

# TRANSCHEM LIMITED

September 24, 2018

To,

The Secretary  
**BSE Limited,**  
P. J. Towers,  
Dalal Street, New Trading Ring,  
Rotunda Building, Fort,  
**MUMBAI – 400 001.**

**REF: COMPANY CODE NO. 500422.**

Dear Sir,

Pursuant to Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find attached soft copy of the Annual Reports of the Company along with reports of the Directors and Auditors Report thereon with cash flow statement for the financial year 2017-18 as being approved and adopted by the shareholders in their 41<sup>st</sup> Annual General Meeting held on 22<sup>nd</sup> September 2018.

Hope you will find the same in order.

Thanking you,

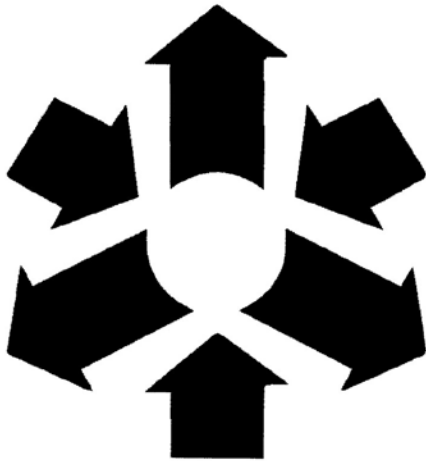
Yours Faithfully  
For **TRANSCHEM LIMITED**

(Neeraja Karandikar)  
Company Secretary (ACS 10130)

Encl: As above

CIN : L24100MH1976PLC019327

**Regd. Office** : 304, Ganatra Estate, Pokhran Road No. 1, Khopat, Thane (W) 400 601.  
Tel.: 022-2547 7077 Telefax : 022-2547 8601 E-mail : secretary@transchem.net Website : www.transchem.net



# **TRANSCHEM LIMITED**

**41<sup>ST</sup> ANNUAL REPORT 2017-2018**





**BOARD OF DIRECTORS:**

Mrs. Bina Shah - Chairperson

Mr. Rajen K. Desai

Mr. Mukesh J. Jethwani

Mr. Mirza Saeed Kazi

Mr. Neerav B. Merchant

Mr. Dilip S. Shinde - Executive Director

**COMPANY SECRETARY** Mrs. Neeraja Karandikar

**STATUTORY AUDITORS** M/s. Maheshwari & Co

**BANKERS** HDFC BANK LIMITED

**REGISTERED OFFICE** 304, Ganatra Estate, Pokhran Road No. 1,  
Khopat, Thane (W) – 400 601.

**PLANTS** Gat No. 379, Village Bebadohol, Taluka Maval,  
District - Pune – 410 506.

**REGISTRAR & SHARE  
TRANSFER AGENT** Adroit Corporate Services Private Limited  
19, Jaferbhoy Industrial Estate,  
1<sup>st</sup> Floor, Makwana Road,  
Marol Naka, Andheri (E),  
Mumbai – 400 059.

**CIN** L24100MH1976PLC019327

## NOTICE

**NOTICE** is hereby given that the Forty-first Annual General Meeting of the members of **TRANSCHEM LIMITED** will be held on **Saturday, the 22<sup>nd</sup> day of September, 2018** at Hotel Ginger (formerly known as Hotel Royal Inn), Gokul Nagar, Lal Bahadur Shastri Marg, Thane (W) – 400 601 at 09.30 a.m. to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company as at 31 March 2018 along with the reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rajen K Desai, Director (DIN:-01763995) who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (Act), read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force) the retiring auditors M/s. Maheshwari & Co, Chartered Accountants, (Firm Registration No. 105834W), be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM), until the conclusion of Forty-Sixth Annual General Meeting of the Company, to be held in the year 2023 at such remuneration plus applicable taxes, based on the recommendation of the Audit Committee, as may be mutually agreed upon”

### **SPECIAL BUSINESS:**

4. **TO CONSIDER AND, IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory Modification(s) or re-enactment thereof for the time being in force) Mr. Mukesh Jagat Jethwani (DIN: 01486791), who was appointed as Additional Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as Director of the Company.

5. **TO CONSIDER AND, IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory Modification(s) or re-enactment thereof for the time being in force) Mr. Mirza Saeed Kazi (DIN: 03348588), who was appointed as Additional Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as Director of the Company.

6. **TO CONSIDER AND, IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:**

**“RESOLVED THAT** pursuant to Section 196, 203 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 the re-appointment of Mr. Dilip S Shinde, as Executive Director as made by the Board of Directors of the Company in its meeting held on 09 February 2018 for further period of three years effective 01 March 2018 be and is hereby confirmed.

For **TRANSCHEM LIMITED**

(NEERAJA KARANDIKAR)  
COMPANY SECRETARY

PLACE : Mumbai  
DATE : 04 August 2018



**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be filed with the Company at its Registered Office not later than forty-eight hours before the commencement of the meeting.
2. A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. A Member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to Adroit Corporate Services Private Limited having their office at 19, Jaferbhoy Industrial Estate, 1<sup>st</sup> Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai - 400 059.
4. Members are requested to:
  - a) Intimate to the Company's Registrar and Transfer Agents, Adroit Corporate Services Private Limited at the above mentioned address, changes, if any, in their registered addresses at an early date, in case of shares held in physical form;
  - b) Intimate to the respective Depository Participant, changed if any, in their registered addresses at an early date, in case of shares held in electronic/dematerialized form;
  - c) Quote their folio number/ client ID/DP ID in all correspondence;
  - d) Consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names.
5. Pursuant to the Circulars issued by the Ministry of Corporate Affairs (MCA) regarding the Green Initiative, the Annual Report for the year 2017-18, Notice for the Annual General Meeting (AGM), etc., are being sent, in electronic mode to such of the members, of the Company whose e-mail addresses are available with the Company/Depository participant and who have not opted to receive the same in physical form. Members are requested to support the Green Initiative by registering/updating their e-mail addresses, with the Depository participant (in case of Shares held in dematerialised form) or with Adroit Corporate Services Private Limited (in case of Shares held in physical form).
6. Members may also note that the Notice of the 41<sup>st</sup> Annual General Meeting and the Annual Report for 2017-18 are also available at the Company's website <http://www.transchem.net> for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [secretary@transchem.net](mailto:secretary@transchem.net).
7. Relevant documents referred to in the accompanying Notice shall remain open for inspection at the Registered Office of the Company during normal business hours (9.30 a.m. to 5.30 p.m.) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company.

**8. Appointment of Directors**

Mr. Rajen K Desai, Director, is proposed to be retired by rotation at the annual general meeting and being eligible offer himself for reappointment. He holds 9396 shares of the Company in his name.

Pursuant to Section 160 of the Act it is proposed to appoint Mr. Mukesh Jagat Jethwani (DIN: 01486791) and Mr. Mirza Saeed Kazi (DIN: 03348588) as Directors of the Company.

Re-appointment of Mr. Dilip S. Shinde as Executive Director as made by the Board is also proposed to be confirmed by the shareholders.

None of the Directors of the Company is inter-se related to each other.

The information to be provided pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations") for the Directors being appointed is annexed as Annexure to the Notice

## 9. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, Regulation 44 of the SEBI Listing Regulations and Secretarial Standards, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 19 September 2018 (9:00 am) and ends on 21 September 2018 (5:00 pm). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 15 September 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.



b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
 

Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.

  7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  8. Now, you will have to click on "Login" button.
  9. After you click on the "Login" button, Home page of e-Voting will open.

#### Details on Step 2 is given below:

#### How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of Transchem Limited wherein you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.



### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to amitavijay1994@gmail.com, email **ID of Scrutinizer** with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free number: 1800-222-990 or send a request at evoting@nsdl.co.in
- VI. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 15 September 2018.
- VII Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as at the cut-off date i.e. 15 September 2018 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or to the Company at secretary@transchem.net or to its RTA at info@adroitcorporate.com by mentioning their Folio number. DP ID and client Id.  
  
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password?” option available on www.evoting.nsdl.com or contact NSDL at the following toll free number: 1800-222-990.
- VIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- IX. Mrs. Amita Saxena, Company Secretary, (FCS 3964, CP 3438) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- X. The Chairperson shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” or “Poling Paper” for all those members who are present at the AGM but have not casted their votes by availing the remote e-voting facility.
- XI. The Scrutinizer shall after the conclusion of voting at the general meeting, 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 three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairperson or a person authorized by her in writing, who shall countersign the same and declare the result of the voting forthwith.
- XII. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.transchem.net and on the website of NSDL immediately after the declaration of result by the Chairperson or a person authorized by her in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
- XIII. Route Map of the venue of the meeting is provided with the report.

### Explanatory Statement in respect of the businesses specified as special in the notice pursuant to Section 102(1) of the Act

#### ITEM NO. 4 & 5:

On successful completion of open offer made by Priyanka Finance Private Limited (“**Acquirer**”) and Mr. Vijay Choraria (“**PAC**”) in his capacity as the person acting in concert pursuant to regulation 3(1) and 4 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Mr. Mukesh Jagat Jethwani



(DIN: 01486791) and Mr. Mirza Saeed Kazi (DIN: 03348588) were appointed as Additional Directors on the Board of Company as their representatives.

Pursuant to the Act, their term of appointment as Additional Director is going to conclude on the conclusion of ensuing Annual General Meeting. Company has received notices in writing from members proposing their candidature for the office of Director under Section 160 of the Act.

Accordingly the Board recommends the Ordinary Resolutions in relation to appointment of Mr. Mukesh Jagat Jethwani (DIN: 01486791) and Mr. Mirza Saeed Kazi (DIN: 03348588), as Directors for approval by the shareholders of the Company

Mr. Mukesh Jagat Jethwani (DIN: 01486791) and Mr. Mirza Saeed Kazi (DIN: 03348588), proposed directors may be deemed to be interested in the resolutions for their appointments as set out in item Nos. 4 and 5 of the Notice. The relatives of Mr. Mukesh Jagat Jethwani (DIN: 01486791) and Mr. Mirza Saeed Kazi (DIN: 03348588), may be deemed to be interested in the resolutions set out at item Nos. 4 and 5 of the Notice to the extent of their shareholding interest if any in the Company

Except as provided above, none of the other directors and key managerial personnel of the Company and their relatives is concerned or interested financially or otherwise, in the resolution set out at item Nos. 4 and 5 of the Notice. This Explanatory Statement may also be regarded as disclosure under SEBI Listing Regulations and Secretarial Standard 2 (SS-2).

Your Directors recommend the resolutions for your approval.

**ITEM NO. 6:**

Mr. Dilip Shinde, Executive Director who is a Commerce & Law Graduate and holding Diploma in Labour Law & Welfare & Masters Degree in Personal Management was reappointed as Executive Director by the Board of Directors of your Company in its meeting held on 09 February 2018 for further period of three years effective 01 March 2018 on conclusion of his previous tenure.

As per the terms of his appointment Mr. Dilip Shinde shall devote his whole time and attention to the business and affairs of the Company and discharge the duties assigned to him by the Board of Directors of the Company and under various statutes governing the day-to-day business of the Company.

During his tenure of appointment Mr. Dilip Shinde shall be entitled for salary not exceeding ₹ 25,000/- per month with liberty to the Board/ Remuneration Committee to grant such annual increments effective 01 April each year as it may in its absolute discretion determine provided that the basic salary should not exceed ₹ 40,000/- per month. He shall also be entitled for other perquisites and benefits like House Rent Allowance, Medical Allowance and Special Allowances as per the Company's rules subject to a maximum of his basic salary. He shall also be entitled for ex-gratia payment as payable to other employees of the Company.

Except Mr. Dilip Shinde, none of the other directors and key managerial personnel of the Company and their relatives is concerned or interested financially or otherwise, in the resolution set out at item Nos. 6 of the Notice. This Explanatory Statement may also be regarded as disclosure under SEBI Listing Regulations and secretarial standard 2 (SS-2).

Your Directors recommend the resolution for your approval.

For **TRANSCHEM LIMITED**

PLACE : Mumbai  
DATE : 04 August 2018

(NEERAJA KARANDIKAR)  
COMPANY SECRETARY

**Annexure:**

Information required under Regulation 36(3) of the SEBI Listing Regulations and as per Secretarial Standard 2 (SS-2) with respect to the Directors proposed to be appointed/ re-appointed:

Name of the Director	Mr. Rajen K Desai	Mr. Dilip S. Shinde	Mr. Mukesh Jagat Jethwani	Mr. Mirza Saeed Kazi
DIN	00382740	01763995	01486791	03348588
Date of Birth	29 September 1949	01 June 1961	26 February 1965	27 March 1976
Date of Appointment on Board	18 November 1976	10 March 2008	25 September 2017	25 September 2017
Qualification	Bachelor of Commerce	Bachelor of Commerce, Bachelor of Laws	Bachelor of Commerce, Chartered Accountant	Bachelor of Commerce
Expertise	Finance and administration	Labour Laws & Welfare, Personal Management.	Auditing and Taxation	Accounts
No. of Directorships held in other Public Companies (Excluding Private Companies)	1	Nil	Nil	Nil
Chairman/ membership of other Companies	Nil	Nil	Nil	Nil
Shareholding	9,396	100	Nil	Nil
Relationship with Directors & KMP	Nil	Nil	Nil	Nil

For other details such as number of meetings of the board attended during the year and remuneration drawn, please refer to the corporate governance report which is a part of this Annual Report.



## DIRECTORS REPORT

Dear Members,

Your Directors are pleased to submit their **Forty-first Annual Report**, together with the Audited Financial Statements of your Company for the financial year ended 31 March 2018.

### Financial Results:

(₹ in lakhs)

Particulars	Current year ended 31 March 2018	Previous year ended 31 March 2017
Income	211.09	178.42
Gross Profit/(Loss)before Depreciation & Taxation	41.91	79.93
Depreciation	96.90	101.81
Tax Expense	63.97	-
Other Comprehensive Income for the year, net of taxes	0.72	(0.93)
Comprehensive income for the year	(118.24)	(22.81)

### Dividend and Fund Transfer To Reserve:

In view of not having any business activity, your Directors have not recommended any dividend to the equity shareholders. Further there being losses during the year, no fund has been transferred to reserve.

