

# **TRANSPEK FINANCE LIMITED**

**18th**  
**ANNUAL REPORT**  
**2008-2009**

# EIGHTEEN ANNUAL REPORT

<b>Board of Directors</b>	: Shri Mukesh D. Patel	Chairman & Managing Director
	Shri Dushyant D. Patel	Executive Director
	Shri K. L. Puri	Director
	Shri Upendra C. Patel	Director
	Shri Yashwant F. Patel	Director
<b>Auditors</b>	: Messrs Deepak Desai & Co.	
	Chartered Accountants, Vadodara.	
<b>Registered Office</b>	: First Floor, ABS Towers, Old Padra Road,	
	Vadodara - 390 007.	
<b>Registrar and</b>	: MCS Limited	
<b>Share Transfer Agents</b>	Unit : Transpek Finance Limited	
	Neelam Appartment, 88, Sampatrao Colony,	
	Above Chhappan Bhog, Alkapuri, Vadodara-390007.	
<b>Bankers</b>	: Union Bank of India	
	Alkapuri, R.C. Dutt Road, Vadodara-390007.	

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# TRANSPEK FINANCE LIMITED

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## NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of **TRANSPEK FINANCE LIMITED** will be held on Friday, 31<sup>st</sup> July, 2009, at 11.00 a.m. at the Registered Office of the Company at 1<sup>st</sup> Floor, ABS Towers, Old Padra Road, Vadodara – 390 007, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31<sup>st</sup> March, 2009, Balance Sheet as at that date and the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Shri Dushyant D. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company and to fix their remuneration.

### Regd. Office:

1<sup>st</sup> Floor, ABS Towers,  
Old Padra Road, Vadodara – 390 007

Date: 16.06.2009

**By Order of the Board,  
For Transpek Finance Limited**

**[ Mukesh D. Patel ]  
Chairman & 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 A PROXY NEED NOT BE A MEMBER.** Proxies, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 29.07.09 (Wednesday) to 31.07.09 (Friday) [Both days inclusive].
3. Shareholders seeking any information with regard to accounts are requested to write to the Company at least seven days in advance so as to enable the Company to keep the information ready.
4. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividends for the financial year ended 31<sup>st</sup> March, 1998, 31<sup>st</sup> March, 1999 and lastly for the year ended 31<sup>st</sup> March, 2000, which remained unclaimed for a period of seven years had been respectively transferred by the Company to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205C of the Companies Act, 1956.

Kindly, note that as such the said unclaimed dividend had already been transferred to the Investors Education and Protection Fund, no claims shall lie against the Company or the said Fund.

5. The Company has in November, 2002, transferred the balance lying in the Refund Order Account for the Equity Shares issued in 1995 to the Investor Education and Protection Fund.
6. Re-appointment of Directors :

At the ensuing Annual General Meeting Shri Dushyant D. Patel retire by rotation and being, eligible offer himself for re-appointment. As required under Clause 49 of the Listing Agreement, the details pertaining to the Director seeking re-appointment are furnished in the statement of Corporate Governance.

**DIRECTORS' REPORT**

**To,**  
**The Members,**

The Directors are pleased to present the Eighteenth Annual Report and the Audited Accounts of the Company for the year ended on 31st March, 2009.

**1. FINANCIAL RESULTS**

	31.03.09	31.03.08
		[Rupees in Lacs]
<b>Particulars</b>		
Total Income	13.79	23.61
Expenditure	23.80	24.19
Finance Charges	1.32	0.59
Gross Profit / Loss after interest but before depreciation and taxation	(11.33)	(1.17)
Depreciation	6.41	5.62
Profit / Loss before Tax	(17.74)	(6.79)
Provisions and write offs	NIL	NIL
Provision for tax (current)	NIL	NIL
Fringe Benefit Tax	0.35	0.30
Deferred Tax Added back / written off	NIL	NIL
Profit / (Loss) after tax	(18.09)	(7.09)
Excess (short) provision of earlier year written off / back (net)	0.18	2.96
Balance brought forward from previous year	(148.98)	(144.85)
Loss carried to Balance Sheet	(167.25)	(148.98)

**2. DIVIDEND**

In view of loss, your Directors do not recommend any dividend on the Equity Share Capital.

**3. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**a) Industry Structure**

The financial year 2008-09 remained a difficult year for Indian economy as a whole, witnessing subdued sales, rising input cost, decline in income & profits, liquidity crunch, crash in capital & property markets, loss of employment and salary cuts. The global meltdown and prevailing recessionary situation has taken its toll from by and large every segment of the society.

The Finance Industry / NBFC Sector was also not spared from above effects. The debacle of large commercial and investment banks has brought turmoil in the Indian stock and money markets and they were adversely affected with unprecedented liquidity crunch and rising interest cost. This has ultimately resulted in sharp decline in sales and profitability of every products such as hire purchase, lease finance, vehicle finance, finance against shares and immovable properties, mutual funds, securities trading, insurance, retail banking etc.

**b) Opportunities and Threats**

The measures adopted by the Reserve Bank of India by bringing cuts in policy rates and stimulating packages introduced by the Central Government has, to some extent, stabilized the capital market and economy as well.

## TRANSPEK FINANCE LIMITED

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The volatile fluctuation in rupee-dollar equation and oil prices has been scaled down. This has provided a spur in the overall economy, which is expected to grow by 5% to 6% during the current year.

However, with the continuing world recession and more numbers of bankruptcy by major corporate houses, the risk / fear factor still visible in the financial markets. A common investor is not fully convinced to believe an end to the recession and not getting ready to come forward for any new investments. This will lead to a rational performance by the industry in the coming period.

### c) Outlook

As far as your Company is concerned, during last couple of years, it has fully concentrated on recovering outstanding dues, to expedite its pending appeals with tax authorities and to liquidate its non-yielding loan and investment products.

In fact, to some extent, the Company has succeeded in achieving aforesaid goals. In the previous year (2007-08), the Company received long pending refund of Rs. 29.29 lacs from the Income Tax department and also liquidated its un-quoted investment held in Admarc Polycoats Private Limited. During the period under review, the Company has re-structured its strategic investments held in Universal Esters Limited, an associate firm and started monitoring its day to day operations so as to make it a profitable venture. Further, investments held in Oneiro Chemicals Limited, another associate firm is being closely watched and the same is expected to yield returns. The Inter-corporate Deposits (ICDs) held in the associate firms are getting re-shuffled from time to time as per requirements and they are generating interest income as per agreed terms.

### d) Risks and Concerns

Your Company is exposed to the normal industry risks factors of interest rate volatility, economic cycle, credit risk, liquidity rising and operational risk. The Company manages these risks by conservative financial profile, cost reduction measures and prudent business practices.

### e) Adequacy of Internal Control

The Company has an adequate internal controls system commensurate with its size and the nature of its business.

The Audit Committee of the Board of Directors reviews the adequacy of internal controls.

### f) Human Resource Development

Your Company continued to have cordial and harmonious relations with its employees.

### g) Discussion on financial performance with respect to operational Performance

The Company has generated total income of Rs. 13.79 lacs in this financial year. The Loss after depreciation and interest stood at Rs. 17.74 lacs. There is no need for any provision for Non-Performing Assets and Bad Debts. After providing for Fringe Benefit Tax of Rs.0.35 lacs, previous year expenses of Rs. 0.18 lacs and carried forward loss of Rs. 148.98 lacs, the total loss of Rs. 167.25 lacs has been carried over.

## 4. DIRECTORS

At the ensuing Annual General Meeting, Shri Dushyant D. Patel, Director of the Company shall retire by rotation and he being eligible offer himself for re-appointment.

## 5. PUBLIC DEPOSITS

The Company has neither accepted nor renewed any Public Deposits during the year under review.

At the end of the financial year, No deposit remained unclaimed on the due dates. In fact the Company has fully repaid all its public deposits and as on date the Company do not hold any fixed deposit from public.

## 6. AUDITORS

M/s. Deepak Desai & Co., have forwarded a certificate to the Company stating that the appointment, if made, will be within the limit specified in Section 224 of the Companies Act, 1956.

**7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Since your Company is not a manufacturing Company, the statement with respect to conservation of energy, technology absorption is not applicable to the Company.

