

# **TRANSCHEM LIMITED**

**42<sup>ND</sup> ANNUAL REPORT 2018-2019**





**BOARD OF DIRECTORS:**

Mrs. Bina Shah	-	Chairperson, Independent Director
Mr. Rajen K. Desai	-	Non-executive Director
Mr. Mukesh J. Jethwani	-	Non-executive Director
Mr. Mirza Saeed Kazi	-	Non-executive Director
Mr. Neerav B. Merchant	-	Independent Director
Mr. Dilip S. Shinde	-	Whole Time Director

**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.

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

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

**CIN** L24100MH1976PLC019327

## NOTICE

**NOTICE** is hereby given that the Forty-second Annual General Meeting of the members of **TRANSCHEM LIMITED** will be held on Saturday, the August 31, 2019 at Hotel Ginger (formerly known as Hotel Royal Inn), Gokul Nagar, Lal Bahadur Shastri Marg, Thane (W) – 400601 at 09.30 a.m. to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Dilip S Shinde, Director (DIN: 01763995), 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 A SPECIAL RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provision of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification 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 Board of Directors of the Company and subject to such other regulatory approvals required, if any, Mr. Neerav B Merchant (DIN: 00222393), be and is hereby re-appointed as an Independent Director of the Company for a second term of 5 (five) consecutive years commencing from September 30, 2019, not liable to retire by rotation.”

#### **4. TO CONSIDER AND, IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provision of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification 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 Board of Directors of the Company and subject to such other regulatory approvals required, if any, Mrs. Bina Sanjeev Shah (DIN : 00349612), be and is hereby re-appointed as an Independent Director of the Company for a second term of 5 (five) consecutive years commencing from September 30, 2019, not liable to retire by rotation.”

PLACE: Mumbai  
DATE: August 05, 2019

For **TRANSCHEM LIMITED**  
(NEERAJA KARANDIKAR)  
COMPANY SECRETARY

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of Proxy in order to be effective should be deposited at the Registered Office of the Company, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of AGM. A Proxy Form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolutions/ authority, as applicable.
2. A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. A Member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to RTA of the Company Adroit Corporate Services Private Limited having their office at 19, Jaferbhoj Industrial Estate, 1<sup>st</sup> Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai - 400 059.
4. Statement pursuant to Section 102 (1) of the Companies Act, 2013 ("Act") setting out the material facts concerning each item of special business i.e. Item Nos. 3 to 4 set out in the Notice is annexed hereto.
5. Members are requested to:
  - a) Intimate to the Company's Registrar and Transfer Agents, Adroit Corporate Services Private Limited at the above mentioned address, changes, if any, in their registered addresses at an early date, in case of shares held in physical form;
  - b) Intimate to the respective Depository Participant, changes if any, in their registered addresses at an early date, in case of shares held in electronic/dematerialized form;
  - c) Quote their folio number/ client ID/DP ID in all correspondence;
  - d) Consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names.
6. Pursuant to the Circulars issued by the Ministry of Corporate Affairs (MCA) regarding the Green Initiative, the Annual Report for the year 2018-19 along with notice for the Annual General Meeting (AGM) are being sent, in electronic mode to such members of the Company whose e-mail addresses are available with the Company/ Depository participant and who have not opted to receive the same in physical form. Members are requested to support the Green Initiative by registering/ updating their e-mail addresses, with the Depository participant (in case of Shares held in dematerialised form) or with Adroit Corporate Services Private Limited (in case of Shares held in physical form).
7. Members may also note that the Notice of the 42<sup>nd</sup> Annual General Meeting and the Annual Report for 2018-19 are also available at the Company's website <http://www.transchem.net> for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [secretary@transchem.net](mailto:secretary@transchem.net).
8. Relevant documents referred to in the accompanying Notice shall remain open for inspection at the Registered Office of the Company during normal business hours (9.30 a.m. to 5.30 p.m.) on all working days except Saturdays and Sundays, up to and including the date of the AGM of the Company.

**9. Appointment of Directors**

Mr. Dilip S Shinde (DIN: 01763995), Director of the Company is proposed to retire by rotation at the ensuing annual general meeting and being eligible offers himself for re-appointment. He holds 100 equity shares of Rs. 10/- each of the Company in his name.

Pursuant to the provisions of Sections 149 and 152 of the Act it is proposed to re-appoint Mr. Neerav B Merchant (DIN: 00222393) and Mrs. Bina Sanjeev Shah (DIN: 00349612) as Independent Directors of the Company for second term of Five years not liable to retire by rotation at the ensuing AGM of the Company. Mr. Neerav B Merchant DIN: 00222393) and Mrs. Bina Sanjeev Shah (DIN: 00349612) do not hold any security of the Company in their name.

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

The information to be provided pursuant to Regulation 36(3) of SEBI Listing Regulations for the Directors being appointed is annexed as "Annexure A" to the Notice

## 10. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, Regulation 44 of the SEBI Listing Regulations and Secretarial Standards, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Wednesday, August 28, 2019 (9:00 am) and ends on Friday, August 30, 2019 (5:00 pm). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date being August 24, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:

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

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

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

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

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

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

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



4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- 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.
- How to retrieve your 'initial password'?
  - 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'.
  - If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

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

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

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

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

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

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

- After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- Select "EVEN" of Transchem Limited wherein you wish to cast your vote.
- Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [amitavijay1994@gmail.com](mailto:amitavijay1994@gmail.com), **email ID of Scrutinizer** with a copy marked to [evoting@nsdl.co.in](mailto: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](http://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](http://www.evoting.nsdl.com) or call on toll free number: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

VI. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of August 24, 2019.

VII Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as at the cut-off date i.e. August 24, 2019 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to the Company at [secretary@transchem.net](mailto:secretary@transchem.net) or to its RTA at [info@adroitcorporate.com](mailto:info@adroitcorporate.com) by mentioning their Folio number or DP ID and client Id.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free number: 1800-222-990.

VIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

IX. Mrs. Amita Saxena, Company Secretary in Practice, (FCS 3964, CP 3438) has been appointed as the Scrutinizer to e-voting facility provided to the members of the Company and to scrutinize the voting and remote e-voting process in a fair and transparent manner.

X. The Chairperson shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" or "Polling Paper" for all those members who are present at the AGM but have not casted their votes by availing the remote e-voting facility.

XI. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairperson or a person authorized by her in writing, who shall countersign the same and declare the result of the voting forthwith.

XII The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at [www.transchem.net](http://www.transchem.net) and on the website of NSDL immediately after the declaration of result by the Chairperson or a person authorized by her in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

XIII. Route Map of the venue of the meeting is provided with the report.





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

**ITEM NO. 3 & 4:**

Pursuant to the Companies Act, 2013 Mr. Neerav B Merchant (DIN: 00222393) and Mrs. Bina Sanjeev Shah (DIN : 00349612) were appointed as Independent Directors of the Company by shareholders in their 37<sup>th</sup> Annual General Meeting for a period of five years effective from September 30, 2014. Accordingly they are subject to vacate the office of independent director on September 29, 2019.

As the majority members of the Nomination and Remuneration Committee includes independent directors who are subject to re-appointment, the committee refer the matter to Board for its deliberation.

In the opinion of Board of Directors Mr. Neerav B Merchant (DIN: 00222393) and Mrs. Bina Sanjeev Shah (DIN : 00349612) are persons of integrity and possesses relevant expertise and experience. Both of them have submitted declaration that they fulfill the conditions specified in the Act and rules made there under for being appointed as Independent Directors.

The Board of Directors recommends to re-appoint Mr. Neerav B Merchant (DIN: 00222393) and Mrs. Bina Sanjeev Shah (DIN : 00349612) as Independent Directors of the Company for a second term of five years effective September 30, 2019 at the ensuing AGM of the Company

Mr. Neerav B Merchant (DIN: 00222393) and Mrs. Bina Sanjeev Shah (DIN: 00349612), proposed directors may be deemed to be interested in the resolutions for their appointments as set out in Item Nos. 3 and 4 of the Notice. The relatives of Mr. Neerav B Merchant (DIN: 00222393) and Mrs. Bina Sanjeev Shah (DIN : 00349612) may be deemed to be interested in the resolutions set out, at item Nos. 3 and 4 of the Notice to the extent of their shareholding interest, if any, in the Company.

Except as provided above, none of the other directors and key managerial personnel of the Company and their relatives is concerned or interested financially or otherwise, in the resolution set out at item Nos. 3 and 4 of the Notice. This Explanatory Statement may also be regarded as disclosure under SEBI Listing Regulations and Secretarial Standard 2 (SS-2).

Your Directors recommend the resolutions for your approval.

For **TRANSCHEM LIMITED**

PLACE : Mumbai  
DATE :August 05, 2019

(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. Dilip S. Shinde	Mr. Neerav B Merchant	Mrs. Bina Sanjeev Shah
DIN	01763995	00222393	00349612
Date of Birth, (Age)	June 01, 1961, (58 Years)	March 03, 1985 (34 Years)	March 23, 1969 (50 Years)
Qualification	B.Com, LLB, Diploma in Labour Law & Welfare, Master in Personal Management	LLB	B.Com, FCS
Expertise	Labour Laws & welfare, Personal Management	Practicing as Advocate at Mumbai High Court	Finance, Corporate law matters
No. of Directorships held in other Public Companies (Excluding Private Companies)	Nil	Nil	Nil
Chairman/ membership of other Companies	Nil	Nil	Nil
Shareholding	100	Nil	Nil
Relationship with Directors & KMP	Nil	Nil	Nil
Date of first appointment on Board	March 10, 2008	January 31, 2005	January 31, 2005
Terms and Conditions for reappointment	Appointment on account of retire by rotation, No change in terms	For Five years effective September 30, 2019 Not liable to retire by rotation	For Five years effective September 30, 2019 Not liable to retire by rotation
Remuneration	As approved by the shareholder	Eligible for sitting fees	Eligible for sitting fees

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-Second Annual Report**, together with the Audited Financial Statements of your Company for the financial year ended March 31, 2019.