### Information on State of Affairs of the Company

Due to various reasons your Company could not carry on any business activity during the year. The fund available with the Company was parked with the mutual fund and/or provided to other corporate bodies as inter-corporate deposits, wherein the Company has earned dividend/interest. All expenses, net of other income were transferred to Balance Sheet as losses.

Your directors are considering various business options to revive the Mushroom Division of the Company however due to national and international economic scenario none of them appeared feasible. Your directors are looking out for other options to utilize the resources in the best interest of the Company and its stake holders.

### Change in the Nature of Business, if any

There was no change in the nature of business during the year under review.

### Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report

There was no material change and/or commitment, that may affect the financial position of the Company, has occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report

### Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future

No regulatory order has been passed during the year under review that may impact the going concern status and Company's operations in future.

### Subsidiaries, Associates and Joint Venture Companies:

Your Company is not having any subsidiary, associate or joint venture. Further during the financial year under review, no company become or ceased to be subsidiary, joint venture or associate company of the Company.

### Directors Responsibility Statement:

Pursuant to section 134(5) of the Act, the Directors of the Company state as under that:

- (i) in the preparation of annual accounts, applicable Accounting Standards have been followed and there are no material departures in adoption of these standards;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the losses for the year;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared annual accounts on a going concern basis;
- (v) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Directors And Key Managerial Personnel:**

Mr. Rajen K Desai, Director, shall retire by rotation in the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Independent Directors have submitted declaration of they being independent in terms of Section 149(6) of the Act and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations").

On successful completion of open offer made by Priyanka Finance Private Limited ("**Acquirer**") and Mr. Vijay Choraria ("**PAC**") in his capacity as the person acting in concert pursuant to regulation 3(1) and 4 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Mr. Mukesh Jagat Jethwani (DIN: 01486791) and Mr. Mirza Saeed Kazi (DIN: 03348588) were appointed as Additional Directors on the Board of Company as their representatives with effect from 25 September 2017. It is proposed to appoint them as Director at the ensuing Annual General Meeting.

On completion of tenure of appointment of Mr. Dilip Shinde, Executive Director, Board has reappointed him for further period of three years effective 01 March 2018. It is recommended to confirm his reappointment at the ensuing Annual General Meeting.

Apart from the above there was no change in directors and key managerial personnel during the year under review.

**Evaluation of Board And Directors:**

Pursuant to the provisions of the Act and Regulation 17(10) of the SEBI Listing Regulations and SEBI guidelines on Board Evaluation, the Board has carried out an annual performance evaluation of its own performance and that of the Directors individually.

The performance of the Board was evaluated after seeking input from all directors on the basis of the criteria as specified in the SEBI guidelines.

**Policy on Directors' appointment and remuneration and other details**

The Company's policy on directors' appointment and remuneration and other matters has been disclosed in the Corporate Governance Report that forms part of this report. The policy has also been placed at the web-site of the Company.

**Internal Control Systems and their adequacy:**

Your Company has a sound internal control system commensurate with its size and nature of business which provides a reasonable assurance in respect of financial and operational information, safeguarding assets of the Company and ensuring compliance with corporate policies. All transactions are recorded and reported correctly.

**Number of Board Meetings Held During The Year:**

The Board of Directors duly met NINE times during the financial year ended 31 March 2018. The dates on which the meetings were held are 06 April 2017, 02 May 2017, 30 May 2017, 11 August 2017, 17 August 2017, 04 September 2017, 25 September 2017, 11 November 2017 and 09 February 2018.

**Audit and other Board Committees:**

Pursuant to the Act and SEBI Listing Regulations Board of Directors has constituted/ renamed following Committees:

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholders Relationship Committee.

The details of the aforesaid Committees have been provided in the report on Corporate Governance.

**AUDITORS:****i) Statutory Auditors**

M/s. Maheshwari & Co, Chartered Accountants (Firm Registration No. 105834W), will retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting, being eligible Board proposed to re-appoint them as Statutory Auditors of the Company to hold office from conclusion of ensuing Annual General Meeting (AGM) until the conclusion of Forty-Sixth AGM of the Company, to be held in the year 2023, at such remuneration plus applicable taxes, based on the recommendation of the Audit Committee, as may be mutually agreed upon.

**ii) Statutory Auditors' Report**

There is no qualification, reservation, adverse remark or disclaimer made by the Statutory Auditors in their report for the financial year ended 31 March 2018.

**iii) Disclosure under Section 143(12) of the Act**

The Statutory Auditors of the Company have not reported any instances of fraud or irregularities under provisions of Section 143(12) of the Act and Rules made there under in the management of the Company during financial year under review.

**iv) Secretarial Auditor**

According to the provisions of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 Company has appointed CS Amita Saxena (FCS 3964, CP 3438) as Secretarial Auditor. The Secretarial Audit Report submitted by her is enclosed as a part of this report.

**v) Cost Record**

Pursuant to sub-section (1) of Section 148 of the Act, Company is not required to maintain cost records.

**Particulars of Loans, Guarantees or Investments:**

There was no guarantee given or investments made or security provided pursuant to Section 186 of the Act during financial year under review and hence the said provisions are not applicable.

The details of loan given during the financial year have been disclosed in the explanatory notes to the financial statement.

**Related Party Transactions:**

Apart from payment of sitting fee to non-executive directors and remuneration to executive director your Company has not entered into any related party transactions as specified in Section 188 of the Act. Details of related party transactions as required under Ind-AS – 24 'Related Party Disclosures' are reported in the explanatory notes to the financial statements.

Details of related party transactions, if any, are regularly placed before the Audit Committee and also before the Board for its approval. Wherever required prior approval of the Audit Committee is obtained and such transactions are placed before the Audit Committee and the Board of Directors.

#### **Corporate Social Responsibility:**

The provisions of Corporate Social Responsibility are not applicable to your Company as your Company has not earned sufficient profit during last financial years, neither has the net worth of ₹ 500 crores, nor the turnover of ₹ 1000 crores.

#### **Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Company does not have specified number of employee at any place of its business and hence, the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, are not applicable to the Company.

#### **Risk Management:**

Pursuant to Section 134 of the Act, the Company has a risk management policy in place for identification of key risks to the business objectives of the Company, impact assessment, risk analysis, risk evaluation, risk reporting and disclosures, risk mitigation and monitoring, and integration with strategy and business planning.

A detailed exercise is being carried out to identify, evaluate, manage and monitor both business and non business risk. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

#### **Whistle blower policy/Vigil mechanism**

As required under Regulation 22 of the SEBI Listing Regulations, the Company has an effective Whistle Blower Policy in place to deal with the instances of fraud and mismanagement. The policy is available on the Company's website at [www.transchem.net](http://www.transchem.net).

The policy provides for adequate safeguard against the victimisation of the employees. The Vigil Mechanism is overseen by the Audit Committee.

#### **Extract of Annual Return:**

The details forming part of the extract of annual return in Form MGT 9 are attached with this report and forming part of it. Annual Return of the Company as at year ended 31 March 2018 is posted at the web-site of the Company.

#### **Compliance of Secretarial Standards:**

The Board of Directors hereby confirms that all the applicable Secretarial Standards have been complied with during the year under review.

#### **Particulars of Employees**

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

##### **a. The ratio of remuneration of each director to the median remuneration of employees of the Company for the financial year:**

Non-executive Directors: No remuneration is being paid to Non-Executive Directors except sitting fee for attending Board Meetings.

Executive Director: Mr. Dilip Shinde – Ratio to median remuneration – 1.12

##### **b. The Percentage increase in remuneration of Director -** There was an increase of 5% in remuneration of Executive Director

##### **c. The percentage increase in the median remuneration of employee – 5%**

##### **d. The number of permanent employee on the roll of Company - 10**



- e. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration.**

Average increase in the remuneration of employee was 5% including managerial personnel. .

**Disclosure required pursuant to Section 197 of the Act read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

- (i) The Company has no employee drawing remuneration equal to or exceeding ₹ 1.02 Crore when employed throughout the financial year ;
- (ii) The Company has no employee drawing remuneration equal to or exceeding ₹ 8.5 Lakh per month in case employed for part of the year.
- (iii) The Company has no employee drawing remuneration more than the Managing Director and holding himself or along with spouse and dependent children 2% or more shares in the capital of the Company.

**Deposits:**

The Company has neither invited nor accepted any deposits from public during the year.

**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings/Outgo u/s 134(3)(m) of the Act:**

- a). Conservation of Energy:

Conservation of energy is continuous process at your Company and all prudent steps are being taken to conserve the resources.

- b). Technology Absorption:

Your Company is not using any specific technology.

- c). Research & Development:

Your Company is not carrying out any research.

- d). Foreign Exchange Earnings and Outgo:

During the year there was neither any Foreign Exchange earning nor outgo.

**Corporate Governance:**

The Board has been committed to adopt, besides any obligations under applicable laws or regulations, relevant best practices for Corporate Governance. Further, the Company is regular in submitting compliance reports on Corporate Governance to the Stock Exchange wherein its securities are listed and has fully implemented all the requirements as prescribed under the SEBI Listing Regulations.

**Share Capital:**

There was no change in capital structure of the Company during the year.

**Acknowledgement:**

Your Directors wish to place on record their appreciation of the support and co-operation received from the Government authorities and the Company's Bankers. Yours Directors also commend the contribution made by the employees.

By order of the Board of Directors  
For **TRANSCHEM LIMITED**

PLACE: Mumbai  
DATE : 04 August 2018

(Dilip S Shinde)  
Executive Director  
(DIN- 01763995)

(Rajen K Desai)  
Director  
(DIN-00382740)

(Mirza Saeed Kazi)  
Director  
(DIN-03348588)



## Form MGT -9

## EXTRACT OF ANNUAL RETURN

As on financial year ended on 31<sup>st</sup> March 2018

[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	:	L24100MH1976PLC019327
Registration Date	:	18 November 1976
Name of the Company	:	TRANSCHEM LIMITED
Category / Sub-Category of the Company	:	Indian Non-Government/Public Limited Company
Address of the Registered office and contact details	:	304, Ganatra Estate, Pokhran Road No. 1, Khopat, Thane – 400 601
Whether listed Company	:	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	Adroit Corporate Services Private Limited 19, Jaferbhoy Industrial Estate, 1 <sup>st</sup> Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai – 400 059.

## II. Principal business activity of the company

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Mushroom production and processing	01301	Due to various reasons presently plant is not working

## III. Particulars of holding, subsidiary and associate companies - Nil

## IV. Share holding pattern (Equity Share Capital Breakup as percentage of Total Equity):

## i. Category-wise Shareholding:

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	<b>Promoters</b>									
(1)	<b>Indian</b>									
a)	Individual/HUF	29,996	-	29,996	0.25	2,000,000	-	2,000,000	16.34	16.09
b)	Central Govt.	-	-	-	-	-	-	-	-	-
c)	State Govt.(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	600,088	-	600,088	4.90	2,274,373	-	2,274,373	18.58	13.68
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any other	-	-	-	-	-	-	-	-	-
	Sub-total(A)(1):	630,084	-	630,084	5.15	4274373	-	4274373	34.92	29.77
(2)	<b>Foreign</b>									
a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
b)	Other – Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
	Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
	<b>Total shareholding of Promoter (A) = (A) (1)+(A)(2)</b>	630,084	-	630,084	5.15	4,274,373	-	4,274,373	34.92	29.77



	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B	<b>Public Shareholding</b>									
(1)	Institutions	-	-	-	-	-	-	-	-	-
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Banks / FI	-	4,000	4,000	0.03	-	4,000	4,000	0.03	-
c)	Central Govt	-	-	-	-	-	-	-	-	-
d)	State Govt(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIs	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-total (B)(1):</b>	-	4,000	4,000	0.03	-	4,000	4,000	0.03	-
(2)	Non-Institutions									
a)	Bodies Corp.									
i)	Indian	5,769,344	72,000	5,841,344	47.72	4,437,838	62,000	4,499,838	36.76	-10.96
ii)	Overseas									
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto Rs. 2 lakh	1,627,489	1,291,705	2,919,194	23.85	1,557,206	1,252,875	2,810,081	22.96	-0.89
ii)	Individual shareholders holding nominal share capital in excess of Rs 2 lakh	2,783,547	30,100	2,813,647	22.99	582,319	30,000	612,319	5.00	-17.99
c)	Others (specify)									
	Clearing Member	4,005	-	4,005	0.03	13,075	-	13,075	0.11	+0.08
	NRI	4,176	2,050	6,226	0.05	2,764	2,050	4,814	0.04	-0.01
	NRI Corp Bodies	-	21,500	21,500	0.18	-	21,500	21,500	0.18	0
	Sub-total(B)(2):	10,188,561	1,417,355	11,605,916	94.82	6,593,202	1,368,425	7,961,627	65.05	-29.77
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	10,188,561	1,421,355	11,609,916	94.85	6,593,202	1,372,425	7,965,627	65.08	-29.77
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	<b>Grand Total (A+B+C)</b>	10,818,645	1,421,355	12,240,000	100	10,867,575	1,372,425	12,240,000	100	-

**ii. Shareholding of Promoters:**

S N	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Priyanka Finance Private Limited	-	-	-	2,274,373	18.58	-	18.58
2	Mr. Vijay Choraria	-	-	-	2,000,000	16.34	-	16.34
	<b>TOTAL</b>	-	-	-	4,274,373	34.92	-	34.92

## iii. Change in promoters' shareholding:

S N	Shareholder's Name	Shareholding at the beginning of the year		Cumulative during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Priyanka Finance Private Limited* At the beginning of the year	-	-	-	-
	Increase/(decrease) in shareholding during year			2,274,373	18.58
	At the end of the year			2,274,373	18.58
2.	Mr. Vijay Choraria* At the beginning of the year	-	-	-	-
	Increase/(decrease) in shareholding during year			2,000,000	16.34
	At the end of the year			2,000,000	16.34
	TOTAL	-	-	4,274,373	34.92

\*Classified as promoters during the year.

