

# **TRANS FINANCIAL RESOURCES LIMITED**

**ANNUAL REPORT OF  
2002 - 2003**

**Dharmendra & Khajanchi  
Chartered Accountants  
8-B, Vardan Exclusive,  
Near Stadium Petrol Pumps,  
Navrangpura, Ahmedabad – 380 009**

**AUDITORS REPORT**

We have audited the attached Balance Sheet of M/S TRANS FINANCIAL RESOURCES LIMITED as at 31st March 2003 and also the Profit & Loss Account 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.

We have 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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.

As required by the Manufacturing and other companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:


1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. 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.
3. The Balance Sheet and Profit & Loss Account dealt with by this Report are in agreement with the Books of Accounts.
4. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.



5. On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2003 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2003 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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 31<sup>st</sup> March, 2003 and
- b) in the case of the Profit and Loss Account, of the Loss Rs. 10883761/- for the year ended on that date.

**FOR DHARMENDRA & KHAJANCHI  
CHARTERED ACCOUNTANTS**

PLACE : AHMEDABAD  
DATE :

  
**DHARMENDRA SOLANKI**  
PARTNER



**ANNEXURE TO THE AUDITORS' REPORT**

Annexure to the Auditors Report referred to in paragraph 1 of our report of even date on the Accounts for the year ended on 31<sup>st</sup> March, 2003 of **M/S TRANS FINANCIAL RESOURCES LIMITED**

1. The Company has maintained proper records of assets showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at the end of the year which in our opinion is reasonable having regard to the size of the company and the nature of its business. No material discrepancies were noticed on such verification.
2. None of the fixed Assets have been revalued during the period.
3. The Company has taken unsecured loans from Directors & Companies in which the Directors of the Company are interested. The Loans are interest free and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
4. The parties to whom the Loans & Advances in the nature of Loan have been granted by the company are interest free and given temporarily which however is yet to be recovered.
5. The stocks of finished goods, stores and spares have been physically verified by the management during the year. In our opinion the frequency of verification is reasonable.
6. The procedure of physical verification of stocks followed by the management are in our opinion is reasonable and adequate, having regard to the size of the Company and the nature of its business, as per information and explanations given to us.
7. The discrepancies noticed on verification between physical stock and book records were not material.
8. The valuation of the stock is fair and proper in accordance with the normally accepted accounting principles. Valuation of closing stock of finished goods is done at cost or realizable value which ever is less and valuation of stock of shares as stock in trades is done at cost which is same in preceding year.
9. In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with size of the company and nature of its business with regard to the purchase of stores, and finished goods including components plant and machinery equipment and other assets and for the sale of goods.
10. In our opinion and according to the information and explanations given to us the transactions for purchase of goods and materials made in pursuance to agreement entered in the registers maintained under section 301 of the companies Act. 1956 and aggregating during the year to Rs. 50,000/- or more in respect of each party have been made at prices which are reasonable having regard to the prevailing market price for such goods or materials or the prices at which transactions for similar goods, materials or services have been made with other parties.



11. During the year under review no parts of stores or finished goods have been determined as unserviceable / damaged.
12. The company has not given interest free loans and advances to its employees.
13. It is informed to us that the provisions of employees state insurance Act. & Provident Fund Act are not applicable to the Company.
14. The company is still in the process of implementing internal audit system commensurate with the size of the business as explain to us by the company.
15. According to the information and explanations given to us no undisputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty and Excise Duty were outstanding as at 31st March, 2003 for a period of more than six months from the date they became payable.
16. According to the information and explanations given to us no personal expenses of the employees or directors have been charged to revenue accounts other than those payable under contractual obligations or in accordance with generally accepted business practice.
17. The Company has not accepted fixed deposit from the public.
18. We are informed that the Central Government has not prescribed the maintenance of cost record under section 209 (1) (d) of the companies Act, 1956.
19. The company is not a Sick Industrial Company within the meaning of clause (O) of Sub-section (1) of Section 3 of the Sick Industrial Companies ( Special Provision ) Act. 1985.