**Financial Results:**

(₹ in lakhs)

Particulars	Current year ended March 31, 2019	Previous year ended March 31, 2018
Income	292.59	211.09
Gross Profit before Depreciation & Tax	157.35	41.91
Depreciation	79.85	96.90
Tax Expenses	47.00	63.97
Net Profit / (Loss) after Tax	30.50	(118.96)
Other Comprehensive Income for the year, net of taxes	86.47	0.72
Comprehensive income/(Loss) for the year	116.97	(118.24)

**Review of Business Operations:**

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

**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 during the year under review.

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

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

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

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

**Subsidiaries, Associates and Joint Venture Companies:**

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

**Directors Responsibility Statement:**

Pursuant to section 134(5) of the Companies Act, 2013, (the "Act") the Directors of the Company state as under, 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 of the profit of the Company for the year;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the 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:**

In terms of the provisions of Section 152(6) of the Act, Mr. Dilip S Shinde (DIN: 01763995), Director of the Company, shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Pursuant to the Companies Act, 2013 shareholders in their 37<sup>th</sup> Annual General Meeting have appointed Mr. Neerav B Merchant (DIN: 00222393) and Mrs. Bina Sanjeev Shah (DIN: 00349612) as independent directors for a period of five years effective September 30, 2014. Such term of appointment of the Independent Directors shall come to an end on September 29, 2019. Board of the Company is of opinion that Mr. Neerav B Merchant (DIN: 00222393) and Mrs. Bina Sanjeev Shah (DIN: 00349612) are persons of integrity and possesses relevant expertise and experience and also fulfils the conditions specified in the Act and rules made there under for being appointed as Independent Directors of the Company. In view of the same, the Board of Directors proposes to re-appoint Mr. Neerav B Merchant (DIN: 00222393) and Mrs. Bina Sanjeev Shah (DIN: 00349612) as Independent Directors of the Company for a second term of five consecutive years effective September 30, 2019 at the ensuing Annual General Meeting.

Independent Directors Mr. Neerav B Merchant (DIN: 00222393) and Mrs. Bina Sanjeev Shah (DIN: 00349612) have submitted declarations that they meet the criteria of independence in terms of Section 149(6) of the Act and Regulation 25(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations").

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 whole time key managerial personnel of the Company:

1. Mr. Dilip S Shinde – Whole-Time Director;
2. Mr. Mukesh Garach – Chief Financial Officer;
3. Ms. Neeraja Karandikar – Company Secretary and Compliance Officer.

There was no change in key managerial personnel during the year under review.

**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, 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. Risk Management Policy;
8. 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, 2019.

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

The Board of Directors duly met 5 (FIVE) times during the financial year ended March 31, 2019 and the gap between the two Board Meetings did not exceed 120 days. The dates on which the Board meetings were held are May 30, 2018, August 04, 2018, November 05, 2018, February 09, 2019 and February 30, 2019. Other details of the Board Meetings, regarding attendance of directors, are furnished in the Corporate Governance Report.

### **Board Committees:**

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 aforesaid Committees 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, 2018 has been posted at the web-site of the Company at [www.transchem.net](http://www.transchem.net).

The details forming part of the extract of annual return for the year ended March 31, 2019 in Form MGT 9 are attached with this report as Annexure I.

### **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, 2019 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, 2019. The Secretarial Audit Report submitted by her for the year ended March 31, 2019, attached with this report as Annexure II. 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 2019-20.

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

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

The details of loan given 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 executive director your Company has not entered into any related party transactions as specified in Section 188 of the Act. Details of related party transactions as required under Ind-AS – 24 'Related Party Disclosures' are reported in the explanatory notes to the financial statements.

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

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 ₹ 1000 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. During the year no incidence was reported to the chairperson of audit committee.

**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 – 1.00 times

**b. The Percentage increase in remuneration of Director - Nil.**

**c. The Percentage increase in remuneration of Chief Financial Officer – 5.00 %**

**d. The Percentage increase in remuneration of Company Secretary - Nil**

**e. The percentage increase in the median remuneration of employee – 6.37 times**

**f. The number of permanent employee on the roll of Company - 15**

**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 during the year under review (2018-19) is 9.19% and the percentile increase in the managerial remuneration is 6.62%

**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.

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 Companies Act, 2013 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 u/s 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:**

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 whereat its securities are listed and has fully implemented all the requirements as prescribed under the SEBI Listing Regulations.

**Share Capital:**

The paid up equity share capital as on March 31, 2019 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 and have not been suspended from trading.

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

**Other Disclosures:**

1. Your Company is not required to obtain credit rating.
2. 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.

**Acknowledgement:**

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

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

PLACE: Mumbai  
DATE : August 05, 2019

(Dilip S Shinde)  
Whole Time Director  
(DIN- 01763995)

(Rajen K Desai)  
Director  
(DIN-00382740)

(Mirza Saeed Kazi)  
Director  
(DIN-03348588)

## Form MGT -9

## EXTRACT OF ANNUAL RETURN

As on financial year ended on 31<sup>st</sup> March 2019

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

## I. Registration and other details:

CIN	:	L24100MH1976PLC019327
Registration Date	:	18 November 1976
Name of the Company	:	TRANSCHEM LIMITED
Category / Sub-Category of the Company	:	Company Limited by Shares/Indian Non-Government Public Company
Address of the Registered office and contact details	:	304, Ganatra Estate, Pokhran Road No. 1, Khopat, Thane – 400 601 Telefax 022 25478601 Email: secretary@transchem.net
Whether listed Company	:	Yes, Listed on BSE Limited Stock Code: 500422
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	Adroit Corporate Services Private Limited 19, Jaferbhoy Industrial Estate, 1 <sup>st</sup> Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai – 400 059. Telephone: 022 – 28596060 / 022 – 28594442 Email ID: sandeeps@adroitcorporate.com

## II. Principal business activity of the company

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

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

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

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

## i. Category-wise Shareholding:

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of sTotal Shares	
A	Promoters									
(1)	Indian									
a)	Individual/HUF	2,000,000	-	2,000,000	16.34	2,000,000	-	2,000,000	16.34	0.00
b)	Central Govt.	-	-	-	-	-	-	-	-	
c)	State Govt.(s)	-	-	-	-	-	-	-	-	
d)	Bodies Corp.	2,274,373	-	2,274,373	18.58	2,274,373	-	2,274,373	18.58	0.00
e)	Banks / FI	-	-	-	-	-	-	-	-	
f)	Any other	-	-	-	-	-	-	-	-	
	Sub-total(A)(1):	4,274,373	-	4,274,373	34.92	4,274,373	-	4,274,373	34.92	0.00



(2)	Foreign									
a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
b)	Other – Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
	Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
	Total shareholding of Promoter (A) = (A)(1)+(A)(2)	4,274,373	-	4,274,373	34.92	4,274,373	-	4,274,373	34.92	0.00
B	Public Shareholding									
(1)	Institutions	-	-	-	-	-	-	-	-	-
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Banks / FI	-	4,000	4,000	0.03	-	4,000	4,000	0.03	-
c)	Central Govt	-	-	-	-	-	-	-	-	-
d)	State Govt(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIs	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-total (B)(1):	-	4,000	4,000	0.03	-	4,000	4,000	0.03	-
(2)	Non-Institutions									
a)	Bodies Corp.									
i)	Indian	4,437,838	62,000	4,499,838	36.76	4,484,856	60,200	4,545,056	37.13	+0.37
ii)	Overseas									
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto Rs. 2 lakh	1,557,206	1,252,875	2,810,081	22.96	1,577,243	1,207,175	2,784,418	22.75	-0.21
ii)	Individual shareholders holding nominal share capital in excess of Rs 2 lakh	582,319	30,000	612,319	5.00	554,534	30,000	584,534	4.78	-0.22
c)	Others (specify)									
	Clearing Member	13,075	-	13,075	0.11	18,527	0	18,527	0.15	+0.04
	NRI	2,764	2,050	4,814	0.04	5,542	2,050	7,592	0.06	+0.02
	NRI Corp Bodies	-	21,500	21,500	0.18	0	21,500	21,500	0.18	0
	Sub-total(B)(2):	6,593,202	1,368,425	7,961,627	65.05	6,640,702	1,320,925	7,961,627	65.06	0
	Total Public Shareholding (B)=(B)(1)+(B)(2)	6,593,202	1,372,425	7,965,627	65.08	6,640,702	1,324,925	7,965,627	65.08	0
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	10,867,575	1,372,425	12,240,000	100	10,915,075	1,324,925	12,240,000	100	-

## ii. Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Priyanka Finance Private Limited	2,274,373	18.58	-	2,274,373	18.58	-	0
2	Mr. Vijay Choraria	2,000,000	16.34	-	2,000,000	16.34	-	0
	Total	4,274,373	34.92	-	4,274,373	34.92	-	0

iii. **Change in promoters' shareholding:** There was no change in the shareholding of Promoters during the year

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

Sr. No.	Name of Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	JMS Mining Private Limited	2,261,938	18.48	2,261,938	18.48
2	Brijwasi Securities Private Limited	585,341	4.78	585,341	4.78
3	Firstcorp International Limited	549,752	4.49	549,752	4.49
4	Ankit Miglani	350,000	2.86	350,000	2.86
5	Bayswater Enterprises Private Limited	292,798	2.39	292,798	2.39
6	Smit Capital Services Private Limited	283,706	2.32	283,706	2.32
7	Menlo Finance and Investment Corporation Private Limited	84,000	0.69	84,000	0.69
8	Agnus Holdings Private Limited	75,000	0.61	75,000	0.61
9	Richline Leasing and Finance Private Limited	69,673	0.57	69,673	0.57
10	Millennium Stock Broking Private Limited	44,115	0.36	63453	0.52

v. **Shareholding of Directors:**

Sr. No.	Name of Director	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Bina Shah	0	0	0	0
2.	Rajen K. Desai	9,396	0.08	9,396	0.08
3.	Jethwani Mukesh Jagat	0	0	0	0
4.	Neerav B Merchant	0	0	0	0
5.	Mirza Saeed Kazi	0	0	0	0
6.	Dilip S. Shinde	100	0	100	0

**vi. Shareholding of Key Managerial Personnel:**

Sr. No.	Name of KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Neeraja Karandikar, Company Secretary	100	0	100	0
2.	Mukesh Garach, CFO	100	0	100	0

**V. Indebtedness:**

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

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

Sr. No.	Particulars of Remuneration	Name of Director	Total Amount (₹)
1.	Total Gross Salary*	Mr. Dilip Shinde, WTD	238,875
	Ceiling as per the Act	In terms of the provisions of the Companies Act, 2013 and the Rules framed thereunder and the Circulars issued thereunder, the remuneration paid to the Whole-Time Director is within the ceiling prescribed.	

