



# TRANSCHEM LIMITED

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| <b>BOARD OF DIRECTORS</b>                       | MR. RAJEN K. DESAI<br>MR. DILIP SHINDE<br>MRS. BINA SHAH<br>MR. NEERAV MERCHANT  | <i>Chairman</i><br><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,<br>Khopat, Thane (W) – 400 601.   |  |
| <b>PLANTS</b>                                   | Gat No. 379, Village Bebadohol,<br>Taluka Maval, Dist. Pune – 410 506.   |  |
| <b>REGISTRAR &amp; SHARE<br/>TRANSFER AGENT</b> | M/s. Adroit Corporate Services Pvt. Ltd.<br>19, Jaferbhoy Industrial Estate, 1st Floor,<br>Makwana Road, Marol Naka, Andheri (E),<br>Mumbai – 400 059. |  |

## **TRANSCHEM LIMITED**

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### **NOTICE**

**NOTICE** is hereby given that the Thirty Fourth Annual General Meeting of the members of **TRANSCHEM LIMITED** will be held on Friday the 30th day of September, 2011 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 2011 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. Neerav Merchant who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditor for the financial year 2011-12 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 : 02.09.2011

**(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 26th September 2011 to 1st October 2011 (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. Neerav Merchant:  
Name : Mr. Neerav Merchant.  
Age : 26 years.  
Qualification : B.Com, LLB  
Expertise : Advocate.  
Other Directorship : Nil

**DIRECTORS REPORT**

Dear Members,

Your Directors are pleased to submit their Thirty Fourth Annual Report, together with the Audited Statement of Accounts of your Company for the financial year ended 31st March 2011.

**FINANCIAL RESULTS :**

(Rs. In lacs)

| Particulars                                   | Current year<br>ended 31-03-2011 | Previous year<br>ended 31-03-2010 |
|---|----------------------------------|-----------------------------------|
| Business Income                               | 121.69                           | 200.88                            |
| Gross Profit before Depreciation & Taxation   | (169.50)                         | (131.61)                          |
| Depreciation                                  | 152.89                           | 151.31                            |
| Provision for Current Tax                     | NIL                              | NIL                               |
| Provision for Deferred Tax / Adjustment       | (41.70)                          | (82.08)                           |
| Profit / (Loss) after Depreciation & Taxation | (280.69)                         | (200.84)                          |

**OPERATION:**

During the year your company could not commence any business activity. Various business options to revive the Mushroom Division of the Company are under consideration.

**DIVIDEND:**

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

**PERSONNEL:**

During the financial year 2010-11, 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. 3.12 Lacs (Previous Year Rs. 1.64 lacs).

**DIRECTORS:**

Mr. Hemant Laad an independent director resigned from the Board of the company.

Mr. Neerav Merchant, 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 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 Institute of Company Secretary, 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.

### **ACKNOWLEDGMENT:**

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 : 02-09-2011

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 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.

In case no fruitful suggestion is worked out, management may consider hiving off the plant.

**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 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              | 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  |

\* Resigned effective 31.05.2011

#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 2011, Six Board Meetings were held respectively on 21st April 2010, 17th June 2010, 30th July 2010, 2nd September 2010, 28th October 2010 & 14th February 2011.

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 30-09-10 |
|---------|---------------------|-----------------------------------|---|
| 1       | Mr. Rajen K. Desai  | 6                                 | Present                                 |
| 2       | Mr. Hemant Laad     | 6                                 | Present                                 |
| 3       | Mrs. Bina Shah      | 6                                 | Present                                 |
| 4       | Mr. Neerav Merchant | 4                                 | Absent                                  |
| 5       | Mr. Dilip Shinde    | 6                                 | 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 2011, five Audit Committee Meetings were held on 21st April 2010, 30th July 2010, 2nd September 2010, 28th October 2010 and 14th February 2011.

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. 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.

In view of resignation of Mr. Hemant Laad, audit committee was reconstituted by the Board during the current financial year.

## **TRANSCHEM LIMITED**

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### **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.

### **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.

In view of resignation of Mr. Hemant Laad, Remuneration committee was reconstituted by the Board during the current financial year. 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 2010-11, a meeting of Remuneration Committee was held on 21st April 2010.

#### **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 2011 :**

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               | 19500               | 19500              | Retirement by rotation                  |
| Mr. Hemant Laad             | NIL           | NIL             | NIL               | 19500               | 19500              | Retirement by rotation                  |
| Mrs. Bina Shah              | NIL           | NIL             | NIL               | 19500               | 19500              | Retirement by rotation                  |
| Mr. Neerav Merchant         | NIL           | NIL             | NIL               | 6000                | 6000               | 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 of Share Transfer & Investor Grievance Committee was held on 15th July 2010.

**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 2010-11 company received 4 complaints from the shareholders and the same were resolved to the satisfaction of the shareholders. No complain was pending as on 31.03.2011.

**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 the best of their knowledge and belief 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       |
|----------------|------------|---|------------|
| 2007-2008      | 30.09.2008 | Hotel Royal Inn Gokul Nagar, Thane (W). | 09.30 a.m. |
| 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. |

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, 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.

## **TRANSCHEM LIMITED**

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- (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).
- (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>                            |
|-----------------|-------------|---|
| 30-09-2011      | 09:30 a.m.  | Hotel Royal Inn, Gokul Nagar, Thane (W) |

2. Financial Calendar : 1st April – 31st March.
3. Date of Book Closure : From 26.09.2011 to 01.10.2011 (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) :

| Month     |      | High (Rs.) | Low (Rs.) | Month    |      | High (Rs.) | Low (Rs.) |
|-----------|------|------------|-----------|----------|------|------------|-----------|
| April     | 2010 | 15.74      | 12.30     | October  | 2010 | 18.35      | 16.45     |
| May       | 2010 | 18.99      | 13.01     | November | 2010 | 17.80      | 16.00     |
| June      | 2010 | 17.90      | 16.10     | December | 2010 | 17.40      | 16.00     |
| July      | 2010 | 18.00      | 13.20     | January  | 2011 | 17.90      | 15.00     |
| August    | 2010 | 15.18      | 12.70     | February | 2011 | 17.10      | 14.15     |
| September | 2010 | 16.75      | 13.54     | March    | 2011 | 15.24      | 13.96     |

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 2010-11. 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 31-03-2011: NIL
11. Distribution Schedule and Shareholding pattern of Equity Shares as on 31.03.2011 is enclosed as Annexure-1.
12. **Dematerialization of shares and liquidity:** 86.96% 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 31-03-2011:**

| No. of Equity Shares held | No. of Shareholders | % of Shareholder | No. of Shares held | % of Shareholding |
|---------------------------|---------------------|------------------|--------------------|-------------------|
| 1 to 500                  | 14905               | 93.64            | 2058133            | 16.82             |
| 501 to 1000               | 552                 | 3.47             | 457912             | 3.74              |
| 1001 to 2000              | 233                 | 1.46             | 330992             | 2.70              |
| 2001 to 3000              | 79                  | 0.50             | 203771             | 1.66              |
| 3001 to 4000              | 32                  | 0.20             | 114145             | 0.93              |
| 4001 to 5000              | 27                  | 0.17             | 128275             | 1.05              |
| 5001 to 10000             | 43                  | 0.27             | 332886             | 2.72              |
| 10000 & Above             | 46                  | 0.29             | 8613886            | 70.38             |
| <b>TOTAL</b>              | <b>15917</b>        | <b>100.00</b>    | <b>12240000</b>    | <b>100.00</b>     |
| Physical Mode             | <b>9320</b>         | <b>58.55</b>     | <b>1595520</b>     | <b>13.04</b>      |
| Electronic Mode           | <b>6597</b>         | <b>41.45</b>     | <b>10644480</b>    | <b>86.96</b>      |

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

| Category  | No. of shareholders | Nos. of Shares held | Voting Strength |
|---|---------------------|---------------------|-----------------|
| Promoters & Persons Acting in concert   | 7                   | 2908119             | 23.76           |
| Other Directors, their relatives  | 0                   | 0                   | 0.00            |
| Bodies Corporate (Domestic) / Trusts  | 160                 | 5255569             | 42.94           |
| Banks / Mutual Funds / Financial Institutions (FIs)   | 5                   | 4030                | 0.03            |
| Foreign Institutional Investors (FIIs)  | 1                   | 66346               | 0.54            |
| Non-Resident Individuals (NRIs) / Foreign Corporate Bodies / Overseas Corporate Bodies (OCBs) / Foreign Banks | 26                  | 58435               | 0.48            |
| Resident Individuals  | 15716               | 3946401             | 32.24           |
| In transit  | 2                   | 1100                | 0.01            |
| <b>TOTAL</b>  | <b>15917</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, 2011** 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, 2011

**AUDITORS' REPORT**

To the Members of  
**TRANSCHEM LIMITED**

Report on the accounts for the year ended on **31st March, 2011** 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, 2011** 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, 2011** and taken on record by the Board of Directors, none of the directors are disqualified as on **31st March, 2011** 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, 2011**,
    - (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, 2011

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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, 2011**]

- 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, 2011 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 : 2nd September, 2011



## BALANCE SHEET AS AT 31st MARCH, 2011

|  | Sch. No. | 2010-11<br>Rs.      | 2009-10<br>Rs.      |
|--|----------|---------------------|---------------------|
| <b>SOURCES OF FUNDS :</b>                        |          |                     |                     |
| 1. Shareholders Funds :                          |          |                     |                     |
| Equity Capital                                   | 1        | 12,24,00,000        | 12,24,00,000        |
| Reserve & Surplus                                | 2        | 31,44,66,829        | 34,25,36,102        |
| 2. Unsecured Loans                               | 3        | 3,08,06,301         |                     |
| 3. Deferred Tax Liability                        | 4        | —                   | 31,33,733           |
| <b>TOTAL Rs.</b>                                 |          | <b>46,76,73,130</b> | <b>46,80,69,835</b> |
| <b>APPLICATION OF FUNDS :</b>                    |          |                     |                     |
| 1. Fixed Assets                                  | 5        | 14,03,02,515        | 15,54,23,538        |
| 2. Investments                                   | 6        | 24,56,93,062        | 26,13,06,196        |
| 3. <b>CURRENT ASSETS, LOANS &amp; ADVANCES :</b> |          |                     |                     |
| (a) Inventories                                  | 7        | 1,88,36,342         | 1,72,39,606         |
| (b) Sundry Debtors                               | 8        | 4,76,77,713         | 1,44,69,819         |
| (c) Cash & Bank Balance                          | 9        | 95,17,084           | 57,50,288           |
| (d) Loans & Advances                             | 10       | 1,13,23,372         | 2,20,17,715         |
|  |          | <b>8,73,54,511</b>  | <b>5,94,77,428</b>  |
| Less: Current Liabilities & Provisions           | 11       | 72,96,899           | 81,37,327           |
|  |          | <b>8,00,57,612</b>  | <b>5,13,40,101</b>  |
| Deferred Tax Assets                              |          | 16,19,941           | —                   |
| <b>TOTAL Rs.</b>                                 |          | <b>46,76,73,130</b> | <b>46,80,69,835</b> |
| Notes to Accounts                                | 15       |                     |                     |

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, 2011

**TRANSCHEM LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

|  | Sch. No. | 2010-11<br>Rs.       | 2009-10<br>Rs.       |
|--|----------|----------------------|----------------------|
| <b>A. INCOME :</b>                       |          |                      |                      |
| Other Income                             | 12       | 1,21,69,000          | 2,00,88,218          |
| Increase / (Decrease) in Stock           | 13       | —                    | —                    |
| <b>TOTAL Rs.</b>                         |          | <b>1,21,69,000</b>   | <b>2,00,88,218</b>   |
| <b>B. EXPENDITURE :</b>                  |          |                      |                      |
| Other Expenses                           | 14       | 2,91,19,184          | 3,32,49,661          |
| Depreciation                             |          | 1,52,89,259          | 1,51,31,324          |
| <b>TOTAL Rs.</b>                         |          | <b>4,44,08,443</b>   | <b>4,83,80,985</b>   |
| <b>NET PROFIT / (LOSS)</b>               |          | <b>(3,22,39,444)</b> | <b>(2,82,92,767)</b> |
| Add / (Less) :                           |          |                      |                      |
| <b>Provisions for Tax :</b>              |          |                      |                      |
| Previous Years Exp. / Tax Adjustment     |          | (5,83,504)           | 30,34,611            |
| Deferred Tax Assets (Liability)          |          | 47,53,674            | 51,74,019            |
| Fringe Benefit                           |          | —                    | —                    |
| <b>NET BALANCE</b>                       |          | <b>(2,80,69,273)</b> | <b>(2,00,84,136)</b> |
| Add: Balance of Previous Year            |          | 13,30,67,469         | 15,31,51,605         |
| <b>BALANCE TRANSFER TO BALANCE SHEET</b> |          | <b>10,49,98,196</b>  | <b>13,30,67,469</b>  |
| <b>Earnings Per Share</b>                |          | <b>(2.29)</b>        | <b>(1.64)</b>        |
| (Refer Note No. 17 in Schedule 16)       |          |                      |                      |
| <b>Face Value Per Share (In Rs.)</b>     |          | <b>10</b>            | <b>10</b>            |
| Notes to Accounts                        | 15       |                      |                      |

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, 2011

## SCHEDULES

Schedules forming part of accounts for the year ended 31st March, 2011

|  | 2010-11<br>Rs.      | 2009-10<br>Rs.      |
|--|---------------------|---------------------|
| <b>SCHEDULE 1 :</b>  |                     |                     |
| <b>CAPITAL :</b>   |                     |                     |
| <b><u>AUTHORISED :</u></b>   |                     |                     |
| 3,00,00,000 Nos. (2010 - 3,00,00,000 Nos.)<br>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. (2010 - 1,22,40,000 Nos.)<br>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  | 10,49,98,196        | 13,30,67,469        |
| <b>TOTAL Rs.</b>   | <b>31,44,66,829</b> | <b>34,25,36,102</b> |
| <b>SCHEDULE 3 :</b>  |                     |                     |
| <b><u>UNSECURED LOANS :</u></b>  |                     |                     |
| Unsecured Loans  | 3,08,06,301         | —                   |
| <b>TOTAL Rs.</b>   | <b>3,08,06,301</b>  | <b>—</b>            |
| <b>SCHEDULE 4 :</b>  |                     |                     |
| <b><u>DEFERRED TAX LIABILITY :</u></b>   |                     |                     |
| Balance B/F.   | 31,33,733           | 83,07,752           |
| Less : Deferred Assets (During the Year)   | (47,53,674)         | 51,74,019           |
| Less : Transfer to Deferred Assets<br>(Refer Note No. 18 in Schedule 16)                     | 16,19,941           | —                   |
| <b>TOTAL Rs.</b>   | <b>—</b>            | <b>31,33,733</b>    |

**SCHEDULE 5 :**

**FIXED ASSETS**

| PARTICULARS            | GROSS BLOCK         |                          |                      |                     | DEPRECIATION         |                      |                      |                      | NET BLOCK             |                       |
|------------------------|---------------------|--------------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|
|                        | COST AS ON 01-04-10 | ADDITION DURING THE YEAR | DED. DURING THE YEAR | COST AS ON 31-03-11 | DEPR. AS ON 01-04-10 | ADD. DURING THE YEAR | DED. DURING THE YEAR | DEPR. AS ON 31-03-11 | W.D.V. AS ON 31-03-11 | W.D.V. AS ON 31-03-10 |
| LAND                   | 6488481             | 0                        | 0                    | 6488481             | 0                    | 0                    | 0                    | 0                    | 6488481               | 6488481               |
| FACTORY BUILDING       | 157425444           | 0                        | 0                    | 157425444           | 74834655             | 5258010              | 0                    | 80092665             | 77332779              | 82590789              |
| OFFICE PREMISES / GALA | 2963779             | 0                        | 0                    | 2963779             | 677422               | 39336                | 0                    | 716758               | 2247021               | 2286357               |
| PLANT & MACHINERY      | 197497786           | 168236                   | 0                    | 197666022           | 138566393            | 9310311              | 0                    | 147876704            | 49789318              | 58931393              |
| FURNITURE & FIXTURES   | 6096454             | 0                        | 0                    | 6096454             | 4508354              | 360890               | 0                    | 4869244              | 1227210               | 1588100               |
| MOTOR CAR              | 5831514             | 0                        | 0                    | 5831514             | 3043096              | 320712               | 0                    | 3363808              | 2467706               | 2788418               |
| MOTOR CAR-IMPORTED     | 750000              | 0                        | 0                    | 750000              | 0                    | 0                    | 0                    | 0                    | 750000                | 750000                |
| <b>GRAND TOTAL RS.</b> | <b>377053458</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>      |
| <b>2010</b>            | <b>373749907</b>    | <b>3303551</b>           | <b>0</b>             | <b>377053458</b>    | <b>206498597</b>     | <b>15131323</b>      | <b>0</b>             | <b>221629920</b>     | <b>155423538</b>      | <b>179610515</b>      |

## SCHEDULES (Contd....)

|   | 2010-11<br>Rs.      | 2009-10<br>Rs.      |
|---|---------------------|---------------------|
| <b>SCHEDULE 6 :</b>   |                     |                     |
| <b>INVESTMENTS :</b>  |                     |                     |
| Other Than Govt. Securities - Quoted  | —                   | 1,60,37,916         |
| Other Than Govt. Securities - Unquoted  | 2,02,68,280         | 2,02,68,280         |
| <b>Investments in Mutual Fund - Dividend Re-invest Option</b>   |                     |                     |
| (i) HDFC-MIP-Monthly Div - 89,63,455.489<br>Units @ 12.5509/- F.V. Rs. 10/-   | —                   | 11,25,00,000        |
| (ii) Reliance-Monthly Income Plan - 1,01,22,946.013<br>Units @ 11.1133 F.V. Rs. 10/-  | —                   | 11,25,00,000        |
| (iii) HDFC Liquid Fund (1053338.509<br>Units @ 10.1982 (F.V. Rs. 10/-)  | 1,07,42,157         | —                   |
| (iv) ICICI Pru. FMF Series 56-1 Years<br>(5500000 Units @ 10/-)   | 5,50,00,000         | —                   |
| (v) Reliance Fixed Horizon Fund<br>(15968262.527 Units @ 10/-)  | 15,96,82,625        | —                   |
| <b>TOTAL Rs.</b>  | <b>24,56,93,062</b> | <b>26,13,06,196</b> |
| <b>SCHEDULE 7 :</b>   |                     |                     |
| <b>INVENTORIES :</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   | 1,27,14,752         | 1,11,18,016         |
| <b>TOTAL Rs.</b>  | <b>1,88,36,342</b>  | <b>1,72,39,606</b>  |
| <b>SCHEDULE 8 :</b>   |                     |                     |
| <b>SUNDRY DEBTORS :</b>   |                     |                     |
| <b>(Unsecured)</b>  |                     |                     |
| Upto 6 months   | 4,29,91,689         | 91,89,221           |
| Over 6 months   | 46,86,024           | 52,80,598           |
| <b>TOTAL Rs.</b>  | <b>4,76,77,713</b>  | <b>1,44,69,819</b>  |
| <b>SCHEDULE 9 :</b>   |                     |                     |
| <b>CASH &amp; BANK BALANCES :</b>   |                     |                     |
| Cash on Hand  | 26,44,101           | 20,84,395           |
| Bank Balances (In Current A/c. with Sch. Banks)   | 60,386              | 60,387              |
| Bank Balances (In Current A/c. with Non-Sch. Banks)<br>(Maximum amount outstanding during the year<br>Rs. 605.29 Lacs, 2010 - Rs. 1053.68 Lacs) | 66,06,880           | 33,99,789           |
| Deposits (In Fixed Deposit / CLTD with Sch. Banks)  | 2,05,717            | 2,05,717            |
| <b>TOTAL Rs.</b>  | <b>95,17,084</b>    | <b>57,50,288</b>    |

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

|  | 2010-11<br>Rs.     | 2009-10<br>Rs.     |
|--|--------------------|--------------------|
| <b>SCHEDULE 10 :</b>                                 |                    |                    |
| <b><u>LOANS &amp; ADVANCES :</u></b>                 |                    |                    |
| (Unsecured considered good)                          |                    |                    |
| Advances For Capital Goods                           | 18,71,415          | 18,71,415          |
| Sundry Deposits                                      | 23,40,081          | 34,73,081          |
| Advances Receivable From Employees                   | 8,65,550           | 6,70,000           |
| Loans to Others                                      | 19,60,000          | 57,18,100          |
| Advances receivable in Cash or Kind                  | 39,40,234          | 99,16,824          |
| Advances Given to Party                              | 3,46,092           | 3,68,295           |
| <b>TOTAL Rs.</b>                                     | <b>1,13,23,372</b> | <b>2,20,17,715</b> |
| <b>SCHEDULE 11 :</b>                                 |                    |                    |
| <b><u>CURRENT LIABILITIES &amp; PROVISIONS :</u></b> |                    |                    |
| <b>(A) CURRENT LIABILITIES :</b>                     |                    |                    |
| Sundry Creditors & Others                            | 63,01,306          | 70,91,533          |
| <b>TOTAL Rs. (A)</b>                                 | <b>63,01,306</b>   | <b>70,91,533</b>   |
| <b>(B) PROVISIONS :</b>                              |                    |                    |
| Provision for Leave Encashment                       | 3,25,247           | 3,51,736           |
| Provision for Gratuity Payable                       | 6,70,346           | 5,49,058           |
| Provision for Fringe Benefits - A. Y. 2009-10        | —                  | 1,45,000           |
| <b>TOTAL Rs. (B)</b>                                 | <b>9,95,593</b>    | <b>10,45,794</b>   |
| <b>TOTAL Rs. (A+B)</b>                               | <b>72,96,899</b>   | <b>81,37,327</b>   |
| <b>SCHEDULE 12 :</b>                                 |                    |                    |
| <b><u>OTHER INCOME :</u></b>                         |                    |                    |
| Dividend   | 3,98,826           | 1,86,661           |
| Dividend from Mutual Fund                            | 1,17,70,174        | 1,22,48,272        |
| Interest on Income Tax Refund                        | —                  | 1,30,541           |
| Long Term Capital Gain (Shares)                      | —                  | 75,22,744          |
| <b>TOTAL Rs.</b>                                     | <b>1,21,69,000</b> | <b>2,00,88,218</b> |

## SCHEDULES (Contd....)

|  | 2010-11<br>Rs.     | 2009-10<br>Rs.     |
|--|--------------------|--------------------|
| <b>SCHEDULE 13 :</b>                           |                    |                    |
| <b><u>INCREASE / (DECREASE) IN STOCK :</u></b> |                    |                    |
| <b>Closing Stock :</b>                         |                    |                    |
| Finished Goods                                 | 60,52,861          | 60,52,861          |
|  | <b>60,52,861</b>   | <b>60,52,861</b>   |
| <b>Less: Opening Stock :</b>                   |                    |                    |
| Finished Goods                                 | 60,52,861          | 60,52,861          |
|  | <b>60,52,861</b>   | <b>60,52,861</b>   |
| <b>TOTAL Rs.</b>                               | <b>—</b>           | <b>—</b>           |
| <b>SCHEDULE 14 :</b>                           |                    |                    |
| <b><u>OTHER EXPENSES :</u></b>                 |                    |                    |
| Personnel Expenses                             | 28,68,782          | 28,14,347          |
| Administrative Expenses                        | 2,62,48,866        | 3,04,34,855        |
| Financial Expenses                             | 1,536              | 459                |
| <b>TOTAL Rs.</b>                               | <b>2,91,19,184</b> | <b>3,32,49,661</b> |

**SCHEDULES FORMING PART OF ACCOUNTS : SCHEDULE 15 : 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.

**5. CONTINGENT LIABILITIES :**

(Rs. in Lacs)

|                                     |                |                |
|-------------------------------------|----------------|----------------|
| Contingent Liabilities not provided | <b>2010-11</b> | <b>2009-10</b> |
| Excise Duty                         | 4.00           | 4.00           |

**6. AUDITORS REMUNERATION :**

**2010-11**                      **2009-10**

|                |      |      |
|----------------|------|------|
| (i) Audit Fees | 0.40 | 0.60 |
|----------------|------|------|

**7. PARTICULARS OF DIRECTORS' REMUNERATION :**

**2010-11**                      **2009-10**

|   |      |      |
|---|------|------|
| Salary & Bonus / H.R.A. / Emp. Cont. to P.F. / Leave Salary / Directors' sitting fees | 2.75 | 2.65 |
|---|------|------|

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.

**TRANSCHEM LIMITED**

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

|           |                                 | <b>MUSHROOM / PROCESSED<br/>OIL SEEDS &amp; SPICES</b> |                |
|-----------|---------------------------------|--|----------------|
|           |                                 | <b>2010-11</b>   | <b>2009-10</b> |
| <b>A)</b> | <b>Installed Capacity (OWN)</b> | 3545 M.T.  | 3545 M.T.      |

- B) Production and Stocks  
(including Third Party) :**

| Description         | 2010-11 |               |                   | 2009-10       |                   |
|---------------------|---------|---------------|-------------------|---------------|-------------------|
|                     | Unit    | Prod.<br>Qty. | Cl. Stock<br>Qty. | Prod.<br>Qty. | Cl. Stock<br>Qty. |
| Processed Oil Seeds | Kgs.    | NIL           | 0.370             | NIL           | 0.370             |

12. **EXPENDITURE IN FOREIGN CURRENCY :**

|                              | 2010-11<br>Rs. (in Lacs) | 2009-10<br>Rs. (in Lacs) |
|------------------------------|--------------------------|--------------------------|
| <b>A)</b> Foreign Travelling | 3.12                     | 1.64                     |

13. **EARNINGS IN FOREIGN CURRENCY :**

|                                  | 2010-11<br>Rs. (in Lacs) | 2009-10<br>Rs. (in Lacs) |
|----------------------------------|--------------------------|--------------------------|
| <b>A)</b> Export at F.O.B. Value | NIL                      | NIL                      |
| <b>B)</b> Others                 | NIL                      | NIL                      |

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

| Relation                 | Party                                    | (Rs. In Lacs)<br>Remuneration |
|--------------------------|--|-------------------------------|
| Key Management Personnel | Mr. Rajen K. Desai - Chairman            | 0.195                         |
|                          | Mr. Hemant Laad - Director               | 0.195                         |
|                          | Mr. Neerav Merchant - Director           | 0.195                         |
|                          | Mrs. Bina Shah - Director                | 0.600                         |
|                          | Mr. Dilip S. Shinde - Executive Director | 2.100                         |

15. **EARNINGS PER SHARE :**

|           |   | 2010-11                  | 2009-10              |
|-----------|---|--------------------------|----------------------|
| <b>a)</b> | Profit / (Loss) after tax as per Profit and Loss A/c. | Rs. (2,80,69,273)        | (2,00,84,136)        |
| <b>b)</b> | Profit attributable to Equity Shares Holders          | Rs. <b>(2,80,69,273)</b> | <b>(2,00,84,136)</b> |
| <b>c)</b> | Basic number of equity shares                         | Nos. 1,22,40,000         | 1,22,40,000          |
| <b>d)</b> | Nominal value per equity share                        | Rs. 10                   | 10                   |
| <b>e)</b> | Earnings per share (Basic)                            | Rs. <b>(2.29)</b>        | <b>(1.64)</b>        |

**16. ACCOUNTING FOR DEFERRED TAXATION :**

In compliance with the Accounting Standard 22 issued by the Institute of Chartered Accountants of India, an amount of **Rs. 47.54 Lacs (2010 - 51.74 Lacs)** representing deferred tax assets, as at **31st March, 2011**, has been recognised in the Profit and Loss Appropriations Account. Deferred tax liability of **Rs. 31.33 Lacs as at 31-03-2010**, is deducted by **Rs. 47.54 Lacs** resulting in a net deferred tax assets amounting to **Rs. 16.20 Lacs. (2010 - 31.34 Lacs)**.

17. Previous years figures have been regrouped wherever necessary.

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, 2011

**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   | : | 31-03-2011    |
| <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           |
| <b>III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS</b> | : |               |
| Total Liabilities  | : | 4676.73       |
| Total Assets   | : | 4676.73       |
| <b>Sources of Funds :</b>                                    |   |               |
| Paid-up Capital  | : | 1224.00       |
| Reserves & Surplus   | : | 3144.67       |
| Secured Loans  | : | 0.00          |
| Intercorporate Deposits                                      | : | 308.06        |
| Deferred Tax Liabilities                                     | : | 0.00          |
| <b>Application of Funds :</b>                                |   |               |
| Net Fixed Assets   | : | 1403.02       |
| Investments  | : | 2456.93       |
| Net Current Assets   | : | 800.58        |
| Deferred Tax Asset   | : | 16.20         |
| <b>IV. PERFORMANCE OF THE COMPANY :</b>                      |   |               |
| Turnover / Other Income                                      | : | 121.69        |
| Total Expenditure  | : | 444.08        |
| Profit / (Loss) before tax                                   | : | (322.39)      |
| Profit / (Loss) after current tax                            | : | (322.39)      |
| Earlier Year Exp. / Tax / Adj.                               | : | (5.84)        |
| Deferred Tax Provisions / Assets                             | : | 47.54         |
| Net Balance  | : | (280.69)      |
| Earnings Per Share (Rs.)                                     | : | (2.29)        |
| 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)

*Proprietor*

Membership No. 37240

PLACE : Thane

DATE : 2nd September, 2011

**DILIP S. SHINDE***Executive Director***RAJEN K. DESAI***Chairman***NEERAJA KARANDIKAR***Company Secretary*

| CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011           |                        |                        |
|---|------------------------|------------------------|
|   | 2010-11<br>Rs. in Lacs | 2009-10<br>Rs. in Lacs |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>                   |                        |                        |
| Net Profit / (Loss) before Tax :                                  | (322.39)               | (282.93)               |
| Adjustments for :   |                        |                        |
| <b>Add / (Less)</b> :   |                        |                        |
| Current :   | —                      | —                      |
| Dividend :  | (121.69)               | (124.35)               |
| Depreciation :  | 152.89                 | 151.31                 |
| Previous Year Adjustment :  | (5.84)                 | 30.35                  |
| <b>Operating Profit / (Loss) before Working Capital Changes :</b> | <b>(297.03)</b>        | <b>(225.62)</b>        |
| Adjustments for :   |                        |                        |
| <b>Add / (Less)</b> :   |                        |                        |
| Trade and Other Receivables :                                     | (332.07)               | (91.89)                |
| Inventories :   | (15.97)                | (75.52)                |
| Trade Payable and other Liabilities :                             | (8.40)                 | (251.23)               |
| Loans and Advances :  | 106.94                 | 211.40                 |
| <b>Net Cash From Operating Activities :</b>                       | <b>(546.53)</b>        | <b>(432.86)</b>        |
| <b>B. NET CASH FLOW FROM INVESTING ACTIVITIES :</b>               |                        |                        |
| Purchase of Fixed Assets :  | (1.68)                 | (33.04)                |
| Sale / Additions of Investments :                                 | 156.13                 | 314.55                 |
| Dividend :  | 121.69                 | 124.35                 |
| <b>Net Cash used in Investing Activities :</b>                    | <b>276.14</b>          | <b>405.86</b>          |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>                   |                        |                        |
| Repayment / Proceeds from Intercompany Deposits :                 | 308.06                 | —                      |
| <b>Net Cash used in Financing Activities :</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>37.67</b>           | <b>(27.00)</b>         |
| Cash and Cash equivalent as at 01-04-2010 :                       | 57.50                  | 84.50                  |
| Cash and cash equivalent as at 31-03-2011 :                       | 95.17                  | 57.50                  |

**AUDITORS' CERTIFICATE**

We have examined the attached Cash Flow statement of **M/S. TRANSCHEM LIMITED** for the year ended **31st March, 2011** 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, 2011** 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 : 2nd September, 2011



# TRANSCHEM LIMITED

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

## ATTENDANCE SLIP 34TH ANNUAL GENERAL MEETING — 30TH SEPTEMBER, 2011

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 34th Annual General Meeting of the Company held on Friday, the 30th day of September, 2011 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 34TH ANNUAL GENERAL MEETING — 30TH SEPTEMBER, 2011

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 34th ANNUAL GENERAL MEETING of the Company to be held on Friday, the 30th September, 2011 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

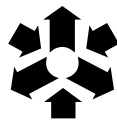
Date : \_\_\_\_\_

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

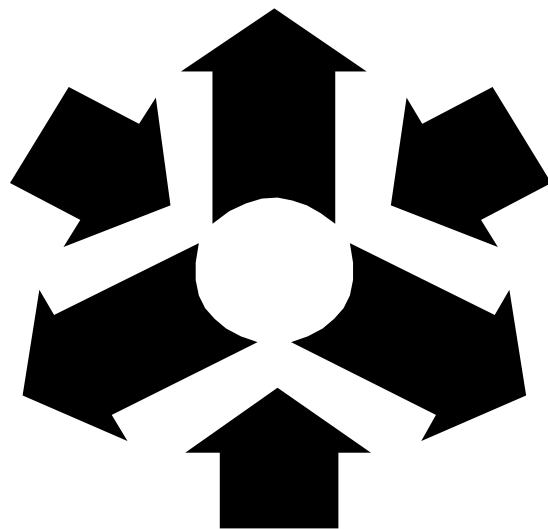


**TRANSCHEM LIMITED**

REGISTERED OFFICE :

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

# **TRANSCHEM LIMITED**



**34TH ANNUAL REPORT 2010-2011**