

# TRANSCHEM LIMITED

June 7, 2022

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

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

**SUB: 45<sup>th</sup> Annual Report for the year ended March 31, 2022**

Dear Sir,

In compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a copy Annual Report of the Company for the financial year ended March 31, 2022.

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

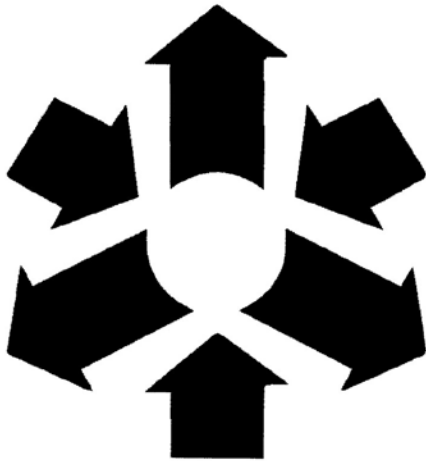
Hope you will find the same in order.

Thanking you,

Yours Faithfully  
For **TRANSCHEM LIMITED**

(Neeraja Karandikar)  
Company Secretary (ACS 10130)

Encl: As above



# **TRANSCHEM LIMITED**

**45<sup>TH</sup> ANNUAL REPORT 2021-2022**





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**BOARD OF DIRECTORS:**

Mrs. Bina S Shah	- Chairperson, Independent Director
Mr. Mirza Saeed Kazi	- Non-Executive Director
Mr. Neerav B. Merchant	- Independent Director
Mr. Mahesh S. Rananavre	- 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.

**REGISTRAR & SHARE  
TRANSFER AGENT** Link Intime India Pvt Ltd  
C -101, 247 Park, L B S Marg,  
Vikhroli West, Mumbai 400083

**CIN** L24100MH1976PLC019327

## NOTICE

**NOTICE** is hereby given that the Forty-Fifth Annual General Meeting of the members of **TRANSCHEM LIMITED** will be held on Thursday, June 30, 2022 through Video Conferencing / Other Audio Visual Means at 11.00 am to transact the following businesses, the deemed venue for the meeting will be Registered Office of the Company:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Mahesh S. Rananavre (DIN 08296631), who retires by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) read with Rules made thereunder, other applicable laws/statutory provisions, if any, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, (“SEBI Listing Regulations”), the Company’s Policy on Related Party Transactions and also pursuant to the prior approval of the Audit Committee and Board of Directors in their respective Meetings, the Material Related Party Transaction as entered into by the Company with Crest Ventures Limited in ordinary course of business and at arm’s length basis, as detailed in the Explanatory Statement attached to the Notice, the value of which either singly or all taken together exceeds ten percent of the annual consolidated turnover of the Company as per audited financial statements of FY: 2020-21 be and is hereby ratified and approved and confirmed in all respects.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to this Resolution and to do all such acts, deeds, things as may be necessary in its absolute discretion, to finalize any documents and writings related thereto and to sign and file necessary documents, e-form with Registrar of Companies/MCA Portal.

For **TRANSCHEM LIMITED**

**Place:** Thane  
**Date:** May 21, 2022

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

### **Notes:**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the 45<sup>th</sup> AGM through VC/OAVM.
2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/re-appointment at this AGM is annexed.



3. Pursuant to the Circular No. 14/2020 dated April 08, 2020 and Circular No. 02/2022 dated May 05, 2022, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the Members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
4. The Company has appointed Mrs. Amita Saxena, Company Secretary in practice, (FCS-3964, COP-3438) to conduct e-voting process in fair and transparent manner.
5. Institutional/ Corporate Shareholders (i.e. other than individuals/ HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/ OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by e-mail through its registered e-mail address to [amitavijay1994@gmail.com](mailto:amitavijay1994@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
6. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, including request received for transmission or transposition of securities with effect from January 24, 2022. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agent, Link Intime India Private Limited (Link Intime) for assistance in this regard.
7. To support the 'Green Initiative', Members who have not yet registered their e-mail addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Link Intime in case the shares are held by them in physical form.
8. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Link Intime in case the shares are held by them in physical form.
9. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to Link Intime in case the shares are held in physical form.
10. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Link Intime, the details of such folios together with the share certificates for consolidating their holdings in one folio.
11. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
12. At the forty-first AGM held on September 22, 2018 the Members approved appointment of M/s. Maheshwari & Co, Chartered Accountants, (Firm Registration No. 105834W) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the Forty-Sixth AGM. Since the requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM.
13. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

14. Statement pursuant to Section 102 (1) of the Act setting out the material facts concerning the special business i.e. Item Nos. 3 set out in the Notice is annexed hereto.
15. Instructions for e-voting and joining the AGM are as follows:

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

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

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

The remote e-voting period begins on Monday, June 27, 2022 at 9:00 A.M. (IST) and ends on Wednesday, June 29, 2022 at 5:00 P.M. (IST) The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. June 24, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being June 24, 2022.

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

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




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

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

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



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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “<b>Beneficial Owner</b>” icon under “Login” which is available under “<b>IDeAS</b>” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS</b>” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div data-bbox="685 982 1042 1201" style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>
Individual Shareholders holding securities in demat mode with CDSL	<p>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</p> <p>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</p>



Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

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

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

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

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

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

4. Your User ID details are given below :

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



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

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 etc.

Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [amitavijay1994@gmail.com](mailto:amitavijay1994@gmail.com) 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 no.: 1800 1020 990 and 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

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

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

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

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



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

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

### Other Instructions

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

### Explanatory Statement

The Explanatory Statement pursuant to Section 102 of the Act given hereunder sets out all material facts relating to the special resolution to be passed as mentioned in the accompanying notice of AGM

#### ITEM NO. 3:

Pursuant to the approval granted by the Audit Committee and the Board of Directors in their respective meetings held on February 05, 2022 the Company entered into a material related party transaction with Crest Ventures Limited during the FY 2021-2022 as detailed below:

<b>TRANSACTIONS ENTERED INTO BETWEEN THE COMPANY AND ITS RELATED PARTY DURING THE FY 2021-2022:</b>						
<b>Rs. in lakhs</b>						
<b>Sr. No.</b>	<b>Name of Related Party</b>	<b>Nature of Relationship</b>	<b>Nature and other terms of Transactions</b>	<b>Justification</b>	<b>Transaction Amount</b>	<b>Percentage of annual consolidated turnover as per last audited financial statements</b>
1	Crest Ventures Limited	Company where the Promoters are common	Consultancy Charges	Crest Ventures Limited has been involved in the development and management of real estate projects and has an in-depth working knowledge of the real estate industry and hence has been instrumental in providing expert advice and recommendations in the best interest of the Company.	94.85 GST: 17.07 Total: 111.92	NA
<b>Notes:</b>						
1	The aforesaid transaction is being ratified for the FY 21-22.					
2	The transaction is at Arm's length basis and hence valuation for the same is not required.					
3	The terms of the transaction has been decided by the Board in the best interest of the Company.					

As per the proviso to Section 188 (1) of the Companies Act, 2013 the provisions of the section does not apply to any transaction, whether material or otherwise, if the transaction is being entered by the Company in its ordinary course of business and at arm's length. Accordingly, since the said transaction entered into by the Company with the Related Party as mentioned above is in the ordinary course of business and is at arm's length basis, the provisions of section 188 are not applicable.

As per the provisions of Regulation 23 of SEBI Listing Regulations all related party transactions shall be considered as "Material" if the transaction entered into individually or taken together with a Related Party along with previous transactions during a Financial Year exceed 10% of the Annual Consolidated Turnover of the company as per the Last Audited Financial Statement of the Company.



Members may please note that based on the criteria as mentioned above in Regulation 23 of SEBI Listing Regulations transaction entered into by the Company with Crest Ventures Limited for the Financial Year 2021- 2022 is “Material” and the value of which either singly or all taken together exceeds ten percent of the annual consolidated turnover of the Company as per audited financial statements of Financial Year 2020-2021. Accordingly, your consent by way of proposed resolution as set out in the notice is sought to ratify the transaction.

Members are hereby informed that pursuant to Regulation 23 of SEBI Listing Regulations no related party shall vote to approve such resolution whether the entity is a related party to the particular transaction or not.

Except Mr. Mirza Saeed Kazi, who represent the promoters on the Board, no other director or Key Managerial Personnel or their relatives are interested in the said resolution. Your directors recommend the resolution for your approval.

For **TRANSCHEM LIMITED**

**Place :** Thane  
**Date :** May 21, 2022

**(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. Mahesh Suresh Rananavre
DIN	08296631
Date of Birth, (Age)	March 17, 1982 40 years
Qualification	Bachelor of Commerce
Expertise	Finance and Accounts
No. of Directorships held in other Public Companies (Excluding Private Companies)	Nil
Chairman/ membership of other Companies	Nil
Shareholding	Nil
Relationship with Directors & KMP	Nil
Date of first appointment on Board	May 29, 2021
Terms and Conditions for reappointment	Appointment on account of retirement by rotation
Remuneration	No change is proposed in the remuneration

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-Fifth Annual Report**, together with the Audited Financial Statements of your Company for the financial year ended March 31, 2022.

### Financial Results

(₹ in lakhs)

Particulars	Current year ended March 31, 2022	Previous year ended March 31, 2021
Income	666.05	437.33
Gain on sale of Property, Plant and Equipment	-	2,245.90
Gross Profit before Depreciation & Tax	391.60	2,489.39
Depreciation	0.78	12.43
Tax Expenses	104.00	61.95
Net Profit/ (Loss) after Tax	286.82	2,415.01
Other Comprehensive Income/(Loss)for the year, Net of Taxes	49.07	202.63
Total Comprehensive Income/(Loss) for the year	335.89	2,617.64

### Review of Business Operations

During the previous financial your Company has monetized its Mushroom Plant situated at Gat No. 379, Village Bebadohol, Pune. The management of the Company is looking for new business opportunities and has temporarily invested the funds in short term treasury operations

### Dividend and Reserves

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

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

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

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

No material changes and commitments affecting the financial position of the Company have occurred in the Company since the end of Financial Year 2021-22 till the date of this report.

