

RUNGTA & ASSOCIATES

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To,

THE MEMBERS OF

TAINWALA CHEMICALS AND PLASTICS (INDIA) LIMITED

We have audited the accompanying financial statements of **M/s TAINWALA CHEMICALS AND PLASTICS (INDIA) LIMITED** ("the Company") as at March 31st, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT RESPONSIBILITY FOR THE FINANCIAL STATEMENTS:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") (which continued to be applicable in respect of Section 133 of Companies Act, 2013 in terms of general circular 15/2013 of the Ministry of Corporate Affairs). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by The Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



OPINION:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 2014;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

1. As required by the Companies (Auditor's Report) order, 2003 (as amended) issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Act, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
2. Further to our comments in the Annexure referred to 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 appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Act;
 - e. On the basis of written representations received from the Directors as on March 31st, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31st, 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For RUNGTA & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.: 108888W



PAWAN KUMAR RUNGTA
Proprietor
MEMBERSHIP NO.: 42902



PLACE: MUMBAI
DATED: 29th May, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

**REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE
FOR THE YEAR ENDED MARCH 31st, 2014**

1. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) In our opinion and according to information and explanations given to us, physical verification of fixed assets has been conducted by the management at reasonable intervals and no material discrepancies were noticed on such verification.
 - c) During the year, 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 Act:
 - a) The Company had granted unsecured loans to two companies in earlier years and maximum amount involved during the year was Rs.79,304,545 and year-end balance of loans given to such parties was Rs.79,304,545.
 - b) The rate of interest and other terms and conditions of the loans given by the Company are prima facie, not prejudicial to the interest of the Company except for a loan of Rs. 39,115,941 which is *fully provided for as doubtful*.
 - c) The above loans are repayable on demand and the Company is taking necessary steps for recovery. *However, in our opinion, more concerted efforts are needed to recover these amounts.*



- d) The Company has not taken any loans, secured or unsecured, from companies, firms and other parties during the year covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(iii)(f) and 4(iii)(g) of the Order are not applicable to the Company.
4. In our opinion and according to information and explanations given to us, having regard to the 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 system commensurate with the size of the Company and nature of its business, for the purchase of inventories and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
5. a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act, have been entered in the register required to be maintained under that Section.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements, exceeding the value of Rs. 5,00,000 in respect of each party, have been made at price which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public during the year.
7. *The Company has an in-house internal audit system during the year, which needs to be strengthened to be commensurate with its size and nature of its business.*
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Act and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to the Company with appropriate authorities. According to information and explanations given to us, there are no amounts of statutory dues outstanding as at March 31st, 2014 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 Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, and Cess which have not been deposited on account of any dispute.
10. The Company does not have any accumulated losses at the end of the financial year and it has not incurred any cash losses in the current as well as in the immediately preceding financial year.



11. According to information and explanations given to us, the Company has not defaulted in repayment of dues to the banks. The Company does not have any borrowing from financial institution and by way of debentures.
12. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures, and other securities.
13. According to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society.
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, the Company has not raised any term loans during the year.
17. According to information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis have not been used for long term investments.
18. The Company has not made any preferential allotment of shares during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money through public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

