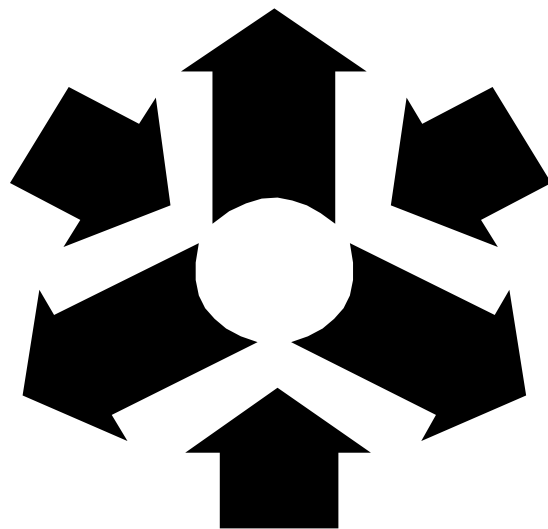
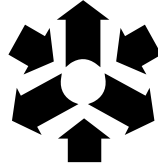


# **TRANSCHEM LIMITED**



**35TH ANNUAL REPORT 2011-2012**



# TRANSCHEM LIMITED

<b>BOARD OF DIRECTORS</b>	MR. RAJEN K. DESAI MR. DILIP SHINDE 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>PLANTS</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 Fifth Annual General Meeting of the members of **TRANSCHEM LIMITED** will be held on Friday the 28th day of September, 2012 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 2012 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 Mr. Dilip Shinde, Director who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditor for the financial year 2012-13 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 : 03.09.2012

**(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 24th September 2012 to 29th September 2012 (both days inclusive).

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

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

1. Mr. Dilip Shinde :  
Name : Mr. Dilip Shinde.  
Age : 51 years.  
Qualification : B.Com, LLB  
Expertise : Labour Laws & Welfare, Personal Management.  
Other Directorship : Nil

**DIRECTORS REPORT**

Dear Members,

Your Directors are pleased to submit their Thirty Fifth Annual Report, together with the Audited Statement of Accounts of your Company for the financial year ended 31st March 2012.

**FINANCIAL RESULTS :**

(Rs. In lacs)

Particulars	Current year ended 31-03-2012	Previous year ended 31-03-2011
Income	214.67	121.69
Gross Profit before Depreciation & Taxation	(223.17)	(169.50)
Depreciation	152.96	152.89
Provision for Current Tax	NIL	NIL
Provision for Deferred Tax / Adjustment	(42.44)	(41.70)
Profit / (Loss) after Depreciation & Taxation	(333.69)	(280.69)

**OPERATION :**

During the year your company could not commence any business activity. Various business options to revive the Mushroom Division of the Company were considered however due to national and international economic scenario none of them appeared feasible. In view thereof your board decided to dispose off that plant. Your directors are looking out for economic feasibility to set-up a unit for research of new pharmaceutical molecules.

**DIVIDEND :**

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

**PERSONNEL :**

During the financial year 2011-12, there was no employee drawing salary exceeding or equal to the limit as prescribed under 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. Nil (Previous Year Rs. 3.12 lacs).

**DIRECTORS :**

There was no change in directors during the year.

Mr. Dilip Shinde, Director, shall retire by rotation in the ensuing Annual General Meeting and being eligible offers himself 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 applicable laws or regulations, relevant best practices for Corporate Governance. Further, the Company is regular in submitting compliance reports on Corporate Governance to the Stock Exchange wherein its securities are 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, an expert in the financial matter, is the Chairperson of the said committee. Mr. Neerav Merchant, Independent Director and Mr. Rajen Desai, Non executive promoter director are the other members of the Audit 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 : 03-09-2012

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 as 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.

The management of the Company considered various options to revive the Mushroom Division of the Company, however due to national and international economic scenario none of them appeared feasible. In view thereof your board decided to dispose off that plant and obtained your consent through postal ballot.

Your directors are considering the economic feasibility to set-up a unit for research of new pharmaceutical molecules.

