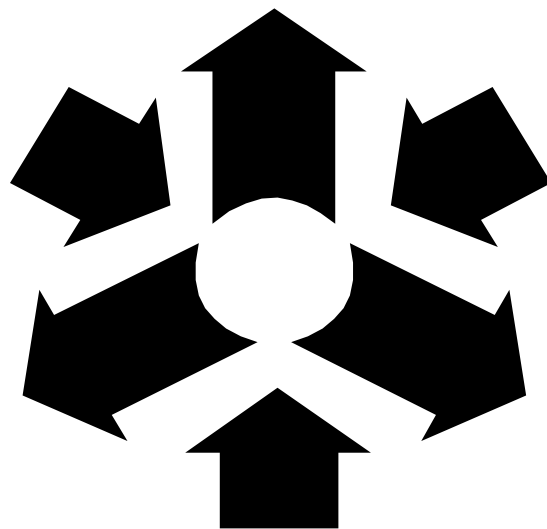


# **TRANSCHEM LIMITED**



**35TH ANNUAL REPORT 2011-2012**



## 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**

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### **NOTICE**

**NOTICE** is hereby given that the Thirty Fifth Annual General Meeting of the members of **TRANSCHEM LIMITED** will be held on Friday the 28th day of September, 2012 at Hotel Royal Inn, Gokul Nagar, Thane (W) - 400 601 at 09.30 a.m. to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2012 and Profit & Loss Account for the year ended on that date along with the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Dilip Shinde, Director who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditor for the financial year 2012-13 and to fix their remuneration. The retiring Auditors M/s. L.T. Jadav & Co are eligible for re-appointment

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

PLACE : THANE  
DATE : 03.09.2012

**(NEERAJA KARANDIKAR)**  
COMPANY SECRETARY

#### **NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be filed with the Company at its Registered Office not later than forty-eight hours before the commencement of the meeting.
2. The Register of members and Share Transfer books of the Company shall remain closed from 24th September 2012 to 29th September 2012 (both days inclusive).

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

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

1. Mr. Dilip Shinde :

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

**DIRECTORS REPORT**

Dear Members,

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

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

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

**OPERATION :**

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

**DIVIDEND :**

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

**PERSONNEL :**

During the financial year 2011-12, there was no employee drawing salary exceeding or equal to the limit as prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975.

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

The Company is not required to give information about conservation of energy etc under section 217(1)(e) of the Companies Act, read with the Companies (Disclosure of the particulars in the report of the Board of Directors) Rules, 1988. During the year your company earned NIL foreign exchange and out go was of Rs. Nil (Previous Year Rs. 3.12 lacs).

**DIRECTORS :**

There was no change in directors during the year.

Mr. Dilip Shinde, Director, shall retire by rotation in the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

**DEPOSITS :**

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

## **TRANSCHEM LIMITED**

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### **INDUSTRIAL RELATIONS :**

The industrial relations continued to be cordial throughout the year.

### **CORPORATE GOVERNANCE :**

The Board has been committed to adopt, besides any obligations under applicable laws or regulations, relevant best practices for Corporate Governance. Further, the Company is regular in submitting compliance reports on Corporate Governance to the Stock Exchange wherein its securities are listed and has fully implemented all the requirements of Clause 49 of the Listing Agreement.

### **AUDIT COMMITTEE :**

Pursuant to the Companies Act, 1956 and Clause 49 of the Listing agreement Board of Directors has constituted an audit Committee. The present constitution of Audit Committee is of three Non-Executive Directors, majority of them being Independent Directors. Mrs. Bina Shah, a Fellow member of the Institute of Company Secretaries of India, an expert in the financial matter, is the Chairperson of the said committee. Mr. Neerav Merchant, Independent Director and Mr. Rajen Desai, Non executive promoter director are the other members of the Audit committee.

### **DIRECTORS RESPONSIBILITY STATEMENT :**

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

- (i) in the preparation of annual accounts, applicable Accounting Standards have been followed.
- (ii) the Directors had selected such accounting policies and consistently applied them and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit/loss for the year.
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) the Directors had prepared annual accounts on a going concern basis.

### **AUDITORS :**

M/s. L.T. Jadav & Co., Chartered Accountants of Mumbai, will retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting and being eligible have expressed their willingness for re-appointment.

### **ACKNOWLEDGEMENT :**

Your Directors wish to place on record their appreciation of the support and co-operation received from the Government authorities and the Company's Bankers. Yours Directors also commend the contribution made by the employees.

PLACE : THANE  
DATE : 03-09-2012

By order of the Board of Directors  
For **TRANSCHEM LIMITED**  
(RAJEN DESAI)  
CHAIRMAN

**MANAGEMENT DISCUSSION & ANALYSIS**

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

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

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

**CORPORATE GOVERNANCE REPORT**

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below :

**A. MANDATORY REQUIREMENTS :****1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :**

The Company's Philosophy on Corporate Governance envisages the attainment of the high level of transparency and accountability in the functioning of the Company and assist the top management of the Company in the efficient conduct of its business internally and externally, including its inter-action with employees, shareholders, creditors, consumers and other stakeholders and places due emphasis on regulatory compliance.