## iv. Shareholding pattern of top ten shareholders (other than Directors, Promoters and holders of GDRS and ADRS):

S. N.	Name of Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	JMS Mining Services Private Limited	2,261,938	18.48	2,261,938	18.48
2	Brijwasi Securities Private Limited	597,341	4.88	585,341	4.78
3	Firstcorp International Limited.	549,752	4.49	549,752	4.49
4	Ankit Miglani	350,000	2.86	350,000	2.86
5	Bayswater Enterprises Limited	292,798	2.39	292,798	2.39
6	SMIT Capital Services Private Limited	483,706	3.95	283,706	2.32
7	Menlo Finance & Investment Corporation.	84,000	0.69	84,000	0.69
8	Agnus Holdings Private Limited	75,000	0.61	75,000	0.61
9	Richline Leasing & Finance Private Limited	79,673	0.65	69,673	0.57
10	C. G. Krishnamurthy	20,000	0.16	51,000	0.42

## v. Shareholding of Directors:

S N	Name of Directors	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Bina Shah	-	-	-	-
2.	Rajen K. Desai	9,396	0.08	9,396	0.08
3.	Jethwani Mukesh Jagat	-	-	-	-
4.	Neerav B Merchant	-	-	-	-
5.	Mirza Saeed Kazi	-	-	-	-
6.	Dilip S. Shinde	100	-	100	-

**Shareholding of Key Managerial Personnels:**

S N	Name of KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Neeraja Karandikar, Company Secretary	100	-	100	-
2.	Mukesh Garach, CFO	100	-	100	-

**V. Indebtedness:**

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

**VI. Remuneration of Directors and key managerial personnel:****A. Remuneration to Managing Director, Whole-time Directors (WTD) and/or Manager:**

S. No.	Particulars of Remuneration	Name of Director	Total Amount (₹)
1.	Total Gross Salary	Mr. Dilip Shinde, WTD	210,875
	<b>Ceiling as per the Act</b>	<b>Within the limits of Schedule V</b>	

**B. Remuneration to other directors:**

S. No.	Name of Directors	Particulars of Remuneration	Total Amount (₹)
1.	Mrs. Bina Shah	Sitting fee	45,000
2.	Mr. Neerav B. Merchant	Sitting fee	45,000
3.	Mr. Rajen K. Desai	Sitting fee	45,000
4.	Mr. Mukesh Jagat Jethwani	Sitting fee	10,000
5.	Mr. Mirza Saeed Kazi	Sitting fee	10,000

**C. Remuneration to key managerial personnel other than Managing Director/ Manager/Whole time director**

Sr. No.	Particulars of Remuneration in ₹	Key Managerial Personnel			
		Chief Executive Officer	Company Secretary	Chief Financial Officer	Total
1	Gross salary	Nil	120,000	338,496	458,496

**VII. Penalties / punishment/ compounding of offences: Nil**

By order of the Board of Directors  
For **TRANSCHEM LIMITED**

PLACE: Mumbai  
DATE : 04 August 2018

(Dilip S Shinde)  
Executive Director  
(DIN- 01763995)

(Rajen K Desai)  
Director  
(DIN-00382740)

(Mirza Saeed Kazi)  
Director  
(DIN-03348588)

**FORM No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2018**

(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,  
Transchem Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Transchem Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of Transchem 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 me and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2018 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:

I have examined the books, papers, minute books, forms and returns filed and other records made available to me and maintained by Transchem Limited for the financial year ended on 31 March, 2018 according to the applicable provisions of:

- i The Companies Act, 2013 ('the Act') and the rules made there under;
- 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;
- v The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 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; and
- vi Other laws applicable to the Company: Company is in the business of manufacturing and processing of Mushroom. However during the year under audit it has not carried on any business activity and accordingly was not required to comply with any sector specific law and provisions. .

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

- i Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- ii The Listing Agreements entered into by the Company with BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review and as per the explanations and clarifications given to us and the representations made by the Management, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.



I 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 and as specified under regulation 17 of SEBI (LODR) Regulations 2015.

Adequate notices were given to all Directors, at least seven days in advance, to schedule the Board Meetings. Agenda of the meeting was sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes, the decisions at the Board Meetings were taken unanimously.

I further report that as per the explanations given to me and the representations made by the Management and relied upon by me there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines etc.

I further report that during the audit period, the Board of Directors of the Company has not taken any significant decision in respect of nature of the business of the Company.

Place:Thane

Date: 04 August 2018

Amita Saxena

FCS No: 3964 CP No: 3438

This Report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

## **'Annexure A'**

To,

The Members,

Transchem Limited

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I 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. My 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.

Place:Thane

Date: 04 August 2018

Amita Saxena

FCS No: 3964 CP No: 3438

## MANAGEMENT DISCUSSION & ANALYSIS

The Mushroom Division of the Company that was operated as 100% Export Oriented Unit is non operational for several years. The Company is having a large chunk of land and building near Pune, Maharashtra where the Mushroom division is located.

The management of the Company considered various options to revive the Mushroom Division of the Company, however due to national and international economic scenario none of them appeared feasible. In view thereof your board is considering various other business plans including conversion of land into farm house plots, establishment of solvent extraction plant or to start a research unit of pharmaceutical molecules.

Final call would be taken after complete feasible study done by the professionals.

## CORPORATE GOVERNANCE REPORT

The detailed report on Corporate Governance as per the format prescribed by SEBI under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations"), is set out below:

### 1. THE COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance envisages the attainment of the high level of transparency and accountability in the functioning of the Company and assist the top management of the Company in the efficient conduct of its business internally and externally, including its inter-action with employees, shareholders, creditors, consumers and other stakeholders and places due emphasis on regulatory compliance.

The Company believes that its systems and actions must be dovetailed for enhancing corporate performance and maximizing shareholders value in the long term.

### 2. BOARD OF DIRECTORS

- i. As at 31 March 2018, the Company has SIX directors on its board. Out of that, FIVE directors (i.e. 83.33%) are non-executive directors and TWO (i.e. 1/3) are independent directors. The Chairperson of the Company is an independent director. The composition of the board is in conformity with the SEBI Listing Regulations.
- ii. None of the directors on the board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a director. Necessary disclosures regarding committee positions in other public companies as on 31 March 2018 have been made by the directors.
- iii. Independent Directors are non-executive directors as defined under Regulation 16(1) (b) of SEBI Listing Regulations. The maximum tenure of the independent directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under SEBI Listing Regulations and Section 149 of the Act.
- iv. None of the director is inter-se related with other director
- v. The names and categories of the directors on the board, their attendance at board meetings held during the year and the number of directorships and committee chairmanships / memberships held by them in other public companies as at 31 March 2018 are given herein below. Other directorships do not include directorships of private limited companies. Chairmanships / memberships of board committees shall include only audit committee and stakeholders' relationship committee.



Sr. No	Name of Director	Category of Directorship	Number of Other Director Ships *	Total Number of Membership (S) In Other Board Committees**
1	Mrs. Bina Shah, Chairperson	Independent, Non-Executive	Nil	Nil
2	Mr. Rajen K. Desai	Non-Executive	1	Nil
3	Mr. Neerav B. Merchant	Independent, Non-Executive	Nil	Nil
4	Mr. Dilip S. Shinde	Executive Director	Nil	Nil
5	Mr. Mukesh Jagat Jethwani ***	Promoter, Non-Executive	Nil	Nil
6	Mr. Mirza Saeed Kazi***	Promoter , Non-Executive	Nil	Nil

\*Excluding Private Companies

\*\* Audit Committee and Stakeholders Relationship Committee only

\*\*\*Joined the Board on 25 September 2017

- vi. During the financial year ended 31 March 2018, NINE meetings of the Board of Directors were held respectively on 06 April 2017, 02 May 2017, 30 May 2017, 11 August 2017, 17 August 2017, 04 September 2017, 25 September 2017, 11 November 2017 and 09 February 2018 and in no case the gap between two consecutive board meetings exceeded period of 120 days.

The necessary quorum was present for all the meetings.

The attendance of Directors at the Board Meetings is as under:

Sr. No.	Member	No. of meetings held	No. of meetings attended	Attendance at previous AGM
1.	Mrs. Bina Shah	9	9	Yes
2.	Mr. Rajen K. Desai	9	9	Yes
3.	Mr. Neerav B. Merchant	9	9	Yes
4.	Mr. Dilip S. Shinde	9	9	Yes
5.	Mr. Mukesh Jagat Jethwani *	9	2	N.A.
6.	Mr. Mirza Saeed Kazi*	9	2	N.A.

\*Joined the Board on 25 September 2017

- vii. During the year 2017-18, information as mentioned in Regulation 17(7) of SEBI Listing Regulations has been placed before the Board for its consideration.
- viii. The terms and conditions of appointment of the independent directors are in conformity of the provisions of the Act and SEBI Listing Regulations.
- ix. A separate meeting of the independent directors was held inter-alia to review the performance of non-independent directors and the board as a whole.
- x. The independent directors ascertain and ensure that the Company has an adequate and functional vigil mechanism and ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use.
- xi. The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the management of the Company.



### 3. COMMITTEES OF THE BOARD

#### a) AUDIT COMMITTEE

The Audit Committee comprises of three Non-Executive Directors, majority of them being Independent Directors. The head of Finance & Accounts and the representative of the Statutory and Internal Auditors are permanent invitees to the Audit Committee. Mrs. Bina Shah, the present Chairperson of the Committee, is a Non-Executive Independent Director having expertise in accounting and financial matters.

#### MEETINGS AND ATTENDANCE:

During the financial year ended 31 March 2018 SEVEN meetings of audit committee were held respectively on 06 April 2017, 30 May 2017, 11 August 2017, 04 September 2017, 25 September 2017, 11 November 2017 and 09 February 2018.

The attendance of members at the Audit Committee Meetings is as under:

Sr.No.	Member	No. of meetings held	No. of meetings attended
1.	Mrs. Bina Shah	7	7
2.	Mr. Neerav B. Merchant	7	7
3.	Mr. Rajen K. Desai	7	7

The minutes of the Audit Committee Meetings are being noted by the Board of Directors at the subsequent Board Meetings.

The previous Annual General Meeting of the Company was held on 16 September 2017 and the same was attended by Mrs. Bina Shah, Chairperson of the Audit Committee.

#### Audit committee performs roles as specified in Regulation 18 (3) of SEBI Listing Regulations and it broadly include:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommendation to the Board for appointment, remuneration and terms of appointment of auditors of the Company;
- c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. Significant adjustments made in the financial statements arising out of audit findings;
  - v. Compliance with listing and other legal requirements relating to financial statements;
  - vi. Disclosure of any related party transactions;
  - vii. Qualifications in the draft audit report.
- e. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- f. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;



- g. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h. Approval or any subsequent modification of transactions of the Company with related parties;
- i. Scrutiny of inter-corporate loans and investments;
- j. Valuation of undertakings or assets of the Company, wherever it is necessary;
- k. Evaluation of internal financial controls and risk management systems;
- l. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n. Discussion with internal auditors of any significant findings and follow up there on;
- o. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- p. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- q. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- r. To review the functioning of the Whistle Blower mechanism;
- s. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
- t. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- u. To mandatorily review the following information:
  - i. Management discussion and analysis of financial condition and results of operations;
  - ii. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - iv. Internal audit reports relating to internal control weaknesses; and
  - v. The appointment, removal and terms of remuneration of the Chief internal auditor.
  - vi. Statement of deviations:
    - (a) Quarterly statement of deviation(s) submitter to Stock Exchange
    - (b) Annual Statement of fund utilization for purpose other than those stated in the offer document etc.

**b) NOMINATION & REMUNERATION COMMITTEE:**

- i. The Company has constituted a Nomination and Remuneration Committee of Directors.
- ii. The broad terms of reference of the Nomination and Remuneration Committee are as specified in Regulation 19 (4) of SEBI Listing Regulations and it broadly include:
  - a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board policy relating to the remuneration of the directors, key managerial personnel and other employees;

- b. Formulation of criteria for evaluation of Independent Directors and the Board;
- c. Devise a policy on board diversity;
- d. Identify persons who are qualified to become director and who may be appointed to senior management positions in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- e. To recommend to extend or continue the term of appointment of independent director, on the basis of the report of performance evaluation of independent directors.

A meeting of Committee was held on 09 February 2018 during the year.

## COMPOSITION

The Remuneration Committee comprises of three Directors, of which, one is Non-Executive Director and two are independent, Non-Executive Directors. The Chairperson of the Committee is a Independent, Non-Executive Director nominated by the Board.

The present constitution of the Remuneration Committee is as follows:

1. Mr. Neerav B. Merchant : Chairman, Independent, Non-Executive.
2. Mrs. Bina Shah : Member, Independent, Non-Executive
3. Mr. Rajen K. Desai : Member, Non-Executive.

## REMUNERATION POLICY:

The remuneration policy is directed towards rewarding performance based on review of achievements. It is aimed at attracting and retaining high caliber talent. The remuneration policy of the Company is placed on its web-site.

## REMUNERATION TO EXECUTIVE DIRECTORS AND/OR WHOLE-TIME DIRECTOR:

Remuneration to Executive Directors and/or Whole-time Directors is reviewed and recommended by the Remuneration Committee to the Board and thereafter, if required, approved by shareholders in General Meeting.

The Company does not currently have any stock option plan or performance linked incentives for its Directors.

