



**TRANSMEDICA (INDIA)
LIMITED**

EIGHTEENTH ANNUAL REPORT

Report  junction.com
2004 - 2005

TRANSMEDICA (INDIA) LIMITED

BOARD OF DIRECTORS

MR. T.A. RATHOD

CHAIRMAN AND MANAGING DIRECTOR

MR. N.S. MANI

MR. S. SANTHANARAMAN

AUDITORS

M.S. KRISHNASWAMI & RAJAN

CHARTERED ACCOUNTANTS

CHENNAI - 600 017.

BANKERS

INDIAN OVERSEAS BANK

TEYNAMPET BRANCH

CHENNAI - 600 018.

FACTORY

UNIT - I

NO-59 TO 65 SEDARAPET INDUSTRIAL ESTATE

SEDARAPET

PONDICHERRY - 605 111

UNIT - II

VILLIANOOR ROAD

ARYAPALAYAM

VILLIANOOR COMMUNE

PONDICHERRY - 605 110

REGISTERED OFFICE :

NO-6 (OLD NO. 20-D), VASAN STREET,

T. NAGAR

CHENNAI - 600 017.

Notice of Eighteenth Annual General Meeting

Notice is hereby given that the Eighteenth Annual General Meeting of this company will be held on the 30th day of September, 2005 at 11.00 A.m. at No.6 Vasan Street, T. Nagar, Chennai - 600 017 to transact the following businesses.

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 2005 and the Profit and Loss Account for the year ended 31st March 2005 and the Report of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr N S Mani who retires by rotation and is eligible for re-appointment.
3. To appoint auditors and fix their remuneration. Pursuant to Section 224 (1) of the Companies Act, 1956 to pass with or without modification the following resolution as an ordinary resolution for the appointment of the Auditors.

"RESOLVED that M/s Krishnaswami & Rajan, Chartered Accountants be and are hereby appointed as the auditors of the Company to hold office from the conclusion of the Eighteenth Annual General meeting till the conclusion of Nineteenth Annual General Meeting of the Company on such remuneration as may be discussed and agreed upon between the Auditors and the Board of Directors of the Company".

Regd. Office : No-6 (old No.20-D), Vasan Street
T. Nagar, Chennai - 600 017.

By order of the Board

Chennai

Date : 01.09.05

T.A. RATHOD
Managing Director

Notes :

1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY MAYBE SENT IN THE FORM ENCLOSED AND IN ORDER TO BE EFFECTIVE MUST REACH THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE MEETING.

3) The Register of Members and the Share Transfer Books of the Company will remain closed from 20th September, 2005 to 30th September 2005 (both days inclusive)

4) The members are requested to notify change in their addresses, if any, to the company quoting their folio numbers.

5) If members have any queries, they may kindly send them two days in advance to the company to help in providing all the possible information.

6) Members / Proxies should bring Attendance Slip and Annual Report for attending the meeting. The Annual Report will not be distributed at the meeting.

TRANSMEDICA (INDIA) LIMITED

DIRECTORS' REPORT

The directors have pleasure in presenting the Eighteenth Annual Report together with the audited Balance sheet of the company as at 31st March 2005, the Profit and Loss Account for the Financial year ending on that date and the Auditors Report thereon.

Financial Results

The financial results the of the company are as follows :

	(Rs in lakhs) For the year ended 31.03.05	(Rs in lakhs) For the year ended 31.03.04
Turnover	Nil	Nil
Raw Materials	Nil	Nil
Human Resources	Nil	0.32
Other Expenses	1.33	8.77
Finance Charges	189.71	455.78
Prior period, Extraordinary Item	Nil	Nil
Loss before depreciation	191.04	464.87
Depreciation	123.08	123.08
Loss for the year	314.12	587.95

The Operations of the company has been suspended effective 11th march 2003. Accordingly there were no transactions during the year under review. Your directors wish to place on record that the commencement of operations effectively depend upon the decision of BIFR with regard to restructure of Loans.

Management Discussion and Analysis:**Industry Structure and Developments**

The Industry is primarily of capital intensive coupled with high operating costs arising out of high standards by hygiene requiring clearance under Food and Drugs Act and quality clearance at the every stage of production. During the periods of growth there is significant increase in margins arising out of highest turnover. The industry is also dependent on fixation of safety standards and on demand/supply of primary rawmaterials- Polypropylene, polythelene and appropriate size of needles. The industry is affected by government policies on import of raw materials levy of indirect taxes and encouragement to primary helathcare. During the period of slump in the economy and due to stiff competition in the market, the contributions from the sale of the products are adversely affected. However, medical disposables being an essential product for hospitals and a necessity in health care, the demand and supply has been showing encouraging growth.

