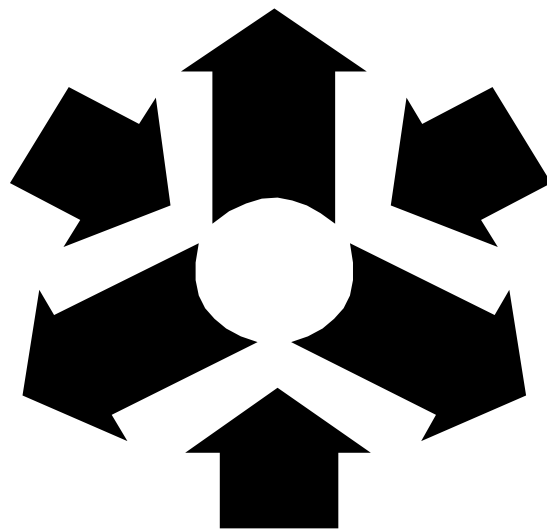
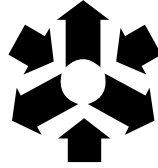


# **TRANSCHEM LIMITED**



**32ND ANNUAL REPORT 2008-2009**



# TRANSCHEM LIMITED

<b>BOARD OF DIRECTORS</b>	MR. RAJEN K. DESAI MR. DILIP SHINDE MR. HEMANT LAAD MRS. BINA SHAH MR. NEERAV MERCHANT	<i>Chairman</i> <i>Executive Director</i>
<b>COMPANY SECRETARY</b>	MRS. NEERAJA KARANDIKAR	
<b>AUDITORS</b>	M/S. L. T. JADAV & CO.	
<b>BANKERS</b>	HDFC BANK	
<b>REGISTERED OFFICE</b>	304, Ganatra Estate, Pokhran Road No. 1, Khopat, Thane (W) – 400 601.	
<b>PLANT</b>	Gat No. 379, Village Bebadohol, Taluka Maval, Dist. Pune – 410 506.	
<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b>	M/s. Adroit Corporate Services Pvt. Ltd. 19, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai - 400 059.	

## **TRANSCHEM LIMITED**

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### **NOTICE**

**NOTICE** is hereby given that the Thirty Second Annual General Meeting of the members of **TRANSCHEM LIMITED** will be held on Wednesday the 30th day of September, 2009 at Hotel Royal Inn, Gokul Nagar, Thane (W) – 400 601 at 09.30 a.m. to transact the following business:

#### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2009 and Profit & Loss Account for the year ended on that date along with the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Bina Shah, who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint a Director in place of Mr. Neerav Merchant, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditor for the financial year 2009-10 and to fix their remuneration. The retiring Auditors M/s. L.T. Jadav & Co. are eligible for re-appointment.

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

PLACE : THANE  
DATE : 02-09-2009

(NEERAJA KARANDIKAR)  
COMPANY SECRETARY

#### **NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be filed with the Company at its Registered Office not later than forty-eight hours before the commencement of the meeting.
2. The Register of members and Share Transfer books of the Company shall remain closed from 28th September 2009 to 3rd October 2009 (both days inclusive).

#### **INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:**

As required under the Listing Agreement, the particulars of Directors who are proposed to be appointed / re-appointed are as follows :

1. **Mrs. Bina Shah :**  
Name : Mrs. Bina Shah  
Age : 40 years  
Qualification : B.Com, FCS  
Expertise : Having expertise in Company Laws, Finance and Accounts.  
Other Directorship : NIL
2. **Mr. Neerav Merchant :**  
Name : Mr. Neerav Merchant  
Age : 24 years  
Qualification : B.A., L.L.B.  
Expertise : He is an Advocate and has expertise in legal matters  
Other Directorship : NIL

**DIRECTORS REPORT**

Dear Members,

Your Directors are pleased to submit their Thirty Second Annual Report, together with the Audited Statement of Accounts of your Company for the financial year ended 31st March 2009.

**FINANCIAL RESULTS :****(Rs. In lacs)**

Particulars	Current year ended 31-03-2009	Previous year ended 31-03-2008
Income from Sales	NIL	2753.23
Other Income	245.82	827.86
Gross Profit before Depreciation & Taxation	3.02	733.76
Depreciation	147.95	189.12
Provision for Current Tax	NIL	242.02
Provision for Deferred Tax / Adjustment	(34.73)	(47.75)
Profit / (Loss) after Depreciation & Taxation	(110.20)	350.37

**OPERATION:**

During the year your company could not commence any business activity. Various business options including revival of Mushroom Division of the Company or to convert the facilities in Software/ Biotechnology SEZ are under consideration. However due to global recession no fruitful step could materialized.

**DIVIDEND:**

In view of losses your Directors have not recommended any dividend to the equity shareholders.

**PERSONNEL:**

There is no employee drawing salary exceeding or equal to the limit as prescribed in the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/ OUTGO:**

The Company is not required to give information about conservation of energy etc under section 217(1)(e) of the Companies Act, read with the Companies (Disclosure of the particulars in the report of the Board of Directors) Rules, 1988. During the year your company earned NIL foreign exchange and out go was of Rs. 5.82 lacs.

**DIRECTORS:**

Mrs. Bina Shah & Mr. Neerav Merchant, Directors, shall retire by rotation in the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

**DEPOSITS:**

The Company has not invited or accepted any deposits from public during the year.

## ***TRANSCHEM LIMITED***

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### **INDUSTRIAL RELATIONS:**

The industrial relations continued to be cordial throughout the year.

### **CORPORATE GOVERNANCE:**

The Board has been committed to adopt, besides any obligations under relevant laws or regulations, relevant best practices for Corporate Governance. Further, the Company is regular in filing and submitting compliance reports on Corporate Governance to the Stock Exchange wherein it is listed and has fully implemented all the requirements of Clause 49 of the Listing Agreement.

### **AUDIT COMMITTEE:**

Pursuant to the Companies Act, 1956 and Clause 49 of the Listing agreement Board of Directors has constituted an audit Committee. The present constitution of Audit Committee is of three Non-Executive Directors, majority of them being Independent Directors. Mrs. Bina Shah, a Fellow member of the Institute of Company Secretaries of India is an expert in the financial matter. Mr. Hemant Laad and Mr. Rajen Desai, are holding Bachelor Degree in Commerce, have financial literacy. Mrs. Bina Shah a Non-Executive Independent Director is the Chairperson of the said committee.

### **DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to section 217(2AA) of the Companies (Amendment Act) 2000, the Directors of the Company state as under that:

- (i) in the preparation of annual accounts, applicable Accounting Standards have been followed.
- (ii) the Directors had selected such accounting policies and consistently applied them and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit / loss 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 Companies Act, 1956, 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.

### **AUDITORS:**

M/s. L.T. Jadav & Co., Chartered Accountants of Mumbai, will retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting and being eligible have expressed their willingness for re-appointment.