**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 stakeholders and places due emphasis on regulatory compliance.

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

**2. BOARD OF DIRECTORS :****COMPOSITION AND CATEGORY AS ON DATE :**

- 1 Promoter, Non-Executive Director.
- 1 Professional Executive Director.
- 2 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	2	NIL
2	Mrs. Bina Shah	Independent, Non-Executive	NIL	NIL
3	Mr. Neerav Merchant	Independent, Non-Executive	NIL	NIL
4	Mr. Dilip Shinde	Executive Director	NIL	NIL

#1 Excludes directorships in Indian Private Limited Companies, Membership of Managing Committee 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 2012, Five Board Meetings were held respectively on 14th May 2011, 12th August 2011, 2nd September 2011, 14th November 2011 and 14th February 2012. 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 30-09-11
1	Mr. Rajen K. Desai	5	Present
2	Mrs. Bina Shah	5	Present
3	Mr. Neerav Merchant	5	Absent
4	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 2012, five Audit Committee Meetings were held on 14th May 2011, 12th August 2011, 2nd September 2011, 14th November 2011 and 14th February 2012.

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

Sr. No.	Member	No. of meetings attended
1.	Mrs. Bina Shah	5
2.	Mr. Neerav Merchant	4
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 Chairman of the Committee is a Non-Executive, Promoter Director nominated by the Board.

The present constitution of the Remuneration Committee is as follows :

1. Mr. Rajen Desai : Chairman, Promoter, Non-Executive
2. Mrs. Bina Shah : Member, Independent, Non-Executive
3. Mr. Neerav Merchant : Member, Independent, Non-Executive

During the financial year 2011-12, no meeting of Remuneration Committee was 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 any stock option plan or performance linked incentives for its Directors.

#### **DETAILS OF REMUNERATION TO ALL DIRECTORS FOR THE YEAR ENDED 31st MARCH 2012 :**

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	3000	3000	Retirement by rotation
Mrs. Bina Shah	NIL	NIL	NIL	16500	16500	Retirement by rotation
Mr. Neerav Merchant	NIL	NIL	NIL	15000	15000	Retirement by rotation
Mr. Dilip Shinde	210000	NIL	NIL	NIL	210000	Retirement by rotation

\* Resigned in May, 2011

### **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 of Share Transfer & Investor Grievance Committee was held on 30th August 2011.

**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 :**

During the financial year 2011-12 company received 6 complaints from the shareholders and the same were resolved to the satisfaction of the shareholders. No complain was pending as on 31.03.2012.

**8. CEO / CFO CERTIFICATE :**

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

**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
2008-2009	30.09.2009	Hotel Royal Inn Gokul Nagar, Thane (W).	09.30 a.m.
2009-2010	30.09.2010	Hotel Royal Inn Gokul Nagar, Thane (W).	09.30 a.m.
2010-2011	30.09.2011	Hotel Royal Inn Gokul Nagar, Thane (W).	09.30 a.m.

One Special Resolution to alter the object clause and one Ordinary Resolutions towards disposal of undertaking of the Company were put through postal ballot vide notice thereof dated 11.04.2012 and declared as passed on 12th May 2012. No resolution was put through postal ballot at the last AGM.

**10. DISCLOSURES :**

- (a) The Company has not entered into any transaction of a material nature with the promoters, Directors or Management, 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 being 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.

## **TRANSCHEM LIMITED**

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- (c) The financial statements have been prepared to comply in all materials 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.
- (d) The Board is reviewing and assessing the risks, if any, on regular basis and taking steps to minimize the same.
- (e) During the year company has not raised any fund through public, right or preferential issue of securities.

### **11. MEANS OF COMMUNICATION :**

- (a) The quarterly financial 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).
- (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.

### **B. 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>
28-09-2012	09:30 a.m.	Hotel Royal Inn, Gokul Nagar, Thane (W)
2. Financial Calendar	:	1st April – 31st March.
3. Date of Book Closure	:	From 24.09.2012 to 29.09.2012 (both days inclusive).
4. Dividend Payment Date	:	Not Applicable.
5. Listing on Stock Exchanges With Stock Code	:	Bombay Stock Exchange Limited, Mumbai (Stock Code. 500422)