The Company has neither earned nor used any foreign exchange during the year under review.

**8. PARTICULARS OF EMPLOYEES**

The Company did not have any employee falling within the scope of sub-section [2A] of Section 217 of the Companies Act, 1956.

**9. CORPORATE GOVERNANCE**

The report on Corporate Governance pursuant to clause 49 of the listing agreement with Mumbai and Vadodara Stock Exchanges along with the certificate of M/s. Deepak Desai & Co., Chartered Accountants, Vadodara, Statutory Auditors of the Company form part of this report and attached to this report.

**10. DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the Companies (Amendment) Act, 2000, the Directors state that :

- a. In the preparation of the annual accounts for the year ended on 31<sup>st</sup> March, 2009, the applicable Accounting Standards have been followed.
- b. Accounting Policies have been consistently applied. The judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31<sup>st</sup> March, 2009 and the profit and loss of the Company for the accounting year ended on that date;
- c. Proper and sufficient care for maintenance of adequate accounting records has been taken in accordance with the provision of the Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- d. The annual accounts have been prepared on a going concern basis.

**11. COMPLIANCE CERTIFICATE**

The Company has obtained a compliance certificate as required u/s 383A of the Companies Act, 1956, from M/s. H. M. Mehta & Associates, Company Secretaries, Baroda, which is attached herewith, forming part of this report.

**12. ACKNOWLEDGEMENT**

Your Directors acknowledges the support received from all its Business Associates, Bankers, Shareholders and other business constituents.

Your Directors also wish to record their appreciation of the contribution made by employees during the year.

**Regd. Office:**

**1<sup>st</sup> Floor, ABS Towers,  
Old Padra Road, Vadodara – 390 007**

**Date: 16.06.2009**

**By Order of the Board,  
For Transpek Finance Limited**

**[ Mukesh D. Patel ]  
Chairman & Managing Director**

# TRANSPEK FINANCE LIMITED

## CORPORATE GOVERNANCE REPORT

The Securities and Exchange Board of India (SEBI) has introduced comprehensive code of Corporate Governance and is to be implemented in terms of the Listing Agreement with Mumbai and Vadodara Stock Exchanges on or before 31<sup>st</sup> March 2009. The Company has accordingly implemented the code.

### A. MANDATORY REQUIREMENTS

#### 1. Company's Philosophy on Code of Governance

The Company believes in good Corporate Governance, the essential elements of which are fairness, transparency, accountability and responsibility. With this belief, the Company has initiated significant measures for compliance with Corporate Governance.

#### 2. Board of Directors

The Company presently has Five Directors, consisted of :

##### Non-executive Directors :

1. Shri K. L. Puri - Independent Director
2. Shri Upendra C. Patel - Independent Director
3. Shri Yashwant F. Patel - Independent Director

##### Executive Directors :

1. Shri Mukesh D. Patel, Chairman & Managing Director - Promoter Group
2. Shri Dushyant D. Patel, Executive Director - Promoter Group

The Company does not have any Nominee Director appointed by Financial Institutions.

During the year, four Board Meetings were held on 07.05.2008, 26.07.2008, 20.10.2008 and 17.01.2009.

The attendance of the Directors at the Board meeting held during the year and at the last AGM, as also number other directorships / membership of Committees of other Companies are as under:

Name	Attendance at Board Meeting	Attendance at last AGM	No. of other Directorship held	Committee membership	Committee Chairmanship
Shri M. D. Patel	04	Yes	08	07	02
Shri D. D. Patel	04	Yes	06	02	NIL
Shri K. L. Puri	NIL	No	03	01	NIL
Shri U. C. Patel	04	Yes	01	03	02
Shri Yashwant F. Patel	04	No	02	02	01

#### Directors seeking re-appointment

Shri D. D. Patel, aged 54 years has been associated with the Company as one of the Promoter Directors since its incorporation. He holds degree in Electrical Engineer and possesses more than 23 years of experience in the various areas of business including production, finance and marketing. He has been holding Directorships in other companies namely, Oneiro Chemicals Limited, Infinity Consultants Limited, Universal Esters Limited, Torrential Investments Private Limited and M. M. Patel & Sons Private Limited. Moreover, he is also holding memberships in Audit Committee, Share Transfer Committee and Remuneration Committee of the Company.

#### Board Procedure :

The relevant information is placed at the Board Meeting, ensuring good corporate governance. The minutes of committees are also placed before the Board. The agenda notice for the Board meeting is sent in advance to all Directors.

#### Code of Conduct :

The Board of Directors has adopted code of conduct for the Directors and Senior Management of the Company. A declaration recording compliance of the said code for the year ended 31<sup>st</sup> March, 2009 is contained in this report.

**3. Audit Committee**

As per the Clause 49 of the Listing Agreement, the Board of Directors at its meeting held on 1<sup>st</sup> April, 2003 had constituted 'Audit Committee', which was subsequently reconstituted on 31<sup>st</sup> July, 2004, 27<sup>th</sup> June, 2005 and lastly on 17<sup>th</sup> October, 2005.

The Audit Committee presently comprises of two non-executive and independent Directors and one executive and promoter Director. The members of the Committee are:

Name of Director	Designation	No. of Meetings Attended
Shri Upendra C. Patel	Chairman (Independent Director)	04
Shri Yashwant F. Patel	Member (Independent Director)	04
Shri D. D. Patel	Member	04

Four meetings of the Audit Committee were held during the year 2008, as detailed below:

- |                                   |                                   |
|-----------------------------------|-----------------------------------|
| 1. 7 <sup>th</sup> May, 2008      | 2. 26 <sup>th</sup> July, 2008    |
| 3. 20 <sup>th</sup> October, 2008 | 4. 17 <sup>th</sup> January, 2009 |

Necessary quorum was present at all meetings.

The Audit Committee performs the following functions:

1. Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending the appointment and removal of statutory auditors, fixation of audit fees and approval for payment of any other services.
3. Reviewing the annual financial statements before submission to the Board.
4. Reviewing with statutory auditors the adequacy of internal control system.
5. Discussing with statutory auditors before the audit commences on the nature and scope of audit, as well as having post audit discussion to ascertain any area of concern.

**4. Remuneration Committee**

The Board of Directors at its meeting held on 1<sup>st</sup> April, 2003 had constituted 'Remuneration Committee', which was subsequently re-constituted on 31<sup>st</sup> July, 2004, 27<sup>th</sup> June, 2005, 17<sup>th</sup> October, 2005 and lastly on 19.10.2007.

The details of composition of the committee are as follows:

Shri Yashwant F. Patel	Chairman (Independent Director)	
Shri Upendra C. Patel	Member (Independent Director)	
Shri K. L. Puri	Member (Independent Director)	

The Remuneration Committee in their meetings held on 24<sup>th</sup> May, 2007 and 01.01.2008, recommending appointment of Shri D. D. Patel as Executive Director with the terms of remuneration and re-appointment of Shri Mukesh D. Patel as Chairman & Managing Director of the Company with the terms of remuneration, respectively. During the year under review, no meeting of the Remuneration Committee was required to be held.

Shri D. D. Patel was appointed as Executive Director, for a period of five years, w.e.f 01.04.2006, which was later approved by the shareholders in their Annual General Meeting (AGM) held on 25.08.2006 and Shri Mukesh D. Patel was re-appointed as Chairman & Managing Director of the Company, for a further period of five years, w.e.f 05.01.2008, which was later approved by the shareholders at their AGM held on 23.07.2008.

The aggregate value of salary, allowances and perquisites paid to Shri M. D. Patel, Managing Director for the year ended 31<sup>st</sup> March, 2009 was Rs.6,37,200/-, the break up whereof is given herein below:



## TRANSPEK FINANCE LIMITED

<u>Particular</u>	<u>Amount</u>
Salary	Rs. 3,60,000/-
Perquisites	Rs. 2,16,000/-
PF & Provision for Gratuity	Rs. 61,200/-

The aggregate value of salary, allowances and perquisites paid to Shri D. D. Patel, Executive Director for the year ended 31<sup>st</sup> March, 2009 was Rs. 9,90,330/-, the break up whereof is given herein below:

<u>Particular</u>	<u>Amount</u>
Salary	Rs. 9,60,000/-
Perquisites	Rs. 30,330/-

### Remuneration Policy for Non-Executive Directors :

Remuneration by way of sitting fees has been paid to the following non-executive directors for attending the meetings of the Board during the year under review:

Shri K. L. Puri	Rs. NIL
Shri U. C. Patel	Rs. 4000/-
Shri Y.F.Patel	Rs. 3000/-

No remuneration is paid to the Non-executive / Independent Directors.