FOR DHARMENDRA & KHAJANCHI  
CHARTERED ACCOUNTANTS

PLACE : AHMEDABAD  
DATE :



*[Signature]*  
**DHARMENDRA SOLANKI**  
PARTNER

**TRANS FINANCIAL RESOURCES LIMITED  
BALANCE SHEET AS AT 31ST MARCH, 2003**

PARTICULARS	SCHEDULES	(RS.)	31-03-2003	(Rs.)	31-03-2002
<b>SOURCES OF FUNDS :</b>					
<b>I. Shareholder's Funds</b>					
(a) Share Capital	1		50191000		50191000
(b) Reserves and Surpluses	2		2450000		2450000
<b>2. Loans Funds</b>					
(a) Secured Loans	3		89682		89682
(b) Unsecured Loans	4		71001219		70539619
<b>TOTAL</b>			<b>123731901</b>		<b>123270301</b>
<b>II. APPLICATION OF FUNDS</b>					
<b>1. Fixed Assets</b>					
(a) Gross Block	5	4680039		4680039	
(b) Less: Depreciation		1864121		1721248	
(c) Lease Adjustments		1939520		1939520	
(d) Net Block			876398		1019271
<b>2. Investments</b>					
	6		11310000		11310000
<b>3. Current Assets, Loans &amp; Advance</b>					
Less:	7	90339905		1974497	
<b>4. Current Liabilities and provisions</b>					
	8	10176385		1871643	
<b>5. Miscellaneous Expenditure (to the extent not written off)</b>					
Preliminary & Public Issue		679912		1019864	
Preliminary Expenses w/off		339952		339952	
		339960		679912	
Profit & loss A/c		31042025		20158264	
			31381984		20838176
<b>TOTAL</b>			<b>123731901</b>		<b>123270301</b>
Notes Forming Part of Accounts	11				

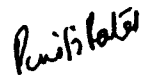
As per our report attached  
For Dharmendra & Khajanchi  
Chartered Accountants



Dharmendra Solanki  
(Partner)  
Place : Ahmedabad  
Date :



For Trans Financial Resources Limited  
For and on behalf of the Board,



(Director)  
Place : Ahmedabad  
Date :




(Director)



**TRANS FINANCIAL RESOURCES LIMITED**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2003**

PARTICULARS	SCHEDULES	(RS.)	AS AT 31-03-2003	(Rs.)	AS AT 31-03-2002
<b>I INCOME</b>					
Income from Operations	9		253247		13081
Inventory Stock in trade			1603750		5605370
		<b>TOTAL</b>	<b>1856997</b>	<b>TOTAL</b>	<b>5618451</b>
<b>II EXPENDITURE</b>					
Purchase and Stock in trade			5605370		5605370
General Administration Expenses	10		1193618		1354245
Interest			0		2950
Depreciation on owned Assets	5		142873		128247
Depreciation on leased Assets	5		0		0
Miscellaneous Expenses written off			339952		339952
Provisions for substandard assets			5458945		1960000
		<b>TOTAL</b>	<b>12740758</b>	<b>TOTAL</b>	<b>9390764</b>
Profit Before Tax			-10883761		-3772313
Less : Prior period Items			0		63240
Provision For Tax			0		0
Profit after Tax			-10883761		-3835553
Add: Bal. Brought Forward			-20158264		-16322711
Total available for appropriation			-31042025		-20158264
Appropriation (Transfer to General Reserve)			0		0
Balance Carried to Balance Sheet			-31042025		-20158264
Balance Carried to Balance Sheet			-31042025		-20158264

As per our report attached  
 For Dharmendra & Khajanchi  
 Chartered Accountants

  
 Dharmendra Solanki  
 (Partner)  
 Place : Ahmedabad  
 Date :

For Trans Financial Resources Limited  
 For and on behalf of the Board,

   
 (Director) (Director)  
 Place : Ahmedabad  
 Date :



**TRANS FINANCIAL RESOURCES LIMITED**

**SCHEDULES FORMING PART OF THE ACCOUNTS :**

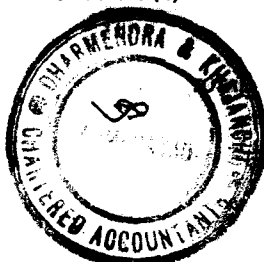
	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
	<b>31.03.2003</b>	<b>31.03.2002</b>
<b>SCHEDULE -1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED :</b>		
6000000 EQUITY SHARES OF RS.10/-	6000000	6000000
EACH.(4000000 EQUITY SHARES OF		
RS.10/- EACH PREVIOUS YEAR)		
<b>ISSUED &amp; SUBSCRIBED &amp; PAID UP</b>		
5019100 EQUITY SHARES OF RS.10/- EACH FULLY PAID	50191000	50191000
(Previous Year 5019100 EQUITY SHARES OF RS.10/- EACH FULLY PAID UP)		
	<b>50191000</b>	<b>50191000</b>
<b>SCHEDULE-2</b>		
<b>RESERVES AND SURPLUS</b>		
Share Premium	1450000	1450000
General Reserve	1000000	1000000
	<b>2450000</b>	<b>2450000</b>
<b>SCHEDULE-3</b>		
<b>SUCURED LOANS</b>		
Vijaya Bank Ltd. A/c.	89682	89682
(secured against Fixed Deposits Lien Marked to the bank)		
	<b>89682</b>	<b>89682</b>