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

Month		High (Rs.)	Low (Rs.)	Month		High (Rs.)	Low (Rs.)
April	2011	15.22	14.01	October	2011	13.21	11.75
May	2011	15.69	12.60	November	2011	13.50	10.90
June	2011	19.00	15.05	December	2011	14.94	11.55
July	2011	18.00	14.00	January	2012	18.00	13.28
August	2011	19.58	12.88	February	2012	17.40	15.00
September	2011	15.07	11.63	March	2012	20.90	14.00

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: Mr. Pratap Pujare, 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 2011-12. 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 31-03-2012: NIL

11. Distribution Schedule and Shareholding pattern of Equity Shares as on 31.03.2012 is enclosed as Annexure-1.

12. **Dematerialization of shares and liquidity:** 87.53% of the shares 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: secretary@transchem.net

Web Site: www.transchem.net

**TRANSCHEM LIMITED****ANNEXURE I****A. Distribution Schedule of Equity Shares as on 31-03-2012 :**

No. of Equity Shares held	No. of Shareholders	% of Shareholder	No. of Shares held	% of Shareholding
1 to 500	14653	93.70	2007101	16.40
501 to 1000	535	3.42	450404	3.68
1001 to 2000	232	1.48	359800	2.94
2001 to 3000	73	0.47	188838	1.54
3001 to 4000	30	0.19	106688	0.87
4001 to 5000	28	0.18	132925	1.09
5001 to 10000	40	0.26	287443	2.35
10000 & Above	47	0.30	8706801	71.13
<b>TOTAL</b>	<b>15638</b>	<b>100.00</b>	<b>12240000</b>	<b>100.00</b>
Physical Mode	<b>9177</b>	<b>58.68</b>	<b>1526460</b>	<b>12.47</b>
Electronic Mode	<b>6461</b>	<b>41.32</b>	<b>10713540</b>	<b>87.53</b>

**B. Shareholding Pattern as on 31-03-2011 :**

Category	No. of shareholders	Nos. of Shares held	Voting Strength
Promoters & Persons Acting in concert	6	3048160	24.85
Other Directors, their relatives	0	0	0.00
Bodies Corporate (Domestic) / Trusts	157	5248160	42.88
Banks / Mutual Funds / Financial Institutions (FIs)	6	4230	0.03
Foreign Institutional Investors (FIIs)	1	66346	0.54
Non-Resident Individuals (NRIs) / Foreign Corporate Bodies / Overseas Corporate Bodies (OCBs) / Foreign Banks	25	57654	0.47
Resident Individuals	15434	3820944	31.22
In transit	9	1627	0.01
<b>TOTAL</b>	<b>15638</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, 2012** 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 : 3rd September, 2012

**AUDITORS' REPORT**

To the Members of  
**TRANSCHEM LIMITED**

Report on the accounts for the year ended on **31st March, 2012** 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, 2012** 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. Those 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, 2012** and taken on record by the Board of Directors, none of the directors are disqualified as on **31st March, 2012** 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, 2012**,
    - (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 : 23rd May, 2012

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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, 2012**]

- 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, 2012** and has incurred cash losses in the financial year ended on that date and 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 of 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 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.

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

(L. T. JADAV)  
*Proprietor*

Membership No. 37240

Place : Thane  
Date : 23rd May, 2012

## BALANCE SHEET AS AT 31st MARCH, 2012

	Note No.	2011-12 Rs.	2010-11 Rs.
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>1. SHAREHOLDERS FUNDS :</b>			
Equity Capital	2.1	122,400,000	122,400,000
Reserve & Surplus	2.2	281,097,856	314,466,829
<b>2. NON-CURRENT LIABILITIES</b>			
Unsecured Loans	2.3	30,000,000	30,000,000
<b>3. CURRENT LIABILITIES</b>			
Trade Payables	2.4	6,568	6,568
Other Current Liabilities	2.5	7,359,967	7,101,039
Long Term Provisions	2.6	1,160,379	995,593
<b>TOTAL Rs.</b>		<b>442,024,770</b>	<b>474,970,029</b>
<b>II. ASSETS</b>			
<b>1. NON-CURRENT ASSETS</b>			
Fixed Assets - Tangible	2.7	125,019,831	140,302,515
Non-Current Investments	2.8	20,268,280	20,268,280
Deferred Tax Assets	2.9	6,397,257	1,619,941
Long Term Loans & Advances	2.10	1,871,415	1,871,415
		153,556,783	164,062,151
<b>2. CURRENT ASSETS</b>			
Current Investments	2.11	243,415,919	225,424,782
Inventories	2.12	14,427,588	18,836,342
Trade Receivables	2.13	15,579,214	47,677,713
Cash & Cash Equivalents	2.14	4,372,420	9,517,084
Short Term Loans & Advances	2.15	2,024,425	2,825,550
Other Current Assets	2.16	8,648,421	6,626,407
		288,467,987	310,907,878
<b>TOTAL Rs.</b>		<b>442,024,770</b>	<b>474,970,029</b>