### Details of Share held by Non-Executive Directors in the Company as on 31<sup>st</sup> March, 2009:

1. Shri K. L. Puri 2000
2. Shri Upendra C. Patel 1000
3. Shri Yashwant F. Patel NIL

### 5. Shareholders and Investors Grievance Committee

The Board of Directors at its meeting held on 1<sup>st</sup> April, 2003 had constituted 'Shareholders and Investors Grievance Committee', which was reconstituted on 7<sup>th</sup> January, 2005. The Committee comprises of three Directors of which two are executive and one is independent. Shri Mukesh D. Patel, Chairman & Managing Director is the Compliance Officer of the Company.

The Committee, inter alia, oversees and reviews all matters connected with the shares and looks into shareholders' complaints.

Letters / complaints as received by the Company were replied to the satisfaction of shareholders / investors. No investor complaints were outstanding as on 31<sup>st</sup> March 2009 and no requests for transfer of shares were pending for approval.

The composition of the committee and the details of the meetings attended by the Members thereof are as follows:

Name of Director	Designation	No. of Meetings Attended
Shri Upendra C. Patel	Chairman (Independent Director)	04
Shri D. D. Patel	Member	04
Shri Mukesh D. Patel	Member	04

The Committee met four times during the year 2008-09.

### 6. General Body Meetings

The details of Annual General Meeting (AGM) held in last three years are as under:

Annual General Meeting	Day, Date and Time	Venue
17 <sup>th</sup>	Wednesday 23 <sup>rd</sup> July, 2009, 11.00A.M.	Registered Office
16 <sup>th</sup>	Thursday 6 <sup>th</sup> September, 2007, 11.00A.M.	Registered Office
15 <sup>th</sup>	Saturday 9 <sup>th</sup> September, 2006, 11.00A.M.	Registered Office

**7. Disclosures**

- (a) There are no materially significant transactions with the related parties. viz. promoters, Directors and their relatives, conflicting with Company's interest. The transactions with related parties are disclosed in note no. 9 of Schedule 15 to the Accounts in the Annual Report.
- (b) No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory Authority on any matter related to capital markets during the last three years.

**8. Means of Communication**

The quarterly, half yearly and yearly financial results are sent to the Mumbai and Vadodara Stock Exchanges immediately after the Board approves the same and the said results are published in financial and non-financial and in English and Gujarati dailies.

The Management Discussion and Analysis Report form part of the Annual Report.

**9. General Shareholder Information**

a. Date, Time and Venue of 18 <sup>th</sup> AGM	31 <sup>st</sup> July, 2009 At 11.00 a.m. at the Registered Office of the Company at 1 <sup>st</sup> Floor, ABS Towers, Old Padra Road, Vadodara – 390 007.		
b. Financial Calender	i. April 2009 to March 2010		
	ii. First Quarter 2009 Results – on or before 31 <sup>st</sup> July 2009.		
	iii. Second Quarter/ Half yearly Results 2009 – on or before 31 <sup>st</sup> October 2009.		
	iv. Third Quarter 2009 Results – on or before 31 <sup>st</sup> January 2010		
	v. Audited Results for the Fourth Quarter/ Year ending 31 <sup>st</sup> March 2010, - on or before 30 <sup>th</sup> June, 2010.		
c. Date of Book closure	29 <sup>th</sup> July, 2009 to 31 <sup>st</sup> July, 2009 [both days inclusive]		
d. Dividend Payment date	NIL, Not Applicable.		
e. Listing on Stock Exchange	The Company has paid Listing Fees for the period 1 <sup>st</sup> April, 2009 to 31 <sup>st</sup> March 2010 to VSE & BSE.		
f. (i) Stock Code – Physical	531254		
(ii) Demat ISIN Number for NSDL & CDSL	INE031G01014		
g. Market price Date : High, Low during each month in last Financial year	The High / Low market price of the shares during the year 2008-2009 at the Stock Exchange, Mumbai were as under.		
	Month	High	Low
	April, 2008	11.75	11.32
	May, 2008	11.29	10.43
	June, 2008	12.03	10.75
	July, 2008	11.17	10.79
	August, 2008	NIL	NIL
	September, 2008	10.46	5.17
	October, 2008	7.75	4.92
	November, 2008	7.90	6.65
	December, 2008	11.40	7.80
	January, 2009	13.10	10.63
	February, 2009	11.05	7.74
	March, 2009	7.36	5.52

# TRANSPEK FINANCE LIMITED

(h) Stock Performance in comparison to Broad-based indices such as BSE Sensex, BSE 200, Nifty 50.	N.A.
(i) Registrar and Transfer Agents	M/s. MCS Limited, Neelam Apartment, 88 Samptrao Colony, Alkapuri Baroda Pin 390 007 Ph.Nos. 233 9397, 2341639
(j) Share Transfer System	All the transfer and transmission requests are processed on fortnightly basis by M/s. MCS Limited, being the Registrar & Transfer Agent (RTA). To facilitate prompt services, the RTA is also authorized to approve the transfers and dispatch the share certificates within stipulated time frame.

## DISTRIBUTION OF HOLDINGS AS ON 31.03.2009

No of Share holding of Nominal Value Rs.	Share Holders Numbers	Share Holders % to total	No. of Shares	Share Amount in Rs.	Share Amount % to total
Up to 5,000	3157	92.07	468616	4686160	13.12
5,001 - 10,000	120	3.50	99492	994920	2.79
10,001 - 20,000	53	1.55	86713	867130	2.43
20,001 - 30,000	40	1.17	100939	1009390	2.83
30,001 - 40,000	13	0.38	44885	448850	1.26
40,001 - 50,000	13	0.38	61417	614170	1.72
50,001 - 1,00,000	7	0.20	54800	548000	1.53
1,00,001 and above	26	0.75	2655438	26554380	74.32
<b>Total</b>	<b>3429</b>	<b>100.00</b>	<b>3572300</b>	<b>35723000</b>	<b>100.00</b>

## Categories of Shareholders as on 31/03/09:

Category	No. of Shares	% of Shareholding
Directors, Relatives, Promoters	2550610	71.40
Financial Institutions	NIL	NIL
NRIs	47990	1.34
Companies/Bodies Corporate	58,960	1.65
General Public	914740	25.61

(l) Dematerialization of Shares and liquidity	15.71% of the paid-up capital has been dematerialized as on 31 <sup>st</sup> March, 2009.
(m) Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity.	The company has not issued any GDRs / ADRs / Warrants or any convertible instruments
(n) Plant Locations	The Company is engaged in NBFC activities and it does not have any plant / manufacturing unit.
(o) Address for correspondence	<b>1. R &amp; T Agent</b> MCS Limited Unit: Transpek Finance Limited Neelam Appt., 88, Sampatrao Colony, Above Chhappan Bhog, Alkapuri, Vadodara - 390 007 Telephone Nos.: [0265] 2339397 Fax No.: [0265] 2341639

	<p><b>2. Registered Office</b>                  Compliance Officer                  Transpek Finance Limited                  1<sup>st</sup> Floor, ABS Towers,                  Old Padra Road,                  Vadodara-390 007                  Telephone Nos.:[0265] 2341648/2341649 Fax No.-[0265] 2336908</p>
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**B. NON-MANDATORY REQUIREMENTS**

<p><b>a. Chairman of the Board</b>                  Whether Chairman of the Board is entitled to maintain a Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties</p>	<p>No. Shri Mukesh D. Patel, Chairman of the Board is also acting as Managing Director of the Company and hence, not applicable.</p>
<p><b>b. Remuneration Committee</b></p>	<p>Please refer to Sr. No. 5 of this Report</p>
<p><b>c. Shareholder rights -</b>                  The quarterly / half-yearly declaration of financial performance including summary of the significant events in last six months should be sent to each house hold of shareholders</p>	<p>As the Company's quarterly / half yearly results are published in English newspaper having a circulation all over India and in a Gujarati newspaper (having a circulation in Vadodara) the same are not sent to the shareholders of the Company.</p>
<p><b>d. Postal Ballot</b></p>	<p>No resolutions requiring postal ballot as contained for matters as required under Clause 4 of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 have been placed for shareholders' approval at the Meeting.</p>
<p><b>e. Audit Qualifications</b></p>	<p>The financial statements of the Company are unqualified for the year ended 31.03.2009.</p>
<p><b>f. Training of Board Members</b></p>	<p>All the Directors have adequate exposure in corporate matters and have expertise in their areas of specialization. Hence, not considered necessary.</p>

**10. Code of Conduct:**

This is to confirm that in accordance with clause 49 of the listing agreement entered into with the stock exchanges, the Company has adopted Code of Conduct for its Board Members and it has obtained affirmation as to compliance of the same from all the Board members for the financial year ended 31<sup>st</sup> March, 2009.