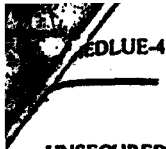




**TRANS FINANCIAL RESOURCES LIMITED**  
**SCHEDULE -5**  
**FIXED ASSETS**

PARTICULARS	COST OF ASSETS AS ON 01-04-2002	ADDITIONS	DEDUCTIONS	TOTAL COST AS ON 31-03-2003	LEASE ADJ	DEPRECIATION UP TO PREV. YEAR	DEPRECIATION TOTAL FOR THE YEAR DEPRECIATION UP TO 31/03/03	LEASE ADJUSTMENTS UP TO 31/03/03	NET BLOCK 31/03/2003	NET BLOCK 31/03/2002	
<b>OWN ASSETS</b>											
Office Equipments	445238	0	0	445238	0	218365	-26777	191588	0	253650	226873
Furniture & Fixtures	98615	0	0	98615	0	45238	6006	51244	0	47371	53377
Owned Vehicles	1236186	0	0	1236186	0	526165	163644	689809	0	546377	710021
<b>SUB TOTAL (A)</b>	<b>1780039</b>	<b>0</b>	<b>0</b>	<b>1780039</b>	<b>0</b>	<b>789768</b>	<b>142873</b>	<b>932641</b>	<b>0</b>	<b>847398</b>	<b>990271</b>
Instrumentation & Monitoring System	2900000	0	0	2900000	0	931480	0	931480	0	29000	29000
Energy Flow & Emulsion Burner											
Leased Office Equipments	0	0	0	0	0	0	0	0	0	0	0
Leased Whicles	0	0	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)</b>	<b>2900000</b>	<b>0</b>	<b>0</b>	<b>2900000</b>	<b>0</b>	<b>931480</b>	<b>0</b>	<b>931480</b>	<b>0</b>	<b>29000</b>	<b>29000</b>
	<b>4680039</b>	<b>0</b>	<b>0</b>	<b>4680039</b>	<b>0</b>	<b>1721248</b>	<b>142873</b>	<b>1864121</b>	<b>0</b>	<b>876398</b>	<b>1019271</b>





**UNSECURED LOANS**

UNSECURED LOAN ( AS PER ANNEXURE "A")	12025907	1675907
INTER CORPORATE DEPOSITS (AS PER ANNEXURE 'B')	58975312	68863712
	<u>71001219</u>	<u>70539619</u>

**SCHEDULE-6**

**INVESTMENTS  
UNLISTED**

50000 Equity Shares of Rs.10/-each of Apple Amusement Industries Limited (Previous Year 50000 Shares)	500000	500000
(A) TOTAL ---->	<u>500000</u>	<u>500000</u>
250000 Equity Shares of Rs.10/-each of Arrow Securities Limited (Previous Year 250000 Shares)	2500000	2500000
330000 Equity Shares of Trans Techno Foods Ltd. @ Rs.7/- PER SHARE (Previous Year 330000 Shares)	2310000	2310000
10,00,000 EQUITY SHARES OF TRANS TECHNO FOODS LIMITED. @ Rs.6/- PER SHARE (Previous Year 1000000 Shares)	6000000	6000000
(B) TOTAL ---->	<u>10810000</u>	<u>10810000</u>
TOTAL OF (A+B)	<u>11310000</u>	<u>11310000</u>



**TRANS FINANCIAL RESOURCES LIMITED**  
**SCHEDULES FORMING PART OF THE ACCOUNTS :**

	CURRENT YEAR 31.03.2003	PREVIOUS YEAR 31.03.2002
<b>SCHEDULE-7</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
Loans & Advances	71840160	66490226
Sundry Debtors	13977998	14782083
Deposits	107400	107400
Cash & Bank	130637	2284026
TDS (on interest & third Party)	414332	420415
Stock in Trade	1603750	5605370
Advance Income Tax	25000	25000
Advances for Expenses	0	19350
Interest Receivables	2240627	2240627
	<b>90339905</b>	<b>91974497</b>