\*Apart from the salary as stated above no commission or other emolument was paid to the director.

**B. Remuneration to other directors:**

Sr. No.	Name of Directors	Particulars of Remuneration	Total Amount (₹)
1.	Mrs. Bina Shah	Sitting fee	25,000
2.	Mr. Neerav B. Merchant	Sitting fee	25,000
3.	Mr. Rajen K. Desai	Sitting fee	25,000
4.	Mr. Mukesh Jagat Jethwani	Sitting fee	25,000
5.	Mr. Mirza Saeed Kazi	Sitting fee	25,000

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

Sr. No.	Particulars of Remuneration in ₹	Key Managerial Personnel			
		Chief Executive Officer	Company Secretary	Chief Financial Officer	Total
1	Gross salary*	NA	130,000	355,465	485,465

\*Apart from the salary as stated above no commission or other emolument was paid to the KMPs

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

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

PLACE: Mumbai  
DATE : August 05, 2019

(Dilip S Shinde)  
Whole Time Director  
(DIN- 01763995)

(Rajen K Desai)  
Director  
(DIN-00382740)

(Mirza Saeed Kazi)  
Director  
(DIN-03348588)

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2019

(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 - 400601

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 31<sup>st</sup> March 2019. 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 31<sup>st</sup> March 2019 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 maintained by the Company for the Financial Year ended 31<sup>st</sup> March 2019 according to the 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.

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, 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 Directors, Non-Executive Directors, Independent Directors including Women Directors. There were no changes in the composition of the Board of Directors during the period under review;
- 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;
- All the decisions of the Board and Committees thereof were carried through with requisite majority.

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 review period, Company has passed special resolutions by way of postal ballot (i) to alter the object clause of its Memorandum, authorising it to take up new business activities as specified in the new object clause, (ii) To monetize the land and assets of the mushroom plant by rent-out/ sale of the same (iii) To give loan, guarantee to other body corporate or to acquire by way of subscription the securities for an amount not exceeding Rs. 40.00 Cr 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. However till the end of financial year at 31<sup>st</sup> March 2019 no action having a bearing on the Company's affairs in pursuance of the above referred resolutions /decisions have taken place.

Place:Thane  
Date: 05 August 2019

Amita Saxena  
FCS No: 3964 CP No: 3438

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

## 'Annexure A'

To,  
The Members,  
Transchem Limited

My Secretarial Audit Report for the financial year ended 31st March 2019 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 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.
4. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

### **Disclaimer:**

5. 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.
6. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

Place: Thane  
Date: 05 August 2019

Amita Saxena  
FCS No: 3964 CP No: 3438





## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management's Discussion and Analysis ("MDA") Report mainly focuses on various factors and their impact on the business of Transchem Limited (the "Company") during the financial year 2018-19 and to the date of this report. MDA also contains the overall scenario of the industry, its growth at global and domestic level, this further contains the possible effect of such industry scenario on the business of the Company.

The management of the Company opine and give their comments on the various resources that may affect necessary development of the Company's business.

### ECONOMIC AND INDUSTRY OVERVIEW

#### GLOBAL ECONOMY

In 2018, the global economy began its journey on a firm footing with estimated global economic growth of 3.6% (Source: World Economic Outlook by International Monetary Fund (IMF)). During the second half of 2018, this rate of development gradually declined, owing to impending US-China trade dispute and some slowdown across developed markets. Emerging and developing markets of Asia maintained their steady progress at 6.4% during 2018. However, it's important to note that India's economy expanded at 7.1% in 2018 vis-a-vis 6.7% in 2017, whereas China's growth deteriorated from 6.9% in 2017 to 6.6% in 2018 (Source: IMF). Sub-Saharan Africa's economy also sustained a steady rise of 3% during the year.

#### INDIAN ECONOMY

India continues to be one of the fastest growing major economies in the world and is expected to be among the world's top three economic powers in the next 10-15 years. The Indian economy is expected to improve and close the year 2019 with a GDP growth of 7.3% (Source: IMF). Sustained real GDP growth of over 6% since Financial Year 1991 has led to a fundamental transformation of India's economy. Today, India is the world's seventh largest economy in real terms, backed by strong demand, positive consumption pattern and rising disposable income. In Purchasing Power Parity (PPP) terms, the economy is expected to be among the top five global economies by 2020.

#### INDUSTRY STRUCTURE AND DEVELOPMENTS

The Mushroom Division of the Company was operated as 100% Export Oriented Unit until the market extinguished and the Division remained non-operational since several years in the past.

#### OPPORTUNITIES, THREATS, RISKS AND CONCERNS

The Company ceased to operate its Mushroom Division and since then, there has been no activity in the Company. During the year, the Company continued taking steps to monetize the Mushroom Division.

#### OPERATIONAL PERFORMANCE

The Company has a large chunk of land near Pune, Maharashtra where Mushroom Plant of the Company is located. However, the said Plant of the Company is inoperative for many years and due to various reasons, the management of the Company foresees very dim possibility to restart the said plant. To put that land for commercial use it is proposed either to establish a food processing unit at that place or to provide warehousing facility to business and industrial organizations.

The Management of the Company also proposes to establish a new business unit for food processing or to provide warehousing facility from the place where the Mushroom Plant of the Company is situated. However since the present property is located at a place that is not well connected with rail and other commutation means, it is looking for a place that is more suitable for new business venture. To meet the cost of establishment of place of business at another place it is proposed to rent out, lease out or dispose off the property of said Plant and monetize the Plant in the best interest of the Company. Accordingly, the Company has obtain the consent of shareholders by way of postal ballot on March 23, 2019 to sell / dispose off the Mushroom plant subject to necessary approvals from other statutory authorities, if any.

## **FINANCIAL PERFORMANCE**

Since the Company did not have regular operations during the year ended March 31, 2019 and March 31, 2018, the operating ratios have not been computed.

## **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 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 FY 2018-19.

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

### 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 and 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 chairperson then atleast one – third of the Board shall comprise of independent directors. As on March 31, 2019, the structure of the Board of Directors of the Company is as follows:
  - Two Non-Executive, Independent Directors including a Woman Director;
  - Three Non-Executive, Non-Independent Director; and
  - One Whole-Time Director.
- ii. The composition of the Board of Directors is in conformity with the requirements of Regulation 17 of the SEBI Listing Regulations as well as Companies Act, 2013 read with rules framed thereunder. 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. 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. The Board periodically evaluates the need for change in its composition and size
- iv. Mr. Rajen K Desai, (Non-Executive Director) is holding 9,396 equity shares of Rs. 10/- each of the Company; Further, none of the other 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, 2019 have been made by the directors.
- vi. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of SEBI Listing Regulations. The maximum tenure of the independent directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under SEBI Listing Regulations and Section 149 of the Act. 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 other director.
- viii. The names and categories of the directors on the board, their attendance at board meetings held during the year and the number of directorships and committee chairmanships/ memberships held by them in other public companies as on 31 March 2019 are given herein below. Other directorships do not include directorships of

private limited companies. Chairmanships/ memberships of board committees includes only audit committee and stakeholders relationship committee:

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

\*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.

- ix. Except for Mr. Rajen K. Desai, who is director of NB Footwear Limited, a listed Company, none of the other Director hold Directorship in any other Listed Company.
- x. During the financial year ended March 31, 2019, FIVE meetings of the Board of Directors were held respectively on May 30, 2018, August 04, 2018, November 05, 2018, February 09, 2019 and February 20, 2019. In no case the gap between two consecutive board meetings exceeded period of 120 days as provided under Section 173 of the Companies Act, 2013 and Regulation 17(2) of the SEBI Listing Regulations.

The Company adheres to the provisions of the Companies Act, 2013 read with the Rules issued thereunder, Secretarial Standards and SEBI Listing Regulations with respect to convening and holding 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 is as under:

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

- xi. During the year 2018-19, information as mentioned in Regulation 17(7) of SEBI Listing Regulations has been placed before the Board for its consideration.
- xii. 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) of SEBI Listing Regulations.
- xiii. Company provides formal letter of appointment to the Independent Director as provided in the Companies Act, 2013 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 to be imparted to the independent director be uploaded on the website of the Company at [www.transchem.net](http://www.transchem.net).



- xiv. Independent Directors have an independent standing in their respective field/profession, and who effectively contribute to the Company's business and policy decisions of the Company. 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 Companies Act, 2013.
- xv. A separate meeting of the independent directors was held on May 30, 2018 inter-alia to review the performance of non-independent directors and of the board as a whole.
- xvi. 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.
- xvii. The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the management of the Company.

### 3. COMMITTEES OF THE BOARD

#### a) AUDIT COMMITTEE

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

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

During the financial year ended 31 March 2019, FOUR meetings of audit committee were held respectively on May 30, 2018, August 04, 2018, November 05, 2018 and February 09, 2019.

