

DWITIYA TRADING LIMITED

43rd Annual Report

&

Accounts

2020-2021

DWITIYA TRADING LIMITED

Corporate Identity No.: L67120WB1978PLC031628

Board of Directors:

Mr. Rabi Jalan
Mr. Lokesh Pasari
Ms. Bandana Mishra

Mr. Chandra Dutta Sharma
Mr. Ashutosh Dey

Managing Director
Non-Executive Independent Director
Chairperson-Non-Executive Independent Director
Non-Executive Independent Director
Non-Executive Independent Director

Audit Committee:

Mr. Ashutosh Dey

Mr. Lokesh Pasari
Mr. Chandra Dutta Sharma
Mr. Rabi Jalan

Ms. Bandana Mishra

Chairperson-Non Executive Independent Director
Non-Executive Independent Director
Non-Executive Independent Director
Executive Non-Independent - Managing Director
Non-Executive Independent Director

Nomination And Remuneration Committee:

Mr. Ashutosh Dey

Ms. Bandana Mishra
Mr. Lokesh Pasari
Mr. Chandra Dutta Sharma

Chairperson-Non Executive Independent Director
Non-Executive Independent Director
Non-Executive Independent Director
Non-Executive Independent Director

Stakeholder's Relationship Committee:

Mr. Chandra Dutta Sharma

Ms. Bandana Mishra
Mr. Lokesh Pasari

Chairperson-Non Executive Independent Director
Non-Executive Independent Director
Non-Executive Independent Director

Risk Management Committee:

Mr. Chandra Dutta Sharma

Ms. Bandana Mishra
Mr. Lokesh Pasari

Chairperson-Non Executive Independent Director
Non-Executive Independent Director
Non-Executive Independent Director

Chief Financial Officer:

Mr. Manish Damani

Registered Office:

27, Weston Street,
5th floor, Room No. 526,
Kolkata – 700 012
Contact No. +918231927952
Email – info.dwitiya@gmail.com
Website – www.dwitiyatrading.in

Registrar and Transfer Agent:

Purva Sharegistry (India) Pvt. Ltd.
Unit No.9, Shiv Shakti Ind. Estt.,
J. R. Boricha Marg,
Opp. Kasturba Hospital Lane,
Lower Parel (E), Mumbai – 400 011

Bankers:

State Bank of India

Auditors:

M/s. Arun Jain & Associates
Chartered Accountants
2B Grant Lane, 2nd Floor, Room No. 74
Kolkata – 700 012

DWITIYA TRADING LIMITED

27, Weston Street, 5th Floor, Room No. 526, Kolkata – 700 012

CIN: L67120WB1978PLC031628 Dial – +918231927952

Website: www.dwitiyatrading.in Email ID: info.dwitiya@gmail.com

BOARDS' REPORT

Dear Members,

Boards of Directors of the Company are pleased to present the 43rd Annual Report for the financial year ended March 31, 2021.

1. Financial Summary or Highlights

The highlights of the financial performance of the Company for the financial year ended March 31, 2021 as compared to the previous financial year are as under:-

| (Rs. in lacs) | | |
|--|---------|---------|
| Particulars | 2020-21 | 2019-20 |
| Total Revenue | 1.60 | 1.39 |
| (Less): Total Expenditure | (9.70) | (12.26) |
| Profit before Exceptional & Extraordinary Items | (8.10) | (10.87) |
| Add/(Less): Exceptional Items | - | - |
| Add/(Less): Extraordinary Items (Loss on Sale of Fixed Assets) | - | - |
| Profit Before Tax | (8.10) | (10.87) |
| (Less): Provision for Current Tax | - | (1.37) |
| Add/(Less): Deferred Tax | - | (2.62) |
| Net Profit after Tax | (8.10) | (6.88) |
| Other Comprehensive Income(OCI) | | |
| Less:- Items that will not be reclassified to profit / (loss) | - | - |
| Add:- Income tax on items that will not be reclassified to profit / (loss) | - | - |
| Balance carried to Balance Sheet | (8.10) | (6.88) |

2. Financial Performance

During the financial year under review, the Company recorded Rs. 1.60 lacs total revenue as compared to Rs. 1.39 lacs in previous year. The Company incurred Rs. 9.70 lacs total expenditure during the reporting financial year as compared to Rs. 12.26 lacs previous year.

