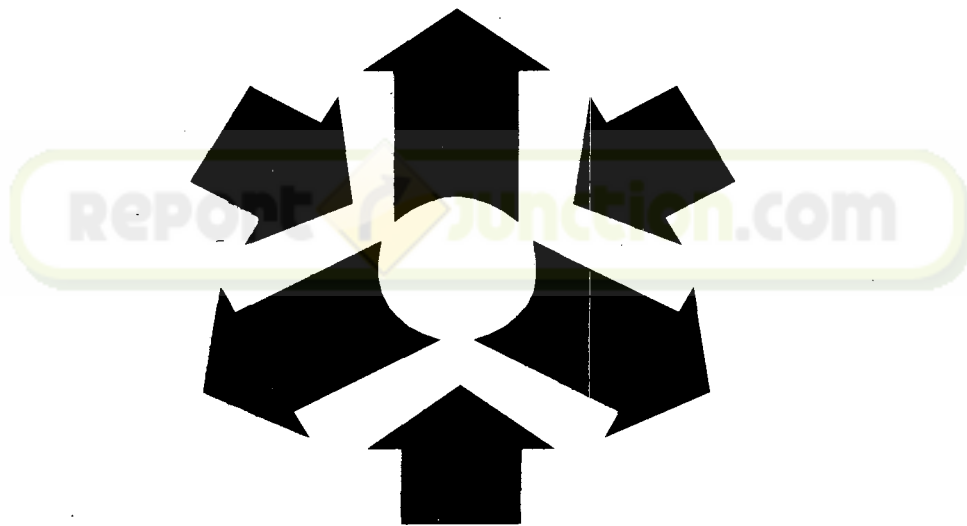


TRANSCHM LIMITED



31ST ANNUAL REPORT 2007-2008



TRANSCHEM LIMITED

BOARD OF DIRECTORS: MR. RAJEN K. DESAI *Chairman*
MR. DILIP SHINDE *Executive Director*
MR. HEMANT LAAD
MRS. BINA SHAH
MR. NEERAV MERCHANT

AUDITORS M/S. L. T. JADAV & CO.

BANKERS HDFC BANK

REGISTERED OFFICE 304, Ganatra Estate, Pokhran Road No. 1,
Khopat, Thane (W) – 400 601.

PLANT Gat No. 379, Village Bebadohol,
Taluka Maval, Dist. Pune – 410 506.

**REGISTRAR & SHARE
TRANSFER AGENT** M/s. Adroit Corporate Services Pvt. Ltd.
19, Jaferbhoy Industrial Estate, 1st Floor,
Makwana Road, Marol Naka,
Andheri (E), Mumbai - 400 059.

TRANSCHEM LIMITED**NOTICE**

NOTICE is hereby given that the Thirty First Annual General Meeting of the members of **TRANSCHEM LIMITED** will be held on Tuesday the 30th day of September, 2008 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, 2008 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. Rajen Desai, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Hemant Laad, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors for the financial year 2008-09 and fix their remuneration. The retiring Auditors M/s. L.T. Jadav & Co. are eligible for re-appointment.

SPECIAL BUSINESS :

TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION :

5. AS AN ORDINARY RESOLUTION :

“RESOLVED THAT pursuant to Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Dilip Shinde, who was appointed Additional Director by the Board of Directors of the Company and in respect of whom a Notice has been received from a shareholder proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company.

6. AS AN ORDINARY RESOLUTION :

“RESOLVED THAT pursuant to Section 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 and pursuant to the recommendation of Remuneration Committee, the appointment of Mr. Dilip S. Shinde, as Executive Director as made by the Board for a period of five years with effect from 10th March 2008, be and is hereby confirmed.

RESOLVED FURTHER THAT Mr. Dilip Shinde the Executive Director shall be overall in-charge of Mushroom factory at Gat No. 379, Village Bebadohol, Taluka Maval, Dist. Pune – 410 506 and be responsible for day to day affairs of the factory and authorized to represent the Company before various statutory authorities including Excise & Customs and shall function under supervision & control of Board of Directors.