The gap between two meetings did not exceed one hundred and twenty days and the necessary quorum was present for all the meetings held during the year. The constitution of 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 held	No. of meetings attended
1.	Mrs. Bina Shah, Chairperson	Independent Director	4	4
2.	Mr. Neerav B. Merchant,	Independent Director	4	4
3.	Mr. Rajen K. Desai	Non-Executive Director	4	4

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 was held on September 22, 2018 and Mrs. Bina Shah, Chairperson of the Audit Committee was present to respond to the Shareholder's queries.

#### **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 Companies Act, 2013;

- 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 entity 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 used to review related party transactions and compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015

B. 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; and



- To review the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- 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:**

The Nomination and Remuneration Committee comprises of three Non-Executive Directors, majority of them being Independent Directors. Mr. Neerav 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. Rajen K Desai.

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 Companies Act, 2013.

During the year Committee was met on February 09, 2019 and was attended by all members of the Committee.

Mr. Neerav Merchant, Chairman of the Nomination and Remuneration Committee was present at the previous Annual General Meeting ("AGM") of the Company held on September 22, 2018 to respond to the Shareholder's queries.

**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. The performance of individual members is being evaluated based on the response received from the other board members

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

**REMUNERATION TO EXECUTIVE DIRECTORS 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 required, approved by shareholders in General Meeting.

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

Except being paid the sitting fee for attending board meeting non-executive directors do not have any other pecuniary relationship or transaction with the Company.



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

Name of the Director	Salary	Benefits	Commission	Sitting Fees	Total (Rs.)
Mrs. Bina Shah	Nil	Nil	Nil	25,000	25,000
Mr. Rajen K. Desai	Nil	Nil	Nil	25,000	25,000
Mr. Mukesh Jagat Jethwani	Nil	Nil	Nil	25,000	25,000
Mr. Mirza Saeed Kazi	Nil	Nil	Nil	25,000	25,000
Mr. Neerav B. Merchant	Nil	Nil	Nil	25,000	25,000
Mr. Dilip Shinde	238,875	Nil	Nil	Nil	238,875

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

**c) STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Company has constituted the Stakeholders Relationship Committee in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The committee consists of three members namely: Mrs. Bina Shah, Mr. Neerav B Merchant and Mr. Rajen K Desai. Mrs Bina S Shah, Independent, Non-Executive Director has been designated as Chairperson and Mrs. Neeraja Karandikar, Company Secretary has been designated as Compliance Officer 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 2018-19, FOUR meetings of Stakeholders Relationship Committee were held respectively on September 22, 2018, December 15, 2018, February 9, 2019 and March 7, 2019. All meetings were attended by requisite quorum. Mrs Bina S Shah, Chairperson of the Committee was present at the last Annual General Meeting to answer the queries of the Shareholders'.

During the year 2018-19 Company has received 3 Complaint, that were resolved promptly and within the time prescribed by the SEBI Listing Regulations. As at 31 March 2019 no Complaint was pending.

**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:**

- 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.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- 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.
- Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

The Company obtains a half-yearly 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(9) of the SEBI Listing Regulations. 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 a half yearly basis.



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

During the year apart from payment of sitting fee to non-executive directors and remuneration to executive director 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 uploaded on the website of the Company at [www.transchem.net](http://www.transchem.net).

**ii) Accounting treatment:**

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

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

During the financial year 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) CEO / CFO certification**

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

**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 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:**

Company has obtain 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 directors 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 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.: 2018-19	F.Y.: 2018-19 (₹)
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 2018-19. A declaration as required under SEBI Listing Regulations to this effect has been included in 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
2015-2016	September 30, 2016	Hotel Ginger, Gokul Nagar, Lal Bahadur Shastri Marg, Thane (W) -400601.	09.30 a.m.
2016-2017	September 16, 2017		09.30 a.m.
2017-2018	September 22, 2018		09.30 a.m.

**(b) Details of special resolution passed at General Meeting:**

One special resolution for re-classification of promoters was passed at 40<sup>th</sup> AGM held on September 16, 2017 for the year 2016-17.

**(c) Postal Ballot**

- (i) No resolution was passed through postal ballot at the last three AGMs.
- (ii) During the year under review, three special resolutions were passed by means of Postal Ballot including e-voting on 23<sup>rd</sup> March 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.

**(iii) 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

**(iv) 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

**(v) 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 National Securities Depository Limited (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 March 27, 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 Ms. 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 Ms. 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 a 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.

The quarterly and half-yearly financial results 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 Nav-Shakti (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 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
31 August 2019 Saturday	9.30 a.m.	Hotel Ginger (Formerly known as Hotel Royal Inn), Gokul Nagar, Lal Bahadur Shastri Marg, Thane (W) – 400 601.

\*No resolution is proposed to be passed by way of postal ballot at ensuing AGM

### 2. Financial Calendar: 01 April 2018 to 31 March 2019.

### 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 2018-19 as well as of 2019-20 have been paid to BSE Limited. (Stock Code. 500422)

ISIN: INE019B01010

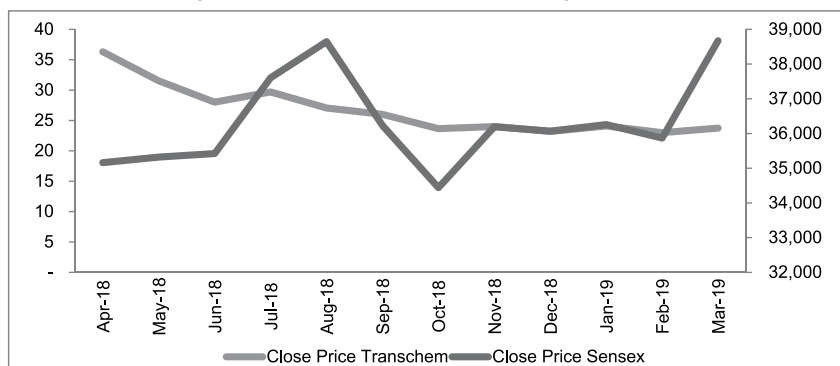
Securities of the Company have never been suspended from trading.

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

Month	High (₹)	Low (₹)
April 2018	39.40	28.90
May 2018	38.90	30.25
June 2018	36.65	27.10
July 2018	33.10	25.05
August 2018	33.70	27.00
September 2018	31.90	22.60
October 2018	31.40	22.50
November 2018	29.10	21.00
December 2018	25.85	20.80
January 2019	28.75	22.15
February 2019	27.30	19.55
March 2019	25.85	20.20

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

(X axis on left represents Closing Price of Transchem Ltd and on right represents 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. Registrar and Transfer Agent:  
Adroit Corporate Services Private Limited  
19, Jaferbhoy Industrial Estate, 1st Floor,  
Makwana Road, Marol Naka, Andheri (E),  
MUMBAI – 400 059.  
Contact Person: Mr. Praful J Shah, Phone Number. 022 - 4227 0427

**Details of Shareholding of Directors as on 31 March 2019:**

Sr. No	Name of Director	Number of Shares held
1	Mrs Bina Shah	0
2	Mr. Rajen K. Desai	9,396
3	Mr. Mukesh Jagat Jethwani	0
4	Mr. Mirza Saeed Kazi	0
5	Mr. Neerav Merchant	0
6	Mr. Dilip Shinde	100

Distribution Schedule & Shareholding pattern of Equity Shares as on 31 March 2019 is enclosed as Annexure-III.

Dematerialization of shares and liquidity: As on 31 March 2019, 89.18% of the shares capital of the Company has been dematerialized. All requisitions for dematerialization of shares are being accepted well within the time limit of 21 days. Shares of the Company are regularly been traded at the BSE Limited, Mumbai.

Outstanding GDRs/ADRs etc.: Not Applicable.

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

Address for correspondence:

TRANSCHEM LIMITED

304, Ganatra Estate, Pokhran Road No 1,

Khopat, Thane (W) – 400 601.

Phone No. 022-25478601/25477077

Email: [secretary@transchem.net](mailto:secretary@transchem.net)

Web Site: [www.transchem.net](http://www.transchem.net)

## ANNEXURE -III

- A. Distribution Schedule of Equity Shares as at March 31, 2019:

No. of Equity Shares held	No. of Shareholders	% of Shareholder	No. of Shares held	% of Shareholding
001 to 500	12476	94.42	1611357	13.17
501 to 1000	403	3.05	333790	2.73
1001 to 2000	164	1.24	257101	2.10
2001 to 3000	60	0.45	157176	1.28
3001 to 4000	23	0.17	81813	0.67
4001 to 5000	20	0.15	93366	0.76
5001 to 10000	24	0.18	183557	1.50
10001 & above	44	0.33	9521840	77.80
TOTAL	13214	100.00	12240000	100.00
Physical Mode	8151	61.68	1324925	10.82
Electronic Mode	5063	38.32	10915075	89.18

## B. Shareholding pattern as at March 31, 2019:

<b>Category</b>	<b>No. of shareholders*</b>	<b>Nos. of Shares held</b>	<b>Voting Strength</b>
Promoters & Persons Acting in concert	2	4,274,373	34.92
Bodies Corporate (Domestic)/Trusts	111	4,545,056	37.13
Banks/Mutual Funds/Financial Institutions (FIs)	4	4,000	0.03
Non-Resident Individuals (NRIs)/Foreign Corporate Bodies/ Overseas Corporate Bodies (OCBs)/ Foreign Banks	25	29,092	0.24
Resident Individuals	12944	3,368,952	27.53
In transit	15	18,527	0.15
<b>TOTAL</b>	<b>13,101</b>	<b>12,240,000</b>	<b>100</b>

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

**DECLARATION**

As per the Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2019

Place: Mumbai

Date: August 05, 2019

For Transchem Limited

Dilip Shinde (Whole Time Director)



