



## BUILDING THE BRAND: TIAAN



28<sup>th</sup> Annual Report 2019 - 2020

**Board of Directors**

|                           |   |
|---------------------------|---|
| Mr. Sudharshan Rangarajan | Chairperson & Managing Director (w.e.f. 23 <sup>rd</sup> October, 2019)       |
| Mr. Sanjay Patel          | Non-Executive Independent Director (up to 24 <sup>th</sup> June, 2020)        |
| Mr. Satish Bhagat         | Non-Executive Independent Director  |
| Mrs. Kajal Jain           | Non-Executive Independent Director  |
| Dr. Samadhan Kharate      | Non-Executive Independent Director (up to 14 <sup>th</sup> November, 2019)    |
| Mr. Imteyaz Shaikh        | Executive Director (up to 9 <sup>th</sup> December, 2019)                     |
| Mr. Tansukh Lal Badara    | Executive Director (w.e.f. 24 <sup>th</sup> June, 2020)                       |
| Mr. Dasarath Kumar Kallur | Non-Executive - Non Independent Director (w.e.f. 24 <sup>th</sup> June, 2020) |

**Key Managerial Personnel**

|                   |  |
|-------------------|--|
| Mr. Vinod Sarda   | Chief Financial Officer                                  |
| Mr. Nitin Mistry  | Company Secretary (up to 12 <sup>th</sup> April, 2019)   |
| Mr. Shanoo Mathew | Company Secretary (from 31 <sup>st</sup> December, 2019) |

|                |                                      |
|----------------|--------------------------------------|
| <b>Bankers</b> | Tamilnadu Mercantile Bank, Vadodara, |
|                | Yes Bank, Mumbai                     |
|                | IDFC First Bank, Mumbai              |

|                 |  |
|-----------------|--|
| <b>Auditors</b> | Mehul M. Shah & Co., Chartered Accountants, Shop No.8 Pranam CHS.Ltd., Nr. State Bank of Hyderabad, Chiku Wadi, Borivali (W), Mumbai 400 092, Maharashtra. |
|-----------------|--|

|                          |   |
|--------------------------|---|
| <b>Registered Office</b> | 405, Patel Ashwamegh Complex, Sayajigunj, Vadodara, 390 005, Gujarat, Contact No: 080708 27082. |
|--------------------------|---|

|                         |  |
|-------------------------|--|
| <b>Corporate Office</b> | Crystal Plaza, 610, A-Wing, Opp. Infinity Mall, Link Road, Andheri (W), Mumbai – 400 053, Maharashtra, Contact No: 080708 27082. |
|-------------------------|--|

|                              |   |
|------------------------------|---|
| <b>Share Transfer Agents</b> | MCS Share Transfer Agent Ltd, 101, Shatdal Complex, 1st Floor, Opp. Bata Showroom Ashram Road, Ahmedabad- 380009, Gujarat. mcsstaahmd@gmail.com |
|------------------------------|---|

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## **BOARD'S REPORT**

To,  
The Members,  
**Tiaan Ayurvedic & Herbs Limited**

Your Directors are pleased to present their 28<sup>th</sup> Annual Report and the audited Financial Statement for the year ended 31<sup>st</sup> March, 2020.

### **1. Financial Statements**

(Amount in Rs.)

| Particulars   | Current Year<br>2019-20 | Previous Year<br>2018-19 |
|---|-------------------------|--------------------------|
| Total Income  | 19,22,09,566            | 48,89,43,389             |
| Total Expense   | 17,41,90,845            | 46,34,58,545             |
| Profit before Finance Cost and Depreciation                 | 1,80,18,721             | 2,54,84,844              |
| Less : Finance Cost   | --                      | --                       |
| Profit before Depreciation                                  | 1,80,18,721             | 2,54,84,844              |
| Less : Depreciation   | 24,10,341               | 22,10,895                |
| Profit/(Loss) before Tax                                    | 1,56,08,380             | 2,32,73,949              |
| Provision for Tax   |                         |                          |
| Current Tax   | 29,01,640               | 58,18,487                |
| Deferred Tax  | -                       | -                        |
| Balance of Profit/(Loss) for the year                       | 83,52,719               | 1,74,55,462              |
| Earning per equity share:<br>Basic & Diluted (Rs.10/- each) | 1.62                    | 3.37                     |

### **2. Performance Review**

The revenue for the current financial year decreased to 1922.09 lakh compared to previous year 4889.43 lakh. The expense for the current financial year was also decreased to 1741.90 lakh compared to previous year 4634.58 lakh. The net profit after tax decreased to 83.52 lakh compare to 174.55 lakh.

### **3. Dividend**

The Board on 6<sup>th</sup> March, 2020 had declared an Interim Dividend of Rs. 0.06/- i.e. 0.60% share during the financial year under review.

### **4. Transfer to General Reserve**

A sum of Net Profit after distribution has been transferred to the General Reserves of the company. This reflects well on the financial strength of the Company.

### **5. Change in the nature of business**

There is no Change in the Business of the Company during the year however the company has put forward to expand its horizon in business by adding Consumers Products namely Ayurvedic, Natural and Herbal Care Products and obtain approval from the shareholders for the same during the reporting period.

### **6. Bonus**

During the reporting period, the Board of Directors at its meeting held on 6<sup>th</sup> March, 2020 has approved issuance of Bonus shares in the ratio of 1:4 to its existing shareholders. However, on the date of signing of Board Report for the Financial Year 2019-20, the Company has allotted Bonus shares in the ratio of 1:4 to those shareholders whose names are recorded in the Register of Members as on the Record Date i.e. 03<sup>rd</sup> July, 2020.

### **7. Shifting of Registered office**

During the reporting period the company has obtained approval from the Shareholders by passing a special resolution by postal ballot on 26-04-2019 for shifting of Registered Office from Vadodara, Gujarat to Mumbai Maharashtra. However, during the course of business the Board of Directors observed that mere opening a corporate office in Mumbai, (Maharashtra) would serve the purpose of business development and catering the business from both the states. You are very well aware that company has started its corporate office at Crystal Plaza, 610, A-Wing, Opp. Infinity Mall, Link Road, Andheri (W), Mumbai – 400 053 and therefore shifting of registered office is being redundant.

#### 8. Significant and Material Orders Passed by the Regulators or Courts

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

#### 9. Subsidiary / Associates Companies

During the year under review, the Company does not have any subsidiary and associates company.

#### 10. Adequacy of internal financial controls

The Company has in place adequate and effective Internal Financial Controls with reference to financial statements. During the year, such controls were tested and upgraded and no reportable material weaknesses in the design or operation were observed.

#### 11. Particulars of Loans, Guarantees or Investments

During the year under review, your Company has not directly or indirectly -

- Given any loan to any person or other body corporate other than usual advances envisaged in a contract of supply of materials, if any;
- Given any guarantee or provided security in connection with a loan to any other body corporate or person; and
- acquired by way of subscription, purchase or otherwise, the securities of any other body corporate.

#### 12. Particulars of Contracts or Arrangements with Related Parties

No related party transaction(s) entered into during the financial year. The Company has not entered into any contract, arrangement or transaction with any related party which could be considered as material as defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board has approved a policy for related party transactions which has been uploaded on the website of the Company ([www.tiaanstore.com](http://www.tiaanstore.com)).

AOC-2 pursuant to clause(h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 is furnished as **Annexure – A** to this report.

#### 13. Directors' Responsibility Statement

Pursuant to section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- a) in the preparation of annual accounts for the year ended March 31, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at March 31, 2020 and of the Profit of the Company for the year ended on that date;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a 'going concern' basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### 14. Directors and Key Managerial Personnel

|                           |  |
|---------------------------|--|
| Mr. Sudharshan Rangarajan | : Chairperson & Managing Director (w.e.f 23 <sup>rd</sup> October, 2019)       |
| Mr. Sanjay Patel          | : Non Executive Independent Director (up to 24 <sup>th</sup> June, 2020)       |
| Mr. Satish Bhagat         | : Non Executive Independent Director   |
| Mrs. Kajal Jain           | : Non Executive Independent Director   |
| Dr. Samadhan Kharate      | : Non Executive Independent Director (up to 14 <sup>th</sup> November, 2019)   |
| Mr. Imteyaz Shaikh        | : Executive Director (up to 9 <sup>th</sup> December, 2019)                    |
| Mr. Tansukh Lal Badara    | : Executive Director (w.e.f 24 <sup>th</sup> June, 2020)                       |
| Mr. Dasarath Kumar Kallur | : Non-Executive - Non Independent Director (w.e.f 24 <sup>th</sup> June, 2020) |

**Key Managerial Personnel:**

|                           |  |
|---------------------------|--|
| Mr. Sudharshan Rangarajan | : Chairperson & Managing Director (w.e.f 23 <sup>rd</sup> October, 2019) |
| Mr. Vinod Sarda           | : Chief Financial Officer  |
| Mr. Nitin Mistry          | : Company Secretary (up to 12 <sup>th</sup> April, 2019)                 |
| Mr. Shanoo Mathew         | : Company Secretary (w.e.f 31 <sup>st</sup> December, 2019)              |

None of the Company's directors are disqualified from being appointed as a director as specified in Section 164 of the Act.

**15. Declaration by Independent Directors**

The Company has received necessary declarations from all Independent Directors of the Company confirming that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 as well as under Regulation 25 and 16(1) (b) of SEBI (LODR) Regulations. There has been no change in the circumstances which may affect their status as independent director during the year.

**16. Board Evaluation**

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and Individual Directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations").

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as the composition of Committees, attendance, prior study of materials given, participation at the meetings, level and effectiveness of Committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the Individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-executive Directors. The same was discussed in the board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its Committees and individual Directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the Independent Director being evaluated.

**17. Familiarization Program for the Independent Directors**

In compliance with the requirements of SEBI Regulations, 2015, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibilities as Directors, the working of the Company, nature of the industry in which the Company operates, business model, etc.