3. Names of Companies which have become or ceased to be the Company's Subsidiaries, Joint Ventures or Associate Companies during the year under review

The Company does not have any subsidiaries and associate companies, as defined in Section 2(6) of the Companies Act, 2013 (hereinafter referred to as "the act") nor is associated with any joint ventures and therefore disclosure requirement pursuant to Rule 8 of the Companies (Accounts) Rules, 2014 is not applicable for the Company.

4. Dividend

In order to conserve the resources of the Company and considering the business plan of the Company, the Board of Directors has not recommended any dividend on the Equity Shares of the Company for the Financial Year ended March 31, 2021.

5. The amount proposed to be carried to reserves

The details of the Reserve and Surplus Account is morefully described in Note of the Financial Statement for the financial year ended on 31st March, 2021, which forms part of the Annual Report for the financial year ended on 31st March, 2021.

6. Change in Share Capital

The Authorised Share Capital of the Company stands at Rs. 5,05,00,000/- divided into 2,52,50,000 Equity Shares of Rs. 2/- each and the Paid-up Share Capital of the Company is Rs. 5,01,00,000/- divided into 2,50,50,000 Equity Shares of Rs. 2/- each on March 31, 2021.

7. Listing

The equity shares continue to be listed on the BSE Ltd. and the Calcutta Stock Exchange Limited, which has nation-wide terminals. Further, the trading of the company has been suspended due to penal reasons. The Company has not paid the annual listing fees for the financial year 2020-21.

8. Corporate Governance Report

The Company has been voluntarily complying with all the requirements of the code of Corporate Governance, as specified by the Securities and Exchange Board of India the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “the Listing Regulations”) to the extent feasible for the Company.

A separate report on Corporate Governance is voluntarily furnished as a part of the Directors’ Report.

9. Extract of the Annual Return

In accordance with the Companies Act, 2013 (“the Act”), the Annual Return in the prescribed format is uploaded on the website of the Company and can be viewed via the link: www.dwitiyatrading.in

10. Directors & Key Managerial Personnel

a. Board of Directors

As on 31st March, 2021, the composition of the Board is as under:

- a. Ms. Bandana Mishra (DIN-07001783) – Chairperson Non-Executive Independent Director;
- b. Mr. Rabi Jalan (DIN-07001695) – Managing Director;-Executive Non Independent Director
- c. Mr. Chandra Dutta Sharma (DIN-00710720) – Independent Non-Executive Director;
- d. Mr. Ashutosh Dey (DIN-02391573) – Independent Non-Executive Director;
- e. Mr. Lokesh Pasari (DIN-00738955) – Independent Non-Executive Director;

b. Chief Financial Officer

Mr. Manish Damani (PAN-ANGPD4716K) – CFO (KMP).

c. Company Secretary

The Company is in the process to fill the post of the Company Secretary but has not received any positive or suitable response for the same.

11. Number of Meetings of the Board

The Board of Directors of the Company met Six (6) times during the Financial Year under review, i.e. on: 30/05/2020, 30/07/2020, 04/09/2020, 14/09/2020, 10/11/2020 and 12/02/2021

Further, one exclusive meeting of the Independent Directors, pursuant to Schedule IV of the Act and sub-regulation 3 of Regulation 25 of the Listing Regulations was held on 12/02/2021.

All the meetings were held in accordance with the provisions of the Act, Listing Regulations and the Secretarial Standard-1 (SS-1).

The details of the Meetings of the Board of Directors during the Financial Year 2020-21 is encompassed in the Corporate Governance Report which is annexed to the said Report.

12. Disclosure pursuant to Section 177(8) of the Companies Act, 2013-Composition of the Audit Committee

The Audit Committee of the Company comprises of four Non-Executive Independent Directors and one Executive Non-Independent Managing Director as on March 31, 2021. The Committee is chaired by a Non-Executive Independent Director, Mr. Ashutosh Dey.