The details of remuneration paid to all the Directors during the financial year are as follows:

Name of the Director	Salary	Benefits	Commission	Sitting Fees	Total (₹)
Mrs. Bina Shah	Nil	Nil	Nil	45,000	45,000
Mr. Dilip Shinde	210,875	Nil	Nil	Nil	210,875
Mr. Neerav B. Merchant	Nil	Nil	Nil	45,000	45,000
Mr. Rajen K. Desai	Nil	Nil	Nil	45,000	45,000
Mr. Mukesh Jagat Jethwani *	Nil	Nil	Nil	10,000	10,000
Mr. Mirza Saeed Kazi*	Nil	Nil	Nil	10,000	10,000

\*Appointed on 25 September 2017

**RISK MANAGEMENT COMMITTEE:** Pursuant to the SEBI Listing Regulations Company is not required to constitute Risk Management Committee. However a Risk Management Policy has been defined within the Company's operating framework, which is available on the Company's website at [www.transchem.net](http://www.transchem.net)

## c) STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee consists of three members namely Mrs. Bina Shah, Mr. Neerav B Merchant and Mr. Rajen K Desai. Mrs Bina S Shah, Independent, Non-Executive Director has been designated as Chairperson and Mrs. Neeraja Karandikar, Company Secretary has been designated as Compliance Officer. As the Company has appointed Adroit Corporate Services Private Limited as its Share Transfer Agent, the Stakeholders



Relationship Committee holds meetings only occasionally when requirement arises. The Compliance Officer of the Company has been authorized to approve the transfer of shares as submitted by the Registrar & Share Transfer Agent. Details of shares transfers/transmissions approved by the Compliance Officer are placed before the Board on regular basis.

During the year 2017-18, two meetings of Stakeholders Relationship Committee were held respectively on 14 September 2017 and 9 February 2018 and attended by all committee members.

During the year 2017-18 Company has received 3 Complaint, that were resolved promptly and as at 31 March 2018 no Complaint was pending.

#### **4. DISCLOSURES**

##### **i) Related Party Transactions**

Apart from payment of sitting fee to non-executive directors and remuneration to executive director your Company has not entered into any related party transactions as specified in Section 188 of the Act and Regulation 23 of the SEBI Listing Regulations during the financial year. There were no materially significant transactions with the related parties during the financial year. Related party transactions have been disclosed under the significant accounting policies and explanatory notes forming part of the financial statements in accordance with Ind-AS 24 'Related Party Disclosures'.

None of the transactions with related parties were in conflict with the interest of the Company. All the transactions are in the ordinary course of the business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length basis.

The Company has formulated a policy on dealing with related party transactions and a policy on materiality of related party transactions the same have been uploaded on the website of the Company at [www.transchem.net](http://www.transchem.net).

##### **ii) Accounting treatment**

The financial statements of the Company have been prepared to comply in all material aspects with the Accounting Standard notified under Section 133 of the Act as per the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS), as amended from time to time, and other relevant provisions of the Act and rules framed there under. The financial statements have been prepared on accrual basis under the historical cost convention.

##### **iii) Proceeds from public issue, rights issue, preferential issues:**

During the financial year Company has not made any issue of securities.

##### **iv) CEO / CFO certification**

A certificate given by the Executive Director and Head of Accounts Department was placed before the Audit Committee and the Board. The Certificate verifies that according to best of the knowledge and belief of Executive Director and Head of Accounts Department there was no transaction entered into by the Company during the year which was fraudulent, illegal or in violation of the Company's Code of Conduct.

##### **Compliances by the Company**

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years. No penalties have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities.

##### **Code of Conduct for Directors and Senior Management**

The Board has prescribed Code of Conduct ("Code") for all Board Members and Senior Management of the Company.

All Board Members and Senior Management personnel have confirmed compliance with the Code for the year 2017-18. A declaration to this effect has been included in CEO & CFO Certificate.

**5. GENERAL BODY MEETINGS:**

Location and time, where last three Annual General Meetings were held is given below:

Financial Year	Date	Location of Meeting	Time
2014-2015	30 September 2015	Hotel Ginger, Gokul Nagar, Lal Bahadur Shastri Marg, Thane (W) -400601.	09.30 a.m.
2015-2016	30 September 2016	Hotel Ginger, Gokul Nagar, Lal Bahadur Shastri Marg, Thane (W) -400601.	09.30 a.m.
2016-2017	16 September 2017	Hotel Ginger, Gokul Nagar, Lal Bahadur Shastri Marg, Thane (W) -400601.	09.30 a.m.

No resolution was passed through postal ballot at the last three AGMs. One special resolution for re-classification of promoters was passed at previous AGM.

**6. WHISTLE BLOWER POLICY**

The Board of Directors of the Company has adopted a Whistle Blower Policy and the same is available on Company's website at [www.transchem.net](http://www.transchem.net)

Other information as provided in regulation 16 to 27 and 46 of the SEBI Listing Regulations are also available on Company's website at [www.transchem.net](http://www.transchem.net)

**Status of compliance of non-mandatory requirements as per Part E of Schedule II of the SEBI Listing Regulations**

1. The Chairperson of the Company is non-executive, however no expenses are being incurred towards maintenance of Chairperson's office.
2. The Statutory Auditors have expressed no qualification in their report.
3. The Company has appointed separate persons for the post of Chairman and Managing Director/CEO.
4. The Internal Auditor periodically reports to the Audit Committee.

**7. MEANS OF COMMUNICATION**

The quarterly financial results are forthwith communicated to BSE Limited, the Stock Exchange with whom the Company has listing agreement, as soon as they are approved and taken on record by the Board of Directors of the Company. Further, the results are published in the newspapers namely the Free Press Journal (English) and Nav-Shakti (Marathi) and also being posted at the web-site of the Company at [www.transchem.net](http://www.transchem.net).

Management Discussion and Analysis Report forms part of the Annual Report, which is being posted to the shareholders of the Company.

**8. SHAREHOLDERS' INFORMATION**

1. Information about Annual General Meeting:

AGM Date/Day	Time	Venue
22 September 2018 Saturday	9.30 a.m.	Hotel Ginger (Formerly known as Hotel Royal Inn), Gokul Nagar, Lal Bahadur Shastri Marg, Thane (W) – 400 601.

2. Financial Calendar: 01 April to 31 March.
3. Book Closure: Not Applicable
4. Dividend Payment Date: Not Applicable.
5. Listing on Stock Exchanges, with Stock Code:

The Equity Shares of the Company are listed on BSE Limited (BSE), Floor 25, P J Towers, Dalal Street, Mumbai – 400 001. Annual Listing fees for Financial Year 2017-18 as well as of 2018-19 have been paid to BSE Limited. (Stock Code. 500422)

**6. Market Price Data (High, Low during each month in last financial year):**

Month	High (₹)	Low (₹)
April 2017	36.00	23.55
May 2017	32.80	26.70
June 2017	27.90	24.20
July 2017	38.65	23.05
August 2017	34.50	25.15
September 2017	28.80	23.15
October 2017	31.70	22.10
November 2017	30.00	23.00
December 2017	33.85	23.20
January 2018	43.25	29.60
February 2018	40.95	30.50
March 2018	36.00	29.20

7. Company has not issued any debenture or accepted deposits so the rating from CRISIL or any other agency was not required to be obtained.
8. Registrar and Transfer Agent:  
Adroit Corporate Services Private Limited  
19, Jaferbhoy Industrial Estate, 1st Floor,  
Makwana Road, Marol Naka, Andheri (E),  
MUMBAI – 400 059.

Contact Person: Mr. Praful J Shah, Phone Number. 022 - 4227 0427

**Details of Shareholding of Directors as on 31 March 2018**

Sr. No	Name of Director	Number of Shares held
1	Mrs Bina Shah	Nil
2	Mr. Dilip Shinde	100
3	Mr. Neerav Merchant	Nil
4	Mr. Rajen K. Desai	9,396
5	Mr. Mukesh Jagat Jethwani	Nil
6	Mr. Mirza Saeed Kazi	Nil

Distribution Schedule & Shareholding pattern of Equity Shares as on 31 March 2018 is enclosed as **Annexure-1**.

Dematerialization of shares and liquidity: As on 31 March 2018, 88.79% of the shares capital of the Company has been dematerialized. All requisitions for dematerialization of shares are being accepted well within the time limit of 21 days. Shares of the Company are regularly been traded at the BSE Limited, Mumbai.

**Outstanding GDRs/ADRs etc.:** Not Applicable.

Plant Location: Gat No 379, Village Bebadahol, Taluka Maval, Dist Pune – 410 506.

**Address for correspondence:**

TRANSCHEM LIMITED  
304, Ganatra Estate, Pokhran Road No 1,  
Khopat, Thane (W) – 400 601.  
Phone No. 022-25478601/25477077  
Email: [secretary@transchem.net](mailto:secretary@transchem.net)  
Web Site: [www.transchem.net](http://www.transchem.net)

**ANNEXURE -1**

## A. Distribution Schedule of Equity Shares as at 31 March 2018:

No. of Equity Shares held	No. of Shareholders	% of Shareholder	No. of Shares held	% of Shareholding
001 to 500	12,675	94.39	1,645,812	13.45
501 to 1000	408	3.04	340,080	2.78
1001 to 2000	171	1.27	265,021	2.17
2001 to 3000	60	0.45	157,414	1.29
3001 to 4000	24	0.18	85,313	0.70
4001 to 5000	24	0.18	113,831	0.93
5001 to 10000	27	0.20	207,140	1.69
10001 & above	39	0.29	9,425,389	77.00
TOTAL	13,428	100	12,240,000	100
Physical Mode	8,467	63.05	1,372,425	11.21
Electronic Mode	4,961	36.95	10,867,575	88.79

## B. Shareholding pattern as at 31 March 2018:

Category	No. of shareholders*	Nos. of Shares held	Voting Strength
Promoters & Persons Acting in concert	2	4,274,373	34.92
Bodies Corporate (Domestic)/Trusts	124	4,499,838	36.76
Banks/Mutual Funds/Financial Institutions (FIs)	4	4,000	0.03
Non-Resident Individuals (NRIs)/Foreign Corporate Bodies/ Overseas Corporate Bodies (OCBs)/ Foreign Banks	21	26,314	0.22
Resident Individuals	13,259	3,422,400	27.96
In transit	17	13,075	0.11
TOTAL	13,427	12,240,000	100

\* For the purpose of shareholding pattern shareholders having more than one folio with same PAN have been combined.

**DECLARATION**

As per the Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31 March 2018

Place: Mumbai  
Date: 04 August 2018

For Transchem Limited  
**Dilip Shinde (Executive Director)**



## INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

### The Members of Transchem Limited

We, Maheshwari & Co., Chartered Accountants, the Statutory Auditors of Transchem Limited ('the Company'), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

### Managements' Responsibility

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

### Auditor's Responsibility

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

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

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

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

### Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI Listing Regulations during the year ended 31 March 2018.

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

**For Maheshwari & Co.**  
**Chartered Accountants**  
**FRN: 105834W**

**K K Maloo**  
**Partner**  
**Membership No. 075872**

**Place: Mumbai**  
**Date: 04 August 2018**



## INDEPENDENT AUDITORS' REPORT

### To the Members of Transchem Limited

#### Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Transchem Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income) cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

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

#### Auditors' Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2018, and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.



## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit report we report that:
  - a) We have sought and, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The balance sheet, the statement of profit and loss, including other comprehensive income, the cash flow statement and statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
  - e) On the basis of written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018, 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 the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”; and
  - g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigation which would impact its financial position in its Ind-AS financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law or accounting standards;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, if any; and
2. 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 the “**Annexure- B**” a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Maheshwari & Co**  
**Chartered Accountants**  
**Firm Registration No - 105834W**

**K. K. Maloo**  
**(Partner)**  
**Membership No - 075872**

**Place: - Mumbai**  
**Date: 30 May 2018**

## ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under the heading

'Report on Other Legal and Regulatory Requirements' of our report of even date)

**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 Transchem Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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. 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 judgement, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, to the best of our information and according to explanation given to us, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Maheshwari & Co**  
**Chartered Accountants**  
**Firm Registration No - 105834W**

**K. K. Maloo**  
**(Partner)**  
**Membership No - 075872**

**Place: - Mumbai**  
**Date: 30 May 2018**

## **ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date)**

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
b) Fixed assets have been verified by the management in accordance with a phased programme of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets, though all the assets were not verified by the management during the year. No material discrepancies were noticed on such verification.  
c) According to information and explanations given to us and on the basis of our examination of the records of the company, title deeds of immovable properties are held in the name of the Company.
2. According to information and explanations given to us, the inventory has been physically verified by the management at the reasonable interval during the year, which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. No material discrepancies were noticed on such physical verification.
3. According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company.
4. According to information and explanations given to us, the Company has not granted any secured or unsecured loans or provided any guarantee or security as per provisions of Section 185 of the Act or made any investments as per provision of Section 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable to the Company during the year.
5. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder during the year. Accordingly, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.