Significant Accounting Policies and Notes to Accounts 1 &amp; 21

Notes referred to above form an integral part of the financial statements

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. 37240PLACE : Thane  
DATE : 23rd May, 2012

**TRANSCHEM LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012**

	<b>Note No.</b>	<b>2011-12 Rs.</b>	<b>2010-11 Rs.</b>
<b>INCOME :</b>			
Other Income	2.17	21,467,161	12,169,000
Increase / (Decrease) in Stock	2.18	—	—
<b>TOTAL REVENUE</b>		<b>21,467,161</b>	<b>12,169,000</b>
<b>EXPENDITURE :</b>			
Employee's Benefit Expenses	2.19 i	3,144,999	2,868,782
Administrative Expenses	2.19 ii	38,672,699	25,352,976
Finance Cost	2.19 iii	1,966,588	897,426
		43,784,286	29,119,184
Depreciation		15,295,784	15,289,259
<b>TOTAL EXPENSES</b>		<b>59,080,070</b>	<b>44,408,443</b>
<b>Loss Before Extraordinary Items and Tax</b>		<b>(37,612,910)</b>	<b>(32,239,443)</b>
Extraordinary Items		(533,380)	(583,504)
		(38,146,290)	(32,822,947)
– Deferred Tax Assets / (Liability)		4,777,316	4,753,674
<b>Loss for the Year</b>		<b>(33,368,973)</b>	<b>(28,069,273)</b>
<b>Earnings Per Share</b>	2.30	<b>(2.73)</b>	<b>(2.29)</b>
<b>Face Value Per Share (In Rs.)</b>		<b>10</b>	<b>10</b>

Significant Accounting Policies and Notes to Accounts 1 & 2  
Notes referred to above form an integral part of the financial statements

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 : 23rd May, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012		
	2011-12 Rs. in Lacs	2010-11 Rs. in Lacs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit / (Loss) before Tax	(376.13)	(322.39)
Adjustments for :		
<b>Add / (Less)</b>		
Dividend	(11.74)	(121.69)
Depreciation	152.96	152.89
Previous Year Adjustment	(5.33)	(5.84)
<b>Operating Profit / (Loss) before Working Capital Changes</b>	<b>(240.24)</b>	<b>(297.03)</b>
Adjustments for :		
<b>Add / (Less)</b>		
Trade and Other Receivables	320.98	(332.07)
Inventories	44.09	(15.97)
Trade Payable and other Liabilities	1.62	(8.40)
Loans and Advances	(12.21)	106.94
<b>Net Cash From Operating Activities</b>	<b>114.24</b>	<b>(546.53)</b>
<b>B. NET CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(0.13)	(1.68)
Sale / Additions of Investments	(179.91)	156.13
Dividend	11.74	121.69
<b>Net Cash used in Investing Activities</b>	<b>(168.30)</b>	<b>276.14</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Repayment / Proceeds from Intercompany Deposits	2.61	308.06
<b>Net Cash used in Financing Activities</b>	<b>2.61</b>	<b>308.06</b>
<b>D. CASH FLOW FROM OTHER ACTIVITIES :</b>		
Extraordinary Items	—	—
<b>Net Cash from other Activities</b>	<b>—</b>	<b>—</b>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b>(51.45)</b>	<b>37.67</b>
Cash and Cash equivalent as at 01-04-2011	95.17	57.50
Cash and cash equivalent as at 31-03-2012	43.72	95.17

**AUDITORS' CERTIFICATE**

We have examined the attached Cash Flow statement of **M/S. TRANSCHEM LIMITED** for the year ended **31st March, 2012** 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 **23rd May, 2012** to the members of the Company.

