



# TRANSCHEM LIMITED

September 03, 2021

To,  
Corporate Relation Department  
BSE Limited,  
P. J. Towers, 1<sup>st</sup> Floor,  
Dalal Street, New Trading Ring,  
Rotunda Building, Fort,  
**MUMBAI – 400 001.**

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

**SUB: Annual Report for 2020-21**

Dear Sir,

In compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a copy Annual Report of the Company for the financial year ended March 31, 2021.

The Annual Report is also available at the web-site of Company ([www.transchem.net](http://www.transchem.net)).

Hope you will find the same in order.

Thanking you,

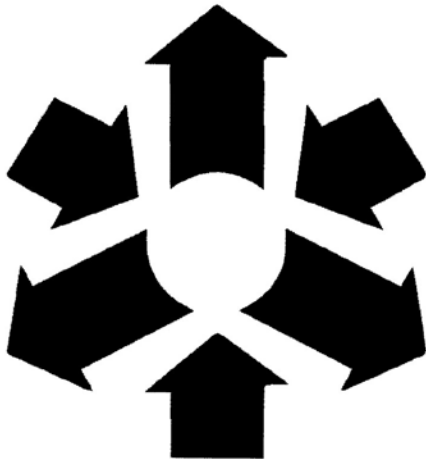
Yours Faithfully  
For **TRANSCHEM LIMITED**

(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 3601 E-mail : [secretary@transchem.net](mailto:secretary@transchem.net) Website : [www.transchem.net](http://www.transchem.net)



# **TRANSCHEM LIMITED**

**44<sup>TH</sup> ANNUAL REPORT 2020-2021**





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**BOARD OF DIRECTORS:**

Mrs. Bina Shah	- Chairperson, Independent Director
Mr. Mukesh Jagat Jethwani	- Non-Executive Director
Mr. Mirza Saeed Kazi	- Non-Executive Director
Mr. Neerav B. Merchant	- Independent Director
Mr. Mahesh S. Rananavre	- Whole Time Director (with effect from June 01, 2021)
Mr. Dilip S. Shinde	- Whole Time Director (expired on March 30, 2021)

**CHIEF FINANCIAL OFFICER** - Mr. Mukesh Garach

**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.

**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-Fourth Annual General Meeting of the Member of **TRANSCHEM LIMITED** will be held on Saturday, the September 25, 2021 through Video Conferencing / Other Audio Visual Means at 11.00 am to transact the following businesses, the deemed venue for the meeting will be Registered Office of the Company:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2021, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Mirza Saeed Kazi, Director (DIN: 03348588), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### 3. 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 all other applicable provision of the Companies Act, 2013 (“the Act”) read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory Modification(s) or re-enactment thereof for the time being in force), Regulation 17 and all other applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (hereinafter referred to as “SEBI Listing Regulations”) and based on the recommendations of the Nomination and Remuneration Committee and Board of Directors of the Company in their respective meetings held on May 29, 2021 and subject to such other regulatory approvals required, if any, Mr. Mahesh Suresh Ranavre (DIN 08296631), who has been appointed as additional director by the Board in its meeting held on May 29, 2021 be and is hereby appointed as a Director of the Company liable to retire by rotation.”

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

“**RESOLVED THAT** pursuant to Section 196, 197, 203 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 (including any statutory Modification(s) or re-enactment thereof for the time being in force) and pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “SEBI Listing Regulations”) the appointment of Mr. Mahesh Suresh Ranavre (DIN 08296631) Whole Time Director of the Company, as made by the Board of Directors of the Company based on the recommendations of the Nomination and Remuneration Committee in its meeting held on May 29, 2021 for a period of five years effective June 01, 2021 on terms and conditions as set out in the explanatory statement be and is hereby approved and confirmed.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution all the directors and Company Secretary be and are hereby jointly and severally authorized to do all such acts, deeds, matters and things and to take all such steps which are necessary, expedient and desirable to give effect to the resolution.

For **TRANSCHEM LIMITED**

**Place:** Mumbai  
**Date:** May 29, 2021

**(Neeraja Karandikar)**  
**Company Secretary**

### Notes:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021, in relation to “Clarification on holding of Annual General Meeting (“AGM”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”) and all other relevant circulars issued from time to time (collectively



referred to as “MCA Circulars”) and Securities and Exchange Board of India vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, in relation to “relaxation in relation to compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: COVID-19 pandemic (“SEBI Circulars”) and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/re-appointment at this AGM is annexed.
3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the Members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
4. Institutional/ Corporate Shareholders (i.e. other than individuals/ HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/ OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by e-mail through its registered e-mail address to amitavijay1994@gmail.com with a copy marked to evoting@nsdl.co.in.
5. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company’s Registrar and Transfer Agent, Adroit Corporate Services Private Limited (Adroit) for assistance in this regard.
6. To support the ‘Green Initiative’, Members who have not yet registered their e-mail addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Adroit in case the shares are held by them in physical form.
7. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Adroit in case the shares are held by them in physical form.
8. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to Adroit in case the shares are held in physical form.
9. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Adroit, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
10. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
11. The Company has appointed Mrs. Amita Saxena, Company Secretary in practice, (FCS-3964, COP-3438) to conduct e-voting process in fair and transparent manner.
12. At the Forty First AGM held on September 22, 2018 the Members approved appointment of M/s. Maheshwari & Co, Chartered Accountants, (Firm Registration No. 105834W) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the Forty-Sixth AGM. The requirement

to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM.

13. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
14. Statement pursuant to Section 102 (1) of the Act setting out the material facts concerning each item of special business i.e. Item Nos. 3 and 4 set out in the Notice is annexed hereto.
15. Instructions for e-voting and joining the AGM are as follows:

#### **A. VOTING THROUGH ELECTRONIC MEANS**

1. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
2. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
3. Pursuant to the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Regulations (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-Voting on the date of the AGM will be provided by NSDL.
4. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.transchem.net](http://www.transchem.net). The Notice can also be accessed from the websites of the BSE Limited, the Stock Exchange at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

#### **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

The remote e-voting period begins on Wednesday, September 22, 2021 at 9:00 A.M. (IST) and ends on Friday, September 24, 2021 at 5:00 P.M. (IST) The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 18, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 18, 2021.

#### **How do I vote electronically using NSDL e-Voting system?**

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





#### **Step 1: Access to NSDL e-Voting system**

##### **A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.



Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. If you are already registered for <b>NSDL IDeAS facility</b>, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “<b>Beneficial Owner</b>” icon under “Login” which is available under “<b>IDeAS</b>” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS</b>” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center; margin-top: 10px;"> <p><b>NSDL Mobile App is available on</b></p> <p> <b>App Store</b>     <b>Google Play</b></p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div> </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>



Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**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 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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. Password details for shareholders other than Individual shareholders 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, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - c) 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 etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
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.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. 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 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 no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in

### Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-Voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretary@transchem.net
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretary@transchem.net . If you are an individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, individual shareholder holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.



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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join General meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at secretary@transchem.net. The same will be replied by the company suitably.

**Other Instructions**

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, within two working days after 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 authorised by her in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.transchem.net and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.

### Explanatory Statement

**The Explanatory Statement pursuant to Section 102 of the Act given hereunder sets out all material facts relating to the Special Businesses to be transacted at the AGM as mentioned in the accompanying notice**

#### **ITEM NO. 3 and 4:**

To fill the vacancy of Whole Time Director, caused upon sad demise of Mr. Dilip S Shinde (DIN 01763995) the Board at its meeting held on May 29, 2021, on the recommendation of Nomination and Remuneration Committee, had appointed Mr. Mahesh Suresh Rananavre (DIN 08296631) as an additional director and designated him as Whole Time Director of the Company effective June 01, 2021.

Pursuant to Section 161 of "the Act" the appointment of Mr. Mahesh Suresh Rananavre as additional director would conclude on the conclusion of ensuing annual general meeting of the Company. In terms of Section 160 of the Act and based on the recommendations of the Nomination and Remuneration Committee, the Board recommends to appoint him as the director of the Company by consenting to the resolution as set out at item No. 3.

Mr. Mahesh Suresh Rananavre, Whole Time Director is a Commerce Graduate and having experience of about eighteen years in the field of Finance and Accounts. Keeping in view his knowledge and expertise, Board of Directors on the recommendation of Nomination and Remuneration Committee has appointed him as the Whole Time Director for a period of five years with effect from June 01, 2021 on the following terms and conditions:

1. Salary : As may be decided by the Board on the recommendation of Nomination and Remuneration Committee subject to the condition that the same should not exceed ₹ 100,000/- per month
2. Perquisites : Mr. Mahesh Suresh Rananavre will be entitled to the perquisites / benefits of residential accommodation or house rent allowance in lieu thereof and other allowances in accordance with the rules of the Company subject to limit of an amount equal to his annual salary per annum.

The above may be treated as an abstract of the terms of appointment and memorandum of concern or interest, pursuant to Section 190 of the Act, as well as disclosure under SEBI Listing Regulations and Secretarial Standard 2 (SS-2)

Except Mr. Mahesh Suresh Rananavre, none of the other directors and key managerial personnel of the Company and their relatives is concerned or interested financially or otherwise, in the resolutions set out at item Nos. 3 and 4 of the Notice.

Your Directors recommend the resolutions for your approval.

For **TRANSCHEM LIMITED**

**Place : Mumbai**  
**Date : May 29, 2021**

**(Neeraja Karandikar)**  
**Company Secretary**

**Annexure A:**

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. Mirza Saeed Kazi	Mr. Mahesh Suresh Rananavre
DIN	03348588	08296631
Date of Birth, (Age)	March 27, 1976 45 years	March 17, 1982 39 years
Qualification	Bachelor of Commerce	Bachelor of Commerce
Expertise	Finance and Accounts	Finance and Accounts
No. of Directorships held in other Public Companies (Excluding Private Companies)	Nil	Nil
Chairman/ membership of other Companies	Nil	Nil
Shareholding	Nil	Nil
Relationship with Directors & KMP	Nil	Nil
Date of first appointment on Board	September 25, 2017	May 29, 2021
Terms and Conditions for reappointment	Appointment on account of retirement by rotation.	To be appointed as director and to confirm his appointment as Whole Time Director for 5 years effective June 01, 2021
Remuneration	No Remuneration, only sitting fee for attending Board meetings	As specified in the resolution and explanatory statement

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- Fourth Annual Report**, together with the Audited Financial Statements of your Company for the financial year ended March 31, 2021.

### Financial Results

(₹ in lakhs)

Particulars	Current year ended March 31, 2021	Previous year ended March 31, 2020
Income	437.33	275.97
Gain on sale of Property, Plant and Equipment	2,245.90	-
Gross Profit before Depreciation & Tax	2,489.39	136.59
Depreciation	12.43	57.34
Tax Expenses	61.95	38.30
Net Profit/ (Loss) after Tax	2,415.01	40.96
Other Comprehensive Income/(Loss) for the year, Net of Taxes	202.63	(162.12)
Total Comprehensive Income/(Loss) for the year	2,617.64	(121.16)

### Review of Business Operations

During the financial year under review the Company has monetized its Mushroom Plant situated at Gat No. 379, Village Bebadohol, Pune and recognized the gain on sale of Property, Plant and Equipment in its Statement of Profit and Loss. The management of the Company is looking for new business opportunities and has temporarily invested the funds in short term treasury operations

### Dividend and Reserves

Your Directors have not recommended any dividend to the equity shareholders. Further no amount has been transferred to reserve as well.

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

There was no change in the nature of business of the Company 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

No material changes and commitments affecting the financial position of the Company have occurred in the Company since the end of Financial Year 2020-21 till the date of this 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 significant and/or material order passed by the regulators or courts or tribunals 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 has become or ceased to be subsidiary, joint venture or associate of the Company.

### Directors Responsibility Statement

Pursuant to sub section 3-(c) of Section 134 of the Companies Act, 2013 ("the Act") the Board of Directors of the Company hereby state and confirm that:

- (i) in the preparation of annual accounts, applicable Indian 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 the Profit of the Company for the year;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the 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**

Following were the changes with respect to directorships on the Board of the Company during the financial year ended March 31, 2021

- a) Mr. Rajen K Desai (DIN: 00382740), non-executive director resigned on May 20, 2020 citing health reasons.
- b) Mr. Dilip S Shinde (DIN: 01763995), Whole Time Director of the Company, expired on March 30, 2021 due to heart attack.