6. In our opinion and according to the information and explanations given to us, the requirement for maintenance of cost records specified by the Central Government under Section 148(1) of the Companies Act, are not applicable to the Company during the year.
7. (a) According to the information and explanation given to us, the Company has been generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, Goods and Service Tax, custom duty, excise duty, value added tax, cess and other material statutory dues as applicable with the appropriate authorities. No undisputed amounts payable in respect of aforesaid statutory dues were outstanding as on the last day of the financial year for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, customs duty, excise duty, value added tax and cess, which have not been deposited on account of any dispute with the relevant authorities.
8. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
9. According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and the term loans during the year.
10. According to the information and explanation given to us, we have neither come across any instances of fraud by the Company or any fraud on the Company by its officers or employees have been noticed or reported during the year, nor have we been informed of any such cases by the management.
11. In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial statements etc. as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
16. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Maheshwari & Co**  
**Chartered Accountants**  
**Firm Registration No - 105834W**

**K. K. Maloo**  
**(Partner)**  
**Membership No - 075872**

**Place: - Mumbai**  
**Date: 30 May 2018**

**BALANCE SHEET AS AT 31 MARCH 2018**

(Amount in ₹)

	Notes	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
<b>Assets</b>				
<b>Non - Current Assets</b>				
Property, Plant and Equipment	2	54,321,279	64,011,391	74,185,693
Financial Assets				
(i) Investments	3	20,268,280	20,268,280	20,268,280
(ii) Other financial assets	5	-	-	1,792,804
Deferred Tax Assets (net)	4	-	6,397,257	6,397,257
		74,589,559	90,676,928	102,644,034
<b>Current Assets</b>				
Financial Assets				
(i) Investments	3	81,814,643	277,614,540	259,874,068
(ii) Inventories	6	3,164,000	8,888,794	8,874,540
(iii) Cash and Cash Equivalents	7	2,663,769	2,723,061	12,270,393
(iv) Loans	8	200,463,330	1,193,089	1,182,747
(v) Other financial assets	9	6,124,930	409,800	409,800
Income Tax Assets (Net)		979,726	-	-
		295,210,398	290,829,284	282,611,548
<b>Total Assets</b>		<b>369,799,957</b>	<b>381,506,212</b>	<b>385,255,582</b>
<b>Equity and Liabilities</b>				
<b>Equity :</b>				
Equity Share Capital	10	122,400,000	122,400,000	122,400,000
Other Equity		245,669,815	257,493,661	259,774,439
		368,069,815	379,893,661	382,174,439
<b>Liabilities</b>				
<b>Non Current Liabilities</b>				
Provisions	11	1,383,360	1,262,313	1,027,828
		1,383,360	1,262,313	1,027,828
<b>Current Liabilities</b>				
Provisions	12	16,020	34,139	19,619
Other Current Liabilities	13	330,762	316,099	2,033,696
		346,782	350,238	2,053,315
<b>Total Equity and Liabilities</b>		<b>369,799,957</b>	<b>381,506,212</b>	<b>385,255,582</b>
<b>Significant Accounting Policies and other explanatory information</b>	1 to 31			

As per our report of even date attached  
For Maheshwari & Co.  
(Firm Reg. No. 105834W)  
Chartered Accountants

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

**Krishan Kumar Maloo**  
Partner  
Membership No.075872

**Dilip S. Shinde**  
Director  
[DIN:01763995]

**Rajen K. Desai**  
Director  
[DIN:00382740]

**Mirza Saeed Kazi**  
Director  
[DIN:03348588]

Place: Mumbai  
Date: 30 May 2018

**Mukesh Garach**  
Chief Financial Officer  
(PAN: AEOPG0669M)

**Neeraja Karandikar**  
Company Secretary  
(ACS 10130)

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

(Amount in ₹)

	Notes	For the Year ended 31 March 2018	For the Year ended 31 March 2017
<b>Income</b>			
Revenue from Operations		-	-
Other Income	14	21,109,452	17,841,858
		<b>21,109,452</b>	<b>17,841,858</b>
<b>Expenses</b>			
Cost of Material Consumed	15	-	59,846
Employee Benefits Expenses	16	3,498,604	3,169,191
Finance Costs	17	2,634	1,684
Depreciation and Amortization Expenses	2	9,690,112	10,180,602
Other Expenses	18	13,417,020	6,618,329
		<b>26,608,370</b>	<b>20,029,652</b>
<b>(Loss) Before Tax</b>		<b>(5,498,918)</b>	<b>(2,187,794)</b>
<b>Tax Expense</b>			
Current Tax		-	-
Deferred Tax		6,397,257	-
<b>(Loss) for the Year</b>		<b>(11,896,175)</b>	<b>(2,187,794)</b>
<b>Other Comprehensive Income</b>			
<u>Items that will not be reclassified to profit or loss</u>		-	-
Re-measurement gain/ (losses) on defined benefit plans		72,329	(92,984)
Income tax effect		-	-
<b>Other Comprehensive income for the year, net of tax</b>		<b>72,329</b>	<b>(92,984)</b>
<b>Total Comprehensive Income for the year</b>		<b>(11,823,846)</b>	<b>(2,280,778)</b>
Basic and Diluted Earnings Per Share (in ₹) (Face Value ₹10)		<b>(0.97)</b>	<b>(0.18)</b>
<b>Significant Accounting Policies and other explanatory information</b>	<b>1 to 31</b>		

As per our report of even date attached  
For Maheshwari & Co.  
(Firm Reg. No. 105834W)  
Chartered Accountants

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

**Krishan Kumar Maloo**  
Partner  
Membership No.075872

**Dilip S. Shinde**  
Director  
[DIN:01763995]

**Rajen K. Desai**  
Director  
[DIN:00382740]

**Mirza Saeed Kazi**  
Director  
[DIN:03348588]

Place: Mumbai  
Date: 30 May 2018

**Mukesh Garach**  
Chief Financial Officer  
(PAN: AEOPG0669M)

**Neeraja Karandikar**  
Company Secretary  
(ACS 10130)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018**

	(Amount in ₹)	
	Year ended 31 March 2018	Year ended 31 March 2017
<b>A Cash Flows From Operating Activities</b>		
(Loss) Before Tax	(5,498,918)	(2,187,794)
<b>Adjustments For:</b>		
Depreciation and Amortization Expenses	9,690,112	10,180,602
Mark to Market Gain / (Loss) on Inventories	-	74,100
Revaluation of Inventories	5,724,794	-
Advances written off	1,000,000	1,792,804
Security deposit written off	400,000	-
Dividend on Mutual Funds	(2,040,079)	(2,670,846)
Re-measurement gain/ (losses) on defined benefit plans	72,329	(92,984)
<b>Operating Profit before Working Capital Changes</b>	<b>9,348,238</b>	<b>7,095,882</b>
(Increase)/Decrease in Inventories	-	(88,354)
(Increase)/Decrease in Loans and other Financial Assets	(206,385,370)	(10,342)
Increase/(Decrease) in Other Current Liabilities and Provisions	117,591	(1,468,992)
<b>Cash Generated from Operating Activities</b>	<b>(196,919,542)</b>	<b>5,528,594</b>
Direct taxes paid (net of refunds)	(979,726)	-
<b>Net Cash Generated from / (Used in) Operations (A)</b>	<b>(197,899,268)</b>	<b>5,528,594</b>
<b>B Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment and other intangible assets	-	(6,300)
Proceeds from sale of /(Payments) towards purchase of Short Term Investments	195,799,896	(17,740,472)
Dividend Received from Mutual Funds	2,040,079	2,670,846
<b>Net Cash Generated from / (Used in) Investing Activities (B)</b>	<b>197,839,976</b>	<b>(15,075,926)</b>
<b>C Cash Flows From Financing Activities</b>	-	-
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(59,292)</b>	<b>(9,547,332)</b>
Cash and Cash Equivalent as on 01 April 2017 (as per Note 7)	2,723,061	12,270,393
Cash and Cash Equivalent as on 31 March 2018 (as per Note 7)	2,663,769	2,723,061

**Note:**

- 1) The above cash flow statement has been prepared under the "Indirect Method" as per Indian Accounting Standard (Ind-AS) 7.
- 2) Figures in brackets indicate cash outflow and without brackets indicate cash inflow.

As per our report of even date attached  
For Maheshwari & Co.  
(Firm Reg. No. 105834W)  
Chartered Accountants

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

**Krishan Kumar Maloo**  
Partner  
Membership No.075872

**Dilip S. Shinde**  
Director  
[DIN:01763995]

**Rajen K. Desai**  
Director  
[DIN:00382740]

**Mirza Saeed Kazi**  
Director  
[DIN:03348588]

Place: Mumbai  
Date: 30 May 2018

**Mukesh Garach**  
Chief Financial Officer  
(PAN: AEOPG0669M)

**Neeraja Karandikar**  
Company Secretary  
(ACS 10130)



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

a	Equity share capital	Number	Amount in ₹
	As at 01 April 2016	12,240,000	122,400,000
	Issue of share capital	-	-
	<b>Balance as at 31 March 2017</b>	<b>12,240,000</b>	<b>122,400,000</b>
	Issue of share capital	-	-
	<b>Balance as at 31 March 2018</b>	<b>12,240,000</b>	<b>122,400,000</b>

b	Other equity	Reserves and surplus			
		Securities premium reserve	General reserve	Retained earnings	Total Equity
	<b>Balance as at 01 April 2016</b>	<b>202,995,150</b>	<b>6,473,483</b>	<b>50,305,806</b>	<b>259,774,439</b>
	Loss for the year	-	-	(2,187,794)	(2,187,794)
	Other comprehensive income for the year	-	-	(92,984)	(92,984)
	<b>Total Comprehensive income for the year ended 31 March 2017</b>	<b>-</b>	<b>-</b>	<b>(2,280,778)</b>	<b>(2,280,778)</b>
	<b>Balance as at 31 March 2017</b>	<b>202,995,150</b>	<b>6,473,483</b>	<b>48,025,028</b>	<b>257,493,661</b>
	Loss for the year	-	-	(11,896,175)	(11,896,175)
	Other comprehensive income for the year	-	-	72,329	72,329
	<b>Total Comprehensive income for the year ended 31 March 2018</b>	<b>-</b>	<b>-</b>	<b>(11,823,846)</b>	<b>(11,823,846)</b>
	<b>Balance as at 31 March 2018</b>	<b>202,995,150</b>	<b>6,473,483</b>	<b>36,201,182</b>	<b>245,669,815</b>

### Nature and purpose of reserves

(i) **Securities premium reserve:**

Securities premium is used to record the premium on issue of shares . The reserve will be utilised in accordance with the provisions of the Act.

(ii) **General reserve**

The reserve is created out of surplus balance of profit of the Company and is a distributable reserve maintained by the Company.

**(iii) Retained earnings:**

Retained earnings pertain to the accumulated earnings by the Company over the years.

**Significant Accounting Policies and other explanatory information****1 to 31**

As per our report of even date attached  
For Maheshwari & Co.  
(Firm Reg. No. 105834W)  
Chartered Accountants

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

**Krishan Kumar Maloo**  
Partner  
Membership No.075872

**Dilip S. Shinde**  
Director  
[DIN:01763995]

**Rajen K. Desai**  
Director  
[DIN:00382740]

**Mirza Saeed Kazi**  
Director  
[DIN:03348588]

Place: Mumbai  
Date: 30 May 2018

**Mukesh Garach**  
Chief Financial Officer  
(PAN: AEOPG0669M)

**Neeraja Karandikar**  
Company Secretary  
(ACS 10130)

## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2018

### 1 SIGNIFICANT ACCOUNTING POLICIES:

#### 1.1 a) Basis of Accounting:

The separate financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under Section 133 of Companies Act, 2013 (the "Act") as per Companies (Indian Accounting Standards (Ind AS)) Rules, 2015 and other relevant provisions of the Act and rules framed thereunder.

The financial statements up to year ended 31 March 2016 were prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act read with the Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These are the first Ind AS financial statements of the Company. Refer Note 22 for understanding the transition from previous GAAP to Ind AS and its effect on the Company's balance sheet, financial performance and cash flows.

The financial statements have been prepared on a historical cost convention and accrual basis, except for certain financial assets and liabilities measured at fair value and plan assets towards defined benefit plans, which are measured at fair value.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1 April 2016 being the date of transition to Ind AS.

#### b) Current non-current classification:

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

#### 1.2 Use of Estimates:

The preparation of financial statement requires estimates and assumptions to be made and that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

#### 1.3 Property Plant and Equipment:

The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 01 April 2016 as the deemed cost under Ind AS. Hence regarded thereafter as historical cost.

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation is provided under the straight line method at the rates and in the manner prescribed in Part C of Schedule II to the Companies Act, 2013, over their useful life., and management believe that useful life of assets are same as those prescribed in Part C of Schedule II to the Act, except in case of Factory Building and Plant and Machinery at Factory premises, which has been considered as certified by a Government Approved Valuer.



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2018

Useful life considered for calculation of depreciation for various assets class are as follows-

<b>Asset Class</b>	<b>Useful Life</b>
Factory Building	7 years as on 31 March 2018
Office Premises / Gala	30 years
Plant and Machinery at Factory	1 year as on 31 March 2018
Plant and Machinery (Others)	15 years
Furniture and Fixtures	10 years
Vehicles	8 years

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

### 1.4 Investments and other financial assets:

#### Initial recognition

In the case of financial assets, not recorded at fair value through profit or loss (FVTPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

##### (a) Financial Assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

##### (b) Financial Assets measured at fair value

Financial assets are measured at fair value through other comprehensive income (FVOCI) if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss.

#### Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2018

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recorded as expense/ income in the Statement of Profit and Loss.

### De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

### Equity investments

All equity investments in the scope of Ind AS 109, Financial Instruments, are measured at fair value. For equity instruments, the Company may make an irrevocable election to present the subsequent fair value changes in Other Comprehensive Income (OCI). The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

There is no recycling of the amounts from OCI to Statement of Profit or Loss, even on sale of investment.

Equity instruments included within the FVTPL (fair value through profit and loss) category are measured at fair value with all changes in fair value recognised in the Statement of Profit or Loss.

## 1.5 Financial Liabilities

### Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2018

### Subsequent measurement

#### Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

#### Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Where the terms of a financial liability is re-negotiated and the Company issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in the Statement of Profit and Loss; measured as a difference between the carrying amount of the financial liability and the fair value of equity instrument issued.

#### De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

#### Offsetting financial instruments

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

### 1.6 Fair value measurement

The Company measures financial assets and financial liability at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2018

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Valuation team determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement.

### 1.7 Impairment of non-financial assets

Assessment is done at each Balance Sheet date to evaluate whether there is any indication that a non-financial asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to their recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

### 1.8 Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

A contingent asset is disclosed, where an inflow of economic benefits is probable. An entity shall not recognize contingent asset unless the recovery is virtually certain.

### 1.9 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition/ construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in Statement of Profit and Loss in the period in which they are incurred.



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2018

### 1.10 Recognition of income

Interest income from debt instruments is recognised using the effective interest rate method.

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

Capital gains are recorded as and when materialised.

### 1.11 Inventories

Finished Goods are value at cost or net realisable value, whichever is lower. Cost is computed on first-in-first out basis. Net realisable value is estimated selling price in ordinary course of business less the estimated cost necessary to make the sale. The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Obsolete, defective and slow/nonmoving stocks are duly provided for.

Securities are valued at fair value less costs to sell.

### 1.12 Employee benefits

#### a) Defined contribution plan

The Company's contribution to Provident Fund and Employees State Insurance Scheme is determined based on a fixed percentage of the eligible employees' salary and charged to the Statement of Profit and Loss on accrual basis. The Company has categorised its Provident Fund, labour welfare fund and the Employees State Insurance Scheme as a defined contribution plan since it has no further obligations beyond these contributions.