As on 31st March, 2021, the composition of the Audit Committee is as under:

- a. Ms. Bandana Mishra (DIN-07001783) – Non-Executive Independent Director;
- b. Mr. Rabi Jalan (DIN-07001695) – Non Independent Executive Managing Director;
- c. Mr. Chandra Dutta Sharma (DIN-00710720) – Non-Executive Independent Director;
- d. Mr. Ashutosh Dey (DIN-02391573) – Chairperson Non-Executive Independent Director;
- e. Mr. Lokesh Pasari (DIN-00738955) – Non-Executive Independent Director;

During the Financial Year under review, the Audit Committee met six (6) times and all such meetings were held in accordance with the provisions of the Act readwith the Rules made thereunder and the Listing Regulations. Details of the same, including the meeting dates and the attendance of the Committee members, are provided in the Corporate Governance Report.

Further, the Board has accepted all the recommendations of the Audit Committee in the Financial Year 2020-21.

13.Composition of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company comprises of four Non-Executive Independent Directors as on March 31, 2021. The Committee is chaired by a Non-Executive Independent Director, Mr. Ashutosh Dey.

As on 31st March, 2021, the composition of the Nomination and Remuneration Committee is as under:

- a. Mr. Chandra Dutta Sharma (DIN-00710720 – Non-Executive Independent Director;
- b. Ms. Bandana Mishra (DIN-07001783) – Non-Executive Independent Director;
- c. Mr. Ashutosh Dey (DIN-02391573) – Chairperson Non-Executive Independent Director;
- d. Mr. Lokesh Pasari (DIN-00738955) – Non-Executive Independent Director;

The detail of the Committee, including the meeting dates and the attendance of the Committee members, is provided in the Corporate Governance Report.

14.Composition of the Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Company comprises of three Non-Executive Independent Directors as on March 31, 2021. The Committee is under the Chairpersonship of Mr. Chandra Dutta Sharma, Non-Executive Independent Director.

- a. Mr. Lokesh Pasari (DIN-00738955) – Non-Executive Independent Director;
- b. Ms. Bandana Mishra (DIN-07001783) – Non-Executive Independent Director;
- c. Mr. Chandra Dutta Sharma (DIN-00710720) – Chairperson Non-Executive Independent Director;

The detail of the Committee, including the meeting dates and the attendance of the Committee members, is provided in the Corporate Governance Report.

15.Directors' Responsibility Statement

Pursuant to the provisions of Section 134 (3) (c) read with section 134 (5) of the Act, the Directors hereby confirm and state that:

- a. In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures, if any.
- b. The Directors have selected such accounting policies and have 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 as on the Financial Year ended on March 31, 2021 and of the loss of the company for the year under review.
- c. The Directors have 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.
- d. The Directors have prepared the annual accounts on a going concern basis.

- e. The Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively.
- f. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16.Details in respect of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government.

No fraud was detected during the financial year under review.

17.Declaration by the Independent Directors and statement on compliance of Code of Conduct.

All the Independent Directors have furnished the Statement on Declaration of Independence under section 149 (6) of the Act and Regulation 16 of the Listing Regulations. Further, the Independent Directors have complied with the Code of Independent Directors prescribed in Schedule IV to the Act.

18.Statement on compliance of Code of Conduct for Directors and senior management personnel.

The Corporate Governance Report contains a Declaration on compliance to the Code of Conduct by the Directors and Senior Management Personnel of the Company.

19.Policy on Directors' Appointment & Remuneration

The Company's Nomination and Remuneration Policy contains inter-alia, policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 of the Act and the Listing Regulations.