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

No significant and/or material order passed by the regulators or courts or tribunals during the year under review that may impact the going concern status and Company's operations in future

### Subsidiaries, Associates and Joint Venture Companies

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

### Directors Responsibility Statement

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

- (i) in the preparation of annual accounts, applicable Indian Accounting Standards have been followed and there are no material departures in adoption of these standards;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the Profit of the Company for the year;



- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared annual accounts on a going concern basis;
- (v) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Directors and Key Managerial Personnel**

Following were the changes with respect to directorships on the Board of the Company during the financial year ended March 31, 2022

- a) Mr. Mahesh S. Ranavre (DIN 08296631), was appointed by the Board as Additional Director on May 29, 2021 and was appointed as Whole Time Director by the Board effective June 01, 2021 for a term of five years. Shareholders appointed him Director and confirmed his appointment as Whole Time Director effective June 01, 2021 for a term of five years in their 44<sup>th</sup> Annual General Meeting held on September 25, 2021.
- b) Mr. Mukesh J. Jethwani (DIN 01486791), a Non-Executive Director resigned on February 05, 2022 with immediate effect citing his preoccupation as reason to resign.

Apart from the above there was no change in Directors of your Company during the financial year ended on March 31, 2022.

In terms of the provisions of Section 152(6) of the Act, Mr. Mahesh S Ranavre (DIN- 08296631), Director of the Company, shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

### **Key Managerial Personnel**

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

1. Mr. Mahesh S. Ranavre – Whole-Time Director (with effect from June 01, 2021)
2. Mr. Mukesh Garach – Chief Financial Officer;
3. Ms. Neeraja Karandikar – Company Secretary and Compliance Officer.

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

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

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

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

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



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

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

## **Policies of the Company**

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

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

## **Internal Control Systems and their adequacy**

Your Company has a sound internal control system commensurate with its size and nature of business which provides a reasonable assurance in respect of financial and operational information, safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

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

Based on the assessment carried out by the Audit Committee, the internal financial controls were adequate and effective and no material weakness or significant deficiencies in the design or operation of internal financial controls were observed during the financial year ended March 31, 2022.

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

### **Board Meetings**

The Board of Directors duly met 4 (Four) times during the financial year ended March 31, 2022. The dates on which the Board meetings were held are May 29, 2021, August 12, 2021, October 30, 2021 and February 05, 2022. Other details of the Board Meetings, regarding attendance of directors, are furnished in the Corporate Governance Report.

### **Board Committees Meetings**

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

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



The details of the constitution of aforesaid Committees and meetings held there of during the year ended March 31, 2022 have been provided in the report on Corporate Governance.

### Annual Return

In compliance with Section 92 (3) and 134(3)(a) of the Act, Annual Return of the Company for the year ended March 31, 2022 has been posted at the web-site of the Company at [www.transchem.net](http://www.transchem.net).

### 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, 2022 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, 2022. The Secretarial Audit Report submitted by her for the year ended March 31, 2022, attached with this report as "**Annexure I**". The Secretarial Audit Report does not contain any adverse remark, reservation or qualification.

#### iv) Cost Record

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

#### v) Internal Auditor

The Board of Directors has re-appointed M/s. L. T. Jadav & Company, (Chartered Accountants), (Membership No. 037240; FRN No. 118218W) as Internal Auditor of the Company for the financial year 2022-23.

### Particulars of Loans, Guarantees or Investments

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

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

### Related Party Transactions

Apart from payment of sitting fee to non-executive directors and remuneration to Key Managerial Personnel your Company has also paid Consultancy charges to M/s Crest Ventures Limited, a Company wherein promoters are common in consideration of consultancy services received by the Company from the said Crest Ventures Limited. The transaction is being entered by the Company in its ordinary course of business and at arm's length. Accordingly, pursuant to proviso to Section 188(1) not attracts the provisions of Section 188. However as per the provisions of Regulation 23 of SEBI Listing Regulations since it has been entered with a related party and the transaction value exceed 10% of the Annual Consolidated Turnover of the company as per the Last Audited Financial Statement of the Company it is considered as "Material". Details of such material contracts or arrangements or transactions at arm's length basis are provided in Form AOC-2 annexed to this report as "**Annexure II**".

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

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

### **Corporate Social Responsibility**

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

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

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

The Company is committed to provide an environment, which is free of discrimination, intimidation and abuse. However, since Company does not have specified number of employee at any place of its business and hence, the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, are not applicable to it. It has been notified that in case any employee faces any such incidence she may communicate the same to the Chairperson of Audit Committee for appropriate action.

During the financial year ended March 31, 2022 no complaint was received under the Act.

### **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. Mahesh S Ranaware – Ratio to median remuneration – 2.40 times.

- b. The Percentage increase in remuneration of Director – NA.
- c. The Percentage increase in remuneration of Chief Financial Officer – 5.00%
- d. The Percentage increase in remuneration of Company Secretary – 5.00%
- e. The percentage increase in the median remuneration of employee – 30.13 %
- f. The number of permanent employee on the roll of Company – 17
- g. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration.

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year is 7% and the average percentile increase in the managerial remuneration to the KMP's is 5%.

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

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

### **Deposits**

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

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

#### **A) Conservation of Energy**

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

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

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

The management is continuously exploring feasible alternate sources of energy.

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

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

B) Technology Absorption

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

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

(ii) The Company has not imported any technology during the year.

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

C) Foreign Exchange Earnings and Outgo

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

**Corporate Governance and Management Discussion and Analysis**

The Board has been committed to adopt, besides any obligations under applicable laws or regulations, relevant best practices for Corporate Governance. Further, the Company is regular in submitting compliance reports on Corporate Governance to BSE Limited, the Stock Exchange where at its securities are listed and has fully implemented all the requirements as prescribed under the SEBI Listing Regulations. The report on Corporate Governance as stipulated under SEBI Listing Regulations forms part of the Annual Report. The requisite certificate from CS Amita Saxena (FCS 3964, CP 3438), Practicing Company Secretary and Secretarial Auditor of the Company, confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

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

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

**Share Capital**

The paid up equity share capital as on March 31, 2022 was Rs. 122,400,000/- divided into 12,240,000 Equity Shares of Rs. 10/- each. The equity share capital of the Company is listed on BSE Limited. The shares are actively traded on BSE Limited and have not been suspended from trading.

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

**Other Disclosures**

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.
3. There is no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.

**Acknowledgement**

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

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

**(Mahesh S Ranavre)  
Whole Time Director  
(DIN 08296631)**

**(Mirza Saeed Kazi)  
Director  
(DIN 03348588)**

**Place: Thane  
Date : May 21, 2022**



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

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[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 (w) - 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 March 31, 2022. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books and papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended March 31, 2022 complied with statutory provisions listed hereunder and also, that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books and papers, minute books, forms and returns filed and other records made available to me and maintained by the Company for the financial year ended March 31, 2022 according to the applicable provisions of:

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

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted / proposed to delist its equity shares during the year under review;
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 -Not applicable as the Company has not bought back / proposed to buy-back any of its securities during the year under review;
  - i) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013- Not applicable as the Company has not issued Non-Convertible and Redeemable Preference Shares;
- (vi) Other laws applicable to the Company: The Company was in the business of growing and processing of Mushroom, however the properties of that plants has already been monetized by the Company. 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. As at March 31, 2022 except financial assets and bank balances Company is not having any other assets of substantial amount.

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

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

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

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors including Women Director;
- Adequate notices were given to all Directors to schedule Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance before the meeting, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
- As per the minutes the decisions of the Board and Committees were taken unanimously.

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

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

Place: Thane

Date: May 21, 2022

**Peer Review Certificate No. 1040/2020 Dt. 24.12.2020**

ICSI UDIN : F003964D000360936

(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 March 31, 2022 of even date is to be read along with this letter.

**Management’s Responsibility:**

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

**Auditor’s Responsibility:**

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

**Disclaimer:**

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

Place: - Thane  
Date: May 21, 2022

**Peer Review Certificate No. 1040/2020 Dt. 24.12.2020**  
ICSI UDIN : F003964D000360936

Amita Saxena  
FCS No: 3964 CP No: 3438



**Annexure II**  
**Form No. AOC-2**

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis:

The Company has not entered into any transaction with related parties which were not on an arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2022, are as follows:

Name of Related Parties	Relationship	Nature of Transactions	Amount (₹ in Lacs)
Crest Ventures Limited	Common Promoters	Consultancy Charges	94.85

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

**Place: Thane**  
**Date : May 21, 2022**

<p><b>(Mahesh S Rananavre)</b> <b>Whole Time Director</b> <b>(DIN 08296631)</b></p>	<p><b>(Mirza Saeed Kazi)</b> <b>Director</b> <b>(DIN 03348588)</b></p>
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## MANAGEMENT DISCUSSION AND ANALYSIS

### ECONOMIC AND INDUSTRY OVERVIEW

#### GLOBAL ECONOMY

Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than projected in January. Beyond 2023, global growth is forecast to decline to about 3.3 percent over the medium term. War-induced commodity price increases and broadening price pressures have led to 2022 inflation projections of 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies 1.8 and 2.8 percentage points higher than projected last January. Multilateral efforts to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change, and end the pandemic are essential.

When the global economy seemed to be at the cusp of witnessing green shoots of recovery after leaving the worst of the COVID-19 pandemic behind (despite uncertainties associated with subsequent waves of infection and rising global inflationary pressures), the Russia-Ukraine crisis escalated. Consequently, prices of crude oil and gas, food grains such as wheat and corn, and several other commodities have shot up. The conflict has also brought in severe financial sanctions and political pressure on Russia from the rest of the world, primarily the Western powers. These will likely have unpredictable and undesired implications on the global financial system and economy

As 2022 begins, COVID-19 and its economic and societal consequences continue to pose a critical threat to the world. Vaccine inequality and a resultant uneven economic recovery risk compounding social fractures and geopolitical tensions. The resulting global divergence will create tensions within and across borders that risk worsening the pandemic's cascading impacts and complicating the coordination needed to tackle common challenges including strengthening climate action, enhancing digital safety, restoring livelihoods and societal cohesion and managing competition in space.

#### INDIAN ECONOMY

The United Nations has projected India's growth forecast to 6.4 per cent for calendar year 2022, marking a 0.3 per cent downward adjustment from its projection in January 2022, but said the country's outlook still the fastest-growing major economy, with higher inflationary pressures and uneven recovery of the labour market curbing private consumption and investment according to a UN report

Consequently, India's growth outlook appears to have clouded. Crude oil prices are lingering above US\$100 per barrel, and wheat and cereal prices have gone up several times all of which are critical imports from the two warring nations. India also partly meets its fertilizer needs from the region. For India, which has been battling inflation for a while now, this situation is making matters worse. Higher fuel and fertilizer prices will reduce government revenues and increase subsidy costs. Furthermore, capital outflows and rising import bills will weigh on the current account balance and currency valuation.