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

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

- 1 Promoter, Non-Executive Director.
- 1 Professional Executive Director.
- 2 Independent, Non-Executive Directors.

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

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

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

#1 Excludes directorships in Indian Private Limited Companies, Membership of Managing Committee of various bodies.

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

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

During the financial year ended 31st March 2012, Five Board Meetings were held respectively on 14th May 2011, 12th August 2011, 2nd September 2011, 14th November 2011 and 14th February 2012. The attendance of each Director at Board Meeting and the last Annual General Meeting (AGM) is as under :

Sr. No.	NAME OF DIRECTOR	Number of Board Meetings Attended	Attendance at last AGM held on 30-09-11
1	Mr. Rajen K. Desai	5	Present
2	Mrs. Bina Shah	5	Present
3	Mr. Neerav Merchant	5	Absent
4	Mr. Dilip Shinde	5	Absent

### 3. AUDIT COMMITTEE :

#### BROAD TERMS OF REFERENCE :

The terms of reference of this Committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956.

The terms of reference of the Audit Committee include the following :

- Reviewing the Company's financial reporting process and the disclosure of its financial information.
- Recommending the appointment and removal of statutory auditors, fixation of Audit fees and also to approve payment to auditors for other services.
- Reviewing the quarterly and annual financial statements with primary focus on accounting policies and practices, compliance with accounting standards and legal requirement concerning financial statements.
- Reviewing the adequacy of internal control systems and its function, ensuring compliance of internal control systems and reviewing the Company's financial and risk management policies.
- Reviewing the reports furnished by the statutory auditors and to ensure suitable follow-ups thereon.

#### COMPOSITION OF AUDIT COMMITTEE :

The Audit Committee comprises of three Non-Executive Directors, majority of them being Independent Directors. The head of Finance & Accounts and the representative of the Statutory Auditors are permanent invitees to the Audit Committee. Mrs. Bina Shah the present Chairperson of the Committee is a Non-Executive Independent Director having expertise in accounting and financial matters.

#### MEETINGS AND ATTENDANCE :

During the financial year ended 31st March 2012, five Audit Committee Meetings were held on 14th May 2011, 12th August 2011, 2nd September 2011, 14th November 2011 and 14th February 2012.

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

Sr. No.	Member	No. of meetings attended
1.	Mrs. Bina Shah	5
2.	Mr. Neerav Merchant	4
3.	Mr. Rajen Desai	5

The minutes of the Audit Committee Meetings are being noted by the Board of Directors at the subsequent Board Meetings.

#### INTERNAL AUDITORS :

The Company has in-built system of internal checks to review the internal control systems of the Company and to report thereon. The reports of such reviews are being submitted to the Audit Committee on regular basis.



## **TRANSCHEM LIMITED**

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### **4. REMUNERATION COMMITTEE :**

#### **BRIEF DESCRIPTION OF TERMS OF REFERENCE :**

- To review, assess and recommend the appointment and remuneration of whole-time / Executive Directors.
- To periodically review the remuneration package of whole-time Directors and to recommend suitable revision to the Board.

#### **COMPOSITION :**

The Remuneration Committee comprises of three Directors, of which, one is promoter, Non-Executive Director and two are independent, Non-Executive Directors. The Chairman of the Committee is a Non-Executive, Promoter Director nominated by the Board.

The present constitution of the Remuneration Committee is as follows :

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

During the financial year 2011-12, no meeting of Remuneration Committee was held.

#### **REMUNERATION POLICY :**

#### **REMUNERATION TO EXECUTIVE DIRECTORS AND / OR WHOLE-TIME DIRECTOR :**

Remuneration to Executive Directors and / or Whole-time Directors is reviewed and recommended by the Remuneration Committee to the Board and thereafter, if required, approved by shareholders in General Meeting.

The remuneration policy is directed towards rewarding performance based on review of achievements. It is aimed at attracting and retaining high caliber talent.

The Company does not currently have any stock option plan or performance linked incentives for its Directors.

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

The details of remuneration paid to all the Directors during the financial year are as follows :

<b>Name of the Director</b>	<b>Salary</b>	<b>Benefits</b>	<b>Commission</b>	<b>Sitting Fees</b>	<b>Total (Rs.)</b>	<b>Service Contract / Notice Period</b>
Mr. Rajen K. Desai	NIL	NIL	NIL	16500	16500	Retirement by rotation
Mr. Hemant Laad*	NIL	NIL	NIL	3000	3000	Retirement by rotation
Mrs. Bina Shah	NIL	NIL	NIL	16500	16500	Retirement by rotation
Mr. Neerav Merchant	NIL	NIL	NIL	15000	15000	Retirement by rotation
Mr. Dilip Shinde	210000	NIL	NIL	NIL	210000	Retirement by rotation

\* Resigned in May, 2011

### **5. SHARE TRANSFER & INVESTORS GRIEVANCE COMMITTEE :**

#### **FUNCTIONS :**

The Board has constituted a share Transfer & Investors Grievance Committee consisting of three members, chaired by the promoter, Non-Executive Director. As the Company has appointed M/s. Adroit