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 : 23rd May, 2012

## **TRANSCHEM LIMITED**

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### **ACCOUNTING POLICIES AND NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

#### **NOTE 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 tax. Provision for Current Income Tax 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.

NOTE 2 : NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2012

	2011-12 Rs.	2010-11 Rs.
<b>2.1 SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
3,00,00,000 Nos. (2011 - 3,00,00,000 Nos.) of Equity Shares @ Rs. 10/- each	<b>300,000,000</b>	<b>300,000,000</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
1,22,40,000 Nos. (2011 - 1,22,40,000 Nos.) of Equity Shares @ Rs. 10/- each fully paid up	122,400,000	122,400,000
<b>TOTAL Rs.</b>	<b>122,400,000</b>	<b>122,400,000</b>

Details of Share holders holding more than 5% shares of the company  
Equity Shares of Rs. 10/- each fully paid up held by :

Name of Share holders	As at 31st March 2012		As at 31st March, 2011	
	No. of Shares	%	No. of Shares	%
1. Rajen Kapil Desai	1,759,396	14.37	1,759,396	14.37
2. Religare Securities Limited	1,708,175	13.96	2,258,388	18.45

<b>2.2 RESERVES &amp; SURPLUS</b>		
General Reserve	6,473,483	6,473,483
Share Premium	202,995,150	202,995,150
Surplus in the statement of Profit & Loss Account		
Balance at the beginning of the year	104,998,196	133,067,469
Less: Loss for the year	(33,368,973)	(28,069,273)
	71,629,223	104,998,196
<b>TOTAL Rs.</b>	<b>281,097,856</b>	<b>314,466,829</b>
<b>2.3 UNSECURED LOANS</b>		
Unsecured Loans	30,000,000	30,000,000
<b>TOTAL Rs.</b>	<b>30,000,000</b>	<b>30,000,000</b>

**TRANSCHEM LIMITED****NOTE 2 : NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2012**

	2011-12 Rs.	2010-11 Rs.
<b>2.4 CURRENT LIABILITIES</b>		
Trade Payables	6,568	6,568
<b>TOTAL Rs.</b>	<b>6,568</b>	<b>6,568</b>
<b>2.5 OTHER CURRENT LIABILITIES</b>		
Interest Accrued & Due on Loans	1,067,567	806,301
T.D.S. Payable	211,701	124,286
Professional Tax Payable	4,600	32,625
Provident Fund	2,691	2,691
Advance from Customers	21,776	21,776
Others	6,051,632	6,113,360
<b>TOTAL (A) Rs.</b>	<b>7,359,967</b>	<b>7,101,039</b>
<b>2.6 LONG TERM PROVISIONS</b>		
Provisions for Leave Encashment	433,456	389,846
Provision for Gratuity	726,923	605,747
<b>TOTAL (B) Rs.</b>	<b>1,160,379</b>	<b>995,593</b>
<b>TOTAL (A+ B) Rs.</b>	<b>8,520,346</b>	<b>8,096,632</b>

## 2.7 FIXED ASSETS TANGIBLE

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	COST AS ON 01-04-11	ADDITION DURING THE YEAR	DED. DURING THE YEAR	COST AS ON 31-03-12	DEPR. AS ON 01-04-11	ADD. DURING THE YEAR	DED. DURING THE YEAR	DEPR. AS ON 31-03-12	W.D.V. AS ON 31-03-12	W.D.V. AS ON 31-03-11
LAND	6488481	0	0	6488481	0	0	0	0	6488481	6488481
FACTORY BUILDING	157425444	0	0	157425444	80092665	5258010	0	85350675	72074769	77332779
OFFICE PREMISES / GALA	2963779	0	0	2963779	716758	39336	0	756094	2207685	2247021
PLANT & MACHINERY	197666022	13100	0	197679122	147876704	9316836	0	157193540	40485582	49789318
FURNITURE & FIXTURES	6096454	0	0	6096454	4869244	360890	0	5230134	866320	1227210
MOTOR CAR	5831514	0	0	5831514	3363808	320712	0	3684520	2146994	2467706
MOTOR CAR-IMPORTED	750000	0	0	750000	0	0	0	0	750000	750000
<b>GRAND TOTAL RS.</b>	<b>377221694</b>	<b>13100</b>	<b>0</b>	<b>377234794</b>	<b>236919179</b>	<b>15295784</b>	<b>0</b>	<b>252214963</b>	<b>125019831</b>	<b>140302515</b>
<b>2011</b>	<b>373749907</b>	<b>168236</b>	<b>0</b>	<b>377221694</b>	<b>221629920</b>	<b>15289259</b>	<b>0</b>	<b>236919179</b>	<b>140302515</b>	<b>155423538</b>