### **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.

PLACE : THANE  
DATE : 02-09-2009

By order of the Board of Directors  
For **TRANSCHEM LIMITED**  
(RAJEN DESAI)  
CHAIRMAN

**MANAGEMENT DISCUSSION & ANALYSIS**

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

As the management of the Company foresees very dim possibility to restart the Mushroom Division, in view of the same it is proposed to convert the facility of mushroom division to other profitable line of business.

The proposals to convert the factory site of the Company into software SEZ / Biotechnology SEZ are under consideration. Final decision be taken only after detailed feasibility study carried out by professionals.

**CORPORATE GOVERNANCE REPORT**

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below :

**A. MANDATORY REQUIREMENTS :****1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :**

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

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

**2. BOARD OF DIRECTORS :****COMPOSITION AND CATEGORY :**

- 1 Promoter, Non-Executive Director.
- 1 Professional Executive Director.
- 3 Independent, Non-Executive Directors.

Independent Directors are Directors, who apart from receiving sitting fees do not have any other material pecuniary relationship or transactions with the Company.

The composition of the Board of Directors during the financial year and also the number of other Board of Directors or Board Committees of which the director is a member / Chairman are as under:

<b>Sr. No.</b>	<b>NAME OF DIRECTOR</b>	<b>CATEGORY OF DIRECTORSHIP</b>	<b>NUMBER OF OTHER DIRECTORSHIPS (#1)</b>	<b>TOTAL NUMBER OF MEMBER-SHIP(S) IN OTHER BOARD COMMITTEES (#2)</b>
1	Mr. Rajen K. Desai, Chairman	Promoter, Non-Executive	1	NIL
2	Mr. Hemant Laad	Independent, Non-Executive	NIL	NIL
3	Mrs. Bina Shah	Independent, Non-Executive	NIL	NIL
4	Mr. Neerav Merchant	Independent, Non-Executive	NIL	NIL
5	Mr. Dilip Shinde	Executive Director	NIL	NIL

#1 Excludes Directorships in Indian Private Limited Companies, Membership of Managing Committees of various bodies.

#2 Includes Chairmanships, memberships of Audit Committee & Shareholders Grievance Committee only.

**ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING :**

During the financial year ended 31st March 2009, Five Board Meetings were held on 30th April 2008, 31st July 2008, 28th August 2008, 23rd October 2008 & 31st January 2009. The attendance of each Director at Board Meeting and the last Annual General Meeting (AGM) is as under:

Sr. No.	NAME OF DIRECTOR	Number of Board Meetings Attended	Attendance at last AGM held on 30-09-08
1	Mr. Rajen K. Desai	5	Present
2	Mr. Hemant Laad	5	Present
3	Mrs. Bina Shah	5	Present
4	Mr. Neerav Merchant	5	Absent
5	Mr. Dilip Shinde	5	Absent

### 3. AUDIT COMMITTEE :

#### BROAD TERMS OF REFERENCE :

The terms of reference of this Committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956.

The terms of reference of the Audit Committee include the following :

- Reviewing the Company's financial reporting process and the disclosure of its financial information.
- Recommending the appointment and removal of statutory auditors, fixation of Audit fees and also to approve payment to auditors for other services.
- Reviewing the quarterly and annual financial statements with primary focus on accounting policies and practices, compliance with accounting standards and legal requirement concerning financial statements.
- Reviewing the adequacy of internal control systems and its function, ensuring compliance of internal control systems and reviewing the Company's financial and risk management policies.
- Reviewing the reports furnished by the statutory auditors and to ensure suitable follow-ups thereon.

#### COMPOSITION OF AUDIT COMMITTEE :

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

#### MEETINGS AND ATTENDANCE :

During the financial year ended 31st March 2009, five Audit Committee Meetings were held on 30th April 2008, 31st July 2008, 28th August 2008, 23rd October 2008 and 31st January 2009.

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

Sr. No.	Member	No. of meetings attended
1.	Mrs. Bina Shah	5
2.	Mr. Hemant Laad	5
3.	Mr. Rajen Desai	5

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

#### INTERNAL AUDITORS :

The Company has in-built system of internal checks to review the internal control systems of the Company and to report thereon. The reports of such reviews are being submitted to the Audit Committee on regular basis.



## **TRANSCHEM LIMITED**

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### **4. REMUNERATION COMMITTEE :**

#### **BRIEF DESCRIPTION OF TERMS OF REFERENCE :**

- To review, assess and recommend the appointment and remuneration of whole-time / Executive Directors.
- To periodically review the remuneration package of whole-time Directors and to recommend suitable revision to the Board.

#### **COMPOSITION :**

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

The present constitution of the Remuneration Committee is as follows :

1. Mrs. Bina Shah : Chairperson, Independent, Non-Executive
2. Mr. Rajen Desai : Member, Promoter, Non-Executive
3. Mr. Hemant Laad : Member, Independent, Non-Executive

During the financial year 2008-09 no meeting of Remuneration Committee were held.

#### **REMUNERATION POLICY :**

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

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

The remuneration policy is directed towards rewarding performance based on review of achievements. It is aimed at attracting and retaining high caliber talent.

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

#### **DETAILS OF REMUNERATION TO ALL DIRECTORS FOR THE YEAR ENDED 31st MARCH 2009 :**

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

<b>Name of the Director</b>	<b>Salary</b>	<b>Benefits</b>	<b>Commission</b>	<b>Sitting Fees</b>	<b>Total (Rs.)</b>	<b>Service Contract / Notice Period</b>
Mr. Rajen K. Desai	NIL	NIL	NIL	16500	16500	Retirement by rotation
Mr. Hemant Laad	NIL	NIL	NIL	15000	15000	Retirement by rotation
Mrs. Bina Shah	NIL	NIL	NIL	16500	16500	Retirement by rotation
Mr. Neerav Merchant	NIL	NIL	NIL	7500	7500	Retirement by rotation
Mr. Dilip Shinde	210000	NIL	NIL	NIL	210000	Retirement by rotation

### **5. SHARE TRANSFER & INVESTORS GRIEVANCE COMMITTEE :**

#### **FUNCTIONS :**

The Board has constituted a share Transfer & Investors Grievance Committee consisting of three members, chaired by the promoter, Non-Executive Director. As the Company has appointed M/s. Adroit Corporate Services Pvt. Ltd as its Share Transfer Agent, the Share Transfer & Investor Grievance Committee holds meetings only occasionally when requirement arises. The Compliance Officer of the Company has been authorized to approve the transfer of shares as submitted by the Registrar & Share

Transfer Agent. Details of shares transfers / transmissions approved by the Compliance Officer are placed before the Board on regular basis.

**COMPOSITION :**

Presently Share Transfer & Investor Grievance Committee comprises of three Directors, majority of them are Independent, Non-Executive Director nominated by the Board and Mr. Rajen Desai is the Chairman of the Committee.

During the year one meeting was held on 31st October 2008.

