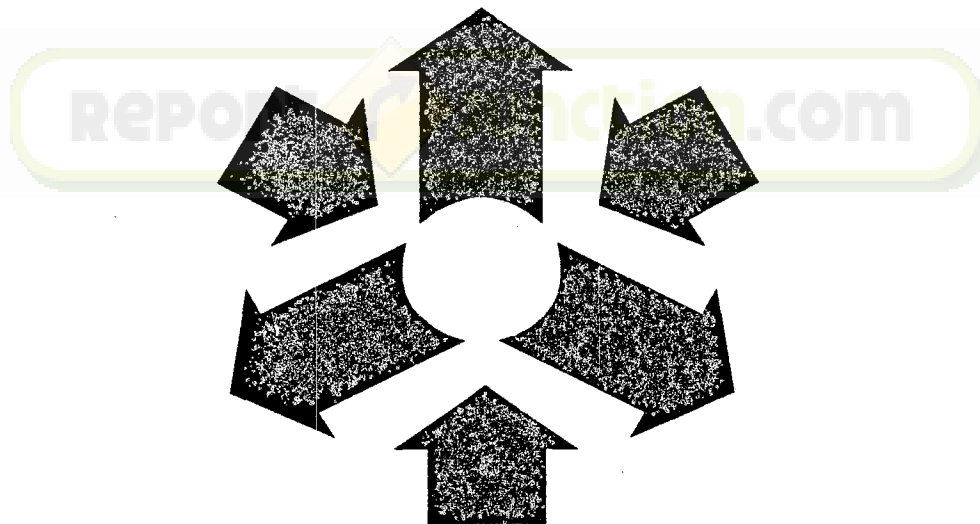


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YE	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>

TRANSCHEM LIMITED



21ST ANNUAL REPORT 1997-98

Report  junction.com



TRANSCHEM LIMITED

BOARD OF DIRECTORS	MR. RAJEN K. DESAI	<i>Chairman</i>
	DR. VIJAY LULLA	
	MR. BHARAT MERCHANT	
	MR. L. N. BHAT	<i>Whole Time Director</i>
	MR. NEVILLE CHADHA	<i>Whole Time Director</i>
	MR. ADITYA DESAI	
COMPANY SECRETARY	MRS. AMITA SAXENA	
AUDITORS	M/S. L.T. JADAV & CO. Chartered Accountants	
BANKERS	Bharat Overseas Bank Ltd. Canara Bank Oriental Bank of Commerce	
REGISTERED OFFICE	102-104, Vardhaman Industrial Complex, Lal Bahadur Shastri Marg, Thane (W) – 400 601.	
PLANTS	Plot No. 7, M.I.D.C., Kalyan Badlapur Road, Ambernath, MAHARASHTRA.	
	Gat No. 379, Village Bebadohol, Taluka Maval, District Pune. PIN : 410 506.	

TRANSCHEM LIMITED**NOTICE**

NOTICE is hereby given that the Twenty First Annual General Meeting of the members of **TRANSCHEM LIMITED** will be held on MONDAY, the 30th day of NOVEMBER, 1998 at Puja Hall, Ground Floor, Vardhaman Ind. Complex, L.B.S. Marg, Thane (W) – 400 601 at 10:30 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, 1998 and Profit & Loss Account for the year ended on that date alongwith the report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Bharat Merchant, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration. The retiring Auditors M/s. L.T. Jadav & Co. are eligible for reappointment.

SPECIAL BUSINESS :

1. TO CONSIDER AND, IF THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION :

"RESOLVED THAT the consent of the shareholders be and is hereby accorded to the Company to make application for the voluntary de-listing of the Equity Shares of the Company from the following Stock Exchanges :

1. The Hyderabad Stock Exchange Limited, Hyderabad.
2. Pune Stock Exchange Limited, Pune.
3. Jaipur Stock Exchange Limited, Jaipur.
4. Coimbatore Stock Exchange Limited, Coimbatore.
5. The Calcutta Stock Exchange Association Ltd., Calcutta.
6. Cochin Stock Exchange Limited, Cochin.
7. The Delhi Stock Exchange Association Ltd., Delhi.

