

**TAINWALA CHEMICALS AND PLASTICS (INDIA) LIMITED
ANNUAL REPORT 2008-2009**

MANAGEMENT TEAM

DUNGARMAL TAINWALA Chairman and
Whole-time Director

RAKESH TAINWALA Managing Director

ABHAY SHETH Independent Director

SUBHASH KADAKIA Independent Director

MAYANK DHULDHOYA Independent Director

SIMRAN MANSUKHANI Vice President
Accounts & CFO

ASHOK MUKHERJEE Sr. Vice-President
Marketing &
Administration

RAJESH PATEL General Manager Works

MILIND BURDE General Manager
Commercial

COMPANY SECRETARY

ANIRUDH K. TANVAR

BANKERS HDFC

Bank Ltd. State
Bank of India

REGISTERED OFFICE

Tainwala House
Road No. 18, M.I.D.C.,
Andheri (East), Mumbai-400 093
Tel: 6692 6120 / 22.
Fax : +91-22-28387039

WORKS

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

**REGISTRAR & SHARE TRANSFER
AGENTS**

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

AUDITORS

M/s SURESH SURANA & ASSOCIATES
Chartered Accountants
Mumbai

**TWENTY FOURTH ANNUAL
GENERAL MEETING**

- Wednesday, 23rd September, 2009
- 11.00 a.m.
- The All India Plastics Manufacturers Association, A-52, Street No. 1, M.I.D.C., Marol, Andheri (East), Mumbai – 400093.

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NOTICE

Notice is hereby given that the **TWENTY FOURTH ANNUAL GENERAL MEETING** of the Members of **TAINWALA CHEMICALS AND PLASTICS (INDIA) LIMITED** will be held at The All India Plastics Manufacturers Association, A-52 , Street No 1 , M.I.D.C, Marol , Andheri (East), Mumbai - 400 093 on **Wednesday, 23rd September , 2009 at 11.00 a.m.** to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Abhay Sheth who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

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

Sd/-
(RAKESH TAINWALA)
Managing Director

Registered Office :

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

Place : Mumbai.

Date : 27th June, 2009.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF, SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 17.9.2009 to 23.9.2009 (both days inclusive).
3. The Company has appointed M/s. Link Intime India Pvt. Ltd., having their address at C-13 Pannalal Silk Mills Compound, LBS Road, Bhandup (West), Mumbai-400 078 as its Registrar and Share Transfer Agents. Members are requested to notify the Registrar quoting their folio no. any change in their registered address alongwith the pin code number.
4. Members of the Company holding shares in the physical form and who have multiple account(s) in identical name(s) or holding more than 1(one) share certificate in the same name under different ledger folio(s) are requested to apply for consolidation of such folio(s) and send the relevant share certificates to the registrar viz. M/s. Link Intime India Pvt. Ltd.
5. In terms of the notification issued by SEBI, equity shares of the Company are under Compulsory Demat. The Company's ISIN No is **INE123C01018**.
6. Members who attend the meeting are requested to complete the enclosed attendance slip and to deliver the same at the entrance of the meeting hall.
7. As a measure of economy, copies of the Annual Report will not be distributed at the Annual

- General Meeting . Members are therefore requested to bring their copies of the Annual Report at the time of attending the Meeting.
8. Members desirous of obtaining any information, concerning the accounts and operations of the Company are requested to address their queries to "THE COMPLIANCE OFFICER" at the Company's registered office, at least 10 days before the date of the Annual General Meeting , in order to enable the management to keep the information ready at the meeting.
 9. All amounts specified in Section 205 C (2)(a & b) of the Companies Act, 1956 due for transfer have been transferred to the Investors Education and Protection Fund within the prescribed time. No amounts are pending for transfer to the Investors Education & Protection Fund.
 10. All documents referred to in the accompanying Notice and Explanatory statement are open for inspection at the Registered Office of the Company between 10.00 a.m. and 12.00 p.m. on any working day.
 11. Section 109A of the Companies Act , 1956 has extended the Nomination facility to individuals holdings shares in Companies. Shareholders holding shares in the physical mode and wishing to avail this facility may please write to the Company for the prescribed nomination form .
 12. Members holding shares in dematerialised form are requested to bring their Client ID and DP- ID nos. for easier identification of attendance at the meeting.

DIRECTORS' REPORT

To The Members,
The Directors submit the Annual Report of the Company together with the audited statement of accounts for the year ended March 31, 2009.

Financial Results:

	(Rs. in Lacs)	
Year ended 31st March, 2009	Year ended 31st March, 2008	
Sale of Products	993.17	1214.71
Less: Excise Duty	<u>100.29</u>	<u>156.35</u>
	892.88	1058.36
Sale of Shares	<u>118.92</u>	<u>174.07</u>
	<u>1011.79</u>	<u>1232.43</u>
Profit before Depreciation	198.04	225.83
Less : Depreciation	<u>68.59</u>	<u>63.59</u>
Profit for the year before tax & exceptional items	129.45	162.24
Add: Exceptional Items	<u>347.27</u>	<u>419.87</u>
Profit before taxation	476.72	582.11
Provision for Tax :		
Current Tax (MAT)	6.50	nil
Deferred Tax	nil	nil
Fringe Benefit Tax	3.75	3.35
Wealth Tax	<u>0.70</u>	<u>0.48</u>
Net Profit After Tax	<u>465.77</u>	<u>578.55</u>
Balance b/f from previous year	(686.53)	(1268.14)
Differential provision for gratuity Upto 31.03.2007	—	3.72
Tax adjustments of earlier years	—	(0.39)
Deficit carried to Balance-Sheet	<u>(220.74)</u>	<u>(686.53)</u>

OPERATIONS :

The financial year 2008-09 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. 1011.80 lakhs and a competitive Net Profit before exceptional items of Rs. 129.45 lakhs

Management is pleased to inform you that during the year, due to concerted efforts of the management, your Company has been able to recover substantial amount of loans given in earlier years to the tune of Rs. 347.27 Lacs. During the year your Company has invested in the equity capital of Periwinkle Fashions Private Limited an amount of Rs. 500 Lacs and your Company expects good returns from the Investments.

DIVIDEND :

Though the Company has earned profits during the year, in view of the accumulated losses, your Directors are unable to recommend any dividend for the year.

FIXED DEPOSITS :

During the year under review, the Company has not accepted any deposits within the meaning of Section

58-A of the Companies Act, 1956.

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

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

PARTICULARS OF EMPLOYEES :

The information as required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is as under:

STATEMENT U/S 217 2(A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMLPOYEES) RULES, 1975 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2009.

EMPLOYED FOR FULL YEAR AND IN RECEIPT OF REMUNERATION FOR THE YEAR WHICH IN AGGREGATE WAS NOT LESS THAN Rs. 24,00,000 P.A.

Sr. no.	Employee Name	Design-Name	Qualifi-cation	Total Working Experience	Date of Commencement of Empl-	Age (Yrs.)	Remun-eration (Rs.)	Previous employ-ment held
1.	Mr. Rakesh Tainwala	Managing Director	B.Tech (Computer Eng.)	17 Yrs	April, 1989	41	30,00,000	N.A.

DIRECTORS :

Dr. Ramesh Tainwala resigned as a Director of the Company with effect from 30th April, 2008. The Board places on record its sincere appreciation for the valuable services rendered by Dr. Ramesh Tainwala.

In accordance with the provisions of the Companies Act, 1956 and Company's Articles of Association, Mr. Abhay Sheth retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT :

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

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

AUDITORS :

You are requested to appoint the auditors for the current year and to fix their remuneration. M/s. Suresh Surana and Associates, Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

BOARD COMMITTEES :

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

CORPORATE GOVERNANCE :

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

AUDITORS' REPORT :

With reference to the auditors comments in para 3(a) and 3(b) of Annexure to the Auditors Report, management would like to state that loans to the tune of Rs. **3,47,27,284/-** have already been recovered which was provided as doubtful in earlier year and the Company is confident of recovering the balance amount.

With reference to the auditors comments in para 3(c), management would like to state that the loans given were outstanding for a very long period and the Company had put concerted efforts, and finally the Company has been successful in recovering the substantial amount of loan and is confident of recovering the balance amount.

WHOLE-TIME COMPANY SECRETARY:

Mr. Vikas Lad, Whole-time Company Secretary of the Company has resigned w.e.f. 15th April, 2009. Mr. Anirudh Kumar Tanvar has been appointed Whole time Company Secretary w.e.f. 01st April 2009. He shall also act as the Compliance Officer of the Company.

PERSONNEL :

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

APPRECIATION :

Your Directors place on record their sincere appreciation for the co - operation received by the Company from its Bankers, Shareholders, Customers, Dealers and Suppliers. Your Directors also wish to place on record their sincere appreciation for the valuable contributions made by the employees at all levels .

For and on behalf of the Board of Directors

Sd/
(MR. DUNGARMAL TAINWALA)
Chairman

Place : Mumbai.
Dated : 27th June, 2009

ANNEXURE ' A' TO THE DIRECTORS' REPORT :

Information as per Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, and forming part of the Directors' Report for the year ended 31st March, 2009.

A. Conservation of Energy:**a) Energy Conservation measures taken :**

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

b) Impact of the measures at (a) above for reduction of energy consumption and consequent impact on the cost of production

Implementations of the aforementioned measures have resulted in efficient energy management.

c) Power & Fuel Consumption :

	Year ended 31/03/09	Year Ended 31/03/08
a) Electricity :		
Units Purchased	767,680	1,117,020
Total amount (Rs.)	2,914,577	3,453,799
Rate per Unit (Rs.)	3.80	3.09
b) Own Generation through Diesel Generator :		
Units Generated	33,417	19,560
Quantity of Diesel Used	12062 ltrs.	6830 ltrs.
Total Amount (Rs.)	451,135	232,053
Cost per unit (Rs.)	13.50	11.86
c) Consumption per unit of production .		
Details :		
Production (Kgs)	934,871	1,133,114
Electricity (Rs.)	2,914,577	3,453,799
Diesel (Rs.)	451,135	232,053
Total Amount (Rs.)	3,365,712	3,685,852
Cost per Unit Rs.	Rs.3.60	Rs.3.25
	per kg	per kg

B. Technology Absorption :**1. Research and Development (R & D) :****a) Specific areas in which R & D carried out in the Company.**

Nil .

b) Benefits:

Not Applicable

c) Future Plan of Action :

On-going Development in product quality and process conditions.

d) Expenditure on R & D :

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

2. Technology Absorption, Adaptation and Innovation:

The company has not acquired any indigenous or imported technology.

C. Foreign Exchange Earnings and Outgoings;

Total Foreign Exchange earned : **Rs. Nil**

Total Foreign Exchange used : **Rs. 1,97,68,353/-**

ANNEXURE 'B' TO THE DIRECTORS' REPORT
REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2008-09
(As required under the Revised Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

Corporate Governance broadly refers to a set of rules and practices designed to govern the behaviour of corporate enterprises. It refers to a system by which Companies are governed, controlled and managed. A detailed Report on Corporate Governance as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below.

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

Corporate Governance is a system by which companies are governed, controlled and managed. Your Company's philosophy on Corporate Governance envisages accountability, responsibility and transparency in the conduct of the Company's business and its affairs vis-à-vis its employees, shareholders, bankers, lenders, government, suppliers, dealers etc. and accordingly lays great emphasis on regulatory compliances. In addition to emphasis on various regulatory compliances your Company strives to ensure that high standards of professionalism and ethical conduct are maintained throughout the organization. Your Company continues to give high priority to the principles and practice of Corporate Governance and has accordingly benchmarked its practices with the existing guidelines of corporate governance as laid down in the Listing Agreement.

2. BOARD OF DIRECTORS :-

COMPOSITION AND CATEGORY:-

The Company has an optimum combination of Executive and Non-Executive Directors. The Board of Directors comprises of 5 (Five) Directors i.e. 2 (two) Executive Directors and 3 (Three) Non-Executive Directors. During the year, the Board was headed by a Executive Chairman – Mr. Dungarmal Tainwala. All the members of the Board are persons with considerable experience and expertise in their respective fields like industry, finance, technology, management and law.

The Board's composition is in accordance with the requirements of Clause 49(I)(A) of the Listing Agreement. None of the Directors on the Board is a member of more than 10 (ten) committees and Chairman of more than 5 (five) committees as per clause 49(I)(C)(ii) across all companies in which they are Directors.