**Regd. Office:**

1<sup>st</sup> Floor, ABS Towers,  
 Old Padra Road, Vadodara - 390 007

**Date: 16.06.2009**

**By Order of the Board,  
 For Transpek Finance Limited**

**[ Mukesh D. Patel ]  
 Chairman & Managing Director**

# TRANSPEK FINANCE LIMITED

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## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

TRANSPEK FINANCE LIMITED

We have examined the compliance of conditions of Corporate Governance by Transpek Finance Limited for the year ended on 31<sup>st</sup> March, 2009 as stipulated in clause 40 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders and Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency of effectiveness with which the Management has conducted the affairs of the Company.

For and on behalf of  
**Deepak Desai & Co.**  
Chartered Accountants

Place : Vadodara  
Date : 16/06/2009

**Deepak G. Desai**  
Proprietor  
Mem. No. 33730

**AUDITORS' REPORT**

**To the Members of  
Transpek Finance Limited**

1. We have audited the attached Balance Sheet of Transpek Finance Limited as at 31st March 2009, the Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in Paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in above paragraph, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by the report are in agreement with the books of accounts of the Company;
  - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
  - e) On the basis of written representations received from the Directors of the Company as on 31st March 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009, from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956;
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes to Accounts and *particularly item no.7 of CARO regarding Internal Audit* give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009;
    - b. In the case of the Profit and Loss Account, of the "Loss" for the year ended on that date,
    - c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of  
**Deepak Desai & Co.**  
Chartered Accountants

**Deepak G. Desai**  
Proprietor  
Mem. No. 33730

Place : Vadodara  
Date : 16/06/2009

## ANNEXURE TO AUDITOR'S REPORT

### Referred to in paragraph 3 of our Report of even date

- 1 (a) The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets;
- (b) The fixed assets have been physically verified by the management during the year. We are informed that no material discrepancies were noticed by the management on such verification.
- (c) The Company has not disposed off a substantial part of fixed assets during the year.
- 2 The Company does not carry out any manufacturing activities and hence clauses 2(a), 2(b) and 2(c) pertaining to inventory are not applicable.
- 3 (a) The Company has granted loans to three Companies covered in the Register maintained under section 301 of the Companies Act, 1956, whose year end balance of loans was Rs.90.69 Lacs. The maximum amount involved during the year was Rs.94.93 Lacs.
- (b) The rate of interest and the other terms and conditions of loans given by the Company, secured or unsecured, are prima facie not prejudicial to the interest of the Company.
- (c) The receipt of the principal and interest amounts, where receivable are regular as stipulated.
- (d) The Company has not taken any unsecured loan from companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- 4 In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system,
- 5 Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 have been so entered,
- 6 In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under as at the end of the year.
- 7 *The Company does not have any formal system of internal audit.*
- 8 As informed to us, the Central Government has not prescribed under section 209 (1) (d) of the Companies Act, 1956, for maintenance of cost records.
- 9 (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the Company has been regular in depositing with appropriate authorities the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Service Tax, Custom Duty, Excise-Duty, Cess and other statutory dues with the appropriate authorities during the year, wherever applicable to it.
- (b) According to the information and explanations given to us, the dues in respect of Income-Tax, Sales-Tax, Wealth-Tax, Service Tax, Custom Duty, Excise-Duty and Cess which have not been deposited on account of any dispute are given hereunder.

## TRANSPEK FINANCE LIMITED

Name of the Statute	Nature of Dues	Amount Rs.	Period to which amount relates	Forum
The Bombay Provincial Municipal Corporation Act, 1949	Municipal Tax	1.25 Lacs	Various Years	Civil Judge (Sr. Dn.) (Vadodara)

- 10 In our opinion, the accumulated losses of the company do not exceed 50% of the net worth of the Company. The company has incurred cash loss during the financial year. However company has not incurred cash loss in the immediately preceding financial year.
- 11 In our opinion and according to the information and explanations given to us, the Company has not defaulted in respect of Payment of Hire Purchase loan taken from ICICI Bank/Axis Bank.
- 12 Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 In our opinion and according to the information and explanations given to us, the nature of the activities of the Company does not attract any special statute applicable to chit fund, nidhi / mutual benefit fund /societies.
- 14 During the year, the Company has maintained proper records of transactions and contracts in respect of dealing and trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other securities held as investments by the company have been held by the Company in its own name.
- 15 According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from bank or financial institutions, the terms and conditions whereof are prima facie prejudicial to the interest of the company.
- 16 According to the information and explanations given to us the company has not raised term loan during the year.
- 17 According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the company has not utilized funds raised on Short Term basis for Long Term Investments.
- 18 The Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19 During the year covered by our audit report the Company has not issued any secured debentures and hence the question of creating security or charge in respect thereof does not arise.
- 20 The Company has not raised any money by public issues during the year covered by our report.
- 21 As per the information and explanations given to us by the management and based upon the audit procedures performed, we report that no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of  
**Deepak Desai & Co.**  
Chartered Accountants

**Deepak G. Desai**  
Proprietor  
Mem. No. 33730

Place : Vadodara  
Date : 16/06/2009



# TRANSPEK FINANCE LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2009

	SCHEDULE	(Rs.)	AS AT 31ST MARCH 2009 (Rs.)	AS AT 31ST MARCH 2008 Rs.)
<b>SOURCES OF FUNDS</b>				
<b>1. SHAREHOLDERS' FUNDS</b>				
a) Share Capital	1	35,723,000		35,723,000
b) Reserves & Surplus	2	20,260,500		20,260,500
			<b>55,983,500</b>	<b>55,983,500</b>
<b>2. LOAN FUNDS</b>				
Secured Loans	3		<b>950,254</b>	1,766,876
			<b>56,933,754</b>	<b>57,750,376</b>
<b>TOTAL</b>				
<b>APPLICATION OF FUNDS</b>				
<b>1. FIXED ASSETS</b>				
a) Gross Block	4	12,777,954		14,650,375
b) Less : Depreciation		5,049,075		4,937,668
c) Net Block			<b>7,728,879</b>	9,712,707
<b>2. INVESTMENTS</b>				
	5		<b>18,905,587</b>	18,905,587
<b>3. CURRENT ASSETS, LOANS &amp; ADVANCES</b>				
a) Current Assets	6	305,424		447,959
b) Loans & Advances	7	13,885,971		14,240,870
		14,191,395		14,688,829
Less : Current Liabilities & Provisions				
a) Current Liabilities	8	617,011		454,974
Net Current Assets			<b>13,574,384</b>	14,233,855
<b>4. PROFIT AND LOSS ACCOUNT</b>				
			<b>16,724,904</b>	14,898,227
			<b>56,933,754</b>	<b>57,750,376</b>
<b>TOTAL</b>				

NOTES ON ACCOUNTS 14

As per our report of even date  
For **Deepak Desai & Co.**  
Chartered Accountants  
(**Deepak G. Desai**)  
Proprietor  
Mem. No. 33730  
Place : Vadodara  
Dated : 16/06 /2009

For and on behalf of the Board

**M.D.Patel** : Chairman & Managing Director  
**D.D.Patel** : Executive Director

Place : Vadodara  
Dated : 16/06 /2009

# TRANSPEK FINANCE LIMITED

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	SCHEDULE	(Rs.)	2008-2009 (Rs.)	2007-2008 (Rs.)
<b>INCOME</b>				
Income from Operations	9		<b>384,673</b>	1,412,334
Other Income	10		<b>1,150,175</b>	2,652,055
Loss on sale of Asset			<b>(155,523)</b>	0
Profit / (Loss) on sale of Investments			<b>100</b>	(1,703,444)
			<b>1,379,425</b>	2,360,945
<b>EXPENDITURE</b>				
Payments to & Provision for Employees	11		<b>1,887,905</b>	1,873,892
Finance Charges	12		<b>132,614</b>	59,433
Administrative & Other Expenses	13		<b>491,995</b>	545,226
Depreciation			<b>640,638</b>	561,913
			<b>3,153,152</b>	3,040,464
<b>PROFIT / (LOSS) AFTER DEPRECIATION BUT BEFORE TAX</b>			<b>(1,773,727)</b>	(679,519)
Provision for Tax (Current)		-	-	-
Fringe Benefit Tax		35,000	-	30,000
Deferred Tax		-	-	-
			<b>35,000</b>	30,000
<b>PROFIT / (LOSS) FOR THE YEAR (AFTER TAX)</b>			<b>(1,808,727)</b>	(709,519)
Excess / (Short) Provision of earlier years written off / Back (net)			-	296,555
Previous year expenses / Income (net)			<b>17,950</b>	-
			<b>(1,826,677)</b>	(412,964)
Balance brought forward from previous year			<b>(14,898,227)</b>	(14,485,263)
Loss carried to Balance Sheet			<b>(16,724,904)</b>	(14,898,227)
<b>EARNING PER SHARE (BASIC)</b>			<b>(0.51)</b>	(0.12)
<b>NOTES ON ACCOUNTS</b>		14		

As per our report of even date  
For **Deepak Desai & Co.**  
Chartered Accountants  
**(Deepak G. Desai)**  
Proprietor  
Mem. No. 33730  
Place : Vadodara  
Dated : 16/06/2009

For and on behalf of the Board

**M.D. Patel** : Chairman & Managing Director  
**D.D. Patel** : Executive Director

Place : Vadodara  
Dated : 16/06/2009

# TRANSPEK FINANCE LIMITED

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	(Rs.)	AS AT 31ST MARCH 2009 (Rs.)	AS AT 31ST MARCH 2008 (Rs.)
<b>SCHEDULE 1 – SHARE CAPITAL</b>			
Authorised Capital			
75,00,000 Equity Shares of Rs. 10/- each		<b>75,000,000</b>	75,000,000
Issued, Subscribed & Paid up			
35,72,300 Equity Shares of Rs. 10/- each fully paid up (P.Y.35,72,300 shares)		<b>35,723,000</b>	35,723,000
		<b>35,723,000</b>	35,723,000
<b>SCHEDULE 2 – RESERVES &amp; SURPLUS</b>			
Share Premium Account		<b>17,332,900</b>	17,332,900
Reserve Fund (u/s 451C of the RBI Act, 1934)			
As per last Balance Sheet	2,927,600		2,927,600
Transferred from Profit & Loss Account	-		-
		<b>2,927,600</b>	2,927,600
		<b>20,260,500</b>	20,260,500
<b>SCHEDULE 3 – SECURED LOANS</b>			
Higher Purchase Finance From ICICI Bank Ltd.		<b>0</b>	539901
Hire Purchase Finance From Axis Bank Ltd.		<b>950,254</b>	1,226,975
		<b>950,254</b>	1,766,876

**SCHEDULE - 4 FIXED ASSETS**

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Ason 01.04.2008	Additions	Sale/ Discarded	Ason 31.03.2009	Ason 01.04.2008	For the year	Deduction Discarded	Ason 31.03.2009	Ason 31.03.2009	Ason 31.03.2008
Building	54,02,607	-	-	54,02,607	8,48,633	87,972	-	9,36,605	44,66,002	45,53,974
Office Equipments	3,04,122	-	-	3,04,122	1,44,746	11,940	-	1,56,686	1,47,436	1,59,376
Air Conditioners	7,63,529	-	-	7,63,529	3,81,554	36,264	-	4,17,818	3,45,711	3,81,975
Computers	13,18,824	-	-	13,18,824	12,83,845	15,324	-	12,99,169	19,655	34,979
Furniture & Fixtures	18,59,134	-	-	18,59,134	11,32,049	1,17,672	-	12,49,721	6,09,413	7,27,085
Vehicles	46,03,237	-	18,72,421	27,30,816	9,88,861	3,58,050	5,29,231	8,17,680	19,13,136	36,14,376
Electrical Inst.	3,98,922	-	-	3,98,922	1,57,980	13,416	-	1,71,396	2,27,526	2,40,942
<b>TOTAL</b>	<b>1,46,50,375</b>	<b>-</b>	<b>18,72,421</b>	<b>1,27,77,954</b>	<b>49,37,668</b>	<b>6,40,638</b>	<b>5,29,231</b>	<b>50,49,075</b>	<b>77,28,879</b>	<b>97,12,707</b>
Previous Year	1,30,45,595	16,17,610	12,830	1,46,50,375	43,75,755	5,64,731	2,618	49,37,868	97,12,507	86,69,840

# TRANSPEK FINANCE LIMITED

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

				AS AT 31ST MARCH 2009 (Rs.)	AS AT 31ST MARCH 2008 (Rs.)
<b>SCHEDULE 5 – INVESTMENTS</b>					
	<b>Face Value</b>	<b>Nos. 31.03.2009</b>	<b>Nos. 31.03.2008</b>		
<b>LONG TERM INVESTMENTS: (At Cost)</b>					
<b>b) OTHER INVESTMENTS:</b>					
<b>(Quoted)</b>					
Aimco Pesticides Ltd.	10	2995	2995	<u>7,937</u>	<u>7,937</u>
				<u>7,937</u>	<u>7,937</u>
(Aggregate Market Value of Quoted Investment is Rs. 13,118/- P.Y.Rs. 26,805/-)					
<b>UNQUOTED : [At Cost]</b>					
Universal Esters Ltd. (Pref. Shares)	100	0	28651	<u>0</u>	<u>28,65,100</u>
Universal Esters Ltd.	10	671260	442052	<u>86,52,650</u>	<u>57,87,550</u>
Infinity Consultants Ltd	10	24500	24500	<u>2,45,000</u>	<u>2,45,000</u>
Oneiro Chemicals Ltd. (Pref. Shares)	10	1000000	1000000	<u>1,00,00,000</u>	<u>1,00,00,000</u>
				<u>1,88,97,650</u>	<u>1,88,97,650</u>
				<u>1,89,05,587</u>	<u>1,89,05,587</u>
<b>SCHEDULE 6 – CURRENT ASSETS</b>					
Interest Receivable				<u>44,368</u>	<u>0</u>
Sundry Debtors (Unsecured, considered good)				<u>2,44,806</u>	<u>0</u>
				<u>2,89,174</u>	<u>0</u>
Cash & Bank Balance					
Cash on Hand				<u>2,360</u>	<u>7,835</u>
Cheques on Hand				<u>0</u>	<u>3,81,280</u>
Bank Balance with Scheduled Banks – In Current Accounts				<u>13,890</u>	<u>58,844</u>
				<u>16,250</u>	<u>4,47,959</u>
				<u>3,05,424</u>	<u>4,47,959</u>