**18. Policy on Directors' Appointment and Remuneration and other details**

The Nomination and Remuneration Committee has laid down the criteria for Directors appointment and remuneration including criteria for determining qualification, positive attributes and independence of a Director. The following attributes/criteria for selection have been laid by the Board on the recommendation of the Committee:

- The candidate should possess the positive attributes such as leadership, entrepreneurship, business advisor or such other attributes which in the opinion of the Committee are in the interest of the Company;
- The candidate should be free from any disqualification as provided under Sections 164 and 167 of the Companies Act, 2013;
- The candidate should meet the conditions of being independent as stipulated under the Companies Act, 2013 and Listing Agreement entered into with Stock Exchanges, in case of appointment as an independent director; and
- the candidate should possess appropriate educational qualification, skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, corporate governance, technical operations, infrastructure or such other areas or disciplines which are relevant for the Company's business.

**19. Number of Meetings of the Board**

During the year under review, Nine (9) Meetings of the Board of Directors, were held on 29<sup>th</sup> May, 2019, 14<sup>th</sup> August, 2019, 23<sup>rd</sup> October, 2019, 14<sup>th</sup> November, 2019, 9<sup>th</sup> December, 2019, 31<sup>st</sup> December, 2019, 12<sup>th</sup> February, 2020, 6<sup>th</sup> March, 2020 and 16<sup>th</sup> March, 2020.

## 20. Extract of Annual Return

As provided under Section 92(3) of the Act, the extract of annual return is given in Annexure - B in the prescribed Form MGT-9, which forms part of this report.

## 21. Audit Committee

The Audit Committee of the Board of Directors meets the criteria laid down under Section 177 of the Companies Act, 2013, read with Regulation 18 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015 in the terms of reference to the Audit Committee.

| Name of Member        | Designation               | Nature of Directorship                 |
|-----------------------|---------------------------|--|
| Satish Bhagat         | Chairman                  | Non-Executive Independent Director     |
| Kajal Jain            | Member                    | Non-Executive Independent Director     |
| Sanjay Patel          | Member (upto 24.06.2020)  | Non-Executive Independent Director     |
| Dasarath Kumar Kallur | Member (w.e.f 24.06.2020) | Non-Executive Non Independent Director |

## 22. Material Changes and Commitments, if any, affecting the Financial position of the Company which have occurred between the end of Financial Year of the Company to which the Financial Statement relate and the date of the Report.

There were no material changes and commitments that have affected the financial position of the Company which have occurred during the financial year ended on 31<sup>st</sup> March, 2020.

## 23. Management Discussion and Analysis

In terms of the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015, the Management Discussion and Analysis has been given hereunder.

### WORLD

Economic activity worldwide slowed down in 2019 for both advanced and emerging economies owing to trade and tariff-related uncertainties between the global powers, along with tepid consumer and investor sentiments.

The World Economic Outlook report published by the International Monetary Fund (IMF) on October 15, 2019 cut its forecast for global growth rate this year to its lowest level since the 2007-08 Global Financial Crisis (GFC). The IMF predicted that the global economy would grow by 3.0 per cent this year down from 3.6 per cent the previous year (2018). It also predicted that global economy would achieve a growth rate of 3.4 per cent in 2020 but with a caveat - this uptick would not be broad-based and durable.

### Outlook

The International Monetary Fund (IMF) projects that global economic activity will grapple with unprecedented contraction in 2020, owing to the COVID-19-led lockdown and the consequent suspension of economic activity. As per the IMF's April World Economic Outlook, global growth will contract by 4.9% in 2020, vis-à-vis 2.9% growth in 2019, and subsequently, mark a V-shape normalisation to 5.4% growth in 2021, although half of it will come on a lower base. Further, the global trade volume in goods and services will slip into a degrowth of 11% in 2020 from an already sluggish growth of 0.9% in 2019, before growing by 8.4% in 2021.

### INDIA

India continued to be one of the most robust and resilient economies of the world in 2019. During FY20, the economy grew by 4.2%, suffering primarily from inadequate credit availability owing to challenges in the financial sector. The combined impact of muted domestic demand and export markets dragged down capacity utilization of industries.

The Government of India undertook proactive initiatives such as reducing corporate tax rates and offering credit guarantee for financially sound Non-Banking Financial Corporations (NBFCs). The year also witnessed easing of monetary policy by the Reserve Bank of India (RBI) with significant reduction in the repo rate. Driven by fiscal and monetary policy initiatives, the economy began to show early signs of recovery. However, the COVID-19 outbreak in the fourth quarter of the year made recovery an uphill task.

The Government of India has already announced a significant relief package of Rs. 20 trillion, aimed at providing a safety net to the most vulnerable sections of society. Targeted relief measures have also been designed for sectors that are hardest hit by the pandemic such as financial services and micro, small & medium enterprises (MSMEs).

The positive indicators are moderate inflation and low crude prices resulting in declining trade deficit. These factors allow the Government of India adequate room for providing additional fiscal and liquidity support to the economy.

**Industry Scenario/India key market trends:**

Despite a global slowdown in most other sectors, M&A in the pharma industry remained vibrant throughout 2019. The total value of deals during 2019 stood at US\$1.2 trillion. Some of the biggest companies in the industry are consolidating to elevate their position in a highly competitive environment. Increased regulatory pressure from the governments to reduce drug prices and remove potential monopolies is likely to impact margins.

Increasing health and beauty concerns and high demand of skin care products by consumers' have a significant impact on this market. With recent innovative products with better formulation attract wide range of consumers. Technological strides and a keen focus on R&D has supported in fueling up the market share of Ayurvedic health care products in domestic as well as the global market. While most e-commerce platforms can expect a seven to ten-fold increase in revenue generation, the growth rate for the online Ayurveda segment is pegged to be higher.

Increasing awareness of benefits of Ayurvedic products, government initiatives to encourage their usage, rising purchasing power to drive demand for Ayurvedic products in India. Ayurvedic cosmetics & skin care products is likely to boost the market over the next five years. Moreover, rising health concerns and awareness of side-effects of allopathy are few of the major factors driving consumer preference for Ayurvedic products in the country. Rising number of exclusive showrooms and increasing availability of Ayurvedic products at multi-branded stores is also boosting sales of Ayurvedic products in the country. The ecommerce market for Ayurveda will not only ride the digital growth wave thanks to increased digital penetration through better internet access, improved security of payments gateways, m-commerce adoption, and Cash on Delivery (CoD) options, but will also benefit from changes in consumer behavior.

**Opportunities and Threats:**

With the ongoing COVID-19 pandemic, increasing awareness of benefits of Ayurvedic products, government initiatives to encourage their usage, rising purchasing power to drive demand for Ayurvedic products in India. The ecommerce market for Ayurveda will not only ride the digital growth wave thanks to increased digital penetration through better internet access, improved security of payments gateways, m-commerce adoption, and Cash on Delivery (CoD) options, but will also benefit from changes in consumer behavior. Ayurvedic cosmetics & skin care products is also likely to boost the market over the next five years. Moreover, rising health concerns and awareness of side-effects of allopathy are few of the major factors driving consumer preference for Ayurvedic products in the country.

Ayurveda, which had been relegated to the fringes, is once again gaining global prominence in the health care space. Increasing health and beauty concerns and high demand of skin care products by consumers' have a significant impact on this market. Technological strides and a keen focus on R & D has supported in fueling up the market share of Ayurvedic health care products in the global market. Players emphasize on launching unique products to suffice the trending demand from the consumers' side which has also led to increased sale of the product. Increasing population of women adopting natural and minimal makeup trends have been increasing the sale of Ayurvedic Products globally.

**Projects and Outlook:**

The market has both organized and unorganized players and the capability and the strengths differ. But both are classified under same industry. So, the organized sector has to work hard to maintain the parameters so that the high standards are maintained, and customers should not lose faith in the practice. Major threats for our industry are regulatory concerns, consumer perceptions and competition. The regulatory agencies all over the world are focusing on the Quality, efficacy, safety and standardization of herbal medicines. Your company has been working in this area. We have demonstrated excellence in and is well positioned in the market for quality products. We rely on repeat business based on the strength of our client relationship and a major portion of our revenue comes from key clients. Initiatives are focused on improving client relationship.

**Internal Control System and their Adequacy:**

The Company has adequate internal control systems including suitable monitoring procedures commensurate with its size and the nature of the business. The internal control systems provide for all documented policies, guidelines, authorisation and approval procedures. The statutory auditors while conducting the statutory audit, review and evaluate the internal controls and their observations are discussed with the Audit committee of the Board. The Company's internal control systems are supplemented by periodic reviews by the Management. The Audit Committee reviews its findings and recommendations at periodic intervals. Company's internal control system is adequate considering the nature, size and complexity of its business.

**Human Resources/Industrial Relations:**

The company places great emphasis on its employees and believes that they are the core of the Corporate Purpose. The HR mission is to empower employees to make continuous improvements and enhance their professional skills. The company believes in respecting the individual rights and dignity of the people. The company believes that human resources are the most valuable assets and a major driver for achieving its goals. Your company continues to invest in human resources to build new businesses while simultaneously improving the individual & organizational preparedness for future challenges

**Risks and Concerns:****Brand-Image:**

Looking at the new products range which likely to introduce in next two financial years and availability of competitive products with better brand name acceptance of new name may be a tough job.

**Higher Investment:**

Being a lesser known brand, company would definitely require to invest heavily behind advertisement, better marketing strategies, and easy accessibility including e-commerce if it wants to become big in herbal space.

**Risk related of Raw Materials:** Risks associated with key procurement relationships include:

- The availability of raw materials, more particularly availability of quality products;
- The price of raw materials may be subject to material changes in worldwide Pricing levels;
- Input costs such as freight and electricity may be inconsistent or prices may increase; and
- Key supplier relationships may be lost or impaired, contracts renewed on less favorable terms or key suppliers may cease or reduce their operations.

However, the Company plans well in advance to procure the raw materials and purchases its Raw Materials from the domestic reputed supplier located in different parts of the country to mitigate risk relating to availability of raw materials.

#### **24. Risk Management**

The Company has in place a Risk Management Policy pursuant to Section 134 of the Companies Act. It establishes various levels of accountability and overview within the Company, while vesting identified managers with responsibility for each significant risk.

The Internal Audit Department facilitates the execution of Risk Management Practices in the Company, in the areas of risk identification, assessment, monitoring, mitigation and reporting. Through this program, each Function carried on works, addresses opportunities and risks through a comprehensive approach aligned to the Company's objectives. The Company has laid down procedures to inform the Audit Committee as well as the Board of Directors about risk assessment and management procedures and status.