The Composition of the Board of Directors during the year as well as details of outside directorships and other board committees of which the Company's Directors are members is as under:

Name of the Director	Category	Number of Directorships in other Companies**	Number of committee positions held in other	
			Member	Chairman
Dr. Ramesh Tainwala*	Promoter & Non-Executive	2	2	Nil
Rakesh Tainwala	Promoter & Executive	Nil	Nil	Nil
Dungarmal Tainwala	Promoter & Executive	Nil	Nil	Nil
Subhash Kadakia	Independent & Non-Executive	Nil	Nil	Nil
Abhay Sheth	Independent & Non-Executive	Nil	Nil	Nil
Mayank Dhuldhoya	Independent & Non-Executive	Nil	Nil	Nil

*resigned w.e.f. 30.04.2008

** excluding directorship in private companies.

Notes :

- i. Independent Director means a director as defined under revised Clause 49 of the Listing Agreement
- ii. Only two committees viz; Audit Committee and Shareholders/Investors Grievance Committee have been considered as per revised Clause 49 of the Listing agreement.

None of the Non-executive Directors hold any shares in the Company except Mr. Subhash Kadakia – Independent Director who holds 200 equity shares in the Company.

The meetings of the Board of Directors are held in Mumbai at the registered office of the Company. Meetings are scheduled well in advance and notice and detailed agenda of each board meeting is given in writing to each Director. The Board meets at least once a quarter inter- alia, to review the quarterly performance and financial results and the gap between two meetings is not more than four months.

BOARD MEETINGS AND ANNUAL GENERAL MEETINGS :

During the financial year ended 31st March, 2009 5(Five) Board Meetings were held i.e. on 30.04.2008, 28.06.2008, 28.07.2008, 25.10.2008, 29.01.2009.

The last i.e. the 23rd Annual General Meeting of the Company was held on Wednesday, 24th September, 2008. Details of attendance of each Director at the Board Meetings and at the Annual General Meeting are given below:

Name of the Director	No. of Board Meetings Attended	Whether attended last AGM held on 24.09.2008
Dr. Ramesh Tainwala*	--	--
Rakesh Tainwala	5	Yes
Dungarmal Tainwala	5	Yes
Subhash Kadakia	5	Yes
Abhay Sheth	4	Yes
Mayank Dhuldhoya	5	Yes

*resigned w.e.f. 30.04.2008

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

Name : Mr. Abhay Sheth
 Age : 60 years
 Qualifications : B.E.(Mechanical)
 Expertise : Mr. Abhay Sheth is presently Looking after the business of Marketing of Plastics and plastics packaging machinery under the name and style of M/s. Abhay Sheth Technologies.. He has rich and wide ranging experience in the field of marketing of plastic and plastics packaging machinery. He is also a member of the All India Plastics Manufacturers Association (AIPMA) and Indian Plastics Institutes(IPI).
 Other Directorships : Nil

3. BOARD COMMITTEES:-

The Board had constituted the following committees of Directors.

I AUDIT COMMITTEE :

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

A. COMPOSITION OF AUDIT COMMITTEE :

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

Name of the Director	Category
Subhash Kadakia	Chairman, Non-Executive & Independent
Abhay Sheth	Non-Executive & Independent
Dr. Ramesh Tainwala (resigned w.e.f. 30.04.2008)	Non-Executive & Promoter
Mayank Dhuldhoya (appointed w.e.f. 30.04.2008)	Non-Executive & Independent

All the members of the Audit Committee are financially literate. Mr. Subhash Kadakia, Chairman, Mr. Abhay Sheth and Mr. Mayank Dhulkhoya are technically qualified and are also Director in other companies and are having good financial and accounting background.

B. TERMS OF REFERENCE OF AUDIT COMMITTEES :

The Committee inter alia dealt with accounting matters, financial reporting and internal controls. The powers and terms of reference of the Audit Committee are in line with the requirements of revised clause 49 of the Listing Agreement as well as Section 292A of the Companies Act, 1956.

C. DETAILS OF AUDIT COMMITTEE MEETINGS AND ATTENDANCE OF MEMBERS :

5 (Five) Audit Committee meetings were held during the year i.e. on 30.04.2008, 28.06.2008, 28.07.2008, 25.10.2008, 29.01.2009.

Name of the Member	No. of Audit Committee Meetings attended
Subhash Kadakia	5
Abhay Sheth	4
Mr. Mayank Dhuldhoya	5

II SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:-

The Share Transfer / Investor Grievance Committee:

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

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

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

During the year 2008 - 2009 the Committee held 16 (Sixteen) meetings on 15.04.2008, 30.04.2008, 15.05.2008, 31.05.2008, 16.06.2008, 30.06.08, 18.08.2008, 30.08.2008, 15.09.2008, 30.09.2008, 15.10.08, 31.10.2008, 29.11.2008,30.01.2009, 16.03.2009 and 31.03.2009

The Composition of the Shareholders/Investors Grievance Committee and the attendance of each member during the year 2008-2009 are detailed below:-

Name of the Director	Executive/Non-Executive	No. of Committee Meetings Attended
Dungarmal Tainwala	Executive	16
Abhay Sheth	Non-Executive	16
Subhash Kadakia	Non-Executive	16

B. Status of Shareholders/Investors Grievances and their Redressal :

No. of Complaints Received	:	18
No. of Complaints Resolved	:	18
Pending Complaints	:	Nil

C. Name and Designation of Compliance Officer :

Mr. Dungarmal Tainwala – Whole-time Director was designated as the Compliance Officer of the Company upto 31st May, 2008. Thereafter, Mr. Vikas Lad –Whole-Time Company Secretary was appointed as the Compliance Officer of the Company with effect from 1st June, 2008 and Mr. Vikas Lad resigned with effect from 15th April, 2009. Thereafter Mr. Anirudh Kumar Tanvar-Whole-Time Company Secretary is appointed as Compliance Officer of the Company with Effect from 27th April, 2009

III. REMUNERATION COMMITTEE :

The Remuneration Committee comprises of 3 Non-Executive independent Directors as members viz. Shri. Abhay Sheth, Shri. Subhash Kadakia and Shri. Mayank Dhuldhoya. Shri. Abhay Sheth is the Chairman of the Committee.

No meeting of remuneration committee was held during the year.

The scope and function of the Remuneration Committee covers the requirements of the code of Corporate Governance of the Listing Agreement and the provisions of Schedule XIII and any other provisions, if any, of the Companies Act, 1956. The broad terms of reference of the Committee are to recommend to the Board the Remuneration package including perquisites payable to the Company's Managing Director and Whole-Time Director.

4. REMUNERATION OF DIRECTORS :

A. REMUNERATION POLICY :

Payment of remuneration to the Managing Director and the Executive Directors is governed by an Agreement entered into between the company and the Managerial personnel, the terms and conditions of which have been duly approved by the Board and the shareholders of the Company.

B. REMUNERATION OF MANAGING DIRECTOR & WHOLE-TIME DIRECTORS:

The Remuneration (including perquisites and benefits) paid to the Managing Director during the year ended 31st March, 2009 is as follows :

Name of the Director	Salary/Benefits **	Stock Option
Rakesh Tainwala –Managing Director	Rs.33,60,000/- p.a	-
Dungarmal Tainwala-Whole-Time Director	Rs.8,06,400/- p.a	-

** includes Company's contribution to Provident Fund.

The Non-Executive Directors of the Company do not draw any remuneration from the Company other than sitting fees for attending Board and Committee meetings.

Details of Sitting Fees paid to Non – Executive Directors for attending Board and Committee Meeting during the year 2008-2009 are given below :-

Name	Board Meeting (Rs.)	Committee Meeting (Rs.) ***	Total (Rs.)
Subhash Kadakia	5,000	7,000	12,000
Dungarmal Tainwala	Nil	Nil	Nil
Abhay Sheth	4,000	6,500	10,500
Rakesh Tainwala	Nil	Nil	Nil
Mayank Dhuldhoya	5,000	2,500	7,500
TOTAL	14,000	16,000	30,000

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

The Company did not have any pecuniary relationship or transactions with Non-Executive Directors except payment of sitting fees, reimbursement of expenses incurred for travel etc. for attending Board/ Committee Meetings. Notice period, severance fees and performance-linked incentive are not stipulated in their terms of appointments.

5. GENERAL BODY MEETINGS :

a). Details of Previous Three Annual General Meetings :

Financial Year	Date of Meeting	Time	Location
2007-2008	24.09.2008	11.00 a.m.	All India Plastics Manufacturers Association A-52, Street No. 1, MIDC, Marol, Andheri (E), Mumbai – 400 093.
2006-2007	28.09.2007	11.00 a.m.	All India Plastics Manufacturers Association A-52, Street No. 1, MIDC, Marol, Andheri (E), Mumbai – 400 093.
2005-2006	27.09.2006	11.00 a.m.	All India Plastics Manufacturers Association A-52, Street No. 1, MIDC, Marol, Andheri (E), Mumbai – 400 093.

b). Special resolutions passed in the previous three AGMs are as below:

- 2005-06** – 1. Appointment of Ms. Amishi Tainwala as Senior Manager - Accounts.
- 2006-07** – 1. Re-appointment of Mr. Rakesh Tainwala as Managing Director for a period of five years.
2. Re-appointment of Mr. Dungarmal Tainwala as Whole-time Director for a period of five years.
- 2007-08** – Nil

c). No resolutions were put through Postal Ballot last Year.

d). No resolutions are proposed to be carried out by Postal Ballot this Year.

6. OTHER DISCLOSURES :

- a. During the year under review, besides the transactions reported in the Notes to the Accounts for the year, there were no other related party transactions of material nature by the Company with its promoters, directors, management and subsidiaries or relatives etc.
- b. During the year an open offer was given to the shareholders of the Company by the Promoters increasing the promoter's shareholding to 66.01%. An inspection was also conducted by ROC and some irregularities found during the inspection were regularized before the end of the year.
- c. The Company has duly complied with all the mandatory requirements as per Clause 49 of the Listing Agreement.
- d. Compliance with Non-mandatory requirements is furnished separately under the heading "Non-mandatory Requirements".

7. MEANS OF COMMUNICATION :

- a) Quarterly Unaudited Financial Results are published in the "Free Press Journal" and "Navshakti" newspapers. The Annual Audited Accounts are also like-wise published. The half yearly Report is not sent separately to each household of the Shareholders. Annual Reports are sent to each shareholders at their address registered with the Company.
- b) Website : www.tainwala.in.
- c) No presentation to any institutional investors or analysts has been made during the year ended 31st March, 2009.

8. 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 2008-09. A Declaration to this effect signed by Chief Executive Officer (CEO) of the Company is annexed to this report.