To fill the vacancy of Whole Time Director, based on the recommendations of the Nomination and Remuneration Committee of the Company, the Board has appointed Mr. Mahesh Ranavre (DIN 08296631) as an additional director in its meeting held on May 29, 2021 and then Whole Time Director for five years effective June 01, 2021 subject to approval of shareholders at the ensuing annual general meeting on a remuneration well within the limit specified in Section II of Part II of Schedule V of the Act.

In terms of the provisions of Section 152(6) of the Act, Mr. Mirza Saeed Kazi (DIN 03348588), Director of the Company, shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Apart from the above there was no change in directors.

### **Key Managerial Personnel**

Pursuant to the provisions of Section 203 of the Act read with the rules made there under, the following employees are the key managerial personnel of the Company:

1. Mr. Mahesh S. Ranavre – Whole-Time Director (with effect from June 01, 2021, subject to approval of shareholders at ensuing AGM of the Company);
2. Mr. Mukesh Garach – Chief Financial Officer;
3. Ms. Neeraja Karandikar – Company Secretary and Compliance Officer.

### **Evaluation of Board, it's Committees and Individual Directors**

Your Company has devised a formal process for annual evaluation of performance of the Board, its Committees and Individual Directors ("Performance Evaluation"). It covers the areas relevant to the functioning as Independent Directors or other Directors, member of Board or Committees of the Board.

The Board reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc. In a separate meeting of independent directors, performance of non-independent directors and the board as a whole was evaluated. The Independent Directors in the said meeting also evaluated the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. Additionally, the Chairperson of the Board was also evaluated on key aspects of her role, taking into account the views of executive directors and non-executive directors. Performance evaluation of independent directors was done by the entire board, excluding the



Independent Director being evaluated as provided in the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

### **Criteria for determining qualifications, positive attributes and independence of a director**

The policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director, and also remuneration for key managerial personnel and other employees as available on the website of the Company at [www.transchem.net](http://www.transchem.net), forms part of the Corporate Governance Report annexed to this Annual Report.

### **Familiarisation programme for the independent directors**

Company is having in place a programme to familiarise the Independent Directors with the Company at the time of their appointment. It is designed to include compliances required from him/ her under the Act, SEBI Listing Regulations and other relevant regulations.

### **Policies of the Company**

The Company is determined in maintaining a good corporate governance practice and has a robust system for smooth and effective functioning of the Board. Various policies have been framed by the Board of Directors as required under the Act and SEBI Listing Regulations in order to follow a uniform system of procedures. These policies are periodically reviewed and updated by the Board of Directors of the Company from time to time. Following are some of the major policies adopted by the Company and placed at its website at [www.transchem.net](http://www.transchem.net):

1. Code of Conduct for Corporate Governance;
2. Code of Conduct for Prevention of Insider Trading;
3. Code of Practice and Procedure for fair disclosure of Un-published Price Sensitive Information;
4. Policy on determination of Material Criteria for Disclosure;
5. Policy on Nomination and Remuneration;
6. Policy on Preservation of documents;
7. Policy on Related Party Transactions;
8. Risk Management Policy;
9. Whistle Blower Policy.

### **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 its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal financial control system in the Company, its compliance with operating systems, accounting procedures, application of the instructions and policies fixed by the senior management of the Company. The Audit Committee reviews the report on Internal Control submitted by the Internal Auditors on a quarterly basis.

Based on the assessment carried out by the Audit Committee, the internal financial controls were adequate and effective and no material weakness or significant deficiencies in the design or operation of internal financial controls were observed during the financial year ended March 31, 2021.

### **Board and Committee Meetings held during the year**

#### **Board Meetings**

The Board of Directors duly met 4 (FOUR) times during the financial year ended March 31, 2021. The dates on which the Board meetings were held are June 30, 2020, August 12, 2020, November 07, 2020 and February 11, 2021. Other details of the Board Meetings, regarding attendance of directors, are furnished in the Corporate Governance Report.



## Board Committees Meetings

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

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

The details of the constitution of aforesaid Committees and meetings held there of during the year ended March 31, 2021 have been provided in the report on Corporate Governance.

## Annual Return and Extract of Annual Return

In compliance with Section 92 (3) and 134(3)(a) of the Act, Annual Return of the Company as at year ended March 31, 2020 has been posted at the web-site of the Company at [www.transchem.net](http://www.transchem.net). A copy of Annual Return for the year ended March 31, 2021 be posted at the website of the Company at [www.transchem.net](http://www.transchem.net) on being filed the same with Registrar of Companies after conclusion of the AGM.

## AUDITORS

### i) Statutory Auditors

M/s. Maheshwari & Co, Chartered Accountants (Firm Registration No. 105834W), were appointed as the Statutory Auditors of the Company for a period of five financial years and to hold office until the conclusion of Forty-Sixth AGM of the Company, to be held in the year 2023.

The Auditors' Report for the financial year ended March 31, 2021 on the financial statements of the Company is a part of this Annual Report. The Auditors' Report does not contain any adverse remark, qualification or reservation.

### ii) 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.

### iii) 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, the Board of Directors has re-appointed CS Amita Saxena (FCS 3964, CP 3438), Practising Company Secretary as the Secretarial Auditor of the Company for the year ended March 31, 2021. The Secretarial Audit Report submitted by her for the year ended March 31, 2021, attached with this report as **Annexure I**. The Secretarial Audit Report does not contain any adverse remark, reservation or qualification.

### iv) Cost Record

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

### v) Internal Auditor

The Board of Directors has re-appointed M/s. L. T. Jadav & Company, (Chartered Accountants), (Membership No. 037240; FRN No. 118218W) as Internal Auditor of the Company for the financial year 2021-22.

## Particulars of Loans, Guarantees or Investments

There was no guarantee given or security provided pursuant to Section 186 of the Act during the financial year under review. The Company has provided loan to other body corporates and made investment in securities of other bodies corporate in compliance with the provisions of the Act.

The details of loan given and investment made during the financial year have been disclosed in the explanatory notes to the financial statements.

## Related Party Transactions

Apart from payment of sitting fee to non-executive directors and remuneration to Key Managerial Personnel 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.

As required under the SEBI Listing Regulations, the Company has formulated a Policy on Related Party Transactions which has been put up on the Company's website [www.transchem.net](http://www.transchem.net).

## Corporate Social Responsibility

Pursuant to Section 135 of the Act, provisions of Corporate Social Responsibility are not applicable to your Company as your Company has not earned net profit of ₹5 crore or more during previous financial year, neither it has the net worth of ₹500 crores or more, nor the turnover of the Company was of ₹1,000 crores or more for the previous financial year.

## Disclosure under the Sexual Harassment of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013

The Company has zero tolerance towards any action on the part of any employee which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to uphold and maintain the dignity of every women employee working in the Company. The Company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees.

The Company is committed to provide an environment, which is free of discrimination, intimidation and abuse. However, since 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 it. It has been notified that in case any employee faces any such incidence she may communicate the same to the Chairperson of Audit Committee for appropriate action.

## 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 Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the code of conduct /business ethics. The vigil mechanism provides for adequate safeguards against victimisation of the Director(s) and employee(s) who avail this mechanism. All Directors and employees have direct access to the Chairperson of the Audit Committee.

## Compliance of Secretarial Standards

The Board of Directors hereby confirms that all the applicable Secretarial Standards have been duly 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 – 0.96 times.

- b. The Percentage increase in remuneration of Director – 21.09 %.
- c. The Percentage increase in remuneration of Chief Financial Officer – 5.00%
- d. The Percentage increase in remuneration of Company Secretary – 6.00%
- e. The percentage increase in the median remuneration of employee – 14.96 %
- f. The number of permanent employee on the roll of Company – 18
- g. 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 percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year is 3.09% and the average percentile increase in the managerial remuneration to the KMP's is 10.62%.
- h. Affirmation that the remuneration is as per the remuneration policy of the company:

Remuneration paid to the employees including KMPs is as per the Remuneration Policy of the Company.

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.

Accordingly disclosure pursuant to Section 197(14) of the Act is not applicable to the Company.

## Deposits

The Company has neither invited nor accepted any deposits which would be covered under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) during the year under review.

## Disclosure on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings/Outgo under Section 134(3)(m) of the Act

### A) Conservation of Energy

- (i) The steps taken or impact on conservation of energy:

The Company, being a responsible corporate citizen, makes conscious efforts to reduce its energy consumption wherever feasible.

- (ii) Steps taken by the Company for utilizing alternate source of energy:

The management is continuously exploring feasible alternate sources of energy.

- (iii) The capital investment on energy conservation equipment:

There is no capital investment on energy conservation equipment during the period under review.

**B) Technology Absorption**

- (i) The efforts made towards technology absorption and benefits derived:

The Company evaluates technology developments on a continuous basis and keep the organisation updated. However, considering the business activities of the Company, the Company did not use any particular technology.

- (ii) The Company has not imported any technology during the year.  
 (iii) The Company has not incurred any expenditure on Research and Development during the period under review.

**C) Foreign Exchange Earnings and Outgo**

There was no foreign exchange earning and outgo during the year under review.

**Corporate Governance and Management Discussion and Analysis**

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 BSE Limited, the Stock Exchange where at its securities are listed and has fully implemented all the requirements as prescribed under the SEBI Listing Regulations. The report on Corporate Governance as stipulated under SEBI Listing Regulations forms part of the Annual Report. The requisite certificate from CS Amita Saxena (FCS 3964, CP 3438), Practicing Company Secretary and Secretarial Auditor of the Company, confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

The aforesaid Certificate does not contain any adverse remark, reservation, qualification or disclaimer remark.

A detailed discussion on the overview of the industry and important changes in the industry during the last year; external environment and economic outlook; induction of strategic and financial partners during the year; business performance, information on the operational and financial performance among others, and future outlook as stipulated under the SEBI Listing Regulations and Section 134(3) is included in the Management Discussion and Analysis Report forming an integral part of the Annual Report.

**Share Capital**

The paid up equity share capital as on March 31, 2021 was ₹ 122,400,000/- divided into 12,240,000 Equity Shares of ₹ 10/- each. The equity share capital of the Company is listed on BSE Limited. The shares are actively traded on BSE Limited and have not been suspended from trading.

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

**Other Disclosures**

- Your Company is not required to obtain credit rating.
- The Company does not have any scheme or provision of money for the purchase of or subscription to its own shares by the employees/ Directors or by trustees for the benefit of the employees/ Directors.
- There is no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.

**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**

(Mahesh S Ranavre)	(Mirza Saeed Kazi)
Director	Director
(DIN 08296631)	(DIN 03348588)

Place: Mumbai  
 Date : May 29, 2021



**ANNEXURE I**  
**FORM No. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[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,  
304, Ganatra Estate,  
Pokhran Road No. 1,  
Khopat, Thane - 400 601.

I have conducted Secretarial Audit of compliance with the applicable statutory provisions and adherence to good corporate practices by **Transchem Limited (L24100MH1976PLC019327)** (hereinafter called 'the Company') for the Financial Year ended March 31, 2021. 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 the Company's books and 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, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended March 31, 2021 complied with 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 and papers, minute books, forms and returns filed and other records made available to me and maintained by the Company for the financial year ended March 31, 2021 according to the applicable provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - Not applicable as there was no reportable event during the financial year under review.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – Not applicable as the Company has not issued any shares during the year under review;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not applicable as the Company has not issued any shares/options to directors/employees under the said guidelines/regulations during the year under review;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 -Not applicable as the Company has not issued any debt securities during the year under review;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 - Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review;

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted / proposed to delist its equity shares during the year under review;
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 -Not applicable as the Company has not bought back / proposed to buy-back any of its securities during the year under review.
  - i) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013- Not applicable as the Company has not issued Non-Convertible and Redeemable Preference Shares;
- (vi) Other laws applicable to the Company: The Company is in the business of growing 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. Further during the year the Company has sold out its undertaking known as "Mushroom Plant" consisting of land, structure, machinery and fixtures therein.