**For RUNGTA & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.: 108888W**

**PAWAN KUMAR RUNGTA
Proprietor
MEMBERSHIP NO.: 42902**



**PLACE: MUMBAI
DATED: 29th May, 2014**

TAINWALA CHEMICALS AND PLASTICS (INDIA) LIMITED

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

PART I		Statement of Audited Financial Results for the Quarter and Year Ended on 31st March, 2014						(₹ in Lakhs)	
SR. NO.	PARTICULARS	STANDALONE QUARTERLY			STANDALONE YEARLY		CONSOLIDATED YEARLY		
		3 months ended 31.03.2014 (Audited)	Preceding 3 months ended 31.12.2013 (Unaudited)	Corresponding 3 months ended in the previous year 31.03.2013 (Audited)	Current Year ended 31.03.2014 (Audited)	Previous year ended 31.03.2013 (Audited)	Current Year ended 31.03.2014 (Audited)	Previous year ended 31.03.2013 (Audited)	
1	Income From Operations								
	(a) Net Sales/Income From Operations (Net of excise duty)	126.71	206.91	235.71	751.96	905.76	751.96	905.76	
	(b) Sale of Shares	(1.65)	-	18.40	84.77	73.22	84.77	73.22	
	(c) Other Operating Income	1.70	0.07	0.03	5.03	3.25	5.03	3.25	
	Total Income from operations (Net)	126.76	206.98	254.14	841.76	982.23	841.76	982.23	
2	Expenditure								
	(a) Cost of materials consumed	71.57	130.60	141.68	547.96	627.88	547.96	627.88	
	(b) Purchase of shares	(1.43)	-	19.16	28.31	57.71	28.31	57.71	
	(c) Changes in inventories of Stock in Trade, Work in Progress and Finished Goods	(40.92)	66.66	61.89	(15.42)	36.18	(15.42)	36.18	
	(d) Employee Benefits Expense	41.90	47.17	49.08	180.81	179.40	180.81	179.40	
	(e) Depreciation and Amortization Expense	17.43	17.76	21.15	70.66	75.62	70.66	75.62	
	(f) Other Expenditure	50.38	24.08	52.01	164.58	158.51	164.58	158.51	
	Total Expenditure	138.93	286.27	344.98	976.90	1,135.30	976.90	1,135.30	
3	Profit/(Loss) From operations before other income and finance costs (1-2)	(12.17)	(79.29)	(90.84)	(135.14)	(153.07)	(135.14)	(153.07)	
4	Other Income	38.73	56.91	94.10	173.27	213.84	173.27	213.84	
5	Profit/(Loss) from ordinary activities before finance costs (3+4)	26.56	(22.38)	3.26	38.13	60.77	38.13	60.77	
6	Finance Costs	0.10	0.68	1.28	1.98	1.65	1.98	1.65	
7	Profit/(Loss) from ordinary activities before tax (5-6)	26.46	(23.06)	1.98	36.15	59.12	36.15	59.12	
8	Tax Expenses / (Benefit)	5.00	(5.06)	(0.37)	6.00	(0.37)	6.00	(0.37)	
9	Net Profit/(Loss) from ordinary activities after tax (7-8)	21.46	(18.00)	2.35	30.15	59.49	30.15	59.49	
10	Paid-up equity share capital (face value of the share Rs.10 each.)	936.39	936.39	936.39	936.39	936.39	936.39	936.39	
11	Reserves excluding Revaluation Reserve as per Balance Sheet of previous accounting year				2,970.89	2,940.74	2,970.89	2,940.74	
12	Earnings Per Share - Basic and Diluted (not annualised)	0.23	(0.19)	0.03	0.32	0.64	0.32	0.64	

See accompanying notes to financial results



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PART II						
Selected information for the Quarter and Year Ended on 31st March,2014						
Sr. No.	Particulars	STANDALONE			CONSOLIDATED	
		As at 31.03.2014	As at 31.12.2013	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
A	PARTICULARS OF SHAREHOLDING					
1	Public shareholding					
	- Number of shares	3,020,202	3,022,209	3,055,473	3,020,202	3,055,473
	- Percentage of shareholding	32.25%	32.28%	32.63%	32.25%	32.63%
2	Promoter and promoter group shareholding					
	(a) Pledged / Encumbered					
	- Number of shares	-	-	-	-	-
	- Percentage of shares	-	-	-	-	-
	(as a % of total shareholding of promoter and promoter group)					
	-Percentage of shares	-	-	-	-	-
	(as a % of total share capital of the Company)					
	(b)Non-encumbered					
	- Number of shares	6,343,661	6,341,654	6,308,390	6,343,661	6,308,390
	-Percentage of shares	100.00%	100.00%	100.00%	100.00%	100.00%
	(as a % of total shareholding of promoter and promoter group)					
	-Percentage of shares	67.75%	67.72%	67.37%	67.75%	67.37%
	(as a % of total share capital of the Company)					

	Particulars	3 months ended 31/03/2014
B	INVESTORS COMPLAINTS	
	Pending at the beginning of the quarter	NIL
	Received during the quarter	NIL
	Disposed of during the quarter	NIL
	Remaining unresolved at the end of the quarter	NIL

Notes:

- The above results were recommended by the audit committee and taken on record by the Board of Directors of the Company at their meeting held on 29th May,2014.
- Segments have been identified in line with the Accounting Standard - 17 "Segment Reporting" prescribed by the Companies (Accounting Standards) Rules,2006 (Which continued to be applicable in respect of Section 133 of the Companies Act,2013 in terms of general circular 15/2013 dated 13th September,2013 of the Ministry of Corporate Affairs).
- The figures of the current quarter ended 31st March,2014 are the balancing figures between Year ended on 31st March,2014 and published figures in respect of Nine months ended on 31 December,2013.
- Figures of previous periods/years' have been regrouped / rearranged, wherever considered necessary.

FOR TAINWALA CHEMICALS AND PLASTICS (INDIA) LTD.