Opportunities and threat:

The industry's main turnover is from the export of the products across the globe. However, with the political and economic environment threats the industry's exports are continuously challenged. With India joining the global arena the export of the products can be maximized which would bring in higher inflow of foreign currency to the country and establish good business relations with the global mainstream of business.

Segment-wise Performance:

The Company is in the business of manufacture and sale of medical equipment and mainly in disposable syringes and as such there is only one reportable segment in terms of Accounting Standards-17 issued by the Institute of Chartered Accountants of India.

Outlook:

Since the operations of the company suspended as such the comment about outlook of the company is not relevant. Your Directors are hopeful of arriving at a settlement with the Financial Institution and the Bank with respect to their outstandings.

Risks an Concerns:

The main risk of labour strike for various demands. The product involves various processes, which are quality and safety oriented, and this creates higher concern.

Internal control System:

The comment about internal control is not relevant as there were no transactions during the year under review.

Review of financial/operational performance:

Comment on the financial/operational performance is not relevant during the year under review.

Human Resources/Industrial Relations:

The company is still having strained relationship with the workers.

Other matters:

There are no transactions during the year with parties/bodies listed in the register maintained under sec.301 of the Companies Act, 1956.

Report on Corporate Governance:

In terms of the Listing Agreement the others matters required to be disclosed in the Annual report of the Company is given in Annexure 1 to this report.

Directors:

Mr N S Mani has been versatile in the manufacture of plastic products and has potential to solve various issues of the company. Hence Board recommends his reappointment. None of the directors other than Mr N S Mani is interested in this resolution.

Particulars as per the Companies (Disclosure in the report of the Board of Directors) Rules, 1988 are disclosed in Annexure II.

Directors' Responsibility Statement:

The Directors State :

- (p) that the preparation of the accounts for the financial year ended 31st March 2005, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (q) Such accounting policies have been selected applied consistently and judgments and estimates have been made that were reasonable and prudent so as give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for the year under review.
- (r) That the directors have taken proper and sufficient care for maintenance of adequate records in accordance with the statute for safeguarding the assets of the company and preventing and detecting fraud and other irregularities.
- (iv) the annual accounts for the year have been prepared on a "going concern" basis.

Fixed Deposits

The Company has not received any fixed deposits from the public and there is no outstanding or overdue deposit in this respect.

Auditors Report

The Board clarifications to various comments of the Auditors in their report dated are as under :

- (a) The Board has clarified in the Annual Report for the year 2002-03 that the operations are only suspended and normal operations would resume once the rehabilitation scheme is sanctioned by BIFR. But during the year under review no further developments from BIFR. Hence the auditors have raised doubt about its ability to continue as a going concern. As the Board expects the favourable orders from BIFR it has been thought fit to prepare the financial statements on a going concern basis.
- (b) During the period under review, IOB has issued Notice under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Act, 2002 and also approached the DRT for recovery of their dues. Your Directors have replied to the same and has approached the IOB, (Bank) for settlement of dues. Your Directors are hopeful of a settlement in the current year of operations.
- (c) IDBI Limited has issued a Notice under Securitisation and Re construction of Financial Assets and Enforcement of Securities Act, 2002 for payment of all dues to them. Your Company has replied to their Notice.
- (d) The Fixed assets and Inventory reflected in the financial statements are physically available though the same remain inaccessible and hence could not comment about its quality. However proper and sufficient care has been taken for safeguarding the same. In view of the suspension of the operations of the company and non payment of salaries and wages to the employees certain records relating to human resources and electricity/power maintained at the factory remain inaccessible. Consequently no provision has been made in the financial statements in respect of the same.
- (e) The company has made certain exports without obtaining the Licence and has not availed any export benefits against the same. Hence the same has been filed with the Foreign trade with the request to adjust the same against the shortfall in export obligation made in the earlier exports. The Management is confident of obtaining the same.
- (f) Steps have already been initiated to settle the ESI and Sales Tax dues of Rs.1.43 and Rs.0.53 respectively.