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

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreement entered into with the BSE Limited,

During the period under review and as per the explanations and clarifications given to me and the representations made by the Management, and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India in view of Covid -19 pandemic, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors including Women Director. The Whole Time Director expired on March 30, 2021 and We have been informed that the Company is taking steps to fill the vacancy within the time period as prescribed in the Act;
- Adequate notices were given to all Directors to schedule Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance before the meeting, 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 of the Board and Committees were taken unanimously.

I further report that based on review of compliance mechanism established by the Company and on the basis of representations made by the Management and relied upon by me I am of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

I further report that during the audit period, in the Company, no event occurred that has bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Place: Thane

Date: May 29, 2021

Peer Review Certificate No. 1040/2020 Dt. 24.12.2020

ICSI UDIN : F003964C000390295

(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,  
Transchem Limited,  
304, Ganatra Estate,  
Pokhran Road No. 1,  
Khopat, Thane - 400 601.

My Secretarial Audit Report for the financial year ended March 31, 2021 of even date is to be read along with this letter.

**Management’s Responsibility:**

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Auditor’s Responsibility:**

2. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. I have followed the audit practice 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.
4. I believe that audit evidence and information obtained from the Company’s management is adequate and appropriate for me to provide a basis for my opinion.
5. Wherever required, I have obtained the management’s representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer:**

6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.
7. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

Place: Thane  
Date: May 29, 2021  
Peer Review Certificate No. 1040/2020 Dt. 24.12.2020  
ICSI UDIN : F003964C000390295

(Amita Saxena)  
FCS No: 3964 CP No: 3438



## MANAGEMENT DISCUSSION AND ANALYSIS

### ECONOMIC AND INDUSTRY OVERVIEW

#### GLOBAL ECONOMY

One year into the COVID-19 pandemic, the accumulating human toll continues to raise concerns, even as growing vaccine coverage lifts sentiment. High uncertainty surrounds the global economic outlook, primarily related to the path of the pandemic. The contraction of activity in 2020 was unprecedented in living memory in its speed and synchronized nature. The contradiction would have been much larger if not for extraordinary policy support.

The IMF in its March, 2021 World Economic Outlook (WEO) projected the global economy growing at 6% in 2021 and moderating to 4.4% in 2022. The projections for 2021 and 2022 are stronger than in the October, 2020 WEO, reflecting the additional fiscal support in a few large economies and the anticipated vaccine-powered recovery in the second half of 2021. Most developed and large economies responded to the pandemic by deploying measures to stimulate the economy through liquidity support, tax cuts and other regulatory changes. Thanks to unprecedented policy response, the COVID-19 recession is likely to leave smaller scars than the 2008 global financial crisis. However, emerging market economies and low-income developing countries have been hit harder and are expected to suffer more significant medium-term losses.

COVID-19 continues to spread across the world, launching durable economic recoveries will not be possible until containment is achieved through widespread and equitable vaccination efforts. Emphasis should be on escaping the health crisis by prioritizing healthcare spending on vaccinations, treatments, and healthcare infrastructure. Once the healthcare crisis is averted the policy efforts can focus on the economic recovery.

Although recent vaccine approvals have raised hopes of a turnaround in the pandemic later this year, renewed waves and new variants of the virus pose concerns for the outlook.

#### INDIAN ECONOMY

The United Nations has raised India's growth forecast to 7.5 per cent for calendar year 2021, marking a 0.2 per cent increase from its projection in January, but said the country's outlook for the year remains highly fragile.

After having battled one of the biggest recessions that India faced in recent memory, there was some cheer for India's economy that recorded a positive—albeit marginal—growth in Q3 FY 2021. Till recently, economic activity seemed to be gathering momentum at a sustainable pace with people demonstrating greater confidence in stepping out and spending. The vaccination drive has made good progress too.

The Indian economy continues to remain one of the most dynamic major economies in the world with huge potential. Policy announcements in the Union Budget 2021 are expected to provide further impetus to build India's competitiveness and foster inclusive growth. Higher capital expenditure outlay along with heightened spends on agriculture and rural infrastructure development augur well for the economy and will spur a virtuous consumption-investment-employment cycle. Notwithstanding the execution challenges in the near term, reforms announced in the agricultural sector hold promise to foster a new era of growth for farmers and rural India that comprise nearly half of the country's workforce. As the Indian economy recovers from the severe impact of the pandemic, policy interventions would need to be sharply focused on supporting sustainable livelihoods and fostering inclusive growth.

The recent spike in infection and the imminent threat of variants cast a cloud of doubts. Lockdown like conditions that hurt the economy are being imposed back by most of the States. While it is easy to lose hope in tough times, similar experiences around the world provide some comfort. Much the same way the United States witnessed a sharp increase in infection rates during the second wave (starting November) yet experienced economic impact that was relatively low compared to the first wave, and in view thereof it is expected that the economic and health impact of the subsequent waves in India to be contained to a quarter or two.

The Economic Survey projects India's real GDP to grow by 11 percent in 2021-22, provided normalisation of economic activities continues and the rollout of COVID-19 vaccines gathers traction. If this is supplemented with a supply-side push from reforms, the easing of regulation, continued infrastructural investments, recovery of pent-up demand, increase in discretionary consumption, low-interest credit disbursement and adequate liquidity, the Economic Survey projects that the economy can overtake the pre-pandemic levels of FY 2019-20 in another two years (Source: Economic Survey 2020-21). However, these estimates are subject to any adverse impact caused by the recent wave of the pandemic.



## OPERATIONAL PERFORMANCE, OPPORTUNITIES, THREATS, RISKS AND CONCERNS

The Company was in the business of Mushroom production and operated a 100% Export Oriented Unit from its manufacturing plant situated at Gat No. 379, Village Bebadohol, Pune. Due to change in international horticulture scenario the mushroom plant of the Company was non-operational since several years. During the financial year 2020-21 the said manufacturing plant has been monetized by your Company after receiving all applicable legal consents and approvals.

The management of the Company is looking forward for new opportunities to utilize the funds of the Company with a continuous impetus to maximize the value for its shareholders, provide benefits to other stakeholders and to maintain an optimum capital structure with proper care by mitigating the risks.

## FINANCIAL PERFORMANCE

Since the Company did not have any business operations during the year ended March 31, 2021 and March 31, 2020, the various financial ratios are not provided. A brief synopsis on the financial information of the Company for the FY 2020-21 is given below:

	FY 2020-21	FY 2019-20
Total Equity	₹ 6,294.15 Lakhs	₹ 3,675.51 Lakhs
Total Revenue	₹ 2,683.22 Lakhs	₹ 275.97 Lakhs
Earnings Per Share	₹ 19.76	₹ 0.33

## INTERNAL CONTROL SYSTEMS

The Company has effectively and efficiently laid down policies, guidelines and procedures keeping in mind the nature, size and complexity of Company's business objectives. The Company maintains proper and adequate system of internal controls with well-defined policies, systems, process guidelines and operating procedures. The Company positively ensures strict adherence to various procedures, laws, rules and statutes. All transactions are recorded and reported in accordance with the applicable Indian Accounting Standards and within the terms of accounting policies.

The Company has also ensured the periodical Internal Audit by an independent auditor, whose report is submitted to the Audit Committee and Board of Directors for consideration. During the Audit Process no material discrepancies have been reported by the Internal Auditor.

The Audit Committee is responsible to ensure the monitoring of Internal Control System and oversees the various financial transactions on a regular basis and any deviations are promptly reported to the Senior Management to ensure normalcy is established at the earliest, though, no such deviations had been reported by the Audit Committee during the financial year 2020-21.

## HUMAN RESOURCES

The Company has adequate trained professionals to manage the affairs of the Company in the most efficient and prudent manner. During the COVID-19 pandemic the Company has enable measures such as facility to work from home or remote location and provided continuous support to its employees for mental and physical wellbeing. The Company appreciates the commitment, competence and dedication of its employees and looks forward for their continuous participation in years to come.

## CAUTIONARY STATEMENT

*Statements made in the Management Discussion and Analysis describing the Company's projection, estimates and expectations may be interpreted as "forward looking statements" within the meaning of applicable securities, laws and regulations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent information or events.*

## 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 a high level of transparency and accountability in the functioning of the Company and to assist the top management of the Company in the efficient conduct of its business internally and externally, including its interaction 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.

The Company has adopted a code of conduct for its employees including the Whole Time Director. The Company has also adopted a code of conduct for its independent director which suitably includes the duties of independent directors as prescribed in the Companies Act, 2013 (hereinafter referred to as "Act").

### 2. BOARD OF DIRECTORS

- i. The Board of Directors of your Company has an optimum combination of Independent and Non-Independent Directors, as well as Non-Executive and Executive Directors that come from diverse backgrounds, and possesses a range of expertise, talent, experience, knowledge and independence. SEBI Listing Regulations prescribes that where the Company is having a Non-Executive Independent Director as chairperson then at least one-third of the Board shall comprise of Independent Directors. Prior to the sad demise of Mr. Dilip S Shinde on March 30, 2021, and during most part of the year ended on March 31, 2021, the structure of the Board of Directors of the Company was as follows
  - Two Non-Executive, Independent Directors including a Woman Director;
  - Two Non-Executive, Non-Independent Director; and
  - One Whole-Time Director.
- ii. The composition of the Board of Directors has always been in conformity with the requirements of Regulation 17 of the SEBI Listing Regulations as well as the Act read with rules framed thereunder. After the demise of Mr. Dilip S Shinde, the Whole Time Director, the Board initiated the process of identifying the right candidate to be inducted on the Board as the Whole Time Director of the Company and appointed Mr. Mahesh S Rananavre as a Whole Time Director effective June 01, 2021 well within the time as permitted under the SEBI Listing Regulations and the Act. The Board is chaired by Non-Executive Independent Chairperson. The Board periodically reviews its composition and size and evaluates the need for change, if required.
- iii. The Company requires skills/expertise/competencies in the areas of strategy, finance, accounting, economics, legal and regulatory matters, mergers and acquisitions, the environment, green technologies, sustainability to efficiently carry on the businesses of the Company. The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, expertise, diversity and independence. All Directors on the board have skill and expertise required for conduct of business. The Board provides leadership, strategic guidance, an objective and independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure.
- iv. None of the Non-Executive Directors is holding any shares and convertible instruments of the Company.
- v. None of the Directors on the board hold directorships in more than eight Listed Entities. The Whole-Time Director is not serving as an Independent Director in any other Listed Entity. Further, none of them is a member of more than ten committees of Board 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 March 31, 2021 have been made by the directors.



- vi. Independent Directors are Non-Executive Director as defined under Regulation 16(1)(b) of SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of the independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under SEBI Listing Regulations and Section 149 of the Act and they have entered their details in the Independent Director Data Base and not required to appear for self-assessment test. Based on the disclosures received from all Independent Directors and also in the opinion of the Board, the independent directors are independent of the Management.
- vii. None of the director are *inter-se* related with any other director.
- viii. The names and categories of the directors on the board and the number of directorships and committee chairmanships/ memberships held by them in other public companies as on March 31, 2021 are given below. Other directorships do not include directorships of private limited companies. Chairmanships/ memberships of board committees includes only Audit Committee and Stakeholder's Relationship Committee:

Sr. No.	Name of Director	Category of Directorship	Number of Other Director Ships *	Total Number of Membership (s) in Other Board Committees**	
				Chairman	Member
1	Mrs. Bina Sanjeev Shah-Chairperson (DIN: 00349612)	Independent, Non-Executive Director	Nil	Nil	Nil
2	Mr. Neerav B. Merchant (DIN: 00222393)	Independent, Non-Executive Director	Nil	Nil	Nil
3	Mr. Mukesh Jagat Jethwani (DIN: 01486791)	Promoter, Non-Executive Director	1	Nil	Nil
4	Mr. Mirza Saeed Kazi (DIN: 03348588)	Promoter, Non-Executive Director	Nil	Nil	Nil
5	Mr. Dilip S. Shinde*** (DIN: 01763995)	Executive Director	Nil	Nil	Nil
6.	Mr. Rajen K. Desai**** (DIN: 00382740)	Non-Executive Director	2	Nil	2

\*Excluding Directorship in Transchem Limited, Private Companies, Foreign Companies.