MR. RAKESH TAINWALA
MANAGING DIRECTOR



Place : Mumbai
Dated : 29th May,2014

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

Statement of Assets and Liabilities as required under Clause 41(V)(h) of the Listing Agreement

(₹ in Lakhs)

Particulars	STANDALONE		CONSOLIDATED	
	AS AT 31.03.2014	AS AT 31.03.2013	AS AT 31.03.2014	AS AT 31.03.2013
	(Audited)	(Audited)	(Audited)	(Audited)
1. EQUITY AND LIABILITIES				
SHAREHOLDERS' FUNDS				
(a) Share Capital	936.39	936.39	936.39	936.39
(b) Reserves and Surplus	2,970.89	2,940.74	2,970.89	2,940.74
Subtotal	3,907.28	3,877.13	3,907.28	3,877.13
2. NON CURRENT LIABILITIES				
Other Long Term Liabilities	3.31	3.31	3.31	3.31
Long term provisions	37.17	35.80	37.17	35.80
Subtotal	40.48	39.11	40.48	39.11
3. CURRENT LIABILITIES				
(a) Trade payables	18.20	19.07	18.20	19.07
(b) Other current liabilities	62.12	44.44	62.12	44.44
(c) Short term provisions	4.58	3.38	4.58	3.38
Subtotal	84.90	66.89	84.90	66.89
Total - Equity and Liabilities	4,032.66	3,983.13	4,032.66	3,983.13
ASSETS				
1. NON CURRENT ASSETS				
(a) Fixed Assets (net)	398.69	464.68	398.69	464.68
(b) Non Current Investments	1,932.24	1,582.30	1,932.24	1,582.30
(c) Long term loans and advances	1,041.00	811.03	1,041.00	811.03
Subtotal	3,371.93	2,858.01	3,371.93	2,858.01
2. CURRENT ASSETS				
(a) Current Investments	20.09	66.08	20.09	66.08
(b) Inventories	401.53	391.30	401.53	391.30
(c) Trade receivables	55.85	72.35	55.85	72.35
(d) Cash and Bank balances	136.10	540.35	136.10	540.35
(e) Short term loans and advances	15.66	12.05	15.66	12.05
(f) Other current assets	31.50	42.99	31.50	42.99
Subtotal	660.73	1,125.12	660.73	1,125.12
Total - Assets	4,032.66	3,983.13	4,032.66	3,983.13

FOR TAINWALA CHEMICALS AND PLASTICS (INDIA) LTD.

MR. RAKESH TAINWALA
 MANAGING DIRECTOR



Place : Mumbai
 Dated : 29th May, 2014

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

Audited Financial Results For The Quarter and Year Ended on 31st March, 2014
 Segment wise Revenue, Results and Capital employed

(₹ in Lakhs)

SR. NO.	PARTICULARS	STANDALONE					CONSOLIDATED	
		3 months ended 31.03.2014 (Audited)	Preceding 3 months ended 31.12.2013 (Unaudited)	Corresponding 3 months ended in the previous year 31.03.2013 (Audited)	Current year ended 31.03.2014 (Audited)	Previous year ended 31.03.2013 (Audited)	Current year ended 31.03.2014 (Audited)	Previous year ended 31.03.2013 (Audited)
1	Segment Revenue :							
a	Plastic sheets	128.38	206.91	235.71	753.63	905.76	753.63	905.76
b	Securities trading	(1.62)	0.07	18.43	88.13	76.47	88.13	76.47
	Net Sales / Income from Operations	126.76	206.98	254.14	841.76	982.23	841.76	982.23
2	Segment Results							
a	Plastic sheets	(10.75)	(80.91)	(65.15)	(147.39)	(157.65)	(147.39)	(157.65)
b	Securities trading	(1.49)	1.56	(26.08)	11.97	4.30	11.97	4.30
	Total	(12.24)	(79.33)	(91.23)	(135.42)	(153.35)	(135.42)	(153.35)
	Add/Less:							
	(a) Interest (expense) / Income (Net)	25.31	41.90	67.67	137.11	161.76	137.11	161.76
	(b) Other Un-allocable (expense) / Income (net)	13.39	14.37	25.54	34.46	50.71	34.46	50.71
	Profit / (loss) before tax	26.46	(23.06)	1.98	36.15	59.12	36.15	59.12
3	Capital Employed (Segment Assets - Segment Liabilities)							
a	Plastic Sheets	660.99	704.08	702.02	660.99	702.02	660.99	702.02
b	Securities Trading	115.42	117.13	162.36	115.42	162.36	115.42	162.36
c	Unallocated	3,134.17	3,064.60	3,016.05	3,134.17	3,016.06	3,134.17	3,016.06
	Total	3,910.58	3,885.81	3,880.44	3,910.58	3,880.44	3,910.58	3,880.44

FOR TAINWALA CHEMICALS AND PLASTICS (INDIA) LTD

MR. RAKESH TAINWALA
 MANAGING DIRECTOR



Place : Mumbai
 Dated : 29th May, 2014

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