9. GENERAL SHAREHOLDER INFORMATION :

- a) AGM Date, Time and Venue : 23rd , September, 2009 at 11.00 a.m. at the All India Plastics Manufacturers Association A-52, Street No. 1, Marol, M.I.D.C., Andheri (East), Mumbai -93.
- b) Financial Calendar : 1st April to 31st March

Audited Annual results for year ended 31 st March, 2009	By end of June, 2009
Unaudited First Quarter results for quarter ended 30th June, 2009	By end of July, 2009
Unaudited Second Quarter results for quarter ended 30th September, 2009	By end of October, 2009
Unaudited Third Quarter results for quarter ended 30th December, 2009	By end of January, 2010
Unaudited Fourth Quarter results for quarter ended 30th March, 2010	By end of April, 2010
- c) Book Closure Date : 17/09/2009 to 23/09/2009.
- d) Listing on Stock Exchange : Bombay Stock Exchange Limited.
National Stock Exchange of India Limited.
- e) Stock Code

Bombay Stock Exchange Limited.	: 507785
National Stock Exchange of India Limited	: TAINWALCHM
- f) Payment of Annual Listing Fees : Listing Fees for the financial year 2008-2009 has been paid to the concerned stock exchanges within the prescribed time limit.
- g) Dividend payment : Nil

h) Stock Market Data :

YEAR/ MONTH	BOMBAY STOCK EXCHANGE			NATIONAL STOCK EXCHANGE		
	HIGH (RS.)	LOW (RS.)	SENSEX (Rs.)	HIGH (RS.)	LOW (RS.)	NIFTY (Rs.)
2008						
April	15.00	10.56	17,287.31	14.70	10.75	5,165.90
May	15.50	11.75	16,415.57	15.70	11.65	4,870.10
June	16.19	10.39	13,461.60	15.00	10.40	4,040.55
July	16.50	11.70	14,355.75	15.85	10.40	4,332.95
August	18.00	14.35	14,564.53	19.45	14.10	4,360.00
September	18.00	15.00	12,860.43	20.20	13.25	3,921.00
October	16.00	11.35	9,788.06	16.50	11.60	2,885.60
November	16.50	13.15	9,092.72	16.30	13.10	2,755.10
December	17.70	12.11	9,647.31	18.10	12.35	2,959.15
2009						
January	16.50	11.15	9,424.24	16.50	11.30	2,874.80
February	13.90	11.17	8,891.61	13.90	11.00	2,763.65
March	12.49	09.55	9,708.50	12.50	08.75	3,020.95

i) Share Transfer Agents : The Company has appointed Link Intime India Pvt. Ltd., having their office at C-13, Pannalal Silk Mills Compound, L. B. S. Road, Bhandup (West), Mumbai- 400 078 as the Registrar & Share Transfer Agents. All Shareholder related services including transfer, demat 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, 2009:

No. of Equity shares held	No. of Shareholders	% of Shareholders	Total No. of Shares Held	% of Shares
1 - 500	6,676	88.33%	1,044,213	11.17%
501 - 1000	519	6.86%	415,259	4.43%
1001 - 2000	195	2.58%	299,982	3.20%
2001 - 3000	57	0.75%	149,055	1.59%
3001 - 4000	25	0.33%	87,271	0.93%
4001 - 5000	24	0.32%	111,682	1.19%
5001 - 10000	19	0.25%	147,926	1.58%
10001 & above	44	0.58%	7,108,475	75.91%
TOTAL	7,559	100.00%	9,363,863	100.00%

l) Shareholding pattern as on 31st March, 2009 :

Category	No. of Shares Held	%age to Total Capital	No. of Shareholders	%age to Total Shareholders
Promoters	6,181,214	66.01%	10	0.13%
NON-PROMOTERS:				
Mutual Funds & UTI	16,200	0.17%	9	0.12%
Financial Institutions/Banks	217,265	2.32%	10	0.13%
FII's	3,509	0.04%	3	0.04%
Bodies Corporate	197,057	2.10%	131	1.73%
NRI'S,OCB'S & Foreign companies	381,237	4.07%	268	3.55%
Public	2,367,381	25.29%	7,128	94.30%
TOTAL	9,363,863	100.00%	7,559	100.00%

m) Status of Dematerialisation of Shares as on 31st March, 2009 :

Particulars	No. of Shares	% age to Total Capital
NSDL	7,900,742	84.38%
CDSL	408,300	4.36%
PHYSICAL	1,054,821	11.26%
TOTAL	9,363,863	100.00%

- n) Company ISIN No. : INE123C01018
- o) Registered Office : 'Tainwala House', Road No.18, MIDC, Marol, Andheri (East), Mumbai – 400 093.
- p) Works : Plot No. 87 Government Industrial Estate, Khadoli Village, Silvassa Dadra & Nagar Haveli-U.T
- q) Address for Correspondence : (1). 'Tainwala House', Road No.18, MIDC, Marol , Andheri (East), Mumbai – 400 093.
(2) Shareholders correspondence should be Addressed to: Link Intime India Pvt. Ltd. C-13, Pannnalal Silk Mills Compound, L. B. S. Road, Bhandup (West), Mumbai. Pin – 400 078. Phone No. 022-2596 3838
- r) GDRs/ADRs : The Company has not issued any GDRs/ADRs.
- s) Management Discussion and Analysis Report :
The Management Discussion and Analysis Report is given as an Annexure to the Directors' Report.
- t) Risk Management Framework :
The Board members discuss about the risk assessment and minimization procedures.

10. NON-MANDATORY REQUIREMENTS:**Remuneration Committee:**

The Company has set up a Remuneration Committee as per the details under Item no. 3 – III of this report.

Other Requirements:

The Company is yet to adopt the other non-mandatory requirements like sending of the half yearly financial performance including summary of significant events in past six months to shareholders, restricting the tenure of the independent directors in the aggregate to a period of nine years on the Board of the Company, unqualified financial statements, training of Board members, mechanism of evaluation of Non-executive Board members and Whistle Blower Policy and would be complied with at an appropriate time later.

11. The CEO and CFO have certified to the Board of Directors with regards to financial statements and other matters as required by the clause 49 of the Listing Agreement. The certificate is annexed to this report.
12. The Company has obtained the certificate from its statutory auditors regarding compliance with the provisions relating to corporate governance laid down in the Clause 49 of the Listing Agreement. The report is annexed to this report.

AUDITORS' CERTIFICATE

To,

The Member of

M/s. Tainwala Chemicals And Plastics (India) Ltd.

We have examined the compliance of conditions of Corporate Governance by **Tainwala Chemicals And Plastics (India) Limited** for the year ended 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock Exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and management, we certify that the Company has complied with the conditions of corporate

Governance as stipulated in of the above mentioned Listing Agreement.

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

For **SURESH SURANA & ASSOCIATES**

Chartered Accountants

Sd/-

(NIRMAL JAIN)

PARTNER

Membership No. 34709

Place : Mumbai

Date : 27th June 2009

DECLARATION BY CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR

I, Rakesh Tainwala, Managing Director of Tainwala Chemicals and Plastics (India) Limited hereby certify and acknowledge that all the members of the Board of Directors and the Senior Management Personnel of the Company have complied with the Code of Conduct of the Company and have already given the annual affirmation of the compliance with the Code of Conduct.

For Tainwala Chemicals and Plastics (India) Limited

Sd/-

(RAKESH TAINWALA)

Managing Director

Place : Mumbai

Date : 27th June, 2009.**CERTIFICATE PURSUANT TO CLAUSE 49 (V) OF THE LISTING AGREEMENT**

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

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2009 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions have been entered into by the company during the year 2008-09 which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies of which we are aware in the design or operation of internal control systems and have taken the required steps to rectify the deficiency.
- (d) We have informed the auditors and the Audit Committee:
 - i. about significant changes in internal control over financial reporting during the year;
 - ii. that there have been no significant changes in accounting policies during the year;
 - iii. that there have been no instances of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

FOR TAINWALA CHEMICALS AND PLASTICS (INDIA) LTD.

Sd/- **RAKESH****TAINWALA** Managing

Director

Sd/-

SIMRAN MANSUKHANI

Chief Financial Officer

Place: Mumbai

Date: 27th June, 2009.

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

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

INDUSTRY STRUCTURE :

The Plastic Sheet industry has come a long way in India in the last decade. From a few sheet extrusion lines manufacturing engineering plastics, the number of manufacturers has grown almost three fold today. With new entrants in the industry there is excess capacity, as a result of which competition has increased. In spite of the stiff competition your Company is numero uno in the manufacture of PVC Extruded sheets manufacturing and marketing the widest range of PVC Extruded sheet of varying thickness from .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 a Turnover of Rs. 1012.48 lacs. The Company achieved a Net Profit of Rs. 465.77 lacs. The company continues to focus on tight working capital management. Stringent cost control measures have been initiated and implemented.

FUTURE OUTLOOK:

Your management has been identifying new areas of application where plastic sheets can replace traditional materials like stainless steel, asbestos, iron etc. The market for PVC Engineering Sheets is set to grow since sheets are mainly used as Pollution Control Equipment, in Waste Water Treatment applications, Sewage Treatment Plants as well as Portable Water Treatment Plants. As our economy moves from a developing to a developed one, the Sewage Treatment Plants and Portable Water Treatment as well as Effluent Treatment plants for treating industrial waste are a must. These

are essential for preventing water pollution of both river as well as ground water and for providing safe drinking water to the country's Population. The Government's Policy on social sector development in areas such as low cost housing, safe sewage disposal, 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. This itself is an indication that the future outlook for PVC Extruded Engineering Sheets is bright.

OPPORTUNITIES AND THREATS :

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

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

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

SEGMENTWISE PERFORMANCE :

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

RISKS AND CONCERNS :

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

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

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

Your Company has a system of internal controls commensurate with the size of its operation and nature of business to ensure optimum utilization and protection of resources, speedy and accurate reporting of financial transactions in compliance with applicable laws and regulations. The Company has an internal audit department which monitors and supplements the Company's operations through regular audits. The Board has also constituted an audit committee which meets periodically inter-alia to review the financial results, and the accuracy of financial records.

HUMAN RESOURCES / INDUSTRIAL RELATIONS:

The Company believes that the success of an Organisation largely depends on the quality of its workforce and hence has always recognised people

as its key workforce. The belief 'great people create great organisations' has been at the core of the Company's approach to its people. The Company has created a favourable work environment that encourages innovation and meritocracy.

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

RESEARCH AND DEVELOPMENT (R & D):

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

CAUTIONARY STATEMENT:

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

AUDITORS' REPORT

To
The Members of

TAINWALA CHEMICALS AND PLASTICS (INDIA) LIMITED

1. We have audited the attached balance sheet of **TAINWALA CHEMICALS AND PLASTICS (INDIA) LIMITED** as at 31 March 2009 and also the profit and loss account and cash flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by Companies (Auditor's Report) Order 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 ('the Order') issued by Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, on the basis of such checks of the books and records of the Company, as we considered appropriate and according to information and explanations given to us, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- c) The balance sheet, the profit and loss account and the cash flow statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report have been prepared in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956, to the extent applicable;
- e) On the basis of written representations received from the directors of the Company as on 31 March 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes thereon in Schedule 'O', give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2009;
 - ii. in the case of the profit and loss account, of the profit for the year ended on that date; and
 - iii. in the case of cash flow statement, of the cash flows for the year ended on that date.

For **SURESH SURANA & ASSOCIATES**
Chartered Accountants

Sd/-
(NIRMAL JAIN)
PARTNER
Membership No. 34709

Place : Mumbai
Date : 27th June 2009

**ANNEXURE TO THE AUDITORS' REPORT
REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE**

1. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) In our opinion and according to information explanations given to us, physical verification of fixed assets have been conducted by the management at reasonable intervals and no material discrepancies were noticed on such verification.
 - c) During the year, no substantial part of its fixed assets has been disposed off by the Company.
 2. In respect of its inventories:
 - a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and according to information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company is maintaining proper records of inventory. According to the information and explanations given to us, the discrepancies noticed on physical verification of inventory as compared to book records were not material and the same have been properly dealt with by the Company in the books of account.
 3. In respect of loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
 - a) The Company had granted unsecured loans to 4 companies in earlier years and maximum amount involved during the year was Rs.114,031,830 and year-end balance of loans given to such parties was Rs. 79,304,546.
 - b) The rate of interest and other terms and conditions of the loans given by the Company are, prima facie, not prejudicial to the interests of the Company except for loans which are fully provided as doubtful.
 - c) The above loans are repayable on demand and in our opinion, in respect of overdue amounts, the Company is taking necessary steps for recovery.
 - d) The Company had taken unsecured loans from a director. The maximum amount involved during the year was Rs.3,700,000 and the year end balance was Rs. Nil.
 - e) In our opinion and according to information and explanation given to us, such loans taken by the Company are interest free and other terms and conditions are not prima facie prejudicial to the interest of the Company.
 - f) According to information and explanations given to us, the Company is regular in repaying the principal amount. No interest is payable as the loans taken are interest free.
 4. In our opinion and according to information and explanations given to us, having regard to the explanations that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is adequate internal control systems commensurate with the size of the Company and nature of its business, for the purchase of inventories and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
 5.
 - a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section.
 - b) In our opinion, having regard to our comments in para 3 above and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding Rs. 500,000 in respect of each party have been made during the year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
 6. The Company has not accepted any deposits from public during the year.
 7. In our opinion and according to information and explanations given to us, the Company has an internal audit system commensurate with its size and nature of its business.
 8. The Central Government has not prescribed for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the products manufactured by the Company.
-

9. a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to the Company with appropriate authorities. According to information and explanations given to us, there are no amounts of statutory dues outstanding as at 31 March 2009 for a period of more than six months from the date they became payable.
- b) According to information and explanations given to us, there are no dues in respect of Sales Tax, Wealth Tax, Service Tax, Custom Duty, Cess which have not been deposited on account of any dispute. Dues in respect of Income Tax and Excise Duty not deposited on account of dispute are as follows:

Name of statute	Nature of dues	Amount Rs.	Period to which amount pertains	Forum where dispute is pending
Income tax Act, 1961	Income tax	1,091,941	A.Y. 2004-05	The Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax	1,605,058	A.Y. 1995-96	The Commissioner of Income tax (Appeals)
Central Excise Act, 1944	Penalty	92,368	F.Y. 1999-00	The High Court
Central Excise Act, 1944	Excise duty	9,920	November 2004 to March 2006	The Deputy Commissioner of Central Excise

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

For **SURESH SURANA & ASSOCIATES**
Chartered Accountants
Sd/-
(NIRMAL JAIN)
PARTNER
Membership No. 34709

Place : Mumbai
Date : 27th June 2009

BALANCE SHEET AS AT 31 MARCH 2009

	Schedule	As at 31/03/2009 (Rs.)	As at 31/03/2008 (Rs.)
I. SOURCES OF FUNDS:			
1. Shareholders' funds			
Share capital	A	93,638,630	93,638,630
Reserves and surplus	B	275,766,242	275,766,242
		369,404,872	369,404,872
2. Loan funds			
Secured loans	C	3,089,156	356,735
Total funds employed		372,494,028	369,761,607
II. APPLICATION OF FUNDS:			
1. Fixed assets			
Gross block	D	144,526,566	134,660,774
Less: Depreciation		74,689,602	68,276,985
Net block		69,836,964	66,383,789
Capital Work In Process and capital advances		-	54,000
		69,836,964	66,437,789
2. Investments			
	E	146,366,507	92,950,405
3. Current assets, loans and advances			
Inventories	F	37,597,053	48,231,280
Sundry debtors		6,650,708	16,927,014
Cash and bank balances		28,784,852	30,751,995
Other current assets		561,614	10,031,862
Loans and advances		73,468,495	49,335,018
		147,062,722	155,277,169
Less: Current liabilities and provisions			
Current liabilities	G	9,635,627	10,689,660
Provisions		3,211,320	2,866,372
		12,846,947	13,556,032
Net current assets		134,215,775	141,721,137
4. Profit and loss account (debit balance)			
		22,074,782	68,652,276
Total funds utilised		372,494,028	369,761,607

SIGNIFICANT ACCOUNTING POLICIES**AND NOTES TO ACCOUNTS****O**

SCHEDULES REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE BALANCE SHEET

As per our report of even date attached
For **SURESH SURANA & ASSOCIATES**
Chartered Accountants

Sd/-
(NIRMAL JAIN)

PARTNER

Membership No. 34709

Place : Mumbai
Dated : 27th June 2009

For and on behalf of the Board

Sd/- **(DUNGARMAL
TAINWALA)** Chairman

Sd/- **(RAKESH
TAINWALA)** Managing
Director

Sd/-
(ANIRUDH KUMAR TANVAR)

Company Secretary

Place : Mumbai
Dated : 27th June 2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2009

	Schedule	Current Year (Rs.)	Previous Year (Rs.)
I. INCOME :			
Sales and income from operations	H	101,248,324	123,285,781
Income from investments	I	26,270,597	21,039,224
Other income	J	6,703,800	5,798,786
Increase / (Decrease) in stocks	K	(6,964,133)	11,674,150
TOTAL		127,258,588	161,797,941
II. EXPENDITURE :			
Raw materials consumed	L	59,478,517	77,926,194
Purchase for resale		245,220	5,350,151
Purchase of shares for resale		12,716,832	16,659,165
Manufacturing and other expenses	M	34,702,980	39,086,586
Interest	N	310,567	193,008
Depreciation		6,859,262	6,358,793
TOTAL		114,313,378	145,573,897
III. Profit / (Loss)			
Profit before exceptional items and taxation		12,945,210	16,224,044
Exceptional items (Refer note no.3 in Schedule "O")		34,727,284	41,987,310
Profit before taxation		47,672,494	58,211,354
Provision for taxation :			
Current tax (MAT)		(650,000)	-
Deferred tax		-	-
Fringe benefit tax		(375,000)	(335,000)
Wealth tax		(70,000)	(48,000)
Profit after tax		46,577,494	57,828,354
Tax adjustments of earlier years		-	(38,799)
Balance brought forward from previous year		(68,652,276)	(126,814,235)
Less: Differential provision for gratuity upto 31/03/2007 (Refer note no 11(b) of Schedule 'O')		-	372,404
		(68,652,276)	(126,441,831)
Deficit carried to balance sheet		(22,074,782)	(68,652,276)
Basic and diluted earnings per share (including exceptional items)		4.97	6.18
Basic and diluted earnings per share (excluding exceptional items) (Face Value Rs. 10 per share)		1.27	1.69

**SIGNIFICANT ACCOUNTING POLICIES
AND NOTES TO ACCOUNTS****O**

SCHEDULES REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE BALANCE SHEET

As per our report of even date attached
For **SURESH SURANA & ASSOCIATES**
Chartered Accountants

Sd/-
(NIRMAL JAIN)
PARTNER
Membership No. 34709

Place : Mumbai
Dated : 27th June 2009

For and on behalf of the Board

Sd/- **(DUNGARMAL
TAINWALA)** Chairman

Sd/- **(RAKESH
TAINWALA)** Managing
Director

Sd/-
(ANIRUDH KUMAR TANVAR)
Company Secretary

Place : Mumbai
Dated : 27th June 2009

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2009

	Current Year Rs.	Previous Year Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax	47,672,494	58,211,354
Adjustments for:		
Depreciation	6,859,262	6,358,793
Provision for doubtful loans and advances written back	(34,727,284)	(41,987,310)
Provision for doubtful debts and advances	(134,915)	175,883
Interest expense	112,555	52,108
(Profit) / loss on sale of investments (net)	1,536,684	(1,106,342)
Interest income	(5,378,677)	(4,235,474)
Dividend income on current investments	(2,778,967)	(285,695)
Dividend income from long term investments	(24,558,984)	(19,647,187)
Fixed assets written off	-	53,254
(Profit) / loss on sale of fixed assets (net)	(657,784)	(22,500)
Operating profit before working capital changes	(12,055,616)	(2,433,116)
Changes in Current assets and Current liabilities:		
Trade and other receivables	38,362,760	72,084,005
Inventories	10,634,227	(11,679,310)
Trade payables	(714,270)	(2,040,885)
Cash generated from operations	36,227,101	55,930,694
Direct taxes (paid)/ refund	(2,303,074)	572,594
Fringe benefit tax	(447,884)	(286,783)
Wealth tax	(23,620)	-
Net cash from operating activities	33,452,523	56,216,505
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(11,098,454)	(2,879,342)
Sale of fixed assets	1,497,801	22,500
(Purchase) / sale of investments	(53,416,102)	(53,912,977)
Application money paid	(21,800,000)	-
Dividend income from current investments	2,778,967	285,695
Dividend income from long term investments	24,558,984	19,647,187
Interest received	4,848,925	4,265,672
Profit / (loss) on sale of investments (net)	(1,536,684)	1,106,342
Net cash from / (used in) investing activities	(54,166,563)	(31,464,923)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds/ (repayment) of borrowings	2,732,421	(251,144)
Interest paid	(80,864)	(52,402)
Net cash from / (used in) financing activities	2,651,557	(303,546)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(18,062,483)	24,448,036
Cash and cash equivalents at beginning of the year	28,013,415	3,565,379
Cash and cash equivalents at the end of the year	9,950,932	28,013,415
Net increase/(decrease) as disclosed above	(18,062,483)	24,448,036
Cash and cash equivalents at the end of the year:		
Cash on hand	78,208	151,390
Balances with scheduled banks in :		
Current accounts	9,872,724	27,862,025
	<u>9,950,932</u>	<u>28,013,415</u>

Notes :

1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (AS) -3 on Cash Flow Statement.

2) Cash and cash equivalents exclude fixed / margin deposit Rs. 18,833,920 (previous year Rs. 2,738,580)

As per our report of even date attached

For and on behalf of the Board

For **SURESH SURANA & ASSOCIATES**

Sd/- (**DUNGARMAL**

Sd/- (**RAKESH**

Chartered Accountants

TAINWALA) Chairman

TAINWALA) Managing

Sd/-

Director

(**NIRMAL JAIN**)

Sd/-

PARTNER

(**ANIRUDH KUMAR TANVAR**)

Membership No. 34709

Company Secretary

Place : Mumbai

Place : Mumbai

Dated : 27th June 2009

Dated : 27th June 2009

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31 MARCH 2009

	As at 31/03/2009 Rs.	As at 31/03/2008 Rs.
SCHEDULE 'A'		
SHARE CAPITAL		
Authorised:		
14,000,000 Equity shares of Rs. 10 each	140,000,000	140,000,000
Issued, subscribed and paid-up:		
9,363,863 Equity shares of Rs. 10 each fully paid up	93,638,630	93,638,630
	93,638,630	93,638,630
 SCHEDULE 'B'		
RESERVES AND SURPLUS		
Capital reserve:		
As per last balance sheet	25,049,992	25,049,992
(Arising on forfeiture of upfront payment received on convertible warrants)		
Securities premium account:		
As per last balance sheet	250,716,250	250,716,250
	275,766,242	275,766,242
 SCHEDULE 'C'		
SECURED LOANS		
Working capital facilities from a bank*	-	-
Vehicle loans#		
- from banks	2,945,460	39,700
- from others	143,696	317,035
(Repayable within one year Rs.1,104,676; as at 31/03/2008 Rs. 213,039]		
TOTAL	3,089,156	356,735

* Working capital facilities from a bank are secured by hypothecation of stock of raw materials, finished goods, stock in process and book debts and further secured by equitable mortgage of "Tainwala House" at Mumbai.

Secured against hypothecation of vehicles purchased there against.

SCHEDULE 'D'
FIXED ASSETS

PARTICULARS	GROSS BLOCK (at cost)				DEPRECIATION / AMORTIZATION				NET BLOCK	
	As at 1.4.2008	Additions	Deductions	As at 31.3.2009	Up to 31.3.2008	For the Year	Deductions Amortization	As at 31.3.2009	As at 31.3.2008	As at 31.3.2009
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Freehold land	3,292,015	-	-	3,292,015	-	-	-	-	3,292,015	3,292,015
Leasehold land	215,400	-	-	215,400	42,179	2,169	-	44,348	171,052	173,221
Buildings	34,958,921	-	395,991	34,562,930	10,266,317	917,106	114,251	11,071,172	23,491,758	24,680,604
Plant and machinery	65,107,969	1,736,989	-	66,844,958	37,029,608	4,123,209	-	41,152,817	25,694,141	26,078,361
Dies and moulds	14,218,040	-	-	14,218,040	13,514,859	153,300	-	13,668,159	549,881	703,181
Laboratory equipments	183,085	-	-	183,085	132,361	8,696	-	141,057	42,028	50,724
Office equipments	1,708,665	172,405	-	1,881,070	841,802	64,401	-	926,203	954,867	866,863
Computers and software	1,427,559	-	-	1,427,559	883,814	182,240	-	1,016,054	411,505	543,746
Furniture and fixtures	4,185,322	1,520	-	4,186,842	2,892,804	239,536	-	3,132,342	1,054,500	1,292,518
Intangible assets	9,363,798	9,239,540	890,671	17,712,667	2,671,241	1,196,603	332,394	3,537,450	14,175,217	6,692,557
T O T A L	134,660,774	11,152,454	1,286,662	144,526,566	68,276,985	6,859,262	446,645	74,689,602	69,836,964	66,383,789
Previous year	133,524,805	2,825,342	1,689,373	134,660,774	63,554,311	6,368,793	1,636,119	69,276,985	66,383,789	

Notes:

- 1) Freehold land costing Rs.181,825 is under dispute with the local authority of Dadra Nagar Haveli and hence is yet to be transferred in the name of the Company.