**6. COMPLIANCE OFFICER :**

The Board has designated Mrs. Neeraja Karandikar, Company Secretary, as the Compliance Officer.

**7. DETAILS OF SHAREHOLDERS COMPLAINTS RECEIVED, NOT SOLVED AND PENDING SHARE TRANSFERS :**

Total number of complaints received and resolved to the satisfaction of the shareholders during the year ended 31st March 2009 were 15.

There were no outstanding complaints, pending share transfers or pending requests for dematerialization as on 31st March 2009.

**8. CEO / CFO CERTIFICATE :**

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

**9. GENERAL BODY MEETINGS :**

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

Financial Year	Date	Location of Meeting	Time
2005-2006	30.09.2006	Hotel Royal Inn Gokul Nagar, Thane (W).	11.00 a.m.
2006-2007	29.09.2007	Hotel Royal Inn Gokul Nagar, Thane (W).	10.00 a.m.
2007-2008	30.09.2008	Hotel Royal Inn Gokul Nagar, Thane (W).	09.30 a.m.

No special resolution was put through postal ballot or at the last AGM nor is any proposed for this year.

**10. DISCLOSURES :**

(a) The Company has not entered into any transaction of a material nature with the promoters, Directors or Management or their relatives that may have potential conflict with the interest of the Company at large. The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. In view of no such contract being entered that attract the said provisions no entry has been made in the said Register.

(b) During the last three years no action was taken against the Company either by SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.

**11. MEANS OF COMMUNICATION :**

(a) The quarterly and half yearly results are forthwith communicated to Bombay Stock Exchange Limited, the Stock Exchange with whom the company has listing agreement, as soon as they are approved and taken on record by the Board of Directors of the Company. Further, the results are published in the newspapers namely The Free Press Journal (English) and Nav-Shakti (Marathi).

## **TRANSCHEM LIMITED**

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

### **12. GENERAL SHAREHOLDER INFORMATION :**

Detailed information in this regard provided in the shareholder information section forms part of this Annual Report.

#### **NON-MANDATORY REQUIREMENTS :**

##### **1. CHAIRMAN OF THE BOARD:**

The Company has a Non-Executive Chairman and the Company is not incurring any expenditure towards the maintenance of his office.

##### **2. REMUNERATION COMMITTEE :**

Please refer item no. 4 under the heading 'Mandatory Requirements'.

##### **3. SHAREHOLDER'S RIGHT :**

As the Company's quarterly financial results are published in English newspapers having circulation all over India and in a Marathi newspaper widely circulated in Maharashtra, the same are not sent to each household of shareholders.

##### **4. SHAREHOLDERS INFORMATION SECTION :**

###### **1. Information about Annual General Meeting :**

<b>AGM DATE</b>	<b>TIME</b>	<b>VENUE</b>
30-09-2009	09:30 a.m.	Hotel Royal Inn, Gokul Nagar, Thane (W)

2. Financial Calendar : 1st April – 31st March.
3. Date of Book Closure : From 28.09.2009 to 03.10.2009 (both days inclusive).
4. Dividend Payment Date : Not Applicable.
5. Listing on Stock Exchanges : Bombay Stock Exchange Limited, Mumbai  
With Stock Code (Stock Code. 500422)

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

<b>Month</b>		<b>High (Rs.)</b>	<b>Low (Rs.)</b>
April	2008	21.95	17.65
May	2008	20.80	16.00
June	2008	17.50	12.25
July	2008	16.50	12.50
August	2008	17.95	13.00
September	2008	17.50	14.00
October	2008	15.75	7.50
November	2008	12.60	8.81
December	2008	10.47	8.30
January	2009	9.50	6.30
February	2009	6.82	6.10
March	2009	6.80	5.01

6. Company has not issued any debenture so the rating from CRISIL or other agency was not required to be obtained.

7. **Registrar and Transfer Agent :**

**M/s. Adroit Corporate Services Pvt. Ltd.**

19, Jaferbhoy Industrial Estate, 1st Floor,  
Makwana Road, Marol Naka, Andheri (East),  
MUMBAI – 400 059.

Contact Person: Ms. Smita Mulky, Phone No. 022-2859 6060

8. Share Transfer System: Company's Securities are under compulsory demat mode of transfer.

9. **Code of Conduct :**

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

All Board Members and Senior Management personnel have confirmed compliance with the Code for the year 2008-09. A declaration to this effect as included in CEO & CFO Certificate is reproduced hereunder:

"We further declare that all the board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year"

10. Shares held by Non Executive Directors as on 31-03-2009 : NIL
11. Distribution schedule and shareholding pattern of Equity Shares as on 31.03.2009 is enclosed as Annexure-1.
12. **Dematerialization of shares and liquidity:** 86.30% of the share capital of the Company has already been dematerialized. All requisitions for dematerialization of shares are being accepted well within the time limit of 21 days. Shares of the Company are regularly been traded at the Bombay Stock Exchange Limited, Mumbai.
13. Outstanding GDRs / ADRs etc.: Not Applicable.
14. Plant Location : Gat No. 379, Village Bebadahol, Taluka Maval, Dist Pune – 410 506.
15. Address for correspondence:

**TRANSCHEM LIMITED**

304, Ganatra Estate, Pokhran Road No. 1,  
Khopat, Thane (W) – 400 601.  
Phone No.: 022-25478601 / 25477077  
Email: transchem422@yahoo.co.in

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**TRANSCHEM LIMITED****ANNEXURE I****A. Distribution Schedule of Equity Shares as on 31-03-2009 :**

No. of Equity Shares held	No. of Shareholders	% of Shareholder	No. of Shares held	% of Shareholding
1 to 500	16010	93.16	2243534	18.33
501 to 1000	647	3.77	549281	4.49
1001 to 2000	272	1.58	426768	3.49
2001 to 3000	85	0.49	220648	1.80
3001 to 4000	44	0.26	157770	1.29
4001 to 5000	35	0.20	164795	1.35
5001 to 10000	48	0.28	350432	2.86
10000 & Above	45	0.26	8126772	66.40
<b>TOTAL</b>	<b>17186</b>	<b>100.00</b>	<b>12240000</b>	<b>100.00</b>
Physical Mode	<b>9802</b>	<b>57.03</b>	<b>1677110</b>	<b>13.70</b>
Electronic Mode	<b>7384</b>	<b>42.97</b>	<b>10562890</b>	<b>86.30</b>

**B. Shareholding Pattern as on 31-03-2009 :**

Category	No. of shareholders	Nos. of Shares held	Voting Strength
Promoters & Persons Acting in concert	7	2585385	21.12
Other Directors, their relatives	NIL	NIL	NIL
Bodies Corporate (Domestic) / Trusts	177	5041749	41.19
Banks / Mutual Funds / Financial Institutions (FIs)	4	4000	0.03
Foreign Institutional Investors (FIIs)	1	150346	1.23
Non-Resident Individuals (NRIs) / Foreign Corporate Bodies / Overseas Corporate Bodies (OCBs) / Foreign Banks	29	60881	0.50
Resident Individuals	16966	4396339	35.92
In transit	2	1300	0.01
<b>TOTAL</b>	<b>17186</b>	<b>12240000</b>	<b>100.00</b>

**CERTIFICATE**

To the Members of  
**TRANSCHEM LIMITED**

We have examined the compliance of conditions of Corporate Governance by **TRANSCHEM LIMITED** for the year ended **31st March, 2009** as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange, Mumbai.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that no investor grievances are pending against the Company for a period exceeding one month as per the records maintained by the shareholder's / Investor's Grievance committee.