Despite the external shocks, India's underlying economic fundamentals are strong and despite the short-term turbulence, the impact on the long-term outlook will be marginal. Growth will be strong in the next two quarters. growth-enhancing policies and schemes, increased infrastructure spending, rising exports, rapid digitization, and spill-over effects of geopolitical developments will likely aid in growth.

The Economic Survey projects India's real GDP to grow by 8-8.5% in 2022-23, provided normalisation of economic activities continues and the rollout of COVID-19 vaccines gathers traction. If this is supplemented with a supply-side push from reforms, the easing of regulation, continued infrastructural investments, recovery of pent-up demand, increase in discretionary consumption, low-interest credit disbursement and adequate liquidity, the Economic Survey projects that the economy can overtake the pre-pandemic levels of FY 2019-20 in another two years (Source: Economic Survey 2020-21). However, these estimates are subject to any adverse impact caused by the recent wave of the pandemic.

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

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

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

## FINANCIAL PERFORMANCE

Since the Company did not have any business operations during the year ended March 31, 2022 and March 31, 2021, the various financial ratios are not provided. A brief synopsis on the financial information of the Company for the FY 2021-22 is given below:

	FY 2021-22	FY 2020-21
Total Equity	₹ 6,630.04 Lakhs	₹ 6,294.15 Lakhs
Total Revenue	₹ 666.05 Lakhs	₹ 2,683.22 Lakhs
Earnings Per Share In Rs.	₹ 2.34	₹ 19.73

## INTERNAL CONTROL SYSTEMS

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

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

The Audit Committee is responsible to ensure the monitoring of Internal Control System and oversees the various financial transactions on a regular basis and any deviations are promptly reported to the Senior Management to ensure normalcy is established at the earliest, though, no such deviations had been reported by the Audit Committee during the financial year 2021-22.

## HUMAN RESOURCES

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

## CAUTIONARY STATEMENT

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



## CORPORATE GOVERNANCE REPORT

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

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

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

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

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

### 2. BOARD OF DIRECTORS

- i. The Board of Directors of your Company has an optimum combination of Independent and Non-Independent Directors, as well as Non-Executive and Executive Directors that come from diverse backgrounds, and possesses a range of expertise, talent, experience, knowledge and independence. SEBI Listing Regulations prescribes that where the Company is having a Non-Executive Independent Director as chairperson then at least one-third of the Board shall comprise of Independent Directors. As at March 31, 2022 the structure of the Board of Directors of the Company was as follows
  - Two Non-Executive, Independent Directors including a Woman Director;
  - One Non-Executive, Non-Independent Director; and
  - One Whole-Time Director.
- ii. The composition of the Board of Directors has always been in conformity with the requirements of Regulation 17 of the SEBI Listing Regulations as well as the Act read with rules framed thereunder. The Board is chaired by Non-Executive Independent Chairperson. The Board periodically reviews its composition and size and evaluates the need for change, if required.
- iii. The Company requires skills/expertise/competencies in the areas of strategy, finance, accounting, economics, legal and regulatory matters, mergers and acquisitions, the environment, green technologies, sustainability to efficiently carry on the businesses of the Company. The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, expertise, diversity and independence. All Directors on the board have skill and expertise required for conduct of business. The Board provides leadership, strategic guidance, an objective and independent view to the Company’s management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure.
- iv. None of the Non-Executive Directors is holding any shares and/or convertible instruments, if any, 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, 2022 have been made by the directors.

- vi. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of the independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under SEBI Listing Regulations and Section 149 of the Act and they have entered their details in the Independent Director Data Base and not required to appear for self-assessment test. Based on the disclosures received from all Independent Directors and also in the opinion of the Board, the independent directors are independent of the Management.
- vii. None of the director are *inter-se* related with any other director.
- viii. The names and categories of the directors on the Board and the number of directorships and committee chairmanships/ memberships held by them in other public companies as on March 31, 2022 are given 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 S. Shah Chairperson (DIN: 00349612)	Independent, Non-Executive Director	1	2	2
2	Mr. Neerav B. Merchant (DIN: 00222393)	Independent, Non-Executive Director	1	Nil	1
3	Mr. Mukesh J. Jethwani*** (DIN: 01486791)	Promoter, Non-Executive Director	1	Nil	Nil
4	Mr. Mirza Saeed Kazi (DIN: 03348588)	Promoter, Non-Executive Director	1	Nil	Nil
5	Mr. Mahesh S. Rananavre**** (DIN- 08296631)	Executive Director	Nil	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.

\*\*\*Resigned with effect from February 05, 2022.

\*\*\*\* Appointed as Director effective from May 29, 2021 and as Whole Time Director with effect from June 01, 2021.

- ix. Mrs. Bina S. Shah and Mr. Neerav B. Merchant are also working as independent director with NB Footwear Limited, a listed entity.
- x. During the financial year ended March 31, 2022, four meetings of the Board of Directors were held respectively on May 29, 2021, August 12, 2021, October 30, 2021 and February 05, 2022.

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

The necessary quorum was present for all the meetings.



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

Sr. No.	Director	Number of Board Meetings entitled to attend	Number of Board Meetings attended	Attendance at previous AGM
1.	Mrs. Bina S. Shah	4	4	Yes
2.	Mr. Mukesh J. Jethwani	4	4	Yes
3.	Mr. Mirza Saeed Kazi	4	4	Yes
4.	Mr. Neerav B. Merchant	4	4	Yes
5.	Mr. Mahesh S. Rananavre	4	4	Yes

- x. During the year 2021-22, the information as mentioned in Regulation 17(7) read with Part A of Schedule II of SEBI Listing Regulations was regularly placed before the Board on quarterly basis for its consideration.
- xi. The terms and conditions of appointment of the Independent Directors are in conformity of the provisions of the Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations.
- xii. The Company provides formal letter of appointment to the Independent Director as provided in the Act and the SEBI Listing Regulations at the time of their appointment. The terms and conditions of the letter of appointment along with the detailed profile of the Independent Directors and familiarisation programme as being imparted to the Independent Directors has been placed at the website of the Company at [www.transchem.net](http://www.transchem.net).
- xiii. Independent Directors have an independent standing in their respective field/profession, and who effectively contribute to the Company's business and its policy decisions. Every Independent Director, at the first meeting of the Board in which he/ she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he/she meets with the criteria of independence as provided under the Act.
- xiv. A separate meeting of the independent directors was held on October 30, 2021 inter-alia to review the performance of non-independent directors and of the board as a whole.
- xv. The Independent Directors ascertain and ensure that the Company has an adequate and functional vigil mechanism and ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use.
- xvi. The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the management of the Company.

### 3. COMMITTEES OF THE BOARD

#### A. AUDIT COMMITTEE

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

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

During the financial year ended March 31, 2022, four meetings of Audit Committee were held respectively on May 29, 2021, August 12, 2021, October 30, 2021 and February 05, 2022.

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

Sr. No.	Member of Audit Committee	Position	Category of Audit Committee member	No. of meetings entitled to attend	No. of meetings attended
1.	Mrs. Bina S. Shah	Chairperson	Independent Director	4	4
2.	Mr. Neerav B. Merchant	Member	Independent Director	4	4
3.	Mr. Mirza Saeed Kazi	Member	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 that was held on September 25, 2021 was attended by Mrs. Bina S. Shah, Chairperson of the Audit Committee to respond to the Shareholder's queries that were received by the Company.

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

- (1) Oversight of the Company's financial reporting process and the disclosure of its financial information including Auditors' Report thereon to ensure that the financial statement is correct, sufficient and credible;
- (2) To recommend the appointment, remuneration and terms of appointment of auditors of the Company;
- (3) To approve payment to the statutory auditors for any other services rendered by the statutory auditors;
- (4) To review, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report;
- (5) To review with the management, the quarterly financial statements before submission to the board for approval.
- (6) To review with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) To review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (8) To approve or any subsequent modification of transactions of the Company with related parties;
- (9) To scrutinize inter-corporate loans and investments;
- (10) To consider valuation of undertakings or assets of the Company, wherever it is necessary;
- (11) To evaluate internal financial controls and risk management systems;



- (12) To review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) To discuss with internal auditors any significant findings and follow up there on;
- (15) To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) To discuss with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) To review the functioning of the whistle blower mechanism;
- (19) To approve appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) To carry out any other function as is mentioned in the terms of reference of the audit committee.
- (21) To Consider and comment on rational, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholder.

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

The Audit Committee mandatorily reviews the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- Appointment, removal and terms of remuneration of the chief internal auditor.
- 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 B. Merchant, an Independent Director, not being chairman of the Board, is the Chairman of the Committee. Other members of the Committee are Mrs. Bina S. Shah and Mr. Mirza Saeed Kazi.

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



During the year two meetings of the Nomination and Remuneration Committee were held respectively on May 29, 2021 and February 05, 2022. The meetings were attended by all members of the Committee.

Mr. Neerav B. Merchant, Chairman of the Nomination and Remuneration Committee was present at the previous AGM of the Company that was held through video conferencing on September 25, 2021.

**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) To evaluate the balance of skills, knowledge and experience of every independent director, proposed to be appointed on the Board and on the basis of such evaluation, to prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee is empowered to:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
- (3) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- (4) Devising a policy on diversity of Board of Directors;
- (5) 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.
- (6) 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.
- (7) Recommends to the board, all remuneration, in whatever form, payable to senior management.

#### **REMUNERATION POLICY:**

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

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

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

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

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

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



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

The details of remuneration/ compensation paid to all the Directors during the financial year ended on March 31, 2022 are as follows:

Name of the Director	Salary	Benefits	Commission	Sitting Fees	Total (Rs.)
Mrs. Bina S. Shah	Nil	Nil	Nil	20,000	20,000
Mr. Mukesh J. Jethwani	Nil	Nil	Nil	20,000	20,000
Mr. Mirza Saeed Kazi	Nil	Nil	Nil	20,000	20,000
Mr. Neerav B. Merchant	Nil	Nil	Nil	20,000	20,000
Mr. Mahesh S. Rananavre	8,75,884	Nil	Nil	Nil	8,75,884

#### (C) RISK MANAGEMENT COMMITTEE:

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

#### (D) STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Company has constituted Stakeholders Relationship Committee in compliance with the provisions of Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations. The Stakeholders Relationship Committee of the Company consist of three members namely: Mrs. Bina S. Shah, Mr. Neerav B. Merchant and Mr. Mirza Saeed Kazi. 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 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 Company has changed its Registrar and Transfer Agent and appointed Link Intime India Private Limited.