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF M/S 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 31st March 2019, and the statement of Profit and Loss (including Other Comprehensive Income) and statement of cash flows 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 March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

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

##### Key Audit Matters

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

##### Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 statement 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 other comprehensive income, the cash flow statement and statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
  - e) On the basis of written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019, from being appointed as a director in terms of Section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**"; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to 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;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, if any; and
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "**Annexure- B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**Pawan Gattani**  
**Partner**  
**Membership No. 144734**

**Place: Mumbai**  
**Date: 11<sup>th</sup> May, 2019**

## 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 March 2019 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 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Pawan Gattani  
Partner  
Membership No. 144734**

**Place: Mumbai**

**Date: 11<sup>th</sup> May, 2019**

## 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. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
b) Fixed assets have been verified by the management in accordance with a phased programme of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets, though all the assets were not verified by the management during the year. No material discrepancies were noticed on such verification.  
c) According to information and explanations given to us and on the basis of our examination of the records of the company, title deeds of immovable properties are held in the name of the Company.
2. According to information and explanations given to us, the inventory has been physically verified by the management at the reasonable interval during the year. which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. No material discrepancies were noticed on such physical verification
3. According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company.
4. According to information and explanations given to us, the Company has 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 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, 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 etc. as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
16. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is no required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

**Pawan Gattani**  
**Partner**  
**Membership No. 144734**

**Place: Mumbai**  
**Date: 11<sup>th</sup> May, 2019**

**BALANCE SHEET AS AT 31 MARCH 2019**

(Amount in ₹)

	Notes	As at 31 March 2019	As at 31 March 2018
<b>Assets</b>			
<b>Non - Current Assets</b>			
Property, Plant and Equipment	2	42,747,878	54,321,279
Financial Assets			
(i) Investments	3	59,278,830	20,268,280
Deferred Tax Assets (net)	4	-	-
		102,026,708	74,589,559
<b>Current Assets</b>			
Financial Assets			
(i) Investments	3	-	81,814,643
(ii) Inventories	5	3,112,200	3,164,000
(iii) Cash and Cash Equivalents	6	163,335,269	2,663,769
(iv) Loans	7	110,243,000	200,427,000
(v) Other Financial Assets	8	4,647,979	6,124,930
Other Current Assets	9	323,689	36,330
Current Tax Asset (Net)		-	979,725
		281,662,137	295,210,398
<b>Total Assets</b>		<b>383,688,845</b>	<b>369,799,957</b>
<b>Equity and Liabilities</b>			
<b>Equity :</b>			
Equity Share Capital	10	122,400,000	122,400,000
Other Equity		257,367,290	245,669,815
		379,767,290	368,069,815
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
Provisions	11	1,717,252	1,383,360
		1,717,252	1,383,360
<b>Current Liabilities</b>			
Provisions	12	16,543	16,020
Other Current Liabilities	13	931,598	330,762
Current Tax Liability (Net)		1,256,162	-
		2,204,303	346,782
<b>Total Equity and Liabilities</b>		<b>383,688,845</b>	<b>369,799,957</b>
<b>Significant Accounting Policies and other explanatory information</b>	1 to 30		

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

**Pawan Gattani**  
Partner  
Membership No.144734

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

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

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

Place: Mumbai  
Date: 11 May 2019

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

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

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019**

(Amount in ₹)

	Notes	For the Year ended 31 March 2019	For the Year ended 31 March 2018
<b>Income</b>			
Revenue from Operations		-	-
Other Income	14	29,259,002	21,109,452
		<b>29,259,002</b>	<b>21,109,452</b>
<b>Expenses</b>			
Cost of Material Consumed	15	-	-
Employee Benefits Expenses	16	4,755,823	2,841,772
Finance Costs	17	625	2,634
Depreciation and Amortization Expenses	2	7,985,423	9,690,112
Other Expenses	18	8,766,907	14,073,852
		<b>21,508,778</b>	<b>26,608,370</b>
<b>Profit / (Loss) Before Tax</b>		<b>7,750,224</b>	<b>(5,498,918)</b>
<b>Tax Expense</b>			
Current Tax		4,700,000	-
Deferred Tax		-	6,397,257
<b>Profit / (Loss) for the Year</b>		<b>3,050,224</b>	<b>(11,896,175)</b>
<b>Other Comprehensive Income</b>			
<u>Items that will not be reclassified to profit or loss</u>			
Net gain / (loss) on FVTOCI of investments		8,789,888	-
Re-measurement gain/ (losses) on defined benefit plans (Net)		(142,637)	72,329
<b>Other Comprehensive income for the year, net of tax</b>		<b>8,647,251</b>	<b>72,329</b>
<b>Total Comprehensive Income for the year</b>		<b>11,697,475</b>	<b>(11,823,846)</b>
Basic and Diluted Earnings Per Share (in ₹) (Face Value ₹10)		<b>0.25</b>	<b>(0.97)</b>
<b>Significant Accounting Policies and other explanatory information</b>	<b>1 to 30</b>		

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

**Pawan Gattani**  
Partner  
Membership No.144734

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

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

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

Place: Mumbai  
Date: 11 May 2019

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

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

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹)

	Year ended 31 March 2019	Year ended 31 March 2018
<b>A Cash Flows From Operating Activities</b>		
Profit / (Loss) Before Tax	7,750,224	(5,498,918)
<b>Adjustments For:</b>		
Depreciation and Amortization Expenses	7,985,423	9,690,112
Mark to Market Gain / (Loss) on Inventories	(148,200)	-
Capital Gains on Sale of Shares	(3,393,988)	-
Loss on Sale of Plant & Machinery	1,745,380	-
Revaluation of Inventories	-	5,724,794
Security deposits / Advances written off	-	1,400,000
Investments written off	600,000	-
Dividend on Mutual Funds	(940,714)	(2,040,079)
Net (loss) / gain on FVTOCI of investments	8,789,888	-
Re-measurement gain/ (losses) on defined benefit plans	(142,637)	72,329
<b>Operating Profit before Working Capital Changes</b>	<b>22,245,376</b>	<b>9,348,238</b>
(Increase)/Decrease in Inventories	200,000	-
(Increase)/Decrease in Loans and other Financial / Current Assets	91,373,593	(206,385,370)
Increase/(Decrease) in Other Current Liabilities and Provisions	935,251	117,591
<b>Cash Generated from Operating Activities</b>	<b>114,754,220</b>	<b>(196,919,542)</b>
Direct taxes paid (net of refunds)	(2,464,113)	(979,726)
<b>Net Cash Generated from / (Used in) Operations (A)</b>	<b>112,290,107</b>	<b>(197,899,268)</b>
<b>B Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment and other intangible assets	(42,995)	-
Sale of property, plant and equipment and other intangible assets	1,885,593	-
(Payments) towards purchase of Long Term Investments	(39,610,550)	-
Proceeds from sale of /(Payments) towards purchase of Short Term Investments	85,208,632	195,799,896
Dividend Received from Mutual Funds	940,714	2,040,079
<b>Net Cash Generated from Investing Activities (B)</b>	<b>48,381,394</b>	<b>197,839,976</b>





(Amount in ₹)

	Year ended 31 March 2019	Year ended 31 March 2018
<b>C Cash Flows From Financing Activities</b>	-	-
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>160,671,501</b>	<b>(59,293)</b>
Cash and Cash Equivalent as on 01 April 2018 (as per Note 6)	2,663,769	2,723,061
Cash and Cash Equivalent as on 31 March 2019 (as per Note 6)	163,335,269	2,663,769

**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

**Pawan Gattani**  
Partner  
Membership No.144734

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

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

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

Place: Mumbai  
Date: 11 May 2019

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

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

## Statement of Changes in Equity for the year ended 31 March 2019

a	Equity share capital	Number	Amount in ₹	
	As at 01 April 2017		12,240,000	122,400,000
	Issue of share capital	-	-	
	<b>Balance as at 31 March 2018</b>	<b>12,240,000</b>	<b>122,400,000</b>	
	Issue of share capital	-	-	
	<b>Balance as at 31 March 2019</b>	<b>12,240,000</b>	<b>122,400,000</b>	

b	Other equity	Reserves and surplus			
		Securities premium reserve	General reserve	Retained earnings	Total Equity
	<b>Balance as at 01 April 2017</b>	<b>202,995,150</b>	<b>6,473,483</b>	<b>48,025,028</b>	<b>257,493,661</b>
	Loss for the year	-	-	(11,896,175)	(11,896,175)
	Other comprehensive income for the year	-	-	72,329	72,329
	<b>Total Comprehensive income for the year ended 31 March 2018</b>	<b>-</b>	<b>-</b>	<b>(11,823,846)</b>	<b>(11,823,846)</b>
	<b>Balance as at 31 March 2018</b>	<b>202,995,150</b>	<b>6,473,483</b>	<b>36,201,182</b>	<b>245,669,815</b>
	Profit for the year	-	-	3,050,224	3,050,224
	Other comprehensive income for the year	-	-	8,647,251	8,647,251
	<b>Total Comprehensive income for the year ended 31 March 2019</b>	<b>-</b>	<b>-</b>	<b>11,697,475</b>	<b>11,697,475</b>
	<b>Balance as at 31 March 2019</b>	<b>202,995,150</b>	<b>6,473,483</b>	<b>47,898,657</b>	<b>257,367,290</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 30

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

**Pawan Gattani**  
Partner  
Membership No.144734

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

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

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

Place: Mumbai  
Date: 11 May 2019

**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 2019

### 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	8 years as on 31 March 2019
Office Premises / Gala	30 years
Plant and Machinery at Factory	2 years as on 31 March 2019
Plant and Machinery (Others)	15 years
Furniture and Fixtures	10 years
Vehicles	8 years

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

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

## 1.4 Investments and other financial assets:

### Initial recognition

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

### Subsequent measurement

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

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

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

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

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

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

### Impairment of Financial Assets

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

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

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

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the



expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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

#### **De-recognition of Financial Assets**

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

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

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

#### **Equity investments**

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

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

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

### **1.5 Financial Liabilities**

#### **Initial Recognition**

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

#### **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.

Capital gains are recorded as and when materialised.