\*\*Includes Chairmanships/memberships of Audit Committee and Stakeholders Relationship Committee only. However, it excludes Chairmanships/Memberships in Transchem Limited.

\*\*\*Expired on March 30, 2021.

\*\*\*\* Resigned with effect from May 20, 2020.

- ix. During the financial year ended March 31, 2021, four meetings of the Board of Directors were held respectively on June 30, 2020, August 12, 2020, November 07, 2020 and February 11, 2021. However, in wake of the nationwide lockdown declared by the Government of India due to COVID-19 pandemic, Ministry of Corporate Affairs vide its General Circular No. 11/2020 dated March 24, 2020 had extended mandatory requirement of holding meetings of the Board of the companies as provided in section 173 of the Act by a period of 60 days till next two quarters i.e., till September 30, 2020, and SEBI vide its circular SEBI/HO/CFD/ CMD1/CIR/P/2020/38 dated March 19, 2020, had waived-off the mandatory requirement of holding Meetings of the Board of the companies as required under Regulation 17(2) of SEBI Listing Regulations, 2015 until June 30, 2020, further extended by SEBI vide its circular SEBI/HO /CFD/CMD1/CIR/P/ 2020/110 dated June 26, 2020, till July 31, 2020. In view of the relaxations granted above, the Meetings of the Board of Directors of the Company as required under the aforesaid provisions, were convened according to the relaxed timelines

The Company adheres to the provisions of the Act read with the Rules issued thereunder, Secretarial Standards and SEBI Listing Regulations with respect to convening and holding of the meetings of the Board of Directors and its Committees.

The necessary quorum was present for all the meetings.

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

Sr. No.	Director	No. of meetings held	No. of meetings attended	Attendance at previous AGM
1.	Mrs. Bina Shah	4	4	Yes
2.	Mr. Mukesh Jagat Jethwani	4	4	Yes
3.	Mr. Mirza Saeed Kazi	4	4	Yes
4.	Mr. Neerav B. Merchant	4	4	Yes
5.	Mr. Dilip S. Shinde	4	1	Yes

- x. During the year 2020-21, the information as mentioned in Regulation 17(7) read with Part A of Schedule II of SEBI Listing Regulations was regularly placed before the Board on quarterly basis for its consideration.
- xi. The terms and conditions of appointment of the Independent Directors are in conformity of the provisions of the Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations.
- xii. The Company provides formal letter of appointment to the Independent Director as provided in the Act and the SEBI Listing Regulations at the time of their appointment. The terms and conditions of the letter of appointment along with the detailed profile of the Independent Directors and familiarisation programme as being imparted to the Independent Directors has been placed at the website of the Company at [www.transchem.net](http://www.transchem.net).
- xiii. Independent Directors have an independent standing in their respective field/profession, and who effectively contribute to the Company's business and its policy decisions. Every Independent Director, at the first meeting of the Board in which he/ she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he/she meets with the criteria of independence as provided under the Act.
- xiv. A separate meeting of the independent directors was held on November 07, 2020 inter-alia to review the performance of non-independent directors and of the board as a whole.
- xv. 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.
- xvi. 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

In view of resignation of Mr. Rajen K. Desai, Director, who was a member of Audit Committee, effective May 20, 2020 Board reconstituted the Audit Committee in its meeting held on June 30, 2020. The Audit Committee consists 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.

#### CONSTITUTION, MEETINGS AND ATTENDANCE OF AUDIT COMMITTEE:

During the financial year ended March 31, 2021, four meetings of Audit Committee were held respectively on June 30, 2020, August 12, 2020, November 07, 2020 and February 11, 2021.

In view of relaxation provided by the Ministry of Corporate Affairs and SEBI the provision of Section 177 of the Act and Regulation 18(2)(a) of the SEBI Listing Regulations that the intervention between two consecutive audit committee meetings not to exceed period of 120 days was not applicable during the year. The constitution of Audit Committee and attendance of members at the Audit Committee Meetings is as under:



Sr. No.	Member of Audit Committee	Category of Audit Committee member	No. of meetings entitled to attend	No. of meetings attended
1.	Mrs. Bina Shah, Chairperson	Independent Director	4	4
2.	Mr. Neerav B. Merchant,	Independent Director	4	4
3.	Mr. Mirza Saeed Kazi	Non-Executive Director	3	3

The Company Secretary of the Company acts as Secretary to the Committee.

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 that was held on July 31, 2020 was attended by Mrs. Bina Shah, Chairperson of the Audit Committee to respond to the Shareholder's queries that were received by the Company.

**Audit Committee performs roles as specified in Part C of Schedule II read with Regulation 18(3) of SEBI Listing Regulations and it broadly includes:**

- (1) Oversight of the Company's financial reporting process and the disclosure of its financial information including Auditors' Report thereon to ensure that the financial statement is correct, sufficient and credible;
- (2) To recommend the appointment, remuneration and terms of appointment of auditors of the Company;
- (3) To approve payment to the statutory auditors for any other services rendered by the statutory auditors;
- (4) To review, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - 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;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report;
- (5) To review with the management, the quarterly financial statements before submission to the board for approval;
- (6) To review 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) To review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (8) To approve or any subsequent modification of transactions of the Company with related parties;
- (9) To scrutinize inter-corporate loans and investments;
- (10) To consider valuation of undertakings or assets of the Company, wherever it is necessary;
- (11) To evaluate internal financial controls and risk management systems;
- (12) To review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

- (13) To review 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;
- (14) To discuss with internal auditors any significant findings and follow up there on;
- (15) To review 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;
- (16) To discuss with the 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;
- (17) 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;
- (18) To review the functioning of the whistle blower mechanism;
- (19) To approve appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) To carry out any other function as is mentioned in the terms of reference of the Audit Committee.

Audit Committee also reviews related party transactions and compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015

The Audit Committee mandatorily reviews the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- Appointment, removal and terms of remuneration of the chief internal auditor; and
- Statement of deviations:
  - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

## **(B) NOMINATION & REMUNERATION COMMITTEE:**

In view of resignation of Mr. Rajen K. Desai, Director, who was a member of The Nomination and Remuneration Committee, effective May 20, 2020 the Board reconstituted the Nomination and Remuneration Committee in its meeting held on June 30, 2020. The Nomination and Remuneration Committee comprises of three Non-Executive Directors, majority of them being Independent Directors. Mr. Neerav B. Merchant, an Independent Director, not being chairman of the Board, is the Chairman of the Committee. Other members of the Committee are Mrs. Bina Shah and Mr. Mirza Saeed Kazi.

The Nomination and Remuneration Committee of the Company is constituted in compliance with Regulation 19 of SEBI Listing Regulations read with Section 178 of the Act.

During the year one meeting of the Nomination and Remuneration Committee was held on February 11, 2021. The meeting was attended by all members of the Committee.

Mr. Neerav B. Merchant, Chairman of the Nomination and Remuneration Committee was present at the previous "AGM" of the Company that was held through video conferencing on July 31, 2020.





**The broad terms of reference of the Nomination and Remuneration Committee are as specified in Regulation 19(4) read with Part D of the Schedule II of SEBI Listing Regulations and it broadly includes:**

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) Devising a policy on diversity of board of directors;
- (4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (6) Recommends to the board, all remuneration, in whatever form, payable to senior management.

**REMUNERATION POLICY:**

The remuneration policy is directed towards rewarding performance based on review of achievements.

To review the performance of Board members a structured questionnaire covering various aspects such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance was prepared based on the Guidance note issued by SEBI vide circular no. CMD/CIR/P/2017/004 dated January 5, 2017 and provided to the board members for their comments. The performance of individual members were evaluated based on the response received from the other board members.

The remuneration policy of the Company is placed on its website. It is aimed at attracting and retaining high caliber talent.

**REVIEW OF REMUNERATION PAID/TO BE PAID TO EXECUTIVE AND/OR NON-EXECUTIVE DIRECTORS:**

Remuneration to Executive Directors and/or Whole-time Directors is reviewed and recommended by the Nomination and Remuneration Committee to the Board and thereafter, if require, approval is being obtained by shareholders in General Meeting.

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

Except being paid the sitting fee for attending board meeting(s) Non-Executive Directors do not have any other pecuniary relationship or transaction with the Company.

The details of remuneration/ compensation 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	20,000	20,000
Mr. Mukesh Jagat Jethwani	Nil	Nil	Nil	20,000	20,000
Mr. Mirza Saeed Kazi	Nil	Nil	Nil	20,000	20,000
Mr. Neerav B. Merchant	Nil	Nil	Nil	20,000	20,000
Mr. Dilip S. Shinde	269,570	708,183*	Nil	Nil	977,753

\*Ex-Gratia payment made on account of demise

**(C) RISK MANAGEMENT COMMITTEE:**

Pursuant to the SEBI Listing Regulations, the 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).



**(D) STAKEHOLDERS RELATIONSHIP COMMITTEE:**

In view of resignation of Mr. Rajen K. Desai, Director, who was a member of the Stakeholders Relationship Committee, effective May 20, 2020 Board reconstituted the Stakeholders Relationship Committee in its meeting held on June 30, 2020 in compliance with the provisions of Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations. Present Stakeholders Relationship Committee is having three members namely: Mrs. Bina Shah, Mr. Neerav B Merchant and Mr. Mirza Saeed Kazi. Mrs. Bina Shah, Independent, Non-Executive Director has been designated as Chairperson and Mrs. Neeraja Karandikar, Company Secretary has been designated as Compliance Officer and acts as Secretary to the Stakeholders Relationship Committee. The Company has appointed Adroit Corporate Services Private Limited as its Share Transfer Agent, the Stakeholders Relationship Committee holds meetings 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 and the Stakeholders Relationship Committee on a regular basis.

During the year ended March 31, 2021 a meeting of Stakeholders Relationship Committee was held on February 11, 2021 that was attended by all members of the Committee. The Company Secretary of the Company acts as Secretary to the Committee.

Mrs. Bina Shah, Chairperson of the Committee was present at the last AGM held on July 31, 2020 through video conferencing to answer the queries of the Shareholders, as received.

During the year ended on March 31, 2021, the Company has not received any complaint from its shareholders. As at March 31, 2021 no complaint was pending to be resolved.

**The broad terms of reference of the Stakeholders Relationship Committee are as specified in Regulation 20(4) read with Part D of the Schedule II of SEBI Listing Regulations and it broadly include:**

- (1) Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- (5) Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

The Company has obtains certificate from a Company Secretary in Practice confirming the issue of certificates for transfer, sub-division, consolidation etc. within a period of thirty days from the date of lodgment, and submits a copy thereof to the Stock Exchanges in terms of Regulation 40(10) of the SEBI Listing Regulations on half-yearly during the year. Further, the Compliance Certificate under Regulation 7 of the SEBI Listing Regulations, confirming that all activities in relation to share transfer facility are maintained by Registrar and Share Transfer Agent is also submitted to the Stock Exchanges on half yearly basis.

**4. DISCLOSURES****i) Related Party Transactions**

During the financial year 2020-21 apart from payment of sitting fee to Non-Executive Directors and remuneration to key managerial personnel, the 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.

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 placed at 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 Indian 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 under review, the Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of SEBI Listing Regulations.

**iv) CFO certification**

The Certificate required under Regulation 17(8) of the SEBI Listing Regulations, certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs duly signed by the CFO was submitted to the Board of Directors and the same is annexed to this Report.

**v) Compliances by the Company**

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities, including provisions of regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, 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.

**vi) Confirmation that none of the Directors is disqualified:**

The Company has obtained a certificate from a Company Secretary in practice that none of the Directors on the Board of the company have been debarred or disqualified from being appointed or continuing as director of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

**vii) Disclosures with respect to demat suspense account/ unclaimed suspense account:**

During the year under review, the Company has none of its shares in the demat suspense account or unclaimed suspense account.