Acknowledgement

The directors acknowledged with gratitude and wish to place on record their appreciation for the support and co-operation received by the company from central government and state government authorities, Indian Overseas Bank, Public Financial Institutions, Customers, Dealers and shareholders and look forward to their continued support and co-operation.

for and behalf of the Board

Place : Chennai

Dated : 1st September 2005

T A RATHOD

Chairman and Managing Director

Annexure-I Report on Corporate Governance

The Company has complied with certain of the mandatory requirements on corporate governance laid down by the Stock Exchanges.

Mandatory Compliance Requirements:**1. Board of Directors:**

a) Composition: Board of Directors consists of the following directors as on March 31,2005 categorized as indicated and details of memberships of Directors in other Boards and Committees is given below:

Name of the Director Director	Category of Director Director	Membership as on 31.03.05 in other Boards	Membership as on 31.03.05 in other Board committees
Mr. T A Rathod	Chairman and Managing Director	NIL	NIL
Mr. N S Mani	Independent and Non-Executive	NIL	NIL
Mr. S Santhanaraman	Independent and Non-Executive	NIL	NIL

b) Except for the sitting paid to the non-executive directors as detailed in clause herein, there does not exist any pecuniary relationship or transaction between the company and the non-executive directors.

c) Board Meetings: The Meetings of the Board of Directors are scheduled well in advance. During the year under report the Board met 4 times 20.06.2004,12.07.2004,13.10.2004,27.01.2005. All the Directors attended the above said meetings.

d) The Last Annual General Meeting was held on 31.12.2004 and all the directors attended the said Annual General Meetings.

e) Details of Director Seeking Reappointment

Mr. N S Mani has been versatile in the manufacture of plastic products and also has the vast experience in the engineering field. He has the potential in solving the various issues relating to the industry.

2.Audit Committee:

a) As per SEBI guidelines and clause 49 of the Listing Agreement, the audit committee should have at least 3 members, all being non-executive, with majority being independent and at least one director having financial and accounting knowledge. The Company at present has only 3 directors and of which 2 directors are independent and non-executive directors. Consequently, the audit committee is comprised entirely of independent and non-executive directors. Mr S Santhanaraman a Chartered Accountant is the chairman of the Committee and Mr. N S Mani is the other member. Mr S Santhanaraman was present at the Annual General meeting of the Company held on December, 31,2004 to provide any clarifications on matters relating to audit.

Further, the guidelines require the company secretary to act as the secretary to the committee. A Company Secretary could not be appointed due to the stringent financial crisis the company is facing. Necessary steps will be initiated to comply with the requirements once the financial situation improves and the normality in operations restored.

b) During the year under report the committee met 3 times on 20.06.04,13.10.04,27.01.2005. Mr. S Santhanaraman and Mr. N S Mani attended all the meetings and Mr. N Srinivasan Vice President attended all the meetings of the committee as an invitee.

The audit committee held discussions with the statutory auditors on their observations relating to annual audit of the company accounts of the year ended March 31,2004.

3.Remuneration Committee:

The remuneration committee consists entirely of independent and non-executive directors. Mr. N S Mani is the Chairman and Mr. S Santhanaraman is the other member.

The Committee met once on 13.10.04 and the above said members were present at the meeting

The remuneration policy of the company is:

For Managing Director: The total remuneration subject to shareholders approval consist of a fixed component (viz salary, allowances, contribution to provident fund, gratuity and perquisites) and a variable component linked to the performance of the company consisting of commission.

For Non-executive Director: Sitting fees within the limits prescribed under the Companies Act, 1956 in addition to reimbursement of out of pocket and incidental expenses incurred for attending such meetings.

The Details of remuneration paid/payable to the directors for the year 2004-05 are:

Managing Director: Fixed Component-Salary and Perquisites-The managing director have waived the salary and other eligible perquisites for the financial year 2004-05 due to financial constraints faced by the company. (Refer Note 3 of Notes to the Accounts)

Non Executive Directors-Sitting Fees (excluding reimbursement of out of pocket expenses) to Mr. N S Mani Rs.1, 500 and Mr. S Santhanaraman Rs.1, 500/-

4.Shareholders/Investors grievance committee:

The Shareholders/Investors grievance committee consists of all the directors of the Company. Mr. N S Mani non-executive director is the chairman of the committee and Mr. T A Rathod is the compliance officer in this regard.

No complaints received during the year and no equity shares were pending to Transfer as on March 31,2005.