**TRANSCHEM LIMITED****NOTE 2 : NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2012**

	2011-12 Rs.	2010-11 Rs.
<b>2.8 NON CURRENT INVESTMENTS - UNQUOTED</b>		
Aditya Inv. & Comm. Ltd. Qty 901000 @ Rs. 10.03	9,036,280	9,036,280
Chameleon Commodities Pvt. Ltd. Qty. 280000 @ Rs. 10.65	2,982,000	2,982,000
Gradeur Corporation Pvt. Ltd. Qty 465000 @ Rs. 10.00	4,650,000	4,650,000
Sadgati Inv. & Trading Co. Pvt. Ltd. Qty 300000 @ Rs. 10.00	3,000,000	3,000,000
SMP Risk Management Pvt. Ltd. Qty 4800 @ Rs. 125.00	600,000	600,000
<b>TOTAL (A) Rs.</b>	<b>20,268,280</b>	<b>20,268,280</b>
<b>2.9 DEFERRED TAX ASSETS</b>		
Bal. B/F	1,619,941	(3,133,733)
Add.: Deferred Asset (during the year)		
Expenses Disallowed	—	—
A. Gratuity	37,443	17,517
B. Leave Encashment	13,476	11,776
C. Difference between Book & Income		
Tax Depreciation	4,726,397	4,724,381
<b>TOTAL Rs.</b>	<b>6,397,257</b>	<b>1,619,941</b>
<b>2.10 LONG TERM LOANS &amp; ADVANCES</b>		
Advance for Capital Goods	1,871,415	1,871,415
<b>TOTAL Rs.</b>	<b>1,871,415</b>	<b>1,871,415</b>
<b>2.11 CURRENT INVESTMENTS - UNQUOTED</b>		
<b>Investments In Mutual Fund - Dividend Re-invest option</b>		
(i) HDFC-Cash Management Fund - 29,91,888.007 units @ 10.0315 F.V. Rs. 10/-	30,013,125	—
(ii) HDFC FMP 370D January 2012 (4) - 15,000,000.000 units @ 10.0000 F.V. Rs. 10/-	150,000,000	—
(iii) HDFC Liquid Fund (823948.789 units @ 10.1982.) (F.V. Rs. 10/-)	8,402,794	10,742,157
(iv) ICICI Pru. FMP Series 63-1 Years Plan B (5500000 units @ Rs. 10/-)	55,000,000	55,000,000
(v) Reliance Fixed Horizon Fund (15968262.527 units @ Rs. 10/-)	—	159,682,625
<b>Total Rs.</b>	<b>243,415,919</b>	<b>225,424,782</b>