Ind-AS 115 'Revenue from Contracts with Customers', mandatory for reporting periods beginning on or after 01 April 2018, replaces existing revenue recognition requirements. Under the modified retrospective approach there were no adjustments required to the retained earnings at 01 April 2018. Also, the application of Ind-AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results.

### **1.11 Inventories**

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

Securities are valued at fair value less costs to sell.

## 1.12 Employee benefits

### a) Defined contribution plan

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

### b) Defined benefits plan

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

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

### c) Compensated absences

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

## 1.13 Income Tax

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

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

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

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

### a) Impairment of non-financial assets

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

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

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



**c) Provisions**

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

**d) Defined benefit obligation (DBO)**

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

**e) Fair value measurement**

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

**1.15 Recent accounting pronouncements**

On 30 March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1 April 2019.

**a) Ind AS 116 :**

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company has not entered into any lease contracts and hence this standard is not applicable to the entity.

**b) Ind AS 12 :**

This Standard requires an entity to account for the tax consequences of transactions and other events in the same way that it accounts for the transactions and other events themselves, by recognising current tax and deferred tax in the books of accounts

The amendment requires any changes in the opening equity be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. If an entity applies this relief, it shall disclose that fact.

The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 12 is expected to be insignificant."

**c) Ind AS 19 :**

This Standard shall be applied by an employer in accounting for all employee benefits. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 19 is expected to be insignificant."

## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

### Note 2 Property, plant and equipment

(Amount in ₹)

Gross block	Freehold land	Factory Building	Furniture and Fixtures	Office Premises/ Gala	Plant & Machinery	Vehicles	Total
<b>Balance as at 01 April 2017</b>	<b>6,488,481</b>	<b>50,910,922</b>	<b>179,253</b>	<b>1,898,030</b>	<b>14,101,288</b>	<b>614,019</b>	<b>74,191,993</b>
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>6,488,481</b>	<b>50,910,922</b>	<b>179,253</b>	<b>1,898,030</b>	<b>14,101,288</b>	<b>614,019</b>	<b>74,191,993</b>
Additions	-	-	6,000	-	36,995	-	42,995
Disposals	-	-	-	-	13,906,125	-	13,906,125
<b>Balance as at 31 March 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>
<b>Balance as at 01 April 2017</b>	-	<b>5,517,336</b>	<b>79,419</b>	<b>111,005</b>	<b>4,012,067</b>	<b>460,775</b>	<b>10,180,602</b>
Depreciation charge	-	5,517,336	79,419	111,005	3,982,352	-	9,690,112
Reversal on disposal of assets	-	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	-	<b>11,034,672</b>	<b>158,838</b>	<b>222,010</b>	<b>7,994,419</b>	<b>460,775</b>	<b>19,870,714</b>
Depreciation charge	-	5,517,336	437	111,005	2,356,645	-	7,985,423
Disposal of Machinery	-	-	-	-	10,275,152	-	10,275,152
<b>Balance as at 31 March 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>
<b>Net block</b>							
<b>Balance as at 31 March 2018</b>	<b>6,488,481</b>	<b>39,876,250</b>	<b>20,415</b>	<b>1,676,020</b>	<b>6,106,869</b>	<b>153,244</b>	<b>54,321,279</b>
<b>Balance as at 31 March 2019</b>	<b>6,488,481</b>	<b>34,358,914</b>	<b>25,978</b>	<b>1,565,015</b>	<b>156,246</b>	<b>153,244</b>	<b>42,747,878</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 2019

	(Amount in ₹)	
	As at 31 March 19	As at 31 March 18
<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>		
100,000 (Previous year: Nil Equity Shares) Equity Shares of Edelweiss Financial Services Limited of ₹ 1 each fully paid up.	19,775,000	-
50,000 (Previous year: Nil Equity Shares) Equity Shares of J M Financial Limited of ₹ 1 each fully paid up.	4,705,000	-
21,000 (Previous year: Nil Equity Shares) Equity Shares of The Phoenix Mills Limited of ₹ 2 each fully paid up.	15,130,550	-
Sub-Total	39,610,550	-
<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
4,800 (Previous year: 4,800 Equity Shares) Equity Shares of SMG Risk Management Private Limited of ₹ 10 each fully paid up.	-	600,000
Sub-Total	19,668,280	20,268,280
<b>Current Investments</b>		
<b><u>Unquoted investments in Mutual Funds at FVTPL</u></b>		
HDFC - Cash Management Fund Saving Plan - Growth Option	-	34,282,716
HDFC - Floating Rate Income Fund - STP - Direct Plan - Growth Option	-	7,618,462
HDFC - Liquid Fund Direct Plan - Dividend Daily Reinvest	-	39,913,465
Sub-Total	-	81,814,643
<b>Total</b>	<b>59,278,830</b>	<b>102,082,923</b>
<b>Note:</b>		
<b>3(a) Investments disclosure</b>		
Aggregate amount of Unquoted Investment	19,668,280	102,082,923
Aggregate amount of Quoted Investment	39,610,550	-
Aggregate amount of Impairment in the value of Investment	-	-

## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹)

	As at 31 March 19	As at 31 March 18
<b>Note 4</b>		
<b>Deferred Tax Assets (net)</b>		
<b>a) Assets</b>		
Provision for Gratuity and Compensated Absences	482,342	363,839
Depreciation / Amortisation	-	-
Sub-Total	482,342	363,839
<b>b) Liabilities</b>		
Depreciation / Amortisation	11,892,460	14,123,533
Brought Forward Business Losses / Unabsorbed Depreciation	15,503,879	15,322,659
Sub-Total	27,396,339	29,446,192
<b>Total</b>	<b>-</b>	<b>-</b>

Notes:- Refer Note 23

**Note 5****Inventories**

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

Finished Goods [Refer Note below]	-	200,000
Securities	3,112,200	2,964,000
<b>Total</b>	<b>3,112,200</b>	<b>3,164,000</b>

**Note:**

Inventory write downs are accounted, considering the nature of inventory, ageing and net realisable value. Write-downs of inventories to net realisable value amounted to ₹ 200,000 (Previous year: ₹ 5,724,794). These write down were recognised as an expense during the year and included in 'Other Expenses' in the Statement of Profit and Loss.

**Note 6****Cash and Cash Equivalents**

Cash on hand	148,339	1,649,000
Balances with Banks		
- in current accounts	3,186,930	1,014,769
Deposits with maturity of less than three months	160,000,000	-
<b>Total</b>	<b>163,335,269</b>	<b>2,663,769</b>



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹)

	As at 31 March 19	As at 31 March 18
<b>Note 7</b>		
<b>Current Financial Assets - Loans</b>		
(Unsecured, considered good, unless otherwise stated)		
Advances to Employees	243,000	427,000
Loan to Body Corporates	110,000,000	200,000,000
<b>Total</b>	<b>110,243,000</b>	<b>200,427,000</b>
<b>Note 8</b>		
<b>Current Financial Assets - Others</b>		
(Unsecured, considered good, unless otherwise stated)		
Sundry Deposits	2,500	-
Interest Accrued and due on Fixed Deposits	100,603	-
Interest Accrued and due on Borrowings	4,544,876	6,124,930
<b>Total</b>	<b>4,647,979</b>	<b>6,124,930</b>
<b>Note 9</b>		
<b>Other Current Assets</b>		
(Unsecured, considered good, unless otherwise stated)		
Prepaid Expenses	21,669	36,330
Balances held with Government Authorities	302,020	-
<b>Total</b>	<b>323,689</b>	<b>36,330</b>

## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹)

	As at 31 March 2019	As at 31 March 2018
<b>Note 10</b>		
<b>Equity Share Capital</b>		
<b>Authorised</b>		
30,000,000 Equity Shares (Previous year: 30,000,000 Equity Shares) of ₹ 10/- each	300,000,000	300,000,000
<b>Issued, Subscribed and Fully Paid up</b>		
12,240,000 Equity shares (Previous year: 12,240,000 Equity Shares) of ₹ 10/- each fully paid up	122,400,000	122,400,000
<b>Total</b>	<b>122,400,000</b>	<b>122,400,000</b>
<b>a) Reconciliation of number of Equity Shares</b>		
Balance as at the beginning of the year	12,240,000	12,240,000
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:**

Name of the Shareholder	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	% held	No. of Shares	% held
Priyanka Finance Private Limited	2,274,373	18.58%	2,274,373	18.58%
Vijay K Choraria	2,000,000	16.34%	2,000,000	16.34%
JMS Mining Private Limited	2,261,938	18.48%	2,261,938	18.48%

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

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

**Note 11****Non Current Provisions**

Provision for Gratuity (Refer Note 26)	1,670,372	1,339,977
Provision for Compensated Absences (Refer Note 26)	46,880	43,383
<b>Total</b>	<b>1,717,252</b>	<b>1,383,360</b>



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹)

	As at 31 March 2019	As at 31 March 2018
<b>Note 12</b>		
<b>Current Provisions</b>		
Provision for Gratuity (Refer Note 26)	16,142	15,608
Provision for Compensated Absences (Refer Note 26)	401	412
<b>Total</b>	<b>16,543</b>	<b>16,020</b>
<b>Note 13</b>		
<b>Other Current Liabilities</b>		
Statutory Dues	95,718	55,507
Security Deposits	200,000	-
Other Liabilities	635,880	275,255
<b>Total</b>	<b>931,598</b>	<b>330,762</b>

## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹)