**viii) Total fees for all services paid by the Company, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the statutory auditor is a part, given below:**

Payment to Statutory Auditors for the F.Y.: 2020-2021	Amount in (₹)
Statutory audit fees	94,500
For other services	-
<b>Total</b>	<b>94,500</b>

**ix) Code of Conduct for Directors and Senior Management**

The Board has prescribed Code of Conduct ("Code") for all the Board Members and Senior Management of the Company. The policy of the Company on the Code of Conduct has been placed at its web-site at [www.transchem.net](http://www.transchem.net).

All Board Members and Senior Management personnel have confirmed compliance with the Code for the year 2020-21. A declaration as required under SEBI Listing Regulations to this effect has been included in CEO/ CFO Certificate.

## 5. GENERAL BODY MEETINGS:

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

Financial Year	Date	Location of Meeting	Time
2017-2018	September 22, 2018	Hotel Ginger, Gokul Nagar,	09.30 a.m.
2018-2019	August 31, 2019	Lal Bahadur Shastri Marg, Thane (W) - 400601.	09.30 a.m.
2019-2020	July 31, 2020	Through Video Conferencing	11.00 a.m.,

### (b) Details of special resolution passed in the previous three Annual General Meetings:

One special resolution pursuant to section 186 of the Act authorising Board to give loan or to give guarantee or provide security in connection with loan and to acquire securities of any other body corporate for an amount that shall not exceed a sum of ₹ 70 Crores (Rupees Seventy Crores Only) that is in excess of the limit of 60% of the aggregate of paid-up capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company was passed at previous annual general meeting held on July 31, 2020.

### (c) Resolution passed through Postal Ballot:

- (i) No resolution was passed last year through Postal Ballot.
- (ii) No special resolution is proposed to be conducted through Postal Ballot.
- (iii) During the financial year 2018-19, three special resolutions were passed by means of Postal Ballot including e-voting on March 23, 2019. Details of which are as follows:

Special Resolution No.	Brief particulars
1	Alteration of main object clause of the Memorandum of Association so that Company can take up new business activities of food processing and/or providing of warehousing facilities.
2	Authority to the Board to consider various options to monetize the land and other assets of the Mushroom Division in the best interest of the Company.
3	Authority to the Board to give loan or to give guarantee or provide security in connection with loan and acquire securities of any other body corporate in excess of the limit as specified under Section 186 of the Act.

### (iv) Details of voting pattern:

Special Resolution No.	No of members casted vote through ballot/ e-voting	In favour		Against		Invalid
		No. of members	Votes	No. of members	Votes	
1	34	31	3216022	3	861	Nil
2	35	32	3216023	3	861	Nil
3	35	29	3215723	6	1161	Nil

### (v) Person who conducted the aforesaid postal ballot exercise:

CS Amita Saxena, Practicing Company Secretary (FCS-3964, CP-3438) conducted the aforesaid Postal Ballot exercise in a fair and transparent manner.

**(vi) Procedure for Postal Ballot:**

In compliance with section 110 and other applicable provisions of the Act read with Rules framed there under and in terms of Regulation 44 of the SEBI Listing Regulations, the Company provided e-voting facility to all its members including postal ballot. The Company engaged the services of NSDL for e-Voting purpose. The Members had the option to vote either by physical ballot form or through remote e-Voting.

The Company dispatched the Postal Ballot Notices and forms along with postage prepaid business reply envelopes to its Members whose names appeared on the Register of Members/list of beneficiaries as on the cut-off date, i.e. February 15, 2019. The Postal Ballot Notice was sent to the Members in electronic form at the e-mail addresses registered with their Depository Participants (in case of electronic shareholding)/ the Company's RTA (in case of physical shareholding). The Company also published an advertisement in the newspapers viz. Free Press Journal and Navshakti dated February 23, 2019, informing about the dispatch of the Notice and other information as mandated under the Act and applicable Rules.

Voting rights were reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date, i.e. February 15, 2019. Members desiring to exercise their votes by physical postal ballot forms were requested to return the forms, duly completed and signed, to the scrutinizer so as to reach her on or before the close of the voting period, i.e. March 23, 2019 at 5:00 p.m. (IST). Members desiring to exercise their votes by electronic mode were requested to vote before close of business hours on the last date of e-voting.

The scrutinizer, after the completion of scrutiny, submitted her report to Mrs. Bina Shah Chairperson, who was authorised to accept, acknowledge and countersign the Scrutinizer's Report as well as declare the voting results in accordance with the provisions of the Act, the Rules framed thereunder and the Secretarial Standard 2 on General Meetings. The consolidated results of the voting by postal ballot and e-voting were then announced by Mrs. Bina Shah. The results were also displayed at the Registered Office of the Company and on the Company's website at [www.transchem.net](http://www.transchem.net) besides being communicated to BSE Limited (BSE) and NSDL. Results were announced on March 25, 2019 within 48 hours from the conclusion of Voting.

**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 and financial statements.
3. The Company has appointed an Independent Non-Executive Director as the Chairperson of the Board.
4. The Internal Auditor periodically reports to the Audit Committee and has direct access to the Audit Committee and presents its internal audit observations to the Audit Committee.

**7. MEANS OF COMMUNICATION**

The Un-audited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the SEBI Listing Regulations read with relaxations provided by SEBI in view of Covid -19.

The un-audited and audited financial results as taken on record by the board on quarterly basis are forthwith communicated to BSE Limited as soon as they are approved and taken on record by the Board of Directors of

the Company. Also, the Company used to comply with filing submissions through BSE Listing Centre. Further, the results are published in the newspapers namely the Free Press Journal (English) and Lakshdeep (Marathi) and also being posted at the web-site of the Company at [www.transchem.net](http://www.transchem.net).

In compliance with Regulation 46 of the SEBI Listing Regulations, Company placed on its web-site information of shareholding pattern, Annual Report, Quarterly/ Half yearly/ Nine-months and Annual financial results.

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
Saturday, September 25, 2021	11.00 am	Shall be held through Video Conferencing/ Other Audio Visual Means

### 2. Financial Calendar: April 01, 2020 to March 31, 2021.

### 3. Book Closure: Not Applicable.

### 4. Dividend Payment Date: Not Applicable.

### 5. Listing on Stock Exchanges, with Stock Code:

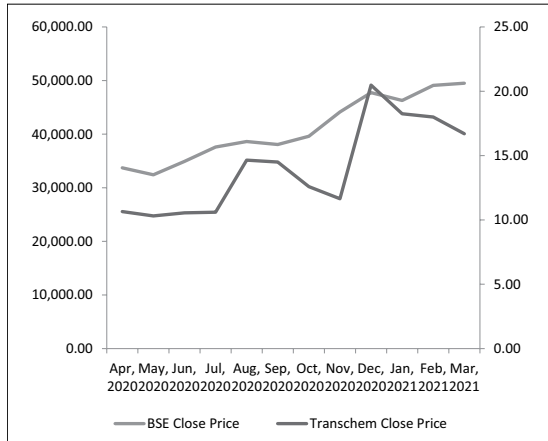
The Equity Shares of the Company are listed on BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001, Annual Listing fees for Financial Year 2020-21 as well as of 2021-22 have been paid to BSE Limited. (Stock Code. 500422).

ISIN: INE019B01010.

Securities of the Company have never been suspended from trading.

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

Month	High (₹)	Low (₹)
April 2020	15.45	10.25
May 2020	11.18	8.41
June 2020	11.30	7.31
July 2020	11.34	9.95
August 2020	17.28	10.45
September 2020	15.30	11.68
October 2020	15.22	11.01
November 2020	13.61	10.80
December 2020	23.80	11.25
January 2021	24.25	17.50
February 2021	23.00	17.15
March 2021	19.70	15.00

**7. Performance in comparison to board-based indices such as BSE (SENSEX):**

8. Company has not issued any debenture or accepted deposits so the rating from CRISIL or any other agency was not required to be obtained.
9. During the year Company has not received any complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
10. 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: N. Surreash, Asst. G M, Phone Number. 022-4227 0427.

**Details of Shareholding of Directors as on March 31, 2021:**

Sr. No	Name of Director	Number of Shares held
1	Mrs. Bina Shah	Nil
2	Mr. Mukesh Jagat Jethwani	Nil
3	Mr. Mirza Saeed Kazi	Nil
4	Mr. Neerav B. Merchant	Nil
5	Mr. Dilip S. Shinde*	100

\*expired on March 30, 2021

Distribution Schedule & Shareholding pattern of Equity Shares as on March 31, 2021 is enclosed as Annexure.

Dematerialization of shares and liquidity: As on March 31, 2021, 89.36% 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 traded on BSE Limited, Mumbai.

Outstanding GDRs/ADRs etc.: Not Applicable.

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

### A. Distribution Schedule of Equity Shares as at March 31, 2021:

No. of Equity Shares held	No. of Shareholders	% of Shareholder	No. of Shares held	% of Shareholding
001 to 500	12450	94.17	1593073	13.02
501 to 1000	423	3.20	350943	2.87
1001 to 2000	167	1.26	260496	2.13
2001 to 3000	67	0.51	172281	1.41
3001 to 4000	25	0.19	88251	0.72
4001 to 5000	22	0.17	102561	0.84
5001 to 10000	33	0.25	237665	1.94
10001 & above	34	0.26	9434730	77.08
TOTAL	13221	100.00	12240000	100.00
Physical Mode	8008	60.57	1302515	10.64
Electronic Mode	5213	39.43	10937485	89.36

### B. Shareholding pattern as at March 31, 2021:

Category	No. of shareholders*	Nos. of Shares held	Voting Strength
Promoters & Persons Acting in concert	2	4,879,074	39.86
Bodies Corporate (Domestic)/Trusts	85	3,880,102	31.70
Banks/Mutual Funds/Financial Institutions (FIs)	4	4,000	0.03
Non-Resident Individuals (NRIs)/Foreign Corporate Bodies/Overseas Corporate Bodies (OCBs)/ Foreign Banks	28	30,997	0.25
Resident Individuals	12,970	3,430,771	28.03
In transit	20	15,056	0.12
TOTAL	13,109	12,240,000	100

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

### DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

I hereby confirm that:

The Company has obtained from all the members of the Board of Directors and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct applicable to them as laid down by the Company in terms of Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2021.

**For Transchem Limited**

**Place:** Mumbai  
**Date:** May 29, 2021

**Mukesh Garach**  
**Chief Financial Officer**



**CFO Certification in respect of Financial Statements and Cash Flow Statement  
(Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015 for the Financial Year ended March 31, 2021**

**To,  
The Board of Directors  
Transchem Limited**

- A. I, Mukesh Garach – Chief Financial Officer of the Company, hereby certify that, I have reviewed financial statements and the cash flow statement for the year ended March 31, 2021 and to the best of my knowledge and belief:
- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- B. I hereby certify that, to the best of my knowledge and belief, no transactions entered into during the year by the Company are fraudulent, illegal or in violation of the Company's Code of Conduct.
- C. I accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have not come across any deficiency in the design or operation of such internal controls.
- D.
  - i. There has not been any significant change in internal control over financial reporting during the year;
  - ii. There has not been any significant change in accounting policies during the year;
  - iii. I am not aware of any instance of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting during the year.

**For Transchem Limited**

**Place:** Mumbai  
**Date:** May 29, 2021

**Mukesh Garach  
Chief Financial Officer**



**CERTIFICATE OF PRACTICING COMPANY SECRETARY ON CORPORATE GOVERNANCE**

To,  
The Members of,  
Transchem Limited

I have examined the compliance of the conditions of Corporate Governance by Transchem Limited (hereinafter called 'the Company') for the Financial Year ended March 31, 2021 as stipulated under Regulation 17 to 27, clause (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations).

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India in view of Covid -19 pandemic, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended March 31, 2021

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

Place: Thane  
Date: May 29, 2021

Amita Saxena  
FCS No: 3964 CP No: 3438  
ICSI UDIN **F003964C000390328**



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF TRANSCHEM LIMITED

#### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **TRANSCHEM LIMITED** (CIN:L24100MH1976PLC019327) ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income) the Statement of Cash Flows and the Statement for Changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on the circumstances and facts of the audit and entity, there aren't key audit matters to be communicated in our report.

#### Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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 implementation and maintenance of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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



## Report on Other Legal and Regulatory Requirements

1. As required by 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 the Statement of Other Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid 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<sup>st</sup> March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2021, 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**”;
  - g) With respect to the matter to be included in the Auditors’ Report under Section 197(16) of the Act;  
In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its Directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act
  - h) 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 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 and
    - 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.
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.

### 3. Other Matters

During the year ended 31<sup>st</sup> March, 2021, the Company had sold out its undertaking known as “Mushroom Plant” consisting of pieces and parcels of lands or ground bearing Gat nos. 379, 382, 380, 381, 384, 416 (part), 433, 434, 435, 438, 436 (part), and 383 of Village Bebadohal and Gat no. 579 (part) of Village Urse, Taluka Maval, District Pune 410506, together with its land, structures, machinery and fixtures therein (“Property”) for an aggregate consideration of ₹ 26.00 Crores. The sale deed has been registered with competent authorities on 17<sup>th</sup> June 2020, accordingly the Company has recognised the gain on sale of the said area of Mushroom Plant during the year ended 31<sup>st</sup> March, 2021.

**For Maheshwari & Co.**  
(Firm Reg. No. 105834W)  
Chartered Accountants

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

Place: Mumbai  
Date: 29<sup>th</sup> May, 2021

UDIN:21075872AAAAII6009

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

(Referred to in paragraph 1(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<sup>st</sup> March, 2021 in conjunction with our audit of the 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 judgments, 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<sup>st</sup> March 2021, 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.**

(Firm Reg. No. 105834W)  
Chartered Accountants

### **K. K. Maloo**

Partner  
Membership No. 075872

Place: Mumbai

Date: 29<sup>th</sup> May, 2021

UDIN: 21075872AAAAII6009

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

(Referred to in paragraph 2 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date)

1. In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) 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. The Company does not have any revenue from operations and does not have any physical inventories however financial securities are held as inventories and accordingly, reporting under clause 3(ii) of the Order is not applicable to the Company.
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 loan or provided any guarantee or security as per provisions of Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act with regard to the granting of loan and investments made 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, goods and 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 financial statements 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 them 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.**  
(Firm Reg. No. 105834W)  
Chartered Accountants

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

Place: Mumbai  
Date: 29<sup>th</sup> May, 2021

UDIN: 21075872AAAAII6009



**BALANCE SHEET AS AT 31 MARCH 2021**

(Amount in ₹)

	Notes	As at 31 March 2021	As at 31 March 2020
<b>Assets</b>			
<b>Non - Current Assets</b>			
Property, Plant and Equipment	2	1,057,845	37,014,143
Financial Assets			
(i) Investments	3	86,874,366	36,859,097
		<u>87,932,211</u>	<u>73,873,240</u>
<b>Current Assets</b>			
Financial Assets			
(i) Inventories	4	677,820	853,200
(ii) Cash and Cash Equivalents	5	117,106,845	163,717,334
(iii) Loans	6	410,443,000	120,501,000
(iv) Other Financial Assets	7	15,068,793	9,551,023
Other Current Assets	8	1,678,982	913,680
Current Tax Asset (net)	9	1,287,902	1,273,826
		<u>546,263,342</u>	<u>296,810,063</u>
<b>Total Assets</b>		<b><u>634,195,553</u></b>	<b><u>370,683,303</u></b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity Share Capital	10	122,400,000	122,400,000
Other Equity		507,014,965	245,250,540
		<u>629,414,965</u>	<u>367,650,540</u>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
Provisions	11	2,227,358	2,074,968
		<u>2,227,358</u>	<u>2,074,968</u>
<b>Current Liabilities</b>			
Provisions	12	358,871	63,906
Other Current Liabilities	13	2,194,359	893,889
		<u>2,553,230</u>	<u>957,795</u>
<b>Total Equity and Liabilities</b>		<b><u>634,195,553</u></b>	<b><u>370,683,303</u></b>

Significant Accounting Policies and other explanatory information 1 to 31

As per our report of even date attached

For and on behalf of the Board of Directors

**For Maheshwari & Co.**  
(Firm Reg. No. 105834W)  
Chartered Accountants

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

Place: Mumbai  
Date: 29 May 2021

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

**Mukesh Garach**  
Chief Financial Officer  
[PAN: AEOPG0669M]

**Mahesh S Rananavre**  
Director  
[DIN: 08296631]

**Neeraja Karandikar**  
Company Secretary  
[ACS: 10130]

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021**

(Amount in ₹)

	Notes	For the Year ended 31 March 2021	For the Year ended 31 March 2020
<b>Income</b>			
Revenue from Operations		-	-
Gain on Sale of Property, Plant and Equipment		224,589,766	-
Other Income	14	43,732,575	27,596,637
<b>Total Income</b>		<b>268,322,341</b>	<b>27,596,637</b>
<b>Expenses</b>			
Employee Benefits Expenses	15	8,144,862	6,640,668
Finance Cost	16	12,999	3,065
Depreciation and Amortization Expenses	2	1,242,562	5,733,735
Other Expenses	17	11,225,829	7,293,505
<b>Total Expenses</b>		<b>20,626,252</b>	<b>19,670,973</b>
<b>Profit Before Tax</b>		<b>247,696,089</b>	<b>7,925,664</b>
<b>Tax Expense</b>			
Current Tax	26	6,194,600	3,830,000
<b>Profit for the Year</b>		<b>241,501,489</b>	<b>4,095,664</b>
<b>Other Comprehensive Income</b>			
<u>Items that will not be reclassified to profit or loss (net of tax)</u>			
Net gain / (loss) on equity instruments designated at FVTOCI		20,471,433	(16,192,484)
Re-measurement gain/ (losses) on defined benefit plans (net)		(208,497)	(19,930)
<b>Other Comprehensive income / (loss) for the year, net of tax</b>		<b>20,262,936</b>	<b>(16,212,414)</b>
<b>Total Comprehensive Income / (Loss) for the Year</b>		<b>261,764,425</b>	<b>(12,116,750)</b>
Basic and Diluted Earnings Per Share (in ₹) (Face Value ₹10)	24	19.73	0.33
Significant Accounting Policies and other explanatory information 1 to 31			

As per our report of even date attached

For and on behalf of the Board of Directors

**For Maheshwari & Co.**  
(Firm Reg. No. 105834W)  
Chartered Accountants

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

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

**Mahesh S Ranavre**  
Director  
[DIN: 08296631]

Place: Mumbai  
Date: 29 May 2021

**Mukesh Garach**  
Chief Financial Officer  
[PAN: AEOPG0669M]

**Neeraja Karandikar**  
Company Secretary  
[ACS: 10130]

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

(Amount in ₹)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>A Cash Flows From Operating Activities</b>		
<b>Net Profit Before Tax as per Statement of Profit and Loss</b>	<b>247,696,089</b>	<b>7,925,664</b>
<u>Adjustments For:</u>		
Depreciation and Amortization Expenses	1,242,562	5,733,735
Capital Gains on Sale of Mutual Fund	(178,567)	(360,747)
Loss on Sale of Vehicles	23,244	-
Gain on Sale of Property, Plant and Equipment	(224,589,766)	-
Dividend on Equity shares	(48,000)	(124,000)
Interest on Income Tax Refund	-	(68,584)
Provision for Gratuity and Compensated Absences Expenses	238,858	385,149
<b>Operating Profit before Working Capital Changes</b>	<b>24,384,420</b>	<b>13,491,217</b>
<u>Adjustments For:</u>		
(Increase)/Decrease in Inventories	175,380	2,259,000
(Increase)/Decrease in Loans and Other Financial / Current Assets	(296,225,072)	(15,751,035)
Increase/(Decrease) in Other Current Liabilities and Provisions	1,300,470	(37,709)
<b>Cash Generated from / (Used in) Operating Activities</b>	<b>(270,364,802)</b>	<b>(38,527)</b>
Direct taxes paid (net of refunds)	(6,829,076)	(6,291,404)
<b>Net Cash Generated from / (Used in) Operations (A)</b>	<b>(277,193,878)</b>	<b>(6,329,931)</b>
<b>B Cash Flows From Investing Activities</b>		
Purchase of Property, Plant and Equipment and Other Intangible Assets	(819,746)	-
Sale of Property, Plant and Equipment and Other Intangible Assets	260,100,000	-
Purchase of Non Current Investments	(65,413,027)	(6,594,788)
Proceeds from Sale of Non Current Investments	36,489,595	12,822,037
Purchase of Current Investments	(50,000,000)	(160,000,000)
Proceeds from Sale of Current Investments	50,178,567	160,360,747
Dividend Received from Equity shares	48,000	124,000
<b>Net Cash Generated from / (Used in) Investing Activities (B)</b>	<b>230,583,389</b>	<b>6,711,996</b>



(Amount in ₹)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>C Cash Flows From Financing Activities (C)</b>	-	-
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(46,610,489)</b>	<b>382,065</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>163,717,334</b>	<b>163,335,269</b>
<b>Closing Balance of Cash and Cash Equivalents (refer note 5)</b>	<b>117,106,845</b>	<b>163,717,334</b>

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

**For Maheshwari & Co.**  
(Firm Reg. No. 105834W)  
Chartered Accountants

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

Place: Mumbai  
Date: 29 May 2021

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

**Mukesh Garach**  
Chief Financial Officer  
[PAN: AEOPG0669M]

**Mahesh S Ranavre**  
Director  
[DIN: 08296631]

**Neeraja Karandikar**  
Company Secretary  
[ACS: 10130]

## Statement of Changes in Equity for the year ended 31 March 2021

a	Equity Share Capital	Number	Amount in ₹
	<b>As at 01 April 2019</b>	<b>12,240,000</b>	<b>122,400,000</b>
	Issue of Share Capital	-	-
	<b>Balance as at 31 March 2020</b>	<b>12,240,000</b>	<b>122,400,000</b>
	Issue of Share Capital	-	-
	<b>Balance as at 31 March 2021</b>	<b>12,240,000</b>	<b>122,400,000</b>

(Amount in ₹)

b	Other Equity	Reserves and surplus			Total Equity
		Securities premium reserve	General reserve	Retained earnings	
	<b>Balance as at 01 April 2019</b>	<b>202,995,150</b>	<b>6,473,483</b>	<b>47,898,657</b>	<b>257,367,290</b>
	Profit for the Year	-	-	4,095,664	4,095,664
	Other Comprehensive Income / (Loss) for the Year	-	-	(16,212,414)	(16,212,414)
	<b>Total Comprehensive Income / (Loss) for the Year Ended 31 March 2020</b>	<b>-</b>	<b>-</b>	<b>(12,116,750)</b>	<b>(12,116,750)</b>
	<b>Balance as at 31 March 2020</b>	<b>202,995,150</b>	<b>6,473,483</b>	<b>35,781,907</b>	<b>245,250,540</b>
	Profit for the Year	-	-	241,501,489	241,501,489
	Other Comprehensive Income / (Loss) for the Year	-	-	20,262,936	20,262,936
	<b>Total Comprehensive Income / (Loss) for the Year Ended 31 March 2021</b>	<b>-</b>	<b>-</b>	<b>261,764,425</b>	<b>261,764,425</b>
	<b>Balance as at 31 March 2021</b>	<b>202,995,150</b>	<b>6,473,483</b>	<b>297,546,332</b>	<b>507,014,965</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 and on behalf of the Board of Directors**

**For Maheshwari & Co.**

(Firm Reg. No. 105834W)

Chartered Accountants

**K. K. Maloo**

Partner

Membership No. 075872

**Mirza Saeed Kazi**

Director

[DIN: 03348588]

**Mahesh S Rananavre**

Director

[DIN: 08296631]

Place: Mumbai

Date: 29 May 2021

**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 2021

### 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 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.

#### 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.

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

Asset Class	Useful Life
Factory Building	6 years as on 31 March 2021
Office Premises / Gala	30 years
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 through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income (FVTOCI) 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 FVTOCI are measured at fair value through profit or loss (FVTPL).

### 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.

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 (other than inventories), 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.

### **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.

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.



## 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.

## 1.11 Inventories

Finished Goods are valued 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/non-moving 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 of 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.