RESOLVED FURTHER THAT ~~on~~ receipt of request the Management of the Company shall make arrangement to buy the equity shares of the Company from such Shareholders who are in the region where the aforesaid Stock Exchanges are located and wish to exit after fixing a record date at a price to be decided by the Board.

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

Place : THANE
Date : 05-11-98

(AMITA SAXENA)
Company Secretary

**TRANSCHEM LIMITED****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 Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business to be transacted in the meeting are annexed hereto.
3. Shareholders are requested to send all their queries in respect of Share to the Secretarial Division including applications for transfer at the Registered Office of the company.

ANNEXURE OF THE NOTICE :

Explanatory statement in respect of the business specified in the notice pursuant to Section 173(2) of the Companies Act, 1956.

ITEM NO. 4 OF THE NOTICE :

The Equity Shares of the Company is listed on ten Stock Exchanges including Bombay Stock Exchange which is regional Stock Exchange.

At most of these Stock Exchanges the Shares of the Company were dealt very sparsely. At some of the Stock Exchange the shares were not even dealt for a day from the date of listing.

In the present financial recession Company does not considers it worth to pay the listing fee to all the Stock Exchanges, wherein trading is not taking place, it is proposed to delist the shares of the Company from the various Stock Exchanges, as mentioned in the resolution. However for the convenience of Shareholders, the shares of the Company shall continue to be listed on Bombay, Ahmedabad and Vadodara Stock Exchanges.

As an exit opportunity to the Shareholders, in the region where the Stock Exchange at which delisting is proposed are situated, the management of the Company shall make arrangement for buying of shares of such Shareholders who desire to exit after fixing a record date at price to be fixed by the Board which shall not be less than the weighted average of the traded price of the shares in the preceeding six months from the record date at Bombay Stock Exchange, where the highest of the value of the shares are being traded.

Your Directors recommend the resolution for your approval.

None of the Directors is concern or interested in the resolution.

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

Place : THANE
Date : 05-11-98

(AMITA SAXENA)
Company Secretary

TRANSCHEM LIMITED**DIRECTORS REPORT**

To,
Dear Members,

Your Directors are pleased to submit their Twenty First Annual Report, together with the Audited Statement of Accounts of your Company for the financial year ended 31st March, '98.

FINANCIAL RESULTS :

(Rs. in lacs)	Current year ended 31/03/98	Previous year ended 31/03/97
Sales	2,066.02	2,086.69
Other Income	102.26	70.93
Gross Profit / (Loss) before Depreciation & Taxation	(224.08)	(11.76)
Depreciation	180.21	169.98
Provision for Tax	NIL	NIL
Profit / (Loss) after Depreciation & Taxation	(404.29)	(181.74)

OPERATION :

The turnover of the Company in the year under report was Rs. 2,066.02 Lacs as compared to Rs. 2,086.69 Lacs during the last year. However the Gross Loss incurred by the company sharply increased to Rs. 224.08 lacs as against Rs. 11.76 lacs last year. As you were informed in the last Annual General Meeting, because of uncompetitive prices of Mushroom, Company has restricted the production of Mushroom during the year. By this strategy management saved loss towards the variable cost but being the constant nature of fixed cost, the said cost resulted in the higher losses.

(a) PHARMA DIVISION :

Your Directors are pleased to inform that the Pharma Division performed well during the year. Sales of anthelmintics in the local market showed considerable improvement. We are glad to inform you that the Company has the largest range of anthelmintics in the country and abroad. Triclabendazole and Diminazene Diaceurate were produced and marketed during the year.

(b) MUSHROOM DIVISION :

The prices of Mushroom crashed in the International market, that had adversely effected the financial results of the Company in last year. In view of the above, Directors of your Company proposed to dispose of the division. A foreign party who agreed in principal, to buy the plant could not meet its commitment due to the economic sanctions imposed on India, following to the nuclear test. In the meantime USA Government initiated proceedings for anti dumping in respect of Mushrooms. Fortunately on the basis of preliminary findings the anti dumping duty finalised for Transchem Limited is 9.98% as against 169% imposed on china for export of Mushroom to U.S.A. Because of this high rate of duty the dumping of Mushroom by China in the USA market will come to total halt. To take advantage of this situation your Company has started producing Mushroom in full swing. Your Directors expect a bright future for the Mushroom and that of your Company as well.