The Audit Committee of the Board of the Company has been entrusted with the task to frame, implement and monitor the risk management plan for the Company and it is responsible for reviewing the risk management plan and ensuring its effectiveness with an additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

#### **25. Corporate Social Responsibility (CSR)**

The Company does not fall in any of the Criteria of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014 and hence the company does not require to comply the same.

#### **26. Safety, Environment and Health**

The Company's commitment to excellence in Health and Safety is embedded in the Company's core values. The Company has a stringent policy which drives all employees to continuously break new ground safety management for the benefit of people, property, environment and the communities where we operate on sites.

The Company respects human rights, values its employees and their communities. The Company considers safety, environment and health as the management responsibility. Regular employee training programmes are in place throughout the Company on Safety, Environment and Health and has well identified and widely covered safety management system in place for ensuring, not only the safety of employees but surrounding population of the works as well.

#### **27. Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace**

The Company has zero tolerance for sexual harassment at the workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. All employees of the Company, those of contractors as well as trainees are covered under this Policy.

No complaint was received from any employee during the financial year 2019-2020 and hence no complaint is outstanding as on 31.03.2020 for redressal.

#### **28. Vigil Mechanism/ Whistle Blower Policy**

There is a Whistle Blower Policy in the Company and that no personnel have been denied access to the Chairman of the Audit Committee. The policy provides for adequate safeguards against victimization of persons who use vigil mechanism. The Whistle Blower Policy is posted on the Company's website [www.tiaanstore.com](http://www.tiaanstore.com)

#### **29. Code of Conduct**

The Board has laid down a code of conduct for board members and senior management personnel of the Company. The code incorporates the duties of independent directors as laid down in the Companies Act, 2013. The said code of conduct is posted on Company's website [www.tiaanstore.com](http://www.tiaanstore.com). The Board members and senior management personnel have affirmed compliance with the said code of conduct.

### **30. Prevention of Insider Trading**

The Board has adopted a revised Code of Prevention of Insider Trading based on the SEBI (Prohibition of Insider Trading) Regulations, 2015. The same has been placed on the website of the Company [www.tiaanstore.com](http://www.tiaanstore.com). All the Directors, senior management employees and other employees who have access to the unpublished price sensitive information of the Company are governed by this code. During the year under Report, there has been due compliance with the said code of conduct for prevention of insider trading.

### **31. Corporate Governance**

As per SEBI LODR, Compliance with the provisions of regulation 17 through 27 and clauses (b) to of sub- regulations 46 and Para C, D and E of schedule V is not mandatory for the time being, in respect of the following class of Companies:

- a) Companies having paid –up equity share capital not exceeding Rs.10 Crores and Net Worth not exceeding Rs.25 Crores, as on the last day of previous financial year;
- b) The listed entity which has listed its specified securities on the SME Exchange;

As such our Company falls in the ambit of aforesaid exemption Consequently Corporate Governance does not forms part of the Annual Report for the Financial Year 2019-20. However, the Company is following the industry best corporate governance standards.

### **32. Human Resources**

The human resource plays a vital role in the growth and success of an organization. The Company has maintained cordial and harmonious relations with employees.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

### **33. Deposits from Public**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public, was outstanding as on the date of the balance sheet.

### **34. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings**

and Outgo Technology absorption : NIL

Foreign Exchange earnings and outgo: NIL

### **35. Particulars of Employees and Remuneration**

Pursuant to the Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, no employee of the Company was paid remuneration exceeding the prescribed limits, during the financial year 2019-2020.

### **36. Insurance**

All the properties and insurable interests of the Company including buildings, Plants & Machineries and Stocks, have been adequately insured.

### **37. Share Capital**

The paid-up equity share capital of the Company as at 31<sup>st</sup> March, 2020 is Rs.5, 16, 68,000. The Company currently has no outstanding shares issued with differential rights, sweat equity or ESOS.

### **38. Auditors**

#### **Statutory Auditors:**

M/s. Mehul M. Shah, Chartered Accountants, were appointed as the statutory auditors of the Company for a period of five years at the Annual General Meeting (AGM) of the Company held on 28<sup>th</sup> September, 2017 to hold office from the conclusion of 25<sup>th</sup> AGM till the conclusion of 30<sup>th</sup> AGM to be held in 2022.

The Auditors' Report read with the notes to the accounts referred to therein are self-explanatory and therefore, do not call for any further comments. There are no qualifications, reservations or adverse remarks made by the Auditors.

**Secretarial Auditors:**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed Mr. Suhas Bhattbhatt of M/s. S Bhattbhatt & Co., Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the year ended March 31, 2020. The Secretarial Audit Report is annexed as **Annexure C**.

**Cost Auditors:**

Your Company does not require to get its cost records audited by the qualified Cost Auditors, in view of non-applicability. No appointment of Cost Auditors has been made.

**39. Acknowledgement**

The Board places on record its deep appreciation for the continued support received from various clients, vendors and suppliers and Bankers, Government Authorities, Employees at all levels and Stakeholders, in furthering the interest of the Company.

**For and on behalf of the Board of Directors,**

**Date: 25-08-2020**  
**Place: Vadodara**

**Sd/-**  
**Sudharshan Rangarajan**  
**Managing Director**

## **ANNEXURE – A TO THE BOARD’S REPORT**

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

**(I) Details of contracts or arrangements or transactions NOT at arm's length basis:**

| Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements/ transactions | Duration of the Contracts / arrangements/ transactions | Salient terms of the contracts or Arrangements or Transactions including value, if any | Date(s) of approval by the Board | Amount paid as advance, if any | Date on which the special resolution was passed in General Meeting as required under first proviso to Section 188. |
|---|---|--|--|----------------------------------|--------------------------------|--|
|   |   | Not Applicable   |  |                                  |                                |  |

**(II) Details of material contracts or arrangement or transactions at arm's length basis:**

| Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements / transactions | Duration of Contracts / arrangements / transactions | Salient terms of the contracts or arrangements or transactions including the value, if any, per Annum | Date(s) of approval by the Board | Amount paid as advances , if any | Date on which the special resolution was passed in General Meeting as required under First proviso to Section 188. |
|---|--|---|---|----------------------------------|----------------------------------|--|
| Not Applicable  |  |   |   |                                  |                                  |  |

**ANNEXURE-B TO THE BOARD'S REPORT**

**Form No. MGT-9 Extract of Annual Return as on the financial year ended on 31<sup>st</sup> March, 2020**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. Registration and other Details:**

|   |   |
|---|---|
| CIN   | L85100GJ1992PLC017397   |
| Registration date   | 27/03/1992  |
| Name of the Company   | Tiaan Ayurvedic & Herbs Limited   |
| Category / Sub-Category of the Company                                    | Company having Share Capital  |
| Address of the registered office and contact details                      | 405, Patel Ashwamegh Complex, Sayajigunj,<br>Vadodara, 390005, Gujarat  |
| Whether listed company (Yes/No)   | Yes   |
| Name, address and contact details of Registrar and Transfer Agent, if any | MCS Share Transfer Agent Ltd,<br>101, Shatdal Complex 1st Floor, Opp. Bata Showroom Ashram Road,<br>Ahemdabad-380009, Gujarat |

## II. Principle Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

| Sr. No. | Name and Description of main products/services | NIC Code of the Product / service | % to total turnover of the company |
|---------|--|-----------------------------------|------------------------------------|
| 1.      | Ayurvedic & Herbs Product                      | 99931                             | 100                                |

### III. Particulars of holding, subsidiary and Associate Companies:

There is no Holding and/or Subsidiary nor any Associate Company.

**IV. Shareholding Pattern (Equity share capital breakup as percentage of Total Equity):**

(i) **Category-wise Shareholding:**

[illegible]

|  |                |             |                |              |                |             |                |              |      |
|--|----------------|-------------|----------------|--------------|----------------|-------------|----------------|--------------|------|
| <b>1) Institutions</b>   |                |             |                |              |                |             |                |              |      |
| a) Mutual Funds  | --             | --          | --             | --           | --             | --          | --             | --           | --   |
| b) Banks / FI  | --             | --          | --             | --           | --             | --          | --             | --           | --   |
| c) Central Govt.   | --             | --          | --             | --           | --             | --          | --             | --           | --   |
| d) State Govt (s)  | --             | --          | --             | --           | --             | --          | --             | --           | --   |
| e) Venture Cap.Fund  | --             | --          | --             | --           | --             | --          | --             | --           | --   |
| f) Insurance Companies   | --             | --          | --             | --           | --             | --          | --             | --           | --   |
| g) FIs   | --             | --          | --             | --           | --             | --          | --             | --           | --   |
| h) Foreign Venture Capital Funds   | --             | --          | --             | --           | --             | --          | --             | --           | --   |
| i) Others (specify)  | --             | --          | --             | --           | --             | --          | --             | --           | --   |
| <b>Sub- Total (B) (1)</b>  | --             | --          | --             | --           | --             | --          | --             | --           | --   |
| <b>2) Non Institutions</b>   |                |             |                |              |                |             |                |              |      |
| a) Bodies Corporate  | 51492          | 10          | 51502          | 0.9968       | 67424          | 10          | 67434          | 1.31         | 0.30 |
| b) Individuals   |                |             |                |              |                |             |                |              |      |
| i) Individual shareholders holding nominal share capital up to Rs. 2 lakh        | 1338924        | 5605        | 1344529        | 26.02        | 1538828        | 3105        | 1541933        | 29.84        | 3.82 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh | 3047063        | 0           | 3047063        | 58.97        | 2773683        | 0           | 2773683        | 53.69        | 5.29 |
| c) Others (specify) NRI & HUF  | 278706         |             | 278706         | 5.39         | 338740         | 10          | 338750         | 6.55         | 1.16 |
| <b>Sub Total (B)(2)</b>  | <b>4716185</b> | <b>5615</b> | <b>4721800</b> | <b>91.39</b> | <b>4718675</b> | <b>3125</b> | <b>4721800</b> | <b>91.39</b> |      |
| <b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>                              | <b>4716185</b> | <b>5615</b> | <b>4721800</b> | <b>91.39</b> | <b>4718675</b> | <b>3125</b> | <b>4721800</b> | <b>91.39</b> |      |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                           | --             | --          | --             | --           | --             | --          | --             | --           | --   |
| <b>Grand Total (A+B+C)</b>   | <b>5161185</b> | <b>5615</b> | <b>5166800</b> | <b>100</b>   | <b>5163675</b> | <b>3125</b> | <b>5166800</b> | <b>100</b>   | --   |