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

For L.T. JADAV & CO.  
*Chartered Accountants*

(L. T. JADAV)  
*Proprietor*  
Membership No. 37240

Place : Thane  
Date : 2nd September, 2009

**AUDITORS' REPORT**

**To the Members of  
TRANSCHEM LIMITED**

Report on the accounts for the year ended on **31st March, 2009** in compliance with Section 227 (2) of the Companies Act, 1956.

- 1 We have audited the attached Balance Sheet of **Transchem Limited**, as at **31st March, 2009** and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
- 3 As required by the Companies (Auditors' Report ) Order, 2003, as amended by the Companies (Auditors' Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, of India (the 'Act'), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4 Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
  - (a) We have obtained all the information and explanations which to 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 appears from our examination of those books ;
  - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account ;
  - (d) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the accounting standards referred to in sub-section ( 3C ) of Section 211 of the Act,;
  - (e) On the basis of written representation received from the directors as on **31st March, 2009** and taken on record by the Board of Directors, none of the directors are disqualified as on **31st March, 2009** from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the accounts read with other notes thereon gives the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India :
    - (i) in the case of the Balance Sheet of the state of the affairs of the Company as at **31st March, 2009**,
    - (ii) in the case of the Profit and Loss Account of the **Loss** for the year ended on that date; and
    - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For L.T. JADAV & CO.  
*Chartered Accountants*

(L. T. JADAV)  
*Proprietor*  
Membership No. 37240

Place : Thane  
Date : 2nd September, 2009

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ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 3 of our Auditors' Report of even date to the Members of **TRANSCHEM LIMITED** on the financial statements for the Year Ended 31st March, 2009)

- 1 (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of its fixed assets.  
  
(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- 2 (a) The inventory has been physically verified by the Management during the year.  
  
(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- 3 The Company has neither granted nor taken loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, sub-clause (b), (c) & (d) are not applicable.
- 4 To the best of our knowledge and belief and according to the information and explanations given to us by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- 5 The Company has not accepted any deposits from public.
- 6 In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- 7 (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, Income-tax, and other material statutory dues as applicable with the appropriate authorities.  
  
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service tax and cess which have not been deposited on account of any dispute.
- 8 The Company has no accumulated losses as at **31st March, 2009** and has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- 9 The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 10 The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the company.



## ***TRANSCHEM LIMITED***

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- 11 In respect of dealing / trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanation given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company, in its own name.
- 12 According to the information and explanations given to us, the Company has not given any guarantee for loans taken by other companies, from bank or financial institutions.
- 13 According to the information and explanations given to us, the Company has not obtained any term loan.
- 14 On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
- 15 The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- 16 The Company has not issued any debentures.
- 17 The Company has not raised any money through public issue during the year.
- 18 During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

Place : Thane  
Date : 2nd September, 2009

For L.T. JADAV & CO.  
*Chartered Accountants*  
(L. T. JADAV)  
*Proprietor*  
Membership No. 37240

**BALANCE SHEET AS AT 31st MARCH, 2009**

	Sch. No.	2008-09 Rs.	2007-08 Rs.
<b>SOURCES OF FUNDS :</b>			
1. Shareholders Funds :			
Equity Capital	1	12,24,00,000	12,24,00,000
Reserve & Surplus	2	36,26,20,238	37,36,40,638
2. Deferred Tax Liability	3	83,07,752	1,33,74,268
<b>TOTAL Rs.</b>		<b>49,33,27,990</b>	<b>50,94,14,906</b>
<b>APPLICATION OF FUNDS :</b>			
1. Fixed Assets	4	16,72,51,310	17,96,10,515
2. Investments	5	29,27,61,273	33,19,48,200
3. <b>CURRENT ASSETS, LOANS &amp; ADVANCES :</b>			
(a) Inventories	6	96,87,595	96,87,595
(b) Sundry Debtors	7	52,80,598	92,36,022
(c) Cash & Bank Balance	8	84,49,865	40,27,385
(d) Loans & Advances	9	4,31,57,579	2,22,77,998
		<b>6,65,75,637</b>	<b>4,52,29,000</b>
Less: Current Liabilities & Provisions	10	3,32,60,230	4,73,72,808
		<b>3,33,15,407</b>	<b>(21,43,808)</b>
<b>TOTAL Rs.</b>		<b>49,33,27,990</b>	<b>50,94,14,906</b>
Notes to Accounts	16		

As per our report of even date

For and on behalf of the Board

For L.T. JADAV & Co.  
Chartered Accountants

DILIP S. SHINDE  
Executive Director

RAJEN K. DESAI  
Chairman

NEERAJA KARANDIKAR  
Company Secretary

(L.T. JADAV)  
Proprietor  
Membership No. 37240

PLACE : Thane  
DATE : 2nd September, 2009

**TRANSCHEM LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

	Sch. No.	2008-09 Rs.	2007-08 Rs.
<b>A. INCOME :</b>			
Gross Sales	11	—	27,53,22,859
Other Income	12	2,45,82,028	8,27,86,683
Increase / (Decrease) in Stock	13	—	98,95,772
<b>TOTAL Rs.</b>		<b>2,45,82,028</b>	<b>36,80,05,314</b>
<b>B. EXPENDITURE :</b>			
Raw Material Consumptions/Trading Purchase	14	—	14,14,21,683
Other Expenses	15	2,42,80,423	15,31,97,414
Depreciation		1,47,95,145	1,89,12,886
Earlier Year Exp. / Adj.		—	9,233
<b>TOTAL Rs.</b>		<b>3,90,75,568</b>	<b>31,35,41,216</b>
Net Profit / (Loss)		(1,44,93,540)	5,44,64,098
Add / (Less) :			
<b>Provisions for Tax :</b>			
Current Tax		—	(2,40,00,000)
Previous Years Exp. / Tax Adjustment		(14,48,376)	—
Deferred Tax Assets (Liability)		50,66,516	47,75,083
Fringe Benefit		(1,45,000)	(2,02,000)
<b>NET BALANCE</b>		<b>(1,10,20,400)</b>	<b>3,50,37,181</b>
Add: Balance of Previous Year		16,41,72,005	12,91,34,824
<b>BALANCE TRANSFER TO BALANCE SHEET</b>		<b>15,31,51,605</b>	<b>16,41,72,005</b>
<b>Earnings Per Share</b>		<b>(0.90)</b>	<b>(2.62)</b>
(Refer Note No. 17 in Schedule 16)			
<b>Face Value Per Share (In Rs.)</b>		<b>10</b>	<b>10</b>
Notes to Account	16		