The Company's Nomination and Remuneration Policy is available on the website of the Company via the link: <http://dwitiyatrading.in/policies.html>

The Policy defines the basic principles and procedure of nomination and determination of remuneration of all the Directors, Key Managerial Personnel and the senior management. It is further intended to ensure that the Company is able to attract, develop and retain high-performing Directors, Key Managerial Personnel and other employees and that their remuneration is aligned with the Company's business strategies, values and goals. The policy is based on the following pillars:

- a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- b. The relationship of remuneration to performance is clear and meets appropriate benchmarks; and
- c. The remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Policy is available on the website of the Company via the link: www.dwitiyatrading.in

20.Auditors & Auditors' report

a. Statutory Auditors

M/s Arun Jain & Associates (Firm Registration No. 325867E), has furnished a certificate of eligibility in terms of section 139 read with section 141 of the Act and the rules framed thereunder.

b. Independent Auditors' Report

The Self Explanatory Independent Auditors' Report does not contain any adverse remarks or qualification.

c. Maintenance of cost records

The maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained.

d. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act read with the Rules made thereunder, CS Amit Jajodia (C.P. No. 37613, Membership No. 14303), Company Secretary in whole-time Practice, was appointed for the issuance of the Secretarial Audit Report for the Financial Year ended 31st March 2021.

e. Secretarial Audit Report

The Secretarial Audit Report is appended to the Directors' Report in **Annexure 2**. The Report of the Secretarial Audit Report does not contain any adverse remark save and except the followings:-

1. *Company has not appointed Company Secretary as per the provision of Section 203 of the Companies Act, 2014.*
2. *In terms of Rule 25A of the Companies (Incorporation) Rules, 2014, every company is required to file E-Form INC-22A Active (Active Company Tagging Identities and Verification). Hence, the Company has not filed said Form and the Status of the Company is Active-Non Compliant.*
3. *BSE has imposed penalty for non Compliance of Regulation 6(1) of the Listing Regulations pertaining to Appointment of Company Secretary of the Company and has not paid the fines and hence BSE has frozen all the promoters demat accounts.*

Board of Directors' Comment:-

1. The Company is in the process to fill the post of the Company Secretary but have not received any positive or suitable response for the same.
2. The Company has not appointed Company secretary, therefore e-Form ACTIVE (Active Company Tagging Identities and Verification) will be filed after the appointment of Company Secretary.
3. The Company is in the process to fill the post of the Company Secretary but have not received any positive or suitable response for the same. Further, the Company is also facing cash crunch, therefore unable to pay the fine.

21. Particulars of Loans, guarantees or investments under section 186

Details of Loans, Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

22. Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed form

All related party transactions, contracts or arrangements that were entered into, during the financial year under review, were on an arms-length basis and in the ordinary course of business.

The Company has adhered to its "Policy on Related Party Transactions and Materiality of Related Party Transactions" while perusing all Related Party transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

Further, during the year under review, the Company has not entered into any contract/arrangement/transactions with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

23. State of Company Affairs & Future Outlook

The Company is into trading business. During the financial year under review, the Company recorded Rs.1.60 lacs total revenue as compared to Rs. 1.39 lacs in previous year which reflects decrease in total revenue generation. The Company incurred Rs.9.70 lacs total expenditure during the reporting financial year as compared to Rs. 12.26 lacs previous year.

As the recovery process of the global economy against the backdrop of the COVID-19 pandemic has already begun, the Company expects increase in growth prospects in the coming years.

24. 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 between the end of the financial year of the company to which the financial statements relate and the date of this Directors' Report.

The Company has received the Adjudication Order dated 31st July, 2021 from the Adjudication Officer, Securities and Exchange Board of India (SEBI) under section 15-I of the SEBI Act, 1992 read with Rule 5 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 and Rule 5 of the Securities Contract (Regulations) (Procedures for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 2005 read with section 23-I of the Securities Contracts (Regulations) Act, 1956.

25. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings And Outgo.

Disclosure in terms of Rule 8(3) of the Companies (Accounts) Rules, 2014:

a. Conservation of Energy.

The Company has no activity relating to conservation of energy.

b. Technology Absorption.

The Company has no activity relating to Technology Absorption. Further, the Company has not entered into any technology transfer agreement.

c. Foreign Exchange earnings and outgo.

The Company does not have any Foreign Exchange earnings and outgo during the financial year under review.

