was in line with company's performance and as per company's market competitiveness in peer group.
- v. **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:** Average increase in remuneration of key managerial personnel is based on individual performances, company's performance and as measure to motivate them for better future performance to achieve organization's growth expectations.
- vi. The Market Capitalisation of the Company as on 31<sup>st</sup> March, 2020 was Rs. 37.08 Crores as compared to Rs. 56.27 Crores as on 31<sup>st</sup> March, 2019.  
  
The price earnings ratio of the Company was 8.42 as at 31<sup>st</sup> March, 2020 as compare to 27.44 as at 31<sup>st</sup> March, 2019. The closing share price of the Company at BSE Limited on 31<sup>st</sup> March, 2020 was Rs. 39.00/- per equity share of face value of Re. 10/- each.
- vii. Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 2.22% whereas the increase in the managerial remuneration was Nil. The average increases every year is an outcome of Company's market competitiveness as against its peer group companies. In keeping with our reward philosophy and benchmarking results, the increases this year reflect the market practice
- viii. The ratio of the remuneration of the highest paid Director to that of the Employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: None
- ix. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

#### DETAILS OF DIRECTORS AND KEY MANGERIAL PERSONNEL:

Your Company has 6 (Six) Directors consisting of 3 (Three) Executive Directors (Managing Director & Director) and 3 (Three) Independent Directors, as on 31<sup>st</sup> March, 2020. There has been no change in the constitution of Board during the year under review i.e. the structure of the Board remains the same.

In line with the amended SEBI Listing Regulations, the Company has obtained a certificate from Mr. Malay Mukeshbhai Shah, Proprietor of M/s. Malay Shah & Associates, Company Secretaries, confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies.

#### DETAILS OF SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company

#### NUMBER OF BOARD MEETINGS:

During the Year, 4(Four) meetings of the Board of Directors were held. The details of the meetings are furnished in the corporate governance report which forms part of this Annual Report.

#### DIRECTOR'S RESPONSIBILITY STATEMENT:

The Director's Responsibility Statement referred to in clause (c) of sub – section (5) of Section 134 of the Companies Act, 2013 shall state that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial year and of the profit and loss of the Company for that period;

- (c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) They have prepared the annual accounts on a going concern basis; and
- (e) They have laid down internal financial controls for the Company and such internal financial controls are adequate and were operating effectively.
- (f) The Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**DECLARATION BY AN INDEPENDENT DIRECTOR (S) AND RE – APPOINTMENT IF ANY:**

In compliance of sub – section (7) of Section 149 of the Companies Act, 2013, all the Independent Directors of the Company have submitted their declarations stating that, they meet the criteria of independence as provided in sub-section (6) of the section 149 of the above said Act and Regulation 25 of SEBI (Listing Obligation and disclosure requirement) Regulations, 2015.

**INTERNAL FINANCIAL CONTROLS:**

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observations has been received from the Auditors of the Company for inefficiency or inadequacy of such controls. Ms. Dishaa R. Mansukhani is the Internal Auditor of the Company.

**SECRETARIAL AUDITOR:**

Pursuant to Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company had appointed M/s. Malay Shah & Associates, Practicing Company Secretaries, Mumbai as its Secretarial Auditors to conduct the secretarial audit of the Company for the financial year 2020-21

The Company provided all assistance and facilities to the Secretarial Auditor for conducting their audit. The Report of Secretarial Auditor for the financial year 2019-20 is set out as Annexure and forms part of this report.

**AUDITORS:**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 (the Act) read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof, for the time being in force), M/s. GMJ & Co., Chartered Accountants, (Firm Registration no. 103429W) were appointed as Statutory Auditors of the Company for a term of five (5) years, to hold office from the conclusion of Thirty first Annual General Meeting of the Company held on 20th September, 2016, subject to ratification of their appointment at every subsequent Annual General Meeting. The requirement of seeking ratification of the members for continuance of their appointment has been withdrawn consequent upon the changes made by the Companies (Amendment) Act, 2018 with effect from May 7, 2018. Hence the resolution seeking ratification of the members for their appointment is not being placed at the ensuing Annual General Meeting. Your Company has received necessary certificate form M/s. GMJ & Co., Chartered Accountants confirming that they satisfy the criteria provided under section 141 of the Companies Act, 2013 and are not disqualified from continuing as Statutory Auditors of the Company. The Auditors Report for 2019-20, does not contain any qualification, reservation or adverse remarks

There was no occurrence of fraud pursuant to Section 143 (12) of The Companies Act, 2013. This is also being supported by the report of the auditors of the company as no fraud has been reported in their Report for the Financial Year ended 31st March, 2020.

**CORPORATE GOVERNANCE:**

A separate Section on Corporate governance with a detailed compliance report and the Certificate from The Practicing Chartered Accountant with respect to compliance with the provisions of Corporate Governance, as required by Regulation 27 of the Listing Regulation, is also annexed.

**AUDITORS' REPORT:**

With reference to the Auditors comments in Para 3(a), 3(b) 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.

**BOARD COMMITTEES:**

In order to ensure compliance with the applicable provisions of the Companies Act, 2013 as well the provisions of the Listing Regulation the Board has constituted an Audit Committee, Nomination and Remuneration Committee,

Stakeholder's Relationship Committee and details of these committees are given in the Corporate Governance Report which is annexed to the Director's Report.

**RISK MANAGEMENT:**

The Board of directors of the company has formulated risk management policy which aims at enlarging shareholders value and providing an optimum risk reward trade off. The risk management approach is based on a clear understanding of the variety of risks that the organization faces, disciplined risk monitoring and measurement and continues risk assessment and mitigation measures.

**DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES:**

Your Company recognizes the value of transparency and accountability in its administrative and management practices. The Company promotes the ethical behaviour in all its business activities. The Company has adopted the Whistle Blower Policy and Vigil Mechanism in view to provide a mechanism for the Directors and employees of the Company to approach Audit Committee of the Company to report existing/probable violations of laws, rules, regulations or unethical conduct.

**CORPORATE SOCIAL RESPONSIBILITY:**

The provisions of the Companies' Act 2013 relate to Corporate Social Responsibility are not applicable to your company as yet.

**DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL**

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company Pursuant to Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has constituted an Internal Complaints Committee. During the Year, no Complaint was lodged with the Internal Complaint Committee.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Financial Statements.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY**

All related party transactions that were entered into during the financial year were on an arm's length basis and wherein the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions were placed before the Audit Committee as also the Board for approval. The particulars of contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 disclosed in Form No. AOC -2 and is set out as Annexure and forms part of this report.

Your Directors draw attention of the members to Note 36 to the financial statement which sets out related party disclosure.

**EXTRACT OF THE ANNUAL RETURN:**

Pursuant to sub – section 3(a) of the Section 134 and sub – section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extracts of the Annual Return as at 31<sup>st</sup> March, 2020 is set out as Annexure and forms part of this report.

**QUALITY:**

Your Company accord to high priority to quality, safety, training, development, health and environment. The Company endeavours to ensure continuous compliance and improvements in this regards.

**VIGIL MECHANISM**

Your Company has an effective Vigil Mechanism system which is embedded in its Code of Conduct.

**ANNUAL PERFORMANCE EVALUATION BY THE BOARD**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, the Board has carried out an Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of the Committees.

**MANAGEMENT DISCUSSION AND ANALYSIS:**

The Management Discussion and Analysis Report for the year under review as stipulated as a Separate section forming part of this Annual Report.

**COMPLIANCE WITH SECRETARIAL STANDARD**

Your Company has complied with Secretarial Standard issued by the Institute of Company Secretaries of India on Board and General Meetings.

**ACKNOWLEDGEMENT**

I would like to end by expressing my sincere appreciation for the continued support of the shareholders, employees, Tainwala Group, suppliers and commercial partners during the year. I would also like to thank my colleagues on the Board for their support and guidance to the Company's management, which goes a long way in encouraging the management in meeting the challenges in the growth path.

**By Order of the Board**

**Mr. Rakesh Dungarmal Tainwala**  
**DIN: 00237671**  
**Managing Director & Chairman**

**Place: Mumbai**

**Date: 29<sup>th</sup> July, 2020**

**ANNEXURE 'A' TO THE DIRECTORS' REPORT:**

Information as per Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report .

**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.
- The dedicated team of professional is focusing on energy conservation across manufacturing sites.

**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<br>31/03/20 | Year ended<br>31/03/19 |
|-------------------------------------------------------|------------------------|------------------------|
| <b>a) Electricity :</b>                               |                        |                        |
| Units Purchased                                       | 604,240                | 982,532                |
| Total amount (Rs.)                                    | 4,013,8,39             | 5,143,750              |
| Rate per Unit (Rs.)                                   | 6.64                   | 5.23                   |
| <b>b) Own Generation through Diesel Generator :</b>   |                        |                        |
| Units Generated                                       | 4,320                  | 9,360                  |
| Quantity of Diesel Used                               | 1,200 Ltrs             | 2,600 Ltrs             |
| Total Amount (Rs.)                                    | 80,334                 | 181,106                |
| Cost per unit (Rs.)                                   | 18.59                  | 19.34                  |
| <b>c) Consumption per unit of production Details:</b> |                        |                        |
| Production (Kgs)                                      | 562,376                | 814,563                |
| Power Consumption (Rs.)                               | 4,013,839              | 5,324,856              |
| Cost per Unit Rs.                                     | 7.28 per kg            | 6.53 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 ongoing 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;**

| Particular                 | 2020       | 2019       |
|----------------------------|------------|------------|
| Foreign Exchange Earning   | NIL        | NIL        |
| Foreign Exchange Outgoings | 15,309,597 | 15,430,955 |

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31st March, 2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014:

**I. REGISTRATION & OTHER DETAILS:**

|    |                                                                            |                                                                                                                                                                                                          |
|----|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | CIN                                                                        | L24100MH1985PLC037387                                                                                                                                                                                    |
| 2. | Registration Date                                                          | 04/09/1985                                                                                                                                                                                               |
| 3. | Name of the Company                                                        | TAINWALA CHEMICALS AND PLASTICS(INDIA)LIMITED                                                                                                                                                            |
| 4. | Category/Sub-category of the Company                                       | Public Listed Company                                                                                                                                                                                    |
| 5. | Address of the Registered office & contact details                         | "Tainwala House" Road No. 18, Opp. Plot No. 118, MIDC, Marol, Andheri (East) Mumbai, Maharastra, India-400093<br>Ph: 022 67166100 Email. simran@tainwala.in, cs@tainwala.in<br>Website – www.tainwala.in |
| 6. | Whether listed company Yes / No                                            | YES                                                                                                                                                                                                      |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | LINK INTIME INDIA PVT. LTD<br>C 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai – 400 083<br>Ph: 49186000 Email: rnt.helpdesk@linkintime.co.in<br>Website – www.linkintime.co.in                   |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|--------|--------------------------------------------------|---------------------------------|------------------------------------|
| 1      | Polymer Sheet                                    | 25201                           | 83%                                |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

| SR.No. | Name and address of the company | CIN/GLN | Nature of Interest |
|--------|---------------------------------|---------|--------------------|
|        | NA                              |         |                    |

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****Category-wise Share Holding**

| Category of Shareholders                  | No. of Shares held as on 01-04-2019 |          |        |                   | No. of Shares held as on 31-03-2020 |          |        |                   | % Change during the year |
|-------------------------------------------|-------------------------------------|----------|--------|-------------------|-------------------------------------|----------|--------|-------------------|--------------------------|
|                                           | Demat                               | Physical | Total  | % of Total Shares | Demat                               | Physical | Total  | % of Total Shares |                          |
| <b>A. Promoters</b>                       |                                     |          |        |                   |                                     |          |        |                   |                          |
| (1) <b>Indian</b>                         |                                     |          |        |                   |                                     |          |        |                   |                          |
| a) Individual/ HUF                        | 4462137                             | --       | 462137 | 47.65             | 4471443                             | --       | 471443 | 47.75             | 0.10                     |
| b) Central Govt.                          | --                                  | --       | --     | --                | --                                  | --       | --     | --                | --                       |
| c) State Govt(s)                          | --                                  | --       | --     | --                | --                                  | --       | --     | --                | --                       |
| d) Bodies Corp.                           | 1806658                             | --       | 806658 | 19.29             | 1806658                             | --       | 806658 | 19.29             | 0                        |
| e) Banks / FI                             | --                                  | --       | --     | --                | --                                  | --       | --     | --                | --                       |
| f) Any other                              | --                                  | --       | --     | --                | --                                  | --       | --     | --                | --                       |
| <b>Total shareholding of Promoter (A)</b> | 6268795                             | --       | 268795 | 66.95             | 6278101                             | --       | 278101 | 67.05             | 0.10                     |
| <b>B. Public Shareholding</b>             |                                     |          |        |                   |                                     |          |        |                   |                          |
| 1. Institutions                           |                                     |          |        |                   |                                     |          |        |                   |                          |
| a) Mutual Funds                           | --                                  | 16100    | 16100  | 0.17              | --                                  | 16100    | 16100  | 0.17              | 0                        |
| b) Banks / FI                             | 0                                   | 4780     | 4780   | 0.05              | --                                  | 4780     | 4780   | 0.05              | 0                        |
| c) Central Govt./ State Govt(s)           | --                                  | --       | --     | --                | --                                  | --       | --     | --                | --                       |
| d) Venture Capital Funds                  | --                                  | --       | --     | --                | --                                  | --       | --     | --                | --                       |
| e) Insurance Companies                    | --                                  | --       | --     | --                | --                                  | --       | --     | --                | --                       |
| f) FIIs                                   | --                                  | 3509     | 3509   | 0.04              | --                                  | 3509     | 3509   | 0.04              | 0                        |
| g) Foreign Venture Capital Funds          | --                                  | --       | --     | --                | --                                  | --       | --     | --                | --                       |
| h) Others (specify)                       | --                                  | --       | --     | --                | --                                  | --       | --     | --                | --                       |
| <b>Sub-total (B)(1):-</b>                 | --                                  | 24389    | 24389  | 0.26              | --                                  | 24389    | 24389  | 0.26              | 0                        |

|                                                                                  |                |               |                |              |                |               |                |              |               |
|----------------------------------------------------------------------------------|----------------|---------------|----------------|--------------|----------------|---------------|----------------|--------------|---------------|
| <b>2. Non-Institutions</b>                                                       |                |               |                |              |                |               |                |              |               |
| a) Bodies Corp.                                                                  |                |               |                |              |                |               |                |              |               |
| i) Indian                                                                        | 143174         | 4962          | 148136         | 1.58         | 126532         | 4962          | 131494         | 1.40         | (0.18)        |
| ii) Overseas                                                                     | --             | --            | --             | --           | --             | --            | --             | --           | --            |
| b) Individuals                                                                   |                |               |                |              |                |               |                |              |               |
| i) Individual shareholders holding nominal share capital upto Rs.2 lakh          | 1392627        | 453907        | 1846534        | 19.72        | 1374197        | 433951        | 1808148        | 19.31        | (0.41)        |
| ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh | 677524         | --            | 677524         | 7.24         | 711977         | --            | 711977         | 7.60         | 0.37          |
| c) Others (specify)                                                              | 102007         | -             | 102007         | 1.09         | 118130         | --            | 118130         | 1.26         | 0.17          |
| Non Resident Indians (Repat& Non Repat)                                          | 151913         | 91787         | 243700         | 2.60         | 153145         | 91587         | 244732         | 2.61         | 0.01          |
| Overseas Corporate Bodies                                                        | --             | --            | --             | --           | --             | --            | --             | --           | --            |
| Foreign Nationals                                                                | --             | --            | --             | --           | --             | --            | --             | --           | --            |
| Clearing Members                                                                 | --             | 10383         | 10383          | 0.11         | 4592           | --            | 4592           | 0.05         | (0.06)        |
| Trusts                                                                           | --             | --            | --             | --           | --             | --            | --             | --           | --            |
| Foreign Bodies - DR                                                              |                | 40700         | 40700          | 0.43         | --             | 40700         | 40700          | 0.43         | 0             |
| Market Maker                                                                     | 95             | --            | 95             | 0.001        | --             | --            | --             | --           | --            |
| Office Bearers                                                                   | --             | 1600          | 1600           | 0.02         | --             | 1600          | 1600           | 0.02         | 0             |
| <b>Sub-total (B)(2):-</b>                                                        | <b>2477723</b> | <b>592956</b> | <b>3070679</b> | <b>32.79</b> | <b>2488573</b> | <b>572800</b> | <b>3061373</b> | <b>32.70</b> | <b>(0.09)</b> |
| Total Public Shareholding (B)=(B)(1)+ (B)(2)                                     | 2477723        | 617345        | 3095068        | 33.05        | 2488573        | 597189        | 3085762        | 32.95        | (0.10)        |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                           | <b>0</b>       | <b>0</b>      | <b>0</b>       | <b>0</b>     | <b>0</b>       | <b>0</b>      | <b>0</b>       | <b>0</b>     | <b>0</b>      |
| <b>Grand Total (A+B+C)</b>                                                       | <b>8746518</b> | <b>617345</b> | <b>9363863</b> | <b>100</b>   | <b>8766674</b> | <b>597189</b> | <b>9363863</b> | <b>100</b>   | <b>0</b>      |

**B) Shareholding of Promoter's and Promoters group-**

| SN | Shareholder's Name                       | Shareholding at the beginning of the year |                                  |                                                  | Shareholding at the end of the year |                                  |                                                  | % change in shareholding during the year |
|----|------------------------------------------|-------------------------------------------|----------------------------------|--------------------------------------------------|-------------------------------------|----------------------------------|--------------------------------------------------|------------------------------------------|
|    |                                          | No. of Shares                             | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                       | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |                                          |
| 1. | Concept Reality and Securities Pvt. Ltd. | 1806658                                   | 19.29                            | 0                                                | 1806658                             | 19.29                            | 0                                                | 0                                        |
| 2. | Shobha Tainwala                          | 972069                                    | 10.38                            | 0                                                | 972069                              | 10.38                            | 0                                                | 0                                        |
| 3. | Rajkumar Tainwala                        | 518910                                    | 5.54                             | 0                                                | 522982                              | 5.59                             | 0                                                | 0.04                                     |
| 4. | Lila Devi Tainwala                       | 2890130                                   | 30.86                            | 0                                                | 2895364                             | 30.92                            | 0                                                | 0.06                                     |
| 5. | Vandana Tainwala                         | 81028                                     | 0.87                             | 0                                                | 81028                               | 0.87                             | 0                                                | 0                                        |