During the year ended March 31, 2022 a meeting of Stakeholders Relationship Committee was held on August 26, 2021 that was attended by all members of the Committee. The Company Secretary of the Company acted as Secretary to the Committee.

Mrs. Bina S. Shah, Chairperson of the Committee was present at the last AGM held on September 25, 2021 through video conferencing to answer the queries of the Shareholders, as received.

During the year ended on March 31, 2022, the Company has received one complaint from its shareholders and the same was duly resolved. As at March 31, 2022 no complaint was pending to be resolved.

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

- 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 has obtained certificate from a Company Secretary in Practice confirming that the Company and its RTA issue certificates lodged for transfer, sub-division, consolidation etc. within a period of thirty days from the date of lodgment, and submits a copy thereof to the Stock Exchanges in terms of Regulation 40(10) of the SEBI Listing Regulations for the year ended on March 31, 2022. 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 yearly basis.

#### 4. DISCLOSURES

##### Related Party Transactions

Related party transactions have been disclosed under the significant accounting policies and notes forming part of the financial statements in accordance with "Indian Accounting Standard 24". All transactions entered into with the related parties as defined under the Act and Regulation 23 of the SEBI Listing Regulations during the financial year were entered in the ordinary course of business and on an arm's length basis. Details of material contracts or arrangements or transactions at arm's length basis are provided under Form AOC-2 annexed as "**Annexure II**" to the Directors' Report forming part of the Annual Report.

Details of related party transactions are regularly placed before the Audit Committee and also before the Board for its approval. Wherever required prior omnibus approval of the Audit Committee is obtained and such transactions are periodically placed before the Audit Committee for ratification.

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

##### i) Disclosure of transactions with any person or entity belonging to promoter/ promoter group:

During the year ended on March 31, 2022 the Company has paid consultancy charges for the consultancy services received from Crest Ventures Limited, a Company wherein promoters are common.

##### ii) Accounting treatment:

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

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

During the financial year under review, the Company has not raised funds through public issue, right issue, preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of SEBI Listing Regulations.

##### iv) CEO and CFO certification

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

**v) Compliances by the Company**

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities, including provisions of regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, on all matters related to capital markets during the last three years. No penalties have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities.

**vi) Disclosure of loan and advances in the nature of loan to firms/ companies in that directors are interested:**

The Company has not provided any loan and advances in the nature of loan to firms/ companies in that directors are interested.

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

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

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

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

**ix) 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.: 2021-22	Amount in (₹)
Statutory audit fees	94,500
For other services	-
<b>Total</b>	<b>94,500</b>

**x) 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 2021-22. A declaration as required under SEBI Listing Regulations to this effect has been included in CEO and 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
2018-2019	August 31, 2019	Hotel Ginger, Gokul Nagar, Lal Bahadur Shastri Marg, Thane (W) - 400601.	09.30 a.m.
2019-2020	July 31, 2020	Through Video Conferencing	11.00 a.m.
2020-2021	September 25, 2021	Through Video Conferencing	11.00 a.m.

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

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

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

- (i) No resolution was passed last year through Postal Ballot.
- (ii) No special resolution is proposed to be conducted through Postal Ballot.

**6. WHISTLE BLOWER POLICY**

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

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

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

1. The Chairperson of the Company is non-executive, however no expenses are being incurred towards maintenance of Chairperson's office.
2. The Statutory Auditors have expressed no qualification in their report and financial statements.
3. The Company has appointed an Independent Non-Executive Director as the Chairperson of the Board.
4. The Internal Auditor periodically reports to the Audit Committee and has direct access to the Audit Committee and presents its internal audit observations to the Audit Committee.

**7. MEANS OF COMMUNICATION**

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

The un-audited and audited financial results as taken on record by the board on quarterly basis are forthwith communicated to BSE Limited as soon as they are approved and taken on record by the Board of Directors of the Company by way of submissions through BSE Listing Centre. Further, the results are published in the newspapers namely the Free Press Journal (English) and Lakshdeep (Marathi) and also being posted at the web-site of the Company at [www.transchem.net](http://www.transchem.net).

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

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

**8. SHAREHOLDERS' INFORMATION**

1. Information about Annual General Meeting:

AGM Date/Day	Time	Venue
Thursday, June 30, 2022	11.00 am	Shall be held through Video Conferencing/ Other Audio Visual Means

2. Financial Calendar: April 01, 2021 to March 31, 2022.
3. Book Closure: Not Applicable.
4. Dividend Payment Date: Not Applicable.
5. Listing on Stock Exchanges, with Stock Code:

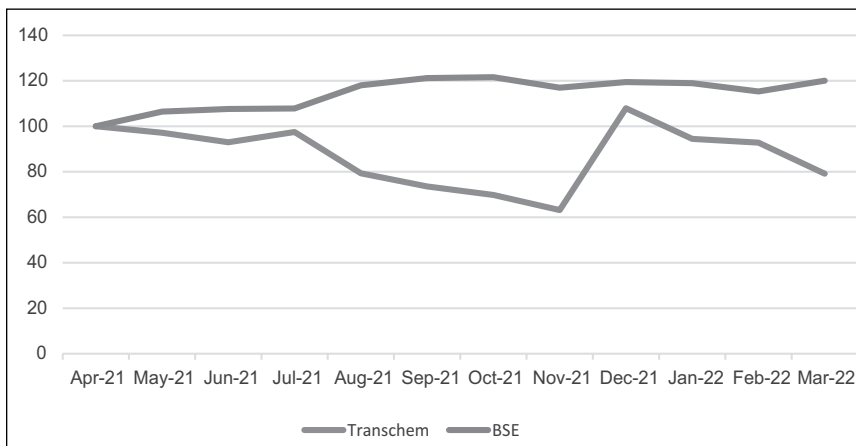
The Equity Shares of the Company are listed on BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001, Annual Listing fees for Financial Year 2021-22 as well as of 2022-23 have been paid to BSE Limited. (Stock Code. 500422).

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 2021	28.40	14.80
May 2021	29.40	22.30
June 2021	34.00	24.50
July 2021	34.85	25.60
August 2021	31.80	20.10
September 2021	24.40	19.05
October 2021	23.25	17.85
November 2021	20.40	17.50
December 2021	30.70	17.60
January 2022	35.50	23.10
February 2022	29.90	20.00
March 2022	27.45	21.60

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

8. The securities of the Company were not suspended from trading during the year under review.
9. Company has not issued any debenture or accepted deposits so the rating from CRISIL or any other agency was not required to be obtained.
10. During the year Company has not received any complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
11. Registrar and Transfer Agent:

LINK INTIME INDIA PVT LTD  
C -101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400083  
Tel : 91-022-49186270 : Fax: 91-022-49186060  
Email : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Contact Person : Mr. Chetan Chaudhari

**Details of Shareholding of Directors as on March 31, 2022:**

<b>Sr. No</b>	<b>Name of Director</b>	<b>Number of Shares held</b>
1	Mrs. Bina S. Shah	Nil
2	Mr. Mirza Saeed Kazi	Nil
3	Mr. Neerav B. Merchant	Nil
4	Mr. Mahesh S. Rananavre	Nil

Distribution Schedule & Shareholding pattern of Equity Shares as on March 31, 2022 is enclosed as Annexure.

Dematerialization of shares and liquidity: As on March 31, 2022, 89.42% of the shares capital of the Company has been dematerialized. All requisitions for dematerialization of shares are being accepted well within the time limit of 21 days. Shares of the Company are regularly traded on BSE Limited, Mumbai.

Outstanding GDRs/ADRs etc.: Not Applicable.

Address for correspondence:

TRANSCHEM LIMITED

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

Phone No. 022-25478601/25477077

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

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



## ANNEXURE

## A. Distribution Schedule of Equity Shares as at March 31, 2022:

No. of Equity Shares held	No. of Shareholders	% of Shareholder	No. of Shares held	% of Shareholding
001 to 500	12869	94.03	1622578	13.26
501 to 1000	451	3.30	370002	3.02
1001 to 2000	191	1.40	292549	2.39
2001 to 3000	62	0.45	161467	1.32
3001 to 4000	29	0.21	104333	0.85
4001 to 5000	20	0.15	93339	0.76
5001 to 10000	28	0.20	209069	1.71
10001 & above	36	0.26	9386663	76.69
TOTAL	13686	100	12240000	100
Physical Mode	7968	58.22	1294615	10.58
Electronic Mode	5718	41.78	10945385	89.42

## B. Shareholding pattern as at March 31, 2022:

Category	No. of shareholders*	Nos. of Shares held	Voting Strength
Promoters & Persons Acting in concert	2	5,479,074	44.76
Bodies Corporate (Domestic)/Trusts	86	3,237,042	26.45
Banks/Mutual Funds/Financial Institutions (FIs)	4	4,000	0.03
Non-Resident Individuals (NRIs)/Foreign Corporate Bodies/ Overseas Corporate Bodies (OCBs)/ Foreign Banks	31	56,340	0.46
Resident Individuals	13,445	3,456,219	28.24
In transit	9	7,325	0.06
TOTAL	13,577	12,240,000	100

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

## DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

I hereby confirm that:

The Company has obtained from all the members of the Board of Directors and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct applicable to them as laid down by the Company in terms of Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2022.

For Transchem Limited

Date: May 21, 2022

Place: Thane

Mukesh Garach  
Chief Financial Officer



## CEO and CFO Certification in respect of Financial Statements and Cash Flow Statement

(Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year ended March 31, 2022

To,  
The Board of Directors  
Transchem Limited

- A. We, Mahesh S. Rananavre, Whole Time Director and Mukesh Garach Chief Financial Officer of the Company, hereby certify that, we have reviewed financial statements and the cash flow statement for the year ended March 31, 2022 and to the best of our knowledge and belief:
- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- B. We hereby certify that, to the best of our knowledge and belief, no transactions entered into during the year by the Company are fraudulent, illegal or in violation of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have not come across any deficiency in the design or operation of such internal controls.
- D. We have indicated to the auditors and the Audit Committee that
- i. There has not been any significant change in internal control over financial reporting during the year;
  - ii. There has not been any significant change in accounting policies during the year;
  - iii. We are not aware of any instance of significant fraud and also not involvement of the management or any employee, therein, having a significant role in the Company's internal control system over financial reporting during the year.