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Note 14</b>		
<b>Other Income</b>		
Income from Investments	-	9,272,114
Dividend on Mutual Funds	940,714	2,040,079
Dividend on Shares	135,000	-
<u>Interest on:</u>		
Inter-Corporate Deposits	24,529,319	9,797,259
Fixed Deposits with Bank	111,781	-
Capital Gains on Sale of Shares	3,393,988	-
Mark to Market Gain / (Loss) on Inventories	148,200	-
<b>Total</b>	<b>29,259,002</b>	<b>21,109,452</b>
<b>Note 15</b>		
<b>Cost of Material Consumed</b>		
Opening Stock of Finished Goods	200,000	5,924,794
Less: Closing Stock of Finished Goods	-	(200,000)
Less: Revaluation / Write back of Inventories	(200,000)	(5,724,794)
	-	-
Write down of Inventory to Net Realisable Value (Refer Note 5)	200,000	5,724,794
<b>Note 16</b>		
<b>Employee Benefits</b>		
Salaries and Bonus	4,087,930	2,195,204
Contribution to Provident Fund	37,644	37,644
Director's Remuneration & Sitting Fees	386,375	392,425
Gratuity and Compensated Absences Expense	191,778	175,257
Staff Welfare Expenses	52,096	41,242
<b>Total</b>	<b>4,755,823</b>	<b>2,841,772</b>





## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹)

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Note 17</b>		
<b>Finance Charges</b>		
Bank Charges	531	814
Interest Expenses	94	1,820
<b>Total</b>	<b>625</b>	<b>2,634</b>
<b>Note 18</b>		
<b>Other expenses</b>		
Rent, Rates & Taxes	93,894	138,027
Bond & License Cancellation Charges	448,000	952,000
Security Charges	609,400	656,832
Printing and Stationery Expenses	324,515	142,946
Courier and Postage Expenses	594,203	219,470
Communication Expenses	43,571	116,217
Advertisement Expenses	92,244	94,908
AGM & Other Meeting Fees	71,883	162,025
Conveyance Expenses	288,197	242,073
Legal and Professional Fees	2,099,534	2,379,552
Dematerialisation and Listing Charges	397,431	492,736
Land Development Charges	-	500,000
Motor Car Expenses	107,800	146,683
Car Insurance expenses	15,754	-
Office / Factory Expenses	185,174	256,827
Repairs and Maintenance Expenses	354,193	15,602
Payment to auditors [Refer Note 18(a) below]	94,500	94,500
Revaluation of Inventories	-	5,724,794
Advances written off	-	1,000,000
Security deposit written off	-	400,000
Stock of finished goods written off	200,000	-
Investments written off	600,000	-
Loss on Sale of Plant & Machinery	1,745,380	-
Miscellaneous Expenses	401,235	338,660
<b>Total</b>	<b>8,766,907</b>	<b>14,073,852</b>
<b>Notes:-</b>		
<b>18(a) - Auditor's Remuneration</b>		
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 2019

### 19. Fair value measurements

#### Financial instruments by category:

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

Category	(Amount in ₹)				
	31 March 2019		Level 1	Level 2	Level 3
	Non- Current	Current			
<b>Financial Assets</b>					
FVTPL Investments	-	-	-	-	-
FVOCI Investments	39,610,550	-	39,610,550	-	-
Other Investments	19,668,280	-	-	19,668,280	-
Other financial assets	-	4,647,979	-	-	4,647,979
Inventories	-	3,112,200	-	-	3,112,200
Cash and Cash Equivalents	-	163,335,269	-	-	163,335,269
Loans	-	110,243,000	-	-	110,243,000
<b>Total</b>	<b>59,278,830</b>	<b>281,338,448</b>	<b>39,610,550</b>	<b>19,668,280</b>	<b>281,338,448</b>
<b>Financial Liabilities</b>	-	-	-	-	-
Category	31 March 2018				
	Non- Current	Current	Level 1	Level 2	Level 3
<b>Financial Assets</b>					
FVTPL Investments	-	81,814,643	-	81,814,643	-
Other Investments	20,268,280	-	-	20,268,280	-
Other financial assets	-	6,124,930	-	-	6,124,930
Inventories	-	3,164,000	-	-	3,164,000
Cash and Cash Equivalents	-	2,663,769	-	-	2,663,769
Loans	-	200,427,000	-	-	200,427,000
<b>Total</b>	<b>20,268,280</b>	<b>294,194,342</b>	<b>-</b>	<b>102,082,923</b>	<b>212,379,699</b>
<b>Financial Liabilities</b>	-	-	-	-	-

- During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.
- The carrying amounts of inventories, loans and other financial assets are considered to be approximately equal to their fair value, since those are current in nature.



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

### 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.

### 20. Financial risk management objectives and policies

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

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

Particulars	(Amount in ₹)	
	As at 31 March 19	As at 31 March 18
<b>Financial Assets</b>		
Non Current Investments	59,278,830	20,268,280
Current Investments	-	81,814,643
Inventories	3,112,200	3,164,000
Cash and Cash Equivalents	163,335,269	2,663,769
Loans	110,243,000	200,427,000
Other financial assets	4,647,979	6,124,930
<b>At end of the year</b>	<b>340,617,278</b>	<b>314,462,622</b>
<b>Financial Liabilities</b>	-	-
<b>At end of the year</b>	-	-

### Market risk

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

### Credit risk on financial assets

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

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

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

As disclosed in Note 6, cash and cash equivalents balances generally cash on hand and balances held with the bank in current account.

### Exposure to credit risk

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

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.

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

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

## 21. Capital management

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2019.

22. During the financial year 2018-19 and 2017-18, 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.
23. The Company has suspended its operation. In view thereof and in consideration of prudence, the Company has not recognised Deferred Tax Asset in respect of set off of available losses and timing differences.

## 24. Related Party Disclosures:

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

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

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



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

Particulars	Name of the Party	Nature of relationship	Amount in ₹
1) Remuneration / Director's sitting fees	Bina Sanjeev Shah	KMP	25,000 (45,000)
	Rajen Kapil Desai	KMP	25,000 (45,000)
	Neerav Bharat Merchant	KMP	25,000 (45,000)
	Dilip Shripati Shinde	KMP	261,375 (210,875)
	Mukesh Jagat Jethwani	KMP	25,000 (10,000)
	Mirza Saeed Nazir Kazi	KMP	25,000 (10,000)
	Neeraja Deepak Karandikar	KMP	130,000 (120,000)
	Mukesh Chandrakant Garach	KMP	355,465 (338,496)

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

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

(Amount in ₹)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
<u>Short-term employee benefits:</u>		
- Salaries including Bonuses and Directors Sitting Fees	871,840	824,371

iii) Balance as at year end:

Name of the Party	Nature of relationship	Financial Year ended	Amount in ₹
Dilip Shripati Shinde	KMP	31-Mar-19	18,375
		31-Mar-18	18,375

## 25 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 2019	Year ended 31 March 2018
Net profit / (loss) after tax attributable to equity shareholders (In ₹)	3,050,224	(11,896,175)
Weighted average number of shares outstanding during the year – Basic and Diluted	12,240,000	12,240,000
Basic and Diluted earnings per share (In ₹)	0.25	(0.97)
Nominal value per equity share (In ₹)	10.00	10.00

## 26 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 :

(Amount in ₹)

Particulars	2018-19	2017-18
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. The obligation for leave Encashment benefits is recognized in the manner similar to Gratuity.



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

(Amount in ₹)

Particulars	Gratuity (Non funded)		Leave Encashment (Non funded)	
	2018-19	2017-18	2018-19	2017-18
Present value of obligation	1,686,514	1,355,585	47,281	43,795
Fair Value of Plan Assets	-	-	-	-
<b>Net Liability recognized in the Balance Sheet</b>	<b>1,686,514</b>	<b>1,355,585</b>	<b>47,281</b>	<b>43,795</b>

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

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

(Amount in ₹)

Particulars	Gratuity (Non funded)		Leave Encashment (Non funded)	
	2018-19	2017-18	2018-19	2017-18
Current Service Cost	84,183	82,933	47,158	46,501
Net Interest Cost	104,109	91,854	3,363	3,176
Expected Return on Plan Assets	-	-	-	-
Benefits paid directly	-	-	-	-
<b>Expense recognized in the Statement of Profit and Loss</b>	<b>188,292</b>	<b>174,787</b>	<b>50,521</b>	<b>49,677</b>

## iv) Other Comprehensive Income (OCI):

(Amount in ₹)

Particulars	Gratuity (Non funded)		Leave Encashment (Non funded)	
	2018-19	2017-18	2018-19	2017-18
Actuarial (Gain) / Loss recognised or the period	142,637	(72,329)	(47,035)	(49,207)
Return on Plan Assets excluding net interest	-	-	-	-
Unrecognised Actuarial (Gain) / Loss from previous period	-	-	-	-
<b>Total Actuarial (Gain) / Loss recognised in OCI</b>	<b>142,637</b>	<b>(72,329)</b>	<b>(47,035)</b>	<b>(49,207)</b>

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

(Amount in ₹)

Particulars	Gratuity (Non funded)		Leave Encashment (Non funded)	
	2018-19	2017-18	2018-19	2017-18
Due to Demographic Assumption	-	(13,148)	-	(454)
Due to Financial Assumption	43,303	(48,824)	1,364	(1,794)
Due to Experience	99,334	(10,357)	(48,399)	(46,959)
<b>Total Actuarial (Gain) / Loss</b>	<b>142,637</b>	<b>(72,329)</b>	<b>(47,035)</b>	<b>(49,207)</b>

## vi) Movements in the Liability recognised in Balance Sheet:

(Amount in ₹)

Particulars	Gratuity (Non funded)		Leave Encashment (Non funded)	
	2018-19	2017-18	2018-19	2017-18
Opening Net Liability	1,355,585	1,253,127	43,795	43,325
Adjustment to opening balance	-	-	-	-
Expenses as above	188,292	174,787	50,521	49,677
Contribution paid	-	-	-	-
Other Comprehensive Income (OCI)	142,637	(72,329)	(47,035)	(49,207)
Closing Net Liability	1,686,514	1,355,585	47,281	43,795