**TRANSPEK FINANCE LIMITED****SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009**

	<b>2008-2009 (Rs.)</b>	<b>2007-2008 (Rs.)</b>
<b>SCHEDULE 7 – LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Intercompany Deposits	<b>90,69,923</b>	35,69,000
Less : Provision for NPA	<b>0</b>	0
	<b>90,69,923</b>	35,69,000
Advance Income Tax	<b>45,04,346</b>	42,60,179
Advance - Others	-	-
Advance Recoverable in cash or in kind or for value to be received	<b>3,11,702</b>	4,87,222
	<b>1,38,85,971</b>	83,16,401
Share Application Money (to Universal Esters Ltd. a company in which directors are interested)	<b>0</b>	59,24,468
	<b>1,38,85,971</b>	1,42,40,869
<b>SCHEDULE 8 – CURRENT LIABILITIES</b>		
Rent Deposit	<b>1,35,000</b>	1,35,000
Sundry Creditors	<b>17,809</b>	18,142
Other Liabilities	<b>4,64,202</b>	2,96,241
Unclaimed Dividend	<b>0</b>	5,591
	<b>6,17,011</b>	4,54,974
<b>SCHEDULE 9 – INCOME FROM OPERATIONS</b>		
Interest received (TDS Rs. 79,178/-) (P.Y. Rs. 3,15,272/-)	<b>3,84,673</b>	14,12,334
	<b>3,84,673</b>	14,12,334
<b>SCHEDULE 10 – OTHER INCOME</b>		
Rent Income (TDS Rs. 1,13,532/-) (P.Y. Rs. 1,24,356/-)	<b>5,40,000</b>	5,40,000
Dividend Income	<b>1,23,500</b>	900
Interest on Income Tax	-	17,49,120
Miscellaneous Income	-	-
Brokerage (TDS Rs. 6,868/-) (P.Y. Rs. 7,420/-)	<b>66,675</b>	72,035
Infrastructure charges recovered	<b>4,20,000</b>	2,90,000
	<b>11,50,175</b>	26,52,055

# TRANSPEK FINANCE LIMITED

## SCHEDULES FORMING PART OF THE PROFIT & LOSS A/C FOR THE YEAR ENDED 31ST MARCH, 2009

	2008-2009 (Rs.)	2007-2008 (Rs.)
<b>SCHEDULE 11 – PAYMENTS TO &amp; PROVISION FOR EMPLOYEES</b>		
Salaries, Wages, and Bonus	2,33,700	2,18,100
Managerial Remuneration	15,66,330	15,73,901
Contribution to PF & Other Funds	81,276	81,078
Canteen Expenses	6,599	813
	<u>18,87,905</u>	<u>18,73,892</u>
<b>SCHEDULE 12 – FINANCE CHARGES</b>		
Bank Charges	1,762	5,306
Hire Purchase Charges	1,30,852	54,127
	<u>1,32,614</u>	<u>59,433</u>
<b>SCHEDULE 13 – ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Travelling & Conveyance	16,975	13,037
Printing & Stationary	37,665	11,915
Insurance	53,138	66,829
Communication Charges	10,144	13,860
Computer Expenses	450	–
Legal & Professional Fees	1,21,839	1,57,048
Advertisement	24,061	25,024
Auditors Remuneration	19,854	18,000
Rates & Taxes	39,417	57,956
Security Transaction Tax	–	239
Stamp Paper & Transfer Form	250	–
Vehicle Expenses	93,704	1,01,955
General Expenses	74,498	79,363
	<u>4,91,995</u>	<u>5,45,226</u>

**SCHEDULES FORMING PART OF THE ACCOUNTS**

**SCHEDULE 14 – NOTES TO THE ACCOUNTS**

**(1) SIGNIFICANT ACCOUNTING POLICES :**

**A. REVENUE RECOGNITION**

- i. In respect of income from operations and other income, the company follows accrual basis of accounting except delayed payment charges accrued and bad debts recovered are accounted on the basis of expected certainty of collection.
- ii. Income is not recognized in respect of Non-Performing Assets, if any, as per the RBI guidelines prescribed under the Prudential Norms for Non-Banking Finance Companies.

**B. EXPENDITURE**

Expenses are accounted on accrual basis.

**C. RETIREMENT BENEFITS**

The Company's contribution to provident fund is charged to the profit and loss account. The company has a scheme of gratuity fund with L.I.C towards retirement benefit. The gratuity fund benefits are administered through the group scheme of the L.I.C of India. The liability for gratuity at the end of each financial year is determined on the basis of actuarial valuation carried out by the actuary and confirmed to the company. Company's contribution are charged to profit and loss account. No provision for leave encashment benefit is made as there is no liability outstanding accruing to the employees.

**D. FIXED ASSETS**

Fixed assets are valued at cost less accumulated depreciation.

**E. DEPRECIATION**

**Own Assets**

The Company provides depreciation on straight line method at the rates prescribed under Schedule XIV of the Companies Act, 1956, on pro-rata basis.

**F. INVESTMENTS**

- i. Long term investments are valued at cost, as per opinion of the Board any Provision for decline in value, other than temporary, has been made wherever necessary.
- ii. Current Investments are valued at lower of cost or fair value.

**G. DEFERRED LIABILITIES AND DEFERRED ASSETS**

The Company has followed the practice of recognizing Deferred Liabilities and Deferred Assets in accordance with Accounting Standard 22, as recommended by Institute of Chartered Accountants of India.

**(2) CONTINGENT LIABILITIES :**

- i. Disputed Interest Tax and Interest demand in Appeal Rs.25.08 Lacs (Previous Year 25.08 Lacs) for which company is in appeal.
- ii. Disputed Municipal Tax Rs.1.25 Lacs (Previous Year Rs.1.25 Lacs)

**(3) (i) DIRECTOR'S REMUNERATION: (Amount in Rs.)**

	31-03-2009	31-03-2008
(a) Salary	13,20,000	13,20,000
(b) Contribution to P.F. & Other Fund	61,200	61,200
(c) Other Allowances	2,46,330	2,53,901
	16,27,530	16,35,101



# TRANSPEK FINANCE LIMITED

## SCHEDULES FORMING PART OF THE ACCOUNTS

(4) In view of inadequate profits in current year, no commission is payable to Directors. Hence, the computation u/s.349 read with Section 309 (5) and Section 198 of the Companies Act, 1956 is not given. The fixed remuneration paid to the Managing Director & Executive Director is, however, shown as per note no.3 above.

(5) REMUNERATION TO AUDITORS :	(Amount in Rs.)	
	<u>31-03-2009</u>	<u>31.03.2008</u>
- Statutory Audit Fees	<b>19,854</b>	20,225
- In other capacity	<b>22,060</b>	28,090
- Out of Pocket Expenses	<b>NIL</b>	NIL
	<u><b>41,914</b></u>	<u>48,315</u>

(6) There are no dues outstanding to Micro, Small and Medium Enterprises as per the Micro, Small and Medium Enterprises Development Act, 2006, for more than 45 days at the Balance Sheet date. The Micro, Small and Medium Enterprises, if any, have been identified on the basis of information available with the company. This has been relied upon by the auditor.

(7) In accordance with "Accounting Standards 22,"Accounting Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has unabsorbed losses and depreciation which gives rise to Deferred Tax Asset (DTA). In the year in which the Deferred tax liability would arise, the benefit of unabsorbed losses and depreciation would be available to the Company.

### (8) RELATED PARTY DISCLOSURES

Disclosures of relationship and transactions with the related parties as required by Accounting Standard 18 issued by the Institute of Chartered Accountants of india are given below.

#### 1. Relationships:

##### (a) Subsidiary of the Company:

Nil

##### (b) Associate:

Universal Esters Limited

Infinity Consultants Ltd.

##### (c) Related parties where control exist:

Torrential Investments Private Limited.

##### (d) Key Management Personnel:

Mr. M. D. Patel

Mr. D. D. Patel

##### (e) Relatives of key management personnel and their enterprises where transactions have taken place:

Onerio Chemicals Ltd.

Note : Related party relationship is as identified by the company and relied upon by the Auditors.