**For Transchem Limited**

**Date:** May 21, 2022

**Place:** Thane

**Mahesh S Rananavre**  
Whole Time Director

**Mukesh Garach**  
Chief Financial Officer



## CERTIFICATE OF PRACTICING COMPANY SECRETARY ON CORPORATE GOVERNANCE

To,  
The Members of,  
Transchem Limited

I have examined the compliance of the conditions of Corporate Governance by Transchem Limited (hereinafter called 'the Company') for the Financial Year ended March 31, 2022 as stipulated under Regulation 17 to 27, clause (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations).

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

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India in view of Covid -19 pandemic, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended March 31, 2022

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

Place: Thane  
Date: May 21, 2022

**Amita Saxena**  
FCS No: 3964 CP No: 3438  
ICSI UDIN : F003964D000360958

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF TRANSCHEM LIMITED

#### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **TRANSCHEM LIMITED (CIN:L24100MH1976PLC019327)** ("the Company"), which comprise the Balance Sheet as at 31st March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income) the Statement of Cash Flows and the Statement for Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

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

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

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the 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.

The 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 Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2022, from being appointed as a director in terms of Section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”;
  - g) With respect to the matter to be included in the Auditors’ Report under Section 197(16) of the Act:  
In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its Directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act
  - h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigation which would impact its financial position in its financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law or accounting standards;
    - 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.
    - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.



- v. (a) The Company has not paid, proposed or declared any dividend during the year and until the date of report, Hence, Compliance in accordance with section 123 of the Act is not applicable.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "**Annexure- B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Maheshwari & Co.**

Chartered Accountants

Firm's Registration No.105834W

**K. K. Maloo**

Partner

Membership No. 075872

Place: Mumbai

Date: May 21, 2022

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

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

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

We have audited the internal financial controls over financial reporting of **Transchem Limited** ("the Company") as of 31<sup>st</sup> March, 2022 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.



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

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

### **Opinion**

In our opinion, to the best of our information and according to explanation given to us, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **For Maheshwari & Co.**

Chartered Accountants

Firm's Registration No.105834W

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

Partner

Membership No. 075872

Place: Mumbai

Date: May 21, 2022



**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)**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

1. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
  - (B) The Company does not hold any intangible assets during the year.
  - b) The Property, Plant and Equipment have been physically verified by the management in accordance with a phased programme of verification, in accordance with this programme certain Property, Plant and Equipment were verified by the management during the year. In our opinion, it is reasonable having regard to the size of the Company and the nature of its assets, no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us and the records examined by us in respect of immovable properties disclosed as Property, Plant and Equipment (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) in the financial statements are in the name of the Company. .
  - d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets or both during the year.
  - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder,
2. a) The Company does not have any revenue from operations and does not have any physical inventories however financial securities are held as inventories and accordingly, reporting under clause (ii) of the order is not applicable to the Company.
- b) According to information and explanations given to us, The Company has not been availed any working capital limits in excess of Rs. 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets. Consequently, the requirement of clause (ii) (b) of paragraph 3 of the Order is not applicable to the Company.
3. According to information and explanations given to us, during the year the Company has made investment in Companies. The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. The Company has granted loans to companies during the year, details of the loan is stated in sub-clause(a) below
  - a) A. According to information and explanations given to us during the year company has not provided loan or advances in the nature of loans or stood guarantee or provided security to subsidiaries, joint ventures and associates.
  - B. According to information and explanations given to us during the year company has provided unsecured loans to other parties other than subsidiaries, joint ventures and associates as below:

<b>Particulars</b>	<b>Amount in ₹ (crore)</b>
Aggregate amount granted during the year – Others	41.50 Crores
Balance outstanding as at balance sheet date – Others	22.50 Crores

The Company has not provided any advances in the nature of loans, guarantee or security to any other entity during the year.



- b) In our opinion, the investment made during the year and the terms and condition of the grant of all loans provided are prima facie not prejudicial to the Company's interest.
- c) In respect of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts has been regular except as following.

Name of the entity	Nature	Amount in ₹	Extent of delay	Remarks (if any)
Ananta Landmarks Pvt Ltd	Interest	1.23 Crore	In the Range of 1-75 days	-
Richline Leasing & Finance Pvt Ltd	Interest	0.42 Crore	In the Range of 1-75 days	-

- d) According to information and explanations given to us and on the basis of our examination of the records of the Company in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at balance sheet date.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is loan given falling due during the year, which has been renewed to settle the overdues of existing loans given to the same party as below.

Name of the entity	Aggregate amount of overdues of existing loans extended	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
Ananta Landmarks Pvt Ltd	18 crores	43.37%
Richline Leasing & Finance Pvt Ltd	12.50 crores	30.12%
Sushma Estate Investments Pvt Ltd	20 crores	48.19%

- f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment. Hence, reporting under clause (iii)(f) of paragraph 3 is not applicable.
4. According to information and explanations given to us, the Company has not granted any secured or unsecured loan or provided any guarantee or security as per provisions of Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act with regard to the granting of loan and investments made during the year.
5. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder during the year. Accordingly, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.
6. In our opinion and according to the information and explanations given to us, the requirement for maintenance of cost records specified by the Central Government under Section 148(1) of the Companies Act, are not applicable to the Company during the year.
7. a) According to the information and explanation given to us, the Company has been generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, Goods and Service Tax, custom duty, excise duty, value added tax, cess and other material statutory dues as applicable with the appropriate authorities. No undisputed amounts payable in respect of aforesaid statutory dues were outstanding as on the last day of the financial year for a year 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 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. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

9. (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, no funds has been raised on short-term basis by the Company . Accordingly, clause 3(ix)(d) of the Order is not applicable.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
10. (a) 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.
- (b) During the year, the company has not made preferential allotment or private placement of shares.
11. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year, if any (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
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. (a) In our opinion the Company has an adequate Internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
15. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
16. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
17. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.



18. There has been no resignation of the statutory auditors of the Company during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
20. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a special account in compliance with provision of sub section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

**For Maheshwari & Co.**

Chartered Accountants

Firm's Registration No.105834W

**K. K. Maloo**

Partner

Membership No. 075872

UDIN: 22075872AJJAVZ6100

Place: Mumbai

Date: May 21, 2022

**BALANCE SHEET AS AT 31 MARCH 2022**

Amount in ₹ Lakhs

	Notes	As at 31 March 2022	As at 31 March 2021
<b>Assets</b>			
<b>Non - Current Assets</b>			
Property, Plant and Equipment	2	9.80	10.58
Financial Assets			
Investments	3	881.62	868.74
		<u>891.42</u>	<u>879.32</u>
<b>Current Assets</b>			
Financial Assets			
(i) Inventories	4	15.03	6.78
(ii) Cash and Cash Equivalents	5	3,422.04	1,171.07
(iii) Loans	6	2,255.45	4,104.43
(iv) Other Financial Assets	7	67.80	150.69
Other Current Assets	8	0.12	16.79
Current Tax Asset (net)	9	29.46	12.87
		<u>5,789.90</u>	<u>5,462.63</u>
<b>Total Assets</b>		<b><u>6,681.32</u></b>	<b><u>6,341.95</u></b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity Share Capital	10	1,224.00	1,224.00
Other Equity		5,406.04	5,070.15
		<u>6,630.04</u>	<u>6,294.15</u>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
Provisions	11	23.32	22.27
		<u>23.32</u>	<u>22.27</u>
<b>Current Liabilities</b>			
Provisions	12	0.74	3.59
Other Current Liabilities	13	27.22	21.94
		<u>27.96</u>	<u>25.53</u>
<b>Total Equity and Liabilities</b>		<b><u>6,681.32</u></b>	<b><u>6,341.95</u></b>

Significant Accounting Policies and other explanatory information 1 to 31

As per our report of even date attached

For and on behalf of the Board of Directors

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

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

Place: Thane  
Date: 21 May 2022

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

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

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

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

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022**

Amount in ₹ Lakhs

	Notes	For the Year ended 31 March 2022	For the Year ended 31 March 2021
<b>Income</b>			
Revenue from Operations		-	-
Gain on Sale of Property, Plant and Equipment		-	2,245.90
Other Income	14	666.05	437.33
<b>Total Income</b>		<b>666.05</b>	<b>2,683.23</b>
<b>Expenses</b>			
Employee Benefits Expenses	15	84.88	81.45
Finance Costs	16	0.01	0.13
Depreciation and Amortization Expenses	2	0.78	12.43
Other Expenses	17	189.56	112.26
<b>Total Expenses</b>		<b>275.23</b>	<b>206.27</b>
<b>Profit / (Loss) Before Tax</b>		<b>390.82</b>	<b>2,476.96</b>
<b>Tax Expense</b>			
Current Tax	26	102.41	61.95
Income Tax earlier years		1.59	-
<b>Profit for the Year</b>		<b>286.82</b>	<b>2,415.01</b>
<b>Other Comprehensive Income</b>			
<u>Items that will not be reclassified to profit or loss (net of tax)</u>			
Net gain / (loss) on equity instruments designated at FVTOCI		52.29	204.71
Re-measurement gain/ (losses) on defined benefit plans (net)		(3.22)	(2.08)
<b>Other Comprehensive income / (loss) for the year, net of tax</b>		<b>49.07</b>	<b>202.63</b>
<b>Total Comprehensive Income for the Year</b>		<b>335.89</b>	<b>2,617.64</b>
Basic and Diluted Earnings Per Share (in ₹) (Face Value ₹10)	24	2.34	19.73
Significant Accounting Policies and other explanatory information 1 to 31			

As per our report of even date attached

For and on behalf of the Board of Directors

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

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

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

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

Place: Thane  
Date: 21 May 2022

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

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

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022**

Amount in ₹ Lakhs

	Year ended 31 March 2022	Year ended 31 March 2021
<b>A Cash Flows From Operating Activities</b>		
<b>Net Profit Before Tax as per Statement of Profit and Loss</b>	<b>390.82</b>	<b>2,476.96</b>
<b><u>Adjustments For:</u></b>		
Depreciation and Amortization Expenses	0.78	12.43
Capital Gains on Sale of Mutual Fund	-	(1.79)
Loss on Sale of Vehicles	-	0.23
Gst credit Expense Out	(2.93)	-
Gain on Sale of Property, Plant and Equipment	-	(2,245.90)
Dividend Received from Equity shares	(1.87)	(0.48)
Interest on Income Tax Refund	(0.89)	-
Provision for gratuity and compensated absences expenses	4.35	2.39
<b>Operating Profit before Working Capital Changes</b>	<b>390.27</b>	<b>243.84</b>
<b><u>Adjustments For:</u></b>		
(Increase)/Decrease in Inventories	(8.25)	1.75
(Increase)/Decrease in Loans and other Financial / Current Assets	1,948.53	(2,962.25)
Increase/(Decrease) in Other Current Liabilities and Provisions	5.27	13.00
<b>Cash Generated from / (Used in) Operating Activities</b>	<b>2,335.82</b>	<b>(2,703.66)</b>
Direct taxes paid (net of refunds)	(144.89)	(68.27)
<b>Net Cash Generated from / (Used in) Operations (A)</b>	<b>2,190.93</b>	<b>(2,771.93)</b>
<b>B Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment and other intangible assets	-	(8.20)
Sale of property, plant and equipment and other intangible assets	-	2,601.00
Purchase of Non Current Investments	(891.79)	(654.13)
Proceeds from sale of Non Current Investments	949.96	364.90
Purchase of Current Investments	-	(500.00)
Proceeds from Sale of Current Investments	-	501.79
Dividend Received from Equity shares	1.87	0.48
<b>Net Cash Generated from /(used in) Investing Activities (B)</b>	<b>60.04</b>	<b>2,305.84</b>