## NOTE 2 : NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2012

	2011-12 Rs.	2010-11 Rs.
<b>2.12 INVENTORIES</b>		
(at lower of cost and net realisable value)		
Raw Material	68,729	68,729
Finished Goods	6,052,861	6,052,861
Shares & Securities	8,305,998	12,714,752
<b>TOTAL Rs.</b>	<b>14,427,588</b>	<b>18,836,342</b>
<b>2.13 TRADE RECEIVABLES</b>		
Upto 6 months	10,893,190	42,991,689
Over 6 months	4,686,024	4,686,024
<b>TOTAL Rs.</b>	<b>15,579,214</b>	<b>47,677,713</b>
<b>2.14 CASH &amp; BANK BALANCES</b>		
Cash on Hand	2,795,429	2,644,101
Bank Balances (In Current Accounts)	1,371,274	6,667,266
Bank Deposits	205,717	205,717
<b>TOTAL Rs.</b>	<b>4,372,420</b>	<b>9,517,084</b>
<b>2.15 SHORT TERM LOANS &amp; ADVANCES</b>		
Advances Receivable From Employees & Others	2,024,425	2,825,550
<b>TOTAL Rs.</b>	<b>2,024,425</b>	<b>2,825,550</b>
<b>2.16 OTHER CURRENT ASSETS</b>		
Sundry Deposits	2,260,081	2,340,081
Advances Receivable In Cash or Kind	3,940,234	3,940,234
Advances Given to Party	2,448,106	346,092
<b>TOTAL Rs.</b>	<b>8,648,421</b>	<b>6,626,407</b>
<b>2.17 OTHER INCOME</b>		
Dividend - Current	470	398,826
Dividend from Mutual Fund - Current	1,173,762	11,770,174
Long Term Capital Gain on Mutual Fund	20,292,929	—
<b>TOTAL Rs.</b>	<b>21,467,161</b>	<b>12,169,000</b>
<b>2.18 INCREASE / (DECREASE) IN STOCK</b>		
<b>Closing Stock :</b>		
Finished Goods	6,052,861	6,052,861
	<b>6,052,861</b>	<b>6,052,861</b>
<b>Less: Opening Stock :</b>		
Finished Goods	6,052,861	6,052,861
	<b>6,052,861</b>	<b>6,052,861</b>
<b>TOTAL Rs.</b>	<b>—</b>	<b>—</b>

**NOTE 2 : NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2012**

	2011-12 Rs.	2010-11 Rs.
<b>2.19 (i) EMPLOYEE'S BENEFIT EXPENSES</b>		
Salary Wages & Bonus	2,751,690	2,552,891
Contribution to Provident Fund	17,172	17,172
Director's Remuneration	261,000	275,000
Staff Welfare Expenses	115,137	23,719
	<b>3,144,999</b>	<b>2,868,782</b>
<b>2.19 (ii) ADMINISTRATIVE EXPENSES</b>		
Books & Periodicals	104,135	84,289
Conveyance Expenses	607,205	474,346
Consultancy / Professional Fees	994,997	2,910,509
Dematerialisation & Listing Fees	187,413	195,572
Foreign Tours & Travelling	—	707,823
Motor Car Expenses	692,817	275,230
Office / Factory Expenses	330,459	538,234
Printing & Stationery	189,307	195,263
Postage, Telegram & Courier Charges	141,710	158,057
Rent, Rates & Taxes	67,164	2,737,233
Repairs & Maintenance	381,224	167,800
Loss in Derivatives & Shares Trading	34,229,751	15,711,140
Short Term Capital Loss on Mutual Fund	—	452,965
Telephone Expenses	233,430	213,907
Others	513,087	530,608
	<b>38,672,699</b>	<b>25,352,976</b>
<b>2.19 (iii) FINANCE COST</b>		
Interest to Others	1,966,148	895,890
Bank Charges	440	1,536
	<b>1,966,588</b>	<b>897,426</b>
<b>Total Rs.</b>	<b>43,784,286</b>	<b>29,119,184</b>

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

**2.21 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.

**2.22 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.

**2.23 CONTINGENT LIABILITIES :**

**(Rs. in Lacs)**

Contingent Liabilities not provided	<b>2011-12</b>	<b>2010-11</b>
Excise Duty	4.00	4.00

**2.24 AUDITORS REMUNERATION :**

**2011-12                      2010-11**

(i) Audit Fees	0.60	0.40
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**2.25 PARTICULARS OF DIRECTORS' REMUNERATION :**

**2011-12                      2010-11**

Salary & Bonus / H.R.A. / Emp. Cont. to P.F. / Leave Salary / Directors' sitting fees	2.61	2.75
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**2.26 SEGMENT INFORMATION**

Segment information has not been given as the Company has no segment.

