



TRANSCHEM LIMITED

BOARD OF DIRECTORS

MR. RAJEN K. DESAI
MR. DILIP SHINDE
MRS. BINA SHAH
MR. NEERAV MERCHANT

Chairman
Executive Director

COMPANY SECRETARY

MRS. NEERAJA KARANDIKAR

AUDITORS

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

BANKERS

HDFC BANK

REGISTERED OFFICE

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

PLANTS

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 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 ended 31-03-2011 | Previous year 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

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:

| 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 | 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.

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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 :

| Name of the Director | Salary | Benefits | Commission | Sitting Fees | Total (Rs.) | Service Contract / Notice Period |
|-----------------------------|---------------|-----------------|-------------------|---------------------|--------------------|---|
| 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.