**SCHEDULES FORMING PART OF THE ACCOUNTS**

**2. Transactions carried out with related parties referred in 1 above, in ordinary course of business :**

(Rs. in thousands)

	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above	Referred in 1(d) above	Referred 1(e) above
<b>Leasing and Hire Purchase agreement</b>					
<b>Income</b>					
Interest income on Inter Corporate Deposit placed					248
<b>Expenses</b>					
Interest expenses on Deposits taken					
Remuneration to Managing Dir. / Exe. Dir.				1626	
<b>Finance</b>					
Deposits taken during the year					
Inter Corporate Placed during the year		5924			756
Loans given					
Investments made in equity share capital		2865			
Redemption of Investment in Pref. share capital		2865			
Rendering Services		180	120		120
<b>Outstanding balances</b>					
Receivables					44
Payables					

# TRANSPEK FINANCE LIMITED

## SCHEDULES FORMING PART OF THE ACCOUNTS

- (9) (a) The Company has not required to prepare consolidated financial Statement.  
 (b) Reporting of interest in Associate Companies has been given below :

Name of the Associate Company	Proportion of Equity ownership	Loan given (Bal. as on 31.03.2009)	Proportionate share for the year ended 31.03.2009 (Audited results) (Amount in lacs)		
Universal Esters Ltd.	49%	NIL	Assets	140.24	] proportionate
			Liabilities	267.01	] as per share
			Net Assets	(126.77)	] holding for
			Income	160.74	] the year
			Expenses	174.54	] ended on
			Profit	(13.80)	] March, 2009
Infinity Consultants Ltd.	49%	NIL	Assets	8.01	] proportionate
			Liabilities	4.03	] as per share
			Net Assets	3.98	] holding for
			Income	10.62	] the year
			Expenses	11.12	] ended on
			Profit	(0.50)	] March, 2009

- (10) Disclosure regarding Earnings per share (EPS)

The basic EPS is calculated as under:

Loss attributed to Equity Shareholders (Rs. 1826677/-)

No. of Equity shares (of Rs.10 each) 3572300

Earning per share Rs. (0.51)

- (11) The Company had preferred appeal against order of CIT (Appeals), Baroda before the Honorable Income Tax Appellate Tribunal, Ahmedabad for the Assessment years 1996-97 and 1997-98. At present the disputed liability of Income Tax Rs. 25,07504/- is fully deposited. The Income Tax Department has also preferred appeals with Hon. (ITAT), Ahmedabad against the orders of CIT (Appeals), Baroda decided in the Company's favour for A.Y 1996-97 and 1997-98 for penalty and Interest Tax for which no amount of disputed tax is payable. The details are as under.

Sr.No.	Name of the state & year to which the amount relates	Amount of Liability	Amount of deposit	Balance	Remarks
01	F.Y 1995-96 A.Y 1996-97 IT - 271(1) (c)	4935948	235045	4700903	ITAT, Ahmedabad
02	F.Y 1996-97 A.Y 1997-98 Interest Tax - 13	837790	Nil	837790	Department in appeal
03	F.Y 1996-97 A.Y 1997-98 Interest Tax - 8(2)	699896	699896		Department in appeal

- (12) During the year the Company has Invested an amount of Rs.28,65,100/- in 2,29,208 Equity shares of Universal Esters Ltd. of Rs.10/- each at a premium of Rs.2.50/-.

- (13) Information as required by accounting Standard 15 on "Employee Benefit" as notified by Companies (Accounting Standard) Rules, 2006 is as under.

**a) Defined Contribution Plans:**

The company has recognized the following amount in the Profit and Loss Account for the year.

	<u>2008-09</u>	<u>2007-08</u>
Contribution to Provident Fund	57,776	57,756

**b) Defined Benefit Plans:**

The Company has policy of gratuity of its employees who complete period of qualifying service which is 5 years. This amount is payable at the time of death / retirement or at the time of employee leaving the job after completion of qualifying period of service. The company has formed a Gratuity Trust and taken policy from Life Insurance Corporation of India for managing their group gratuity scheme. The company makes contribution to Life Corporation of India at end of every year based on actuarial valuation carried by them for which data is given by the company. Accordingly, contribution made by the company of Rs. 22020/- is charged to Profit and Loss account.

Major Assumptions made for determination of Defined Benefit Liability are as under.

Valuation Method	Projected Unit Credit Method	
Discount Rate	8% (Previous Year 8%)	
Salary Escalation	7% (Previous Year 7%)	
Mortality Rate	LIC (1994-96 Ultimate (Previous Year LIC (1994-96 ) Ultimate	
Withdrawal Rate	1% to 3% depending on age (Previous Year 1% to 3% depending on age)	
	<u>2008-09</u>	<u>2007-08</u>
As per information available with the company as on 31 <sup>st</sup> March, 2009		
Present Value of Past Service Benefit	2,66,769	2,44,111
Current Service Cost	19,794	19,635
Accrued Liability as on 31 <sup>st</sup> March, 2009	2,74,616	2,53,444

The company does not have any further information about fair value of plan assets under the plan, accordingly disclosures related to planned assets and underlying assumptions has not been disclosed.

- c) No provision for leave encashment benefit is made as there is no liability out standing accruing to the employees..
- (14) The Company is not required to a full time Company Secretary during the year as required by Section 383A of The Companies Act, 1956, as per notification dated 15.03.2009 of the Department of Company Affairs. The compliance Report of the practicing Company Secretary is obtained.
- (15) **IN THE OPINION OF DIRECTORS**
- (i) All current assets, loans and advances are approximately of the value stated if realized in the ordinary course of business.
- (ii) The Provision for all known liabilities have been made except contingent liabilities stated as such.
- (16) Earning and expenditure in foreign currency:- NIL.
- (17) Previous year's figures have been regrouped/rearranged wherever necessary.

# TRANSPEK FINANCE LIMITED

## (17) BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### 1. REGISTRATION DETAILS

Registration No.	:	15044
State Code.	:	04
Balance Sheet Date	:	31.03.2009

### 2. CAPITAL RAISED DURING THE YEAR (Amount in Rs.Thousands)

Public Issue	:	Nil
Right Issue	:	Nil
Bonus Issue	:	Nil
Private Placement	:	Nil

### 3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs.Thousands)

Total Liabilities	:	56934
Total Assets	:	56934

#### SOURCE OF FUNDS

Paid - up Capital	:	35723
Reserves and Surplus	:	20261
Secured Loans	:	950
Unsecured Loans	:	-

#### APPLICATION OF FUNDS

Net Fixed Assets	:	7729
Investments	:	18906
Net Current Assets	:	13574
Accumulated Losses	:	16725

### 4. PERFORMANCE OF COMPANY (Amount in Rs.Thousands)

Turnover [Total Income]	:	1379
Total Expenditure	:	3153
Loss Before Tax and write off	:	1774
Loss After Tax and write off	:	1827
Earning Per Share in Rs.	:	(0.51)
Dividend in Rs. per share	:	NIL

### 5. GENERIC NAMES OF PRINCIPAL PRODUCTS / SERVICES OF COMPANY (As per monetary terms)

Item Code No. (ITC Code)	:	NIL
Product Description	:	Investment
Item Code No. (ITC Code)	:	NIL
Product Description	:	Hire Purchase

As per our report of even date

For **Deepak Desai & Co.**

Chartered Accountants

(**Deepak G. Desai**)

Proprietor

Mem. No. : 33730

Place : Vadodara

Dated : 16/06/2009

For and on behalf of the Board

**M.D.Patel** : Chairman & Managing Director

**D.D.Patel** : Executive Director

Place : Vadodara

Dated : 16/06/2009

**Schedule to the Balance Sheet of a Non-Banking Financial Company**

(as required in terms of Paragraph 9BB of Non-Banking Financial Companies  
Prudential Norms (Reserve Bank) Directions, 1998)

(Rs. in lakhs)

	Particulars		
	Liabilities side :		
(1)	<b>Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :</b> (a) Debentures : Secured Unsecured (other than falling within the meaning of public deposits*) (b) Deferred Credits (c) Term Loans (d) Inter-corporate loans and borrowing (e) Commercial Paper (f) Public Deposits* (g) Other Loans (specify nature) Hire Purchase Loan * Please see Note 1 below	Amount outstanding Nil Nil  Nil Nil Nil Nil Nil Nil 09.50	Amount overdue Nil  Nil Nil Nil Nil Nil Nil
(2)	<b>Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :</b> (a) In the form of Unsecured debentures (b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security (c) Other public deposits * Please see Note 1 below	 Nil Nil  Nil	 Nil Nil  Nil
	Assets side :		
(3)	<b>Break-up of Loans and Advances including bills receivables (other than those included in (4) below) :</b> (a) Secured (b) Unsecured	 Nil 90.70	
(4)	<b>Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities</b> (i) Lease assets including lease rentals under sundry debtors : (a) Financial lease (b) Operating lease (ii) Stock on hire including hire charges under sundry debtors : (a) Assets on hire (b) Repossessed Assets (iii) Hypothecation loans counting towards EL/HP activities (a) Loans where assets have been repossessed (b) Loans other than (a) above	  Nil Nil  Nil Nil  Nil Nil	