**SCHEDULE 'E'
INVESTMENTS**

PARTICULARS	Face Value (Rs.)	As on 1 Apr. 2008 (Nos./Units)	Purchased / Acquired During the year (Nos./Units)	Sales Written off During the year (Nos./Units)	As on 31 Mar. 2009 (Nos./Units)	As at 31 Mar. 2009 (Rs.)	As at 31 Mar. 2008 (Rs.)
Non Trade							
A. Long Term Investments :							
I. Quoted							
Equity Shares :							
ABG Infralogistics Ltd., fully paid up	10	100	-	-	100	2,427	2,427
Elegant Pharmaceuticals Ltd., fully paid up	10	500	-	-	500	16,184	16,184
Jain Irrigation Systems Ltd., fully paid up	10	14	-	-	14	3,724	3,724
Yogi Sung Won Ltd., fully paid up	10	3,200	-	-	3,200	81,830	81,830
						104,165	104,165
Less: Provision for diminution in value of investments						(92,830)	(92,830)
						11,335	11,335
II. Unquoted							
Equity Shares :							
Samsonite South Asia Pvt.Ltd., fully paid up	10	3,069,873	-	-	3,069,873	30,698,730	30,698,730
Periwinkle Fashions Pvt. Ltd., fully paid up	10	-	12,500	-	12,500	50,000,000	-
Bonds :							
National Bank of Agriculture and Rural Development		-	150	-	150	1,312,500	-
Debentures:							
Non convertible debentures in Deutsche Investments India Pvt. Ltd., fully paid up	1,000,000	-	5	-	5	5,125,000	-
Non convertible debentures in DSP Merrill Lynch Capital, fully paid up	100,000	-	50	-	50	5,062,500	-
Mutual Funds							
SBI One India Fund - Dividend, fully paid up	10	100,000	-	100,000	-	-	1,000,000
Kotak India Growth Fund II, Rs.13,000 paid up	100,000	-	250	-	250	3,750,000	-
B. Current Investments :							
I. Unquoted							
Mutual Funds :							
HDFC Cash Management Fund:	10	2,355,428.41	4,903,981.69	7,259,410.10	-	-	41,240,340
- Saving Plus Plan, fully paid up	10	-	612,175.46	612,161.73	13.73	143	-
- Daily Dividend, fully paid up	10	-	2,345,462.06	2,345,424.43	37.63	375	-
- Treasury Advantage-Daily Dividend, fully paid up	10	2,000,000.00	-	2,000,000.00	-	-	20,000,000
HDFC FMP -90 D Jan 2008, fully paid up	10	-	122,086.11	-	122,086.11	4,835,758	-
Birla Sunlife Income Plus, fully paid up	10	-	425,629.71	-	425,629.71	12,238,940	-
ICICI Prudential Institutional Income Plan Growth, fully paid up	10	-	216,990.34	-	216,990.34	3,787,393	-
IDFC Dynamic Bond Fund							
- Plan A Growth, fully paid up	10	-	222,305.22	-	222,305.22	4,697,265	-
IDFC Super Saver Income Fund	10	-	166,792.32	-	166,792.32	4,846,568	-
Investment Plan, fully paid up	10	-	1,000,000.00	-	1,000,000.00	10,000,000	-
Reliance Income Fund, fully	10	-	1,000,000.00	-	1,000,000.00	10,000,000	-
						146,366,507	92,950,405

Aggregate value of quoted investments

Book value	11,335	11,335
Market value	20,041	59,642

Aggregate value of unquoted investments

Book value	146,355,172	92,939,070
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UNITS OF MUTUAL FUNDS PURCHASED AND SOLD DURING THE YEAR

	Face Value	2008-2009		2007-2008	
		Total Nos. of	Total Purchase Cost Rs.	Total Nos. of	Total Purchase Cost Rs.
HDFC Cash Management Fund :					
- Treasury Advantage Plan -Wholesale -Growth	10	52,521.01	1,000,000	-	-
- Retail Daily Dividend	10	13,270,680.96	133,124,835	1,818,482.00	18,242,099
- Daily Dividend	10	-	-	2,311,721.00	36,025,054
HDFC FMP-181D-August				0	
2008(VIII)(1)- Wholesale.Plan Dividend	10	1,000,000.00	10,000,000	-	-
HDFC FMP-90D-June 08(VIII)- 2- Wholesale-Plan Dividend	10	3,000,000.00	30,000,000	-	-
HDFC QUARTELY INTERVAL FUND	10	1,043,539.85	10,435,399	-	-
PLAN A-Wholesale-Dividend	10	639,479.65	7,000,000	-	-
ICICI Prudential Income Fund - Dividend	10	169,627.80	5,000,000	-	-
ICICI Prudential Gilt Fund Investment	10	4,000,000.00	40,000,000	-	-
Plan SBI SDFS - 30 Days				-	-
SBI SHF -Liquid Plus -Institutional Plan - Daily Dividend Reinvestment (Name changed to SBI SHF -Ultra Short term Fund -Institutional Plan - Daily Dividend Reinvestment)	10	3,517,237.38	35,189,960	-	-
UTI Fixed Income Interval Fund -Monthly Interval-I	10	1,000,000.00	10,000,000	-	-
-Institutional Plan-Reinvestment	10	1,000,000.00	10,000,000	-	-
UTI FMP -QFMP-07-08-I-Institutional - Dividend UTI Short Term Fixed Maturity	10	1,000,000.00	10,000,000	-	-
Plan -90 days- Series (I-X)-Institutional-Growth	10	-	-	-	2,000,000
Tata Fixed horizon Fund			301,750,194		56,267,153

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31 MARCH 2009

	As at 31/03/2009 Rs.	As at 30/03/2008 Rs.
SCHEDULE 'F'		
CURRENT ASSETS, LOANS AND ADVANCES		
CURRENT ASSETS		
Inventories		
(As taken, valued and certified by the Managing Director)		
Share	3,951,648	5,056,215
Raw materials and components	11,176,695	14,846,789
Stock in process	10,606,534	9,030,289
Finished goods	11,862,176	19,297,987
	<u>37,597,053</u>	<u>48,231,280</u>
Sundry debtors		
(Unsecured)		
Outstanding for a period exceeding six months		
-Considered good	52,144	301,943
-Considered doubtful	-	134,915
	<u>52,144</u>	<u>436,858</u>
Others (Considered good)	6,598,564	16,625,071
	<u>6,650,708</u>	<u>17,061,929</u>
Less : Provision for doubtful debt	-	134,915
	<u>6,650,708</u>	<u>16,927,014</u>
Cash and bank balances		
Cash on hand	78,208	151,390
Balances with scheduled banks in:		
Current accounts	9,872,724	27,862,025
Fixed / margin deposit accounts	18,833,920	2,738,580
(Receipts of Rs. 2,333,920; as at 31/03/2008 Rs. 1,535,000 lodged with banks/ Government authorities as security against issue of letters of credit /guarantees)	28,784,852	30,751,995
Other current assets		
Other receivable	-	10,000,000
Accrued interest	561,614	31,862
	<u>561,614</u>	<u>10,031,862</u>
TOTAL (A)	<u><u>73,594,227</u></u>	<u><u>105,942,151</u></u>
LOANS AND ADVANCES		
(unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received (net of provision for doubtful advances Rs. 1,057,066; as at 31/03/2008 Rs. 1,057,066)	407,303	400,388
Application money against shares / units	21,800,000	-
Loans to bodies corporate (net of provision for doubtful loans Rs 39,115,942; as at 31/03/2008 Rs. 73,843,226)	40,188,604	40,188,604
VAT receivable	2,081,672	1,208,632
Deposits	1,135,829	1,135,829
Balances with central excise authority	781,495	981,047
Advance income tax (net of provision of Rs. 66,926; as at 31/03/2008 Rs. 66,926)	7,073,592	5,420,518
	<u>7,073,592</u>	<u>5,420,518</u>
TOTAL (B)	<u>73,468,495</u>	<u>49,335,018</u>
TOTAL (A+B)	<u><u>147,062,722</u></u>	<u><u>155,277,169</u></u>

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31 MARCH 2009

	As at 31/03/2009 Rs.	As at 31/03/2008 Rs.
SCHEDULE 'G'		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry creditors		
- Outstanding dues to micro and small enterprises (Refer note no. 10 in Schedule 'O')	-	1,094
- Others	4,604,392	4,640,128
Advance from customers	836,996	656,168
Interest accrued but not due on vehicle loan	24,054	1,176
Provision for excise duty on closing stock of finished goods	1,432,386	3,389,939
Security deposits	363,727	358,651
Other liabilities	2,374,072	1,642,504
TOTAL (A)	9,635,627	10,689,660
PROVISIONS		
Provision for gratuity	2,668,460	2,334,755
Provision for leave encashment	366,336	337,400
Provision for fringe benefit tax (Net of advance fringe benefit tax Rs. 320,856; as at 31/03/2008 Rs. 216,783)	54,144	118,217
Provision for wealth tax	122,380	76,000
TOTAL (B)	3,211,320	2,866,372
TOTAL (A + B)	12,846,947	13,556,032

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2009

	Current Year Rs.	Previous Year Rs.
SCHEDULE 'H'		
SALES AND INCOME FROM OPERATIONS		
Gross sale	99,056,612	115,864,925
Less : Excise duty	10,029,554	15,635,008
	89,027,058	100,229,917
Sale of trading products	261,200	5,606,503
Sale of shares	11,891,687	17,406,973
Dividend on traded shares	68,379	42,388
	101,248,324	123,285,781

	Current Year Rs.	Previous Year Rs.
SCHEDULE 'I'		
INCOME FROM INVESTMENTS		
Dividend income from current investments	2,778,967	285,695
Dividend income from long term investments	24,558,984	19,647,187
Income from current investments (net of diminution in value of investments Rs. 1,692,447; previous year Rs. Nil)	1,243,524	1,106,342
Loss on equity derivative instruments	(2,310,878)	-
	<u>26,270,597</u>	<u>21,039,224</u>
SCHEDULE 'J'		
OTHER INCOME		
Profit on sale of fixed assets	879,996	22,500
Rent income (Tax deducted at source Rs. 48,946; previous year Rs. 76,077)	294,000	346,400
Interest received on:		
- Income tax refund	-	155,591
- Fixed deposits (Tax deducted at source Rs. 358,173; previous year Rs. 85,521)	1,724,388	395,058
- Inter corporate loans (Tax deducted at source Rs. 819,606; previous year Rs. 747,648)	3,616,974	3,629,362
- Others (Tax deducted at source Rs. Nil; previous year Rs. 1,926)	37,315	55,463
Sundry balances written back (net)	16,212	-
Provisions for doubtful debts written back	134,915	-
Exchange rate difference (net)	-	1,194,412
	<u>6,703,800</u>	<u>5,798,786</u>
SCHEDULE 'K'		
INCREASE / (DECREASE) IN STOCKS		
Closing stocks:		
Shares	3,951,648	5,056,215
Finished goods	11,862,176	19,297,987
Stock in process	10,606,534	9,030,289
	<u>26,420,358</u>	<u>33,384,491</u>
Less : Opening stocks:		
Shares	5,056,215	3,157,256
Finished goods	19,297,987	13,397,204
Stock in process	9,030,289	5,155,881
	<u>33,384,491</u>	<u>21,710,341</u>
	<u>(6,964,133)</u>	<u>11,674,150</u>
SCHEDULE 'L'		
RAW MATERIALS CONSUMED		
Opening stock	14,846,789	14,841,629
Add: Purchases	55,808,423	77,931,354
	<u>70,655,212</u>	<u>92,772,983</u>
Less: Closing stock	11,176,695	14,846,789
	<u>59,478,517</u>	<u>77,926,194</u>

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2009**

	Current Year Rs.	Previous Year Rs.
SCHEDULE 'M'		
MANUFACTURING AND OTHER EXPENSES		
Salaries, wages and Bonus	12,793,243	11,201,969
Contribution to provident and other funds	1,049,154	1,105,130
Staff welfare expenses	359,950	404,116
Labour charges	4,218,912	7,268,504
Power and fuel charges	4,397,663	4,426,192
Repairs and maintenance:		
Machinery	687,017	2,402,302
Buildings	185,195	439,233
Others	423,126	699,058
Rates and taxes	248,903	156,295
Insurance	294,952	200,577
Directors' sitting fees	30,000	31,000
Legal and professional fees	1,341,933	758,699
Auditors' remuneration - Audit fees	132,000	120,000
Rebates and discounts	1,364,502	1,760,694
Donations	404,957	5,655
Printing and stationery	244,541	241,991
Security charges	768,948	421,805
Postage and telephone charges	483,744	608,514
Travelling and conveyance expenses	2,217,941	3,339,499
Sales commission	1,095,853	75,470
Selling expenses	735,491	1,221,756
Bad debts	268,327	-
Provision for doubtful debts and advances	-	175,883
Fixed asset written off	-	53,254
Increase / (decrease) in excise duty on stocks of finished goods	(1,957,553)	1,356,009
Loss of fixed assets	222,212	-
Loss on sale/ redemption of long term investments	469,330	-
Exchange rate difference (net)	1,438,531	-
Miscellaneous expenses	784,108	612,981
	34,702,980	39,086,586
SCHEDULE 'N'		
INTEREST PAID		
-On fixed loans	112,555	52,108
-On others	198,012	140,900
	310,567	193,008

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31 MARCH 2009 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31 MARCH 2009**SCHEDULE 'O'****SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS****A. Significant Accounting Policies:****a) General:**

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

b) Use of Estimates:

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

c) Fixed Assets:

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

d) Depreciation / Amortisation:

- (i) Premium on leasehold land is being amortised over the period of lease.
- (ii) Depreciation on fixed assets is provided on straight-line method at the rates and in the manner as specified in Schedule XIV to the Companies Act, 1956.

e) Investments:

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

f) Inventories:

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

g) Revenue Recognition:

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

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

h) Equity Derivative Transactions:

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

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

i) Accounting for Taxes on Income:

Provision for taxation comprises of current tax, deferred tax and fringe benefit tax.

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

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

Fringe benefit tax is provided as per the provisions of Income Tax Act, 1961 on the chargeable expenses incurred during the year.

j) Borrowing Costs:

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

k) Transactions in Foreign Currency :

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

l) Retirement Benefits:

Liability in respect of retirement benefits is provided and charged to profit and loss account on accrual basis as follows:

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

m) Impairment of Assets:

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

n) Accounting for Provisions and Contingent Liabilities:

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

B. NOTES TO ACCOUNTS

1. Commitments and contingent liabilities not provided for in respect of :

	As at 31/03/2009 Rs.	As at 31/03/2008 Rs.
i. Commitments in respect of investments	35,250,000	—
ii. Income tax demand against which appeals are pending for the assessment year:		
a. 1995-96	5,055,515	5,055,515
b. 2004-05	1,091,941	1,091,941
Amount paid / adjusted against demand for Assessment Year 1995-96 (as per Company's letter to department) is as under:		
	(Rs.)	
Amount deposited	2,285,000	
Amount adjusted against refund by the department	<u>1,165,457</u>	
TOTAL	<u>3,450,457</u>	
iii. Disputed liabilities in respect of central excise and custom duty	102,288	102,288
2. a) Managerial remuneration: (Managing director and Whole time director)		
	Current Year Rs.	Previous Year Rs.
Salary	3,720,000	3,720,000
Contribution to provident fund	446,400	446,400
Provision for gratuity*	<u>—</u>	<u>—</u>
TOTAL	<u>4,166,400</u>	<u>4,166,400</u>

* Provision for gratuity is being made on the basis of an actuarial valuation; hence provision for individual person can not be identified, hence not disclosed.

- b) No Commission is payable to Directors / Managing Director and hence, computation of Net Profit in accordance with Sections 198, 309 and 349 of the Companies Act, 1956 has not been given.
3. The Company has recovered certain doubtful loans and advances given in earlier years to certain Companies and on re-assessment of doubtful loans and advances as at 31 March 2009, has written back provision aggregating to Rs.34,727,284 (as at 31/03/2008 Rs.41,987,310) which has been shown as "Exceptional items" in the profit and loss account.

4. a) Loans and advances include dues from companies under the same management within the meaning of sub-section 1(B) of Section 370 are as under:
- Tainwala Trading and Investment Company Pvt. Ltd.: Balance as at 31/03/2009 Rs. Nil (as at 31/03/2008 Rs.20,000,000) and maximum amount outstanding during the year Rs. 20,000,000 (Previous year Rs.23,987,310).
- Concept Reality and Securities Pvt. Ltd.: Balance as at 31/03/2009 Rs. Nil (as at 31/03/2008 Rs.14,727,284) and maximum amount outstanding during the year Rs. 14,727,284 (Previous year Rs.26,727,284).
- Tainwala Holdings Pvt. Ltd.: Balance as at 31/03/2009 Rs.39,115,942 (as at 31/03/2008 Rs.39,115,942) and maximum amount outstanding during the year Rs 39,115,942 (Previous year Rs.40,115,942). The Company had given a legal notice to Tainwala Holdings Pvt. Ltd. and has made provision for the same.
- Abhishri Packaging Pvt. Ltd.: Balance as at 31/03/2009 Rs.40,188,604 (as at 31/03/2008 Rs.40,188,604) and maximum amount outstanding during the year Rs. 40,188,604 (Previous year Rs.41,588,631).
- b) Other receivables includes Rs. Nil (as at 31/03/2008 Rs.10,000,000) amount due from Katyayan Construction & Developers Pvt. Ltd., a company under the same management within the meaning of sub-section 1(B) of Section 370.
5. a) The balances in accounts of certain debtors, creditors and loans and advances are subject to confirmation, and consequent reconciliations. Adjustments in this respect in the opinion of the management are not likely to be material and would be carried out as and when ascertained.
- b) In the opinion of the management, current assets, loans, advances and deposits are approximately of the value stated, if realised in the ordinary course of business. The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.
6. **Related party disclosures:**
- i. Related parties:
- | | |
|---|---|
| Key management personnel: | Mr. Rakesh Tainwala
Mr. Dungarmal Tainwala |
| Relatives of Key management personnel: | Mr. Rajkumar Tainwala
Ms. Vandana Tainwala
Ms. Amishi Tainwala |
| Enterprises in which Key management personnel and/ or their relatives have significant influence: | Concept Reality & Securities Pvt. Ltd.
Katyayan Construction & Developers Pvt. Ltd.
Tainwala Trading & Investment Co. Pvt. Ltd.
Tainwala Holdings Pvt. Ltd.
Tainwala Personal Care Products Pvt. Ltd.
Tainwala Health Care Products Pvt. Ltd.
Abhishri Polycontainers
Abhishri Packaging Pvt. Ltd.
Samsonite South Asia Pvt. Ltd. |

ii. Related party transactions:

(Amount in Rs.)

Nature of transactions	Key management personnel	Relative of a key management personnel	Enterprises in which key management personnel and / or their relatives have significant influence	Total
Remuneration	4,166,400 (4,166,400)	537,600 (1,075,200)	— (—)	4,704,000 (5,241,600)
Loan taken	3,700,000 (—)	— (—)	— (—)	3,700,000 (—)
Loan taken repaid	3,700,000 (—)	— (—)	— (—)	3,700,000 (—)
Loans and advances given	— (—)	— (—)	— (500,000)	— (500,000)
Loans and advances given received back	— (—)	— (—)	34,727,284 (19,387,337)	34,727,284 (19,387,337)
Sale of goods	— (—)	— (—)	— (1,236,417)	— (1,236,417)
Sales promotion expense	— (—)	— (—)	22,064 (—)	22,064 (—)
Rent income	— (—)	— (—)	216,000 (122,400)	216,000 (122,400)
Interest income	— (—)	— (—)	3,616,974 (3,629,362)	3,616,974 (3,629,362)
Amount receivable written off	— (—)	— (—)	229,545 (—)	229,545 (—)
Deposit given outstanding as at year end	— (—)	1,000,000 (1,000,000)	— (—)	1,000,000 (1,000,000)
Debit balance as at year end	— (—)	— (—)	40,188,604 (50,512,813)	40,188,604 (50,512,813)
Receivable as at year end (fully provided for)	— (—)	— (—)	39,115,942 (73,843,226)	39,115,942 (73,843,226)

Notes:

Figures in brackets pertain to previous year.

The related party relationships have been determined by the Company on the basis of the requirements of the Accounting Standard (AS)-18 'Related Party Disclosures' and the same have been relied upon by the auditors.

The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the year, except where control exists.

iii. Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the period:

Remuneration includes paid to Mr. Rakesh Tainwala Rs. 3,360,000 (Previous year Rs. 3,360,000); Mr. Dungarmal Tainwala Rs. 806,400 (Previous year Rs. 806,400); Ms. Vandana Tainwala Rs. 537,600 (Previous year Rs. 537,600); Ms. Amishi Tainwala Rs. Nil (Previous year Rs. 537,600).

Loan taken / repaid is from / to Mr. Rakesh Tainwala Rs. 3,700,000 (Previous year Rs. Nil);
 Loans and advances given are to Abhishri Polycontainers Rs. Nil (Previous year Rs. 500,000);
 Loans and advances given received back include from Concept Reality & Securities Pvt. Ltd. Rs.14,727,284 (Previous year Rs. 12,000,000); Tainwala Trading & Investment Co. Pvt. Ltd. Rs. 20,000,000 (Previous year Rs. 3,987,310); Tainwala Holdings Pvt. Ltd. Rs. Nil (Previous year Rs. 1,000,000); Abhishri Packaging Pvt. Ltd. Rs. Nil (Previous year Rs. 1,400,027);
 Sale of goods includes to Samsonite South Asia Pvt. Ltd. Rs. Nil (Previous year Rs. 1,220,649);
 Sales promotion expenses includes paid to Samsonite South Asia Pvt. Ltd. Rs.22,064 (Previous year Rs. Nil);
 Rent income includes from Abhishri Polycontainers Rs.216,000 (Previous year Rs. 122,400);
 Interest income includes from Abhishri Packaging Pvt. Ltd. Rs. 3,616,974 (Previous year Rs. 3,629,362);
 Deposit outstanding as at year Rs.1,000,000 (Previous year Rs.1,000,000) is given to Mr.Rajkumar Tainwala towards industrial premises hired by the Company;
 Receivable as at year end fully provided includes Tainwala Holdings Pvt. Ltd. Rs.39,115,942 (Previous year Rs.39,115,942); Concept Reality & Securities Pvt. Ltd. Rs. Nil (Previous year Rs. 14,727,284); Tainwala Trading & Investment Co. Pvt. Ltd. Rs. Nil (Previous year Rs. 20,000,000);
 Amount receivable written off includes Samsonite South Asia Pvt. Ltd. Rs.229,545 (Previous year Rs. Nil).

7. Segment reporting

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

a) Primary segment reporting (Business segments) :

PARTICULARS	31/3/2009			31/3/2008		
	Plastic Sheets	Securities Trading	Total	Plastic Sheets	Securities Trading	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
REVENUE:						
External	89,288,258	11,960,066	101,248,324	105,836,420	17,449,361	123,285,781
Inter segment	—	—	—	—	—	—
Total revenue	89,288,258	11,960,066	101,248,324	105,836,420	17,449,361	123,285,781
RESULT:						
Segment results	(17,231,644)	(1,866,519)	(19,098,163)	(11,782,601)	2,556,055	(9,226,546)
Unallocable income/ (expense) (net)			26,975,263 (310,567)			21,408,124 (193,008)
Interest expenses			5,378,677)
Interest income						4,235,474
Profit before exceptional item and taxation			12,945,210 34,727,284			16,224,044
Exceptional items			47,672,494			41,987,310
Profit before taxation			(1,095,000)			58,211,354
Provision for taxation			46,577,494			(383,000)
Profit after tax	114,539,376	3,951,648	118,491,024	130,264,492	5,056,215	57,828,354
OTHER INFORMATION:						
Segment assets			244,775,169			135,320,707
Unallocable assets	15,936,103	—	15,936,103	13,912,767	—	179,344,656
Total assets			15,936,103			314,665,363
Segment liabilities			15,936,103			13,912,767
Unallocable	11,098,454	—	11,098,454	2,879,342	—	—
liabilities Total	6,859,262	—	6,859,262	6,358,793	—	2,879,342

b) Secondary segment reporting (Geographical segments):

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

8. Calculation of Earnings per share (EPS):

	Current Year 2008-09	Previous Year 2007-08
Profit after tax (Rs.)	46,577,494	57,828,354
Profit after tax excluding exceptional items (Rs.)	11,850,210	15,841,044
Weighted average number of equity shares (Nos.)	9,363,863	9,363,863
Face value of equity shares (Rs.)	10.00	10.00
Basic and diluted earnings per share including exceptional items(Rs.)	4.97	6.18
Basic and diluted earnings per share excluding exceptional items(Rs.)	1.27	1.69

9. As per Accounting Standard (AS)-22 "Accounting for taxes on Income", deferred tax assets (net) pertaining to timing difference arising for the period upto 31/03/2009 of Rs. 33,072,235 (upto 31/03/2008 Rs. 31,038,992) have been determined.

As the Company has unabsorbed depreciation and carry forward losses and there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised, deferred tax assets (net) upto 31 March 2009 has not been recognised.