RESOLVED FURTHER THAT during his tenure of appointment as Executive Director Mr. Dilip Shinde shall be entitled to remuneration and perquisites as set out below.

Details of remuneration and perquisites:

1. Basic Salary: Not to exceed Rs. 25,000/- per month with liberty to the Board/ Remuneration Committee to grant such annual increments effective 1st April each year as it may in its absolute discretion determine provided that the basic salary should remain within the ceiling as stipulated above.
2. Perquisites: Mr. Dilip S Shinde be entitled for other perquisites and benefits like House Rent Allowance, Medical Allowance and Special Allowances as per the Company's rules subject to a maximum of his basic salary. He shall also be entitled for ex-gratia payment as payable to other employees of the Company.

RESOLVED FURTHER THAT Mr. Dilip Shinde shall devote his whole time and attention to the business and affairs of the Company and discharge the duties assigned to him by the Board of Directors of the Company and under the various statutes governing the day-to-day business of the Company to the best of his ability, skill and diligence.

RESOLVED FURTHER THAT Mr. Dilip Shinde shall not during the continuance of his employment or at time thereafter, divulge or disclose to any person whosoever or make any use whatsoever for his own or for whatever purpose of any confidential information or knowledge obtained by him during his employment as to the business or affairs of the Company or as to any trade secrets or secret know-how or process of the Company.

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

PLACE : THANE
DATE : 28th August, 2008

(RAJEN K. DESAI)
CHAIRMAN

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 29th September 2008 to 4th October 2008.
3. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special businesses to be transacted in the meeting are annexed hereto.

TRANSCHEM LIMITED**ANNEXURE TO THE NOTICE**

Explanatory Statement in respect of the businesses specified as special in the notice pursuant to Section 173(2) of the Companies Act, 1956.

ITEM NO. 5 & 6 :

To optimize the combination of Executive & Non Executive Directors on the Board of the Company Mr. Dilip Shinde an employee of the Company was co-opted by the Board in its meeting held on 10th March 2008 as Additional Director and designated as Executive Director.

Pursuant to Section 260 of the Companies Act he is vacating the office at the conclusion of ensuing Annual General Meeting. However pursuant to Section 257 Company has received notice from shareholder proposing his candidature for the office of Director.

Mr. Dilip Shinde who is a Commerce & Law Graduate and holding Diploma in Labour Law & Welfare & Masters Degree in Personal Management, working with the Company for last six years. Considering his vast experience the Board decided to elevate him to the post of Director. The details of remuneration proposed to be given to Mr. Dilip Shinde are as per the resolution.

Except Mr. Dilip Shinde no other Director is interested in the resolution. Your Directors recommend the resolution for your approval.

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

PLACE : THANE
DATE : 28-08-2008

(RAJEN K. DESAI)
CHAIRMAN

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:

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

1. **Mr. Rajen Desai :**

Name	:	Mr. Rajen Desai
Age	:	59 years
Qualification	:	B.Com
Expertise	:	First generation entrepreneur having over four decades experience.
Other Directorship	:	1
2. **Mr. Hemant Laad :**

Name	:	Mr. Hemant Laad
Age	:	46 years
Qualification	:	B.Com
Expertise	:	Having Expertise in Finance
Other Directorship	:	NIL
3. **Mr. Dilip Shinde**

Name	:	Mr. Dilip Shinde
Age	:	47 years
Qualification	:	B.Com & Law. Diploma in Labour Law & Welfare. Masters Degree in Personnel Management.
Expertise	:	Having about 17 years of experience
Other Directorship	:	NIL

31ST ANNUAL REPORT 2007-2008**DIRECTORS REPORT**

Dear Members,

Your Directors are pleased to submit their Thirty First Annual Report, together with the Audited Statement of Accounts of your Company for the financial year ended 31st March 2008.