### a) Impairment of non-financial assets

In case of non-financial assets company estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use.

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

**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.

**1.15 Recent Accounting Pronouncements****a) Amendments to Ind AS 116: Covid-19- Related Rent Concessions**

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. This amendment had no impact on these financial statements of the Company.

**b) Amendments to Ind AS 1 and Ind AS 8: Definition of Material**

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on these financial statements, nor is there expected to be any future impact to the Company.

**c) Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform**

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/ or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on these financial statements of the Company as it does not have any interest rate hedge relationships.

The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. This amendment had no impact on these financial statements of the Company



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

### Note 2 Property, Plant and Equipment

(Amount in ₹)

Particulars	Freehold land	Factory Building	Furniture and Fixtures	Office Premises/ Gala	Plant & Machinery	Vehicles	Total
<b>Gross Block</b>							
<b>Balance as at 01 April 2019</b>	<b>6,488,481</b>	<b>50,910,922</b>	<b>185,253</b>	<b>1,898,030</b>	<b>232,158</b>	<b>614,019</b>	<b>60,328,863</b>
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>6,488,481</b>	<b>50,910,922</b>	<b>185,253</b>	<b>1,898,030</b>	<b>232,158</b>	<b>614,019</b>	<b>60,328,863</b>
Additions	738,050	-	-	-	81,696	-	819,746
Disposals	6,884,361	50,910,922	-	1,071,680	-	584,019	59,450,982
<b>Balance as at 31 March 2021</b>	<b>342,170</b>	<b>-</b>	<b>185,253</b>	<b>826,350</b>	<b>313,854</b>	<b>30,000</b>	<b>1,697,627</b>
<b>Accumulated Depreciation</b>							
<b>Balance as at 01 April 2019</b>	-	<b>16,552,008</b>	<b>159,275</b>	<b>333,015</b>	<b>75,912</b>	<b>460,775</b>	<b>17,580,985</b>
Depreciation charge	-	5,517,336	592	153,603	62,204	-	5,733,735
Adjustments / Disposals	-	-	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	-	<b>22,069,344</b>	<b>159,867</b>	<b>486,618</b>	<b>138,116</b>	<b>460,775</b>	<b>23,314,720</b>
Depreciation charge	-	1,148,815	592	70,128	23,027	-	1,242,562
Adjustments / Disposals	-	23,218,159	-	238,566	-	460,775	23,917,500
<b>Balance as at 31 March 2021</b>	-	-	<b>160,459</b>	<b>318,180</b>	<b>161,143</b>	-	<b>639,782</b>
<b>Net Block</b>							
<b>Balance as at 31 March 2020</b>	<b>6,488,481</b>	<b>28,841,578</b>	<b>25,386</b>	<b>1,411,412</b>	<b>94,042</b>	<b>153,244</b>	<b>37,014,143</b>
<b>Balance as at 31 March 2021</b>	<b>342,170</b>	<b>-</b>	<b>24,794</b>	<b>508,170</b>	<b>152,711</b>	<b>30,000</b>	<b>1,057,845</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 2021

	(Amount in ₹)	
	As at 31 March 2021	As at 31 March 2020
<b>Note 3</b>		
<b><u>Non-Current Financial Assets - Investments</u></b>		
<b>Non-Current Investments</b>		
<b>Quoted investments in equity instruments at FVTOCI</b>		
25,000 (Previous year: 25,000 Equity Shares) Equity Shares of Edelweiss Financial Services Limited of ₹1 each fully paid up	1,587,500	953,750
NIL (Previous year: 28,384 Equity Shares) Equity Shares of The Phoenix Mills Limited of ₹2 each fully paid up	-	16,237,067
15,000 (Previous year: Nil Equity Shares) Equity Shares of AllCargo Logistics Limited of ₹2 each fully paid up	1,853,250	-
1,213 (Previous year: Nil Equity Shares) DRC Systems India Limited ₹10 each fully paid up	337,881	-
30,000 (Previous Year: Nil Equity Shares) Equity Shares of Network18 Media Investments Limited of ₹5 each fully paid up	1,093,500	-
30,000 (Previous year: Nil Equity Shares) Equity Shares of TV18 Broadcast Limited ₹2 each fully paid up	862,500	-
1,000,000 (Previous year: Nil Equity Shares) Equity Shares of Infibeam Avenues Limited ₹1 each fully paid up	47,400,001	-
1,000 (Previous year: Nil Equity Shares) Equity Shares of Kotak Mahindra Bank Limited ₹5 each fully paid up	1,754,000	-
1,000 (Previous year: Nil Equity Shares) Equity Shares of Larsen & Toubro Limited ₹2 each fully paid up	1,418,350	-
100,000 (Previous year: Nil Equity Shares) Equity Shares of Mcleod Russel India Limited ₹5 each fully paid up	1,910,000	-
9,950 (Previous year: Nil Equity Shares) Equity Shares of RBL Bank Limited ₹10 each fully paid up	2,064,625	-
65,666 (Previous year: Nil Equity Shares) Equity Shares of Suvidha Infoserve Limited of ₹1 each fully paid up	6,924,479	-
Sub-Total	67,206,086	17,190,817
<b>Unquoted investments in equity instruments at amortised cost</b>		
901,000 (Previous year: 901,000 Equity Shares) Equity Shares of Aditya Investments and Communications Limited of ₹10 each fully paid up	9,036,280	9,036,280
280,000 (Previous year: 280,000 Equity Shares) Equity Shares of Chameleon Commodities Private Limited of ₹10 each fully paid up	2,982,000	2,982,000
465,000 (Previous year: 465,000 Equity Shares) Equity Shares of Grandeur Corporation Private Limited of ₹10 each fully paid up	4,650,000	4,650,000
300,000 (Previous year: 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
Sub-Total	19,668,280	19,668,280
<b>Total</b>	<b>86,874,366</b>	<b>36,859,097</b>
<b>Note:</b>		
<b>3(a) Investment disclosure</b>		
Aggregate amount of Unquoted Investment valued at amortised cost	19,668,280	19,668,280
Aggregate amount of Quoted Investment FVTOCI	67,206,086	17,190,817
Aggregate amount of Impairment in the value of Investment	-	-
Investments in India	86,874,366	36,859,097
Investments outside India	-	-



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

(Amount in ₹)

	As at 31 March 2021	As at 31 March 2020
<b>Note 4</b>		
<b>Inventories</b>		
Valued at FVTPL		
Securities	677,820	853,200
<b>Total</b>	<b>677,820</b>	<b>853,200</b>
<b>Note 5</b>		
<b>Cash and Cash Equivalents</b>		
Cash on Hand	159,349	152,227
Balances with Banks - in current accounts	116,947,496	163,565,107
<b>Total</b>	<b>117,106,845</b>	<b>163,717,334</b>
<b>Note 6</b>		
<b>Current Financial Assets - Loans</b>		
(Unsecured, considered good, unless otherwise stated)		
Advances to Employees	443,000	501,000
Loan to Body Corporates	410,000,000	120,000,000
<b>Total</b>	<b>410,443,000</b>	<b>120,501,000</b>
<b>Note 7</b>		
<b>Current Financial Assets - Others</b>		
(Unsecured, considered good, unless otherwise stated)		
Sundry Deposits	10,000	12,500
Interest Accrued and Due on Loans	15,058,793	9,538,523
<b>Total</b>	<b>15,068,793</b>	<b>9,551,023</b>
<b>Note 8</b>		
<b>Other Current Assets</b>		
(Unsecured, considered good, unless otherwise stated)		
Prepaid Expenses	14,161	26,766
Balances held with Government Authorities	1,664,821	886,914
<b>Total</b>	<b>1,678,982</b>	<b>913,680</b>
<b>Note 9</b>		
<b>Current Tax Asset (Net)</b>		
Advance tax (net of provision for tax)	1,287,902	1,273,826
<b>Total</b>	<b>1,287,902</b>	<b>1,273,826</b>

## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

(Amount in ₹)

	As at 31 March 2021	As at 31 March 2020
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**Note 10****Equity Share Capital****Authorised**

30,000,000 Equity Shares (Previous year: 30,000,000 Equity Shares) of ₹10/- each	300,000,000	300,000,000
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**Issued, Subscribed and Fully Paid up**

12,240,000 Equity shares (Previous year: 12,240,000 Equity Shares) of ₹10/- each fully paid up	122,400,000	122,400,000
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<b>Total</b>	<b>122,400,000</b>	<b>122,400,000</b>
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**a) Reconciliation of number of Equity Shares**

Balance as at the beginning of the year	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) Shareholders holding more than 5% of the Equity Shares:**

	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	% held	No. of Shares	% held
Priyanka Finance Private Limited	2,879,074	23.52%	2,274,373	18.58%
Vijay K Choraria	2,000,000	16.34%	2,000,000	16.34%
JMS Mining Private Limited	1,360,654	11.12%	2,261,938	18.48%
Smit Capital Services Private Limited	735,684	6.01%	283,706	2.32%

**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 the 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.



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

(Amount in ₹)

	As at 31 March 2021	As at 31 March 2020
<b>Note 11</b>		
<b>Non Current Provisions</b>		
Provision for Gratuity [refer note 25]	2,130,565	2,021,484
Provision for Compensated Absences	96,793	53,484
<b>Total</b>	<b>2,227,358</b>	<b>2,074,968</b>
<b>Note 12</b>		
<b>Current Provisions</b>		
Provision for Gratuity [refer note 25]	333,650	62,229
Provision for Compensated Absences	25,221	1,677
<b>Total</b>	<b>358,871</b>	<b>63,906</b>
<b>Note 13</b>		
<b>Other Current Liabilities</b>		
Statutory Dues	83,754	73,168
Employee Benefits	1,701,035	428,320
Other Liabilities	409,570	392,401
<b>Total</b>	<b>2,194,359</b>	<b>893,889</b>



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

(Amount in ₹)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Note 14</b>		
<b>Other Income</b>		
Dividend on Shares	48,000	124,000
<u>Interest on:</u>		
- Inter-Corporate Deposits	43,474,413	26,944,722
- Fixed Deposits with Bank	-	74,520
- Interest on Income Tax Refund	-	68,584
Capital Gains on Sale of Mutual Fund	178,567	360,747
Other Miscellaneous Income	31,595	24,064
<b>Total</b>	<b>43,732,575</b>	<b>27,596,637</b>

**Note 15****Employee Benefits**

Salaries and Bonus	6,726,974	5,752,105
Contribution to Provident Fund and ESIC	62,841	31,680
Director's Remuneration and Sitting Fees	1,027,653	412,000
Gratuity and Compensated Absences Expense [refer note 25]	238,858	385,149
Staff Welfare Expenses	88,536	59,734
<b>Total</b>	<b>8,144,862</b>	<b>6,640,668</b>

**Note 16****Finance Cost**

Bank Charges	354	1,109
Interest Expenses	12,645	1,956
<b>Total</b>	<b>12,999</b>	<b>3,065</b>



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

(Amount in ₹)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Note 17</b>		
<b>Other Expenses</b>		
Rent, Rates and Taxes	120,090	108,830
Security Charges	518,400	518,400
Printing and Stationery Expenses	3,210	168,927
Courier and Postage Expenses	3,873	137,361
Communication Expenses	62,618	42,416
Advertisement Expenses	28,080	54,921
Conveyance Expenses	927,602	359,270
Legal and Professional Fees	5,440,870	2,243,314
Land Development Charges	2,100,000	-
Power & Fuel Expenses	186,562	62,987
Gardening Expenses	117,460	40,780
Dematerialisation and Listing Charges	462,000	506,486
Motor Car Expenses	-	117,600
Car Insurance Expenses	14,236	13,957
Office and Factory Expenses	191,121	148,792
Repairs and Maintenance Expenses	32,272	1,350
Payment to Auditors [refer note 17(a)]	94,500	94,500
Mark to Market Loss on Inventories	175,380	2,259,000
Loss on Disposal of Vehicles	23,244	-
Miscellaneous Expenses	724,311	414,614
<b>Total</b>	<b>11,225,829</b>	<b>7,293,505</b>