**TRANS FINANCIAL RESOURCES LIMITED**  
**SCHEDULES FORMING PART OF THE ACCOUNTS :**

	CURRENT YEAR	PREVIOUS YEAR
	31.03.2003	31.03.2002

**SCHEDULE-8**

**CURRENT LIABILITIES & PROVISIONS**

Unpaid Rent	75000	75000
Provisions (As Per Annexure " C")	53205	56377
Creditors For Expenses (As Per Annexure " D")	9826717	1518803
Interest payable	221463	221463
	10176385	1871643

**SCHEDULE-9**

**Income from Operations**

Sales of shares	238000	0
Interest	9599	13020
Insurance Claim	5648	61
	253247	13081



**TRANS FINANCIAL RESOURCES LIMITED**  
**SCHEDULES FORMING PART OF THE ACCOUNTS :**

	CURRENT YEAR 31.03.2003	PREVIOUS YEAR 31.03.2002
<b>SCHEDULE-10</b>		
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES</b>		
A C Repairing Expenses	3000	12570
Advertisement expenses	2904	21250
Audit Fees	17820	0
Bank charges/Bank Interest	3644	16774
Bank commission	0	197
Bonus Expenses	45700	33300
Books & Periodical Expenses	4543	2886
Computer Accessories Expenses	700	0
Demat Expenses	0	150
Directors Salary	36000	36000
Donation	0	25151
Electricity Charges	11959	51007
Filling Fees	0	2500
Insurance expenses	0	11678
Legal & professional charges	15000	30000
listing Fees	0	30000
Maintanance Charges	0	1200
Miscellaneous Expenditure	8270	0
Motor Car Expense	221520	182134
Office Expenses	0	45714
Printing & Stationary & Xerox Expenses	6792	16352
Salary Expenses	562833	446800
Staff & Welfare Charges	21303	19992
Software Development	0	78350
Telephone Expenses	221890	280158
Travelling Expenses	6740	6572
Vakil Fees	3000	3000
	1193618	1354245



**SCHEDULE: 11**

**NOTES FORMING PART OF THE ACCOUNTS**

	<b>31-03-2003</b>	<b>31-03-2002</b>
1. Contingent Liabilities is:	NIL	NIL
2. Provision of sub standard assets are made as per the guideline of RBI dated 31/1/99		
3. The company has not provided for diminution in the value of investments. It has been explained to us this investment are of long term in nature and hence temporary fluctuations in the market price are ignored by the company.		
4. Director Remuneration	31-03-2003 36000/-	31-03-2002 36000/-
5. Depreciation on assets has been provided for on Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956. for assets added during the year, prorata depreciation has been provided from the date of assets are put to use.		
6. Information pursuant to the provision of paragraph 3 & 4 of Part – II of Schedule VI of the Companies Act, 1956.		
• Expenditure in respect of employees who are in receipt of remuneration aggregating to Rs 2400000/- or more for the year (previous year Rs 2400000/-) or Rs 200000/- per month (previous year Rs 200000/- per month) of employed for a part of the year.		
	<b>31-03-2003</b>	<b>31-03-2002</b>
• Employed throughout year	NIL	NIL
• Employed for a part of the year	NIL	NIL
• Licensed Capacity	N A	N.A.
• Install Capacity	N.A.	N.A.



• Details of Sales and Stock Summary

2001-2002

OPENING STOCK			PURCHASE		SALES		CLOSING STOCK	
01-04-01							31-03-02	
SCRIPT	QTY	VALUE	QTY	VALUE	QTY	VALUE	QTY	VALUE
Trans techno Food Ltd.	560000	5600000	0	0	0	0	560000	5600000
<b>TOTAL</b>	<b>560000</b>	<b>5600000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>560000</b>	<b>5600000</b>

2002-2003

OPENING STOCK			PURCHASE		SALES		CLOSING STOCK	
01-04-02							31-03-03	
SCRIPT	QTY	VALUE	QTY	VALUE	QTY	VALUE	QTY	VALUE
Trans techno Food Ltd.	560000	5600000	0	0	400000	2380000	160000	1600000
<b>TOTAL</b>	<b>560000</b>	<b>5600000</b>	<b>0</b>	<b>0</b>	<b>400000</b>	<b>2380000</b>	<b>560000</b>	<b>5600000</b>

7. Auditor's Remuneration

	31-03-2003	31-03-2002
(a) As Auditors	17820/-	22150/-
Tax Audit Fees	Nil	Nil
(b) In other capacity		
(1) For Income- tax	3000/-	3000/-
(2) For Company Law Matter	Nil	Nil
(3) For Certification Work	Nil	Nil
(4) For other works	Nil	Nil