**2.27 EXPENDITURE IN FOREIGN CURRENCY :**

**2011-12                      2010-11**  
**Rs. (in Lacs)                      Rs. (in Lacs)**

A) Foreign Travelling	—	3.12
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**2.28 EARNINGS IN FOREIGN CURRENCY :**

**2011-12                      2010-11**  
**Rs. (in Lacs)                      Rs. (in Lacs)**

A) Export at F.O.B. Value	NIL	NIL
B) Others	NIL	NIL

## **TRANSCHEM LIMITED**

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**2.29** The disclosures as per Accounting Standard 18 pertaining to related parties and the transactions therewith is set out below :

<b>Relation</b>	<b>Party</b>	<b>(Rs. In Lacs) Remuneration</b>
Key Management Personnel	Mr. Rajen K. Desai - Chairman	0.165
	Mr. Hemant Laad - Director	0.030
	Mr. Neerav Merchant - Director	0.150
	Mrs. Bina Shah - Director	0.165
	Mr. Dilip S. Shinde - Executive Director	2.100

**2.30 EARNINGS PER SHARE :**

		<b>2011-12</b>	<b>2010-11</b>
<b>a)</b>	Profit / (Loss) after tax as per Profit and Loss A/c.	Rs. (33,368,973)	(28,069,273)
<b>b)</b>	Profit attributable to Equity Shares Holders	Rs. <b>(33,368,973)</b>	<b>(28,069,273)</b>
<b>c)</b>	Basic number of equity shares	Nos. 12,240,000	12,240,000
<b>d)</b>	Nominal value per equity share	Rs. 10	10
<b>e)</b>	Earnings per share (Basic)	Rs. <b>(2.73)</b>	<b>(2.29)</b>

**2.31** The Revised Schedule VI has been effective from April 01 2011 for the preparation of financial statement. This has significantly impacted the disclosure and presentation made in the financial statements. Previous years figures have been regrouped, rearranged and reclassified wherever necessary to correspond with the current year's clarification / disclosure.

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 : 23rd May, 2012

**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	11-19327
State Code	:	11	11
Balance Sheet Date	:	31-03-2012	31-03-2011
<b>II. CAPITAL RAISED DURING THE YEAR</b>			
	:	(Rs. in Lacs)	(Rs. in Lacs)
Public Issue	:	NIL	NIL
Rights Issue	:	NIL	NIL
Bonus Issue	:	NIL	NIL
Private Placement (Preferential Issue) * Including Premium	:	NIL	NIL
<b>III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS</b>			
Total Liabilities	:	4420.25	4749.70
Total Assets	:	4420.25	4749.70
<b>Sources of Funds :</b>			
Paid-up Capital	:	1224.00	1224.00
Reserves & Surplus	:	2810.98	3144.67
Secured Loans	:	0.00	0.00
Intercorporate Deposits / Unsecured Loans	:	300.00	300.00
Current Liabilities	:	85.27	81.03
<b>Application of Funds :</b>			
Net Fixed Assets	:	1471.60	1624.42
Investments	:	2431.16	2254.25
Net Current Assets	:	450.52	854.83
Deferred Tax Asset	:	63.97	16.20
<b>IV. PERFORMANCE OF THE COMPANY :</b>			
Turnover / Other Income	:	214.67	121.69
Total Expenditure	:	590.80	444.08
Profit / (Loss) before tax	:	(376.13)	(322.39)
Profit / (Loss) after current tax	:	(376.13)	(322.39)
Earlier Year Exp. / Tax / Adj.	:	(5.33)	(5.84)
Deferred Tax Provisions / Assets	:	47.77	47.54
Net Balance	:	(333.69)	(280.69)
Earnings Per Share (Rs.)	:	(2.73)	(2.29)
Dividend rate %	:	NIL	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)

*Proprietor*

Membership No. 37240

PLACE : Thane

DATE : 23rd May, 2012

**DILIP S. SHINDE**

*Executive Director*

**RAJEN K. DESAI**

*Chairman*

**NEERAJA KARANDIKAR**

*Company Secretary*



# TRANSCHEM LIMITED

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

## ATTENDANCE SLIP 35TH ANNUAL GENERAL MEETING — 28TH SEPTEMBER, 2012

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 35th Annual General Meeting of the Company held on Friday, the 28th day of September, 2012 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 35TH ANNUAL GENERAL MEETING — 28TH SEPTEMBER, 2012

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 35th ANNUAL GENERAL MEETING of the Company to be held on Friday, the 28th September, 2012 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

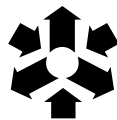
Date : \_\_\_\_\_

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.