(ii) Shareholding of Promoters:

| Sr. No. | Name of Share Holder       | Share Holding at the Beginning of the year |                                  |   | Share Holding at the end of the Year |                                  |   | % Change During the Year |
|---------|----------------------------|--|----------------------------------|---|--------------------------------------|----------------------------------|---|--------------------------|
|         |                            | No. of Shares                              | % of Total Shares of the Company | % of Shares Pledged/ encumbered to total shares | No. of Shares                        | % of Total Shares of the Company | % of Shares Pledged/ encum- bered to total shares |                          |
| 1.      | Mega Bucks Capital Limited | 445000                                     | 8.61                             | --  | 445000                               | 8.61                             | --  | --                       |
|         | <b>Total</b>               | <b>445000</b>                              | <b>8.61</b>                      | <b>--</b>                                       | <b>445000</b>                        | <b>8.61</b>                      | <b>--</b>   | <b>--</b>                |

(iii) Change in Promoter's Shareholding :

| Sr. No. | Name of Share Holder         | Date       | Share Holding at the Beginning of the Year |                                  | Cumulative Shareholding during the year |                                  |
|---------|------------------------------|------------|--|----------------------------------|---|----------------------------------|
|         |                              |            | No. of Equity Shares                       | % of total Shares of the Company | No. of Equity Shares                    | % of Total Shares of the Company |
| 1.      | Mega Bucks Capital Limited   |            |  |                                  |   |                                  |
|         | At the beginning of the year | 01.04.2019 | 445000                                     | 8.61                             |   |                                  |
|         | Sale of shares               |            | 0  | 0                                |   |                                  |
|         | At the end of the year       | 31.03.2020 | 445000                                     | 8.61                             | --                                      | --                               |

(iv) Shareholding Pattern of top ten Shareholders (Other than directors, Promoters and Holders of GDRs and ADRs):

| Sr. No. | For each of the Top 10 Shareholders | Shareholding  |                                  |
|---------|-------------------------------------|---------------|----------------------------------|
|         |                                     | No. of Shares | % of total shares of the Company |
| 1.      | Teena Kirti Jain                    | 249000        | 4.8192                           |
| 2.      | Ashok Dilipkumar Jain               | 192271        | 3.7213                           |
| 3.      | Satendra Gajpal Negi                | 140550        | 2.7203                           |
| 4.      | Kabir Soni                          | 140200        | 2.7135                           |
| 5.      | Hamid Dawood Mistry                 | 110000        | 2.129                            |
| 6.      | Praveenkumar Vastimalji Jain        | 100000        | 1.9354                           |
| 7.      | Meena Sharad Saboo                  | 75700         | 1.4651                           |
| 8.      | Satish Kalubhai Kansodariya         | 75000         | 1.4516                           |
| 9.      | Kiran Babulal Shah                  | 72906         | 1.4110                           |
| 10.     | Dipesh Ambalal Jain                 | 69740         | 1.3498                           |

(v) Shareholding of Directors and Key managerial Personnel:

| Sr. No. | For Each of the Directors and KMP                                    | Share Holding at the Beginning of the Year |                                  | Cumulative Shareholding during the year |                                  |
|---------|--|--|----------------------------------|---|----------------------------------|
|         |  | No. of Equity Shares                       | % of total Shares of the Company | No. of Equity Shares                    | % of Total Shares of the Company |
| 1.      | Sudharshan Rangarajan (MD)<br>(w.e.f 23 <sup>rd</sup> October, 2019) | 0  | 0                                | 0                                       | 0                                |
| 2.      | Imteyaz Shaikh (ED)<br>(upto 9 <sup>th</sup> December, 2019)         | 0  | 0                                | 0                                       | 0                                |
| 3.      | Nitin Mistry (CS)<br>(upto 12 <sup>th</sup> April, 2019)             | 0  | 0                                | 0                                       | 0                                |
| 4.      | Vinod Sarda (CFO)  | 0  | 0                                | 0                                       | 0                                |
| 5.      | Shanoo Mathew (CS)<br>(w.e.f 31 <sup>st</sup> December, 2019)        | 0  | 0                                | 0                                       | 0                                |

**(V) Indebtedness:**

Indebtedness of the Company including interest outstanding / accrued but not due for payment:

**(Amount in Rs.)**

| Particulars  | Secured Loans<br>Excluding<br>Deposits | Unsecured<br>Loans | Deposits | Total Indebtedness |
|--|--|--------------------|----------|--------------------|
| Indebtedness at the beginning of the financial year (01.04.2019) |  |                    |          |                    |
| i) Principal Amount  | 0                                      | 0                  | 0        | 0                  |
| ii) Interest Due but Not Paid                                    | 0                                      | 0                  | 0        | 0                  |
| iii) Interest Accrued but not due                                | 0                                      | 0                  | 0        | 0                  |
| Total (i + ii + iii)   | 0                                      | 0                  | 0        | 0                  |
| Change in indebtedness during the financial year                 |  |                    |          |                    |
| i. Addition  | 0                                      | 0                  | 0        | 0                  |
| ii. Reduction  | 0                                      | 0                  | 0        | 0                  |
| Net Change   | 0                                      | 0                  | 0        | 0                  |
| Indebtedness at the end of the financial Year (31.03.2020)       |  |                    |          |                    |
| i) Principal Amount  | 0                                      | 0                  | 0        | 0                  |
| ii) Interest Due but Not Paid                                    | 0                                      | 0                  | 0        | 0                  |
| iii) Interest Accrued but not due                                | 0                                      | 0                  | 0        | 0                  |
| Total (i + ii + iii)   | 0                                      | 0                  | 0        | 0                  |

**(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL–****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:****(Amount in Rs.)**

| Sr. No. | Particulars of Remuneration   |  | Sudharshan Rangarajan<br>Managing Director | Total Amount<br>(In Rs.) |
|---------|---|--|--|--------------------------|
| 1.      | Gross salary  |  |  |                          |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 |  | 00/-                                       | 00/-                     |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             |  | 25,000/-                                   | 25,000/-                 |
|         | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             |  | ---  | --                       |
| 2.      | Stock Option  |  | ---  | --                       |
| 3.      | Sweat Equity  |  | ---  | --                       |
| 4.      | Commission<br>- as % of profit<br>- others, specify.                                |  | ---  | --                       |
| 5.      | Others  |  | ---  | --                       |
|         | Total (A)   |  | 25,000/-                                   | 25,000/-                 |
|         | Ceiling as per the Act  |  | As per Schedule V of Companies Act, 2013   |                          |

**B. Remuneration to other directors: (sitting fees)**

| Sr. No. | Particulars of Remuneration                  | Name of Directors |               |              |                  | Total Amount |
|---------|--|-------------------|---------------|--------------|------------------|--------------|
|         |  | Kajal Jain        | Satish Bhagat | Sanjay Patel | Samadhan Kharate |              |
| 1.      | Non Independent and Independent Directors    | Independent       | Independent   | Independent  | Independent      |              |
|         | Fee for attending board / committee meetings | 0                 | 0             | 0            | 0                | 0            |
|         | Commission                                   | --                | --            | --           | --               | --           |
|         | Others, please specify                       | --                | --            | --           | --               | --           |
|         | Total (1)                                    | 0                 | 0             | 0            | 0                | 0            |

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

| Sr. No. | Particulars of Remuneration  | Key Managerial Personnel             |                                    |                  |          |
|---------|--|--------------------------------------|------------------------------------|------------------|----------|
|         |  | Company Secretary                    | Company Secretary                  | CFO              | Total    |
|         |  | Mr. Shanoo Mathew (w.e.f 31.12.2019) | Mr. Nitin Mistry (upto 12.04.2019) | Mr. Vinod Sharda |          |
| 1.      | Gross salary   |                                      |                                    |                  |          |
|         | a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 90,000                               | 15,000                             | 0                | 1,05,000 |
|         | b. Value of perquisites u/s 17(2) Income-tax Act, 1961                             | --                                   | --                                 | 15,000           | 15,000   |
|         | c. Profits in lieu of salary under Section 17(3) Income-tax Act, 1961              | --                                   | --                                 | --               | --       |
| 2.      | a) Stock Option  | 0                                    | 0                                  | --               | --       |
| 3.      | Sweat Equity   | 0                                    | 0                                  | --               | --       |
| 4.      | Commission   | 0                                    | 0                                  | --               | --       |
|         | - As a % of profit   |                                      |                                    |                  |          |
|         | - Others, specify  |                                      |                                    |                  |          |
| 5.      | Others, please specify   | 0                                    | 0                                  | --               | --       |
|         | Total  | 90,000                               | 15,000                             | 15,000           | 1,20,000 |

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

There were no penalties/punishment/compounding of offences during the year ended March 31, 2020 on Directors and the Company.

**ANNEXURE – C**

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Tiaan Ayurvedic & Herbs Limited

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

Based on our verification of the Tiaan Ayurvedic & Herbs Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit and as per the explanations given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by Tiaan Ayurvedic & Herbs Limited ("the Company") for the financial year ended on 31<sup>st</sup> March, 2020, according to the applicable provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules made there under, as applicable;
- ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not Applicable to the Company during audit period);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:
  - A. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - B. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - C. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009/2018;
  - D. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable)
  - E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during audit period);
  - F. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not Applicable. The Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review)
  - G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable. The shares of the Company are not delisted at any stock exchange, during the year under review) and
  - H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable. The Company not bought back any shares / securities during the year under review)
- vi. Other laws specifically applicable to the Company namely –

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

- 1) Secretarial Standards issued by The Institute of Company Secretaries of India; and
- 2) The Listing Agreements entered into by the Company with BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards etc. except that following:-

- *The Position of Compliance Officer was vacant from April'19 to December'19. The Company has appointed Mr. Shanoo Mathew as Company Secretary and Compliance officer of the company with effect from 31<sup>st</sup> December, 2019.*
- *The Position of Managing Director was vacant from April'19 to October'19. The Company has appointed Mr. Sudharshan R as a Managing Director of the Company with effect from 23<sup>rd</sup> October, 2019.*
- *The Company has Filed E Form INC – 22A (ACTIVE-Active Company Tagging Identities and Verification) Form as per notification issued by MCA on 21<sup>st</sup> February, 2019 under Companies (Incorporation) Amendments Rules, 2019 as on 17<sup>th</sup> January, 2020.*
- *The Statutory Auditor of the Company has failed to submit their peer review certificate as per Regulations 33(1) (d) of SEBI (LODR) Regulation, 2015 as on date of this report.*
- *The Company has not complied with provisions of Regulation 47 of SEBI (LODR) Regulations, 2015.*

We further report that:

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

During the Reporting period, the Company has approved Bonus Issue in the Board Meeting held on 6<sup>th</sup> March, 2020 in the ratio of 1:4.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda during the year. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate system and processes in the company commensurate with size and operation of the Company to monitor and ensure the Compliance with applicable laws, rules, regulation and guidelines.