As per our report of even date

For and on behalf of the Board

For L.T. JADAV & Co.  
Chartered AccountantsDILIP S. SHINDE  
Executive DirectorRAJEN K. DESAI  
ChairmanNEERAJA KARANDIKAR  
Company Secretary(L.T. JADAV)  
Proprietor

Membership No. 37240

PLACE : Thane

DATE : 2nd September, 2009

## SCHEDULES

Schedules forming part of accounts for the year ended 31st March, 2009

	2008-09 Rs.	2007-08 Rs.
<b>SCHEDULE 1 :</b>		
<b>CAPITAL :</b>		
<b><u>AUTHORISED :</u></b>		
3,00,00,000 Nos. (2008 - 3,00,00,000 Nos.) of Equity Shares @ Rs. 10/- each	<b>30,00,00,000</b>	<b>30,00,00,000</b>
<b><u>ISSUED, SUBSCRIBED &amp; PAID UP :</u></b>		
1,22,40,000 Nos. (2008 - 1,22,40,000 Nos.) of Equity Shares @ Rs. 10/- each fully paid up	12,24,00,000	12,24,00,000
<b>TOTAL Rs.</b>	<b>12,24,00,000</b>	<b>12,24,00,000</b>
<b>SCHEDULE 2 :</b>		
<b><u>RESERVES &amp; SURPLUS :</u></b>		
General Reserve	64,73,483	64,73,483
Share Premium	20,29,95,150	20,29,95,150
Profit & Loss Account	15,31,51,605	16,41,72,005
<b>TOTAL Rs.</b>	<b>36,26,20,238</b>	<b>37,36,40,638</b>
<b>SCHEDULE 3 :</b>		
<b><u>DEFERRED TAX LIABILITY :</u></b>		
Balance B/F.	1,33,74,268	1,81,49,351
Less : Deferred Assets (Refer Note No. 18 in Schedule 16)	50,66,516	(47,75,083)
<b>TOTAL Rs.</b>	<b>83,07,752</b>	<b>1,33,74,268</b>
<b>SCHEDULE 5 :</b>		
<b><u>INVESTMENTS :</u></b>		
Other Than Govt. Securities - Quoted	41,53,620	—
Other Than Govt. Securities - Unquoted	2,02,68,280	2,02,68,280
<b>Investments in Mutual Fund - Dividend Re-invest Option</b>		
(i) Reliance Interval Fund - 25033274.339 Units @ 10.0084 F.V. Rs. 10/-	—	25,05,42,773
(ii) Grindlays Floating R. Fund - 6112797.710 Units @ 10.0015 F.V. Rs. 10/-	—	6,11,37,147
(iii) HSBC Floating R. Fund - 9154714.719 Units @ 11.2271 F.V. Rs. 10/-	10,28,30,980	—
(iv) ICICI Pru. Flexible Income Fund - 13728922.768 Units @ 10.5735	14,51,62,765	—
(v) Reliance Medium Term Fund - 1190115.994 Units @ 17.0955	2,03,45,628	—
<b>TOTAL Rs.</b>	<b>29,27,61,273</b>	<b>33,19,48,200</b>

**SCHEDULES (Contd....)**

	2008-09 Rs.	2007-08 Rs.
<b>SCHEDULE 6 :</b>		
<b><u>INVENTORIES :</u></b>		
<b>(at lower of cost and net realisable value)</b>		
Raw Material	68,729	68,729
Finished Goods	60,52,861	60,52,861
Shares & Securities	35,66,005	35,66,005
<b>TOTAL Rs.</b>	<b>96,87,595</b>	<b>96,87,595</b>
<b>SCHEDULE 7 :</b>		
<b><u>SUNDRY DEBTORS :</u></b>		
<b>(Unsecured)</b>		
Over 6 months old	52,80,598	92,36,022
<b>TOTAL Rs.</b>	<b>52,80,598</b>	<b>92,36,022</b>
<b>SCHEDULE 8 :</b>		
<b><u>CASH &amp; BANK BALANCES :</u></b>		
Cash on Hand	29,31,160	26,27,357
Bank Balances (In Current A/c. with Sch. Banks)	17,381	20,487
Bank Balances (In Current A/c. with Non-Sch. Banks)	52,90,607	11,68,825
(Maximum amount outstanding during the year Rs. 2587.49 Lacs, 2008 - Rs. 3078.86 Lacs)		
Deposits (In Fixed Deposit / CLTD with Sch. Banks)	2,10,717	2,10,717
<b>TOTAL Rs.</b>	<b>84,49,865</b>	<b>40,27,386</b>
<b>SCHEDULE 9 :</b>		
<b><u>LOANS &amp; ADVANCES :</u></b>		
<b>(Unsecured considered good)</b>		
Advances receivable in cash or kind or for value to be received	4,31,57,579	2,22,77,998
<b>TOTAL Rs.</b>	<b>4,31,57,579</b>	<b>2,22,77,998</b>
<b>SCHEDULE 10 :</b>		
<b><u>CURRENT LIABILITIES &amp; PROVISIONS :</u></b>		
<b>(A) CURRENT LIABILITIES :</b>		
Sundry Creditors & Others	68,23,293	1,66,61,629
<b>TOTAL Rs. (A)</b>	<b>68,23,293</b>	<b>1,66,61,629</b>

## SCHEDULES (Contd....)

	2008-09 Rs.	2007-08 Rs.
<b>(B) PROVISIONS :</b>		
Provision for Leave Encashment	3,14,626	2,78,516
Provision for Gratuity Payable	4,95,311	4,20,663
Provision for Income Tax - A. Y. 2005-06	—	41,00,000
Provision for Income Tax - A. Y. 2007-08	8,00,000	8,00,000
Provisions for Income Tax - A. Y. 2008-09	2,40,00,000	2,40,00,000
Provision for Fringe Benefits - A. Y. 2006-07	—	4,30,000
Provision for Fringe Benefits - A. Y. 2007-08	4,80,000	4,80,000
Provision for Fringe Benefits - A. Y. 2008-09	2,02,000	2,02,000
Provision for Fringe Benefits - A. Y. 2009-10	1,45,000	—
<b>TOTAL Rs. (B)</b>	<b>2,64,36,937</b>	<b>3,07,11,179</b>
<b>TOTAL Rs. (A+B)</b>	<b>3,32,60,230</b>	<b>4,73,72,808</b>
<b>SCHEDULE 11 :</b>		
<b>SALES :</b>		
<b>A) Manufacturing :</b>		
Local Sales	—	12,96,13,471
Export Sales	—	13,19,07,095
	—	<b>26,15,20,566</b>
<b>B) Trading :</b>		
Export Sales	—	1,38,02,293
<b>TOTAL Rs.</b>	—	<b>27,53,22,859</b>
<b>SCHEDULE 12 :</b>		
<b>OTHER INCOME :</b>		
Dividend	18,530	1,440
Dividend on Mutual Fund	2,41,92,561	69,83,971
Excise Duty Written Off	—	1,354
Interest Received	—	1,13,707
Interest on MST Refund	69,536	—
Local / Export Sample Sales	—	98,378
Lease Rent	—	25,000
Long Term Capital Gain (Shares)	—	7,45,812
Miscellaneous Income	—	1,41,586
Profit on Slump Sale of Unit	—	6,71,66,770
Rounding Off	—	308
Sales Tax Refund	3,01,401	—
Sale of Import Licence	—	8,62,361
Share Trading Income	—	66,45,996
<b>TOTAL Rs.</b>	<b>2,45,82,028</b>	<b>8,27,86,683</b>