**C) Change in Promoter's Shareholding (please specify, if there is no change)**

| SN | Particulars              | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year/at the end of the year |               | % of total shares of the company |
|----|--------------------------|-------------------------------------------|----------------------------------|----------------------------------------------------------------|---------------|----------------------------------|
|    |                          | No. of shares                             | % of total shares of the company | Increase/Decrease in promoters shareholding                    | No. of shares |                                  |
| 1. | Mrs. Leela Devi Tainwala | 2890130                                   | 30.86                            | 5234                                                           | 2895364       | 30.92                            |
|    | <b>Closing Balance</b>   | --                                        | --                               | --                                                             | 2895364       | 30.92                            |
| 2. | Mr. Rajkumar Tainwala    | 518910                                    | 5.54                             | 4072                                                           | 522982        | 5.59                             |
|    | <b>Closing Balance</b>   | --                                        | --                               | --                                                             | 522982        | 5.59                             |

**D) Shareholding Pattern of top ten Shareholders:**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

| SN | For Each of the Top 10 Shareholders                                                | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|----|------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|    |                                                                                    | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1  | Mr. Hitesh Ramji Javeri<br>Mrs. Radhabai Ramji Javeri<br>Mrs. Harsha Hitesh Javeri | 160000                                    | 1.7087                           | 150592                                  | 1.6082                           |

|     |                                                                                    |       |        |       |        |
|-----|------------------------------------------------------------------------------------|-------|--------|-------|--------|
| 2.  | Mrs. Harsha Hitesh Javeri<br>Mr. Hitesh Ramji Javeri<br>Mrs. Radhabai Ramji Javeri | 81869 | 0.8743 | 85552 | 0.9136 |
| 3.  | K Naresh Kumar                                                                     | 84285 | 0.9001 | 84285 | 0.9001 |
| 4.  | Ketan Dhirajlal Barai                                                              | 34883 | 0.3725 | 52333 | 0.5589 |
| 5.  | Ms. Maya Hariram Melwaney                                                          | 48400 | 0.5169 | 48400 | 0.5169 |
| 6.  | Anil Agarwal                                                                       | 44121 | 0.4712 | 44121 | 0.4712 |
| 7.  | Katyayan Constructions and<br>Development LLP.                                     | 43994 | 0.4698 | 43994 | 0.4698 |
| 8.  | Kajal Ketan Barai                                                                  | 42206 | 0.4507 | 42206 | 0.4507 |
| 9.  | Mrs. Radhabai Ramji Javeri<br>Mr. Hitesh Ramji Javeri                              | 40000 | 0.4272 | 40000 | 0.4272 |
| 10. | Beena Agarwal                                                                      | 39045 | 0.4170 | 39045 | 0.4170 |

**E) Shareholding of Directors and Key Managerial Personnel:**

| SN | Shareholding of each<br>Directors and each Key<br>Managerial Personnel | Shareholding at the beginning<br>of the year |                                        | Shareholding at the end<br>of the year |                                           |
|----|------------------------------------------------------------------------|----------------------------------------------|----------------------------------------|----------------------------------------|-------------------------------------------|
|    |                                                                        | No. of shares                                | % of total<br>shares of the<br>company | No. of shares                          | % of total<br>shares of<br>the<br>company |
| 1. | Mr. Rajkumar Tainwala                                                  | 518910                                       | 5.54                                   | 522982                                 | 5.59                                      |
| 2. | Mrs. Simran Ram Mansukhani                                             | 25                                           | 0.00                                   | 25                                     | 0.00                                      |

V) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

|                                                            | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|------------------------------------------------------------|----------------------------------|-----------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |          |                    |
| i) Principal Amount                                        | --                               | --              | -        | -                  |
| ii) Interest due but not paid                              | --                               | --              | -        | -                  |
| iii) Interest accrued but not due                          | --                               | --              | -        | -                  |
| <b>Total (i+ii+iii)</b>                                    | --                               | --              | -        | -                  |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 | -        | -                  |
| * Addition                                                 | --                               | --              | -        | -                  |
| * Reduction                                                | --                               | --              | -        | -                  |
| <b>Net Change</b>                                          | --                               | --              | -        | -                  |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                 |          | -                  |
| i) Principal Amount                                        | --                               | --              | -        | -                  |
| ii) Interest due but not paid                              | --                               | --              | -        | -                  |
| iii) Interest accrued but not due                          | --                               | --              | -        | -                  |
| <b>Total (i+ii+iii)</b>                                    | --                               | --              | -        | -                  |

**IV. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL -****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

| SN. | Particulars of Remuneration                                                         |                             |                  |
|-----|-------------------------------------------------------------------------------------|-----------------------------|------------------|
|     |                                                                                     | Salary                      | Rakesh Tainwala  |
| 1   | Gross salary                                                                        |                             |                  |
|     | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 |                             | 60,00,000        |
|     | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             |                             | --               |
|     | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             |                             | --               |
| 2   | Stock Option                                                                        |                             | --               |
| 3   | Sweat Equity                                                                        |                             | --               |
| 4   | Commission- as % of profit - others, specify...                                     | --                          | --               |
| 5   | Others, please specify                                                              | Provident fund<br>Fund Fund | 13,80,000        |
|     | Total (A) Ceiling as per the Act                                                    |                             | <b>73,80,000</b> |

**B. Remuneration to other directors**

| SN. | Particulars of Remuneration                | Total Amount                                     |                  |             |       |
|-----|--------------------------------------------|--------------------------------------------------|------------------|-------------|-------|
|     |                                            | C.K. Doshi                                       | Mayank Dhuldhoya | Ketan Barai | Total |
| 1   | Independent Directors                      |                                                  |                  |             |       |
|     | Fee for attending board committee meetings | 10750                                            | 4500             | 11250       | 26500 |
|     | Commission                                 | --                                               | --               | --          | --    |
|     | Others, please specify                     | --                                               | --               | --          | --    |
|     | Total (1)                                  | 10750                                            | 4500             | 11250       | 26500 |
| 2   | Other Non-Executive Directors              |                                                  |                  |             |       |
|     | Fee for attending board committee meetings | --                                               | --               | --          | --    |
|     | Commission                                 | --                                               | --               | --          | --    |
|     | Others, please specify                     | --                                               | --               | --          | --    |
|     | Total (2)                                  | --                                               | --               | --          | --    |
|     | Total (B)=(1+2)                            | 10750                                            | 4500             | 11250       | 26500 |
|     | Total Managerial Remuneration              |                                                  |                  |             |       |
|     | Overall Ceiling as per the Act             | As per Section 197(5) of the Companies Act, 2013 |                  |             |       |

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:**

| SN | Particulars of Remuneration                                                         | Key Managerial Personnel |                                                     |                   |                  |
|----|-------------------------------------------------------------------------------------|--------------------------|-----------------------------------------------------|-------------------|------------------|
|    |                                                                                     | Salary                   | Simran Ram Mansukhani<br>(Executive Director & CFO) | Ruchira Singhania | Total            |
| 1  | Gross salary                                                                        |                          |                                                     |                   |                  |
|    | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 |                          | 13,48,962                                           | 1,80,000          | 15,28,962        |
|    | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             |                          | --                                                  | --                | --               |
|    | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              |                          | --                                                  | --                | --               |
| 2  | Stock Option                                                                        |                          | --                                                  | --                | --               |
| 3  | Sweat Equity                                                                        |                          | --                                                  | --                | --               |
| 4  | Commission                                                                          |                          |                                                     |                   |                  |
|    | - as % of profit                                                                    |                          | --                                                  | --                | --               |
|    | Others, specify                                                                     |                          | --                                                  | --                | --               |
| 5  | Others, please specify                                                              | (Provident Fund)         | 93,600                                              | 11,580            | 1,05,180         |
|    | Total                                                                               |                          | <b>14,42,562</b>                                    | <b>1,91,580</b>   | <b>16,34,142</b> |

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

**By Order of the Board**  
**Mr.Rakesh Dungarmal Tainwala**  
**Managing Director&Chairman**  
**(DIN: 00237671)**

**Place: Mumbai**

**Date: 29<sup>th</sup> July, 2020**

**FORM NO. AOC -2**  
**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act**  
**and Rule 8(2) of the Companies (Accounts) Rules, 2014**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at Arm's length basis.**

| SL. No. | Particulars                                                                                                       | Details |
|---------|-------------------------------------------------------------------------------------------------------------------|---------|
| a)      | Name (s) of the related party & nature of relationship                                                            | Nil     |
| b)      | Nature of contracts/arrangements/transaction                                                                      |         |
| c)      | Duration of the contracts/arrangements/transaction                                                                |         |
| d)      | Salient terms of the contracts or arrangements or transaction including the value, if any                         |         |
| e)      | Justification for entering into such contracts or arrangements or transactions'                                   |         |
| f)      | Date of approval by the Board                                                                                     |         |
| g)      | Amount paid as advances, if any                                                                                   |         |
| h)      | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 |         |

**2. Details of contracts or arrangements or transactions at Arm's length basis.**

| SL. No. | Particulars                                                                               | Details                                                                                                                                  |
|---------|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| a)      | Name (s) of the related party & nature of relationship                                    | M/s. Abhishri Packaging Private Limited<br>Managing Director is a Director of the said company.                                          |
| b)      | Nature of contracts/arrangements/transaction                                              | Sale of goods, Purchase of goods, Job work income, Rent Income, Interest Income                                                          |
| c)      | Duration of the contracts/arrangements/transaction                                        | More than 5 years                                                                                                                        |
| d)      | Salient terms of the contracts or arrangements or transaction including the value, if any | Sale & Purchase of goods at prevailing market rate & Dealing in day to day business relating goods & Services at Prevailing Market rate. |
| e)      | Date of approval by the Board                                                             | 20th May, 2019                                                                                                                           |
| f)      | Amount paid as advances, if any                                                           | NIL                                                                                                                                      |

By Order of the Board  
**Mr. Rakesh Dungarmal Tainwala**  
 Managing Director & Chairman  
 (DIN: 00237671)

Place: Mumbai  
 Date: 22th June, 2020

FORM NO. MR-3

**SECRETARIAL AUDIT REPORT****For the financial year ended March 31, 2020****[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,

The Members,  
Tainwala Chemicals and Plastics (India) Limited  
CIN : L24100MH1985PLC037387  
Tainwala House, Road No 18, Opp. Plot No 118,  
MIDC, Andheri (East)  
Mumbai - 400093  
Maharashtra

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tainwala Chemicals and Plastics (India) Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable as the Company has not issued any further share capital during the period under review);
  - d. The Securities and Exchange Board of India (Share based Employee Benefits Regulations, 2014) (Not Applicable to the Company during the period under review);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008; (Not Applicable as the Company has not issued and listed any debt securities during the financial year under review);
  - f. The Securities and Exchange Board of India (Registrars to an issue and share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; -
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; The Company has applied for delisting of its Equity shares under regulation 6(a) of the SEBI (Delisting of Equity Shares) Regulations, 2009 from BSE Limited. Equity Shares of the Company will continue to remain listed on the National Stock Exchange of India Limited (NSE) having nationwide Trading terminal and hence no exit opportunity is required to be given to public shareholders under SEBI (Delisting of Equity Shares) Regulations, 2009.

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during the period under review);

- VI. Taking into consideration, business activities of the Company, there are no specific regulator / law whose approval is required for undertaking business operations of the Company and hence no comment is invited in respect of the same. We have in-principally verified existing systems and mechanism which is followed by the Company to ensure compliance of other applicable Laws like Labour Laws etc and have relied on the representation made by the Company and its officers in respect of aforesaid systems and mechanism for compliances of other applicable Acts, Laws and Regulations and found the satisfactory operation of the same.

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meeting (SS-2) issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Malay Shah & Associates**  
**Company Secretaries**  
**Malay Shah**  
**(Proprietor)**

**Place: Mumbai**  
**Date : 29/07/2020**

**CP No: 12820, ACS No: 28281**

**UDIN - A028281B000574772**

**Note: This report is to be read with our letter dated 29<sup>th</sup> July, 2020 which is annexed as Annexure A and forms an integral part of this report.**

#### **ANNEXURE A**

To,  
The Members,  
Tainwala Chemicals and Plastics (India) Limited  
CIN: L24100MH1985PLC037387  
Tainwala House, Road No 18, Opp. Plot No 118,  
MIDC, Andheri (East)  
Mumbai - 400093

Our Report of even date is to be read along with this letter.

- (1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial record based on our audit.
- (2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct fact are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- (3) We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- (4) Where ever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
- (5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- (6) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Malay Shah & Associates**  
**Company Secretaries**  
**Malay Shah**  
**(Proprietor)**

**Place: Mumbai**  
**Date : 29/07/2020**

**CP No: 12820, ACS No: 28281**

**ANNEXURE 'B' TO THE DIRECTORS' REPORT****REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2019-2020:**

In compliance with regulation 34 (3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the Company submits the report for the year ended 31st March, 2020 on the matters mentioned in the said regulation and lists the practice followed by the Company in compliance with the SEBI LODR Regulations.

**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 enhance the 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 comprise of 6(Six) Directors consisting of 3(Three) Executive Directors (Managing Director & Director) and 3 (Three) Independent Directors, as on 31st March, 2020. During the year, the Board was headed by Executive Chairman – Mr. Rakesh 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 |
| Mr. Rakesh Tainwala                  | Executive & Promoter and Promoter group | Nil                                           | Nil                                                   | Nil      |
| Mr. Rajkumar Tainwala                | Promoter – Executive                    | Nil                                           | Nil                                                   | Nil      |
| Mrs. Simran Ram Mansukhani           | Executive & Chief Financial Officer     | Nil                                           | Nil                                                   | Nil      |
| Mr. Chandraprakash Kanhaiyalal Doshi | Independent & Non-Executive             | Nil                                           | Nil                                                   | Nil      |
| Mr. Mayank Dhuldhoya                 | Independent & Non-Executive             | Nil                                           | Nil                                                   | Nil      |
| Mr. Ketan Barai                      | 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.

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 120 days.

**b. INFORMATION REQUIRED UNDER REGULATION 36 (3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ON DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IS GIVEN IN THE EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013.****c. Attendance of each Director at the Board Meetings held during the year 2019-20 and at the last Annual general Meetings.**

During the financial year ended 31st March, 2020, (Four) Board Meetings were held i.e. on 20th May, 2019, 12th August, 2019, 12th November, 2019, 03rd February, 2020. The last i.e. the 34rd Annual General Meeting of the Company was held on Monday, 23rd September 2019. Details of attendance of each Director at the Board Meetings and at the Annual General Meeting are given below:

The Board of Directors is presented with all the information as set out in Part A of Schedule II read with Regulation 17 (7) of the SEBI (LODR) Regulations to the extent it is applicable and relevant. Such information is submitted either as a part of the agenda papers in advance of the respective meetings or by way of presentations & discussions during the meeting.

| Name of the Director                 | No. of Board Meetings Attended | Attended at last AGM |
|--------------------------------------|--------------------------------|----------------------|
| Mr. Rakesh Tainwala                  | 4                              | Yes                  |
| Mr. Rajkumar Tainwala                | 3                              | Yes                  |
| Mrs. Simran R. Mansukhani            | 4                              | Yes                  |
| Mr. Chandraprakash Kanhaiyalal Doshi | 3                              | Yes                  |
| Mr. Mayank Dhuldhoya                 | 4                              | Yes                  |
| Mr. Ketan Dhirajlal Barai            | 3                              | Yes                  |

### 3. BOARD COMMITTEES:-

The Board had constituted the following Committees of Directors.

#### I. AUDIT COMMITTEE:

The Audit Committee comprises of 3 (Three) members in which Two are Non-Executive Independent Directors & 1(One) Executive Director.

#### A. COMPOSITION OF AUDIT COMMITTEE AND DETAILS OF ATTENDENCE AT AUDIT COMMITTEE MEETINGS:

During the financial year ended 31st March, 2020, 4 (Four) Audit Committee Meetings were held i.e. on 20th May, 2019, 12th August, 2019, 12th November, 2019 and 03rd February, 2020. The Composition of the Audit Committee during the financial year is as follows:

| Name of the Directors                | Category                              | Number of Meetings attended |
|--------------------------------------|---------------------------------------|-----------------------------|
| Mr. Chandraprakash Kanhaiyalal Doshi | Chairman, Non-Executive & Independent | 3                           |
| Mr. Ketan Dhirajlal Barai            | Non-Executive & Independent           | 3                           |
| Mrs. Simran Ram Mansukhani           | Executive & Chief Financial Officer   | 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 Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and inter alia, performs the following functions:

- Discussing with Statutory Auditors, before the commencement of audit, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;
- Reviewing the financial statements.
- Recommending appointment, remuneration and terms of appointment of Internal Auditor of the Company;
- Reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
- Valuating undertaking or assets of the Company, Wherever it is necessary;
- Reviewing the progress made on cases that are reported under the code of Business Principles of the Company and Implication of these cases, if any, under the Companies Act, 2013.

**II. STAKEHOLDERS' RELATIONSHIP 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 redressed 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 STAKEHOLDERS' RELATIONSHIP COMMITTEE AND DETAILS OF ATTENDANCE AT STAKEHOLDER'S RELATIONSHIP COMMITTEE MEETINGS:**

Attendances of each member at the Stakeholder's Relationship Committee during the year 2019-2020 are detailed below:

| Name of the Directors                | Executive/ Non-Executive   | No. of Committee Meetings Attended |
|--------------------------------------|----------------------------|------------------------------------|
| Mr. Rajkumar Tainwala                | Executive                  | 21                                 |
| Mr. ketan Dhirajlal Barai            | Non-Executive              | 21                                 |
| Mr. Chandraprakash Kanhaiyalal Doshi | Non – Executive (Chairman) | 21                                 |

**B. STATUS OF SHAREHOLDERS/INVESTORS COMPLAINTS AND THEIR REDRESSAL:**

During the year under report, the Company has received No complaint. All requests for transfer of shares have been processed normally within prescribed time.