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

Particulars	As at 31/03/2009 Rs.	As at 31/03/2008 Rs.
Deferred tax assets on account of :		
Statutory payments under Section 43B of the Income-tax Act, 1961	1,021,820	906,302
Business loss	1,636,022	738,776
Unabsorbed capital losses	21,551,858	22,253,431
Unabsorbed depreciation	15,288,407	13,141,667
Provision for doubtful debts	—	41,689
Total (A)	39,498,107	37,081,865
Deferred tax liability on account of:		
Depreciation	6,425,872	6,042,873
Total (B)	6,425,872	6,042,873
Deferred tax asset / (liability) [Net]:	[Total A – B]	31,038,992
	33,072,235	31,038,992

10. As per the requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 following information are disclosed :

	As at 31/03/2009 Rs.	As at 31/03/2008 Rs.
a) (i) The principal amount remaining unpaid to any supplier at the end of accounting year included in sundry creditors	Nil	1,094
(ii) The interest due on above	Nil	Nil
The total of (i) & (ii)	Nil	1,094

- b) The amount of interest paid by the buyer in terms of section 16 of the Act, along with the

	amount of the payment made to the supplier beyond the appointed day during the accounting year.	Nil	Nil
c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act.	Nil	Nil
d)	The amounts of interest accrued and remaining unpaid at the end of accounting year	Nil	Nil
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Act.	Nil	Nil

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

(Amount in Rs.) Gratuity (Unfunded)		
	2008-09	2007-08
I Components of employer expense		
1 Current service cost	263,537	261,975
2 Interest cost	186,780	154,557
3 Actuarial losses/(gains)	(8,312)	55,563
4 Total expense recognised in the statement of profit and loss Account	442,005	472,095
II Net asset / (liability) recognised in Balance Sheet as at year end		
1 Present value of defined benefit obligation	2,668,460	2,334,755
2 Fair value on plan assets	—	—
3 Status [surplus/(deficit)]	(2,668,460)	(2,334,755)
4 Unrecognised past service cost	—	—
5 Net asset / (liability) recognized in Balance Sheet	(2,668,460)	(2,334,755)
III Change in defined benefit obligations (DBO) during the year		
1 Present value of DBO at the beginning of period	2,334,755	1,931,962
2 Current service cost	263,537	261,975
3 Interest cost	186,780	154,557
4 Actuarial (gains)/ losses	(8,312)	55,563
5 Benefits paid	(108,300)	(69,302)
6 Present value of DBO at the end of the year	2,668,460	2,334,755
IV Actuarial assumptions		
1 Discount rate (%)	8.00%	8.00%
2 Rate of increase in compensation level	5.00%	5.00%
3 Retirement age	58 years	58 years
4 Maturity table	LIC 1994-96	LIC 1994-96

- b) Pursuant to the transitional provisions of Accounting Standard (AS)-15 'Employee Benefits', an amount of Rs. Nil (Previous year Rs.372,404) has been adjusted to the balance of profit and loss account as at 1 April 2007.
12. 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 is required as at 31 March 2009.
13. Additional Information pursuant to paragraphs 3 and 4 of part II of Schedule VI to the Companies Act, 1956:

Items	Unit	Installed Capacity (as certified by the Managing Director)		Actual Production	
		2008-09	2007-08	2008-09	2007-08
		Processed Plastic	MT.	6,000 MT	6,000 MT
Mtrs. } Nos. \$	-		-		
	69,757		125,500		

@ Based on yield as verified and certified by the Managing Director and accepted by the Auditors, without verification, being a technical matter.

\$ Of different sizes of Plastic Sheets.

C. Details of turnover and stocks of finished goods :

Items	Unit	Opening stock		Turnover		Closing stock	
		Quantity	Value** (Rs.)	Quantity*	Value (Rs.)	Quantity	Value** (Rs.)
Processed Plastics	Kgs.	80,414	7,259,696	512,419	99,056,612	44,407	3,575,360
	Nos.	14,287	12,038,291	69,450		14,594	8,286,816
	Kgs.	(40,709)	(2,637,730)	(502,667)		(80,414)	(7,259,696)
	Nos.	(13,034)		(124,247)		(14,287)	
Total			19,297,987 (13,397,204)				11,862,176 (19,297,987)

- Notes:** 1. Figures in brackets relate to previous year.
2. *Turnover includes samples, breakages, damages, write-off, etc.
3. **Including excise duty.

D. Purchase for resale :

Items	Unit	Opening stock		Purchase		Sales		Closing stock	
		Qty.	Value (Rs.)	Qty.	Value (Rs.)	Qty.	Value (Rs.)	Qty.	Value (Rs.)
Plastic Powder - PVC	Kgs.	—	—	—	—	—	—	—	—
		(—)	(—)	(110,000)	(4,534,338)	(110,000)	(4,693,503)	(—)	(—)
Resin Plastic Powder - ABS	Kgs.	—	—	—	—	—	—	—	—
		(—)	(—)	(11,000)	(815,813)	(11,000)	(913,000)	(—)	(—)
Resin Processing Aid	Nos.	—	—	2,000	245,220	2,000	261,200	—	—
		(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)
Total			— (—)		245,220 (5,350,151)		261,200 (5,606,503)		— (—)

E.Details of equity shares purchased and sold during the year are as follows:

Scrip	Unit	Opening stock		Purchase		Sales		Closing stock	
		Qty.	Value Rs.	Qty.	Value Rs.	Qty.	Value Rs.	Qty.	Value Rs.
Arvind Mills Ltd	No.	— (2,500)	— (108,750)	— (—)	— (—)	— (2,500)	— (160,821)	— (—)	— (—)
Ashok Leyland Finance Ltd.	No.	1,000 (—)	35,300 (—)	— (1,000)	— (37,002)	— (—)	— (—)	1,000 (1,000)	18,100 (35,300)
Atul Ltd.	No.	4,000 (—)	227,000 (—)	— (5,000)	— (403,945)	— (1,000)	— (87,580)	4,000 (4,000)	172,000 (227,000)
Central Bank of India Ltd.	No.	687 (—)	59,803 (—)	— (687)	— (70,074)	— (—)	— (—)	687 (687)	23,324 (59,803)
Cipla Ltd.	No.	500 (—)	91,635 (—)	— (2,500)	— (495,621)	500 (2,000)	110,531 (413,514)	— (500)	— (91,635)
Consolidated Fibers & Chemicals Ltd.	No.	75,451 (75,451)	119,213 (119,213)	— (—)	— (—)	— (—)	— (—)	75,451 (75,451)	119,967 (119,213)
Eveready Industries India Ltd.	No.	— (1,000)	— (66,750)	2,000 (2,000)	68,285 (103,432)	— (3,000)	— (183,228)	2,000 (—)	35,600 (—)
Great Eastern Shipping Co. Ltd.	No.	— (1,000)	— (202,850)	— (—)	— (—)	— (1,000)	— (263,240)	— (—)	— (—)
Gujarat NRE Coke Ltd.	No.	— (2,000)	— (62,331)	— (—)	— (—)	— (2,000)	— (111,012)	— (—)	— (—)
Gujarat Siddhee Cement Ltd.	No.	10,000 (5,000)	208,000 (85,500)	29,000 (18,624)	437,620 (403,212)	5,000 (13,624)	141,658 (327,843)	34,000 (10,000)	278,460 (208,000)
Hexaware Technologies Ltd.	No.	1,000 (—)	61,050 (—)	5,000 (3,000)	249,360 (216,669)	— (2,000)	— (163,059)	6,000 (1,000)	156,300 (61,050)
Hindalco Industries Ltd.	No.	— (2,000)	— (260,600)	5,327 (1,500)	643,238 (260,185)	2,000 (3,500)	296,007 (642,293)	3,327 (—)	172,671 (—)
Hindustan Liver Ltd.	No.	— (2,000)	— (389,630)	— (—)	— (—)	— (2,000)	— (426,049)	— (—)	— (—)
Ind Swift Ltd.	No.	— (5,000)	— (140,500)	3,627 (—)	72,845 (—)	— (5,000)	— (190,601)	3,627 (—)	47,224 (—)
IFCI Ltd.	No.	10,000 (89)	440,500 (764)	2,000 (11,000)	85,154 (758,815)	1,000 (1,089)	49,446 (101,810)	11,000 (10,000)	212,300 (440,500)
Infosys Technologies Ltd.	No.	1,000 (—)	1,430,150 (—)	100 (1,500)	150,630 (2,622,148)	900 (500)	1,645,144 (885,176)	200 (1,000)	264,820 (1,430,150)
J P Hydropower Ltd.	No.	— (—)	— (—)	— (500)	— (85,304)	— (500)	— (90,375)	— (—)	— (—)
Jenson & Nicholson (I) Ltd.	No.	— (2,000)	— (10,020)	— (—)	— (—)	— (2,000)	— (31,535)	— (—)	— (—)
Kopran Ltd.	No.	8,000 (5,000)	147,600 (125,505)	— (10,862)	— (252,545)	— (7,862)	— (231,355)	8,000 (8,000)	57,520 (147,600)
Moser Baer (India) Ltd.	No.	500 (—)	76,050 (—)	9,000 (500)	730,565 (86,412)	6,500 (—)	700,798 (—)	3,000 (500)	159,300 (76,050)
National Organics Chemicals Industries Ltd.	No.	— (—)	— (—)	1,000 (—)	21,086 (—)	— (—)	— (—)	1,000 (—)	11,530 (—)
Omaxe Ltd.	No.	43 (—)	6,540 (—)	— (266)	— (82,460)	— (223)	— (96,374)	43 (43)	2,027 (6,540)

Tainwala Chemicals And Plastics (India) Limited

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Scrip	Unit	Opening stock		Purchase		Sales		Closing stock	
		Qty.	Value Rs.	Qty.	Value Rs.	Qty.	Value Rs.	Qty.	Value Rs.
Punjab Chemicals & Crop. Protection Ltd.	No.	—	—	—	—	—	—	—	—
		(1,495)	(206,833)	(—)	(—)	(1,495)	(314,577)	(—)	(—)
Pentamedia	No.	—	—	—	—	—	—	—	—
		(21,652)	(106,311)	(40)	(475)	(21,692)	(191,534)	(—)	(—)
Graphics Ltd.	No.	—	—	1,500	83,795	1,500	71,620	—	—
		(—)	(—)	(1,000)	(90,383)	(1,000)	(96,665)	(—)	(—)
Polaris Software	No.	—	—	—	—	—	—	—	—
		(1,979)	(62,635)	(2,000)	(66,269)	(3,979)	(148,489)	(—)	(—)
India Ltd.	No.	—	—	1,400	266,160	1,000	164,608	400	60,272
		(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)
Rama News Print & Papers Ltd	No.	—	—	1,000	830,977	—	—	1,000	515,350
		(—)	(—)	(1,000)	(1,656,932)	(1,000)	(1,822,291)	(—)	(—)
Ranbaxy Laboratories Ltd	No.	500	1,132,250	300	461,286	800	1,315,630	—	—
		(—)	(—)	(500)	(1,236,101)	(—)	(—)	(500)	(1,132,250)
Reliance Infrastructure Ltd	No.	—	—	—	—	—	—	—	—
		(—)	(—)	(4,000)	(171,483)	(4,000)	(268,820)	(—)	(—)
Reliance Industries Ltd.	No.	—	—	—	—	—	—	—	—
		(—)	(—)	(1,000)	(152,639)	(1,000)	(194,005)	(—)	(—)
Reliance Natural Resources Ltd.	No.	—	—	11,500	1,635,751	4,000	768,358	7,500	287,625
		(—)	(—)	(1,000)	(414,132)	(1,000)	(429,688)	(—)	(—)
Reliance Petrochemical Ltd. Satyam Computers Ltd.	No.	2,969	82,390	—	—	2,969	169,260	—	—
		(—)	(—)	(5,969)	(274,574)	(3,000)	(194,628)	(2,969)	(82,390)
Spice Communication Ltd. SRF Ltd.	No.	4,000	403,200	500	36,952	4,500	544,527	—	—
		(2,500)	(302,875)	(9,541)	(1,156,072)	(8,041)	(1,255,353)	(4,000)	(403,200)
Tata Tele Services Maharas htra Ltd.	No.	—	—	—	—	—	—	—	—
		(15,000)	(306,605)	(5,000)	(140,588)	(20,000)	(566,541)	(—)	(—)
TCS Ltd	No.	600	486,540	300	205,862	300	297,482	600	324,000
		(—)	(—)	(700)	(686,872)	(100)	(104,559)	(600)	(486,540)
TPL Plastech Ltd.	No.	—	—	—	—	—	—	—	—
		(21,231)	(561,560)	(—)	(—)	(21,231)	(1,102,950)	(—)	(—)
TPL Plastech Ltd.	No.	975	43,680	1,000	14,626	1,000	17,823	975	13,358
		(475)	(38,024)	(1,500)	(100,269)	(1,000)	(90,663)	(975)	(43,680)
TPL Plastech Ltd.	No.	—	—	1,800	697,362	1,500	627,356	300	73,620
		(—)	(—)	(1,000)	(418,494)	(1,000)	(444,621)	(—)	(—)
TPL Plastech Ltd.	No.	29	5,314	—	—	—	—	29	2,704
		(—)	(—)	(29)	(10,150)	(—)	(—)	(29)	(5,314)
TPL Plastech Ltd.	No.	—	—	—	—	—	—	—	—
		(—)	(—)	(114)	(21,660)	(114)	(36,243)	(—)	(—)
TPL Plastech Ltd.	No.	—	—	—	—	—	—	—	—
		(—)	(—)	(118)	(56,640)	(118)	(104,757)	(—)	(—)
TPL Plastech Ltd.	No.	—	—	—	—	—	—	—	—
		(—)	(—)	(13)	(1,820)	(13)	(6,948)	(—)	(—)
TPL Plastech Ltd.	No.	—	—	—	—	—	—	—	—
		(—)	(—)	(741)	(511,290)	(741)	(585,504)	(—)	(—)
TPL Plastech Ltd.	No.	—	—	—	—	—	—	—	—
		(—)	(—)	(9,348)	(1,589,160)	(9,348)	(1,909,135)	(—)	(—)
TPL Plastech Ltd.	No.	—	—	—	—	—	—	—	—
		(—)	(—)	(455)	(168,350)	(455)	(258,547)	(—)	(—)