26. Risk Management Policy

The Company has a Risk Management Policy which provides for the identification therein of elements of risk, which in the opinion of the Board may threaten the existence of the Company. The details pertaining to various types of risks are described in the Management Discussion and Analysis report which is annexed to the Directors' Report.

Pursuant to Schedule IV (II) (4) of the Act, the Independent Directors, inter-alia amongst others, review the system from time to time to ensure that Risk Management is robust and satisfactory.

The Company is not required to have a Risk Management Committee and has voluntarily complied with the constitution of the Risk Management Committee in terms of the Listing Regulations. Further, in terms of Regulation 17(9)(b) of the Listing Regulations, the Board of Directors is responsible for framing, implementing and monitoring the Risk Management Plan of the Company and has delegated the power of monitoring and reviewing of the risk management plan to the Risk Management Committee.

The Risk Management Committee is responsible for laying down procedures to inform Board members about the risk assessment and minimization procedures.

27. Policy on Corporate Social Responsibility (CSR) Initiatives

Pursuant to provisions of Section 135 of the Act, the Company is not required to constitute a Corporate Social Responsibility Committee or to undertake any CSR activities.

Therefore, the Company is not required to make any disclosure as specified in Section 134(3) (o) of the Act.

28. Manner of formal annual evaluation by the Board of its own performance and that of its committees and individual directors.

Pursuant to Section 134(3)(p) of the Act read with Rule 8(4) of the Companies (Accounts) Rules, 2014, other applicable provisions of the Act, and various applicable clauses of the

Listing Regulations, and the disclosure regarding the manner of formal annual evaluation by the Board of its own performance and that of its various committees and individual directors is provided hereto:

a. Evaluation Criteria

Pursuant to Part D of Schedule II of the Listing Regulations, the Nomination and Remuneration Committee has formulated the criteria for evaluation of the performance of the Independent Directors and the Board. The Nomination and Remuneration Committee also identifies persons qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommends to the Board their appointment and removal and carries out the evaluation of every director's performance in accordance with Section 178(2) of the Act read with the Rules framed there under and Part D of Schedule II of the Listing Regulations.

The Board shall monitor & review the Board Evaluation Framework and evaluate the performance of all the Board Committees.

Further, the Nomination and Remuneration Committee has formulated criteria for determining qualifications, positive attributes and independence of a director and recommended to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees. The details of the same are morefully described in the Corporate Governance Report.

Further, the Nomination and Remuneration Committee has also devised a Policy on Board Diversity in accordance with Regulation 19(4) of the Listing Regulations.

b. Performance Evaluation of the individual directors

Pursuant to section 178(2) of the Act, the Nomination and Remuneration Committee of the Company carries out the performance evaluation of the individual directors.

c. Board of Directors

A separate meeting of the Independent Directors of the Company was held on 12/02/2021, pursuant to Clause VII of Schedule IV to the Act and Regulation 25 of the Listing Regulations, for transacting the following businesses as set forth in the Agenda:

1. Review the performance of the non-Independent Directors and the Board as a whole.
2. Review the performance of the Chairman of the Company, taking into account the views of the executive directors and Non-Executive directors.
3. Assessment of 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.

The same was perused in accordance with the Evaluation criteria determined by the Nomination and Remuneration Committee.

The Independent Directors of the Company in fulfilling their role and functions as specified in Clause II of Schedule IV to the Act, help in bringing an objective view in the evaluation of the performance of the Board and management.

The Independent Directors expressed satisfaction over the performance of all the non-Independent Directors and the Chairperson.

d. Performance Evaluation of the Independent Directors

Pursuant to Clause VIII of Schedule IV to the Act and Regulation 19 of the Listing Regulations, read with Part D of Schedule II thereto the performance evaluation of the Independent Directors is perused by the entire Board of Directors, excluding the director being evaluated.

On the basis of the report of performance evaluation, the extension of the term of appointment or its continuance in respect of the Independent Directors is being considered.

e. Performance Evaluation of the Committee

The Board of Directors evaluates the performance of all the Board Committees, based on the Company's Performance Evaluation Policy.

29.Nomination and Remuneration Policy