**III. SEPARATE INDEPENDENT DIRECTORS' MEETINGS:**

The Independent Directors meet at least once in a year, without the presence of Executive Directors or Management representatives. They also have a separate meeting with the Non-Executive Chairman, to discuss issues and concerns, if any. The Independent Directors meeting held one time i.e. on 17th March, 2020 during the Financial Year ended 31st March, 2020, to inter alia discussed following:

- The performance of Non-Independent Directors and the Board as a whole;
- The performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and
- The quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. In addition to these formal meetings, interactions outside the Board meetings also take place between the Chairman and Independent Directors.

**IV. NOMINATION & REMUNERATION COMMITTEE:**

The Remuneration Committee functions inter alias includes

- Review and recommends Remuneration of Managerial Personnel.
- Recommend suitable revision/increments whenever required to the Board of Directors.
- Carry on the evaluation of every director's performance.
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director.
- Recommended to the Board a policy relating to the remuneration of the directors, key managerial personal and other employees.

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

During the financial year under review the Committee held 1 (One) meeting on 20th May, 2019 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 |
|---------------------------|---------------------------------------|--------------------------|
| Mr. ketan Dhirajlal Barai | Chairman, Non-Executive & Independent | 1                        |
| Mr. C.K. Doshi            | Non-Executive & Independent           | 1                        |
| Mr. Mayank Dhuldhoya      | Non-Executive & Independent           | 1                        |

#### Remuneration Policy :

The Remuneration recommendations about the remuneration of Directors are subject to the approval of the Members of the Company and the remuneration of the Key Managerial Persons is to be recommended by the remuneration committee to the Board.

Managing Director is paid remuneration within the ceiling prescribed under Section 197 of the Act and Schedule V of the Act.

The details of remuneration (including perquisites and retirement benefits) paid to the directors including the sitting fees and independent directors for the financial year 2019-20 has been given in MGT-9 forming part of this Annual report.

#### (c) PROHIBITION OF INSIDER TRADING:

With a view to regulate trading in securities by the Directors and designated employees, the company has adopted a Code of Conduct for Prohibition of insider trading.

#### (d) RECONCILIATION OF SHARE CAPITAL AUDIT:

As required by the Securities & Exchange Board of India (SEBI) quarterly audit of the Company's Share capital is carried out by a Practicing Company Secretary with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited and held in physical form, with the issued and listed capital. The said Certificate with regard to same submitted to Bombay Stock Exchange Limited, The National Stock Exchange of India Limited where the Company's Shares are listed.

#### 4. GENERAL BODY MEETINGS:

- a. Details of previous Three Annual General Meetings and the summary of Special Resolutions passed are as under:

| Financial Year | Date of Meeting | Time       | Place                                                                                       | Resolution                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------|-----------------|------------|---------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2018-2019      | 23-09-2019      | 11.00 a.m. | "Tainwala House ",<br>Road No.18,M.I.D.C.,<br>Marol, Andheri<br>(East), Mumbai -<br>400 093 | To consider and if thought fit, to pass, with or without modification(s), the following resolution, as a Special Resolution:<br><br>RESOLVED THAT pursuant to the provisions of the Sections 149,150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Rules made there under, read with Schedule IV of the said Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in |

|         |            |            |                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------|------------|------------|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         |            |            |                                                                                             | <p>force), Mr. Mayank Gunvant Dhuldhoya (DIN:00067165), Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations, and who is eligible for re-appointment and in respect of whom based on his evaluation of performance, the Nomination and Remuneration Committee has recommended his re-appointment to the Board, be and is hereby re-appointed as an independent Director of the Company to hold office for a second term of 5 (Five) consecutive years commencing from 24<sup>th</sup> September, 2019."</p> <p>To consider and if thought fit, to pass, with or without modification(s), the following resolution, as a Special Resolution:</p> <p>"RESOLVED THAT pursuant to the provisions of the Sections 149,150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Rules made there under, read with Schedule IV of the said Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Chandraprakash Kanhaiyalal Doshi (DIN 02264856), Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations, and who is eligible for re-appointment and in respect of whom based on his evaluation of performance, the Nomination and Remuneration Committee has recommended his re-appointment to the Board, be and is hereby re-appointed as an independent Director of the Company to hold office for a second term of 5 (Five) consecutive years commencing from 24<sup>th</sup> September, 2019."</p> |
| 2017-18 | 25.09.2018 | 11.00 a.m. | "Tainwala House ",<br>Road No.18,M.I.D.C.,<br>Marol, Andheri<br>(East), Mumbai - 400<br>093 | No Special Resolution was passed in the AGM.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

|         |            |            |                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------|------------|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2016-17 | 26.09.2017 | 11.00 a.m. | The Indian Institute of Packaging<br>E - 2, Road No. 8,<br>MIDC Area,<br>Near Reliance<br>Energy office,<br>MIDC,<br>Andheri (East),<br>Mumbai - 400093. | 1. To consider and if thought fit, to pass, with or without modification(s), the following resolution, as a Special Resolution:<br><b>"RESOLVED THAT</b> in accordance with the provisions of Sections 196, 197, Schedule V of the Companies Act, 2013 (Act) and other applicable provisions of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company hereby accords its approval and consent to the re-appointment of Mr. Rakesh Dungarmal Tainwala (DIN No: 00237671) as a Managing Director of the Company for a period of 5 (five) years w. e. f. 26th June, 2017 to 25th June, 2022 on the terms, conditions and stipulations including remuneration as approved by the Nomination and Remuneration Committee and the Board which have been detailed in the Explanatory Statement annexed hereto (which shall form part hereof) with a liberty to the Board of Directors of the Company (hereinafter referred to as "the |
|---------|------------|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|  |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--|--|--|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  |  |  |  | <p>Board" which terms shall be deemed to be included by any committee of the board as and when constituted) to fix, increase, alter or vary from time to time, the terms and conditions of the said appointment and remuneration and/or monetary value of the perquisites as may be agreed upon by the Board of Directors and Mr. Rakesh Dungarmal Tainwala, subject to the same not exceeding at any point of time, the ceiling specified in Schedule V to the said Act, (including any Statutory Modifications or re-enactment thereof for the time being in force) or any amendment and / or modifications that may hereinafter from time to time be made thereto by the Central Government.</p> <p><b>RESOLVED FURTHER THAT</b> where in any financial year during the currency of the tenure of said appointee, the company has no profit or its profits are inadequate, the company shall pay salary &amp; perquisites as provided under Schedule V to the Companies Act, 2013 as minimum remuneration.</p> <p><b>RESOLVED FURTHER THAT</b> the afore said consent of the Company is accorded without prejudice to his right of holding managerial position of whatsoever nature in any other company and draw remuneration therefrom, subject to the regulatory guidelines and ceiling stipulated in his regard.</p> <p><b>RESOLVED FURTHER THAT</b> for the purpose of giving effect to this resolution, the Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds, matters or things as may be necessary, expedient or desirable in the best interest of the Company."</p> |
|--|--|--|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

- b. Special Resolutions were passed through Postal Ballot – NA

**5. DISCLOSURES:**

Disclosure regarding Materially Significant related party transactions:

All Transactions with related parties were in the ordinary course of business and at arm's length. The company has not entered into any transaction of a material nature with any of the related parties. Particulars of the Related Party Transaction have been disclosed in Note No.32 of the accounts.

**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:**

- a. The Company has duly complied with all the mandatory requirements as per Regulation 27 of the Listing Regulations, 2015.
- b. Compliance with Non-mandatory requirements is furnished separately under the heading "Non-mandatory Requirements".
- c. No penalties have been imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to Capital Markets.
- d. Whistle Blower Policy and affirmation that, no personnel have been denied access to the audit committee. The Company has a vigil mechanism and whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. During the year under review, no employee was denied access to Audit Committee.

**8. A. CEO/CFO Certification**

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

**B. Annual Secretarial Compliance Report**

The Company has undertaken an audit for the financial year 2019-20 for all applicable compliances as per Securities and Exchange Board of India Regulations and circulars/Guidelines issued thereunder.

The Annual Secretarial Compliance Report has been submitted to the stock exchanges within 60 days of the end of the financial year.

**C. Certificate from Company Secretary in Practice**

Mr. Malay Shah of M/s. Malay Shah & Associates, Practicing Company Secretaries has issued a certificate as required under Listing Regulations, confirming that none of the Directors on the Board of the Company were debarred or disqualified from being appointed or continuing as directors of companies by Ministry of Corporate Affairs.

**9. MEANS OF COMMUNICATION:**

- i. Quarterly Results  
The Company's Quarterly Financial Results are Published in English Language is displayed on its website ([www.tainwala.in](http://www.tainwala.in)).
- ii. Newspaper wherein results normally displayed  
The Company's results are published normally in the vernacular dailies like Mumbai Lakshadeep and also leading dailies like Financial Express as per availability of the space at the time of publishing.
- iii. Any Website, Where displayed  
The Company's website ([www.tainwala.in](http://www.tainwala.in)) contains a separate dedicated section 'Investor' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.
- iv. Whether it also displays official news release;  
During the period under review, the Company has no official news release.
- v. The Presentations made to institutional investors or to the analysts.

**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 2019-20. 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 : Wednesday, 23rd September, 2020 at 11.00a.m.  
through VIDEO-CONFERENCING ("VC") OR OTHER AUDIO  
VISUAL MEANS  
Financial Calendar : 1st April to 31st March

|                                                                         |                             |
|-------------------------------------------------------------------------|-----------------------------|
| Audited Annual results for the year ended 31st March, 2020              | By 30th June, 2020          |
| Unaudited First quarter results for quarter ended 30th June, 2020       | By 15th August, 2020        |
| Unaudited Second quarter results for quarter ended 30th September, 2020 | By 15th November, 2020      |
| Unaudited Third quarter results for quarter ended 31st December, 2020   | By 15th February, 2021      |
| Audited Annual results for the year ended 31st March, 2021              | By 30th May, 2021           |
| Annual General Meeting                                                  | Within Statutory time Limit |

Annual General Meeting:

- b) Book Closure Date : 17/09/2020 to 23/09/2020
- c) Listing on Stock Exchange : Bombay Stock Exchange Limited.  
National Stock Exchange of India  
Limited.
- d) Stock Code  
Bombay Stock Exchange Limited. : 507785  
National Stock Exchange of India Limited : TAINWALCHM
- e) Payment of Annual Listing Fees : Listing Fees for the financial year 2019-20 has been  
Paid to concerned stock exchanges.
- e) Dividend payment : Nil

**h) Stock Market Data:**

| MONTH & YEAR | BOMBAY STOCK EXCHANGE |              |        | NATIONAL STOCK EXCHANGE |              |        |
|--------------|-----------------------|--------------|--------|-------------------------|--------------|--------|
|              | HIGH<br>(RS.)         | LOW<br>(RS.) | Volume | HIG<br>H<br>(RS.)       | LOW<br>(RS.) | Volume |
| <b>2019</b>  |                       |              |        |                         |              |        |
| April        | 69                    | 56           | 30377  | 66.80                   | 58.20        | 26,894 |
| May          | 86.4                  | 56           | 17866  | 86                      | 56           | 97,892 |
| June         | 70.55                 | 54.50        | 18946  | 69                      | 56.05        | 19,216 |
| July         | 64.7                  | 49           | 7675   | 60                      | 48.50        | 19,378 |
| August       | 68.3                  | 42.6         | 76989  | 69                      | 42.40        | 64,584 |
| September    | 59                    | 44           | 10767  | 62                      | 43.70        | 20,351 |

|             |       |       |       |       |       |         |
|-------------|-------|-------|-------|-------|-------|---------|
| October     | 58.5  | 44.2  | 11310 | 58    | 43.50 | 35,891  |
| November    | 66    | 45.3  | 23111 | 65.90 | 44.05 | 114,013 |
| December    | 55    | 46.6  | 13781 | 56.70 | 47.15 | 37,582  |
| <b>2020</b> |       |       |       |       |       |         |
| January     | 81.75 | 52.7  | 64500 | 83.50 | 51.55 | 589,695 |
| February    | 70.3  | 48.25 | 33011 | 70.55 | 49    | 299,706 |
| March       | 58    | 31.75 | 14224 | 52    | 31.10 | 98,774  |

**i) Share Transfer Agents:**

The Company has appointed Link In time India Pvt. Ltd., having their office at C-101, 247 Park, L.B.S. Marg, Vikhroli(West), Mumbai-400083, 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, 2020:**

| No. of Equity shares held | No. of Shareholders | % of Shareholders | Total No. of Shares Held | % of Shares |
|---------------------------|---------------------|-------------------|--------------------------|-------------|
| 1 - 500                   | 5744                | 88.9853           | 778993                   | 8.3191      |
| 501 - 1000                | 367                 | 5.6855            | 285806                   | 3.0524      |
| 1001 - 2000               | 158                 | 2.4477            | 239153                   | 2.5540      |
| 2001 - 3000               | 64                  | 0.9915            | 164671                   | 1.7586      |
| 3001 - 4000               | 20                  | 0.3098            | 71204                    | 0.7604      |
| 4001 - 5000               | 26                  | 0.4028            | 120985                   | 1.2920      |
| 5001 - 10000              | 28                  | 0.4338            | 209876                   | 2.2413      |
| 10001 & above             | 48                  | 0.7436            | 7493175                  | 80.0222     |
| <b>TOTAL</b>              | <b>6455</b>         | <b>100%</b>       | <b>9,363,863</b>         | <b>100%</b> |

## L) Distribution Shareholding as on 31st March 2020 :

| Category Code | Category of Shareholder                                              | Total Number of shares | Total Number of shares | Number of Shares held in dematerialized form | Total shareholding as a percentage of total number of shares |
|---------------|----------------------------------------------------------------------|------------------------|------------------------|----------------------------------------------|--------------------------------------------------------------|
| <b>(A)</b>    | <b>Shareholding of Promoter and Promoter Group</b>                   |                        |                        |                                              |                                                              |
| <b>1.</b>     | <b>Indian</b>                                                        |                        |                        |                                              |                                                              |
| a             | Individuals/ Hindu Undivided Family                                  | 4                      | 4471443                | 4471443                                      | 47.75                                                        |
| b             | Central Government/ State Government(s)                              | 0                      | 0                      | 0                                            | 0                                                            |
| c             | Bodies Corporate                                                     | 1                      | 1806658                | 1806658                                      | 19.29%                                                       |
| d             | Financial Institutions / Banks                                       | 0                      | 0                      | 0                                            | 0                                                            |
| e             | Any Others(Specify)                                                  | 0                      | 0                      | 0                                            | 0                                                            |
|               | <b>Sub Total(A)(1)</b>                                               | <b>5</b>               | <b>6278101</b>         | <b>6278101</b>                               | <b>67.05%</b>                                                |
| <b>2.</b>     | <b>Foreign</b>                                                       | 0                      | 0                      | 0                                            | 0                                                            |
| a             | Individuals (Non-Residents Individuals/ Foreign Individuals)         | 0                      | 0                      | 0                                            | 0                                                            |
| b             | Bodies Corporate                                                     | 0                      | 0                      | 0                                            | 0                                                            |
| c             | Institutions                                                         | 0                      | 0                      | 0                                            | 0                                                            |
| d             | Any Others(Specify)                                                  | 0                      | 0                      | 0                                            | 0                                                            |
|               | <b>Sub Total(A)(2)</b>                                               | <b>0</b>               | <b>0</b>               | <b>0</b>                                     | <b>0</b>                                                     |
|               | Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2) | 5                      | 6278101                | 6278101                                      | 67.05%                                                       |
| <b>(B)</b>    | <b>Public shareholding</b>                                           |                        |                        |                                              |                                                              |
| <b>1.</b>     | <b>Institutions</b>                                                  |                        |                        |                                              |                                                              |
| a             | Mutual Funds/ UTI                                                    | 9                      | 16100                  | 0                                            | 0.17%                                                        |
| b             | Financial Institutions / Banks                                       | 6                      | 4780                   | 0                                            | 0.05%                                                        |
| c             | Venture Capital Funds                                                | 0                      | 0                      | 0                                            | 0                                                            |
| d             | Insurance Companies                                                  | 0                      | 0                      | 0                                            | 0                                                            |
| e             | Foreign Institutional Investors                                      | 3                      | 3509                   | 0                                            | 0.04%                                                        |
| f             | Foreign Venture Capital Investors                                    | 0                      | 0                      | 0                                            | 0                                                            |
| g             | Any Other (specify)                                                  | 0                      | 0                      | 0                                            | 0                                                            |
|               | <b>Sub-Total (B)(1)</b>                                              | <b>18</b>              | <b>24389</b>           | <b>0</b>                                     | <b>0.26%</b>                                                 |

|              |                                                                                                     |             |                |                |               |
|--------------|-----------------------------------------------------------------------------------------------------|-------------|----------------|----------------|---------------|
| 2.           | Central Government/<br>State Government/<br>President of India                                      |             |                |                |               |
|              | Central Government/<br>State Government(s)                                                          | 0           | 0              | 0              | 0             |
|              | <b>Sub-Total (B)(2)</b>                                                                             | <b>0</b>    | <b>0</b>       | <b>0</b>       | <b>0</b>      |
| <b>3</b>     | <b>Non- Institutions</b>                                                                            |             |                |                |               |
| a            | Individuals                                                                                         |             |                |                |               |
| i            | Individuals -<br>Individual shareholders<br>holding nominal share<br>capital up to Rs 2lakh         | 5941        | 1808148        | 1374197        | 19.31%        |
| ii           | Individual shareholders<br>holding nominal share<br>capital in excess of<br>Rs. 2 lakh.             | 14          | 711977         | 711977         | 7.60%         |
| b            | NBFCs registered<br>with RBI                                                                        | 0           | 0              | 0              | 0             |
| c            | Employee Trusts                                                                                     | 0           | 0              | 0              | 0             |
| d            | Overseas Depositories<br>(holding DRs)<br>(balancing figure)                                        | 0           | 0              | 0              | 0             |
| e            | Any Other ( Specify)                                                                                | 414         | 541248         | 402399         | 5.78%         |
| i            | Hindu Undivided Family                                                                              | 106         | 118130         | 118130         | 1.26%         |
| ii           | Foreign Company<br>(Non-Dom. Com)                                                                   | 5           | 40700          | 0              | 0.43%         |
| iii          | Bodies Corporate                                                                                    | 64          | 131494         | 126532         | 1.40%         |
| iv           | NRI (Repat)                                                                                         | 187         | 187371         | 102119         | 2.00%         |
| v            | NRI (Non-Repat)                                                                                     | 28          | 57361          | 51026          | 0.61%         |
| vi           | Clearing Member                                                                                     | 16          | 4592           | 4592           | 0.05%         |
| k            | Market Maker                                                                                        | 0           | 0              | 0              | 0             |
| l            | Office bearer                                                                                       | 8           | 1600           | 0              | 0.02%         |
|              | <b>Sub-Total (B)(3)</b>                                                                             | <b>6369</b> | <b>3061373</b> | <b>2488573</b> | <b>32.69%</b> |
| <b>(B)</b>   | <b>Total Public<br/>Shareholding<br/>(B)=(B)(1)+(B) (2)+(B)(3)</b>                                  | <b>6387</b> | <b>3085762</b> | <b>2488573</b> | <b>32.95%</b> |
| <b>( C )</b> | <b>Shares held by<br/>Custodians and against<br/>which Depository Receipts<br/>have been issued</b> |             |                |                |               |
| c-1          | Promoter and<br>Promoter Group                                                                      | 0           | 0              | 0              | 0             |
| c-2          | Public                                                                                              | 0           | 0              | 0              | 0             |
|              | <b>GRAND TOTAL<br/>(A)+(B)+(C)</b>                                                                  | <b>6392</b> | <b>9363863</b> | <b>8766674</b> | <b>100%</b>   |