Schedule III of the Companies Act, 2013

(Amount in ₹)

Particulars	Gratuity (Non funded)		Leave Encashment (Non funded)	
	2018-19	2017-18	2018-19	2017-18
Current Liability	16,142	15,608	401	412
Non-Current Liability	1,670,372	1,339,977	46,880	43,383

## 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.

(Amount in ₹)

Particulars	Gratuity (Non funded)		Leave Encashment (Non funded)	
	2018-19	2017-18	2018-19	2017-18
Mortality table	IALM 2006-08 (Ultimate)			
Interest / Discount Rate	7.66%	7.68%	7.66%	7.68%
Expected Salary Escalation	5.25%	5.00%	5.25%	5.00%
Expected Return on plan assets	-	-	-	-
Expected average remaining service	16.07	15.97	11.62	12.56
Employee Attrition Rate (past service (PS)) 0 to 40%	0 %	0 %	0 %	0 %

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) Amounts recognised in current year and previous three years:

(Amount in ₹)

Particulars	31 March		
	2019	2018	2017
Defined benefit obligation	1,686,514	1,355,585	1,009,784
Fair value of planned assets	-	-	-
(Surplus) / Deficit in the plan	1,686,514	1,355,585	1,009,784
Actuarial (gain) / loss on plan liabilities	142,637	(72,329)	(289,090)
Actuarial gain / (loss) on plan assets	-	-	-





(Amount in ₹)

Particulars	31 March		
	2019	2018	2017
Leave Encashment			
Defined benefit obligation	47,281	43,795	37,663
Fair value of planned assets	-	-	-
(Surplus) / Deficit in the plan	47,281	43,795	37,663
Actuarial (gain) / loss on plan liabilities	(47,035)	(49,207)	(614,924)
Actuarial gain / (loss) on plan assets	-	-	-

**27 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:**

	Year ended 31 March 2019 (Amount in ₹)
<b>Enacted income tax rate in India applicable to the Company</b>	<b>27.82</b>
<b>Profit before tax</b>	<b>7,750,224</b>
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	2,156,112
<b>Tax effect of the amounts which are not deductible / (taxable) in calculating taxable income</b>	
Permanent disallowances	763,537
Temporary disallowances (on account of non recognition of deferred taxes) (Refer Note 23)	2,221,545
Capital gains on sale of investments	(235,850)
Income exempted from income taxes	(261,707)
Other items	56,362
<b>Total income tax expense / (credit)</b>	<b>4,700,000</b>

**28 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 ₹)
Edelweiss Finserv Limited	19,775,000
J M Financial Limited	4,705,000
The Phoenix Mills Limited	15,130,550

(b) No Guarantee is given 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
Sushama Estate Investments Private Limited	10,000,000	Loan towards General Corporate Purpose

**29 Internal Audit:**

During the financial year 2018-19, 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.

**30** The figures of the previous year have been reworked, regrouped, rearranged and reclassified, wherever necessary to conform 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

**Pawan Gattani**  
Partner  
Membership No.144734

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

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

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

Place: Mumbai  
Date: 11 May 2019

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

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



## Independent Auditors' Certificate on Corporate Governance

To

### The Members of Transchem Limited

We, Maheshwari & Co., Chartered Accountants, the Statutory Auditors of Transchem Limited ('the Company'), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

### Managements' Responsibility

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

### Auditor's Responsibility

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

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

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

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

### Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI Listing Regulations during the year ended 31 March 2019.

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

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

**Pawan Gattani**  
**Partner**  
**Membership No. 144734**

**Place: Mumbai**

**Date: 05 August 2019**





# TRANSCHEM LIMITED

Corporate Identification Number (CIN): L24100MH1976PLC019327  
Registered Office: 304, Ganatra Estate, Pokhran Road No 1, Khopat, Thane (W) – 400 601.  
Phone 022 25477077 Fax 022 25478601  
E-mail: secretary@transchem.net website: transchem.net

## ATTENDANCE SLIP

**42<sup>ND</sup> ANNUAL GENERAL MEETING ON SATURDAY, THE AUGUST 31, 2019 AT 9.30 A.M.**

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

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

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

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

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

I hereby record my presence at the 42<sup>nd</sup> Annual General Meeting at Hotel Ginger (formerly known as Hotel Royal Inn), Gokul Nagar, L B S Marg, Thane (W) – 400 601 On Saturday, August 31, 2019.

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

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

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



# TRANSCHEM LIMITED

Corporate Identification Number (CIN): L24100MH1976PLC019327  
Registered Office: 304, Ganatra Estate, Pokhran Road No 1, Khopat, Thane (W) – 400 601.  
Phone 022 25477077 Fax 022 25478601  
E-mail: secretary@transchem.net website: transchem.net

## PROXY FORM

### Form No. MGT-11

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 42<sup>nd</sup> Annual General Meeting of the Company, to be held on the Saturday, August 31, 2019 at 9.30 a.m. at Hotel Ginger (formerly known as Hotel Royal Inn), Gokul Nagar, L B S Marg, Thane (W) – 400 601 and at any adjournment thereof in respect of following resolutions.

- Approval and adoption of Account for 2018-19
- Appointment of Mr. Dilip S. Shinde, Director who retires by rotation
- Re-appointment of Mr. Neerav B Merchant (DIN: 00222393), as an Independent Director for a second term of 5 (five) consecutive years commencing from September 30, 2019.
- Re-appointment of Mrs. Bina Sanjeev Shah (DIN : 00349612), as an Independent Director for a second term of 5 (five) consecutive years commencing from September 30, 2019.

Revenue  
Stamp of  
₹ 1/-

Dated

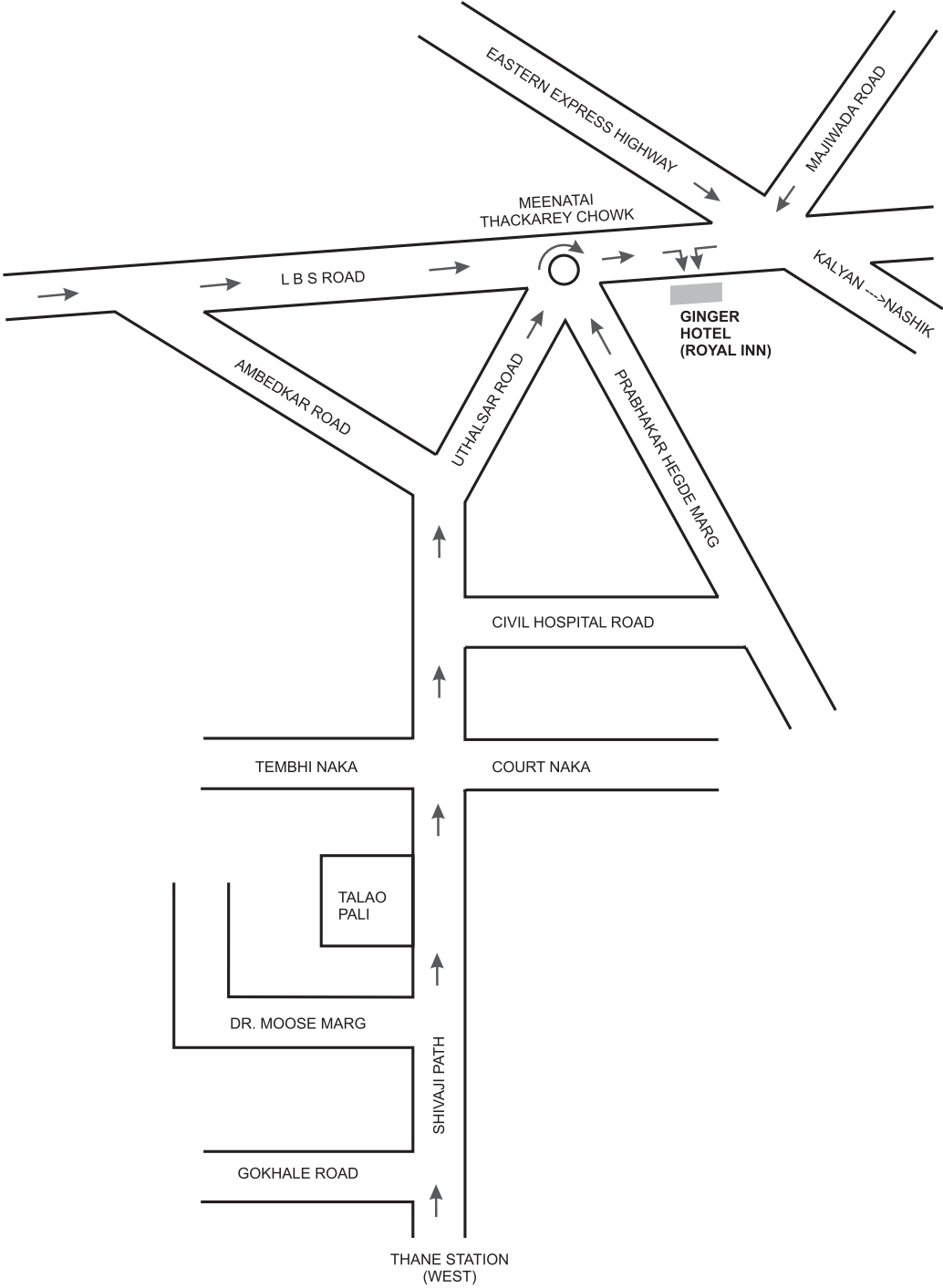
(Signature of shareholder)

(Signature of Proxy)

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



# ROADMAP TO THE VENUE OF AGM





## **TRANSCHEM LIMITED**

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

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

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