We further report that during the audit period there were no instances of

- a) Public / Rights / Debentures / Sweat Equity
- b) Redemption / Buy Back of Securities
- c) Merger / Amalgamation / Re-construction etc.
- d) Foreign Technical Collaboration / Equity Participation.

**Place: Vadodara**  
**Date: 31-07-2020**

**For S Bhattbhatt & Co**  
**Practicing Company Secretaries**

**Sd/-**  
**Suhas Bhattbhatt**  
**Proprietor**  
**A.C.S.:11975; C.P.:10427**  
**UDIN: A011975B000536917**

This Report is to be read with our letter of even date which is annexed as **Annexure -1** and forms an integral part of this report.

**‘Annexure -1’**

To,  
The Members,  
Tiaan Ayurvedic & Herbs Limited

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

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

**For S Bhattbhatt & Co**  
**Practicing Company Secretaries**

**Sd/-**  
**Suhas Bhattbhatt**  
**Proprietor**  
**A.C.S.:11975; C.P.:10427**  
**UDIN: A011975B000536917**

**Place: Vadodara**  
**Date: 31-07-2020**

**CEO/CFO CERTIFICATION**

To,  
The Board of Directors  
**Tiaan Ayurvedic & Herbs Limited**  
Vadodara

We hereby certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2020 and that to the best of our knowledge and belief;
  - i. these statements do not contain any materially untrue statement or omit any material fact 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) No transaction is entered into by the company during the year which is 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 that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: 24-06-2020  
Place: Vadodara

**For Tiaan Ayurvedic & Herbs Ltd**

Sd/-  
**Vinod Sarda**  
Chief Financial Officer

## INDEPENDENT AUDITOR'S REPORT

To,  
The Members of  
**TIAAN AYURVEDIC & HERBS LIMITED**

Report on the Financial Statements for the F.Y. 2019-20

### Opinion

We have audited the accompanying financial statements of Tiaan Ayurvedic & Herbs Limited, which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, and the Statement of Profit and Loss (Including Other Comprehensive Income) and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

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

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

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

There are no Key Audit Matters Reportable as per SA 701 issued by ICAI.

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, but does not include the financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of our auditor's report.

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

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

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are

reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibility**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure A", a statement on the matter specified in the paragraph 3 and 4 of the Order.
2. As required under provisions of section 143(3) of the Companies Act, 2013, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief where 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 and Statement of Profit and Loss including Other Comprehensive Income Statement of Cash Flow and Statement of Changes of Equity dealt with this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Ind AS specified in section 133 of the Act, read with relevant rule issued there under.
  - e) On the basis of written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and operating effectiveness of such controls, referred to our separate report in "Annexure B".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
    - i. The Company has disclosed the impact of pending litigation on its financial position in its standalone financial statement except as provided in Annexure "A".
    - ii. The Company did not have any long-term and derivative contracts as at March 31, 2020.
    - iii. There has been no delay in transferring amounts, required to be transferred, the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.

**For Mehul M Shah & Co.  
Chartered Accountants**

**Date: 24<sup>th</sup> June, 2020  
Place: Mumbai**

**Sd/-  
Mehul Shah  
F R No.: 141907W  
M. No.: 044044  
UDIN: 20044044AAAAA01958**

#### **“ANNEXURE 1” TO THE INDEPENDENT AUDITOR’S REPORT**

In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that: -

- 1) a) The Company has a regular program of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of two years. In our opinion, the periodicity of physical verification is a reasonable having regards to the size of the Company and nature of its assets. Pursuant to the program a portion of the fixed assets has been physically verified by the management, during the year and no material discrepancies have been noticed on such verification.  
  
b) According to the information and explanations received by us, and on the basis of our examination of the records of the company, the title deeds of immovable properties as disclosed in the Note E to the financial statement of the Company.
- 2) Physical verification of inventory has been conducted by the management at reasonable intervals as required under clause 3(ii).
- 3) The Company has not granted loans, secured or unsecured to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence the reporting requirement under clause (iii) of the said order does not arise.
- 4) Based on our scrutiny of the Company’s records and according to the information and explanations received by us from the management, we are of the opinion that in respect of loans and guarantees given, investments made, and securities purchased by the company, the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- 5) In our opinion and according to information and explanations given to us, the Company has not accepted any deposits from the public and hence the reporting requirement under clause (v) of the said order does not arise.
- 6) Being a trading company having turnover below prescribed limit, the provisions of section 148(1) of the Act with regard to the maintenance of cost records are not applicable to the Company.
- 7) a) Based on our scrutiny of the Company’s Book of Account and other records and according to the information and explanations received by us from the management, we are of the opinion that the company is regular in depositing with appropriate authorities undisputed statutory dues applicable to it and no undisputed amounts payable in respect of any statutory dues were outstanding as at 31<sup>st</sup> March, 2020 for a period of more than six months from the date they became payable.  
  
b) According to the records of the company and the information and explanations received by us from the management, there are no disputed statutory dues outstanding in the name of the company.
- 8) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion, the company has not defaulted in repayment of dues to a financial institution, bank, Government or dues to debenture holders.
- 9) According to the records of the company, the company has neither raised any moneys by way of Initial Public Offer or Further Public Offer (including debt instrument) nor has the company raised any term loans during the Financial Year start from 01/04/2019 to 31/03/2020. Hence, in our opinion the reporting requirement under clause (ix) of the said order does not arise.
- 10) Based upon the audit procedures performed and according to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit, that causes the financial statements to be materially misstated.
- 11) According to the records of the company, Managerial remuneration has been paid or provided during the year under audit is within the limit of provision of Companies Act, 2013.
- 12) In our opinion and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is not a Nidhi Company. Hence, in our opinion the reporting requirement under clause (xii) of the said order does not arise.

- 13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) Based on our scrutiny of the Company's Book of Account and other records and according to the information and explanations received by us from the management, we are of the opinion that the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, the reporting requirement under clause (xiv) of the said order does not arise.
- 15) Based on our scrutiny of the Company's Book of Account and other records and according to the information and explanations received by us from the management, we are of the opinion that the company has not entered into any non-cash transactions with its directors or persons connected with him. Hence, the reporting requirement under clause (xv) of the said order does not arise.

**For Mehul M Shah & Co.**  
**Chartered Accountants**

**Date: 24<sup>th</sup> June, 2020**  
**Place: Mumbai**

**Sd/-**  
**Mehul Shah**  
**F R No.: 141907W**  
**M. No.: 044044**  
**UDIN: 20044044AAAAA01958**

## **“ANNEXURE 2” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph (2)g under ‘Report on Other Legal and Regulatory Requirements’ in our Independent Auditor’s Report of even date, to the members of the Company on the Financial statements for the year ended 31<sup>st</sup> March, 2020)

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

We have audited the internal financial controls over financial reporting of the Company “Tiaan Ayurvedic & Herbs Limited” as of 31<sup>st</sup> March, 2020 in conjunction with our audit of the financial statement of the Company for the year ended on that date.

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

The Company’s management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

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

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

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

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

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2020.

**For Mehul M Shah & Co.  
Chartered Accountants**

**Date: 24<sup>th</sup> June, 2020  
Place: Mumbai**

**Sd/-  
Mehul Shah  
F R No.: 141907W  
M. No.: 044044  
UDIN: 20044044AAAAA01958**

**Balance Sheet as on 31<sup>st</sup> March, 2020**

| ASSETS  | Notes | 2020               | 2019               |
|---|-------|--------------------|--------------------|
| <b>Non-current assets</b>   |       |                    |                    |
| Property, plant and equipment   | E     | 8,615,313          | 11,025,654         |
| Capital work-in-progress  |       | 0                  | 17,900,000         |
| Intangible assets   |       | 0                  | 0                  |
| Intangible assets under development                                   |       | 0                  | 0                  |
| Financial assets  |       |                    |                    |
| (i) Investments   | F     | 7,500,000          | 75,00,000          |
| (ii) Loans  | G     | 19,665,920         | 7,548,470          |
| Income tax assets(net)  |       | 0                  | 0                  |
| Other non-current assets  |       | 0                  | 0                  |
| <b>Total non-current assets</b>                                       |       | <b>35,781,233</b>  | <b>43,974,124</b>  |
| <b>Current assets</b>   |       |                    |                    |
| Inventories   |       | 32,428,552         | 21,548,561         |
| Financial assets  |       |                    |                    |
| (i) Trade receivables   | H     | 98,902,702         | 125,117,152        |
| (ii) Cash and cash equivalents  | I     | 238,024            | 244,465            |
| (iii) Bank balances other than cash and cash equivalents stated above |       | 30,846             | 33,000             |
| (iv) Loans  | J     | 0                  | 0                  |
| (v) Others financial assets   |       | 0                  | 0                  |
| Other assets  | K     | 1,633,715          | 1,123,715          |
| <b>Total current assets</b>   |       | <b>133,233,839</b> | <b>148,066,893</b> |
| <b>TOTAL ASSETS</b>   |       | <b>169,015,072</b> | <b>192,041,017</b> |
| <b>EQUITY AND LIABILITIES EQUITY</b>                                  |       |                    |                    |
| Equity share capital  | A     | 51,668,000         | 51,668,000         |
| Other equity  | B     | 46,120,577         | 37,767,858         |
| <b>Total equity</b>   |       | <b>97,788,577</b>  | <b>89,435,858</b>  |
| <b>Non-current liabilities</b>  |       |                    |                    |
| Financial liabilities   |       |                    |                    |
| (i) Borrowings  |       | 0                  | 0                  |
| Provisions  |       | 0                  | 0                  |
| Deferred tax liabilities (net)  |       | 0                  | 0                  |
| <b>Total non-current liabilities</b>                                  |       | <b>0</b>           | <b>0</b>           |
| <b>Current Liabilities</b>  |       |                    |                    |
| Financial liabilities   |       |                    |                    |
| (i) Borrowings  |       | 0                  | 0                  |
| (ii) Trade payables   | C     | 57,637,367         | 95,478,923         |
| (iii) Other financial liabilities                                     |       | 0                  | 0                  |
| Income tax liabilities (net)  |       | 0                  | 0                  |
| Provisions  | D     | 11,752,530         | 6,250,780          |
| Other current liabilities   |       | 1,836,598          | 875,456            |
| <b>Total current liabilities</b>                                      |       | <b>71,226,495</b>  | <b>102,605,159</b> |
| <b>Total liabilities</b>  |       | <b>71,226,495</b>  | <b>102,605,159</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                   |       | <b>169,015,072</b> | <b>192,041,017</b> |
| Significant accounting policies                                       |       |                    |                    |