Amount in ₹ Lakhs

	Year ended 31 March 2022	Year ended 31 March 2021
<b>C Cash Flows From Financing Activities (C)</b>	-	-
<b>Net Increase / (decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>2,250.97</b>	<b>(466.09)</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>1,171.07</b>	<b>1,637.16</b>
<b>Closing Balance of Cash and Cash Equivalents (refer note 5)</b>	<b>3,422.04</b>	<b>1,171.07</b>

**Note:**

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

As per our report of even date attached

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

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

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

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

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

Place: Thane  
Date: 21 May 2022

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

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



## Statement of Changes in Equity for the year ended 31 March 2022

### A Equity Share Capital

Amount in ₹ Lakhs

Balance as at April 1, 2021	Changes in Equity Shares Capital Due to Prior period errors	Restated balance at April 1, 2021	Changes in Equity Shares Capital During the year	Balance as at March 31, 2022
1,224.00	-	1,224.00	-	1,224.00

Amount in ₹ Lakhs

Balance as at April 1, 2020	Changes in Equity Shares Capital Due to Prior period errors	Restated balance at April 1, 2020	Changes in Equity Shares Capital During the year	Balance as at March 31, 2021
1,224.00	-	1,224.00	-	1,224.00

### B Other equity

Amount in ₹ Lakhs

	Reserves and surplus			
	Securities premium reserve	General reserve	Retained earnings	Total Equity
<b>Balance as at 01 April 2021</b>	<b>2,029.95</b>	<b>64.73</b>	<b>2,975.47</b>	<b>5,070.15</b>
Profit for the year	-	-	286.82	286.82
Other comprehensive income / (loss) for the year	-	-	49.07	49.07
<b>Total Comprehensive income for the year ended 31 March 2022</b>	<b>-</b>	<b>-</b>	<b>335.89</b>	<b>335.89</b>
<b>Balance as at 31 March 2022</b>	<b>2,029.95</b>	<b>64.73</b>	<b>3,311.36</b>	<b>5,406.04</b>

Amount in ₹ Lakhs

	Reserves and surplus			
	Securities premium reserve	General reserve	Retained earnings	Total Equity
<b>Balance as at 01 April 2019</b>	<b>2,029.95</b>	<b>64.73</b>	<b>478.99</b>	<b>2,573.67</b>
Profit for the year	-	-	40.96	40.96
Other comprehensive income for the year	-	-	(162.12)	(162.12)
<b>Total Comprehensive income for the year ended 31 March 2020</b>	<b>-</b>	<b>-</b>	<b>(121.16)</b>	<b>(121.16)</b>
<b>Balance as at 31 March 2020</b>	<b>2,029.95</b>	<b>64.73</b>	<b>357.83</b>	<b>2,452.51</b>
Profit for the year	-	-	2,415.01	2,415.01
Other comprehensive income for the year	-	-	202.63	202.63
<b>Total Comprehensive income for the year ended 31 March 2021</b>	<b>-</b>	<b>-</b>	<b>2,617.64</b>	<b>2,617.64</b>
<b>Balance as at 31 March 2021</b>	<b>2,029.95</b>	<b>64.73</b>	<b>2,975.47</b>	<b>5,070.15</b>

**Nature and purpose of reserves****(i) Securities premium reserve:**

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

**(ii) General reserve**

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

**(iii) Retained earnings:**

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

Significant Accounting Policies and other explanatory information

1 to 31

As per our report of even date attached

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

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

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

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

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

Place: Thane  
Date: 21 May 2022

**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 2022

### 1 SIGNIFICANT ACCOUNTING POLICIES:

#### 1.1 a) Basis of Accounting:

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

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

The accounting policies are applied consistently to all the periods presented in the financial statements.

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

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

#### 1.2 Use of Estimates:

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

#### 1.3 Property Plant and Equipment:

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

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

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

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

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

Asset Class	Useful Life
Factory Building	6 years as on 31 March 2021
Office Premises / Gala	30 years
Plant and Machinery (Others)	15 years
Furniture and Fixtures	10 years
Vehicles	8 years

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

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



## 1.4 Investments and other financial assets:

### Initial recognition

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

### Subsequent measurement

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

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

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

#### (b) Financial Assets measured at fair value through other comprehensive income (FVTOCI)

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

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

### Impairment of Financial Assets

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

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

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

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

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

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

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

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

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

### **Equity investments**

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

There is no recycling of the amounts from OCI to Statement of Profit and 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 and Loss.

## **1.5 Financial Liabilities**

### **Initial Recognition**

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

### **Subsequent measurement**

#### **Financial liabilities at FVTPL**

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

#### **Financial liabilities at amortised cost**

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

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

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

### **De-recognition of Financial Liabilities**

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



## Offsetting financial instruments

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

### 1.6 Fair value measurement

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

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

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

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

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

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

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

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

### 1.7 Impairment of non-financial assets

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

## 1.8 Provisions, Contingent Liabilities and Contingent Assets:

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

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

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

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

## 1.9 Borrowing costs

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

## 1.10 Recognition of income

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

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

## 1.11 Inventories

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

## 1.12 Employee benefits

### a) Defined contribution plan

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

### b) Defined benefits plan

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

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

**c) Compensated absences**

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

**1.13 Income Tax**

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

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

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

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

**a) Impairment of non-financial assets**

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

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

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

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

**c) Provisions**

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

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

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



**e) Fair value measurement**

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

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

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

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

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

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

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

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



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

### Note 2 Property, Plant and Equipment

Amount in ₹ Lakhs

Particulars	Freehold land	Factory Building	Furniture and Fixtures	Office Premises/ Gala	Plant & Machinery	Vehicles	Total
<b>Gross block</b>							
<b>Balance as at 01 April 2019</b>	<b>64.88</b>	<b>509.11</b>	<b>1.85</b>	<b>18.98</b>	<b>2.32</b>	<b>6.14</b>	<b>603.29</b>
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>64.88</b>	<b>509.11</b>	<b>1.85</b>	<b>18.98</b>	<b>2.32</b>	<b>6.14</b>	<b>603.29</b>
Additions	7.38	-	-	-	0.80	-	8.20
Disposals	68.84	509.11	-	10.72	-	5.84	594.51
<b>Balance as at 31 March 2021</b>	<b>3.42</b>	<b>-</b>	<b>1.85</b>	<b>8.26</b>	<b>3.14</b>	<b>0.30</b>	<b>16.98</b>
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>3.42</b>	<b>-</b>	<b>1.85</b>	<b>8.26</b>	<b>3.14</b>	<b>0.30</b>	<b>16.98</b>
<b>Accumulated depreciation</b>							
<b>Balance as at 01 April 2019</b>	<b>-</b>	<b>165.52</b>	<b>1.59</b>	<b>3.33</b>	<b>0.76</b>	<b>4.61</b>	<b>175.81</b>
Depreciation charge	-	55.17	0.01	1.54	0.62	-	57.34
Adjustments / Disposals	-	-	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>-</b>	<b>220.69</b>	<b>1.60</b>	<b>4.87</b>	<b>1.38</b>	<b>4.61</b>	<b>233.15</b>
Depreciation charge	-	11.49	-	0.70	0.24	-	12.43
Adjustments / Disposals	-	232.18	-	2.39	-	4.61	239.18
<b>Balance as at 31 March 2021</b>	<b>-</b>	<b>-</b>	<b>1.60</b>	<b>3.18</b>	<b>1.62</b>	<b>-</b>	<b>6.40</b>
Depreciation charge	-	-	-	0.44	0.34	-	0.78
Adjustments / Disposals	-	-	-	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>-</b>	<b>-</b>	<b>1.60</b>	<b>3.62</b>	<b>1.96</b>	<b>-</b>	<b>7.18</b>
<b>Net block</b>							
<b>Balance as at 31 March 2020</b>	<b>64.88</b>	<b>288.42</b>	<b>0.25</b>	<b>14.11</b>	<b>0.94</b>	<b>1.53</b>	<b>370.14</b>
<b>Balance as at 31 March 2021</b>	<b>3.42</b>	<b>-</b>	<b>0.25</b>	<b>5.08</b>	<b>1.53</b>	<b>0.30</b>	<b>10.58</b>
<b>Balance as at 31 March 2022</b>	<b>3.42</b>	<b>-</b>	<b>0.25</b>	<b>4.65</b>	<b>1.18</b>	<b>0.30</b>	<b>9.80</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 2022