**m) Status of Dematerialization of Shares as on 31st March 2020:**

| Particulars  | No. of Shares    | % to Total Capital |
|--------------|------------------|--------------------|
| NSDL         | 79,33,143        | 84.72              |
| CDSL         | 8,33,531         | 08.91              |
| PHYSICAL     | 5,97,189         | 6.37               |
| <b>TOTAL</b> | <b>9,363,863</b> | <b>100.00%</b>     |

**n) Company ISIN No.**

: INE123C01018

**o) CIN No.**

: L24100MH1985PLC037387

**p) Works**: Plot No. 87 Government Industrial Estate,  
Khadoli Village, Silvassa-396230.  
Dadra & Nagar Haveli-U.T**q) Address for Correspondence**: Shareholder's correspondence relating to transfer/  
transmission/issue of duplicate shares or for any que-  
ries or grievances should be addressed to Company's  
RTA at the address mentioned below:

Registrar and Share Transfer Agent M/s

Link Intime India Pvt. Ltd.  
C 107, 247 Park, L.B.S. Marg,  
Vikhroli (West), Mumbai  
- 400 083

Phone: +91 22 49186000 | Extn: 2337

Fax: +91 22 49186060

Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)**a) Registered Office**

: Tainwala House, Road No.18, MID C, Marol,

Andheri (East), Mumbai - 400093

Website: [www.tainwala.in](http://www.tainwala.in)Email: [cs@tainwala.in](mailto:cs@tainwala.in), [simran@tainwala.in](mailto:simran@tainwala.in)**For and on behalf of the board****Mr. Rakesh Dungarmal Tainwala**  
**Chairman & Managing Director**

Place: Mumbai.

Date: 29th July, 2020

**ANNEXURE TO CORPORATE GOVERNANCE REPORT  
CERTIFICATE BY A COMPANY SECRETARY IN PRACTICE**

[Pursuant to clause (i) of Point (10) of Para C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To  
The Members  
TAINWALA CHEMICALS AND PLASTICS (INDIA) LIMITED  
CIN: L24100MH1985PLC037387  
"Tainwala House" Road No 18, Opp. Plot No 118, MIDC,  
Marol, Andheri (East), Mumbai - 400093

We have examined the following documents:

- i) Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');
- ii) Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents'), as submitted by the Directors of Tainwala Chemicals and Plastics (India) Limited ('the Company') bearing CIN: L24100MH1985PLC037387 and having its Registered Office at "Tainwala House" Road No 18, Opp. Plot No 118, MIDC, Marol Andheri (East) Mumbai - 400093, to the Board of Directors of the Company ('the Board') for the financial year 2019-20. We have considered non-disqualification to include non-debarment.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Based on our examination of relevant documents made available to us by the Company and such other verifications carried out by us as deemed necessary and adequate, in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, we certify that as on date of this Certificate, none of the Directors on the Board of the Company, as listed hereunder, have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

| Serial No. | Name of Director                     | Director Identification Number (DIN) |
|------------|--------------------------------------|--------------------------------------|
| 1          | Mr. Rakesh Dungarmal Tainwala        | 00237671                             |
| 2          | Mrs. Simaran Ram Mansukhaani         | 06500475                             |
| 3          | Mr. Rajkumar Dungarmal Tainwala      | 00294029                             |
| 4          | Mr. Mayank Gunvant Dhuldhoya         | 00067165                             |
| 5          | Mr. Chandraprakash Kanhaiyalal Doshi | 02264856                             |
| 6          | Mr. Ketan Dhirajlal Barai            | 00039816                             |

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31st March, 2020.

**For Malay Shah and Associates  
Company Secretaries  
Malay Shah**

**Proprietor  
Membership No. A28281  
CP No.12820  
UDIN - A028281B000574794**

**Place: Mumbai  
Date: 29-07-2020**

**DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT**

I hereby declare that the Company has adopted a code of conduct for Directors and Senior Management Personnel of the Company at the meeting of the Board of Directors.

A Statement of allegiance to the Code of Conduct has been obtained from all the senior management personnel and functional heads and such statement of allegiance will be obtained on an annual basis from all the Directors, senior management personnel and functional heads.

**For Tainwala Chemicals Plastics (I) Limited**

**Mr. Rakesh Dungarmal Tainwala**  
**Managing Director & Chairman**

**Place: Mumbai**

**Date: 22<sup>nd</sup> June, 2020**

**CEO/CFO CERTIFICATION**

We, Mr. Rakesh Tainwala and Mrs. Simran R Mansukhani hereby certify that

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2020 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 nor do they 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) We state that to the best of our knowledge and belief, no transactions have been entered into by the company during the year which are fraudulent, illegal or violate of the company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls and have evaluated the effectiveness of internal control systems of the Company; and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal control systems, if any and we have done or propose to do to rectify these;
- (d) We have also disclosed to the auditors and as well as the Audit Committee:
  - i. Significant changes in accounting policies during the year;
  - ii. Significant Changes in accounting policies during the year have been disclosed in the notes to the financial statements;
  - iii. Instances of Significant fraud of which we have become aware and the involvement therein, by any of the management or an employee having a significant role in Company's control system over financial reporting.

**FOR TAINWALA CHEMICALS AND PLASTICS (INDIA) LTD.**

**Simran R Mansukhani Executive**  
**Director & Chief Financial Officer**

**Rakesh Tainwala**  
**Managing Director**

**Place: Mumbai**

**Date: 22<sup>nd</sup> June, 2020.**

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

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**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 Rs. 1,057.77 lakhs. The Company achieved a Net Profit of Rs. 433.66 lakhs. 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 according 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. Thus it 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 equipment's 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 Organization largely depends on the quality of its workforce and hence has always recognized people as its key workforce. The belief 'great people create great organizations' has been at the core of the Company's approach to its people. The Company has created a favorable 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 in-house 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 realization, forex market, changes in government policies and regulations, tax regimes, economic development and other incidental factor

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To  
**The Members of  
Tainwala Chemicals and Plastics (India) Limited**

We, GMJ & Co., Chartered Accountants, the Statutory Auditors of Tainwala Chemicals and Plastics (India) Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C & D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

**Managements' Responsibility**

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

**Auditor's Responsibility**

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

## Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2020.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company. This certificate is issued solely for the purpose of complying with Listing Regulations and may not be suitable for any other purpose.

**For GMJ & Co**  
**Chartered Accountants**  
**(FRN.: 103429W)**

**HARIDAS BHAT**  
**Partner**  
**Membership No.: 039070**

**UDIN :20039070AAAAGI7951**

**Place : Mumbai**  
**Date : July 29, 2020**

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF TAINWALA CHEMICALS AND PLASTICS (INDIA)

#### LIMITED Report on the Audit of the Ind AS Financial Statements Opinion

We have audited the accompanying Ind AS financial statements of **TAINWALA CHEMICALS AND PLASTICS (INDIA) LIMITED** ("*the Company*") which comprise the Balance Sheet as **at March 31, 2020**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to financial statements, including a summary of significant accounting policies (hereinafter referred to as the "the Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as **at March 31, 2020**, and the profit (Financial performance including total comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Emphasis of Matter

We draw your attention to Note 2 to the statement, which describes the economic and social disruption as a result of COVID-19 pandemic of the company's business and financial metrics including the company's estimates of future business activity which are highly dependent on uncertain future developments.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Sr.No. | Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                   | How was the matter addressed in our audit                                                                                                                        |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1      | <b>Balance Confirmations [refer note no. 44 to the Ind AS financial statements]</b><br>The balances in accounts of certain trade receivables, trade payables and loans and advances given 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.                     |
| 2      | <b>Impairment of PPE [refer note no. 44 to the Ind AS financial statements]</b><br>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.                                                       | Based on our observations, no provision for impairment has been considered necessary as at March 31, 2020                                                        |
| 3      | <b>Deferred Tax Assets\ Liabilities [refer note no. 12 to the Ind AS financial statements]</b><br>Considering the probability of availability of future taxable profits in the period in which tax losses expire, deferred tax assets have not been recognized in respect of unabsorbed depreciation, business losses and long term capital losses carried forward by the Company. | Deferred tax assets have not been recognized in respect of unabsorbed depreciation, business losses and long term capital losses carried forward by the Company. |

### Other information

The Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance, but does not include the Ind AS financial statements and our auditor's report thereon. The above stated reports are expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the above stated reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and

cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

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

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

Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Ind AS financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Ind AS financial statements have been kept by the Company so far as it appears from our examination of those books.
- c) The company does not have any branches. Hence, the provisions of section 143(3)(c) is not applicable.
- d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- e) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) With respect to adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- i) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position as referred to the Ind AS financial statement.
  - (ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
  - (iii) There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For GMJ & Co**  
**Chartered Accountants**  
**(FRN.: 103429W)**

**(CA HARIDAS BHAT)**  
**Partner**  
**Membership No.: 039070**

**UDIN : 20039070AAAAEG1290**

**Place : Mumbai**  
**Date : June 22, 2020**

**TAINWALA CHEMICALS AND PLASTICS (INDIA) LIMITED**

**Annexure 'A' to the Independent Auditors' Report**

(Referred to in paragraph 9 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.  
  
(b) Property, Plant and Equipment have been physically verified by the management at regular intervals, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.  
  
(c) According to the information and explanation given to us and on the basis of our verification, title deeds of all immovable properties are held in the name of the company.
- ii. As explained to us, management has conducted physical verification of inventory at regular intervals during the year and no material discrepancies were noticed on such physical verification.
- iii. The Company had granted unsecured loans to two companies in earlier years covered in the register maintained under Section 189 of the Act.
  - (a) In our opinion, the rate of interest and other terms and conditions of the grant of such loans were not, prima facie, prejudicial to the interest of the company.
  - (b) The Principal amount and interest are payable on demand and therefore, the question of overdue amount as such does not arise. However, receipt of interest is regular except for a interest free loan of Rs. 3,91,15,941 which is fully provided for as doubtful.
  - (c) The Company is taking necessary steps for recovery of the above interest free loan, however, in our opinion, more concerted efforts are needed to recover the same.
- iv. In our opinion and according to the information and explanations given to us, during the year, the Company has not granted any loans or provided any guarantees or security in respect of any loans to any party covered under section 185 of the Companies Act, 2013. In respect of loan has been given in the previous years, the provision of Section 186 of the Companies Act, 2013 have been complied with.

- v. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public within the meaning of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the services rendered by the Company. Therefore, the provisions of clause 3(vi) of the Order are not applicable to the company.
- vii. (a) The company has been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, Goods and service tax, service tax, duty of customs, cess and any other statutory dues have generally been regularly deposited with the appropriate authorities. There are no outstanding dues as on the last day of the financial year for a period of more than six months from the date they became payable.

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks during the year under audit. There are no dues to Financial Institution, Government and the Company has not issued any debentures.
- ix. According to the information and explanations given to us and based on the records and documents produced before us, during the year the company has not raised money by way of initial public offer or further public offer and the term loans have been applied for the purposes for which they were obtained.
- x. To the best of our knowledge and belief and according to the information given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on the records and documents produced before us, managerial remuneration has been paid by the company in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.
- xii. As the company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, therefore the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.

- xiii. According to the information and explanation given to us all transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures.
- xiv. According to the information and explanations given to us and based on the records and documents produced before us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him under the provisions of section 192 of Companies Act, 2013.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

**For GMJ & Co**  
**Chartered Accountants**  
**(FRN: 103429W)**

**(CA HARIDAS BHAT)**  
**Partner**  
**Membership No.: 039070**

**UDIN : 20039070AAAAEG1290**

**Place : Mumbai**  
**Date : June 22, 2020**

**TAINWALA CHEMICALS AND PLASTICS (INDIA) LIMITED****Annexure – ‘B’ to the Auditors’ Report**

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

We have audited the internal financial controls over financial reporting of “**TAINWALA CHEMICALS AND PLASTICS (INDIA) LIMITED**” (“the Company”) as of **March 31, 2020** in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as **at March 31,2020**, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For GMJ & Co**  
**Chartered Accountants**  
**(FRN: 103429W)**

**(CA HARIDAS BHAT)**  
**Partner**  
**Membership No.: 039070**

**UDIN : 20039070AAAAEG1290**

**Place : Mumbai**  
**Date : June 22, 2020**

**BALANCE SHEET AS AT MARCH 31 2020**

(Amount in Lakhs)

| Particulars                               | Notes | March 31, 2020  | March 31, 2019  |
|-------------------------------------------|-------|-----------------|-----------------|
| <b>ASSETS</b>                             |       |                 |                 |
| <b>Non-Current Assets</b>                 |       |                 |                 |
| (a) Property, Plant and Equipment         | 4     | 270.02          | 311.25          |
| (b) Intangible Assets                     | 5     | 0.07            | 0.20            |
| (c) Financial Assets                      |       |                 |                 |
| (i) Investments                           | 6     | 6,281.98        | 5,354.67        |
| (ii) Loans                                | 7     | 819.03          | 939.99          |
| (d) Other Non-Current Assets              | 8     | 81.71           | 103.29          |
|                                           |       | 7,452.81        | 6,709.40        |
| <b>Current Assets</b>                     |       |                 |                 |
| (a) Inventories                           | 9     | 423.74          | 577.01          |
| (b) Financial Assets                      |       |                 |                 |
| (i) Trade Receivables                     | 10    | 249.24          | 65.28           |
| (ii) Cash and Cash Equivalents            | 11    | 0.97            | 275.06          |
| (iii) Bank Balances Other than (ii) above | 12    | 666.80          | 72.68           |
| (iv) Other Financial Assets               | 13    | 22.07           | 190.02          |
| (c) Other Current Assets                  | 14    | 60.68           | 52.31           |
|                                           |       | 1,423.49        | 1,232.37        |
| <b>TOTAL</b>                              |       | <b>8,876.31</b> | <b>7,941.77</b> |
| <b>EQUITY AND LIABILITIES</b>             |       |                 |                 |
| <b>Equity</b>                             |       |                 |                 |
| (a) Equity Share capital                  | 15    | 936.39          | 936.39          |
| (b) Other Equity                          | 16    | 7,641.69        | 6,761.31        |
|                                           |       | 8,578.07        | 7,697.70        |
| <b>Liabilities</b>                        |       |                 |                 |
| <b>Non Current Liabilities</b>            |       |                 |                 |
| Provisions                                | 17    | 55.36           | 49.35           |
|                                           |       | 55.36           | 49.35           |
| <b>Current Liabilities</b>                |       |                 |                 |
| (a) Financial Liabilities                 |       |                 |                 |
| (i) Borrowings                            | 18    | 4.34            | -               |
| (ii) Trade Payables                       |       |                 |                 |
| Micro, Small and Medium Enterprises       |       |                 |                 |
| Others                                    | 19    | 195.92          | 153.76          |
| (iii) Other Financial Liabilities         | 20    | 13.66           | 20.56           |
| (b) Other Current Liabilities             | 21    | 19.02           | 11.11           |
| (c) Provisions                            | 22    | 9.93            | 9.29            |
|                                           |       | 242.88          | 194.72          |
| <b>TOTAL</b>                              |       | <b>8,876.31</b> | <b>7,941.77</b> |

Significant Accounting Policies and Notes forming part of the Financial Statements

1 to 45

As per our report of even date attached

For GMJ & Co  
Chartered Accountants  
Firm Registration No. 103429W

CA. Haridas Bhat  
Partner  
Membership No. 039070

UDIN : 20039070AAAAEG1290  
Place: Mumbai  
Date : June 22, 2020

For and on behalf of the Board of Directors

Rakesh Tainwala  
Managing Director  
(DIN:00237671)

Simaran RMansukhaani  
Director Finance & CFO  
(DIN:06500475)

Place: Mumbai  
Date : June 22, 2020

Ruchira Singhania  
Company Secretary  
(ACS:- 47494)