(c) ANIMAL HEALTH DIVISION :

Company's plant at Daman whereat Company was manufacturing Veterinary and other drugs was running into losses. Because of this it was decided to close down the said plant as a first step towards the winding up of the entire operation of said Division.

**TRANSCHEM LIMITED****DIVIDEND :**

Considering the adverse financial results of the Company, your Directors have not recommended any dividend to the equity shareholders.

PARTICULARS OF EMPLOYEES :

As required by the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees are set out in the annexure forming part of this report.

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

Information pursuant to Section 217(i)(e) of the Companies Act, 1956, read with the Companies (Disclosure of the particulars in the Report of Board of Directors) Rules, 1988 relating to the foregoing matter in respect of the Pharma Division of the Company is given by way of Annexures to this report.

DEPOSITS :

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

DIRECTORATE :

Mrs. Armin Desai and Mr. Neville P. Charna resigned from the Board of the Company during the year.

In accordance with Section 255 of the Companies Act, 1956 Mr. Bharat B. Merchant shall retire by rotation and being eligible, offers himself for re-appointment.

Mr. Aditya Desai who was co-opted by the Board as Additional Director shall vacate the office of Director by the conclusion of ensuing Annual General Meeting pursuant to Section 260 of the Companies Act, 1956.

INDUSTRIAL RELATIONS :

The Industrial relations continued to be cordial throughout the year.

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 Central & State Government authorities and the Company's Bankers. Your Directors also commend the contribution made by the employees.

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

(**RAJEN K. DESAI**)
Chairman

Place : Thane
Date : 05-11-98

TRANSCHEM LIMITED**ANNEXURE****FORM A**

(See Rule 2)

Form for Disclosure of particulars with respect to conservation of Energy (For Pharma Division) :

A. POWER AND FUEL CONSUMPTION :

	Current Year	Previous Year
1. ELECTRICITY :		
(a) Consumed Unit	831668	740012
Total amount (Rs. in lacs)	32.67	26.93
Rate / Unit (Rs.)	3.93	3.64
(b) Own generation through Diesel Generator Set :		
Unit	18338	45502
Unit per-litre of diesel oil	2.65	2.56
Cost / Units	3.98	3.94
2. COAL :		
Quantity (tonnes)	NIL	NIL
Total Cost	NIL	NIL
Average rate	NIL	NIL
3. FURNACE OIL / L.D.O. :		
Quantity (litres)	255164	276687
Total amount (Rs. in lacs)	23.54	23.26
Rate / Litre	9.23	8.41
4. OTHER / INTERNAL GENERATION :		
Quantity	NIL	NIL
Total Cost	NIL	NIL
Rate / Unit	NIL	NIL

**TRANSCHEM LIMITED****FORM B**

(See Rule 2)

Form for disclosure of particulars with respect to absorption :

FOR PHARMA DIVISION :**Research and Development (R&D) :**

1. Specific areas in which R & D carried out by the company : Diminazene Diacetate & Triclabendazole finalised.
2. Benefits derived as a result of above R & D : Company has the largest product range in Anthelmintic market.
3. Future plan of action : Company is planning to carry on developmental activity on molecules like Praziquantel, Toldimfos.
4. Expenditure on R & D :
 - (a) Capital Rs. NIL
 - (b) Recurring Rs. NIL

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

1. Efforts, in brief, made towards technology absorption, adaptation and innovation : Process for Diminazene Diacetate is commercialised on the plant.
2. Benefits derived as a result of the above e.g. product improvement, cost reduction, product development, import substitution, etc. : Company-marketed successfully Diminazene Diacetate and Triclabendazole.
3. In case of imported technology (imported during the last 5 years reconed from the beginning of the financial year), following information may be furnished :
 - (a) Technology imported NIL
 - (b) Year of import NIL
 - (c) Has technology been fully absorbed ? NIL