For Mehul M Shah & Co  
Chartered Accountants

Mehul Shah  
Proprietor  
M. No. 044044  
FR No.: 141907W  
Place: Mumbai  
Date: 24<sup>th</sup> June, 2020

Sudharshan Rangarajan  
Managing Director

Shanoo Mathew  
Company Secretary

Vinod Sarda  
Chief Financial Officer

Kajal Jain  
Independent Director

**Profit and Loss for the year ended 31<sup>st</sup> March, 2020**

|  | Notes | 2020               | 2019               |
|--|-------|--------------------|--------------------|
| <b>Income</b>  |       |                    |                    |
| Revenue from operations  | L     | 191,388,110        | 488,616,424        |
| Other income   | M     | 821,456            | 326,965            |
| <b>Total Income</b>  |       | <b>192,209,566</b> | <b>488,943,389</b> |
| <b>Expenses</b>  |       |                    |                    |
| Cost of materials consumed   |       | 0                  | 0                  |
| Purchases of Stock-in-Trade  |       | 164,617,070        | 453,820,510        |
| Changes in inventory of work-in-progress and finished goods                          |       | 4,354,021          | 0                  |
| Employee benefit expenses  | N     | 4,577,929          | 3,972,475          |
| Other expenses   | O     | 4,995,846          | 5,665,560          |
| Depreciation and amortization  | E     | 2,410,341          | 2,210,895          |
| Finance costs  |       | 0                  | 0                  |
| <b>Total expenses</b>  |       | <b>180,955,207</b> | <b>465,669,440</b> |
| <b>Profit before tax</b>   |       | <b>11,254,359</b>  | <b>23,273,949</b>  |
| <b>Tax Expense</b>   |       |                    |                    |
| (i) Current tax  |       | 2,901,640          | 5,818,487          |
| (ii) Deferred tax  |       | 0                  | 0                  |
| <b>Income tax expense</b>  |       | <b>2,901,640</b>   | <b>5,818,487</b>   |
| <b>Profit for the year</b>   |       | <b>8,352,719</b>   | <b>17,455,462</b>  |
| <b>Other comprehensive income</b>  |       |                    |                    |
| Items that will be reclassified subsequently to profit or loss                       |       | 0                  | 0                  |
| <b>Fair value changes on cash flow hedges</b>  |       | <b>0</b>           | <b>0</b>           |
| <b>Income tax relating to items that will be reclassified to profit or loss</b>      |       | <b>0</b>           | <b>0</b>           |
| Net other comprehensive income to be reclassified to profit or loss                  |       | 0                  | 0                  |
| Items that will not be reclassified subsequently to profit or loss                   |       |                    |                    |
| Re-measurement of defined benefit liability  |       | 0                  | 0                  |
| <b>Income tax relating to items that will not be reclassified to profit or loss</b>  |       | <b>0</b>           | <b>0</b>           |
| Net other comprehensive income not to be reclassified subsequently to profit or loss |       | 0                  | 0                  |
| <b>Other comprehensive (loss)/income for the year</b>                                |       | <b>0</b>           | <b>0</b>           |
| <b>Total comprehensive income for the year</b>                                       |       | <b>8,352,719</b>   | <b>17,455,462</b>  |
| Earnings per share:  |       |                    |                    |
| Equity shares of par value of Re. 10 each  |       |                    |                    |
| Basic (INR)  |       | 1.62               | 3.37               |
| <b>Diluted (INR)</b>   |       | <b>1.62</b>        | <b>3.37</b>        |
| Significant accounting policies  |       |                    |                    |

For Mehul M Shah & Co  
Chartered Accountants

Mehul Shah  
Proprietor  
M. No. 044044  
FR No.: 141907W  
Place: Mumbai  
Date: 24<sup>th</sup> June, 2020

Sudharshan Rangarajan  
Managing Director

Shanoo Mathew  
Company Secretary

Vinod Sarda  
Chief Financial Officer

Kajal Jain  
Independent Director

### Cash Flow for the year ended 31<sup>st</sup> March, 2020

|   | 2020                | 2019                |
|---|---------------------|---------------------|
| <b>Cash flow from operating activities</b>  |                     |                     |
| Profit before tax   | 11,254,359          | 23,273,949          |
| <b>Adjustments to reconcile profit for the year to net cash flows</b>   |                     |                     |
| Depreciation and amortisation expense   | 2,410,341           | 2,210,895           |
| Bad debts written off   | 0                   |                     |
| Provision for doubtful debts  | 0                   |                     |
| Loss/(profit) on sale of assets (net)   | 0                   |                     |
| Net gain on foreign exchange fluctuations (unrealised)  | 0                   |                     |
| Share based compensation expense  | 0                   |                     |
| Interest expense  | 0                   |                     |
| Interest income   | (477,500)           | (315,000)           |
| <b>Operating profit before working capital changes</b>  | <b>13,187,200</b>   | <b>25,169,844</b>   |
| <b>Movements in working capital:</b>  |                     |                     |
| Increase in trade receivables   | 26,214,450          | (103,057,114)       |
| Decrease/(increase) in inventories  | 0                   | (21,548,561)        |
| Increase in other assets  | (510,000)           | 3,108,805           |
| Increase in trade payables, other liabilities and Provisions  | (31,378,664)        | 87,779,410          |
| Cash generated from operations  |                     |                     |
| Taxes paid (net of refunds)   | (2,901,640)         | (5,818,487)         |
| <b>Net cash flow generated from operating Activities</b>  | <b>(19,455,845)</b> | <b>(39,535,947)</b> |
| <b>Cash flow from investing activities</b>  |                     |                     |
| Purchase of fixed assets, including capital work-in-progress, capital advances and payables for capital goods | 17,900,000          | (23,407,679)        |
| Proceeds from sale of fixed assets  | 0                   | 0                   |
| Investments(increase)/Sale  | 0                   | 0                   |
| Investment in bank deposits   | 0                   | 0                   |
| Loans increase  | (12,117,450)        | (1,048,470)         |
| Loans repaid by subsidiaries  | 0                   |                     |
| Interest received   | 477,500             | 315,000             |
| <b>Net cash flow used in investing activities</b>   | <b>6,260,050</b>    | <b>(24,141,149)</b> |
| <b>Cash flow from financing activities</b>  |                     |                     |
| Proceeds from issuance of shares  | 0                   | 20,630,000          |
| Proceeds from share premium account   | 0                   | 17,927,470          |
| Repayment of borrowings   | 0                   |                     |
| Proceeds from short-term borrowings   | 0                   |                     |
| Interest paid   | 0                   |                     |
| Dividend paid on equity shares including tax thereon  | 0                   |                     |
| <b>Net cash flow generated from financing activities</b>  | <b>0</b>            | <b>38,557,470</b>   |
| Net increase/(decrease) in cash and cash Equivalents  | 8,595               | 50,218              |
| Cash and cash equivalents at the beginning of the Year  | 277,465             | 227,248             |
| Cash on hand  | 238,024             | 244,465             |
| Balances with banks   |                     |                     |

|                                 |         |         |
|---------------------------------|---------|---------|
| On current accounts             | 30,846  | 33,000  |
| On EEFC accounts                |         |         |
| On deposit accounts             |         |         |
| Total cash and cash equivalents | 268,870 | 277,465 |
|                                 |         |         |

**For Mehul M Shah & Co**  
**Chartered Accountants**

**Mehul Shah**  
**Proprietor**  
**M. No. 044044**  
**FR No.: 141907W**  
**Place: Mumbai**  
**Date: 24<sup>th</sup> June, 2020**

**Sudharshan Rangarajan**  
**Managing Director**

**Shanoo Mathew**  
**Company Secretary**

**Vinod Sarda**  
**Chief Financial Officer**

**Kajal Jain**  
**Independent Director**

## NOTES TO FINANCIAL STATEMENT

### A. Share Capital

| Sr. No. | Particulars   | 2020          |                           | 2019          |                           |
|---------|---|---------------|---------------------------|---------------|---------------------------|
| a.      | Authorized Shares<br>1,32,00,000 Equity Shares of Rs. 10 each   | 13,20,00,000  |                           | 13,20,00,000  |                           |
| b.      | Issued, Subscribed and Fully Paid up Shares 51,66,800<br>Equity Shares of Rs.10 each  | 5,16,68,000   |                           | 5,16,68,000   |                           |
| c.      | Reconciliation of shares outstanding at the beginning and at the end of the reporting period.   |               |                           |               |                           |
|         |   | 2020          |                           | 2019          |                           |
|         |   | No. of Shares | Amount in (Rs.)           | No. of Shares | Amount in (Rs.)           |
|         | At the Beginning of the Period  | 51,66,800     | 5,16,68,000               | 31,03,800     | 3,10,38,000               |
|         | Add: issued during the year   | --            | --                        | 20,63,000     | 2,06,30,000               |
|         | Less: Shares bought back during the year  | --            | --                        | --            | --                        |
|         | Add: Other movements during the year  | --            | --                        | --            | --                        |
|         | Outstanding at the end of the period  | 51,66,800     | 5,16,68,000               | 51,66,800     | 5,16,68,000               |
| d.      | <div>-Terms/rights attached to equity shares.</div> <div>-The company has only one class of equity shares having par value of Re.10 per share. Each holder of equity share is entitled to one vote per share.</div> <div>- The Company has not declared and paid dividend on the equity shares.</div> <div>-In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the realised value of the assets of the Company, remaining after payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.</div> |               |                           |               |                           |
| e.      |   | 2020          |                           | 2019          |                           |
|         | Shares held by holding/ ultimate holding company/or their subsidiaries/   | Nil           |                           | Nil           |                           |
| f.      | Details of shareholders holding more than 5% shares in the Company  |               |                           |               |                           |
|         |   | 2020          |                           | 2019          |                           |
|         |   | No. of Shares | % of holding in the class | No. of shares | % of holding in the class |
|         | Mega Bucks Capital Private Limited  | 445,000       | 8.61                      | 445,000       | 8.61                      |