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31 2020**

(Amount in Lakhs)

| Particulars                                                                                           | Notes | March 31, 2020                                         | March 31, 2019                                                    |
|-------------------------------------------------------------------------------------------------------|-------|--------------------------------------------------------|-------------------------------------------------------------------|
| <b>REVENUE</b>                                                                                        |       |                                                        |                                                                   |
| Revenue from operations (net)                                                                         | 23    | 1,057.77                                               | 1,152.90                                                          |
| Other income                                                                                          | 24    | 686.49                                                 | 563.81                                                            |
| <b>Total Revenue (I)</b>                                                                              |       | <b>1,744.26</b>                                        | <b>1,716.71</b>                                                   |
| <b>EXPENSES</b>                                                                                       |       |                                                        |                                                                   |
| Cost of materials consumed                                                                            | 25    | 628.51                                                 | 949.03                                                            |
| Purchases for resale                                                                                  | 26    | 6.26                                                   | 283.56                                                            |
| Changes in inventories of finished goods, work-in-progress and other tradable items                   | 27    | 226.05                                                 | (222.92)                                                          |
| Employee benefits expense                                                                             | 28    | 228.84                                                 | 233.34                                                            |
| Finance costs                                                                                         | 29    | 3.43                                                   | 3.77                                                              |
| Depreciation and amortization expense                                                                 | 30    | 49.75                                                  | 41.05                                                             |
| Other expenses                                                                                        | 31    | 166.07                                                 | 250.20                                                            |
| <b>Total Expenses (II)</b>                                                                            |       | <b>1,308.92</b>                                        | <b>1,538.02</b>                                                   |
| <b>Profit/(loss) before exceptional items and tax (I-II)</b>                                          |       | <b>435.34</b>                                          | <b>178.69</b>                                                     |
| Exceptional Items earlier taxes                                                                       |       | -                                                      | -                                                                 |
| <b>Profit/(loss) before tax</b>                                                                       |       | <b>435.34</b>                                          | <b>178.69</b>                                                     |
| <b>Tax expense:</b>                                                                                   |       |                                                        |                                                                   |
| Current tax                                                                                           |       | -                                                      | -                                                                 |
| Adjustment of tax relating to earlier periods                                                         |       | (1.68)                                                 | 26.67                                                             |
| Deferred tax                                                                                          |       | -                                                      | -                                                                 |
| <b>Profit/(loss) for the period</b>                                                                   |       | <b>433.66</b>                                          | <b>152.02</b>                                                     |
| <b>OTHER COMPREHENSIVE INCOME</b>                                                                     |       |                                                        |                                                                   |
| <b>A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:</b> |       |                                                        |                                                                   |
| Remeasurement of gains (losses) on defined benefit plans                                              |       | 0.92                                                   | (0.71)                                                            |
| Income tax effect                                                                                     |       | -                                                      | -                                                                 |
| Equity Instruments through Other Comprehensive Income                                                 |       | 445.79                                                 | (52.35)                                                           |
| <b>Other Comprehensive income for the year, net of tax</b>                                            |       | <b>446.71</b>                                          | <b>(53.06)</b>                                                    |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>                                          |       | <b>880.38</b>                                          | <b>152.29</b>                                                     |
| <b>Earnings per share for profit attributable to equity shareholders</b>                              |       |                                                        |                                                                   |
| Basic and Diluted EPS                                                                                 | 32    | 4.63                                                   | 2.19                                                              |
| Significant Accounting Policies and Notes forming part of the Financial Statements 1 to 45            |       |                                                        |                                                                   |
| As per our report of even date attached                                                               |       |                                                        |                                                                   |
| For GMJ & Co<br>Chartered Accountants<br>Firm Registration No. 103429W                                |       | For and on behalf of the Board of Directors            |                                                                   |
| CA. Haridas Bhat<br>Partner<br>Membership No. 039070                                                  |       | Rakesh Tainwala<br>Managing Director<br>(DIN:00237671) | Simaran R Mansukhaani<br>Director Finance & CFO<br>(DIN:06500475) |
| UDIN : 20039070AAAAEG1290<br>Place: Mumbai<br>Date : June 22, 2020                                    |       | Place: Mumbai<br>Date: June 22, 2020                   | Ruchira Singhania<br>Company Secretary<br>(ACS:- 47494)           |

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020**

(Amount in INR Lakhs)

| Particulars                                                                        | March 31, 2020 | March 31, 2019 |
|------------------------------------------------------------------------------------|----------------|----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                       |                |                |
| Profit before tax                                                                  | 435.34         | 178.69         |
| Adjustments for:                                                                   |                |                |
| Depreciation and amortisation expense                                              | 49.75          | 41.05          |
| Gain on sale of investments and fixed assets                                       | (10.86)        | (48.47)        |
| Changes in fair value of financial assets at fair value through profit or loss     | 31.40          | 11.91          |
| Loss allowance on financial assets                                                 | -              | 25.03          |
| Sundry balances and provisions no longer required (written back)/written off (Net) | 0.94           | 0.27           |
| Dividend and interest income classified as investing cash flows                    | (710.88)       | (531.57)       |
| Finance costs                                                                      | 3.43           | 3.77           |
| Unrealised foreign exchange differences                                            | (3.85)         | 4.33           |
| Change in operating assets and liabilities:                                        |                |                |
| (Increase)/Decrease in trade receivables                                           | (183.96)       | 98.93          |
| (Increase)/Decrease in inventories                                                 | 153.27         | (103.00)       |
| Increase/(decrease) in trade payables                                              | 38.31          | 58.45          |
| (Increase) in other financial assets                                               | -              | -              |
| (Increase)/decrease in other assets                                                | 13.88          | 22.89          |
| (Increase)/decrease in other bank balance                                          | (594.12)       | (34.88)        |
| Increase/(decrease) in provisions                                                  | 7.58           | 7.52           |
| Increase/(decrease) in other financial liabilities                                 | 6.90           | 1.09           |
| Increase/(decrease) in other current liabilities                                   | 7.92           | 6.18           |
| Cash generated from operations                                                     | (754.94)       | (257.81)       |
| Less: Income taxes paid (Net)                                                      | (11.84)        | (17.46)        |
| Net cash inflow from operating activities                                          | (743.10)       | (240.35)       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                       |                |                |
| Payments for property, plant and equipment                                         | (41.32)        | (55.36)        |
| Payments for purchase of intangible assets                                         | (0.16)         | -              |
| Payments for purchase of investments                                               | (481.52)       | (141.96)       |
| (Increase)/decrease in Loans                                                       | 120.96         | 153.68         |
| Dividends received                                                                 | 626.49         | 331.15         |
| Interest received                                                                  | 252.34         | 89.23          |
| Net cash outflow from investing activities                                         | 476.78         | 376.74         |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                                       |                |                |
| Repayment of borrowings                                                            | (4.34)         | -              |
| Interest paid                                                                      | (3.43)         | (3.77)         |
| Net cash inflow (outflow) from financing activities                                | (7.77)         | (3.77)         |
| Net increase (decrease) in cash and cash equivalents                               | (274.09)       | 132.62         |
| Cash and Cash Equivalents at the beginning of the financial year                   | 275.06         | 142.45         |
| Cash and Cash Equivalents at end of the year                                       | 0.97           | 275.06         |
| Reconciliation of cash and cash equivalents as per the cash flow statement:        |                |                |
| Cash and cash equivalents as per above comprise of the following:                  |                |                |
| Cash and cash equivalents                                                          | 0.97           | 275.06         |
| Bank overdrafts                                                                    |                |                |
| Balances per statement of cash flows                                               | 0.97           | 275.06         |

As per our report of even date attached

For and on behalf of the Board of Directors

For GMJ & Co  
Chartered Accountants  
Firm Registration No. 103429W

CA. Haridas Bhat  
Partner  
Membership No. 039070

UDIN : 20039070AAAAEG1290  
Place: Mumbai  
Date : June 22, 2020

Rakesh Tainwala  
Managing Director  
(DIN:00237671)

Simaran R Mansukhaani  
Director Finance & CFO  
(DIN:06500475)

Place: Mumbai  
Date : June 22, 2020

Ruchira Singhania  
Company Secretary  
(ACS:- 47494)

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**1** **Corporate Information**

These statements comprise financial statements of Tainwala Chemicals & Plastics (India) Limited (the company)(CIN:L24100MH1985PLC037387) for the year ended March 31, 2020. The company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the company is located at Tainwala House, Road No. 18, M.I.D.C., Marol, Andheri (East), Mumbai - 400 093

The Company is principally engaged in the manufacturing of plastic sheets and trading. The financial statements were authorised for issue in accordance with a resolution of the directors on June 22, 2020.

**2** **Significant Accounting Policies**

**2.1** **Basis of preparation**

Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) and
- Employee defined benefit assets/(obligations) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligations

The outbreak of COVID-19 virus continues to spread across the globe including India, resulting in significant volatility in financial markets and a significant decrease in global and India's economic activities. On March 11, 2020, this outbreak was declared a global pandemic by the World Health Organization. On March 11, 2020, the Indian Government announced a 21 - days lockdown which was further extended till 31st May 2020 across the nation to contain the spread of the virus and still continues to be across many parts of the country in India. The pandemic and its consequent adverse effect on the economy also adversely impacted the financial markets.

In preparing these financial statements, the Company's management has assessed the impact of the pandemic on its operations and its assets including the value of its investments as at March 31, 2020 based on estimate of the future results and various internal and external information available up to the date of approval of these financial statements. The estimates as at the date of approval of these financial results may differ based on the ongoing impact of the pandemic and the timing of the improvement in the economy and the financial markets.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**2.2** **Summary of significant accounting policies**

**(A)** **Property, plant and equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Freehold land are stated at cost. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

## **TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**

### **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the Property, plant and equipment is de-recognized.

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the statement of profit and loss.

Costs of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated on straight line basis using the useful lives as prescribed under Schedule II to the Companies Act, 2013. If the management's estimate of the useful life of a item of property, plant and equipment at the time of acquisition or the remaining useful life on a subsequent review is shorter than the envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/ remaining useful life.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term. Leasehold assets are amortised on a straight line basis over the balance period of lease.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

#### **(B) Intangible assets**

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and accumulated impairment loss.

Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates. An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and disposal.

Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss.

Amortisation methods and periods

Intangible assets comprising of Surface Rights are amortized on a straight line basis over the useful life of three years which is estimated by the management.

The estimated useful lives of intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern, if any.

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

(C) Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

(D) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is entity's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in statement of profit or loss. Non monetary assets and liabilities are carried at cost.

(E) Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

a) Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

(i) Amortised Cost

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

## **TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**

### **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### (ii) Fair Value through other comprehensive income

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### (iii) Fair Value through Profit or Loss

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### b) Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

#### (i) Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

#### (ii) Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### c) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

### d) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

e) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

f) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(F) Financial liabilities and equity instruments

(i) Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

(G) Taxes

(i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred income tax is recognized using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

(H) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. valued at lower of cost and net realisable value. Cost is computed on FIFO basis.

Finished goods and stock in progress: Finished goods and stock-in-process are valued at lower of cost and net realizable value. Cost for this purpose includes estimated cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Traded goods: Valuation of stock in traded goods is carried out at lower of its cost and quoted market price. Cost is ascertained on FIFO basis.

Stores and spares : Stores and spares are charged to consumption in the year of procurement.

(I) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties. The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Recognising revenue from major business activities

a) Sale of goods and other tradable items

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

b) Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR).

c) Dividend income

Revenue is recognised when the company's right to receive the payment is established, which is generally when shareholders approve the dividend.

(J) Employee benefits

(a) Short-term Obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit obligations

The earned leave obligations are presented as current liabilities in the balance sheet as the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The company operates the following post-employment schemes:

(a) defined benefit plans viz gratuity,

(b) defined contribution plans viz provident fund/pension fund.

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

(b) Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The plan assets are administered by the approved gratuity fund trust.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(c) Defined contribution plans

The company pays provident fund/pension fund contributions to approved publicly administered provident funds/pension funds. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(d) Termination benefits

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

(K) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(i) As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(ii) As a lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

(iii) Arrangements in the nature of lease

The Company enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the Company applies the requirements of Ind AS 116 – Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 116 – Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

(L) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(M) Borrowing costs

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate (EIR) applicable to the respective borrowing.

Borrowing costs, allocated to qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

All other borrowing costs are recognised as an expense in the period which they are incurred.

(N) Segment Reporting - Identification of Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

(O) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(P) Cash and cashequivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(Q) Current/non current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting p

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

(R) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(S) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakh as per the requirement of Schedule III, unless otherwise stated.

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**Significant accounting judgements, estimates and assumptions**

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

Critical estimates and judgements

- (i) Estimation of net realizable value for inventory  
Inventory is stated at the lower of cost and net realizable value (NRV).  
NRV for completed inventory is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Company, based on comparable transactions identified.
- (ii) Impairment of non - financial assets  
The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.  
  
In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.
- (iii) Recoverability of trade receivables  
In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.
- (iv) Useful lives of property, plant and equipment/intangible assets  
The Company reviews the useful life of property, plant and equipment/intangible assets at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.
- (v) Defined benefit plans  
The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED****STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020****A Equity Share Capital**

(Amount in INR Lakhs)

| Particulars    | Balance at the Beginning of the year | Changes in Equity share capital during the year | Balance at the end of the year |
|----------------|--------------------------------------|-------------------------------------------------|--------------------------------|
| March 31, 2020 |                                      |                                                 |                                |
| Numbers        | 93.64                                | -                                               | 93.64                          |
| Amount         | 936.39                               | -                                               | 936.39                         |
| March 31, 2019 |                                      |                                                 |                                |
| Numbers        | 93.64                                | -                                               | 93.64                          |
| Amount         | 936.39                               | -                                               | 936.39                         |

**B Other Equity**

| Particulars                             | Reserves and Surplus |                            |                   | Equity Instruments through OCI | Total    |
|-----------------------------------------|----------------------|----------------------------|-------------------|--------------------------------|----------|
|                                         | Capital Reserve      | Securities Premium Reserve | Retained Earnings |                                |          |
| As at April 1, 2019                     | 250.50               | 2,507.16                   | 2,259.36          | 1,744.29                       | 6,761.31 |
| Profit for the period                   | -                    | -                          | 433.66            | -                              | 433.66   |
| Other comprehensive income              | -                    | -                          | 0.92              | 445.79                         | 446.71   |
| Total comprehensive income for the year | 0                    | 0                          | 434.59            | 445.79                         | 880.38   |
| As at March 31, 2020                    | 250.50               | 2,507.16                   | 2,693.95          | 2,190.08                       | 7,641.69 |

Significant Accounting Policies and Notes forming part of the Financial Statements

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As per our report of even date attached

For GMJ & Co  
Chartered Accountants  
Firm Registration No. 103429W

For and on behalf of the Board of Directors

CA. Haridas Bhat  
Partner  
Membership No. 039070

Rakesh Tainwala  
Managing Director  
(DIN:00237671)

Simaran RMansukhaani  
Director Finance & CFO  
(DIN:06500475)

UDIN : 20039070AAAAEG1290  
Place: Mumbai  
Date: June 22, 2020

Place: Mumbai  
Date: June 22, 2020

Ruchira Singhania  
Company Secretary  
(ACS:- 47494)

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31 2020**

**4. PROPERTY, PLANT AND EQUIPMENT**

| (Amount in INR Lakhs)                      |       |                |           |                      |                        |          |                   |                    |                 |
|--------------------------------------------|-------|----------------|-----------|----------------------|------------------------|----------|-------------------|--------------------|-----------------|
| Particulars                                | Land  | Leasehold Land | Buildings | Plant and Equipments | Furniture and Fixtures | Vehicles | Office Equipments | Computer Hardwares | Dies and Moulds |
| <b>GROSS CARRYING VALUE</b>                |       |                |           |                      |                        |          |                   |                    |                 |
| As at April 1, 2019                        | 32.92 | 1.56           | 158.03    | 66.72                | 0.65                   | 169.19   | 3.40              | 0.70               | 10.90           |
| Additions                                  | -     | -              | -         | 8.10                 | -                      | -        | 0.29              | -                  | -               |
| As at March 31 2020                        | 32.92 | 1.56           | 158.03    | 74.82                | 0.65                   | 169.19   | 3.69              | 0.70               | 10.90           |
| As at March 31, 2020                       | 32.92 | 1.56           | 158.03    | 74.82                | 0.65                   | 169.19   | 3.69              | 0.70               | 10.90           |
| <b>ACCUMULATED DEPRECIATION/IMPAIRMENT</b> |       |                |           |                      |                        |          |                   |                    |                 |
| As at April 1, 2019                        | -     | 0.06           | 32.74     | 28.98                | 0.65                   | 61.93    | 2.54              | 0.48               | 5.44            |
| Depreciation for the year                  | -     | 0.02           | 10.53     | 8.81                 | -                      | 27.99    | 0.60              | 0.13               | 1.53            |
| As at March 31 2020                        | -     | 0.08           | 43.27     | 37.79                | 0.65                   | 89.92    | 3.14              | 0.61               | 6.97            |
| Net Carrying value as at March 31, 2020    | 32.92 | 1.48           | 114.76    | 37.03                | 0.00                   | 79.27    | 0.54              | 0.09               | 3.92            |
| Net Carrying value as at March 31, 2019    | 32.92 | 1.50           | 125.29    | 37.74                | 0.00                   | 107.26   | 0.86              | 0.22               | 5.46            |

Notes:

i. Leased Assets

Property, Plant and Equipment includes the following amounts where the company is a lessee under finance lease :

| Particulars              | March 31, 2020 | March 31, 2019 |
|--------------------------|----------------|----------------|
| Land                     |                |                |
| Cost                     | 2.15           | 2.15           |
| Accumulated Depreciation | 0.66           | 0.66           |
| Net carrying amount      | 1.50           | 1.50           |

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2020**

ii. Property, Plant and Equipment pledged as security against borrowings by the company  
(Amount in INR Lakhs)

| Particulars | March 31, 2020 | March 31, 2019 |
|-------------|----------------|----------------|
| Vehicles    | -              | -              |

| 5. INTANGIBLE ASSETS                    |                   |       |
|-----------------------------------------|-------------------|-------|
| Particulars                             | Computer Software | Total |
| GROSS CARRYING VALUE                    |                   |       |
| As at April 1, 2019                     | 1.42              | 1.42  |
| As at March 31, 2020                    | 1.42              | 1.42  |
| ACCUMULATED AMORTISATION AND IMPAIRMENT |                   |       |
| As at April 1, 2019                     |                   |       |
| Amortisation for the year               | 1.22              | 1.22  |
| As at March 31, 2019                    | 1.22              | 1.22  |
| Amortisation for the year               | 0.13              | 0.13  |
| As at March 31, 2020                    | 1.35              | 1.35  |
| Net Carrying value as at March 31, 2020 | 0.07              | 0.07  |
| Net Carrying value as at March 31, 2019 | 0.20              | 0.20  |