**Notes:-****17(a) - Auditor's Remuneration**

Statutory Audit Fees (excluding taxes)	94,500	94,500
<b>Total</b>	<b>94,500</b>	<b>94,500</b>

## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

### 18. 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 statement of profit or loss or other comprehensive income.

#### Fair value hierarchy

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

(Amount in ₹)

Category	31 March 2021				
	Non-Current	Current	Level 1	Level 2	Level 3
<b>Financial Assets</b>					
<b>(a) Financial assets at FVTPL</b>					
- Investments	-	-	-	-	-
- Inventories	-	677,820	677,820	-	-
<b>(b) Financial assets at FVTOCI</b>					
- Investments	67,206,086	-	67,206,086	-	-
<b>(c) Financial assets at Amortised Cost</b>					
- Investments	19,668,280	-	-	-	-
- Cash and Cash Equivalents	-	117,106,845	-	-	-
- Loans	-	410,443,000	-	-	-
- Other Financial Assets	-	15,068,793	-	-	-
<b>Total</b>	<b>86,874,366</b>	<b>543,296,458</b>	<b>67,883,906</b>	-	-
<b>Financial Liabilities</b>	-	-	-	-	-
<b>Category</b>	<b>31 March 2020</b>				
	<b>Non-Current</b>	<b>Current</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial Assets</b>					
<b>(a) Financial assets at FVTPL</b>					
- Investments	-	-	-	-	-
- Inventories	-	853,200	853,200	-	-
<b>(b) Financial assets at FVTOCI</b>					
- Investments	17,190,817	-	17,190,817	-	-
<b>(c) Financial assets at Amortised Cost</b>					
- Investments	19,668,280	-	-	-	-
- Cash and Cash Equivalents	-	163,717,334	-	-	-
- Loans	-	120,501,000	-	-	-
- Other Financial Assets	-	9,551,023	-	-	-
<b>Total</b>	<b>36,859,097</b>	<b>294,622,557</b>	<b>18,044,017</b>	-	-
<b>Financial Liabilities</b>	-	-	-	-	-



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

- 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.

### 19. 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.

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

Particulars	(Amount in ₹)	
	As at 31 March 2021	As at 31 March 2020
<b>Financial Assets</b>		
Non Current Investments	86,874,366	36,859,097
Inventories	677,820	853,200
Cash and Cash Equivalents	117,106,845	163,717,334
Loans	410,443,000	120,501,000
Other Financial Assets	15,068,793	9,551,023
<b>At end of the year</b>	<b>630,170,824</b>	<b>331,481,654</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.

## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

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 5, 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 19.1 above.

In the opinion of management, Financial Assets, Cash and Cash Equivalent, Loans, Other Current Assets 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.

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.

## 20. 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. The Company has adequate cash and cash equivalents. The Company monitors its capital by a careful scrutiny of the cash and cash equivalents and a regular assessment of any debt requirements. In the absence of any debt at the year end, the maintenance of debt equity ratio etc. may not be of any relevance to the Company.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2021.

21. During the financial year 2020-21 and 2019-20, 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.
22. The Company has suspended its operation. In view thereof and in consideration of prudence, the Company has not recognised Deferred Tax Asset / Liability 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 2021

### 23. 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 Shah	Director	Key Management Personnel (KMP)
Rajen K. Desai (upto 20 May 2020)	Director	
Neerav B. Merchant	Director	
Dilip S. Shinde*	Director	
Mukesh Jagat Jethwani	Director	
Mirza Saeed Kazi	Director	
Neeraja Karandikar	Company Secretary	
Mukesh Garach	Chief Financial Officer	

\*Mr. Dilip S. Shinde, Whole-Time Director of the Company expired on 30 March 2021

#### 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 ₹)
Remuneration / Director's sitting fees	Bina Shah	KMP	20,000 (20,000)
	Rajen K. Desai	KMP	- (20,000)
	Neerav B. Merchant	KMP	20,000 (20,000)
	Dilip S. Shinde	KMP	977,753 (294,000)
	Mukesh Jagat Jethwani	KMP	20,000 (20,000)
	Mirza Saeed Kazi	KMP	20,000 (20,000)
	Neeraja Karandikar	KMP	223,825 (242,250)
	Mukesh Garach	KMP	394,714 (375,900)

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

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

(Amount in ₹)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<u>Short-term employee benefits:</u>		
- Salaries including Bonuses and Directors Sitting Fees	1,676,292	1,012,150

## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

### iii) Balance as at year end:

Name of the Party	Nature of relationship	Year ended	(Amount in ₹)
Dilip S. Shinde	KMP	31 March 2021	774,566
		31 March 2020	55,125
Neeraja Karandikar	KMP	31 March 2021	49,655
		31 March 2020	31,500
Mukesh Garach	KMP	31 March 2021	82,669
		31 March 2020	55,790

### 24. 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 2021	Year ended 31 March 2020
Net profit /(loss) after tax attributable to equity shareholders (In ₹)	241,501,489	4,095,664
Weighted average number of shares outstanding during the year	12,240,000	12,240,000
Basic and Diluted earnings per share (In ₹)	19.73	0.33
Nominal value per equity share (In ₹)	10.00	10.00

### 25. 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 ₹)	
	2020-21	2019-20
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. As per Ind-AS 19, “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.



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

The defined benefits as below:

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

(Amount in ₹)

Particulars	Gratuity (Non funded)	
	2020-21	2019-20
Present value of obligation	2,464,215	2,083,713
Fair Value of Plan Assets	-	-
<b>Net Liability recognized in the Balance Sheet</b>	<b>2,464,215</b>	<b>2,083,713</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)	
	2020-21	2019-20
Current Service Cost	180,189	202,071
Net Interest Cost	137,524	128,569
Expected Return on Plan Assets	-	-
Benefits paid directly	-	-
<b>Expense recognized in the Statement of Profit and Loss</b>	<b>317,713</b>	<b>330,640</b>

- iv) Other Comprehensive Income ("OCI"):

(Amount in ₹)

Particulars	Gratuity (Non funded)	
	2020-21	2019-20
Actuarial (Gain) / Loss recognised or the period	62,789	66,559
Return on Plan Assets excluding net interest	-	-
Unrecognised Actuarial (Gain) / Loss from previous period	-	-
<b>Total Actuarial (Gain) / Loss recognised in OCI</b>	<b>62,789</b>	<b>66,559</b>

- v) Actuarial (Gain) / Loss on obligation:

(Amount in ₹)

Particulars	Gratuity (Non funded)	
	2020-21	2019-20
Due to Demographic Assumption	-	22,698
Due to Financial Assumption	(1,727)	151,440
Due to Experience	64,516	(107,579)
<b>Total Actuarial (Gain) / Loss</b>	<b>62,789</b>	<b>66,559</b>



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

vi) Movements in the Liability recognised in Balance Sheet:

(Amount in ₹)

Particulars	Gratuity (Non funded)	
	2020-21	2019-20
Opening Net Liability	2,083,713	1,686,514
Adjustment to opening balance	-	-
Expenses as above	317,713	330,640
Contribution paid	-	-
Other Comprehensive Income (OCI)	62,789	66,559
Closing Net Liability	2,464,215	2,083,713

Schedule III of the Companies Act, 2013

Particulars	Gratuity (Non funded)	
	2020-21	2019-20
Current Liability	333,650	62,229
Non-Current Liability	2,130,565	2,021,484

vii) 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.

Particulars	Gratuity (Non Funded)	
	2020-21	2019-20
Mortality table	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Interest / Discount Rate	6.71%	6.70%
Expected Salary Escalation	5.25%	5.25%
Expected Return on plan assets	-	-
Expected average remaining service	13.65	12.99
Employee Attrition Rate (past service (PS)) 0 to 40%	2.00%	2.00%

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.

viii) Sensitivity Analysis

Particulars	As at 31 March 2021			
	Discount Rate		Salary Escalation Rate	
	+ 1%	- 1%	+ 1%	- 1%
Present Value of Obligation				
Gratuity	2,033,005	2,379,990	2,377,984	2,031,991

ix) Expected Payout

Particulars	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	4 <sup>th</sup> Year	5 <sup>th</sup> Year	6 <sup>th</sup> to 10 <sup>th</sup> Year
Gratuity	64,083	67,211	74,737	835,522	211,352	381,828



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

x) Amounts recognised in current year and previous three years:

(Amount in ₹)

Particulars	31 March		
	2021	2020	2019
<b>Gratuity</b>			
Defined benefit obligation	2,464,215	2,083,713	1,686,514
Fair value of planned assets		-	-
(Surplus) / Deficit in the plan	2,464,215	2,083,713	1,686,514
Actuarial (gain) / loss on plan liabilities	62,789	66,559	142,637
Actuarial gain / (loss) on plan assets	-	-	-

26. Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarised below:

Particulars	Year ended 31 March 2021 (Amount in ₹)	Year ended 31 March 2020 (Amount in ₹)
<b>Enacted income tax rate in India applicable to the Company</b>	<b>25.17</b>	<b>27.82</b>
<b>Profit before tax</b>	<b>247,696,089</b>	<b>7,925,664</b>
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	62,340,152	2,204,920
<b>Tax effect of the amounts which are not deductible/not taxable in calculating taxable income</b>		
Permanent disallowances	-	54,717
Gain / (Loss) on Sale of Property, Plant and Equipment / Vehicles	(56,518,902)	-
Temporary disallowances (on account of non recognition of deferred taxes)	372,844	1,595,125
Income exempted from income taxes	-	(34,497)
Other items	506	9,735
<b>Total income tax expense / (credit)</b>	<b>6,194,600</b>	<b>3,830,000</b>
<b>Effective Tax Rate</b>	<b>2.50%</b>	<b>48.32%</b>

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

(a) Details of acquisition of securities of any other Body Corporate is as under:

Name of the Body Corporate	(Amount in ₹)
AllCargo Logistics Limited	3,603,379
Bharat Heavy Electricals Limited	2,873,871
TV18 Broadcast Limited	1,329,328
HDFC Asset Management Company Limited	4,840,279
IDFC Limited	6,379,457
Indiabulls Housing Finance Limited	1,032,405
Infibeam Avenues Limited	36,851,242
Kotak Mahindra Bank Limited	1,395,216
Larsen & Turbo Limited	989,530
Mcleod Russel India Limited	2,103,635
Network18 Media & Investments Limited	1,091,592
Power Finance Corporation Limited	1,011,927
RBL Bank Limited	1,911,171

## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

- (b) No Guarantee or security provided by the Company.
- (c) Details of loan given by the Company to person or body corporates is as under:

Name of the Body Corporate	(Amount in ₹)	Purpose
Richline Leasing & Finance Private Limited	125,000,000	Loan towards General Corporate Purpose
Ananta Landmarks Private Limited	180,000,000	Loan towards General Corporate Purpose
Sushma Estate Investments Private Limited	145,000,000	Loan towards General Corporate Purpose
Valcun Glasses Private Limited	60,000,000	Loan towards General Corporate Purpose

### 28. Internal Audit:

During the financial year 2020-21, 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.

29. During the year ended 31 March 2021, the Company had sold out its undertaking known as "Mushroom Plant" consisting of pieces and parcels of lands or ground bearing Gat nos. 379, 382, 380, 381, 384, 416 (part), 433, 434, 435, 438, 436 (part), and 383 of Village Bebadohal and Gat no. 579 (part) of Village Urse, Taluka Maval, District Pune 410506, together with its land, structures, machinery and fixtures therein ("Property") for an aggregate consideration of ₹ 26.00 Crores. The sale deed has been registered with competent authorities on 17 June 2020, accordingly the Company has recognised the gain on sale of the said area of Mushroom Plant during the year ended 31 March 2021.
30. The Company has opted for tax rate under section 115BAA of the Income Tax Act, 1961 which has been considered to determine the current tax liabilities.
31. The figures of the previous year have been reworked, regrouped, rearranged and reclassified, wherever considered necessary to confirm to the current year presentation.

As per our report of even date attached

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

**For Maheshwari & Co.**  
(Firm Reg. No. 105834W)  
Chartered Accountants

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

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

**Mahesh S Rananavre**  
Director  
[DIN: 08296631]

Place: Mumbai  
Date: 29 May 2021

**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.

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