### B. Reserves & Surplus:

| Sr No. | Particulars   | 2020              | 2019              |
|--------|---|-------------------|-------------------|
|        | <b>Surplus/(Deficit) in the Statement of Profit and Loss:</b> |                   |                   |
|        | Balance as per last Financial Statements                      | 37,767,858        | 2,384,926         |
|        | Surplus / (Deficit) for the year                              | 8,352,719         | 17,455,462        |
|        | Less: Appropriations:   |                   |                   |
|        | Securities Premium Account                                    | 0                 | 17,927,470        |
|        | <b>Total Reserves and Surplus</b>                             | <b>46,120,577</b> | <b>37,767,858</b> |

### C. Trade Payable:

| Sr No. | Particulars    | 2020              | 2019              |
|--------|----------------|-------------------|-------------------|
| a.     | Trade Payables | 57,637,367        | 95,478,923        |
|        | <b>Total</b>   | <b>57,637,367</b> | <b>95,478,923</b> |

### D. Short Term Provisions:

| Sr. No. | Particulars                                 | 2020              | 2019             |
|---------|---|-------------------|------------------|
| a.      | Provision for Taxation and Other Provisions | 11,752,530        | 6,250,780        |
|         | <b>Total</b>                                | <b>11,752,530</b> | <b>6,250,780</b> |

**E. Tangible Fixed Assets:**

| Particulars           | Gross Block     | Addition | Deletion | 01.04.2019      | Deprecation Opening | Dep. For the Year | Acc. Dept.     | Net Block 31.03.2020 |
|-----------------------|-----------------|----------|----------|-----------------|---------------------|-------------------|----------------|----------------------|
| Building              | 6577998         | 0        | 0        | 6577998         | 1454002             | 320349            | 1774351        | 6257649              |
| Computer              | 3168325         | 0        | 0        | 3168325         | 414180              | 1750546           | 2164726        | 1417779              |
| Furniture & Fixture   | 1004899         | 0        | 0        | 1004899         | 963351              | 260168            | 1223519        | 744731               |
| Electric Installation | 274434          | 0        | 0        | 274434          | 655277              | 79284             | 734561         | 195150               |
| <b>Grand Total</b>    | <b>11025656</b> | <b>0</b> | <b>0</b> | <b>11025656</b> | <b>3486810</b>      | <b>2410347</b>    | <b>5897157</b> | <b>8615313</b>       |

**F. Non-current Investments:**

| Sr. No. | Particulars                 | 2020             | 2019             |
|---------|-----------------------------|------------------|------------------|
|         | Quoted                      | 0                | 0                |
|         | Unquoted (SIBZ Traders Ltd) | 7,500,000        | 7,500,000        |
|         | <b>Total</b>                | <b>7,500,000</b> | <b>7,500,000</b> |

**G. Long Term Loans & Advances:**

| Sr. No. | Particulars                                  | 2020              | 2019             |
|---------|--|-------------------|------------------|
|         | <b>( Unsecured, considered good):</b>        |                   |                  |
| a.      | Long-term loans and advances – Consider good | 19,665,920        | 7,500,000        |
|         | Others                                       | 0                 | 48,470           |
|         | <b>Total</b>                                 | <b>19,665,920</b> | <b>7,548,470</b> |

**H. Trade Receivables:**

| Sr. No. | Particulars       | 2020              | 2019               |
|---------|-------------------|-------------------|--------------------|
| a.      | Trade receivables | 98,902,702        | 125,117,152        |
|         | <b>Total</b>      | <b>98,902,702</b> | <b>125,117,152</b> |

**I. Cash and Cash Equivalents:**

| Sr. No. | Particulars  | 2020           | 2019           |
|---------|--------------|----------------|----------------|
| a.      | Cash         | 238,024        | 244,465        |
| b.      | Bank balance | 30,846         | 33,000         |
|         | <b>Total</b> | <b>268,870</b> | <b>277,465</b> |

**J. Short Term Loans & Advances:**

| Sr. No. | Particulars                 | 2020     | 2019     |
|---------|-----------------------------|----------|----------|
|         | Short Term Loans & Advances | 0        | 0        |
|         | <b>Total</b>                | <b>0</b> | <b>0</b> |

**K. Other Current Assets:**

| Sr. No. | Particulars                          | 2020             | 2019             |
|---------|--------------------------------------|------------------|------------------|
|         | <b>(Unsecured, considered good):</b> |                  |                  |
|         | Short Term Loans                     | 1,633,715        | 1,123,715        |
|         | (Considered good)                    |                  |                  |
|         | <b>Total</b>                         | <b>1,633,715</b> | <b>1,123,715</b> |

**L. Revenue from Operations:**

| Sr. No. | Particulars                             | 2020               | 2019               |
|---------|---|--------------------|--------------------|
| a.      | Revenue from Sales of Ayurvedic & Herbs | 191,388,110        | 488,616,424        |
|         | <b>Total</b>                            | <b>191,388,110</b> | <b>488,616,424</b> |

**M. Other Income:**

| Sr. No. | Particulars            | 2020           | 2019           |
|---------|------------------------|----------------|----------------|
| a.      | Other Financial Income | -              | -              |
| b.      | Interest               | 821,456        | 326,965        |
| c.      | Other Income           | 0              | 0              |
|         | <b>Total</b>           | <b>821,456</b> | <b>326,965</b> |

**N. Employee's Benefit Expenses:**

| Sr. No. | Particulars               | 2020             | 2019             |
|---------|---------------------------|------------------|------------------|
| a.      | Salary and other benefits | 4,577,929        | 3,972,475        |
|         | <b>Total</b>              | <b>4,577,929</b> | <b>3,972,475</b> |

**O. Other Expenses:**

| Sr. No. | Particulars                           | 2020             | 2019             |
|---------|---------------------------------------|------------------|------------------|
|         | <b><u>ADMINISTRATIVE EXPENSES</u></b> |                  |                  |
|         | Sales & Marketing Expense             | 12,20,480        | 14,24,520        |
|         | Listing & Processing Fees             | 3,54,000         | 3,65,000         |
|         | Legal & Other Charges                 | 4,71,500         | 6,25,000         |
|         | Annual Issuer Charges                 | 58,780           | 58,780           |
|         | Repairs and Maintenance               | 30,000           | 22,432           |
|         | <b><u>INDIRECT EXPENSES</u></b>       |                  |                  |
|         | Accounting & Compliance Charges       | 3,05,000         | 3,02,450         |
|         | Electricity Charges                   | 1,10,720         | 105,250          |
|         | Telephone and Internet                | 1,08,800         | 102,235          |
|         | Stationary and printing               | 21,340           | 16,650           |
|         | Rent                                  | 4,80,000         | 4,62,000         |
|         | Bank Charges                          | 10,120           | 9,450            |
|         | Books & Periodicals                   | 12,570           | 12,980           |
|         | Travelling                            | 9,15,500         | 8,02,800         |
|         | Petrol Expense                        | 2,90,450         | 301,078          |
|         | Staff Refreshment Expense             | 2,10,550         | 205,325          |
|         | Audit Fees                            | 2,10,00          | 210,000          |
|         | Other Misc. Expenses                  | 1,86,036         | 12,41,766        |
|         | <b>Total Expenses</b>                 | <b>49,95,846</b> | <b>56,65,560</b> |

NOTE 1:

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS:**

**SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Preparation of financial statements**

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles ["GAAP"] in India. GAAP comprises mandatory accounting standards as prescribed under section 133 of Companies Act, 2013 (the Act) read with Rule 7 of Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**B. Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize.

**C. Revenue Recognitions**

- Income from sales is recognized as and when sales are complete during the accounting year.
- Revenue in respect of all other income is recognized when a reasonable certainty as to its realization exists.

**D. Employee Benefits**

All Employees benefits falling due wholly within twelve month of rendering the services are classified as short term employee benefits which include benefits like salary, wages, short term compensated, absences and performance incentives and are recognized as expense in the period in which the employee renders the related services.

**E. Material events after balance sheet date**

Events which are of material nature after the balance sheet date are accounted for in the accounts.

**F. Provisions and contingencies**

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

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

**G. Taxes on income**

Income tax comprises current and deferred income tax. Income tax expense is recognized directly in equity or in other comprehensive income. Provision for Current Tax is made after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961.

**H. Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

**I. Cash Flow Statements**

Cash Flow Statement has been prepared in accordance with Accounting Standard 3 issued by Institute of Chartered Accountants of India.

**J. Segment Reporting**

The Company operates in a single segment and there are no separate reportable segments as defined in Accounting Standard, AS-17.

**Note: "Previous Year's figure have been regrouped rearranged wherever considered necessary"**

## NOTICE

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of the members of M/s. Tiaan Ayurvedic & Herbs Limited will be held on Monday, 28<sup>th</sup> September, 2020 at 02:00 P.M. (IST) via Video Conferencing (VC)/Other Audio Video Means (OAVM) to transact the following business:

### **Ordinary Business:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2020, Profit and Loss Account for the year ended 31<sup>st</sup> March, 2020, the Reports of the Board of Directors on the working and activities of the Company and the Auditor's Report on the Balance Sheet and Accounts.