**SCHEDULES (Contd....)**

	2008-09 Rs.	2007-08 Rs.
<b>SCHEDULE 13 :</b>		
<b><u>INCREASE / (DECREASE) IN STOCK :</u></b>		
<b>Closing Stock :</b>		
Finished Goods	60,52,861	7,57,32,117
	<b>60,52,861</b>	<b>7,57,32,117</b>
<b>Less: Opening Stock :</b>		
Finished Goods	60,52,861	6,58,36,345
	<b>60,52,861</b>	<b>6,58,36,345</b>
<b>TOTAL Rs.</b>	<b>—</b>	<b>98,95,772</b>
<b>SCHEDULE 14 :</b>		
<b><u>RAW MATERIAL CONSUMED / TRADING PURCHASE :</u></b>		
Opening Stock	68,729	8,94,29,691
Add / (Less) : Expenses & Return of Opening Stock	—	1,32,933
Add: Purchases	—	17,18,92,742
	<b>68,729</b>	<b>26,14,55,366</b>
Less: Sales	—	1,03,85,719
Closing Stock	68,729	12,13,10,464
<b>Raw Material Consumed</b>	<b>—</b>	<b>12,97,59,183</b>
Add: Trading Purchases	—	1,16,62,500
<b>TOTAL Rs.</b>	<b>—</b>	<b>14,14,21,683</b>
<b>SCHEDULE 15 :</b>		
<b><u>OTHER EXPENSES :</u></b>		
Manufacturing Expenses	—	10,98,23,119
Personnel Expenses	22,40,178	1,46,85,173
Administrative Expenses	2,20,39,637	1,46,41,704
Financial Expenses	608	91,17,403
Selling & Distribution Expenses	—	49,30,014
<b>TOTAL Rs.</b>	<b>2,42,80,423</b>	<b>15,31,97,413</b>

<b>SCHEDULE 4 :</b>										
<b>FIXED ASSETS</b>										
PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	COST AS ON 01-04-08	ADDITIONS DURING THE YEAR	DED./TRF ON A/C OF SLUMP SALE	COST AS ON 31-03-09	DEPR. AS ON 01-04-08	ADD. DURING THE YEAR	DED./TRF ON A/C OF SLUMP SALE	DEPR. AS ON 31-03-09	W.D.V. AS ON 31-03-09	W.D.V. AS ON 31-03-08
LAND	6488481	0	0	6488481	0	0	0	0	6488481	6488481
FACTORY BUILDING	155608884	1816560	0	157425444	64338859	5237786	0	69576645	87848799	91270025
OFFICE PREMISES / GALA	2963779	0	0	2963779	598750	39336	0	638086	2325693	2365029
PLANT & MACHINERY	197166378	108980	0	197275358	120207341	9178672	0	129386013	67889345	76959037
FURNITURE & FIXTURES	5586054	510400	0	6096454	3808113	339351	0	4147464	1948990	1777941
MOTOR CAR	2750391	0	0	2750391	2750389	0	0	2750389	2	2
MOTOR CAR-IMPORTED	750000	0	0	750000	0	0	0	0	750000	750000
<b>GRAND TOTAL RS.</b>	<b>371313967</b>	<b>2435940</b>	<b>0</b>	<b>373749907</b>	<b>191703452</b>	<b>14795145</b>	<b>0</b>	<b>206498597</b>	<b>167251310</b>	<b>179610515</b>
<b>2008</b>	<b>574624901</b>	<b>4282848</b>	<b>207593782</b>	<b>371313967</b>	<b>252665139</b>	<b>19092346</b>	<b>80054033</b>	<b>191703452</b>	<b>322471599</b>	<b>167251310</b>



**SCHEDULES FORMING PART OF ACCOUNTS : SCHEDULE 16 : NOTES TO ACCOUNTS**

**1. SIGNIFICANT ACCOUNTING POLICIES :**

**(A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS :**

The financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India, the relevant provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India.

**(B) BASIS OF ACCOUNTING :**

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards.

**(C) SYSTEMS OF ACCOUNTING :**

The Company adopts the accrual basis in preparing the accounts, except Bonus Payment.

**(D) FIXED ASSETS :**

Fixed Assets are stated at cost of acquisition, purchase or construction less accumulated depreciation thereon.

**(E) DEPRECIATION :**

Depreciation on fixed assets is provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

**(F) INVESTMENTS :**

Long Term Investments are stated at cost and provision is made to recognise any diminution, other than that of a temporary nature.

**(G) INVENTORIES :**

Items of inventory are valued on the following basis :

**(i)** Raw Materials, Packing Materials and Fuel at cost on FIFO basis.

**(ii)** Finished Goods, stores & spares, work in process and intermediates are at cost or net realisable value, whichever is lower.

**(H) ACCOUNTING FOR TAXES ON INCOME :**

Tax expenses comprises of current, deferred and fringe benefit tax. Provision for Current Income Tax and Fringe Benefits as per the provisions of Income Tax Act, 1961 and the relevant Finance Act.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

- 2.** According to the information and explanation given by the management there is no disputed amount of Income Tax, Excise, Customs and any other laws.

**3. AS - 28 - IMPAIRMENT OF ASSETS :**

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.

**4. In opinion of the Directors :**

- a) The Current Assets, Loans and Advances are approximately of the value stated, if realised in the ordinary course of business and will not be less than the amount at which they are stated in the Balance Sheet.
- b) The provision of depreciation and for all known liabilities are adequate and not in excess / short of the amount reasonably necessary.