Amount in ₹ Lakhs

	As at 31 March 2022	As at 31 March 2021
<b>Note 3</b>		
<b><u>Non-Current Financial Assets - Investments</u></b>		
<b>Non-Current Investments</b>		
<b>Quoted investments in equity instruments at FVTOCI</b>		
25,000 (Previous year: 25,000 Equity Shares) Equity Shares of Edelweiss Financial Services Limited of ₹1 each fully paid up	14.68	15.88
20,000 (Previous year: NIL Equity Shares) Equity Shares of The Phoenix Mills Limited of ₹2 each fully paid up	219.86	-
15,000 (Previous year: 15,000 Equity Shares) Equity Shares of Allcargo Logistics Limited of ₹2 each fully paid up	53.67	18.53
12,130 (Previous year: 1,213 Equity Shares) DRC Systems India Limited ₹10 each fully paid up	4.42	3.38
NIL (Previous Year: 30,000 Equity Shares) Equity Shares of Network18 Media Investments Limited of ₹5 each fully paid up	-	10.94
NIL (Previous year: 30000 Equity Shares) Equity Shares of TV 18 Broadcast Limited ₹2 each fully paid up	-	8.63
2,000,000 (Previous year: 1,000,000 Equity Shares) Equity Shares of Infibeam Avenues Limited ₹1 each fully paid up	387.00	474.00
NIL (Previous year: 1,000 Equity Shares) Equity Shares of Kotak Mahindra Bank Limited ₹5 each fully paid up	-	17.54
NIL (Previous year: 1,000 Equity Shares) Equity Shares of Larsen & Toubro Limited ₹2 each fully paid up	-	14.18
NIL (Previous year: 100,000 Equity Shares) Equity Shares of Mcleod Russel India Limited ₹5 each fully paid up	-	19.10
NIL (Previous year: 9,950 Equity Shares) Equity Shares of RBL Bank Limited ₹10 each fully paid up	-	20.65
65,666 (Previous year: 65,666 Equity Shares) Equity Shares of Suvidhaa Infoserve Limited of ₹1 each fully paid up	5.31	69.24
Sub-Total	684.94	672.06
<b>Unquoted investments in equity instruments at amortised cost</b>		
901,000 (Previous year: 901,000 Equity Shares) Equity Shares of Aditya Investments and Communication Limited of ₹10 each fully paid up	90.36	90.36
280,000 (Previous year: 280,000 Equity Shares) Equity Shares of Chameleon Commodities Private Limited of ₹10 each fully paid up	29.82	29.82
465,000 (Previous year: 465,000 Equity Shares) Equity Shares of Grandeur Corporation Private Limited of ₹10 each fully paid up	46.50	46.50
300,000 (Previous year: 300,000 Equity Shares) Equity Shares of Sadgati Investments and Trading Company Private Limited of ₹10 each fully paid up	30.00	30.00
Sub-Total	196.68	196.68
<b>Total</b>	<b>881.62</b>	<b>868.74</b>
<b>Note:</b>		
<b>3(a) Investments disclosure</b>		
Aggregate amount of Unquoted Investment valued at amortised cost	196.68	196.68
Aggregate amount of Quoted Investment FVTOCI	684.94	672.06
Aggregate amount of Impairment in the value of Investment	-	-
Investments in India	881.62	868.74
Investments outside India	-	-



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

Amount in ₹ Lakhs

	As at 31 March 2022	As at 31 March 2021
<b>Note 4</b>		
<b>Inventories</b>		
(Valued at FVTPL)		
Securities	15.03	6.78
<b>Total</b>	<b>15.03</b>	<b>6.78</b>
<b>Note 5</b>		
<b>Cash and Cash Equivalents</b>		
Cash on hand	1.82	1.60
Balances with Banks		
- in current accounts	3420.22	1169.47
<b>Total</b>	<b>3,422.04</b>	<b>1,171.07</b>
<b>Note 6</b>		
<b>Current Financial Assets - Loans</b>		
(Unsecured, considered good, unless otherwise stated)		
Advances to Employees	5.45	4.43
Loan to Body Corporates	2250.00	4100.00
<b>Total</b>	<b>2,255.45</b>	<b>4,104.43</b>
<b>Note 7</b>		
<b>Current Financial Assets - Others</b>		
(Unsecured, considered good, unless otherwise stated)		
Sundry Deposits	0.10	0.10
Interest Accrued and due on Loans	67.70	150.59
<b>Total</b>	<b>67.80</b>	<b>150.69</b>
<b>Note 8</b>		
<b>Other Current Assets</b>		
(Unsecured, considered good, unless otherwise stated)		
Prepaid Expenses	0.12	0.14
Balances held with Government Authorities	-	16.65
<b>Total</b>	<b>0.12</b>	<b>16.79</b>
<b>Note 9</b>		
<b>Current Tax Asset (Net)</b>		
Advance tax (net of provision for tax)	29.46	12.87
<b>Total</b>	<b>29.46</b>	<b>12.87</b>

## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

Amount in ₹ Lakhs

	As at 31 March 2022	As at 31 March 2021
<b>Note 10</b>		
<b>Equity Share Capital</b>		
<b>Authorised</b>		
3,00,00,000 Equity Shares (Previous year: 3,00,00,000 Equity Shares) of ₹10/- each	3,000.00	3,000.00
<b>Issued, Subscribed and Fully Paid up</b>		
1,22,40,000 Equity shares (Previous year: 1,22,40,000 Equity Shares) of ₹10/- each fully paid up	1,224.00	1,224.00
<b>Total</b>	<b>1,224.00</b>	<b>1,224.00</b>

**a) Reconciliation of number of Equity Shares**

Balance as at the beginning of the year	122.40	122.40
Add : Issued during the year	-	-
Balance as at the end of the year	<b>122.40</b>	<b>122.40</b>

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

Name of the Shareholder	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	% held	No. of Shares	% held
Priyanka Finance Private Limited	3,479,074	28.42%	2,879,074	23.52%
Vijay K Choraria	2,000,000	16.34%	2,000,000	16.34%
JMS Mining Private Limited	755,654	6.17%	1,360,654	11.12%
Smit Capital Services Private Limited	735,684	6.01%	735,684	6.01%

**c) Shareholding of Promoters:**

Share held by promoters at the end of the year				
Sr. No.	Promotor Name	No of Shares	% of total shares	% of change during the year
1	Vijay K Choraria	2,000,000	16.34%	-
2	Priyanka Finance Private Limited	3,479,074	28.42%	4.90%

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

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



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

Amount in ₹ Lakhs

	As at 31 March 2022	As at 31 March 2021
<b>Note 11</b>		
<b>Non Current Provisions</b>		
Provision for Gratuity [refer note 25]	22.59	21.30
Provision for Compensated Absences	0.73	0.97
<b>Total</b>	<b>23.32</b>	<b>22.27</b>
<b>Note 12</b>		
<b>Current Provisions</b>		
Provision for Gratuity [refer note 25]	0.72	3.34
Provision for Compensated Absences	0.02	0.25
<b>Total</b>	<b>0.74</b>	<b>3.59</b>
<b>Note 13</b>		
<b>Other Current Liabilities</b>		
Statutory Dues	10.85	0.84
Employee Benefits	10.80	17.01
Other Liabilities	5.57	4.09
<b>Total</b>	<b>27.22</b>	<b>21.94</b>

## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

	Amount in ₹ Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Note 14</b>		
<b>Other Income</b>		
Dividend on Shares	1.87	0.48
Mark to Market profit on Inventories	8.25	-
<u>Interest on:</u>		
- Inter-Corporate Deposits	544.50	434.74
- Interest on Income Tax Refund	0.89	-
Capital Gains on Sale of Mutual Fund	-	1.79
Income from Land Improvements	110.00	-
Other Miscellaneous Income	0.54	0.32
<b>Total</b>	<b>666.05</b>	<b>437.33</b>
<b>Note 15</b>		
<b>Employee Benefits</b>		
Salaries and Bonus	77.63	67.27
Contribution to Provident Fund and ESIC	1.62	0.63
Director's Remuneration and Sitting Fees	0.94	10.27
Gratuity and Compensated Absences Expense [refer note 25]	4.34	2.39
Staff Welfare Expenses	0.35	0.89
<b>Total</b>	<b>84.88</b>	<b>81.45</b>
<b>Note 16</b>		
<b>Finance Cost</b>		
Bank Charges	-	-
Interest Expenses	0.01	0.13
<b>Total</b>	<b>0.01</b>	<b>0.13</b>



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

	Amount in ₹ Lakhs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Note 17</b>		
<b>Other Expenses</b>		
Rent, Rates and Taxes	0.79	1.20
Security Charges	-	5.18
Printing and Stationery Expenses	0.01	0.03
Courier and Postage Expenses	0.10	0.04
Communication Expenses	0.56	0.63
Advertisement Expenses	0.28	0.28
Conveyance Expenses	6.84	9.28
Legal and Professional Fees	150.21	54.41
Land Development Charges	-	21.00
Power & Fuel Expenses	0.36	1.87
Gardening Expenses	0.30	1.17
Dematerialisation and Listing Charges	4.93	4.62
Car Insurance Expenses	-	0.14
Office and Factory Expenses	0.46	1.91
Repairs and Maintenance Expenses	0.34	0.32
Payment to Auditors [refer note 17(a)]	0.95	0.95
Mark to Market Loss on Inventories	-	1.75
GST Credit Written Off	19.57	5.07
Loss on Disposal of Vehicles	-	0.23
Miscellaneous Expenses	3.86	2.18
<b>Total</b>	<b>189.56</b>	<b>112.26</b>

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

Statutory Audit Fees (excluding taxes)	0.95	0.95
<b>Total</b>	<b>0.95</b>	<b>0.95</b>



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

### 18. Fair value measurements

#### Financial instruments by category:

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

#### Fair value hierarchy

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

Category	31 March 2022				
	Non-Current	Current	Level 1	Level 2	Level 3
<b>Financial Assets</b>					
<b>(a) Financial assets at FVTPL</b>					
- Investments	-	-	-	-	-
- Inventories	-	15.03	15.03	-	-
<b>(b) Financial assets at FVTOCI</b>					
- Investments	684.94	-	684.94	-	-
<b>(c) Financial assets at Amortised cost</b>					
- Investments	196.68	-	-	-	-
- Cash and Cash Equivalents	-	3,422.04	-	-	-
- Loans	-	2,255.45	-	-	-
- Other Financial Assets	-	67.80	-	-	-
<b>Total</b>	<b>881.62</b>	<b>5,760.32</b>	<b>699.97</b>	-	-
<b>Financial Liabilities</b>	-	-	-	-	-

Category	31 March 2021				
	Non-Current	Current	Level 1	Level 2	Level 3
<b>Financial Assets</b>					
<b>(a) Financial assets at FVTPL</b>					
- Investments	-	-	-	-	-
- Inventories	-	6.78	6.78	-	-
<b>(b) Financial assets at FVTOCI</b>					
- Investments	672.06	-	672.06	-	-
<b>(c) Financial assets at Amortised cost</b>					
- Investments	196.68	-	-	-	-
- Cash and Cash Equivalents	-	1,171.07	-	-	-
- Loans	-	4,104.43	-	-	-
- Other Financial Assets	-	150.69	-	-	-
<b>Total</b>	<b>868.74</b>	<b>5,432.97</b>	<b>678.84</b>	-	-
<b>Financial Liabilities</b>	-	-	-	-	-



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

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

### Valuation process

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

### 19. Financial risk management objectives and policies

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

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

Particulars	Amount in ₹ Lakhs	
	As at 31 March 2022	As at 31 March 2021
<b>Financial Assets</b>		
Non Current Investments	881.62	868.74
Inventories	15.03	6.78
Cash and Cash Equivalents	3,422.04	1,171.07
Loans	2,255.45	4,104.43
Other Financial Assets	67.80	150.69
<b>At end of the year</b>	<b>6,641.95</b>	<b>6,301.71</b>
<b>Financial Liabilities</b>	-	-
<b>At end of the year</b>	-	-

### Market risk

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

### Credit risk on financial assets

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

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

## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

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

As disclosed in Note 5, cash and cash equivalents balances generally cash on hand and balances held with the bank in current account.