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2020**

**6. FINANCIAL ASSETS**

(Amount in INR Lakhs)

| Particulars                                                               | March 31, 2020 | March 31, 2019 |
|---------------------------------------------------------------------------|----------------|----------------|
| (A) INVESTMENTS                                                           |                |                |
| Non Current                                                               |                |                |
| (1) Investments carried at fair value through Other Comprehensive Income_ |                |                |
| <u>Quoted</u>                                                             |                |                |
| 500 Equity Shares of Elegant Pharmaceuticals Ltd                          | 0.16           | 0.16           |
| (March 31, 2019: 500)                                                     |                |                |
| Less: Loss allowance                                                      | (0.16)         | (0.16)         |
| <u>Unquoted</u>                                                           |                |                |
| 30,69,873 Equity Shares of Samsonite South Asia Private Limited           | 2,987.67       | 2,548.77       |
| (March 31, 2019 : 30,69,873)#                                             |                |                |
| 17,500 Equity Shares of Periwinkle Fashions Pvt. Ltd.                     | 209.40         | 202.51         |
| (March 31, 2019 : 17,500 )                                                |                |                |
|                                                                           | 3,197.07       | 2,751.28       |
| (2) Investments carried at fair value through Profit and Loss             |                |                |
| Investments in Mutual Funds                                               |                |                |
| <u>Quoted</u>                                                             |                |                |
| 10 Units Of Motilal Oswal Wealth Management Ltd                           | 110.11         | -              |
| 3,840 Units of India Advantage fund                                       |                |                |
| (March 31, 2019:14,040)                                                   | 3.84           | 14.04          |
| IIFL Real Estate Discretionary PMS RE 3                                   | 84.81          | 85.55          |
| 63.39 Units of IIFL India Reit Apt -(Piramal Fund)                        |                |                |
| (March 31, 2019:63.39)                                                    | 58.66          | 53.68          |
| 123.60 units of ICICI Prudential Liquid Fund -Daily Dividend              |                |                |
| (March 31, 2019:118.72 )                                                  | 0.12           | 0.12           |
| 250 Units of Kotak India Growth Fund II                                   |                |                |
| (March 31, 2019:250)                                                      | 106.80         | 118.02         |
| 88,929 Units of India Realty Excellence -3                                |                |                |
| (31 March 2019:88,929 )                                                   | 98.39          | 89.61          |
| 75,227.55 Units of DSP Black Rock Emerging Star Fund                      |                |                |
| (March 31, 2019:75,227.55)                                                | 48.71          | 114.91         |
| IIFL Special Opportunities Fund                                           | 84.81          | 107.25         |
| IIFL Real Estate Fund Domestic Series IV                                  | 77.87          | 98.00          |
| 87,300.1018 Units of Malabar Value Fund                                   |                |                |
| (March 31, 2019:87,300.10)                                                | 62.40          | 101.42         |

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2020**

**6. FINANCIAL ASSETS**

(Amount in INR Lakhs)

| Particulars                                                                                       | March 31, 2020 | March 31, 2019 |
|---------------------------------------------------------------------------------------------------|----------------|----------------|
| 15.12 Units of Canara Robeco Liquid Fund Regulr DDR<br>( March 31, 2019:14.593 )                  | 0.15           | 0.15           |
| 157 Units of SBI Mutual Fund Magnum Multi Cap fund<br>(March 31,2019:157)                         | 0.08           | 0.12           |
| 9,38,984.47 Units of Motilal Oswal Focus Multicap Opportunity Fund<br>(March 31,2019:9,38,984.47) | 65.71          | 98.15          |
| Reliance Equity Opportunities AIF Scheme I                                                        | 71.29          | 93.47          |
| Motilal Oswal- Next Trillion Dollar Opportunities Strategy                                        | -              | 225.59         |
| 2,50,000 Units of HDFC EOF REGULAR PLAN<br>(March 31,2019:2,50,000 )                              | 20.66          | 26.97          |
| India Opportunities Portfolio Strategy                                                            | -              | 24.09          |
| India Opportunities Portfolio Strategy V2                                                         | -              | 22.43          |
| IIFL LONG TERM GROWTH FUND                                                                        | -              | 110.75         |
| 1,04,210.088 Units of OBCM VANTAGE EQUITY FUND<br>(March 31,2019:1,04,210.088)                    | 59.00          | 94.00          |
| AXIS NEW OPPORTUNITIES AIF -1                                                                     | 87.64          | 48.62          |
| IIFL Income Opportunities PMS ( Manipal)                                                          | 580.31         | 500.00         |
| 10 Units of IIFLWF-ZERO-COUPON SUBDEBT-SERIES A<br>FV 10LAC 02-MAY-2023                           | 262.82         | 114.41         |
| IIFL INDIA PRIVATE EQUITY FUND - CLASS A (AIF CATEGORY II)                                        | 63.94          | 47.74          |
| 10.89 units of HDFC Liquid Fund Regular Fund -DDR<br>(March 31,2019:10.49)                        | 0.11           | 0.11           |
| 9.51 Units of Kotak Liquid Regular Plan DDR<br>( March 31 2019:-9.11 units)                       | 0.12           | 0.11           |
| 7.962 units of RELIANCE LIQUID FUND DDR<br>(March 31,2019:7.622 units)                            | 0.12           | 0.12           |
| India Realty Excellence Fund IV                                                                   | 63.64          | 33.64          |
| 10 Units of Jana Holdings Ltd<br>(March 31,2019:10 units )                                        | 140.50         | 122.38         |
| 100 units of SAMASTA MICROFINANCE LIMITED<br>(March 31,2019:100 units )                           | 115.41         | 107.74         |
| 115.55 units of Birla Sunlife Liquid Fund -DDR -Reinvest<br>(March 31,2019:110.935 units )        | 0.12           | 0.11           |
| 12.23 units of Franklin India Liquid Fund -Super Instit Fund-DDR<br>(March 31,2019:11.809)        | 0.12           | 0.12           |
| 10 units of Reddy Veerana Investments Private Limited                                             | 107.49         | -              |
| 29 units Embassy Parks Office Reit-3 June 2022                                                    | 314.87         | -              |
| 20 units of OPJ Trading Pvt Ltd                                                                   | 244.28         | -              |

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2020**

**6. FINANCIAL ASSETS**

(Amount in INR Lakhs)

| Particulars                                                                                   | March 31, 2020 | March 31, 2019 |
|-----------------------------------------------------------------------------------------------|----------------|----------------|
| Unquoted Investments in Convertible Debentures                                                |                |                |
| 4,401 Debentures of Tikona Digital Network Private Limited Series C<br>March 31, 2019: 4,401) | 149.99         | 149.99         |
|                                                                                               | 3,084.91       | 2,603.39       |
| Total                                                                                         | 6,281.98       | 5,354.67       |
| Aggregate amount of quoted investments                                                        | 2,690.80       | 2,453.56       |
| Aggregate amount of unquoted investments                                                      | 3,347.06       | 2,901.27       |
| Aggregate amount of impairment in the value of investments                                    | (0.16)         | (0.16)         |
| Investments carried at fair value through other comprehensive income                          | 3,197.07       | 2,751.28       |
| Investments carried at fair value through profit and loss                                     | 3,084.91       | 2,603.39       |

# Investment in unquoted security instrument of investee company (viz Samsonite South Asia Private Limited) is carried at fair value through other comprehensive income at each reporting date. The Management has considered the net book value of the investee company at the reporting date based on the latest available audited financial statements as on 31st December, 2018. The net book values have been arrived at by dividing values of assets less liabilities by number of equity shares. The management is of the opinion that the methodology adopted for fair valuation of this instrument is in line with Ind AS 113 on Fair Value Measurement.

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2020**

**7. NON CURRENT FINANCIAL ASSETS**

(Amount in INR Lakhs)

| Particulars                                        | March 31, 2020 | March 31, 2019 |
|----------------------------------------------------|----------------|----------------|
| LOANS                                              |                |                |
| Unsecured, considered good unless otherwise stated |                |                |
| Loans to Related Parties                           | 430.90         | 401.89         |
| Other loans                                        | 388.13         | 538.10         |
| Total                                              | 819.03         | 939.99         |

**8. OTHER NON CURRENT ASSETS**

(Amount in INR Lakhs)

| Particulars                                       | March 31, 2020 | March 31, 2019 |
|---------------------------------------------------|----------------|----------------|
| Advances other than Capital advances              |                |                |
| - Security Deposits                               | 1.72           | 1.72           |
| Others                                            |                |                |
| - Payment of Taxes (Net of Provisions)            | 57.03          | 78.62          |
| - Balances with Statutory, Government Authorities | 22.95          | 22.95          |
| Total                                             | 81.71          | 103.29         |

**9. INVENTORIES**

(Amount in INR Lakhs)

| Particulars                                        | March 31, 2020 | March 31, 2019 |
|----------------------------------------------------|----------------|----------------|
| (Valued at lower of Cost and Net Realisable value) |                |                |
| Raw materials                                      | 111.50         | 38.72          |
| Stock in process                                   | 69.08          | 85.86          |
| Finished goods                                     | 147.11         | 160.99         |
| Other tradable items                               | 96.06          | 291.44         |
| Total                                              | 423.74         | 577.01         |

**10. TRADE RECEIVABLES**

(Amount in INR Lakhs)

| Particulars                                           | March 31, 2020 | March 31, 2019 |
|-------------------------------------------------------|----------------|----------------|
| Current                                               |                |                |
| Trade Receivables                                     | 249.24         | 65.28          |
|                                                       | 249.24         | 65.28          |
| Breakup of Security details                           |                |                |
| Secured, considered good                              | -              | -              |
| Unsecured, considered good                            | 282.89         | 98.93          |
| Doubtful                                              | -              | -              |
|                                                       | 282.89         | 98.93          |
| Loss Allowance (allowance for bad and doubtful debts) |                |                |
| Unsecured, considered good                            | 33.65          | 33.65          |
| Doubtful                                              | -              | -              |
|                                                       | 33.65          | 33.65          |
| Total                                                 | 249.24         | 65.28          |

Trade or Other Receivable due from directors or other officers of the company either severally or jointly with any other person amounted to INR NIL (Previous year INR NIL)

Trade or Other Receivable due from firms or private companies respectively in which any director is a partner, a director or a member amounted to INR NIL (Previous year INR NIL)

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2020**

**11. CASH AND CASH EQUIVALENTS**

(Amount in INR Lakhs)

| Particulars                             | March 31, 2020 | March 31, 2019 |
|-----------------------------------------|----------------|----------------|
| Balances with banks on current accounts | 0.69           | 274.07         |
| Cash on hand                            | 0.28           | 0.99           |
| Total                                   | 0.97           | 275.06         |

**12. OTHER BANK BALANCES**

(Amount in INR Lakhs)

| Particulars                                            | March 31, 2020 | March 31, 2019 |
|--------------------------------------------------------|----------------|----------------|
| Deposits with banks to the extent held as margin money | 666.80         | 72.68          |
| Total                                                  | 666.80         | 72.68          |

**13. OTHER FINANCIAL ASSETS**

(Amount in INR Lakhs)

| Particulars             | March 31, 2020 | March 31, 2019 |
|-------------------------|----------------|----------------|
| Current                 |                |                |
| Accrued interest on :   |                |                |
| - Bank Deposits         | 3.19           | 2.24           |
| - Intercompany Deposits | 18.88          | 187.78         |
| Total                   | 22.07          | 190.02         |

**14. OTHER CURRENT ASSETS**

(Amount in Lakhs )

| Particulars                                       | March 31, 2020 | March 31, 2019 |
|---------------------------------------------------|----------------|----------------|
| Advances other than Capital advances              |                |                |
| - Trade Advances                                  | 32.36          | 23.23          |
| - Employees                                       | 0.79           | 0.88           |
| - Advances to Suppliers                           | 10.75          | 2.27           |
| Others                                            |                |                |
| - Prepaid expenses                                | 4.54           | 2.22           |
| - Balances with Statutory, Government Authorities | 12.24          | 23.71          |
| - Other current assets                            | -              | -              |
| Total                                             | 60.68          | 52.31          |

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2020**

**15. SHARE CAPITAL**

i. Authorised Share Capital

|                                     | Equity Share |            |
|-------------------------------------|--------------|------------|
|                                     | Number       | Amount     |
| At April 1, 2019                    | 14,000,000   | 14,000,000 |
| Increase/(decrease) during the year | -            | -          |
| At March 31, 2020                   | 14,000,000   | 14,000,000 |

Terms/rights attached to equity shares

The company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.

In the event of liquidation of 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, 2013, read together with the Memorandum of Association and Articles of Association of the Company, as applicable.

ii. Issued Capital

| Particulars                                                    | Number    | Amount |
|----------------------------------------------------------------|-----------|--------|
| Equity shares of INR 10 each issued, subscribed and fully paid |           |        |
| At April 1, 2019                                               | 9,363,863 | 936.39 |
| Issued during the period                                       | -         | -      |
| At March 31, 2019                                              | 9,363,863 | 936.39 |
| Issued during the period                                       | -         | -      |
| At March 31, 2020                                              | 9,363,863 | 936.39 |

iii. Details of shareholders holding more than 5% shares in the company

| Name of the shareholder                        | As at March 31, 2020 |           | As at March 31, 2019 |           |
|------------------------------------------------|----------------------|-----------|----------------------|-----------|
|                                                | Number               | % holding | Number               | % holding |
| Equity shares of INR 10 each fully paid        |                      |           |                      |           |
| Lila Devi Tainwala                             | 2,895,364            | 30.92%    | 2,890,130            | 30.86%    |
| Concept Reality and Securities Private Limited | 1,806,658            | 19.29%    | 1,806,658            | 19.29%    |
| Shobha Tainwala                                | 972,069              | 10.38%    | 972,069              | 10.38%    |
| Rajkumar Tainwala                              | 522,982              | 5.59%     | 518,910              | 5.54%     |

iv. Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date - NIL:

v. None of the above shares are reserved for issue under options/contract/commitments for sale of shares or disinvestments

vi. The Company does not have any holding company.

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2020**

**16. OTHER EQUITY**

**i. Reserves and Surplus**

(Amount in INR Lakhs)

| Particulars                | March 31, 2020 | March 31, 2019 |
|----------------------------|----------------|----------------|
| Capital Reserve            | 250.50         | 250.50         |
| Securities Premium Reserve | 2,507.16       | 2,507.16       |
| Retained Earnings          | 2,693.94       | 2,259.36       |
|                            | 5,451.60       | 5,017.02       |

**(a) Capital Reserve**

(Amount in INR Lakhs)

| Particulars     | March 31, 2020 | March 31, 2019 |
|-----------------|----------------|----------------|
| Opening balance | 250.50         | 250.50         |
| Add/(Less):     | -              | -              |
| Add/(Less):     | -              | -              |
| Closing balance | 250.50         | 250.50         |

**(b) Securities Premium Reserve**

(Amount in INR Lakhs)

| Particulars     | March 31, 2020 | March 31, 2019 |
|-----------------|----------------|----------------|
| Opening balance | 2,507.16       | 2,507.16       |
| Add/(Less):     |                |                |
| Add/(Less):     |                |                |
| Closing balance | 2,507.16       | 2,507.16       |

**(c) Retained Earnings**

(Amount in INR Lakhs)

| Particulars                                                     | March 31, 2020 | March 31, 2019 |
|-----------------------------------------------------------------|----------------|----------------|
| Opening balance                                                 | 2,259.36       | 2,054.71       |
| Net Profit/(Loss) for the period                                | 433.66         | 205.35         |
| Remeasurement of post employment benefit obligation, net of tax | 0.92           | (0.71)         |
| Closing balance                                                 | 2,693.94       | 2,259.36       |

**ii. Components of Other Comprehensive Income**

(Amount in INR Lakhs)

| Particulars                    | March 31, 2020 | March 31, 2019 |
|--------------------------------|----------------|----------------|
| Equity Instruments through OCI | 2,190.08       | 1,744.29       |
|                                | 2,190.08       | 1,744.29       |

**Equity Instruments through OCI**

(Amount in INR Lakhs)

| Particulars                          | March 31, 2020 | March 31, 2019 |
|--------------------------------------|----------------|----------------|
| Opening balance                      | 1,744.29       | 1,796.65       |
| Add/(Less):                          |                |                |
| Fair value changes recognised in OCI | 445.79         | (52.35)        |
| Closing balance                      | 2,190.08       | 1,744.29       |

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2020**

**17. NON CURRENT LIABILITY**

(Amount in INR Lakhs)

| Particulars                                              | March 31, 2020 | March 31, 2019 |
|----------------------------------------------------------|----------------|----------------|
| Provision<br>Provision for employee benefits<br>Gratuity | 55.36          | 49.35          |
| <b>Total</b>                                             | <b>55.36</b>   | <b>49.35</b>   |

**18. CURRENT BORROWINGS**

(Amount in INR Lakhs)

| Particulars                                      | March 31, 2020 | March 31, 2019 |
|--------------------------------------------------|----------------|----------------|
| Secured<br>Cash Credit from banks*<br>From Banks | -<br>4.34      | -              |
| <b>Total</b>                                     | <b>4.34</b>    | <b>-</b>       |

\*Secured by hypothecation of stocks of raw materials, finished goods, stock in process and book debts and further secured by equitable mortgage of property consisting of "Tainwala House" at Road No. 18, M.I.D.C., Marol, Andheri East, Mumbai - 400093.