#### b) Defined benefits plan

The Company's liability towards gratuity, being a defined benefit plan are accounted for on the basis of an independent 'actuarial valuation based on Projected Unit Credit Method.

Service cost and the net interest cost is included in employee benefit expense in the Statement of Profit and Loss. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in 'other comprehensive income' as income or expense.

#### c) Compensated absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. The Company's liability is actuarially determined (using the Projected Unit Credit method).

### 1.13 Income Tax

Income tax expense comprises current tax, deferred tax charge or credit. The deferred tax charge or credit and the corresponding deferred tax liability and assets are recognized using the tax rates that have been enacted or substantially enacted on the Balance Sheet date.

Deferred Tax assets arising from unabsorbed depreciation or carry forward losses are recognized only if there is virtual certainty of realization of such amounts. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Deferred tax assets are reviewed at each Balance Sheet date to reassess their reliability.

### 1.14 Significant management judgements in applying accounting policies and estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2018

### a) Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

### b) Depreciation and useful lives of property, plant and equipment

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

### c) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

### d) Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

### e) Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2018

### Note 2 Property, plant and equipment

(Amount in ₹)

Gross block	Freehold land	Factory Building	Furniture and Fixtures	Office Premises/ Gala	Plant & Machinery	Vehicles	Total
<b>As at 01 April 2016</b>	<b>6,488,481</b>	<b>50,910,922</b>	<b>179,253</b>	<b>1,898,030</b>	<b>14,094,988</b>	<b>614,019</b>	<b>74,185,693</b>
Additions	-	-	-	-	6,300	-	6,300
Disposals	-	-	-	-	-	-	-
<b>Balance as at 31 March 2017</b>	<b>6,488,481</b>	<b>50,910,922</b>	<b>179,253</b>	<b>1,898,030</b>	<b>14,101,288</b>	<b>614,019</b>	<b>74,191,993</b>
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>6,488,481</b>	<b>50,910,922</b>	<b>179,253</b>	<b>1,898,030</b>	<b>14,101,288</b>	<b>614,019</b>	<b>74,191,993</b>
<b>Accumulated depreciation</b>							
Depreciation charge	-	5,517,336	79,419	111,005	4,012,067	460,775	10,180,602
Reversal on disposal of assets	-	-	-	-	-	-	-
<b>Balance as at 31 March 2017</b>	<b>-</b>	<b>5,517,336</b>	<b>79,419</b>	<b>111,005</b>	<b>4,012,067</b>	<b>460,775</b>	<b>10,180,602</b>
Depreciation charge	-	5,517,336	79,419	111,005	3,982,352	-	9,690,112
Reversal on disposal of assets	-	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>-</b>	<b>11,034,672</b>	<b>158,838</b>	<b>222,010</b>	<b>7,994,419</b>	<b>460,775</b>	<b>19,870,714</b>
<b>Net block</b>							
<b>Balance as at 31 March 2017</b>	<b>6,488,481</b>	<b>45,393,586</b>	<b>99,834</b>	<b>1,787,025</b>	<b>10,089,221</b>	<b>153,244</b>	<b>64,011,391</b>
<b>Balance as at 31 March 2018</b>	<b>6,488,481</b>	<b>39,876,250</b>	<b>20,415</b>	<b>1,676,020</b>	<b>6,106,869</b>	<b>153,244</b>	<b>54,321,279</b>

**Note:**Ind-AS 16, Property, Plant & Equipment

As per the information and explanations given to us and as certified by the management, as on the Balance Sheet date the carrying amounts of the assets net of accumulated depreciation is not less than the recoverable amount of those assets. Hence there is no impairment loss on the assets of the Company.

## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2018

(Amount in ₹)

	As at 31 March 18	As at 31 March 17	As at 01 April 16
<b>Note 3</b>			
<b>Non-Current Financial Assets - Investments</b>			
<b>Unquoted investments in equity instruments at amortised cost</b>			
901,000 (Previous year: 901,000 Equity Shares and 01 April 2016: 901,000 Equity Shares) Equity Shares of Aditya Investments and Communications Limited of ₹ 10 each fully paid up.	9,036,280	9,036,280	9,036,280
280,000 (Previous year: 280,000 Equity Shares and 01 April 2016: 280,000 Equity Shares) Equity Shares of Chameleon Commodities Private Limited of ₹ 10 each fully paid up.	2,982,000	2,982,000	2,982,000
465,000 (Previous year: 465,000 Equity Shares and 01 April 2016: 465,000 Equity Shares) Equity Shares of Grandeur Corporation Private Limited of ₹ 10 each fully paid up.	4,650,000	4,650,000	4,650,000
300,000 (Previous year: 300,000 Equity Shares and 01 April 2016: 300,000 Equity Shares) Equity Shares of Sadgati Investments and Trading Company Private Limited of ₹ 10 each fully paid up.	3,000,000	3,000,000	3,000,000
4,800 (Previous year: 4,800 Equity Shares and 01 April 2016: 4,800 Equity Shares) Equity Shares of SMG Risk Management Private Limited of ₹ 10 each fully paid up.	600,000	600,000	600,000
Sub-Total	20,268,280	20,268,280	20,268,280
<b>Current Investments</b>			
<b>Unquoted investments in Mutual Funds at FVTPL</b>			
HDFC - Annual Interval Fund Series 1 Plan-B Direct Growth	-	79,174,192	73,767,455
HDFC - Cash Management Fund Saving Plan - Growth Option	34,282,716	-	-
HDFC - Floating Rate Income Fund - STP - Direct Plan - Growth Option	7,618,462	7,111,238	6,544,711
HDFC - Liquid Fund Direct Plan Growth Option	-	133,455,724	124,359,363
HDFC - Liquid Fund Direct Plan - Dividend Daily Reinvest	39,913,465	57,873,386	55,202,539
Sub-Total	81,814,643	277,614,540	259,874,068
<b>Total</b>	<b>102,082,923</b>	<b>297,882,820</b>	<b>280,142,348</b>
<b>Note:</b>			
<b>3(a) Investments disclosure</b>			
Aggregate amount of Unquoted Investment	102,082,923	297,882,820	280,142,348
Aggregate amount of Impairment in the value of Investment	-	-	-



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2018

(Amount in ₹)

	As at 31 March 18	As at 31 March 17	As at 01 April 16
<b>Note 4</b>			
<b>Deferred Tax Assets (net)</b>			
<b>a) Assets</b>			
Provision for Gratuity and compensated Absences	363,839	-	-
Depreciation / Amortisation	-	6,397,257	6,397,257
Sub-Total	363,839	6,397,257	6,397,257
<b>b) Liabilities</b>			
Depreciation / Amortisation	14,123,533	-	-
Brought Forward Business Losses / Unabsorbed Depreciation	15,322,659	-	-
Sub-Total	29,446,191	-	-
<b>Total</b>	<b>-</b>	<b>6,397,257</b>	<b>6,397,257</b>

Notes:- Refer Note 25.

**Note 5****Non Current Financial Assets - Other**

Advance for Capital Goods	-	-	1,792,804
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,792,804</b>

**Note 6****Inventories**

(valued at lower of cost or net realisable value, whichever is lower)

Finished Goods [Refer Note below]	200,000	5,924,794	5,984,640
Securities	2,964,000	2,964,000	2,889,900
<b>Total</b>	<b>3,164,000</b>	<b>8,888,794</b>	<b>8,874,540</b>

**Note:**

Inventory write downs are accounted, considering the nature of inventory, ageing and net realisable value. Write-downs of inventories to net realisable value amounted to ₹ 5,724,794 (Previous year: Nil and 01 April 2016: Nil). These write down were recognised as an expense during the year and included in 'Other Expenses' in the Statement of Profit and Loss.

**Note 7****Cash and Cash Equivalents**

Cash on hand	1,649,000	588,558	964,538
Balances with Banks			
- in current accounts	1,014,769	2,134,503	11,305,855
<b>Total</b>	<b>2,663,769</b>	<b>2,723,061</b>	<b>12,270,393</b>

## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2018

(Amount in ₹)

	As at 31 March 18	As at 31 March 17	As at 01 April 16
<b>Note 8</b>			
<b>Current Financial Assets - Loans</b>			
(Unsecured, considered good, unless otherwise stated)			
Advances to Employees	427,000	1,165,000	1,155,000
Loan to Body Corporates	200,000,000	-	-
Others Receivables	36,330	28,089	27,747
<b>Total</b>	<b>200,463,330</b>	<b>1,193,089</b>	<b>1,182,747</b>
<b>Note 9</b>			
<b>Current Financial Assets - Others</b>			
(Unsecured, considered good, unless otherwise stated)			
Sundry Deposits	-	409,800	409,800
Interest Accrued and due on Borrowings	6,124,930	-	-
<b>Total</b>	<b>6,124,930</b>	<b>409,800</b>	<b>409,800</b>
<b>Note 10</b>			
<b>Equity Share Capital</b>			
<b>Authorised</b>			
30,000,000 Equity Shares (Previous year: 30,000,000 Equity Shares and 01 April 2016: 30,000,000 Equity Shares) of ₹ 10/- each	300,000,000	300,000,000	300,000,000
<b>Issued, Subscribed and Fully Paid up</b>			
12,240,000 Equity shares (Previous year: 12,240,000 Equity shares and 01 April 2016: 12,240,000 Equity Shares) of ₹ 10/- each fully paid up	122,400,000	122,400,000	122,400,000
<b>Total</b>	<b>122,400,000</b>	<b>122,400,000</b>	<b>122,400,000</b>
<b>a) Reconciliation of number of Equity Shares</b>			
Balance as at the beginning of the year	12,240,000	12,240,000	12,240,000
Add : Issued during the year	-	-	-
Balance as at the end of the year	<b>12,240,000</b>	<b>12,240,000</b>	<b>12,240,000</b>



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2018

### b) Shareholders holding more than 5% of the Equity Shares:

Name of the Shareholder	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Priyanka Finance Private Limited	2,274,373	18.58%	-	-	-	-
Vijay K Choraria	2,000,000	16.34%	2,000,000	16.34%	-	-
JMS Mining Services Private Limited	2,261,938	18.48%	2,261,938	18.48%	-	-
Rajen Kapil Desai	-	-	-	-	1,759,396	14.37%

### c) Rights, preferences and restrictions attached to shares:

The Company has only one class of equity shares having face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. Equity shares holders are also entitled to dividend as and when proposed by the Board of Directors and approved by Share holders in Annual General Meeting. In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all Preferential amounts which shall be in proportion to the number of shares held by the Shareholders.

(Amount in ₹)

	As at 31 March 18	As at 31 March 17	As at 01 April 16
<b>Note 11</b>			
<b>Non Current Provisions</b>			
Provision for Gratuity (Refer Note 28)	1,339,977	1,219,692	990,804
Provision for Compensated Absences (Refer Note 28)	43,383	42,621	37,024
<b>Total</b>	<b>1,383,360</b>	<b>1,262,313</b>	<b>1,027,828</b>
<b>Note 12</b>			
<b>Current Provisions</b>			
Provision for Gratuity (Refer Note 28)	15,608	33,435	18,980
Provision for Compensated Absences (Refer Note 28)	412	704	639
<b>Total</b>	<b>16,020</b>	<b>34,139</b>	<b>19,619</b>
<b>Note 13</b>			
<b>Other Current Liabilities</b>			
Statutory Dues	55,507	41,725	28,495
MSEB Dues Liability	-	-	1,754,430
Other Liabilities	275,255	274,374	250,771
<b>Total</b>	<b>330,762</b>	<b>316,099</b>	<b>2,033,696</b>

## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2018

(Amount in ₹)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Note 14</b>		
<b>Other Income</b>		
Income from Investments	9,272,114	15,069,624
Dividend on Mutual Funds	2,040,079	2,670,846
Inter-Corporate Deposit Interest	9,797,259	-
Long Term Capital gain on Sale of Shares	-	27,288
Mark to Market Gain / (Loss) on Inventories	-	74,100
<b>Total</b>	<b>21,109,452</b>	<b>17,841,858</b>
<b>Note 15</b>		
<b>Cost of Material Consumed</b>		
Opening Stock of Finished Goods	5,924,794	5,992,410
Less: Closing Stock of Finished Goods	(200,000)	(5,932,564)
Less: Revaluation of Inventories	(5,724,794)	-
<b>Total</b>	<b>-</b>	<b>59,846</b>
Write down of Inventory to Net Realisable Value (Refer Note 6)	5,724,794	-
<b>Note 16</b>		
<b>Employee Benefits</b>		
Salaries and bonus	2,195,204	1,998,294
Contribution to Provident Fund	37,644	36,500
Director's Remuneration & Sitting Fees	392,425	336,400
Gratuity and Compensated Absences Expense	175,257	156,021
Security Charges	656,832	602,400
Staff Welfare Expenses	41,242	39,576
<b>Total</b>	<b>3,498,604</b>	<b>3,169,191</b>
<b>Note 17</b>		
<b>Finance Charges</b>		
Bank Charges	814	863
Interest Expenses	1,820	821
<b>Total</b>	<b>2,634</b>	<b>1,684</b>



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2018

(Amount in ₹)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Other expenses</b>		
Rent, Rates & Taxes	138,027	74,711
Bond & License Cancellation Charges	952,000	280,000
Printing and Stationery Expenses	142,946	145,995
Courier and Postage Expenses	219,470	124,246
Communication Expenses	116,217	131,103
Advertisement Expenses	94,908	53,579
AGM & Other Meeting Fees	162,025	119,013
Conveyance Expenses	242,073	276,075
Legal and Professional Fees	2,379,552	2,372,261
Dematerialisation and Listing Charges	492,736	449,140
Land Development Charges	500,000	-
Motor Car Expenses	146,683	245,800
Office / Factory Expenses	256,827	151,485
Repairs and Maintenance Expenses	15,602	9,310
Payment to auditors [Refer Note 18(a) below]	111,510	90,000
Revaluation of Inventories	5,724,794	-
Advances written off [Refer Note 18(b) below]	1,000,000	1,792,804
Security deposit written off	400,000	-
Miscellaneous Expenses	321,650	302,807
<b>Total</b>	<b>13,417,020</b>	<b>6,618,329</b>

**Notes:-****18(a) - Auditor's Remuneration**

Statutory Audit Fees	111,510	90,000
<b>Total</b>	<b>111,510</b>	<b>90,000</b>

18 (b) - During the financial year 2016-17, advance payment of ₹ 1,792,804, towards acquisition of land at Maval, Talegaon, no more being recoverable, had been written off.