### Exposure to credit risk

Financial asset for which loss allowance is measured using expected credit loss model have been listed in the table 19.1 above.

In the opinion of management, Financial Assets, Cash and Cash Equivalent, Loans, Other Current Assets and Other Financial Assets have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated in the balance sheet.

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.

### 20. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium reserve and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value. The Company has adequate cash and cash equivalents. The company monitors its capital by a careful scrutiny of the cash and cash equivalents and a regular assessment of any debt requirements. In the absence of any debt at the year end, the maintenance of debt equity ratio etc. may not be of any relevance to the Company.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2022.

21. During the financial year 2021-22 and 2020-21, the Company does not have revenue from operations and hence for the purpose of disclosure of segment information as per Ind-AS 108, 'Operating Segments', the Company does not have a business segment. Further, the Company operates in India and accordingly no disclosures are required under secondary segment reporting.
22. The Company has suspended its operation. In view thereof and in consideration of prudence, the Company has not recognised Deferred Tax Asset / Liability in respect of set off of available losses and timing differences.



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

### 23. Related Party Disclosures:

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

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

Name of the Related Party	Designation	Relationship
Dilip S. Shinde (upto 30 Mar 2021)	Director	KMP
Mahesh Suresh Rananavre (w.e.f. 29 May 2021)	Whole Time Director	
Neeraja Karandikar	Company Secretary	
Mukesh Garach	Chief Financial Officer	
Crest Ventures Limited		Company in which Promoters are common

#### 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 ₹ Lakhs	
			Year ended 31 March 2022	Year ended 31 March 2021
1) Remuneration / Director's sitting fees	Dilip S. Shinde	KMP	-	9.78
	Mahesh Suresh Rananavre	KMP	8.76	-
	Neeraja Karandikar	KMP	2.36	2.24
	Mukesh Garach	KMP	4.14	3.95
2) Consultancy Charges	Crest Ventures Limited	Company in which Promoters are common	94.85	-

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

Amount in ₹ Lakhs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<u>Short-term employee benefits:</u>		
- Salaries including Bonuses and Directors Sitting Fees	15.26	15.96

## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

### iii) Balance as at year end:

Name of the Party	Nature of relationship	Year ended	Amount in ₹ Lakhs
Dilip S. Shinde	KMP	31 March 2022	-
		31 March 2021	7.75
Mahesh Suresh Rananavre	KMP	31 March 2022	1.02
		31 March 2021	-
Neeraja Karandikar	KMP	31 March 2022	0.52
		31 March 2021	0.50
Mukesh Garach	KMP	31 March 2022	0.92
		31 March 2021	0.83

### 24. Earnings per share (EPS)

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Net profit /(loss) after tax attributable to equity shareholders (In ₹)	286.82	2,415.01
Weighted average number of shares outstanding during the year	12,240,000	12,240,000
Basic and Diluted earnings per share (In ₹)	2.34	19.73
Nominal value per equity share (In ₹)	10.00	10.00

### 25. Employee Benefits Obligations

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

#### Defined Contribution Plans:

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

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

Particulars	Amount in ₹ Lakhs	
	2021-22	2020-21
Employer's Contribution to Provident Fund	0.58	0.10
Employer's Contribution to Pension Scheme	0.50	0.22



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

### 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 defined benefits as below:

i) Reconciliation of fair value of assets and obligations:

Amount in ₹ Lakhs

Particulars	Gratuity (Non funded)	
	2021-22	2020-21
Present value of obligation	23.31	24.64
Fair Value of Plan Assets	-	-
<b>Net Liability recognized in the Balance Sheet</b>	<b>23.31</b>	<b>24.64</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 ₹ Lakhs

Particulars	Gratuity (Non funded)	
	2021-22	2020-21
Current Service Cost	2.17	1.80
Net Interest Cost	1.54	1.38
Expected Return on Plan Assets	-	-
Benefits paid directly	-	-
<b>Expense recognized in the Statement of Profit and Loss</b>	<b>3.71</b>	<b>3.18</b>

iv) Other Comprehensive Income (OCI):

Amount in ₹ Lakhs

Particulars	Gratuity (Non funded)	
	2021-22	2020-21
Actuarial (Gain) / Loss recognised or the period	(2.35)	0.63
Return on Plan Assets excluding net interest	-	-
Unrecognised Actuarial (Gain) / Loss from previous period	-	-
<b>Total Actuarial (Gain) / Loss recognised in OCI</b>	<b>(2.35)</b>	<b>0.63</b>

v) Actuarial (Gain) / Loss on obligation:

Amount in ₹ Lakhs

Particulars	Gratuity (Non funded)	
	2021-22	2020-21
Due to Demographic Assumption	-	-
Due to Financial Assumption	(0.99)	(0.02)
Due to Experience	(1.36)	0.65
<b>Total Actuarial (Gain) / Loss</b>	<b>-</b>	<b>-</b>

## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

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

Amount in ₹ Lakhs

Particulars	Gratuity (Non funded)	
	2021-22	2020-21
Opening Net Liability	-	20.84
Adjustment to opening balance	-	-
Expenses as above	3.71	3.18
Contribution paid	(2.70)	-
Other Comprehensive Income (OCI)	(2.35)	0.63
Closing Net Liability	(1.33)	24.64

Schedule III of the Companies Act, 2013

Particulars	Gratuity (Non funded)	
	2021-22	2020-21
Current Liability	0.72	3.34
Non-Current Liability	(2.05)	21.31

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

Particulars	Gratuity (Non Funded)	
	2021-22	2020-21
Mortality table	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Interest / Discount Rate	7.28%	6.71%
Expected Salary Escalation	5.25%	5.25%
Expected Return on plan assets	-	-
Expected average remaining service	12.92	13.65
Employee Attrition Rate (past service (PS)) 0 to 40%	2.00%	2.00%

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

## viii) Sensitivity Analysis

Particulars	As at 31 March, 2022			
	Discount Rate		Salary Escalation Rate	
	+ 1%	- 1%	+ 1%	- 1%
Present Value of Obligation				
Gratuity	21.75	25.10	25.09	21.73

## ix) Expected Payout

Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th to 10th Year
Gratuity	0.72	0.78	8.87	2.37	0.53	5.08



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

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

Amount in ₹ Lakhs

Particulars	31 March		
	2022	2021	2020
<b>Gratuity</b>			
Defined benefit obligation	(1.33)	24.64	20.84
Fair value of planned assets	-	-	-
(Surplus) / Deficit in the plan	(1.33)	24.64	20.84
Actuarial (gain) / loss on plan liabilities	-	-	0.67
Actuarial gain / (loss) on plan assets	-	-	-

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

Particulars	Year ended 31 March 2022 Amount in ₹ Lakhs	Year ended 31 March 2021 Amount in ₹ Lakhs
<b>Enacted income tax rate in India applicable to the Company</b>	<b>25.17</b>	<b>25.17</b>
<b>Profit before tax</b>	<b>390.82</b>	<b>2,476.96</b>
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	98.36	623.40
<b>Tax effect of the amounts which are not deductible/taxable in calculating taxable income</b>		
Permanent disallowances	-	-
Gain / (Loss) on Sale of Property, Plant and Equipment / Vehicles	0.48	(565.19)
Temporary disallowances (on account of non recognition of deferred taxes)	1.21	3.73
Income exempted from income taxes	-	-
Other items	2.36	0.01
<b>Total income tax expense / (credit)</b>	<b>102.41</b>	<b>61.95</b>
<b>Effective Tax Rate</b>	<b>26.20%</b>	<b>2.50%</b>

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

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

Name of the Body Corporate	Amount in ₹ Lakhs
Gati Limited	501.75
Magma Fincorp Limited	79.71
Network 18 Media & Investments Limited	86.19
The Phoenix Mills Limited	194.37
TV 18 Broadcast Limited	29.78

(b) No Guarantee or security provided by the Company.

(c) Details of loan given by the Company to person or body corporates is as under:

Name of the Body Corporate	Amount in ₹ Lakhs	Purpose
Richline Leasing and Finance Private Limited	3,850.00	Loan towards General Corporate Purpose
Sushma Estate Investments Private Limited	300.00	



## SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

### 28. Internal Audit:

During the financial year 2021-22, the Company appointed M/s. L. T. Jadav & Company, (Chartered Accountants), as Internal Auditor (Membership No. 037240; FRN No.118218W) having Registered Office address at 601, 6th Floor, Madhuban CHS, 51, T.P.S. Road, Borivali (West), Mumbai, 400092. They are eligible for re-appointment during the year also.

### 29. Additional regulatory information

Ratio as following:

Particulars	FY21-22	FY20-21
Current ratio (in times)	207.09	213.95
Debt-Equity Ratio (in times)	NA	NA
Debt-Coverage Ratio (in times)	NA	NA
Return on Equity Eatio (in %)	0.04	0.00
Inventory Trunover ratio	NA	NA
Trade Receivables turnover ratio (in times)	NA	NA
Trade Payable turnover ratio (in times)	NA	NA
Net Capital trunover ratio (in times)	NA	NA
Net Profit ratio (in %)	NA	NA
Return on Capital Employed (in %)	NA	NA
Return on Investment (in %)	(9696.35)	(0.01)

30. During the year ended 31st March, 2021, the Company had sold out its undertaking known as "Mushroom Plant" consisting of pieces and parcels of lands or ground bearing Gat nos. 379, 382, 380, 381, 384, 416 (part), 433, 434, 435, 438, 436 (part), and 383 of Village Bebadohal and Gat no. 579 (part) of Village Urse, Taluka Maval, District Pune 410 506, together with its land, structures, machinery and fixtures therein ("Property") for an aggregate consideration of Rs.26.00 Crores. The sale deed has been registered with competent authorities on 17 June 2020, accordingly the Company has recognised the gain on sale of the said area of Mushroom Plant during the year ended 31st March, 2021.

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

As per our report of even date attached

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

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

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

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

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

Place: Thane  
Date: 21 May 2022

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

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









## **TRANSCHEM LIMITED**

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

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

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