### **Special Business:**

2. **Change in name of the Company, to consider and, if thought fit, to pass the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 4, 5, 13 and 14 and other applicable provisions, if any, of the Companies Act, 2013 and the applicable rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and any other applicable law(s), rule(s), regulation(s), guideline(s), the provisions of the Memorandum and Articles of Association of the Company and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to the approval of the Central Government and / or any other authority as may be necessary, consent of the members be and is hereby accorded for change of name of the Company from **"Tiaan Ayurvedic & Herbs Limited"** to **"Tiaan Consumer Limited"** or any other name subject to approval of appropriate authorities.

**RESOLVED FURTHER THAT** upon issuance of the fresh certificate of incorporation by the Registrar of Companies consequent upon change of name, the old name **"Tiaan Ayurvedic & Herbs Limited"** as appearing in Name Clause of the Memorandum of Association of the Company and wherever appearing in the Articles of Association of the Company and other documents and places be substituted with the new name **"Tiaan Consumer Limited"**.

**RESOLVED FURTHER THAT** any Director or the Company Secretary of the Company be and is hereby severally authorised to sign, execute and file necessary application, forms, deeds, documents and writings as may be necessary for and on behalf of the Company and to settle and finalise all issues that may arise in this regard and to do all such acts, deeds, matters and things as may be deemed necessary, proper, expedient or incidental for giving effect to this resolution and to delegate all or any of the powers conferred herein as they may deem fit."

3. **Alteration of Main Object Clause of the Company and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to Section 4, 13 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made under there under and subject to approval of the Registrar of Companies, Gujarat and all other relevant authorities governed by SEBI, if any, consent of the members be and is hereby accorded for alteration of the Main Object Clause of the Memorandum of Association of the Company by replacing the following new clause with existing sub-clause No. 1 of Clause III(A) therein:

1. To carry on business as manufacturers, producers, processors, growers, fermenters, distillers, refiners, makers, inventors, convertors, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, bottlers, packers, movers, preservers, stockiest, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, concessionaires or otherwise deal in Consumers Products namely Ayurvedic, Natural and Herbal Care Products.

**"RESOLVED FURTHER THAT** the Board of Directors and Company Secretary of the Company be and are hereby authorised to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient, in the best interest of the Company, to accede to such modifications and alterations to the aforesaid resolution as may be suggested by the Registrar of Companies or such other Authority arising from or incidental to the said amendment."

4. **To appoint Mr. Tansukh Lal Badara, (DIN: 08767449) as an Executive Director and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** Mr. Tansukh Lal Badara, (DIN: 08767449), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 24<sup>th</sup> June, 2020 and who holds office up to the date of this Annual General Meeting under Section 161(1) of the Companies Act, 2013 ('the Act') and Articles of Association of the Company, but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company liable to retire by rotation."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

**5. To appoint Mr. Dasarath Kumar Kallur (DIN: 08767494) as a Non-Executive Non-Independent Director and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** pursuant provisions of Section 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Dasarath Kumar Kallur (DIN: 08767494), in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member signifying his intention to propose Mr. Dasarath’s candidature for the office of Director, be and is hereby appointed as a Non- Executive Non-Independent Director, liable to retire by rotation.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

**By order of the Board of Directors**

**Sd/-**

**Rangarajan Sudharshan  
Managing Director**

**Place: Vadodara  
Date: 25/08/2020**

**NOTES:**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.tiaastore.com](http://www.tiaastore.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. Explanatory statement under Section 102 of the Companies Act, 2013 in respect of special business is annexed hereto.

9. The Register of Members and Share Transfer Books of the Company will remain closed from 22<sup>nd</sup> September, 2020 to 28<sup>th</sup> September, 2020 (both days inclusive) for the purpose of Annual General Meeting.
10. Relevant documents referred to in the accompanying Notice and the Statement is kept open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
11. Members desirous of obtaining any information in respect of Accounts of the Company are requested to send their queries in writing to the company at its Registered Office so as to reach at least seven days before the date of the meeting.
12. The Company has appointed Mr. Suhas Bhattbhatt of M/s. S Bhattbhatt & Co, Practicing Company Secretaries (Membership No. 11975, C.O.P. 10427) as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.
13. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e- voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
14. The Resolution shall be deemed to be passed on the date of the AGM, subject to receipt of sufficient votes in favor of the resolutions through a compilation of remote e-voting results and voting held at the AGM.
15. The entire Annual Report is also available on the Company's website [www.tiaanstore.com](http://www.tiaanstore.com).

**THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on 25<sup>th</sup> September, 2020 at 09:00 a.m. (IST) and ends on 27<sup>th</sup> September, 2020 at IST 05:00 p.m. (IST) During this period, shareholders' of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. 21<sup>st</sup> September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

| For Shareholders holding shares in Demat Form and Physical Form |  |
|---|--|
| PAN   | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).<br><br>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip / communicated by mail indicated in the PAN field. |
| Dividend Bank Details<br>OR<br>Date of Birth (DOB)              | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.<br><br>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).  |

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Company i.e. Tiaan Ayurvedic & Herbs Limited on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xx) Person who is not a member as on cut-off date should treat this notice for information purpose only.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to **Company/RTA email id**.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [rachnacapital@gmail.com](mailto:rachnacapital@gmail.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [rachnacapital@gmail.com](mailto:rachnacapital@gmail.com). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**(xxi) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz [rachnacapital@gmail.com](mailto:rachnacapital@gmail.com) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT IN THE  
ENUSING ANNUAL GENERAL MEETING**

| <b>Name of Director</b>                         | <b>Mr. Tansukh Lal Badara</b>   | <b>Mr. Dasarath Kumar Kallur</b>   |
|---|---|--|
| Date of Birth                                   | 08/12/1979  | 02/11/1972   |
| Nationality                                     | Indian  | Indian   |
| Date of Appointment                             | 24/06/2020  | 24/06/2020   |
| Expertise & Qualification                       | He is a B. Pharm holder with an experience of nearly two decades in the marketing and sales of consumer products in various organisations. He has helped in the growth of multiple brands over the years. | He is a veteran businessman and also a professional actor with a history of nearly 3 decades of experience to back his skill in promoting upcoming brands. |
| Shareholding in Tiaan Ayurvedic & Herbs Limited | Nil   | Nil  |
| List of outside directorship                    | Mega Bucks Capital Private Limited  | Mega Bucks Capital Private Limited   |

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act"):**

**Item No. 2:**

The Members may note that the Board of Directors of the Company in their meeting held on Wednesday, June 24, 2020 decided to change the name of the Company from "Tiaan Ayurvedic & Herbs Limited" to "Tiaan Consumer Limited" and check availability of name with Central Registration Centre (CRC) Registrar of Companies (ROC), Ministry of Corporate Affairs. The Company had made an application for reservation and availability of name change to the CRC, MCA and the desired name "Tiaan Consumer Limited" was made available by them to the Company.

Consumer-Business means the business of developing, manufacturing, marketing, distributing and selling any product to, or for the purpose of resale, directly or indirectly to, (a) any person for domestic use; or (b) any person who uses the product in the course of providing a service to domestic customers in the home or which includes delivery to the home or (ii) a service to domestic customers outside the home and pursuant to which products are used on or for application to the person (including, but not limited to, hairdressing, grooming, health and beauty services). Consumer-to-business is a business model in which consumers create value and businesses consume that value. Looking at the current scenario and scope of this variety of business the company is focusing on Consumer-Business and to represent with the brand name of TIAAN the name suitably forwarded for necessary approval of stakeholders.

None of the Directors and Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board of Directors of the Company accordingly commends the special resolution as set out in Item No. 2 of this Notice for your approval.

**Item No. 3:**

The Members may note that the Board of Directors of the Company in their meeting held on Wednesday, June 24, 2020 has unanimously approved to modify the Object Clause of the Company by replacing the existing sub-clause No. 1 of Clause III(A) therein with the new clause as explained. The combined evaluation of change in name along with the object clause resulted enhancing scope of activities to include 100% Natural Consumer Products plus creation of Brand name of TIAAN under the Consumer-Business. Thus to attain the goals already set by the Company by new or improved methods is the sole purpose for change or rather modification of this object clause.

With such modification the company is focusing on branding name of "TIAAN" which mainly deals with (i) 100% Natural Ayurvedic Products: Ayurveda is an alternative medicine system with historical roots in the Indian subcontinent and other consumer products related to food drinks, health, domestic and personal care. (ii) Natural products: anything that is produced by life and procured from plants and nature, and includes the likes of neem, tulsi, ashwagandha, amlaki, kumari, jojoba, kumkuma, and other materials (e.g. sandalwood oil, rose petal extract oil), bodily fluids (e.g. milk, plant extracts), and other natural materials (e.g. coal, multani mitti) (iii) Herbal Products: Herbal products are medicines derived from plants. They are used as supplements to improve health and well-being, and may be used for other therapeutic purposes. Herbal products are available as tablets, capsules, powders, extracts, teas and so on.

Thus, with such modification the company can create a path to carry out additional business, that can easily be combined with the existing business of the Company. The earlier object clause mainly focused on Ayurvedic Medicine products and excluded other Ayurvedic consumer products. Thus by replacing new object clause, scope of activities going to widen and the brand name of TIAAN will emerge.

None of the Directors and Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board of Directors of the Company accordingly commends the Special Resolution as set out in Item No. 3 of this Notice for your approval.

**Item No. 4:**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have proposed that Mr. Tansukh Lal Badara, (DIN: 08767449), has been appointed as an Executive Director of the Company. The appointment of Mr. Tansukh Lal Badara shall be effective upon approval by the members in the Meeting.

Mr. Tansukh Lal Badara is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has received from Mr. Tansukh Lal Badara (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, except Mr. Tansukh Lal Badara, to whom resolution relates, in any way, concerned or interested in the Resolution set out at Item No. 4 of the Notice.

**Item No. 5:**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have proposed that Mr. Dasarath Kumar Kallur (DIN: 08767494), has been appointed as a Non-Executive Non-Independent Director of the Company. The appointment of Mr. Dasarath Kumar Kallur shall be effective upon approval by the members in the Meeting.

Mr. Dasarath Kumar Kallur is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has received from Mr. Dasarath Kumar Kallur (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, except Mr. Dasarath Kumar Kallur, to whom resolution relates, in any way, concerned or interested in the Resolution set out at Item No. 5 of the Notice.