**19. Fair value measurements**Financial instruments by category:

All financial assets and financial liabilities of the Company are under the amortised cost measurement category at each of the reporting dates except quoted non-current investments and current investments, which are recognised and measured at fair value through profit or loss .

**Fair value hierarchy**

The following table provides the fair value measurement hierarchy of Company's financial assets and financial liabilities



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2018

(Amount in ₹)

Category	31 March 2018				
	Non- Current	Current	Level 1	Level 2	Level 3
<b>Financial Assets</b>					
FVTPL Investments	-	81,814,643	-	81,814,643	-
Other Investments	20,268,280	-	-	20,268,280	-
Other financial assets	-	6,124,930	-	-	6,124,930
Inventories	-	3,164,000	-	-	3,164,000
Cash and Cash Equivalents	-	2,663,769	-	-	2,663,769
Loans	-	200,463,330	-	-	200,463,330
<b>Total</b>	<b>20,268,280</b>	<b>294,230,672</b>	<b>-</b>	<b>102,082,923</b>	<b>212,416,029</b>
<b>Financial Liabilities</b>	-	-	-	-	-

Category	31 March 2017				
	Non- Current	Current	Level 1	Level 2	Level 3
<b>Financial Assets</b>					
FVTPL Investments	-	277,614,540	-	277,614,540	-
Other Investments	20,268,280	-	-	20,268,280	-
Other financial assets	-	409,800	-	-	409,800
Inventories	-	245,669,815	-	-	245,669,815
Cash and Cash Equivalents	-	2,723,061	-	-	2,723,061
Loans	-	1,193,089	-	-	1,193,089
<b>Total</b>	<b>20,268,280</b>	<b>527,610,305</b>	<b>-</b>	<b>297,882,820</b>	<b>249,995,765</b>
<b>Financial Liabilities</b>	-	-	-	-	-

Category	01 April 2016				
	Non- Current	Current	Level 1	Level 2	Level 3
<b>Financial Assets</b>					
FVTPL Investments	-	259,874,068	-	259,874,068	-
Other Investments	20,268,280	-	-	20,268,280	-
Other financial assets	1,792,804	409,800	-	-	2,202,604
Inventories	-	8,874,540	-	-	8,874,540
Cash and Cash Equivalents	-	12,270,393	-	-	12,270,393
Loans	-	1,182,747	-	-	1,182,747
<b>Total</b>	<b>22,061,084</b>	<b>282,611,548</b>	<b>-</b>	<b>280,142,348</b>	<b>24,530,284</b>
<b>Financial Liabilities</b>	-	-	-	-	-

- During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

- The carrying amounts of inventories, loans and other financial assets are considered to be approximately equal to their fair value, since those are current in nature.

### Valuation process

The Company evaluates the fair value of financial assets and financial liabilities on periodic basis using the best and most relevant data available.



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2018

### 20. Financial risk management objectives and policies

The risk management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Management has overall responsibility for the establishment and oversight of the Company's risk management framework. In performing its operating, investing and financing activities, the Company is exposed to the Credit risk, Liquidity risk and Market risk.

#### 20.1 Carrying amount of financial assets and liabilities:

(Amount in ₹)

Particulars	As at 31 March 18	As at 31 March 17	As at 01 April 16
<b>Financial Assets</b>			
Non Current Investments	20,268,280	20,268,280	20,268,280
Other financial assets	-	-	1,792,804
Current Investments	81,814,643	277,614,540	259,874,068
Inventories	3,164,000	8,888,794	8,874,540
Cash and Cash Equivalents	2,663,769	2,723,061	12,270,393
Loans	200,463,330	1,193,089	1,182,747
Other financial assets	6,124,930	409,800	409,800
<b>At end of the year</b>	<b>314,498,952</b>	<b>311,097,563</b>	<b>304,672,632</b>
<b>Financial Liabilities</b>			
<b>At end of the year</b>	-	-	-

#### Market risk

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

#### Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables, and other financial assets. The maximum exposure to credit risk is: the total of the fair value of the financial instruments and the full amount of any loan payable commitment at the end of the reporting year.

The Company's non-listed equity shares and mutual funds investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages this price risk through diversification and by placing limits on individual and total equity instruments. The Company's Board of Directors reviews and approves all equity investment decisions.

Credit risk on cash balances with banks is limited because the counterparties are entities with acceptable credit ratings. Credit risk on other financial assets is limited because the other parties are entities with acceptable credit ratings.

As disclosed in Note 7, cash and cash equivalents balances generally cash on hand and balances held with the bank in current account.

**Exposure to credit risk** Financial asset for which loss allowance is measured using expected credit loss model have been listed in the table 20.1 above.

## **SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2018**

In the opinion of management, Financial assets, Cash and cash equivalent, Balance with Bank, Loans and other financial assets have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated in the balance sheet.

The Company has not recognised any loss allowance as the Company expects that there is no credit loss on trade receivable.

During the year, the Company has incurred an insignificant amount towards Finance cost. Further, the Company does not carry any financial liabilities as at the Balance Sheet date, hence disclosures related to Ind-AS 107, paragraph 33, on exposures to risk, objectives, policies and procedures with regard to financial liabilities are not applicable.

### **21. Capital management**

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

### **22. First time adoption of Ind AS**

#### **First Ind AS Financial statements**

These are the Company's first financial statements prepared in accordance with Ind AS.

The Company has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from 01 April 2017, with a transition date of 01 April 2016. Ind AS 101-First-time Adoption of Indian Accounting Standards requires that all Ind AS and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended 31 March 2018 for the Company, be applied retrospectively and consistently for all financial years presented. Consequently, in preparing these Ind AS financial statements, the Company has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as explained below. The resulting difference in the carrying values of the assets and liabilities as at the transition date between the Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

#### **i Optional exemptions availed**

##### **Deemed cost**

Since, there is no change in the functional currency of the Company, it has opted to continue with the carrying values measured under the previous GAAP and use that carrying value as the deemed cost for property, plant and equipment on the date of transition.

##### **Designation of previously recognised financial instruments**

Ind AS 101 allows an entity to designate investments in equity instruments at FVTPL on the basis of the facts and circumstances at the date of transition to Ind AS.

Company has elected to apply this exemption for its investment in equity instruments.

#### **ii Mandatory exceptions applied**

##### **Estimates**

The estimates as at 1 April 2016 and 31 March 2017 are consistent with those made for the same dates in accordance with previous GAAP (after adjustment to reflect differences if any, in accounting policies) apart from the following items where the application of previous GAAP did not require estimation:



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2018

- (i) Impairment of financial assets based on the expected credit loss model; and
- (ii) Investments in equity instruments carried as FVPL or FVOCI.

The estimates used by the Company to present the amounts in accordance with Ind AS reflect conditions that existed at the date on transition to Ind AS.

### De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has applied the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

### Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

### iii Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101:

- a) Reconciliation of Total Comprehensive Income for the year ended 31 March 2017;
- b) Reconciliation of Equity as at 01 April 2016 and as at 31 March 2017;
- c) Adjustments to Statement of Cash Flows.

#### 22. iii (a) Reconciliation of Total Comprehensive Income for the year ended 31 March 2017

Particulars	Note	Year ended 31 March 2017 (Amount in ₹)
<b>Net loss for the period under erstwhile Indian GAAP</b>		<b>(4,122,615)</b>
Mark to Market Gain on Inventories	A.1	74,100
Restatement of Gratuity and Compensated Absences liability based on actuarial valuation as per Ind-AS 19, Employee Benefits'	A.2	101,613
Rectification of prior period errors	A.3	1,759,108
<b>Net loss for the period under Ind AS</b>		<b>(2,187,794)</b>
Other comprehensive income (net of tax)	A.4	(92,984)
<b>Total comprehensive income</b>		<b>(2,280,778)</b>

#### 22. iii (b) Reconciliation of Equity as at 01 April 2016 and as at 31 March 2017

(Amount in ₹)

Particulars	Note	As at 31 March 2017	As at 01 April 2016
<b>Equity under erstwhile Indian GAAP</b>		<b>379,821,698</b>	<b>383,944,313</b>
Mark to Market Gain on Inventories	A.1	(834,611)	(908,711)
Restatement of Gratuity and Compensated Absences liability based on actuarial valuation as per Ind-AS 19, Employee Benefits'	A.2	906,574	897,945
Rectification of prior period errors	A.3	-	(1,759,108)
<b>Equity under Ind AS</b>		<b>379,893,661</b>	<b>382,174,439</b>

## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2018

### 22. iii (c) Adjustments to Statement of Cash Flows for the year ended 31 March 2017

All the adjustments on account of Ind AS are non - cash in nature and hence, there is no material impact on the cash flows in the cash flow statement.

#### A.1 Fair Valuation of Inventories

Under the previous GAAP, inventory of securities were valued at cost, as certified by the management. Under Ind-AS, these inventories are required to be measured at fair value less costs to sell. The resulting fair value changes of inventories have been recognised in retained earnings ₹ 908,711 as at 01 April 2016 and subsequently in the Statement of Profit and Loss for the year ended 31 March 2016.

A.2 During the year, management has determined the Gratuity and Compensated Absences liability based on Actuarial Valuation as per Ind-AS 19, 'Employee Benefits'. The restated liability has been recorded and the impact of restatement has been recorded in the Statement of Profit and Loss for the respective years.

A.3 During the financial year 2016-17, the Company paid ₹ 1,754,430 towards settlement of Maharashtra State Electricity Distribution Company Limited (MSEDCL) dues pertaining to period prior to 30 December 2000, under the 'Amnesty Scheme for PD consumer 2016-17'. This expenditure has been corrected by restating the Retained Earnings and Liabilities as at 01 April 2015.

A.4 Under Ind AS, all items of income and expense recognised in period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Item of income and expense that are not recognised in profit or loss but are shown in Statement of Profit and Loss as "Other comprehensive income" includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

Impact of recognising actuarial gains / losses on defined benefit obligations in other comprehensive income (OCI):-

**Indian GAAP** - Actuarial gains / losses on defined benefit obligations is recognised in Statement of Profit and Loss

**Ind AS** - Actuarial gains / losses on defined benefit obligations is recognised in other comprehensive income.

Consequently, actuarial loss of ₹ 92,984 has been recognised in OCI.

#### Note 23 Contingent Liabilities

Particulars	As at 31 March 2018	As at 31 March 2017
(i) Excise Duty	-	400,000
(ii) MSEB Dues (net of deposits)	-	-
<b>Total</b>	-	<b>400,000</b>

**Note 24** During the financial year 2017-18 and 2016-17, the Company does not have revenue from operations and hence for the purpose of disclosure of segment information as per Ind-AS 108, 'Operating Segments', the Company does not have a business segment. Further, the Company operates in India and accordingly no disclosures are required under secondary segment reporting.

**Note 25** The Company has suspended its operation. In view thereof and in consideration of prudence, the Company has not recognised Deferred Tax Asset in respect of set off of available losses and timing differences.



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2018

### Note 26

#### Related Party Disclosures:

As per Ind-AS 24 "Related party Disclosures", disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

#### i) Names of related parties and description of relationship:

Name of the Related Party	Designation	Relationship
Bina Sanjeev Shah	Director	Key Management Personnel (KMP)
Rajen Kapil Desai	Director	
Neerav Bharat Merchant	Director	
Dilip Shripati Shinde	Director	
Vinayak Vengulekar	Director (upto 31 January 2017)	
Mukesh Jagat Jethwani	Director (since 25 September 2017)	
Mirza Saeed Nazir Kazi	Director (since 25 September 2017)	
Neeraja Deepak Karandikar	Company Secretary	
Mukesh Chandrakant Garach	Chief Financial Officer	

#### ii) Disclosures of transactions between the Company and its related parties, along with outstanding balances as at year end:

Particulars	Name of the Party	Nature of relationship	Amount in ₹
1) Remuneration / Director's sitting fees	Bina Sanjeev Shah	KMP	45,000 (30,000)
	Rajen Kapil Desai	KMP	45,000 (30,000)
	Neerav Bharat Merchant	KMP	45,000 (30,000)
	Vinayak Vengulekar	KMP	- (20,000)
	Dilip Shripati Shinde	KMP	210,875 (210,000)
	Mukesh Jagat Jethwani	KMP	10,000 -
	Mirza Saeed Nazir Kazi	KMP	10,000 -
	Neeraja Deepak Karandikar	KMP	120,000 (120,000)
	Mukesh Chandrakant Garach	KMP	338,496 (286,058)

**Note:** Figures in brackets represents Previous Year's amount.

#### **Compensation of key management personnel of the Company**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
<u>Short-term employee benefits:</u>		
- Salaries including Bonuses and Directors Sitting Fees	824,371	726,058

## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2018

### iii) Balance as at year end:

Name of the Party	Nature of relationship	Financial Year ended	(Amount in ₹)
Dilip Shripati Shinde	KMP	31-Mar-18	18,375
		31-Mar-17	17,500
		01-Apr-16	17,500

### Note 27 Earnings per share (EPS)

The amount considered in ascertaining the Company's earnings per share constitutes the net profit after tax and includes post tax effect of any exceptional items. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares which could have been issued on conversion of all dilutive potential shares.