<b>5. CONTINGENT LIABILITIES :</b>		<b>(Rs. in Lacs)</b>	
Contingent Liabilities not provided		<b>2008-09</b>	<b>2007-08</b>
Excise Duty	:	4.00	4.00
Letter of Credit with Banks		NIL	NIL

<b>6. AUDITORS REMUNERATION :</b>		<b>2008-09</b>	<b>2007-08</b>
(i) Audit Fees	:	0.40	0.84
(ii) Certificate Charges (including service tax)	:	0.00	0.07

<b>7. PARTICULARS OF DIRECTORS' REMUNERATION :</b>		<b>2008-09</b>	<b>2007-08</b>
Salary & Bonus / H.R.A. / Emp. Cont. to P.F. / Leave Salary / Directors' sitting fees		2.10	8.74

8. There is no commission payable or paid to the Director of the Company. Hence, the Computation of Net Profit in accordance with Section 198 of the Companies Act is not given.

9. As per the information with the Company, there is no amount payable to Small Scale Industrial Undertaking in excess of Rs. 1.00 Lacs and outstanding for a period of more than 30 days.

**10. SEGMENT INFORMATION :**

Segment information has not been given as the management is of the view that the above information would be prejudicial to the interest of the company.

11. The quantitative information for purchases, production, consumption and stock of raw material, finished goods are given as under :

	PHARMA		MUSHROOM/ PROCESSED	
	(Bulk Drugs)		(Oil Seeds & Spices)	
	2008-09	2007-08	2008-09	2007-08
A) Installed Capacity (OWN)	NIL	200 M.T.	3545 M.T.	3545 M.T.

B) Production and Stocks  
(including Third Party) :

Description	Unit	2008-09		2007-08	
		Prod. Qty.	Cl. Stock Qty.	Prod. Qty.	Cl. Stock Qty.
Bulk Drugs	Kgs.	NIL	NIL	4,19,634	35,845
Processed Oil Seeds	Kgs.	NIL	0.370	NIL	0.370

**TRANSCHEM LIMITED**

<b>C) Sales of Goods</b>		<b>2008-09</b>		<b>2007-08</b>	
<b>Description</b>	<b>Unit</b>	<b>Qty.</b>	<b>Rs. (Lacs)</b>	<b>Qty.</b>	<b>Rs. (Lacs)</b>
Bulk Drugs	Kgs.	NIL	NIL	1,46,385	2,615

<b>D) Consumption of Raw Material :</b>		<b>2008-09</b>		<b>2007-08</b>	
<b>Item name</b>		<b>Qty. (MT)</b>	<b>Rs. (Lacs)</b>	<b>Qty. (MT)</b>	<b>Rs. (Lacs)</b>
Solvents / Chemicals		NIL	NIL	3,001	1,297.59
		<b>0</b>	<b>—</b>	<b>3,001</b>	<b>1,297.59</b>

**12. BREAK-UP OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED :**

	<b>2008-09</b>		<b>2007-08</b>	
<b>Raw Materials</b>	<b>Rs. (In Lacs)</b>	<b>% of Total Consumption</b>	<b>Rs. (In Lacs)</b>	<b>% of Total Consumption</b>
Imported	NIL	0.00	337.78	26.03
Indigenous	NIL	0.00	959.81	73.97
	<b>—</b>	<b>0.00</b>	<b>1,297.59</b>	<b>100.00</b>

**13. VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF :**

	<b>2008-09</b>	<b>2007-08</b>
	<b>Rs. (in Lacs)</b>	<b>Rs. (in Lacs)</b>
Raw Materials (Incl. High Seas)	—	389.67
Others	—	—

**14. EXPENDITURE IN FOREIGN CURRENCY :**

	<b>2008-09</b>	<b>2007-08</b>
	<b>Rs. (in Lacs)</b>	<b>Rs. (in Lacs)</b>
A) Goods	—	550.58
B) Travelling	5.82	0.54
C) Foreign Consultancy Cha.	—	1.83
D) Exchange Rate Fluctuation-Net	—	62.05
E) Others	—	8.24

**15. EARNINGS IN FOREIGN CURRENCY :**

	<b>2008-09</b>	<b>2007-08</b>
	<b>Rs. (in Lacs)</b>	<b>Rs. (in Lacs)</b>
A) Export at F.O.B. Value	—	4,309.38
B) Others	—	3.70

16. The disclosures as per Accounting Standard 18 pertaining to related parties and transactions therewith is set out below :

Relation	Party	(Rs. In Lacs) Remuneration
Key Management Personnel	Mr. Rajen K. Desai - Chairman	0.165
	Mr. Hemant Laad - Director	0.150
	Mr. Neerav Merchant - Director	0.075
	Mrs. Bina Shah - Director	0.165
	Mr. Dilip S. Shinde - Executive Director	2.100

17. EARNINGS PER SHARE :

		2008-09	2007-08
a)	Profit / (Loss) after tax as per Profit and Loss A/c.	Rs. (1,10,20,400)	3,50,37,181
b)	Less: Extraordinary Items	Rs. —	7,45,812
c)	Profit attributable to Equity Shares Holders	Rs. <b>(1,10,20,400)</b>	<b>3,42,91,369</b>
d)	Basic number of equity shares	Nos. 1,22,40,000	1,22,40,000
e)	Nominal value per equity share	Rs. 10	10
f)	Earnings per share (Basic)	Rs. <b>(0.90)</b>	<b>2.80</b>

18. ACCOUNTING FOR DEFERRED TAXATION :

In compliance with the Accounting Standard 22 issued by the Institute of Chartered Accountants of India, an amount of **Rs. 50.67 Lacs (2008 - 47.75 Lacs)** representing deferred tax assets, as at **31st March, 2009**, has been recognised in the Profit and Loss Appropriations Account. Deferred tax liability of **Rs. 133.74 Lacs as at 31-03-2008**, is deducted by **Rs. 50.67 Lacs** resulting in a net deferred tax liability amounting to **Rs. 83.08 Lacs. (2008 - 133.74 Lacs).**

19. Previous years figures have been regrouped wherever necessary.

For and on behalf of the Board

For L.T. JADAV & Co.  
*Chartered Accountants*

DILIP S. SHINDE  
*Executive Director*

RAJEN K. DESAI  
*Chairman*

NEERAJA KARANDIKAR  
*Company Secretary*

(L.T. JADAV)  
*Proprietor*  
Membership No. 37240

PLACE : Thane  
DATE : 2nd September, 2009

**TRANSCHEM LIMITED****ANNEXURE "B" FORMING PART OF SCHEDULE XV :  
Balance Sheet Abstract and Company's General Business Profile**

<b>I. REGISTRATION DETAILS :</b>		
Registration Number	:	11-19327
State Code	:	11
Balance Sheet Date	:	31-03-2009
<b>II. CAPITAL RAISED DURING THE YEAR</b>	:	(Rs. in Lacs)
Public Issue	:	NIL
Rights Issue	:	NIL
Bonus Issue	:	NIL
Private Placement (Preferential Issue)	:	NIL
* Including Premium	:	
<b>III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS</b>	:	
Total Liabilities	:	4933.28
Total Assets	:	4933.28
<b>Sources of Funds :</b>		
Paid-up Capital	:	1224.00
Reserves & Surplus	:	3626.20
Secured Loans	:	0.00
Intercorporate Deposits	:	0.00
Deferred Tax Liabilities	:	83.08
<b>Application of Funds :</b>		
Net Fixed Assets	:	1672.51
Investments	:	2927.61
Net Current Assets	:	333.16
<b>IV. PERFORMANCE OF THE COMPANY :</b>		
Turnover / Other Income	:	245.82
Total Expenditure	:	390.76
Profit / (Loss) before tax	:	(144.93)
Profit / (Loss) after current tax	:	(144.93)
Earlier Year Exp. / Tax / Adj.	:	(14.48)
Deferred Tax Provisions / Assets	:	50.66
Fringe Benefit Tax	:	(1.45)
Net Balance	:	(110.20)
Earnings Per Share (Rs.)	:	(0.90)
Dividend rate %	:	NIL
<b>V. PRINCIPAL PRODUCTS, SERVICES OF THE COMPANY :</b>		
Item Code	:	
(ITC Code)	:	
Product Description	:	

For and on behalf of the Board

For L.T. JADAV & Co.  
Chartered Accountants  
(L.T. JADAV)  
ProprietorDILIP S. SHINDE  
Executive DirectorRAJEN K. DESAI  
ChairmanNEERAJA KARANDIKAR  
Company Secretary

Membership No. 37240

PLACE : Thane

DATE : 2nd September, 2009

<b>CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009</b>		
	<b>2008-09</b>	<b>2007-08</b>
	<b>Rs. in Lacs</b>	<b>Rs. in Lacs</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit / (Loss) before Tax :	<b>(144.93)</b>	<b>550.48</b>
Adjustments for :		
<b>Add / (Less)</b> :		
Current :	—	(240.00)
Dividend :	(242.11)	(69.85)
Fringe Benefit :	(1.45)	(2.02)
Depreciation :	147.95	189.13
Extraordinary Item :	—	(671.67)
Previous Year Adjustment :	<u>(14.48)</u>	<u>(5.84)</u>
<b>Operating Profit / (Loss) before Working Capital Changes :</b>	<b>(255.02)</b>	<b>(249.77)</b>
Adjustments for :		
<b>Add / (Less)</b> :		
Trade and Other Receivables :	39.55	1217.04
Inventories :	—	1509.61
Trade Payable and other Liabilities :	(141.13)	(1446.20)
Loans and Advances :	(208.79)	326.73
Trf of Capital Res. On Rev. Assets :	<u>—</u>	<u>(45.99)</u>
	<b>(310.37)</b>	<b>1561.19</b>
<b>Net Cash From Operating Activities :</b>	<b>(565.39)</b>	<b>1311.42</b>
<b>B. NET CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets :	(24.36)	—
Sale / Trf / Discard of Fixed Assets :	—	1239.48
Sale / Additions of Investments :	391.87	(3102.78)
Dividend :	<u>242.11</u>	<u>69.85</u>
<b>Net Cash used in Investing Activities :</b>	<b>609.62</b>	<b>(1793.45)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds / Repayment of Long Term Borrowings :	—	(521.04)
Repayment / Proceeds from Intercompany Deposits :	<u>—</u>	<u>(4.00)</u>
<b>Net Cash used in Financing Activities :</b>	<b>—</b>	<b>(525.04)</b>
<b>D. CASH FLOW FROM OTHER ACTIVITIES :</b>		
Extraordinary Items :	<u>—</u>	<u>671.67</u>
<b>Net Cash from other Activities :</b>	<b>—</b>	<b>671.67</b>
Net Increase / (Decrease) in cash and cash equivalents :	<b>44.23</b>	<b>(335.40)</b>
Cash and Cash equivalent as at 01-04-2008 :	40.27	375.67
Cash and cash equivalent as at 31-03-2009 :	84.50	40.27

**AUDITORS' CERTIFICATE**

We have examined the attached Cash Flow statement of **M/S. TRANSCHEM LIMITED** for the year ended **31st March, 2009** prepared by the Company in accordance with Accounting Standard - 3 on 'Cash Flow Statements' issued by the Institute of Chartered Accountants of India and is in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report dated **02nd September, 2009** to the members of the Company.

For and on behalf of the Board

For L.T. JADAV & Co.  
Chartered Accountants  
(L.T. JADAV)

DILIP S. SHINDE  
Executive Director

RAJEN K. DESAI  
Chairman

NEERAJA KARANDIKAR  
Company Secretary

Proprietor  
Membership No. 37240

PLACE : Thane  
DATE : 2nd September, 2009



# TRANSCHEM LIMITED

REGD. OFFICE : 304, GANATRA ESTATE, POKHRAN ROAD NO. 1, KHOPAT, THANE (W) – 400 601.

## ATTENDANCE SLIP 32ND ANNUAL GENERAL MEETING — 30TH SEPTEMBER, 2009

To be handed over at the entrance of the meeting venue.

Name of the attending member in Block letters : \_\_\_\_\_

Name of the proxy : \_\_\_\_\_

(In Block letters to be filled in by Proxy attending instead of the member)

No. of Shares held : _____	Ledger Folio No. _____
DP. ID No.* _____	Client ID* : _____

I hereby record my presence at the 32nd Annual General Meeting of the Company held on Wednesday, the 30th day of September, 2009 at Hotel Royal Inn, Gokul Nagar, Thane (W) – 400 601 at 09:30 a.m.

\_\_\_\_\_  
Member's / Proxy's Signature

\* Applicable for investors holding shares in electronic form.

# TRANSCHEM LIMITED

REGD. OFFICE : 304, GANATRA ESTATE, POKHRAN ROAD NO. 1, KHOPAT, THANE (W) – 400 601.



## PROXY FORM 32ND ANNUAL GENERAL MEETING — 30TH SEPTEMBER, 2009

I/WE \_\_\_\_\_ of \_\_\_\_\_

being a Member / Members of Transchem Limited, hereby appoint \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_ as my / our proxy to attend and vote for

me / us on my / our behalf at the 32nd ANNUAL GENERAL MEETING of the Company to be held on Wednesday,

the 30th September, 2009 at Hotel Royal Inn, Gokul Nagar, Thane (W) – 400 601 at 09:30 a.m.

No. of Shares held : _____	Ledger Folio No. _____
DP. ID No.* _____	Client ID* : _____

**Affix Re. 1/-  
Revenue  
Stamp**

Date : \_\_\_\_\_

Signature

NOTE: 1) Proxy form must reach the Company's Registered office not less than 48 hours before the commencement of meeting. 2) The Proxy Form should be signed across the stamp as per specimen signature registered with the Company.

\* Applicable for investors holding shares in electronic form.

BOOK-POST / UPC



**TRANSCHEM LIMITED**

REGISTERED OFFICE :

304, GANATRA ESTATE, POKHRAN ROAD NO. 1, KHOPAT, THANE (W) – 400 601.