# TRANSPEK FINANCE LIMITED

(Rs. in lakhs)

Particulars	Amount outstanding		
(5) <b>Break-up of Investments :</b>			
Current Investments :			
1. Quoted :			
(i) Shares : (a) Equity	Nil		
(b) Preference	Nil		
(ii) Debentures and Bonds	Nil		
(iii) Units of mutual funds	Nil		
(iv) Government Securities	Nil		
(v) Others (please specify)	Nil		
2. Unquoted :			
(i) Shares : (a) Equity	Nil		
(b) Preference	Nil		
(ii) Debentures and Bonds	Nil		
(iii) Units of mutual funds	Nil		
(iv) Government Securities	Nil		
(v) Others (please specify)	Nil		
Long Term in investments :			
1. Quoted :			
(i) Shares : (a) Equity	00.08		
(b) Preference	Nil		
(ii) Debentures and Bonds	Nil		
(iii) Units of mutual funds	Nil		
(iv) Government Securities	Nil		
(v) Others (please specify) NSC	Nil		
2. Unquoted :			
(i) Shares : (a) Equity	88.98		
(b) Preference	100.00		
(ii) Debentures and Bonds	Nil		
(iii) Units of mutual funds	Nil		
(iv) Government Securities	Nil		
(v) Others (please specify)	Nil		
(6) <b>Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :</b>			
Please see Note 2 below			
Category	Amount net of provisions		
	Secured	Unsecured	Total
<b>1. Related Parties**</b>			
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	79.31	79.31
<b>2. Other than related parties</b>			
Total	Nil	90.70	90.70

# TRANSPEK FINANCE LIMITED

(Rs. in lakhs)

(7)	<b>Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)</b> Please see Note 3 below		
	Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
	1. Related Parties**		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	Nil	Nil
	(c) Other related parties	188.98	188.98
	2. Other than related parties	00.08	00.08
	Total	189.06	189.06
	** As per Accounting Standard of ICAI (Please see Note 3)		
(8)	<b>Other Information</b>		
	<b>Particulars</b>	<b>Amount</b>	
	(i) Gross Non-Performing Assets		
	(a) Related parties	Nil	
	(b) Other than related parties	Nil	
	(ii) Net Non-Performing Assets		
	(a) Related parties	Nil	
	(b) Other than related parties	Nil	
	(iii) Assets acquired in satisfaction of debt	Nil	
	<b>Notes :</b> 1. As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998. 2. Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998. 3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/Fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.		

As per our report of even date  
 For **Deepak Desai & Co.**  
 Chartered Accountants  
**(Deepak G Desai)**  
 Proprietor  
 Mem No. 33730  
 Place : Vadodara  
 Dated : 16/06/2009

For and on behalf of the Board

**M.D.Patel** : Chairman & Managing Director  
**D.D.Patel** : Executive Director

Place : Vadodara  
 Dated : 16/06/2009



# TRANSPEK FINANCE LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

(Pursuant to the Listing Agreement with the Stock Exchange)

PARTICULARS	AMOUNT Rs.	2008-2009 (Rs. in Lacs)	AMOUNT Rs.	2007-2008 (Rs. in Lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit Before Tax and Extra ordinary Items		(18.27)		(4.13)
Adjustment for :				
Depreciation	6.41		5.62	
Preliminary & Deferred Revenue Exp. w/off	0.00		0.00	
Provision for Non Performing Assets	0.00		0.00	
Profit / (Loss) on sale of investments	0.00		17.03	
Interest & Dividend Income considered separately	(1.24)		(17.49)	
Interest & Expenses considered separately	0.00		0.00	
Loss / (Profit) on sale of Assets / Discarded Assets	0.00		0.00	
Bad & Doubtful Assets	0.00		0.00	
		5.17		5.16
Operating Profit Before working capital changes		(13.10)		1.03
Adjustment for :				
Trade and Other Receivables	3.10		50.62	
Trade and other Payables	1.27		(121.99)	
		4.37		(71.37)
Cash Generated from Operation		(8.73)		(70.34)
Interest Paid	0.00		0.00	
Income Taxes paid	(2.09)		10.29	
		(2.09)		10.29
Cash Flow before Extraordinary item		(10.82)		(60.05)
Prior Period adjustment		0.00		0.00
		(10.82)		(60.05)
Amount applied for Operative Activities				
Decrease in Stock on Hire	0.00		0.00	
Purchase of Leased Assets	0.00		0.00	
Sale of Leased Assets	0.00		0.00	
Purchase of Current Investment	0.00		0.00	
Sale of Current Investment	0.00		0.00	
		0.00		0.00
Net Cash Generated / (used) from operating activities		(10.82)		(60.05)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets (including CWIP)	0.00		(16.05)	
Sale of Fixed Assets	13.43		0.00	
Purchase of Long Term Investment	(28.65)		(134.25)	
Sale of Long Term Investment	28.65		185.42	
		13.43		35.12
Interest Received	0.00		17.49	
Dividend Received	1.24		0.00	
Net Cash Generated / (used) in Investing Activities		1.24		17.49
Balance c/f		3.85		(7.44)

## TRANSPEK FINANCE LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

PARTICULARS	AMOUNT Rs.	2008-2009 (Rs. in Lacs)	AMOUNT Rs.	2007-2008 (Rs. in Lacs)
Balance b/f		3.85		(7.44)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Proceeds from Long Term Borrowing	0.00		12.81	
Payment of Long Term Borrowing (Term Loan)	(8.17)		(4.51)	
Repayment of Fixed Deposits	0.00		0.00	
Dividend Paid (including tax)	0.00		0.00	
Decrease / Increase in Bank Borrowing	0.00		0.00	
Increase in other Borrowing	0.00		0.00	
Decrease in Other Borrowing	0.00		0.00	
Net Cash Generated / (used) in financing activities		(8.17)		8.30
NET INCREASE IN CASH AND CASH EQUIVALENTS		(4.32)		0.86
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		4.48		3.62
CASH AND CASH EQUIVALENTS AT END OF YEAR		0.16		4.48

As per our report of even date

For **Deepak Desai & Co.**

Chartered Accountants

(**Deepak G. Desai**)

Proprietor

Mem No. 33730

Place : Vadodara

Dated : 16/06/2009

For and on behalf of the Board

**M.D.Patel** : Chairman & Managing Director

**D.D.Patel** : Executive Director

Place : Vadodara

Dated : 16/06/2009

# TRANSPEK FINANCE LIMITED

Regd. Office : First Floor, ABS Tower, Old Padra Road, Vadodara - 390 007.

## ADMISSION SLIP

Shareholders attending the Meeting in person or by proxy are requested to complete the attendance slip and hand it over at entrance of the meeting hall.

I hereby record my presence at the 18th Annual General Meeting held on Friday, 31st July, 2009, at 1st Floor, ABS Tower, Old Padra Road, Baroda - 390 007 at 11.00 a.m.

Full Name of the shareholder \_\_\_\_\_

Folio No. : \_\_\_\_\_ Signature \_\_\_\_\_

Full Name of the Proxy \_\_\_\_\_ Signature \_\_\_\_\_

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# TRANSPEK FINANCE LIMITED

First Floor, ABS Tower, Old Padra Road, Vadodara - 390 007.

## PROXY FORM

I / We \_\_\_\_\_

of \_\_\_\_\_ in the district of \_\_\_\_\_

\_\_\_\_\_ being a Member(s) of

the above named Company, hereby appoint \_\_\_\_\_

of failing him \_\_\_\_\_

of \_\_\_\_\_ in the district of \_\_\_\_\_

as my / our proxy to vote on my/our behalf at the 18th Annual General Meeting of the Company, to be held on Friday, 31st July, 2009, at 11.00 a.m. and at any adjournment thereof.

Name \_\_\_\_\_

Address \_\_\_\_\_

Signed this \_\_\_\_\_ day of \_\_\_\_\_ of \_\_\_\_\_ 2009.

Rs. 1/-  
Revenue  
Stamp



Book - Post

Postal  
Stamp

To,

If undelivered, please return to :

**TRANSPEK FINANCE LIMITED**

Regd. Office : First Floor, ABS Tower,  
Old Padra Road, Baroda - 390 007.