**Net debt Reconciliation**

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented

| Particulars        | March 31, 2020 | March 31, 2019 |
|--------------------|----------------|----------------|
| Current Borrowings | 4.34           | -              |
| <b>Net Debt</b>    | <b>4.34</b>    | <b>-</b>       |

| Liabilities from financing activities | Total       |
|---------------------------------------|-------------|
| Net Debt as at April 1, 2019          | -           |
| Cash Inflow                           | 4.34        |
| Cash Outflow                          | -           |
| Interest Expense                      | -           |
| Interest Paid                         | -           |
| <b>Net Debt as at March 31, 2020</b>  | <b>4.34</b> |

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2020**

**19. TRADE PAYABLES**

(Amount in INR Lakhs)

| Particulars                                           | March 31, 2020 | March 31, 2019 |
|-------------------------------------------------------|----------------|----------------|
| Current                                               |                |                |
| Trade Payables to Micro, Small and Medium Enterprises | -              | -              |
| Trade Payables to Others                              | 195.92         | 153.76         |
| Total                                                 | 195.92         | 153.76         |

**20. OTHER FINANCIAL LIABILITIES**

(Amount in INR Lakhs)

| Particulars                             | March 31, 2020 | March 31, 2019 |
|-----------------------------------------|----------------|----------------|
| Current                                 |                |                |
| Financial Liabilities at amortised cost |                |                |
| Security Deposits From Customers        | 0.78           | 0.98           |
| Due to employees                        | 12.88          | 19.58          |
| Total                                   | 13.66          | 20.56          |

**21. OTHER CURRENT LIABILITIES**

(Amount in INR Lakhs)

| Particulars                     | March 31, 2020 | March 31, 2019 |
|---------------------------------|----------------|----------------|
| Advance received from Customers | 13.75          | 1.37           |
| Others                          |                |                |
| Statutory Liabilities           | 5.28           | 9.74           |
| Total                           | 19.02          | 11.11          |

**22. PROVISIONS**

(Amount in INR Lakhs)

| Particulars                     | March 31, 2020 | March 31, 2019 |
|---------------------------------|----------------|----------------|
| Provision                       |                |                |
| Provision for employee benefits |                |                |
| Gratuity                        | 2.72           | 2.86           |
| Leave encashment                | 7.21           | 6.43           |
| Total                           | 9.93           | 9.29           |

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020****23. REVENUE FROM OPERATIONS**

(Amount in INR Lakhs)

| Particulars                  | March 31, 2020 | March 31, 2019 |
|------------------------------|----------------|----------------|
| Sale of products             |                |                |
| Sale of Products             | 883.02         | 1,069.55       |
| Sale of Other tradable items | 174.75         | 83.35          |
| Total                        | 1,057.77       | 1,152.90       |

**24. OTHER INCOME**

(Amount in INR Lakhs)

| Particulars                                                                    | March 31, 2020 | March 31, 2019 |
|--------------------------------------------------------------------------------|----------------|----------------|
| Interest income on                                                             |                |                |
| -Bank fixed deposits                                                           | 5.25           | 3.90           |
| -Inter corporate deposits                                                      | 37.37          | 130.87         |
| -Customers and others                                                          | 38.97          | 61.58          |
| -IT Refund                                                                     | 2.80           | 4.07           |
| Dividend Income On Investments                                                 |                |                |
| - Long Term                                                                    | 621.92         | 314.79         |
| - Units of Mutual Fund                                                         | 4.57           | 16.37          |
| Fair value gain on financial instruments at fair value through profit and loss | (31.40)        | (11.91)        |
| Net gain on disposal of property, plant and equipment                          | -              | 3.39           |
| Foreign Exchange Fluctuation loss                                              | (3.85)         | (4.33)         |
| Net gain on sale of Investments (including Mutual Funds)                       | 10.86          | 45.08          |
| Total                                                                          | 686.49         | 563.80         |

**25. COST OF MATERIALS CONSUMED**

(Amount in INR Lakhs)

| Particulars                  | March 31, 2020 | March 31, 2019 |
|------------------------------|----------------|----------------|
| As at beginning of the year  | 38.72          | 158.65         |
| Add: Purchases               | 701.29         | 829.10         |
| Less : As at end of the year | (111.50)       | (38.72)        |
| Total                        | 628.51         | 949.03         |

**26. PURCHASES OF OTHER TRADABLE ITEMS**

(Amount in INR Lakhs)

| Particulars                      | March 31, 2020 | March 31, 2019 |
|----------------------------------|----------------|----------------|
| Purchase of other tradable items | 6.26           | 283.56         |
| Total                            | 6.26           | 283.56         |

# TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 27. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND OTHER TRADEABLE ITEMS

| (Amount in INR Lakhs)                        |                |                |
|----------------------------------------------|----------------|----------------|
| Particulars                                  | March 31, 2020 | March 31, 2019 |
| Inventories as at the beginning of the year  |                |                |
| Stock in Process                             | 85.86          | 71.73          |
| Finished goods                               | 160.99         | 107.71         |
| Other tradable items                         | 291.44         | 135.93         |
| Total                                        | 538.29         | 315.37         |
| Less : Inventories as at the end of the year |                |                |
| Stock in Process                             | 69.08          | 85.86          |
| Finished goods                               | 147.11         | 160.99         |
| Other tradable items                         | 96.06          | 291.44         |
| Total                                        | 312.24         | 538.29         |
| Net decrease / (increase) in inventories     | 226.05         | (222.92)       |

### 28. EMPLOYEE BENEFITS EXPENSE

| (Amount in INR Lakhs)                     |                |                |
|-------------------------------------------|----------------|----------------|
| Particulars                               | March 31, 2020 | March 31, 2019 |
| Salaries, wages and bonus                 | 202.33         | 209.45         |
| Contribution to provident and other funds | 22.73          | 20.13          |
| Staff welfare expenses                    | 3.78           | 3.77           |
| Total                                     | 228.84         | 233.34         |

### 29. FINANCE COST

| (Amount in INR Lakhs)                    |                |                |
|------------------------------------------|----------------|----------------|
| Particulars                              | March 31, 2020 | March 31, 2019 |
| Interest expense on debts and borrowings | 3.43           | 3.77           |
| Total                                    | 3.43           | 3.77           |

### 30. DEPRECIATION AND AMORTISATION EXPENSE

| (Amount in INR Lakhs)                 |                |                |
|---------------------------------------|----------------|----------------|
| Particulars                           | March 31, 2020 | March 31, 2019 |
| Depreciation on tangible assets       | 49.62          | 40.48          |
| Amortisation on intangible assets     | 0.13           | 0.57           |
| Depreciation on investment properties | -              | -              |
| Total                                 | 49.75          | 41.05          |

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020****31. OTHER EXPENSES**

(Amount in INR Lakhs)

| Particulars                             | March 31, 2020 | March 31, 2019 |
|-----------------------------------------|----------------|----------------|
| Manufacturing Expenses                  |                |                |
| Job Work Charges                        | 14.48          | 19.16          |
| Power and fuel                          | 52.15          | 62.79          |
| Repairs and maintenance                 |                |                |
| Building                                | 7.89           | 22.89          |
| Plant and Machinery                     | 5.75           | 5.30           |
| Others                                  | 7.01           | 4.06           |
| Rates and taxes                         | 3.60           | 7.82           |
| Rent                                    | 9.60           | 9.89           |
| Insurance                               | 10.29          | 14.45          |
| Directors' sitting fees                 | 0.26           | 0.30           |
| Legal and professional fees             | 5.33           | 5.24           |
| Syndication / Portfolio Management fees | 4.77           | 20.55          |
| Payments to auditors (Refer note below) | 3.00           | 2.00           |
| Donation                                | 0.29           | 0.25           |
| Premium on Rent                         | -              | 1.43           |
| Printing and Stationary                 | 1.05           | 0.95           |
| Security charges                        | 11.70          | 10.46          |
| Telephone and internet expenses         | 3.40           | 4.35           |
| Travelling & conveyance expenses        | 9.25           | 12.63          |
| Advertisement                           | 0.37           | 0.57           |
| Commission                              | 0.76           | 2.44           |
| Sundry Balances Written off ( Net Off)  | 0.94           | 0.27           |
| Sales promotion expenses                | 3.05           | 6.09           |
| Carriage Outward                        | 0.03           | 0.82           |
| Loss allowance on financial assets      | -              | 25.03          |
| Miscellaneous expenses                  | 11.10          | 10.46          |
| Total                                   | 166.07         | 250.20         |

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

Note : Details of Payments to auditors

| Particulars        | March 31, 2020 | March 31, 2019 |
|--------------------|----------------|----------------|
| Audit Fee          | 2.00           | 1.00           |
| Tax audit fee      | 0.25           | 0.25           |
| Limited review fee | 0.75           | 0.75           |
| Total              | 3.00           | 2.00           |

**32. EARNINGS PER SHARE**

| Particulars                                                                                                          | March 31, 2020 | March 31, 2019 |
|----------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| (a) Basic and Diluted earnings per share                                                                             | 4.63           | 2.19           |
| (b) Reconciliations of earnings used in calculating earnings per share                                               |                |                |
| Profit attributable to the equity holders of the company used in calculating basic and diluted earnings per share    | 433.66         | 205.35         |
| Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share | 93.64          | 93.64          |

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**33. INCOME TAX**

Deferred Tax

(Amount in INRLakhs)

| Particulars                                                                  | March 31, 2020 | March 31, 2019 |
|------------------------------------------------------------------------------|----------------|----------------|
| Deferred tax relates to the following:                                       |                |                |
| Temporary difference in the carrying amount of property, plant and equipment | (9.02)         | (13.62)        |
| Revaluation of FVTPL/FVTOCI investments to fair value                        | 81.03          | (523.16)       |
| Provision for employee benefits                                              | 18.51          | 25.69          |
| Provision for loss on financial assets                                       | -              | 8.75           |
| Losses available for offsetting against future taxable income                | (90.53)        | 502.34         |
| Net Deferred Tax Assets / (Liabilities)                                      | -              | -              |

| Particulars                      | March 31, 2020 | March 31, 2019 |
|----------------------------------|----------------|----------------|
| Unrecognised deferred tax assets | -              | -              |
| Deductible temporary differences | -              | -              |
| Unrecognised tax losses          | (172.75)       | (242.62)       |

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority

Considering the probability of availability of future taxable profits in the period in which tax losses expire, deferred tax assets have not been recognised in respect of unabsorbed depreciation, business losses and long term capital losses carried forward by the Company

Reconciliation of tax expense and accounting profit multiplied by income tax rate for March 31, 2020 and March 31, 2019

| Particulars                                                    | March 31, 2020 | March 31, 2019 |
|----------------------------------------------------------------|----------------|----------------|
| Accounting profit before income tax                            | 0.00           | 0.00           |
| Enacted tax rate in India                                      | 26.00%         | 26.00%         |
| Income tax on accounting profits                               | 0.00           | 0.00           |
| Tax effect of                                                  |                |                |
| Depreciation                                                   | (2.34)         | (3.54)         |
| Expenditure allowable on payment basis and other disallowances | 71.18          | 98.83          |
| Income considered separately                                   | 21.07          | (136.02)       |
| Dividend income                                                | (0.00)         | (0.00)         |
| Carried forward losses adjusted                                | 122.77         | 85.79          |
| Others                                                         | (2.47)         | (5.41)         |
| Tax at effective income tax rate                               | -              | -              |

Changes in tax rate

Where the applicable tax rate changed during the year, the adjustments to the deferred tax balances appear as another reconciling item in the reconciliation of accounting profit multiplied by tax rate to income tax expense. The associated explanations could be along the following lines:

The impact of the change in tax rate has been recognised in tax expense in profit or loss, except to the extent that it relates to items previously recognised outside profit or loss.

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**34. EMPLOYEE BENEFIT OBLIGATIONS**

(Amount in INR Lakhs)

| Particulars                       | March 31, 2020 |             |       | March 31, 2019 |             |       |
|-----------------------------------|----------------|-------------|-------|----------------|-------------|-------|
|                                   | Current        | Non Current | Total | Current        | Non Current | Total |
| Leave obligations                 | 7.21           | -           | 7.21  | 6.43           | -           | 6.43  |
| Gratuity                          | 2.72           | 55.36       | 58.07 | 2.86           | 49.35       | 52.20 |
| Total Employee Benefit Obligation | 9.93           | 55.36       | 65.29 | 9.29           | 49.35       | 58.63 |

(i) Leave Obligations

The leave obligations cover the company's liability for sick and earned leave.

The amount of the provision of INR 7.21 Lakhs (March 31, 2019: INR 6.43 Lakhs) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations.

(ii) Post Employment obligations

a) Gratuity

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service.

The gratuity plan is an unfunded plan.

The amount recognised in the balance sheet and the movement in the net defined benefit obligation over the period are as follows

| Particulars                                           | March 31, 2020 | March 31, 2019 |
|-------------------------------------------------------|----------------|----------------|
| As at April 1                                         | 52.20          | 45.38          |
| Current service cost                                  | 2.99           | 2.67           |
| Interest expense/(income)                             | 3.81           | 3.44           |
| Total amount recognised in profit or loss             | 6.79           | 6.11           |
| Remeasurements                                        |                |                |
| (Gain)/Loss arising on defined benefit obligation     | (0.92)         | 0.71           |
| Total amount recognised in other comprehensive income | (0.92)         | 0.71           |
| Employer contributions                                | -              | -              |
| Benefit payments                                      | -              | -              |
| As at March 31                                        | 58.07          | 52.20          |

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

The significant actuarial assumptions were as follows:

| Particulars        | March 31, 2020                               | March 31, 2019                               |
|--------------------|----------------------------------------------|----------------------------------------------|
| Discount rate      | 7.50%                                        | 7.70%                                        |
| Salary growth rate | 5.50%                                        | 5.50%                                        |
| Retirement age     | 58 Years                                     | 58 Years                                     |
| Withdrawal Rate    | Age 21-30: 5%                                | Age 21-30: 5%                                |
|                    | Age 31-40: 3%                                | Age 31-40: 3%                                |
|                    | Age 41-50: 2%                                | Age 41-50: 2%                                |
|                    | Above 51: 1%                                 | Above 51: 1%                                 |
| Mortality Table    | Indian Assured Live Mortality (2006-08) Util | Indian Assured Live Mortality (2006-08) Util |

A quantitative sensitivity analysis for significant assumption as at March 31, 2020 is shown below:

| Assumptions                          | Discount rate |               | Salary growth rate |               |
|--------------------------------------|---------------|---------------|--------------------|---------------|
| Sensitivity Level                    | 0.5% increase | 0.5% decrease | 0.5% increase      | 0.5% decrease |
| March 31, 2020                       |               |               |                    |               |
| Impact on defined benefit obligation | (1.87)        | 1.98          | 1.59               | (1.52)        |
| % Impact                             | -3.23%        | 3.40%         | 2.74%              | -2.62%        |
| March 31, 2019                       |               |               |                    |               |
| Impact on defined benefit obligation | (8.62)        | (4.93)        | (5.30)             | (8.27)        |
| % Impact                             | -14.60%       | -8.35%        | -8.98%             | -14.01%       |

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected cash flows in future years:

| Particulars             | March 31, 2020 | March 31, 2019 |
|-------------------------|----------------|----------------|
| Year 1                  | 2.72           | 2.86           |
| Year 2                  | 4.49           | 1.26           |
| Year 3                  | 3.17           | 5.05           |
| Year 4                  | 7.46           | 3.18           |
| Year 5                  | 2.78           | 7.29           |
| Year 6 to 10            | 46.02          | 43.11          |
| Total expected payments | 66.64          | 62.74          |

The average duration of the defined benefit plan obligation at the end of the reporting period is 11.43 years (March 31, 2019: 11.52 years)

**b) Defined contribution plans**

The company also has defined contribution plans. Contributions are made to provident fund/pension fund in India for employees as per regulations. The contributions are made to registered provident fund/pension fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is INR 5.87 Lakh (March 31, 2019: INR 6.82 Lakh).

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020****35. COMMITMENTS AND CONTINGENCIES**

(Amount in INR Lakhs)

**A. Commitments****Capital Commitments**

Capital commitment contracted for at the end of the reporting period but not recognised as liabilities is as follows:

| Particulars                                              | March 31, 2020 | March 31, 2019 |
|----------------------------------------------------------|----------------|----------------|
| Property, plant and equipment                            |                |                |
| Investment property                                      |                |                |
| Intangible assets                                        |                |                |
| Capital commitment in respect of non current investments | 338.75         | 588.75         |

(Amount in INR Lakhs)

| B. Contingent Liabilities                                    | March 31, 2020 | March 31, 2019 |
|--------------------------------------------------------------|----------------|----------------|
| ii. Other money for which the company is contingently liable |                |                |
| Performance bank guarantees                                  | 15.98          | 15.98          |

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**36. RELATED PARTY TRANSACTIONS**

(i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

| Name of Related Party                 | Nature of Relationship     |
|---------------------------------------|----------------------------|
| Key management personnel              |                            |
| Rakesh Tainwala                       | Managing Director          |
| Simran R Mansukhani                   | Executive Director and CFO |
| Rajkumar Tainwala                     | Executive Director         |
| Ruchira Ramesh Singhania              | Company Secretary          |
| Mayank G Dhuldhoya                    | Independent Director       |
| Ketan Dhirajlal Barai                 | Independent Director       |
| Chandraprakash K Doshi                | Independent Director       |
| Relatives of Key management personnel |                            |
| Vandana Tainwala                      |                            |
| Dungarmal Tainwala                    |                            |

Enterprises in which Key management personnel and/ or their relatives have significant influence  
 Abhishri Packaging Private Limited  
 Tainwala Personal Care Products Pvt Ltd

(ii) Transactions with related parties

The following transactions occurred with related parties

(Amount in INR Lakhs)

| Nature of Relationship                                                                           | Nature of Transaction | March 31, 2020 | March 31, 2019 |
|--------------------------------------------------------------------------------------------------|-----------------------|----------------|----------------|
| Key management personnel                                                                         | Remuneration          | 90.14          | 82.57          |
| Relatives of Key management personnel                                                            | Remuneration          | 17.02          | 17.02          |
| Enterprises in which Key management personnel and/ or their relatives have significant influence | Sale of Goods         | 530.33         | 537.93         |
|                                                                                                  | Purchase of Goods     | 63.04          | 34.01          |
|                                                                                                  | Rent Income           | -              | -              |
|                                                                                                  | Interest Income       | 32.24          | 36.17          |

(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 Rakesh Tainwala INR 73.80 Lakhs (Previous Year INR 64.87 Lakhs); Dungarmal tainwala INR 9.60 Lakhs (Previous Year INR 9.60 Lakhs); Vandana tainwala INR 7.42 Lakhs (Previous Year INR 7.42 Lakhs); and Simran Mansukhani INR 14.42 Lakhs (Previous Year INR 14.42 Lakhs)

Sale of goods has been made to Abhishri Packaging Private Limited INR 530.33 Lakhs (Previous year INR 537.93 )

Purchase of goods has been made from Abhishri Packaging Private Limited INR 63.04 Lakhs (Previous Year INR 34.01 Lakhs)

Interest income is from Abhishri Packaging Private Limited INR 32.24 Lakhs (Previous Year INR 36.16 Lakhs)

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

(iv) Outstanding balances

(Amount in INR Lakhs)

| Nature of Relationship                                                                           | Nature                    | March 31, 2020 | March 31, 2019 |
|--------------------------------------------------------------------------------------------------|---------------------------|----------------|----------------|
| Key management personnel                                                                         | Remuneration Payable      | 3.07           | 3.67           |
| Relative of a key management personnel                                                           | Remuneration Payable      | 1.30           | 1.33           |
| Enterprises in which Key management personnel and/ or their relatives have significant influence | Loans given outstanding   | 401.89         | 401.89         |
|                                                                                                  | Receivable as at year end | 391.16         | 391.16         |
|                                                                                                  | Less: Loss allowance      | (391.16)       | (391.16)       |
|                                                                                                  | Investments               | 1,006.99       | 1,006.99       |

(v) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year:

Loan balance as at year end given to Abhishri Packaging Private Limited INR 401.89 Lakhs (Previous Year INR 401.89 Lakhs)

Receivable as at year end (fully provided for loss allowance) relates to Tainwala Holdings Private Limited INR 391.16 Lakhs (Previous Year INR 391.16 Lakhs)

Investment at year end relates to Samsonite South Asia Private Limited INR 306.99 Lakhs (Previous Year INR 306.99 Lakhs) and Periwinkle Fashions Private Limited INR 700 Lakhs (Previous Year INR 700 Lakhs)

Payables for remuneration as at year end relates to Rakesh Tainwala INR 2.27 Lakhs (Previous year INR 2.82); Dungarmal Tainwala INR 0.73 Lakhs (Previous year INR 0.76 Lakhs); Vandana Tainwala INR 0.57 Lakhs (Previous year INR 0.57 Lakhs); and Simran Mansukhani INR 0.79 Lakhs (Previous year INR 0.85 Lakhs)

(v) Key management personnel compensation

(Amount in INR Lakhs)

| Particulars                  | March 31, 2020 | March 31, 2019 |
|------------------------------|----------------|----------------|
| Short term employee benefits | 90.14          | 82.57          |
| Post-employment benefits     | 18.41          | 15.05          |
|                              | 108.55         | 97.62          |

(vi) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables and payables. For the year ended March 31, 2020, the loss allowance on amount receivable from related party is INR 391.16 Lakhs (Previous year: INR 391.16 Lakhs). This assessment is undertaken each financial year through examining the financial position of the related party and market in which the related party operates.

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**37. SEGMENT REPORTING**

A. For management purposes, the Company is organised into business units based on its products and services and has two reportable segments, as follows:

Plastic Sheets  
Securities Trading

No operating segments have been aggregated to form the above reportable operating segment

The Managing Director (MD) monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Also, the Company's financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Yearended March 31, 2020

| Particulars                              | Plastic Sheets | Securities Trading | Total Segments |
|------------------------------------------|----------------|--------------------|----------------|
| Revenue                                  |                |                    |                |
| External customers                       | 883.02         | 174.75             | 1,057.77       |
| Inter-segment                            | -              | -                  | -              |
| Total revenue                            | 883.02         | 174.75             | 1,057.77       |
| Result:                                  |                |                    |                |
| Segment results                          | (132.50)       | (31.66)            | (164.15)       |
| Add(Less):                               |                |                    |                |
| Interest expenses                        |                |                    | 76.34          |
| Interest income                          |                |                    | 523.23         |
| Other Unallocated income/(expense) (net) |                |                    |                |
| Profit before taxation                   |                |                    | 435.42         |
| Tax expense                              |                |                    | -              |
| Profit after tax                         | -              | -                  | 435.42         |
| OTHER INFORMATION:                       |                |                    |                |
| Segment assets                           | 1,554.32       | 139.18             | 1,693.49       |
| Unallocable assets                       |                |                    | 7,182.81       |
| Total assets                             | 1,554.32       | 139.18             | 8,876.31       |
| Segment liabilities                      | 280.23         | -                  | 280.23         |
| Unallocable liabilities                  | -              | -                  | -              |
| Total liabilities                        | 280.23         | -                  | 280.23         |

Yearended March 31, 2019

| Particulars                        | Plastic Sheets | Securities Trading | Total segments |
|------------------------------------|----------------|--------------------|----------------|
| Revenue                            |                |                    |                |
| External customers                 | 1,069.55       | 83.35              | 1,152.90       |
| Inter-segment                      | -              | -                  | -              |
| Total revenue                      | 1,069.55       | 83.35              | 1,152.90       |
| Result:                            |                |                    |                |
| Segment results                    | (210.70)       | (65.25)            | (275.95)       |
| Interest expenses                  | -              | -                  | (3.77)         |
| Interest income                    | -              | -                  | 200.42         |
| Unallocated income/(expense) (net) | -              | -                  | 257.99         |
| Profit before taxation             | -              | -                  | 178.69         |
| Tax expense                        | -              | -                  | -              |
| Profit after tax                   | -              | -                  | 178.69         |
| OTHER INFORMATION:                 |                |                    |                |
| Segment assets                     | 789.47         | 314.46             | 1,103.93       |
| Unallocable assets                 | -              | -                  | 6,837.84       |
| Total assets                       | 789.47         | 314.46             | 7,941.77       |
| Segment liabilities                | 244.07         | -                  | 244.07         |
| Unallocable liabilities            | -              | -                  | -              |
| Total liabilities                  | 244.07         | -                  | 244.07         |

Finance Income and Cost, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed.

Current Taxes, deferred Taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

Revenue from Major Customers

Revenue from one customer amounted to INR 530.33 Lakhs ( March 31 2019 INR 537.93 Lakhs ), arising from sales in the Plastic Sheets Segments.

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**38. FAIR VALUE MEASUREMENTS**

**i. Financial Instruments by Category**

(Amount in INR Lakhs)

| Particulars                               | Carrying Amount |                 | Fair Value      |                 |
|-------------------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                           | March 31, 2020  | March 31, 2019  | March 31, 2020  | March 31, 2019  |
| <b>FINANCIAL ASSETS</b>                   |                 |                 |                 |                 |
| Amortised cost                            |                 |                 |                 |                 |
| Trade Receivables                         | 249.24          | 65.28           | 249.24          | 65.28           |
| Loans                                     | 819.03          | 939.99          | 819.03          | 939.99          |
| Cash and Cash Equivalents                 | 0.97            | 275.06          | 0.97            | 275.06          |
| Other Bank Balances                       | 666.80          | 72.68           | 666.80          | 72.68           |
| Other Financial Assets                    | 22.07           | 190.02          | 22.07           | 190.02          |
| FVTPL                                     |                 |                 |                 |                 |
| Investments in Mutual Funds               | 3,084.91        | 2,603.39        | 3,084.91        | 2,603.39        |
| FVTOCI                                    |                 |                 |                 |                 |
| Investment in Unquoted Equity Instruments | 3,197.07        | 2,751.28        | 3,197.07        | 2,751.28        |
| <b>Total</b>                              | <b>8,040.09</b> | <b>6,897.70</b> | <b>8,040.09</b> | <b>6,897.70</b> |
| <b>FINANCIAL LIABILITIES</b>              |                 |                 |                 |                 |
| Amortised cost                            |                 |                 |                 |                 |
| Borrowings                                | -               | -               | -               | -               |
| Trade Payables                            | 195.92          | 153.76          | 195.92          | 153.76          |
| Other financial liabilities               | 13.66           | 20.56           | 13.66           | 20.56           |
| <b>Total</b>                              | <b>209.58</b>   | <b>174.34</b>   | <b>209.58</b>   | <b>174.34</b>   |

The management assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair values for loans and other non current financial assets were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the Fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

**ii. Fair Value Hierarchy**

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognised and measure at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

Assets and liabilities measured at fair value - recurring fair value measurement:

(Amount in INR Lakhs)

| March 31, 2020                            |                                           |                                         |                                           | Total    | March 31, 2019                            |                                         |                                           |          | Total |
|-------------------------------------------|-------------------------------------------|-----------------------------------------|-------------------------------------------|----------|-------------------------------------------|-----------------------------------------|-------------------------------------------|----------|-------|
| Fair value measurement using              |                                           |                                         | Fair value measurement using              |          |                                           |                                         |                                           |          |       |
| Particulars                               | Quoted prices in active markets (Level 1) | Significant Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |          | Quoted prices in active markets (Level 1) | Significant Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |          |       |
| Financial Assets                          |                                           |                                         |                                           |          |                                           |                                         |                                           |          |       |
| Financial Assets at FVTPL                 |                                           |                                         |                                           |          |                                           |                                         |                                           |          |       |
| Investments in Mutual Funds               | 3,084.91                                  | -                                       | -                                         | 3,084.91 | 2,603.39                                  | -                                       | -                                         | 2,603.39 |       |
| Financial Assets at FVTOCI                |                                           |                                         |                                           |          |                                           |                                         |                                           |          |       |
| Investment in Unquoted Equity Instruments | -                                         | -                                       | 3,197.07                                  | 3,197.07 | -                                         | -                                       | 2,751.28                                  | 2,751.28 |       |
|                                           |                                           |                                         |                                           |          |                                           |                                         |                                           |          |       |
| Total Financial Assets                    | 3,084.91                                  | -                                       | 3,197.07                                  | 6,281.98 | 2,603.39                                  | -                                       | 2,751.28                                  | 5,354.67 |       |

There have been no transfers among Level 1, Level 2 and Level 3 during the period

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

Level 3 - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

iii. Valuation technique used to determine fair value

Specific Valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the use of Breakup value/net asset value for unquoted equity instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

iv. Valuation inputs and relationships to fair value

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2017 and March 31, 2016 are shown as below:

| Particulars                | Valuation technique               |
|----------------------------|-----------------------------------|
| Unlisted equity securities | Net Assets / Breakup value method |

v. Valuation processes

The finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee. Discussions of valuation processes and results are held between the CFO, audit committee and the valuation team regularly.

vi. Reconciliation of fair value measurement of financial assets classified as FVTOCI(Level 3):

| Particulars                     | Unquoted equity shares |
|---------------------------------|------------------------|
| As at April 1, 2019             | 2,751.28               |
| Remeasurement recognised in OCI | 445.79                 |
| As at March 31, 2020            | 3,197.07               |

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**39. FINANCIAL RISK MANAGEMENT**

The Company's activity exposes it to market risk, liquidity risk and credit risk. Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. This note explains the sources of risk which the entity is exposed to and how the company manages the risk.

**(A) Credit risk**

Credit risk is the risk that the counterparty will not meet its obligations leading to a financial loss. Credit risk arises from cash and cash equivalents, financial assets carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

**i. Credit risk management**

Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

A default on a financial asset is when the counterparty fails to make contractual payments of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

**ii. Provision for expected credit losses**

The company follows 'simplified approach' for recognition of loss allowance on Trade receivables.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

**iii. Reconciliation of loss allowance provision - Trade receivables**

| Particulars                      | Amount In Lakhs |
|----------------------------------|-----------------|
| Loss allowance on April 1, 2019  | 33.65           |
| Changes in loss allowance        |                 |
| Loss allowance on March 31, 2020 | 33.65           |

**(B) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company consistently generated sufficient cash flows from operations to meet its financial obligations. Also, the Company has unutilized credit limits with banks.

Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. In addition, the company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements.

**Maturities of financial liabilities**

The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. In the table below, borrowings includes both interest and principal cash flows. To the extent that interest rates are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

(Amount in INR Lakhs)

| Contractual maturities of financial liabilities | Contractual cash flows |               |                  |              |                   |
|-------------------------------------------------|------------------------|---------------|------------------|--------------|-------------------|
|                                                 | Carrying Amount        | Total         | Less than 1 year | 1 to 5 years | More than 5 years |
| March 31, 2020                                  |                        |               |                  |              |                   |
| Borrowings                                      | -                      | -             | -                | -            | -                 |
| Trade payables                                  | 195.92                 | 195.92        | 195.92           | -            | -                 |
| Other financial liabilities                     | 13.66                  | 20.56         | 20.56            | -            | -                 |
| <b>Total financial liabilities</b>              | <b>209.58</b>          | <b>216.48</b> | <b>216.48</b>    | <b>-</b>     | <b>-</b>          |
| March 31, 2019                                  |                        |               |                  |              |                   |
| Borrowings                                      | -                      | -             | -                | -            | -                 |
| Trade payables                                  | 153.76                 | 153.76        | 153.76           | -            | -                 |
| Other financial liabilities                     | 13.66                  | 13.66         | 13.66            | -            | -                 |
| <b>Total financial liabilities</b>              | <b>167.42</b>          | <b>167.42</b> | <b>167.42</b>    | <b>-</b>     | <b>-</b>          |

**(C) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk such as commodity risk.

**(i) Foreign currency risk**

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the import of goods.

The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies and standard operating procedures to mitigate the risks.

**(a) The company exposure to foreign currency risk at the end of the reporting period expressed in INR lakhs, are as follows**

| Particulars                                  | USD            |
|----------------------------------------------|----------------|
| March 31, 2020                               |                |
| Trade Payable                                | (70.16)        |
| <b>Net exposure to foreign currency risk</b> | <b>(70.16)</b> |
| March 31, 2019                               |                |
| Trade Payable                                | (2.88)         |
| <b>Net exposure to foreign currency risk</b> | <b>(2.88)</b>  |

**(b) Foreign currency sensitivity**

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax:

| Particulars                                      | March 31, 2020 |             | March 31, 2019 |             |
|--------------------------------------------------|----------------|-------------|----------------|-------------|
|                                                  | 1% Increase    | 1% Decrease | 1% Increase    | 1% Decrease |
| USD                                              | (0.70)         | 0.70        | (0.03)         | 0.03        |
| <b>Net Increase/(decrease) in profit or loss</b> | <b>(0.70)</b>  | <b>0.70</b> | <b>(0.03)</b>  | <b>0.03</b> |

**(ii) Interest rate risk**

The Company primarily borrows funds under fixed interest rate arrangements with banks and financial institutions and therefore the Company is not exposed to interest rate risk.

**(iii) Price risk**

The Company is not significantly exposed to changes in the prices of commodities/equity instruments.

**TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020****40. CAPITAL MANAGEMENT**

For the purpose of the company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

(Amount in INR Lakhs)

| Particulars                 | March 31, 2020 | March 31, 2019 |
|-----------------------------|----------------|----------------|
| Borrowings                  | -              | -              |
| Trade payables              | 195.92         | 153.76         |
| Other financial liabilities | 13.66          | 20.56          |
| Less: Other Bank Balances   | (666.80)       | (72.68)        |
| Net Debt                    | (457.22)       | 101.65         |
| Equity share capital        | 936.39         | 936.39         |
| Other Equity                | 7,641.69       | 6,761.31       |
| Total Capital               | 8,578.07       | 7,697.70       |
| Capital and net debt        | 8,120.86       | 7,799.35       |
| Gearing ratio(%)            | (5.63)         | 1.30           |

No financial covenants for capital structure have been stipulated in the contracts for borrowings

# TAINWALA CHEMICALS & PLASTICS (INDIA) LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 41. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT, 2006)

| Particulars                                                                                                                                                                                                                            | March 31, 2020 | March 31, 2019 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Principal amount and interest due thereon remaining unpaid                                                                                                                                                                             | -              | -              |
| Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day.                              | -              | -              |
| Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006 | -              | -              |
| Interest paid to suppliers under MSMED Act, ( other than Section 16 )                                                                                                                                                                  | -              | -              |
| Interest paid to suppliers under MSMED Act, ( Section 16 )                                                                                                                                                                             | -              | -              |
| Interest due and payable to suppliers under MSMED Act, for payment already made                                                                                                                                                        | -              | -              |
| Interest accrued and remaining unpaid at the end of each accounting year                                                                                                                                                               | -              | -              |
| Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure               | -              | -              |

The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company.

### 42. DISCLOSURES REQUIRED UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013

| Name of the Party                              | Nature     | Rate of interest | March 31, 2020 | March 31, 2019 |
|------------------------------------------------|------------|------------------|----------------|----------------|
| Action Bridge Gap Constructing Private Limited | Loan Given | 12%              | 388.13         | 300.00         |
| Amazon Health Medical Tourism Private Limited  | Loan Given | 12%              | -              | 7.00           |

### 43. STANDARDS ISSUED AND EFFECTIVE DURING THE YEAR

Amendments to existing Standards

Ministry of Corporate Affairs has carried out amendments of the following accounting standards:

1. Ind AS 103 – Business Combination

2. Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors

3. Ind AS 40 – Investment Property

The Company is in the process of evaluating the impact of the new amendments issued but not yet effective.

### 44. OTHERS

1. The balances in accounts of certain trade receivables, trade payables and loans and advances given 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.

2. 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 March 31, 2020.

### 45. Figures of the previous year have been regrouped, reclassified and/or rearranged wherever necessary.

Significant Accounting Policies and Notes forming part of the Financial Statements 1 to 45

As per our report of even date attached

For GMJ & Co  
Chartered Accountants  
Firm Registration No. 103429W

For and on behalf of the Board of Directors

CA. Haridas Bhat  
Partner  
Membership No. 039070

Rakesh Tainwala  
Managing Director  
(DIN:00237671)

Simaran R Mansukhaani  
Director Finance & CFO  
(DIN:06500475)

UDIN : 20039070AAAAEG1290  
Place: Mumbai  
Date: June 22, 2020

Place: Mumbai  
Date: June 22, 2020

Ruchira Singhania  
Company Secretary  
(ACS : 47494)