Scrip	Unit	Opening stock		Purchase		Sales		Closing stock	
		Qty.	Value Rs.	Qty.	Value Rs.	Qty.	Value Rs.	Qty.	Value Rs.
Motilal Oswal Financial Services Ltd.	No.	— (—)	— (—)	— (609)	— (502,425)	— (609)	— (588,249)	— (—)	— (—)
Mundra Port and Special Eco Zone Ltd.	No.	— (—)	— (—)	— (444)	— (195,360)	— (444)	— (419,672)	— (—)	— (—)
Omnitech Infosolutions Ltd.	No.	— (—)	— (—)	— (120)	— (12,600)	— (120)	— (20,160)	— (—)	— (—)
Power Grid Corporation of India Ltd.	No.	— (—)	— (—)	— (11,811)	— (614,172)	— (11,811)	— (1,180,284)	— (—)	— (—)
Simplex Project	No.	— (—)	— (—)	— (8)	— (1,480)	— (8)	— (2,203)	— (—)	— (—)
Ltd. Take Solutions	No.	— (—)	— (—)	— (102)	— (74,460)	— (102)	— (98,607)	— (—)	— (—)
Ltd.	No.	— (—)	— (—)	— (163)	— (75,796)	— (163)	— (115,459)	— (—)	— (—)
Transformers and Rectifiers (India) Ltd. ACC Ltd	No.	— (—)	— (—)	2,000 (—)	1,148,011 (181,047)	1,199,349 (—)	— (182,306)	— (—)	— (—)
Akruti City Ltd.	No.	— (—)	— (—)	1,000 (—)	82,851 (—)	— (1,000)	83,896 (—)	— (—)	— (—)
Ambuja Cement	No.	— (—)	— (—)	500 (—)	568,831 (—)	— (500)	646,473 (—)	— (—)	— (—)
Ltd. HDFC Bank	No.	— (—)	— (—)	1,000 (—)	529,997 (—)	— (1,000)	588,852 (—)	— (—)	— (—)
Ltd	No.	— (—)	— (—)	800 (—)	570,840 (—)	— (400)	302,377 (—)	400 (—)	248,196 (—)
ICICI Bank Ltd	No.	— (—)	— (—)	2,500 (—)	712,023 (—)	— (2,500)	736,470 (—)	— (—)	— (—)
Larsen & Toubro Ltd	No.	— (—)	— (—)	2,500 (—)	723,855 (—)	— (2,000)	549,286 (—)	500 (—)	115,645 (—)
Reliance	No.	— (—)	— (—)	300 (—)	301,552 (—)	— (100)	112,631 (—)	200 (—)	195,910 (—)
Commun.Ltd.	No.	— (—)	— (—)	500 (—)	251,550 (—)	— (—)	— (—)	500 (—)	177,825 (—)
Siemens Ltd	No.	— (—)	— (—)	1,000 (—)	45,186 (—)	— (1,000)	51,982 (—)	— (—)	— (—)
State Bank of India	No.	— (—)	— (—)	1,500 (—)	706,460 (—)	— (500)	311,189 (—)	1,000 (—)	206,000 (—)
Sterlite Industries India Ltd.	No.	— (—)	— (—)	500 (—)	203,075 (—)	— (500)	206,628 (—)	— (—)	— (—)
Total		121,254 (167,372)	5,056,215 (3,157,256)	90,554 (122,264)	12,716,832 (16,659,165)	45,069 (168,382)	11,891,687 (17,406,973)	166,739 (121,254)	3,951,648 (5,056,215)

F. Raw materials consumed :

Items	Unit	Current Year 2008 – 2009		Previous Year 2007 – 2008	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
Chemicals Plastic powder Packing materials	Kgs	257,129	16,215,098	324,370	20,673,147
	Kgs	808,894	42,516,206	1,197,439	55,845,085
	Nos.	12,445	747,213	19,648	1,407,962
	Kgs.	7241		10,285	
	Mtrs.	813		5,482	
TOTAL			59,478,517		77,926,194

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

	2008 – 2009		2007 – 2008	
	%	Value (Rs.)	%	Value (Rs.)
Imported	35.03	20,832,735	39.87	31,065,703
Indigenous	64.97	38,645,782	60.13	46,860,491
TOTAL	100.00	59,478,517	100.00	77,926,194

	Current Year Rs.	Previous Year Rs.
H. CIF value of imports:		
Raw materials	19,279,525	32,514,032
Stores and consumables (debited to Repairs and Maintenance)	—	810,339
I. Expenses in foreign currency:		
Others expenses	488,828	1,250,580
J. FOB value of exports	—	563,904

14. Foreign currency exposure not hedged as at 31 March 2009 are as follows:

Particulars	Foreign Currency	Amount in Foreign Currency	Equivalent INR
Sundry creditors	USD	68,400 (—)	3,539,016 (—)

Figures in brackets relates to previous year.

15. Previous year's figures have been regrouped / rearranged / recast wherever necessary to confirm to the current year's presentation.

Signature to Schedules 'A' to 'O'

As per our report of even date attached
For **SURESH SURANA & ASSOCIATES**
Chartered Accountants

Sd/-
(NIRMAL JAIN)
PARTNER
Membership No. 34709

Place : Mumbai
Dated : 27th June 2009

For and on behalf of the Board
Sd/- **(DUNGARMAL**
TAINWALA) Chairman

Sd/-
(ANIRUDH KUMAR TANVAR)
Company Secretary

Place : Mumbai
Dated : 27th June 2009

Sd/- **(RAKESH**
TAINWALA) Managing
Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
(As per GSR No. 388(E) [F No. 3/24/94-CLV] dated 15/05/1995)
I. Registration Details

Registration No.	:	L24100MH1985PLC037387 State Code: 11
Balance Sheet Date	:	31/03/2009

II. Capital raised during the year : (Amount in Rs. Thousands)

Public Issue	:	Nil
Rights Issue	:	Nil
Bonus Issue	:	Nil
Private Placement	:	Nil

III. Position of Mobilisation and Deployment of Funds : (Amount in Rs. Thousands)

Total Liabilities	:	363,266
Total Assets	:	363,266

Sources of Funds

Paid-up Capital	:	93,639
Reserves & Surplus	:	275,766
Share application money	:	Nil
Secured Loans	:	3,089
Unsecured Loans	:	Nil

Application of Funds

Net Fixed Assets	:	69,837
Investments	:	146,366
Deferred Tax Assets	:	Nil
Net Current Assets	:	134,216
Miscellaneous Expenditure	:	Nil
Accumulated Losses	:	22,075

IV. Performance of Company : (Amount in Rs. Thousands)

Turnover	:	134,223
Total Expenditure	:	121,278
Exceptional items (Refer note no 3 of Schedule 'O')	:	34,727
Profit / (Loss) before tax	:	47,672
Profit / (Loss) after tax	:	46,577
Earning per share in Rs. (Basic and diluted including exceptional items)	:	4.97 (Face value Rs.10)
Dividend rate	:	Nil

V. Generic Names of Three Principal Products / Services of the Company : (As per monetary terms)

Item Code No. (ITC CODE)	:	39.20
Product Description	:	Plastic Sheets

TAINWALA CHEMICALS AND PLASTICS (INDIA) LIMITED

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

ATTENDANCE SLIP

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

Name of the attending Member
(in block letters)Member's Folio Number/or
Client. ID & DP. IDName of Proxy
(in block letters to be filled in if the Proxy attends instead of the Member)

No. of Shares held

I hereby record my presence at the TWENTY FOURTH ANNUAL GENERAL MEETING of the Company being held at The All India Plastics Manufacturers Association, A-52, Street No. 1, M.I.D.C. Marol, Andheri (E), Mumbai - 400 093 at 11.00 a.m. on Wednesday, the 23rd day of September, 2009.

* Member's/Proxy's signature

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

TAINWALA CHEMICALS AND PLASTICS (INDIA) LIMITED

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

PROXY FORM

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

I/We

of _____ being a Member(s) of TAINWALA CHEMICALS AND PLASTICS (INDIA) LIMITED, hereby appoint

of _____

or failing him

of _____

as my/our proxy to

attend and vote for me/us, on my/our behalf at the TWENTY THIRD ANNUAL GENERAL MEETING of the Company, to be held on Wednesday, the 23rd day of September, 2009 at 11.00 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2009.

Signature

Affix One Rupee Revenue Stamp
--

Address

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

**SCHEDULE 'D'
FIXED ASSETS**

PARTICULARS	GROSS BLOCK (at cost)				DEPRECIATION / AMORTIZATION			NET BLOCK		
	As at 1.4.2008	Additions	Deductions	As at 31.3.2009	Upto 31.3.2008	For the Year	Deductions Amortization	As at 31.3.2009	As at 31.3.2009	As at 31.3.2008
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Freehold land	3,292,015	-	-	3,292,015	-	-	-	-	3,292,015	3,292,015
Leasehold land	215,400	-	-	215,400	42,179	2,169	-	44,348	171,052	173,221
Buildings	34,958,921	-	395,991	34,562,930	10,268,317	917,106	114,251	11,071,172	23,491,758	24,690,604
Plant and machinery	65,107,969	1,738,989	-	66,846,958	37,029,608	4,123,209	-	41,152,817	25,694,141	28,078,361
Dies and moulds	14,218,040	-	-	14,218,040	13,514,859	153,300	-	13,668,159	549,881	703,181
Laboratory	183,085	-	-	183,085	132,361	8,696	-	141,057	42,028	50,724
equipments Office	1,708,665	172,405	-	1,881,070	841,802	84,401	-	926,203	954,867	866,863
equipments	1,427,559	-	-	1,427,559	883,814	132,240	-	1,016,054	411,505	543,745
Computers and	4,185,322	1,520	-	4,186,842	2,892,804	239,538	-	3,132,342	1,054,500	1,292,518
software Furniture and fixtures	9,363,798	9,239,540	890,671	17,712,667	2,671,241	1,198,603	332,394	3,537,450	14,175,217	6,692,557
T O T A L	134,660,774	11,152,454	1,286,662	144,526,566	68,276,985	6,859,262	446,645	74,689,602	69,836,964	66,383,789
Previous year	133,524,805	2,825,342	1,689,373	134,660,774	63,554,311	6,358,793	1,636,119	68,276,985	66,383,789	

Notes:

- 1) Freehold land costing Rs.181,825 is under dispute with the local authority of Dadra Nagar Haveli and hence is yet to be transferred in the name of the Company.