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Net loss after tax attributable to equity shareholders (In ₹)	(11,896,175)	(2,187,794)
Weighted average number of shares outstanding during the year – Basic and Diluted	12,240,000	12,240,000
Basic and Diluted earnings per share (In ₹)	(0.97)	(0.18)
Nominal value per equity share (In ₹)	10.00	10.00

### Note 28

#### Employee Benefits Obligations

As per Ind-AS 19, "Employee Benefits", the disclosures as defined in the Accounting Standard are given below :

#### Defined Contribution Plans:

The Company offers its employees defined contribution plan in the form of provident fund, family pension fund and superannuation fund. Provident fund, family pension fund cover substantially for all regular employees. Contributions are paid during the year into separate funds. While both the employees and the company pay predetermined contributions into the provident fund and pension fund, no fund has been created by the Company for gratuity. The company's contribution to the provident fund and family pension fund has been charged to Statement of Profit and Loss.

Contribution to Defined Contribution Plans, recognised as expense for the year is as under :

Particulars	(Amount in ₹)	
	2017-18	2016-17
Employer's Contribution to Provident Fund	9,684	9,684
Employer's Contribution to Pension Scheme	21,996	21,996

#### Defined Benefit Plans:

The Company offers its employees defined benefit plans in the form of gratuity (a lump sum amount). Benefits under the defined benefit plans are based on years of service and the employees last drawn salary immediately before exit. The gratuity scheme covers substantially all regular employees. However the Company has not created any fund in accordance with the scheme. Commitments are actuarially determined at year end. On adoption of the revised Accounting Standard (AS15) on "Employee Benefits", Actuarial valuation is done based on "Projected Unit Credit Method". Gains and loss of changed actuarial assumptions are charged to Statement of Profit & Loss. The obligation for leave Encashment benefits is recognized in the manner similar to Gratuity.



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2018

The defined benefits as below:

- i) Reconciliation of fair value of assets and obligations:

(Amount in ₹)

Particulars	Gratuity (Non funded)		Leave Encashment (Non funded)	
	2017-18	2016-17	2017-18	2016-17
Present value of obligation	1,355,585	1,253,127	43,795	43,325
Fair Value of Plan Assets	-	-	-	-
<b>Net Liability recognized in the Balance Sheet</b>	<b>1,355,585</b>	<b>1,253,127</b>	<b>43,795</b>	<b>43,325</b>

- ii) The Company has not created any fund into which contributions are made. Hence the disclosure related to Return on Plan Assets is not applicable.

- iii) Expenses recognised during the year in the Statement of Profit and Loss:

(Amount in ₹)

Particulars	Gratuity (Non funded)		Leave Encashment (Non funded)	
	2017-18	2016-17	2017-18	2016-17
Current Service Cost	82,933	69,879	46,501	40,665
Net Interest Cost	91,854	80,480	3,176	3,002
Expected Return on Plan Assets	-	-	-	-
Benefits paid directly	-	-	-	-
<b>Expense recognized in the Statement of Profit and Loss</b>	<b>174,787</b>	<b>150,359</b>	<b>49,677</b>	<b>43,667</b>

- iv) Other Comprehensive Income (OCI):

(Amount in ₹)

Particulars	Gratuity (Non funded)		Leave Encashment (Non funded)	
	2017-18	2016-17	2017-18	2016-17
Actuarial (Gain) / Loss recognised or the period	(72,329)	92,984	(49,207)	(38,005)
Return on Plan Assets excluding net interest	-	-	-	-
Unrecognised Actuarial (Gain) / Loss from previous period	-	-	-	-
<b>Total Actuarial (Gain) / Loss recognised in OCI</b>	<b>(72,329)</b>	<b>92,984</b>	<b>(49,207)</b>	<b>(38,005)</b>

- v) Movements in the Liability recognised in Balance Sheet:

Particulars	Gratuity (Non funded)		Leave Encashment (Non funded)	
	2017-18	2016-17	2017-18	2016-17
Opening Net Liability	1,253,127	1,009,784	43,325	37,663
Adjustment to opening balance	-	-	-	-
Expenses as above	174,787	150,359	49,677	43,667
Contribution paid	-	-	-	-
Other Comprehensive Income (OCI)	(72,329)	92,984	(49,207)	(38,005)
<b>Closing Net Liability</b>	<b>1,355,585</b>	<b>1,253,127</b>	<b>43,795</b>	<b>43,325</b>



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2018

Schedule III of the Companies Act, 2013

Particulars	Gratuity (Non funded)		Leave Encashment (Non funded)	
	2017-18	2016-17	2017-18	2016-17
Current Liability	15,608	33,435	412	704
Non-Current Liability	1,339,977	1,219,692	43,383	42,621

- vi) Actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions, which if changed, would affect the defined benefit commitment's size.

(Amount in ₹)

Particulars	Gratuity (Non Funded)		Leave Encashment (Non Funded)	
	2017-18	2016-17	2017-18	2016-17
Mortality table	IALM 2006-08 (Ultimate)			
Interest / Discount Rate	7.68%	7.33%	7.00%	7.00%
Expected Salary Escalation	5.00%	5.00%	6.00%	6.00%
Expected Return on plan assets	-	-	-	-

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

- vii) Amounts recognised in current year and previous three years:

(Amount in ₹)

Particulars	31 March		
	2018	2017	2016
<b>Gratuity</b>			
Defined benefit obligation	1,355,585	1,253,127	1,009,784
Fair value of planned assets	-	-	-
(Surplus) / Deficit in the plan	1,355,585	1,253,127	1,009,784
Actuarial (gain) / loss on plan liabilities	(72,329)	92,984	(289,090)
Actuarial gain / (loss) on plan assets	-	-	-

(Amount in ₹)

Particulars	31 March		
	2018	2017	2016
<b>Leave Encashment</b>			
Defined benefit obligation	43,795	43,325	37,663
Fair value of planned assets	-	-	-
(Surplus) / Deficit in the plan	43,795	43,325	37,663
Actuarial (gain) / loss on plan liabilities	(49,207)	(38,005)	(614,924)
Actuarial gain / (loss) on plan assets	-	-	-

**Note 29**

Additional Information as required under Section 186 (4) of the Companies Act, 2013 during the year

- (a) No Investment made in Body Corporate.  
 (b) No Guarantee is given by the Company.  
 (c) No loan is given by the Company to Body Corporate.



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2018

### Note 30

#### Internal Audit:

During the financial year 2017-18, the Company appointed M/s. L. T. Jadhav & Company, (Chartered Accountants), as Internal Auditor (Membership No. 037240; FRN No.118218W) having Registered Office address at 601, 6th Floor, Madhuban CHS, 51, T.P.S. Road, Borivali (West), Mumbai, 400092. They are eligible for re-appointment during the year also.

### Note 31

The figures of the previous year have been reworked, regrouped, rearranged and reclassified, wherever necessary to conform to the current year presentation.

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As per our report of even date attached  
For Maheshwari & Co.  
(Firm Reg. No. 105834W)  
Chartered Accountants

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

**Krishan Kumar Maloo**  
Partner  
Membership No.075872

**Dilip S. Shinde**  
Director  
[DIN:01763995]

**Rajen K. Desai**  
Director  
[DIN:00382740]

**Mirza Saeed Kazi**  
Director  
[DIN:03348588]

Place: Mumbai  
Date: 30 May 2018

**Mukesh Garach**  
Chief Financial Officer  
(PAN: AEOPG0669M)

**Neeraja Karandikar**  
Company Secretary  
(ACS 10130)





# TRANSCHEM LIMITED

Corporate Identification Number (CIN): L24100MH1976PLC019327

**Registered Office:** 304, Ganatra Estate, Pokhran Road No 1, Khopat, Thane (W) – 400 601.

**Phone:** 022 25477077 **Fax:** 022 25478601

**E-mail:** secretary@transchem.net **website:** transchem.net

## ATTENDANCE SLIP

**41ST ANNUAL GENERAL MEETING ON SATURDAY, THE 22ND DAY OF SEPTEMBER, 2018 AT 9.30 A.M.**

Please complete this attendance slip and hand over at the entrance of the meeting hall

Folio No. /DP ID & Client ID : \_\_\_\_\_

Name : \_\_\_\_\_

Address : \_\_\_\_\_

I certify that I am a registered member/proxy for the registered member of the Company.

I hereby record my presence at the 41st Annual General Meeting at Hotel Ginger (formerly known as Hotel Royal Inn), Gokul Nagar, L B S Marg, Thane (W) – 400 601 On **Saturday, 22 September 2018.**

\_\_\_\_\_  
First / Sole holder / Proxy

\_\_\_\_\_  
Second holder / Proxy

\_\_\_\_\_  
Third holder / Proxy



# TRANSCHEM LIMITED

Corporate Identification Number (CIN): L24100MH1976PLC019327

**Registered Office:** 304, Ganatra Estate, Pokhran Road No 1, Khopat, Thane (W) – 400 601.

**Phone:** 022 25477077 **Fax:** 022 25478601

**E-mail:** secretary@transchem.net **website:** transchem.net

## PROXY FORM Form No. MGT-11

Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(S) : \_\_\_\_\_

Registered address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_

Folio No./DP ID & Client ID : \_\_\_\_\_

I/We, being the member(s) of \_\_\_\_\_ Shares of Transchem Limited, hereby appoint

(1) Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_, or failing him

(2) Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_, or failing him

(3) Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 41st Annual General Meeting of the Company, to be held on the Saturday, 22 September 2018 at 9.30 a.m. at Hotel Ginger (formerly known as Hotel Royal Inn), Gokul Nagar, L B S Marg, Thane (W) – 400 601 and at any adjournment thereof in respect of following resolutions.

1. Approval and adoption of Account for 2017-18
2. Appointment of Mr. Rajen K Desai, Director who retires by rotation
3. Appointment of M/s Maheshwari & Co, Chartered Accountant as Auditors for five financial years from 2018-19 to 2022-23
4. Appointment of Mr. Mukesh Jagat Jethwani (DIN: 01486791) as director
5. Appointment of Mr. Mirza Saeed Kazi (DIN: 03348588) as director
6. Confirmation of appointment of Mr. Dilip S Shinde, Executive Director as made by the Board.



Dated

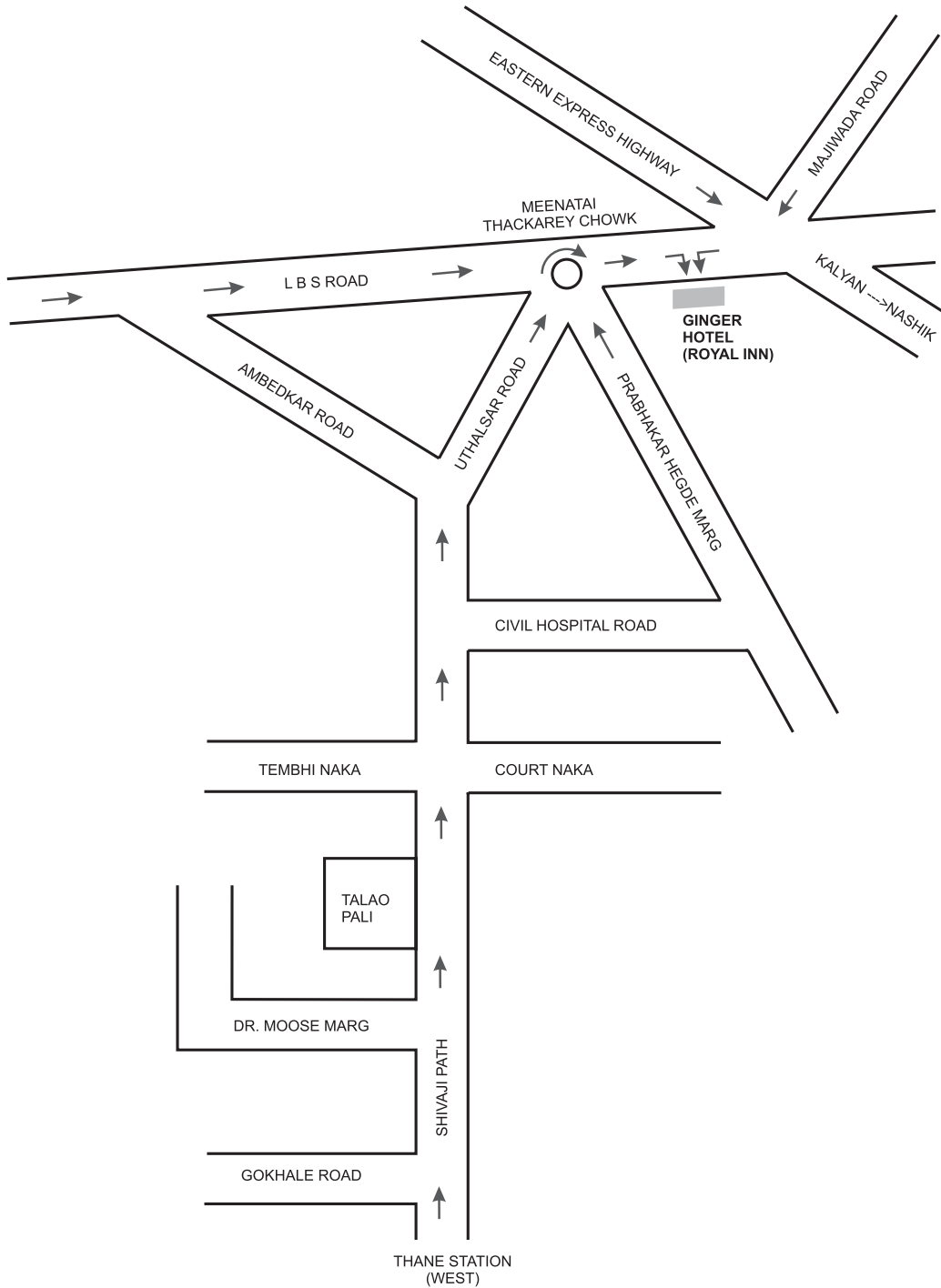
(Signature of shareholder)

(Signature of Proxy)

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



# ROADMAP TO THE VENUE OF AGM





## **TRANSCHEM LIMITED**

**Corporate Identification Number (CIN):** L24100MH1976PLC019327

**Registered Office:** 304, Ganatra Estate, Pokhran Road No 1, Khopat, Thane (W) – 400 601.

**Phone** 022 25477077 **Fax** 022 25478601 **E-mail:** secretary@transchem.net **website:** www.transchem.net