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

Particulars	Current year ended 31-03-2008	Previous year ended 31-03-2007
Income from Sales	2753.23	7301.54
Other Income	827.86	147.73
Gross Profit before Depreciation & Taxation	739.61	384.27
Depreciation	189.13	242.41
Provision for Current Tax	242.02	25.34
Provision for Deferred Tax / Adjustment	(41.91)	(29.50)
Profit after Depreciation & Taxation	350.37	149.34

OPERATION :

During the year your company has hived off its Pharma Division. The Company is currently considering various business options including revival of Mushroom Division of the Company or to convert the facilities in Software/ Biotechnology SEZ.

DIVIDEND :

Your Directors have not recommended any dividend to the equity shareholders.

PERSONNEL :

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

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

The Company is not required to give information about conservation of energy etc under section 217(1)(e) of the Companies Act, read with the Companies (Disclosure of the particulars in the report of the Board of Directors) Rules, 1988. During the year your company has earned foreign exchange equivalent to Rs. 1508.55 Lacs and out go was of Rs. 623.24 lacs

DIRECTORS :

Mr. Rajen Desai & Mr. Hemant Laad, Directors, shall retire by rotation in the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

During the year Mr. S G Hegde, Mr. Umesh Saraf and Dr. G S Bhat resigned from the office of Director.

Your Board co-opted Mr. Dilip Shinde, Sr. Executive, of the Company who is posted at Pune plant, as Executive Director of the Company.

DEPOSITS :

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

TRANSCHEM LIMITED

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 Exchanges 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. Mrs. Bina Shah, an Associate member of Institute of Company Secretary is an expert in the financial matter. Mr. Hemant Laad and Mr. Rajen Desai, are holding Bachelor Degree in Commerce, have financial literacy. Mrs. Bina Shah a Non-Executive Independent Director is the Chairperson of the said committee.

DIRECTORS RESPONSIBILITY STATEMENT :

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

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

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

PLACE : THANE
DATE : 28th August, 2008

(RAJEN K. DESAI)
CHAIRMAN

MANAGEMENT DISCUSSION & ANALYSIS

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

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

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



TRANSCHEM LIMITED**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 institutional and other lenders and places due emphasis on regulatory compliance.

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

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

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

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

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

Sr. No.	NAME OF DIRECTOR	CATEGORY OF DIRECTORSHIP	NUMBER OF OTHER DIRECTORSHIPS (#1)	TOTAL NUMBER OF MEMBER-SHIP(S) IN OTHER BOARD COMMITTEES (#2)
1	Mr. Rajen K. Desai, Chairman	Promoter, Non-Executive	1	2
2	Dr. G. S. Bhat*	Executive Director	NIL	NIL
3	Mr. Umesh Saraf*	Executive Director	NIL	NIL
4	Mr. Shivanand Hegde*	Executive Director	NIL	NIL
5	Mr. Hemant Laad	Independent, Non-Executive	NIL	2
6	Mrs. Bina Shah	Independent, Non-Executive	NIL	2
7	Mr. Neerav Merchant	Independent, Non-Executive	NIL	NIL
8	Mr. Dilip Shinde**	Executive Director	NIL	NIL

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

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

* Resigned w.e.f. 01-09-2007

** Appointed on 10th March, 2008.

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

During the financial year ended 31st March 2008, Eight Board Meetings were held on 27th April 2007, 8th May 2007, 30th June 2007, 28th July 2007, 24th August 2007, 27th October 2007, 31st January 2008 & 10th March 2008. 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 29-09-07
1	Mr. Rajen K. Desai	8	Present
2	Mr. Shivanand Hegde	4	Absent
3	Mr. Umesh Saraf	4	Present
4	Dr. G.S. Bhat	4	Present
5	Mr. Hemant Laad	8	Absent
6	Mrs. Bina Shah	8	Present
7	Mr. Neerav Merchant	4	Absent
8	Mr. Dilip S. Shinde	1	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 2008, four Audit Committee Meetings were held on 30th June 2007, 28th July 2007, 27th October 2007 and 31st January 2008.

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