7. In the Opinion of Management the current assets appearing in the books of account have realizable value in the ordinary course of business which in aggregate is not less than the amount stated therein in respect of loans & advances where appropriate provisions are made as per R.B.I Guidelines.
8. In the Absence of any certainty that sufficient future taxable income will be available and past accumulated losses, the company has not made any provision for deferred Tax Liabilities in the Books.
9. Debit and Credit Balance in the Accounts of Suppliers, Debtors and other are subject to confirmation.
10. Previous year figures have been regrouped/reclassified wherever necessary.
11. Schedule 1 to 11 form integral part of the Balance Sheet & Profit & Loss Account.
12. Closing Stock is taken valued and certified by the management.
13. Significant accounting policies followed by the company are as stated in the statement annexed to this schedule.
14. Information required in terms of Part IV of Schedule VI to the Companies Act, 1956 as complied by the Company is attached.
15. As per R.B.I. Guideline applicable to N.B.F.C lease income outstanding for more than 6 months is credited on realizable basis.
16. Significant Accounting Policies

#### **Basis of preparation of Financial Statements**

The Accounting and financial statement have been prepared on the historical cost basis of accounting and on the basis of going concern.

#### **Income**

- (a) In respect of lease management fee Documentation charges and hire purchase charges arising out of hire purchase agreements, it is the company's general policy to accrue income as per the terms of the agreements entered into with the lessees/hirers.
- (b) Interest income in respect of loans etc. Considered doubtful is not provided for.
- (c) Income from bill/hundies discounted is accounted fully at the time of realization.
- (d) Delayed payment charges are accrued on the basis of certainty of realization.
- (e) In respect of income the company follows the practice of accounting for such income on accrual basis.
- (f) Income from nonfund based activities like issue coordination etc. is accounted on completion of assignment.





**Expenditure**

(a) It is the company's policy to provide all expenses on accrual basis.

**Investments**

Investments are valued at cost of acquisition.

**Inventories**

(a) Stock of shares as stock in trade is valued at cost.

**Deferred Tax**

Provision for tax is made for both current and deferred taxes. Current Tax is provided on the estimated taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing difference and which are capable of reversal in subsequent periods, are recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are not recognised unless there is sufficient assurance with respect to reversal of the same in future years.

**Fixed Assets**

- (a) Fixed Assets are accounted for on historical cost basis.
- (b) Depreciation has been provided for on the Straight Line method at the rate prescribed under Schedule XIV to the Companies Act, 1956.
- (c) Leased Assets are stated at cost less depreciation and net off lease adjustment as per the guideline issue by the institute of Chartered Accountant of India.

**Miscellaneous Expenditures**

Preliminary and share issue expenses are charged to profits equally over ten years after commencement of commercial production.

As per our report of even date attached  
For, Dharmendra & Khajanchi  
Chartered Accountants

  
(Dharmendra Solanki)  
Partner

Place: Ahmedabad  
Date:



For, Trans Financial Resources Limited  
For and on behalf of Board of Directors

  
Director.


  
Director

**Additional information pursuant to part IV Schedule VI to the Companies Act, 1956  
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

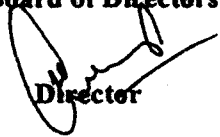
<b>1. Registration No.</b>	<b>State code: 04</b>
Balance Sheet: 31-03-2003	
<b>2. Capital Raised during the year</b>	<b>Rs in Lacs</b>
Public Issue	000.00
Right Issue	000.00
Bonus Issue	000.00
Private Issue	000.00
<b>3. Position of mobilization and deployment of funds</b>	
Total Liability	1237.32
Total Assets	1237.32
<b>4. Sources of Funds</b>	
Paid Up Capital	0501.91
Reserves & Surplus	024.50
Secured Loans	000.89
Unsecured Loans	710.01
<b>5. Application of Funds</b>	
Net Fixed Assets	008.76
Investments	113.10
Net Current Assets	801.63
Misc. Expenditure	003.40
<b>6. Accumulated Losses</b>	
Profit & Loss Accounts	310.42
<b>7. Performance of the Company</b>	
Turnover/other income (Job Work)	002.53
Total Expenses	127.40
Profit/(Loss) before Tax	(108.84)
Earning per Share	000.00
Dividend	000.00
<b>8. Generic Names of Three principal Products/ Services of the company</b>	
(a) Item Code No.	N.A.
Product description	N.A.

As per our report of even date attached  
For, Dharmendra & Khajanchi  
Chartered Accountants

For, Trans Financial Resources Limited  
For and on behalf of Board of Directors

  
(Dharmendra Solanki)  
Partner

  
Director

  
Director

Place: Ahmedabad  
Date:

