

Transpek Industry Limited

44th annual report 2009-10



















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Annual General Meeting on Friday, the 13th day of August, 2010 at 3:30 p.m. at Hotel Express Tower, "Oaks Room", 8th Floor, R.C. Dutt Road, Alkapuri, Vadodara - 390 007.

The practice of distributing copies of the Annual Report at the Annual General Meeting has been discontinued. You are requested to bring your copy of the Annual Report to the Meeting.

A Request

We are sure you have read with interest the accounts of the year ended 31st March 2010. You may desire to have some clarification or additional information on the said accounts at the ensuring Annual General Meeting. We shall very much appreciate, if you kindly write to us atleast ten days in advance in order to enable us to keep the information ready for you at the meeting. We solicit your kind co-operation.

Board of Directors

A.C. Shroff Chairman

A.G. Shroff Managing Director

Bimal V. Mehta (w.e.f. 09.04.2010) Executive Director

D.C. Gami (Up to 11.11.2009)
D.K. Shroff
M.D. Patel
A.H. Patel
Dr. Bernd Dill
Ravi A. Shroff
Ninand D. Gupte
Nimish U. Patel (w.e.f. 30.01.2010)

S.K. Solanki Company Secretary

Bankers

State Bank of India Bank of Baroda Axis Bank Ltd.

Auditors

S.R. Batliboi & Co; Chartered Accountants

Registered Office

6th floor, Marble Arch, Race Course, Vadodara - 390 007.

Works

Village Ekalbara, Tal. Padra, Dist. Vadodara





NOTICE TO THE MEMBERS

NOTICE IS HEREBY GIVEN THAT the FORTY-FOURTH ANNUAL GENERAL MEETING of the Members of TRANSPEK INDUSTRY LIMITED will be held on Friday, the 13th August, 2010 at 3.30 P.M. at Hotel Express Towers, "Oaks Room", 8th Floor, R. C. Dutt Road, Alkapuri, Vadodara 390 007 to transact the following business:

ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Profit & Loss Account of the Company for the year ended on 31st March, 2010, the Balance Sheet as at that date and the Reports of the Auditors and Directors thereon.
- 2. To declare a dividend on the equity shares of the Company.
- 3. To appoint a Director in place of Shri Ravi A. Shroff who retires by rotation and, being eligible, offers himself for reappointment.
- To appoint a Director in place of Dr. Bernd Dill who retires by rotation and, being eligible, offers himself for reappointment.
- To appoint a Director in place of Shri Ninad D. Gupte who retires by rotation and, being eligible, offers himself for re-appointment.
- To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESCLVED THAT M/s. Contractor, Nayak & Kishnadwala, Chartered Accountants, be and they are hereby appointed as Auditors of the Company, in place of the retiring Auditors, M/s. S. R. Batliboi & Co., Chartered Accountants, who have given to the Company a notice in writing of their unwillingness to be re-appointed and that M/s. Contractor, Nayak & Kishnadwala, Chartered Accountants shall hold office as Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting and that the Board of Directors of the Company be and is hereby authorised to fix the remuneration of the Auditors."

SPECIAL BUSINESS:

- To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
 - "RESCLVED THAT Shri Nimish U. Patel, who was appointed as a Director of the Company by the Board of Directors pursuant to Section 262 of the Companies Act, 1956 and Article 112 of the Articles of Association of the Company to fill up the casual vacancy and who holds office upto the date of this Annual General Meeting and being eligible for re-appointment and in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 257 of the Companies Act, 1956, proposing his candidature as a Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."
- To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
 - "RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Shri Bimal V. Mehta be and is hereby elected and appointed as a Director of the Company."
- To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:
 - "RESCLVED THAT, pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the resolutions passed by the Remuneration Committee of Directors of the Company and by the Board of Directors, at their respective meetings both held on 9th April, 2010 and subject to any other approvals, if necessary, consent and approval of the Company be and is hereby accorded to the appointment by the Board of Directors of the Company of and payment of remuneration to Shri Bimal V. Mehta, as Whole-time Director (designated as Executive Director) of the Company with effect from 9th April, 2010 to 8th April, 2013 for a term of three (3) years, on the terms and conditions including remuneration and perquisites as set out in the draft agreement to be executed between the Company and Shri Bimal V. Mehta, placed before this meeting and duly initialled by the Chairman for the purpose of identification, which agreement is hereby specifically sanctioned with liberty to the Board of Directors (herein-after referred to as "the Board" which term shall include the Remuneration Committee constituted by the Board to alter and vary the terms and conditions of appointment in such manner as may be agreed to between the Board and Shri Bimal V. Mehta, but so as not to exceed the remuneration and perquisites set out in the draft



NOTICE TO THE MEMBERS

agreement and also the limits specified in Schedule XIII to the Act or any modification(s) thereto or re-enactment thereof."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, during the term of office of Shri Bimal V. Mehta, the remuneration payable to him by way of salary, allowances and perguisites shall not, unless the approval of the Central Government is obtained, exceed the limits prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956 or any modification(s) thereto or re-enactment thereof."

"RESOLVED FURTHER THAT Shri A. C. Shroff, Chairman and Shri A. G. Shroff, Managing Director of the Company be and are hereby severally authorized to make, do, perform and execute all acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this Resolution including all matters connected herewith or incidental hereto.'

10. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of all earlier resolutions, pursuant to the provisions of section 293 (1) (e) and other applicable provisions of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company for contributing and / or subscribing on behalf of the Company to charitable and other funds not directly relating to the business of the Company or to the welfare of its employees (excluding any contributions made to any political party or to any person for political purposes) of any amount the aggregate of which shall not exceed in any financial year Rs. 60,00,000/- (Rupees sixty lacs only) or 5% (five per cent) of the average net profits as determined in accordance with the provisions of sections 349 and 350 of the said Act, during the three financial years immediately preceding the financial year in which the contribution is made, whichever is greater."

Regd. Office:

6" Floor, Marble Arch. Race Course. Vadodara 390 007.

For Transpek Industry Limited

Dated: 31st May, 2010

SHAILESH K SOLANKI General Manager & Company Secretary

By Order of the Board of Directors

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ONLY ON A POLL INSTEAD OF HIMSELFAND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Instruments appointing proxies should be deposited with the Company at its Registered Office not less than 48 hours before the commencement of the meeting.

- 2. An Explanatory Statement relating to Items No.6 to 10 as required under section 173 (2) of the Companies Act. 1956, is annexed hereto.
- 3. Members who hold shares in dematerialized form are requested to bring their DP ID and client ID Nos. for easy identification at the meeting.
- 4. The Register of Members and Share Transfer Books of the Company and the Register of Beneficial Owners maintained by NSDL and CDSL in respect of the Company will remain closed from Friday, the 6th August, 2010 to Friday, the 13th August, 2010 (both days inclusive).
- 5. Members are requested to notify promptly any change in their addresses to their respective Depository Participants in respect of their electronic share accounts quoting client ID No. and to Link Intime India Pvt. Ltd., the Company's Registrars and Share Transfer Agents, in respect of their physical shares, quoting their Folio No.
- 6. Payment of dividend as recommended by the Directors, if declared at the Meeting, will be made on or after 13th August, 2010 to the Members whose names stand on the Company's Register of Members on 13th August, 2010 and to the Beneficiaries (Owner/s) as per the Beneficiary List at the close of business hours on Friday, the 13th August, 2010 provided by the National Securities and Depository Ltd. and Central Depository Services (India) Ltd.



NOTICE TO THE MEMBERS

NOTES: Cont'd ...

Payment of dividend will be made through National Electronic Clearing Service (ECS) at the RBI Centres by crediting the dividend amount to the bank account of the shareholders wherever relevant information is made available to the Company. Members holding shares in physical form and covered under the RBI Centres, who have not furnished the requisite information and who wish to avail of ECS facility to receive dividend from the Company, may furnish the information to Link Intime India Pvt. Limited, the Company's Registrars and Share Transfer Agents. Members holding shares in electronic form may furnish the information to their Depository Participants in order to receive dividend through the ECS mechanism.

 Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, the amounts of dividends remaining unclaimed for a period of seven (7) years are to be transferred to the Investor Education and Protection Fund set up by the Central Government.

Details of dividend declared for the year 2004-05 onwards are given below

Date of Declaration	Dividend for the year	Dividend Rs. per share	Due date of the proposed transfer to the Investor Education & Protection Fund
15.09.2005	2004-05	2.00	16.10.2012
24.08.2006	2005-06	2.50	24.09.2013
07.09.2007	2006-07	1.50	08.10.2014
22.08.2008	2007-08	1.50	23.09.2015
07.09.2009	2008-09	2.50	08.09.2016

Members who have not encashed the Dividend Warrants for the above years are requested to write to the Company for revalidation of Dividend Warrants before such unclaimed dividend is transferred to the Investor Education and Protection Fund.

ANNEXURE TO NOTICE:

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 ITEM NO. 6

At the 43rd Annual General Meeting of the Company held on 27th August, 2009, the Members had appointed M/s. S. R. Batliboi & Co., Chartered Accountants, as Auditors of the Company. M/s. S. R. Batliboi & Co., hold office as Auditors of the Company until the conclusion of this Annual General Meeting and have given to the Company a notice in writing of their unwillingness to be re-appointed as Auditors.

It is accordingly proposed that M/s. Contractor, Nayak & Kishnadwala, Chartered Accountants, be appointed as Auditors of the Company. M/s. Contractor, Nayak & Kishnadwala, have informed the Company that their proposed appointment as Auditors will be within the limits specified in Section 224 (1B) of the Companies Act. 1956.

The Board commends the resolution for acceptance by the Members.

Copies of the notice given by M/s. S. R. Balliboi & Co. and the letter given by M/s. Contractor, Nayak & Kishnadwala, referred to above, are open for inspection by the Members at the Registered Office of the Company on every working cay between 2:00 p.m. and 4:00 p.m. up to the date of the meeting.

None of the Directors of the Company is, in any way, concerned or interested in this resolution.

ITEM NO.7

Pursuant to Article 112 of the Articles of Association of the Company and Section 262 of the Companies Act, 1956, the Board of Directors had, at its meeting held on 30th January, 2010 appointed Shri Nimish U. Patel as a Director on the Board of Directors of the Company in the casual vacancy caused due to the sudden demise of Shri D. C. Gami, Director of the Company. The appointment became effective on 30th January, 2010.



In accordance with the provisions of the said Article and Section 262 of the Companies Act, 1956, Shri Nimish U. Patel holds office upto the date of this Annual General Meeting.

The Company has received a notice under Section 257 of the Companies Act, 1956, along with the requisite deposit of Rs.500/- from a member signifying his intention to propose the candidature of Shri Nimish U. Patel for appointment to the office of Director of the Company, liable to retire by rotation.

Shri Nimish U. Patel is having good academic background. He has done B.B.A. from City University of New York, U.S.A. and M.B.A. from Wagner College of New York, U.S.A. He has 14 years of experience with the industry in the field of Electro Plating, Textile and Pharma Industries. He is a Managing Director of Shri Dinesh Mills Ltd. and he is also Managing Director of Dinesh Remedies Ltd., a subsidiary of Shri Dinesh Mills Ltd, since 2005. He is also holding the position of Director of Ultramarine & Pigments Ltd. He is also holding membership in Vadodara Employers Union, Vadodara and Gaekwad Baroda Golf Club, Vadodara and is the Managing Trustee of Shri Maganbhai B. Patel's Charity Trust and Trustee of Shri Dinesh Foundation.

Your Directors are of the opinion that it would be in the interest of the Company to avail the services of Shri Nimish U. Patel and that his continuance as a Director will be of benefit to the Company and accordingly commend the resolution for approval.

Except Shri Nimish U. Patel, none of the Directors of the Company is, in any way, concerned or interested in this resolution.

Shri Nimish U. Patel is not holding any share of the Company.

ITEM NO. 8

Pursuant to Article 111 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956, the Board of Directors had, at its meeting held on 09.04.2010, appointed Shri Bimal V. Mehta, as an Additional Director on the Board of Directors of the Company. The appointment became effective on 09.04.2010.

In accordance with the provisions of the said Article 111 and Section 260 of the Companies Act, 1956, Shri Bimal V. Mehta holds office up to the date of this Annual General Meeting.

The Company has received a notice under Section 257 of the Companies Act, 1956, along with the requisite deposit of Rs.500/- from a member signifying his intention to propose the candidature of Shri Bimal V. Mehta for election to the office of Director of the Company.

Shri Bimal V. Mehta, aged 45 years, is a qualified Chartered Accountant by profession. His profile covering his professional competence, achievements and experience is available for inspection throughout the meeting. He has worked with Indian as well as multinational companies at senior level positions. Until recently, Shri Bimal V. Mehta was working as Managing Director of Nibbana Ltd., Mauritius.

Your Directors are of the opinion that it would be in the interest of the Company to avail the services of Shri Bimal V. Mehta and that his continuance as a Director will be of benefit to the Company and accordingly commend the resolution for approval of the members.

Except Shri Bimal V. Mehta, none of the other Directors of the Company is, in any way, concerned or interested in this resolution.

Shri Bimal V. Mehta is not holding any share of the Company.

ITEM NO. 9

Pursuant to Article 150 of the Articles of Association of the Company, the Board of Directors had, at its meeting held on 09.04.2010, subject to the approval of shareholders in general meeting, appointed Shri Bimal V. Mehta, as Whole-time Director designated as Executive Director on the Board of Directors of the Company for a term of three years effective from 9th April, 2010 to 8th April, 2013.



Further, the Board of Directors of the Company, in pursuance of the recommendations of the Remuneration Committee to the Board, at its meeting earlier held on 09.04.2010 has recommended the appointment of Shri Bimal V. Mehta as Director designated as Executive Director of the Company for a period of three (3) years commencing from 9th April, 2010 to 8th April, 2013 for approval of the members at the remuneration and on other terms and conditions as determined by the Remuneration Committee and as specified in the draft Agreement placed before this meeting.

The Remuneration Committee has recommended, and the Board of Directors has approved, the remuneration as set out hereunder. Members are aware that Shri Atul G. Shroff, the Managing Director of the Company is also being paid remuneration as earlier approved by the members and by the Central Government. In view of potential inadequacy of profits for payment of remuneration both to Shri Atul G. Shroff (as approved) and Shri Bimal V. Mehta (as proposed) in the current financial year or in any financial year during the term of appointment of Shri Bimal V. Mehta, as a matter of abundant caution in compliance with applicable provisions of the Companies Act, 1956 ("the Companies Act"), the payment of remuneration to Shri Bimal V. Mehta is presently proposed to be regulated by the provisions of Paragraph (B) of Clause (1) of Section II of Part II of Schedule XIII to the Companies Act, based on the 'effective capital' of the Company as on 31st March 2010, being Rs.67.87 crores. Accordingly, a Special Resolution is required for the appointment of Shri Bimal V. Mehta as a Whole-time Director. The Company is not in default in repayment of any of its cebts (including public deposits) or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year before the date of appointment of Shri Bimal V. Mehta. However, if in any financial year (including the current financial year) during the term of appointment of Shri Bimal V. Mehta, the Company has adequate profits, then Shri Bimal V. Mehta will be paid remuneration for that financial year in accordance with Section Iof Part II of Schedule XIII to the Companies Act.

As required under the aforesaid provisions of Schedule XIII to the Companies Act, 1956, the following information is furnished:

1. General Information:

i)	Nature of Industry	5	Manufacture of Industrial Chemicals			
ii)	Date of commencement of commercial production		January, 1966			
iii)	Financial performance based on given indicators		2009-2010 (Rs. in Lacs) 1. Sales turnover a. Domestic 4974.46 b. Export 6366.28 2. Profit Before Tax 606.53 3. Profit After Tax 454.60 4. Gross Block 11426.75 5. Net Block 6902.39 6. Paid-up Capital 587.20 7. Reserves & Surplus 4797.22 8. Net worth 5384.42 9. EPS (Basic & Diluted) 7.80 10. Return on Net worth 8.44%			
iv)	Export performance and net foreign exchange collaborations	1	2009-2010 (Rs. in Lacs)			
			Exports 6366.28 Net Foreign Exchange Earnings 6255.85			
v)	Foreign investments or collaborators, if any		The Company holds 20 (twenty) ordinary share GBP 1 each fully paid-up in Transpek Industry (Eu Ltd., a wholly owned subsidiary company of Tran Industry Ltd.			



Information about the appointee:

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Sr. No.	Particulars	Shri Bimal V. Mehta
	100 H	

1. Background details

Qualification: B.Com, Chartered Accountant

Professional Competencies:

- Business Strategy and growth models including mergers and acquisitions.
- · Management of manufacturing organizations.
- Project and Programme management.
- · International Business Management, Marketing and Negotiations.
- · Team Management and Development.
- Six Sigma Deployment and Lean Manufacturing.
- · Financial Planning and Restructuring.
- Information Technology specializing in Cyber Crime Prevention and Detection and IT Security Systems.

Experience:

April 1, 2008 to April 8, 2010

- Employed as the Managing Director of Nibbana Ltd., Mauritius.
 Nibbana is a joint venture between TML Industries Ltd. (formerly known as Transmetal Limited) of India and State Investment Corporation of the Government of Mauritius.
- The company is in the business of providing BPO and Call Center Services to the French customers.
- · Consultant for Marketing of chemical products in Europe.

7th May, 2004 to 31st March, 2008

 Business Consultant for various companies and NGOs in the areas of growth strategies, business plans, technology issues, mergers and acquisitions, capital restructuring, NGO management

May 28, 1996 to May 6, 2004

- Worked in various director level positions with Lear Corporation, USA. Lear is a Fortune 500 automotive seating and interiors Company.
- Manager Finance Asia Pacific Operations
- · Managing Director of Indian and Indonesian Operations.
- Programme Director
- · Director of Operations
- Head of Customer Quality for entire GM business for Asia Pacific region.
- · Six Sigma Project and Deployment Champion.

June, 1995 to May 27, 1996

· Head of Accounting Dept. with TML Industries Limited, Vadodara.

August, 1987 to May, 1995

Practising Chartered Accountant

Areas of Service:

Auditing, Taxation, Corporate Laws, Project Planning and Financing, MIS Development and Business process Re-engineering etc.



Sr. No.	Particulars	Shri Bimal V. Mehta					
2.	Pastremuneration	Rs.2,80,000 per month as salary plus fully furnished accommodation, maid and car (fuel and maintenance paid by the company) and driver, with Nibbana Ltd., Mauritius.					
3.	Recognition or awards / achievements	Achievements Established and operationalised several plans of Lear Corporation (US Fortune 500 multinational) in India and put the business of Lear on a firm footing in India.					
		 Managed successfully the first international interiors programme for Mahindra Scorpio SUV. 					
		 Six Sigma savings in business under Management in excess of US \$ 2ml per annum. 					
		 Developed a team of managers to take care of Asian plants of Lear. 					
		 Effective consulting in business strategy, financial planning and restructuring and technology initiatives for many small, medium and large organizations. 					
4.	Job profile and his suitability	Responsible for overall management of the Company under the supervision of the Board of Directors and Managing Director. Considering his background and experience, believed to be suitable to perform his duties.					
5.	Remuneration proposed	Details are given below.					
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The proposed remuneration compares favourably with that being offered to similarly qualified and experienced persons from industry and the professions. The remuneration being proposed is considered to be appropriate, having regard to factors such as past experience, positions held, expected contribution to the Company and merits of the appointee.					
7.	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	The appointee has pecuniary relationship only to the extent of the amount of remuneration proposed to be paid to him.					
3.	Other information:						
1.	Reasons of loss or	Though the Company has not made a loss for the financial year ended					
2.	inadequate profits Steps taken or proposed to be taken for improvement	31st March, 2010 and does not anticipate any loss during the three financial years 2010-2011 to 2012-2013, inadequacy of profits cannot, however, be ruled out in the ever-changing domestic and international market					
3.	Expected increase in productivity and profits in measurable terms	conditions. Accordingly, profits may not be adequate for payment of remuneration to two managerial persons, though their contribution to the Company is considered most beneficial. Expansion of capacity of certain existing products and introduction of certain new value-added products are being planned. These steps, when implemented, are likely to lead to increase in productivity and consequent increase in profits in measurable terms.					

4. Disclosures

The main terms and conditions of the Agreement to be entered into for the appointment of Shri Bimal V. Mehta, Whole-time Director, designated as Executive Director, of the Company are as follows:

I TENURE

Period of Agreement is three (3) years effective from 9th April, 2010 to 8th April, 2013.



II. REMUNERATION

Remuneration by way of Salary and Perquisites will not exceed the applicable ceiling limit under Schedule XIII to the Companies Act. Within this limit, the Salary and Perquisites will be as stated hereunder.

(a) Salary

Rs.1,40,000/- per month in the scale of Rs.1,40,000 - Rs.10,000/- - Rs.1,50,000/-.

The annual increments will be effective from 9th April, 2011 and 9th April, 2012 and will be decided by the Board as it may deem appropriate.

(b) Perquisites

(i) Perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with utilities such as gas, electricity, water, furnishings and repairs, medical reimbursement, leave travel concession for himself and his family, club fees, medical insurance etc. in accordance with the Rules of the Company or as may be agreed to by the Board of Directors and the Executive Director; such perquisites for each year not to exceed his annual salary.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

Provision of one Company's car and telephone at residence for official duties shall not be included in the computation of perguisites for the purpose of calculating the said ceilings.

(ii) Company's contribution to provident fund and superannuation or annuity fund to the extent these either singly or together are not taxable under the Income-tax Act, and gratuity will be payable as per the Rules of the Company and encashment of leave at the end of his tenure as per the Rules of the Company applicable to senior executives and the same shall not be included in the computation of limits for the remuneration aforesaid.

III. COMMISSION

In the event of adequacy of profits in any financial year during his tenure, then in such event, in addition to the salary and perquisites referred to in items (a) and (b) of Paragraph II above, Shri Bimal V. Mehta shall also be paid commission on the net profits of the Company as worked out in accordance with the provisions of Section 349 of the Companies Act, every year, as may be determined by the Board of Directors, subject to the maximum limit of 1% of the net profits and also within the overall limits of managerial remuneration as prescribed under Sections 198 and 309 of the Companies Act, 1956.

IV. MINIMUM REMUNERATION

If, in any financial year, the Company has no profits or its profits are inadequate, then in such event during the term of office of Shri Bimal V. Mehta, the remuneration payable to him shall be governed by Paragraph (B) of Clause 1 of Section II of Part II of Schedule XIII to the Companies Act or any amendment(s) thereto and will be paid by way of Salary and Perquisites as specified in items (a) and (b) of Paragraph II above, as minimum remuneration.

V. OTHER TERMS

- Shri Bimal V. Mehta will be entitled to one month's earned leave for every eleven months of service, every year, on full pay and allowances, as per the rules of the Company.
- Shri Bimal V. Mehta shall, in the performance of his duties, be entitled to reimbursement of all actual expenses reasonably incurred by him for the Company's business including those for travelling and entertainment.
- The terms and conditions of the appointment and/or this Agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to Shri Bimal V. Mehta in accordance with the approval accorded by the appropriate authorities.
- 4. Shri Bimal V. Mehta shall not, so long as he functions as Executive Director, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company in future without such prior approval of the Government of India as may be required.



- Shri Bimal V. Mehta shall not be entitled to any sitting fees for attending meetings of the Board of Directors of the Company or any Committee or Committees thereof.
- The headquarters of Shri Bimal V. Mehta shall be the place where he has to regularly stay for attending to his duties.
- Shri Bimal V. Mehta shall not, as long as he continues to be the Executive Director of the Company, be liable
 to retire by rotation and he shall not be reckoned as Director for the purpose of determining the number of
 Directors liable to retire by rotation.
- 8. The appointment of Shri Bimal V. Mehta as the Executive Director may be terminated by either party giving to the other party 90 (ninety) days' notice in writing.
- If at any time Shri Bimal V. Mehta ceases to be a Director of the Company for any reason whatsoever, he shall also automatically cease to be the Executive Director.
- 10. In the event of any disputes or differences at any time arising between the Company and Shri Bimal V. Mehta in respect of this Agreement or the several matters specified herein or referred to or with reference to anything arising out of or incidental thereto, such disputes or differences shall be submitted to and be decided by arbitration of a sole arbitrator acceptable to both parties, in accordance with and subject to the provisions of the Arbitration and Conciliation Act, 1996 or any modification or substitution thereof and for the time being in force.

The Board of Directors is of the view that the appointment of Shri Bimal V. Mehta as Whole-time Director, designated as Executive Director, will be in the best interest of the Company and accordingly commends the Special Resolution for approval of the members.

A draft of the Agreement to be entered into between the Company and Shri Bimal V. Mehta will be available for inspection by the members on any working day during business hours up to the date of the Annual General Meeting.

Except Shri Bimal V. Mehta, none of the other Directors is, in any way, concerned or interested in this Special Resolution.

Item No. 10

As a part of its corporate social responsibility, the Company has a tradition of supporting charitable and other social welfare activities and funds not directly relating to the business of the Company or welfare of its employees. Increased requests for financial support to various important and socially relevant welfare projects coupled with enhanced costs have necessitated seeking approval of the members for enhancing the financial limit for supporting such activities. The current limit for contribution to such purposes in any financial year as approved by the Members at the Annual General Meeting held on 15.09.2005 is Rs. 40,00,000/- (Rupees forty lacs only) or 5% (five per cent) of the average net profits as determined in accordance with the provisions of sections 349 and 350 of the Companies Act, 1956 during the three financial years immediately preceding the financial year in which the contribution is made, whichever is greater. Approval of the members is being sought by means of the proposed Special Resolution for increasing the limit in any financial year to Rs. 60,00,000 (Rupees sixty lacs only) or 5% of the average net profits as provided for under section 293 (1) (e) of the Companies Act, 1956, whichever is greater. The Board commends the Special Resolution for your approval.

None of the Directors of the Company is concerned or interested in the resolution at Item No. 10.

Regd. Office:

6th Floor, Marble Arch, Race Course, Vadodara 390 007. Dated: 31st May, 2010 By Order of the Board of Directors For Transpek Industry Limited

SHAILESH K. SOLANKI General Manager & Company Secretary



To

The Members

Your Directors have pleasure in presenting the Forty Fourth Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2010.

FINANCIAL RESULTS

	2009 - 2010	2008 - 2009
	Rs. in Lakhs	Rs. in Lakhs
Net Sales	11340.74	16661.00
Other Income	244.85	200.94
Profit before Interest, Depreciation, Amortisation,	1823.86	2434.93
Taxes and Extraordinary Items		
Interest	527.38	631.31
Cash Profit before Extraordinary Items and Taxes	1296.48	1803.62
Less:		
Depreciation	561.00	514.07
Amortization	43.91	43.91
Profit/(Loss) before Extraordinary Items and Tax	691.57	1245.64
Less:		
Extraordinary Items		
- Assets written off (Net)	85.04	
Profit / (Loss) before Tax	606.53	1245.64
Provision for Taxation		
Current	190.79	361.02
Deferred Tax (Asset) / Liability	(10.78)	69.41
Fringe Benefit Tax		20.00
Profit/(Loss) after Tax	426.52	795.21
Add:		
a) Excess /(Short) Previous Year's	28.08	(3.06)
Tax Provision		
b) Prior Years' Adjustments	2	(2.22)
	454.60	789.93
Balance brought forward from Previous Year	1024.36	998.02
Amount available for appropriation	1478.96	1787.95
Appropriations to:		
a) Proposed Dividend	146.80	139.83
b) Tax on Proposed Dividend	24.38	23.76
c) Transfer to General Reserve	250.00	600.00
d) Balance Carried to Balance Sheet	1057.78	1024.36
TOTAL	1478.96	1787.95
lote: Previous year figures have been regrouped / rearranged wherever of	ecessary	-

Note: Previous year figures have been regrouped / rearranged wherever necessary.



DIVIDEND

Your Directors have recommended a dividend of 25% i.e. Rs. 2.50 per equity share (Previous year: 25%, i.e. Rs. 2.50 per equity share) on the Equity Share Capital of Rs. 587.20 lacs for the year ended 31st March, 2010.

REVIEW OF OPERATIONS

The net sales of the Company for the year under review is Rs. 113.41 crores as compared to Rs. 166.61 crores in the previous year, a reduction of about 32%. During the year Profit After Tax is Rs. 4.55 crores vis-à-vis Rs. 7.90 crores in the previous year. The combined effect of global economic downturn and consequent recessionary pressures and reduction in selling price emanating from reduction in the cost of raw material contributed to the reduction in sales and profit. While in the first three quarters the exports were low, there was good recovery in the fourth quarter as soon as the international economic situation improved.

During the year under review, due to global downturn, there was a drop in the demand for some products. To minimize the impact of this situation, your Company has concentrated on developing products and exploring other usages of products which could expand our customer base in different regions as well as the number of products on offer.

Continuous R & D activities have been a fundamental strength of your Company. In order to maximize the R & D cutput while keeping the investment low, your Company utilized R & D facilities of other organizations successfully.

As part of continuous improvement process, your company carried out Material of Construction ("MOC") study of equipments with an objective of cost reduction and safety enhancement.

Further, during the year under review, your Company has focused on the following developmental activities:

- Outsourcing manufacturing of certain products. This has helped reduce capital investments while satisfying customer needs.
- Concentrated on removing bottle-necks in the existing plants and supporting facilities, enabling the Company to cater to the requirements of customers well in time with better efficiencies.
- Explored opportunities of Company's products in business segments like Pharma resulting into bigger customer base, new markets and better spread of risk.

To be able to carry out further expansion and development of the business, your Company has obtained Environment Clearance from Ministry of Environment and Forests.

PREFERENTIAL ISSUE

As reported earlier, the 7,99,000 equity share warrants of Rs.10 each at a premium of Rs.55 issued and allotted to certain promoters and others on a preferential basis had been converted in three tranches into an equal number of fully paid up equity shares. These equity shares have since been listed on the Bombay Stock Exchange.

Funds raised so far from all the three tranches have been utilized for the intended purpose.

SUBSIDIARY COMPANY

A wholly owned subsidiary of the Company-Transpek Industry (Europe) Ltd.- whose incorporation under the laws of the United Kingdom was reported in our previous Report, has in its capacity as the "only representative", preregistered several products of the Company as well as four other Indian participants under the European Union Regulation called Registration, Evaluation, and Authorization of Chemicals ("REACH").

OUTLOOK

Despite the economic conditions in the year under review being tough, in the last quarter, we could achieve better results.

Though the US, European and Japanese markets have still not attained normalcy, we expect that by the end of the second quarter of 2010-11, the demand in the markets will surge further.

The developmental activities referred to above are also likely to contribute to increase in sales revenue.

QUALITY & ENVIRONMENT MANAGEMENT SYSTEM & OHSAS (QMS)

As reported last year, ISO 9001:2008, EMS ISO 14001:2004 & BS OHSAS 18001:2007 systems have been integrated. Surveillance audit of the integrated system was conducted during the year.

Due to increased focus on Pharma business, the Company has initiated steps for Good Manufacturing Practice (GMP) compliance of the plants manufacturing products for the pharmaceutical industry.



HEALTH CARE AND WELFARE OF EMPLOYEES

The Company continues to put high premium on employees' health. Apart from taking health insurance cover for all the employees, regular health check up and counselling covering medical advice and life style changes is undertaken. Special care is taken of employees working in areas exposed to occupational hazards. A cash-less Mediclaim policy has been taken for all employees. A fund for financial support to families of deceased employees has also been created.

RISK MANAGEMENT

Risk is an integral part of the business of any Company and requires appropriate awareness and provisions at all levels of an organization. Minimization of business risks and impact mitigation of an uncertain future are part of an integrated approach to enhance sustainability and improve stakeholders' returns.

In Transpek, we aim at delivering superior shareholder value by achieving an appropriate balance between risks and returns. All key areas like regulatory affairs, operations, raw-materials, marketing, product portfolio, research and development, quality, working capital management, transport, health, safety and environment are evaluated. The procedures established for this purpose are continuously benchmarked with international best practices.

The Board of Directors ensures appropriate consideration of all the risks assumed by the Company. Specific Committees of the Board have been constituted to facilitate focused attention to various risk factors. The Finance Committee and Audit Committee review the respective areas stated above, provide direction, and also monitor the quality of the internal audit functions. The Audit Committee is also responsible for reviewing the financial statements. The Finance Committee also reviews the foreign exchange fluctuation related to derivative products, liquidity, interest rate, investment policies and strategies and potential regulatory and compliance issues in relation thereto.

All functional heads periodically review risk factors potentially affecting their areas of responsibility and implement an effective system of internal controls to manage them. Key functions and divisions are independently responsible to monitor risks associated within their respective areas of operations, such as production, treasury, insurance, legal, health, safety and environment and provide for timely upward communication of any significant issues that could arise.

The Managing Director gives overall directions in controlling / mitigating risks.

DIRECTORS

During the year, one of the Directors, Shri D. C. Gami passed away on 11th November, 2009. Late Shri D. C. Gami, was a member of the Board since 24th August, 1984. He was also the Chairman / Member of several Committees of the Board including the Audit Committee. By profession, he was a Chemical Engineer (M.S. – Chemical Engineering from the University of Michigan, USA) and had a distinguished career in the Chemical Industry. He had vast experience of more than 55 years in research, project planning, execution, operations and management. He had also served as Managing Director of Gujarat State Fertilizers & Chemicals Ltd., and was a Director in several companies. During his association with the Company, he took keen interest in the business of the Company and guided the deliberations of the Board and its Committees with his extensive techno-commercial experience, foresight and wisdom. The Board had at its meeting held on 30th January, 2010 deeply mourned the sad demise of Late Shri D. C. Gami and had conveyed its heartfelt condolences to the members of the bereaved family and placed on record its wholehearted and deep appreciation of his valuable contributions to the deliberations of the Board during his tenure as a Director.

The Board had, at its meeting held on 30th January, 2010 appointed Shri Nimish U. Patel as a Director in the casual vacancy caused by the sad demise of Shri D. C. Gami. Shri Nimish U. Patel holds office as Director up to the date of the ensuing Annual General Meeting. A notice in writing has been received from a member of the Company under section 257 of the Companies Act, 1956, signifying his intention to propose Shri Nimish U. Patel as a candidate for the office of Director of the Company. The Directors commend his appointment as a rotational Director.

At its meeting held on 9th April, 2010, the Board appointed Shri Bimal V. Mehta, as an Additional Director, who will hold office as Director up to the date of the ensuing Annual General Meeting. A notice in writing has been received from a member of the Company under section 257 of the Companies Act, 1956, signifying his intention to propose Shri Bimal V. Mehta as a candidate for the office of Director of the Company. The Directors commend his appointment as a rotational Director.

In the same meeting, the Board had, subject to the approval of shareholders in general meeting, appointed Shri Bimal V. Mehta, as Whole-time Director designated as Executive Director of the Company for a term of three years effective from 9th April, 2010 to 8th April, 2013. Further, the Board, in pursuance of the recommendations of the Remuneration



Committee, had recommended the appointment of Shri Bimal V. Mehta as Director designated as Executive Director of the Company for the period stated above, for the approval of the members by way of a Special Resolution at the remuneration and on other terms and conditions as determined by the Remuneration Committee and as specified in the draft Agreement.

Dr. Bernd Dill, Shri Ravi A. Shroff and Shri Ninad D. Gupte, Directors of the Company will retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment. The Directors commend their re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Directors hereby confirm that:

- a) in the preparation of the accounts for the financial year ended 31st March, 2010 the applicable accounting standards have been followed and that no material departures have been made from the same:
- b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review:
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) they have prepared the annual accounts on a going concern basis.

HR CHALLENGES

The Company continues to place special emphasis on training and talent development. Employees are provided training and re-training on a regular basis. In-house customized training programmes are organized regularly. Initiative of "Small improvement" has spread across the Company and more and more people are participating in it.

Attrition rate continues to be low. The Company continues to follow the policy of internal promotions and keeps lateral hiring to the minimum.

SOCIAL RESPONSIBILITY

The Company is managing ITI, Padra under the Public-Private Partnership scheme of the Government of India. We are glad to share the excellent result of our association with ITI. Students are now much more employable than what they were before this tie-up. They are continuously being exposed to practical training in the Company apart from other surrounding industries. They are being trained in soft skills also. Considerable improvement has been made in the infrastructural facilities available at ITI resulting in much improved working conditions for the students and staff.

In the community development programme initiated by the Union Ministry of Human Resources and Development, the Company is facilitating the engagement of the project team with people of surrounding villages. These programmes help in self-employment, women empowerment and improving the financial status of villagers.

Your Company is engaged with educational institutes of surrounding areas by providing summer training to students and to the Company's employees. Faculties of these institutes also get exposure to practical aspects of plant operations.

The Company is also supporting various NGOs engaged in social, rural and tribal welfare activities.

CORPORATE GOVERNANCE

Good Corporate Governance has been an integral part of the working of your Company with a view to maintaining the confidence of investors and other stake holders of the Company.

A separate statement on Corporate Governance is included in this Report along with a certificate of the Auditors on its compliance.

MANAGEMENT DISCUSSION AND ANALYSIS

The report on Management Discussion and Analysis forming part of this Annual Report deals with the Operations, Business Performance, etc.



FIXED DEPOSITS

During the year under review, your Company accepted deposits from Public/Shareholders/Employees/Senior Citizens and has complied with the provisions of section 58A of the Companies Act, 1956 and the Rules framed thereunder. There were 135 deposits aggregating to Rs. 37.08 lacs which were due for repayment and remained unclaimed as on 31st March, 2010 of which 34 deposits amounting to Rs. 20.59 lacs have since been repaid or renewed.

AUDITORS

M/s. S. R. Batliboi & Co., Chartered Accountants, Mumbai, whose term of office as the Auditors of the Company will expire at the conclusion of the ensuing Annual General Meeting of the Company, have given to the Company a notice in writing of their unwillingness to be re-appointed.

Accordingly, M/s. Contractor, Nayak & Kisnadwala, Chartered Accountants, Vadodara, who have given a letter to the Company certifying that their proposed appointment as Auditors would be in accordance with the limits specified in Section 224 (1B) of the Companies Act, 1956, are proposed to be appointed as the Auditors of the Company.

AUDITORS' REPORT

With regard to the Auditors' qualificatory remarks at item no. (b) of their report, as mentioned in note no.17 in Schedule 22 to the Accounts, the Board is of the opinion that in view of the significant uncertainties associated with the said contract, whose ultimate outcome depends on future events, the exchange gain or loss, if any, on the strike date would be accounted for in the profit and loss account as and when it crystallizes.

TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In terms of the provisions of Section 217(1)(e) read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 particulars as prescribed therein relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in Annexure "A" forming part of this Report.

COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975

Information required pursuant to Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is given in Annexure "B" forming part of this Report.

ACKNOWLEDGEMENTS

Your Directors wish to acknowledge the co-operation and assistance extended to the Company by the Company's Bankers and State Government agencies. Your Directors also wish to place on record their appreciation of the contribution made by employees at all levels towards the growth of the Company. Your Directors also acknowledge with gratitude the support of the shareholders, other investors, customers and suppliers for the faith reposed in the Company and its management.

BY ORDER OF THE BOARD

PLACE: Vadodara

A. C. SHROFF
DATED: 31st May, 2010

CHAIRMAN



ANNEXURE 'A'

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2010.

I. ENERGY CONSERVATION

Conservation Activities carried out during the year.

Several Activities were carried out during the year to achieve energy conservation & consequent savings as listed below:

- 1. Replacing regular equipment by utilizing energy efficient equipment
- 2. Rationalizing the use of equipment by installing energy efficient motors & lightings.
- Installing new transformer with auto voltage regulation.
- 4. Energy Monitoring system.
- 5. Auto lighting switches & cooling tower fan controller.
- 6. To maintain power factor up to 0.996.
- 7. Reduction in peak hour load.
- Recovery of additional condensate water & using the same in boiler.
 The total cost of new equipments installed was about Rs. 22 lacs and the estimated savings work out to about Rs.17.5 lacs on an annualised basis.

FORM 'A'

A.

B.

		Current year (2009-2010) 12 months	Previous year (2008-2009) 12 months
PO	WER AND FUEL	12 1110111115	12 1110111115
	NSUMPTION		
	Electricity		
1.	a. Purchased Units	10823520	11698820
	Total Amount (Rs. In lakhs)	660.43	700.60
	Rate/Unit	6.10	5.99
	b. Own Generation	6.10	5.99
		63219	154117
	Through Diesel Generator (Units) Units generated per liter of diesel oil	2.67	2.70
	Total Cost/Unit	17.17	16.85
	II. Through Steam turbine/ generator (Units)	Not	Not
	Units per liters of fuel oil/gas/cost/unit	Applicable	Applicable
2.	Coal	Applicable	Applicable
2.	Quantity (Tonnes)	Not	Not
	Total Cost/ Average Rate	Applicable	Applicable
3.	Furnace oil	Applicable	пррисави
0.	quantity (litres)	1599905	2299479
	Total Amount (Rs. in lakhs)	380.75	549.58
	Average Rate/Ltr. (Rs.)	23.80	23.90
4.	Others		
	Gas Quantity (Cu.M)	-	-
	Total Amount (Rs. In lakhs)	2	_
	Average Rate/Cu. M.	-	
CO	NSUMPTION PER UNIT OF PRODUCTION		
For	all Products (with Unit Details)		
Ele	ctricity (Units)	143.61	148.58
Fur	nace Oil (Ltrs)	21.23	29.20
Coa	al (Specify quality)	Not	Not
		Applicable	Applicable
Gas	s (Cu. M)	-	2



II. TECHNOLOGY ABSORPTION

Efforts made in Technology Absorption are given below in Form B:

FORM 'B'

RESEARCH & DEVELOPMENT

Specific areas in which in-house R & D activities were carried out by the Company

Our R & D is working on new products based on acid chlorides and their downstream products. We are developing products which are used in polymers, dyes and Pharma intermediates.

Benefits derived as a result of the R & D activities

We have implemented successfully in-house developed Pharma intermediates up to commercial scale.

Some process development has led to improvement in quality and efficiency.

Future Plan of Action

Our future plan is to develop products used in pharmaceuticals, polymers and other products. Our basic focus is to develop products based on chlorination, Friedel-Craft reactions.

Expenditure on R & D:

	Current year (2009-2010)	(Rs. in Lakhs) Previous year (2008-2009)
Capital	3.16	20.05
decurring	66.48	74.47
TOTAL	69.64	94.52
otal R & D Expenditure as a % of total turnover	0.61	0.57
echnology Absorption, Adaptation and Innovation	Not Applicable	Not applicable
OREIGN EXCHANGE EARNINGS AND OUTGO		
	Current year (2009-2010)	(Rs. in Lakhs) Previous year (2008-2009)
) Earned by way of export of goods and claim	6255.85	10487.10
) Used by way of Imports (Capital/ Revenue)	1253.56	1769.43
	otal R & D Expenditure as a % of total turnover echnology Absorption, Adaptation and Innovation OREIGN EXCHANGE EARNINGS AND OUTGO) Earned by way of export of goods and claim	tapital 3.16 Recurring 66.48 TOTAL 69.64 Otal R & D Expenditure as a % of total turnover 0.61 Rechnology Absorption, Adaptation and Innovation Not Applicable OREIGN EXCHANGE EARNINGS AND OUTGO Current year (2009-2010) Description of goods and claim 6255.85

BY ORDER OF THE BOARD

PLACE: Vadodara

A. C. SHROFF
DATED: 31st May, 2010

CHAIRMAN



ANNEXURE 'B'

PARTICULARS OF EMPLOYEES

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2010.

EMPLOYED THROUGHOUT THE YEAR AND IN RECEIPT OF REMUNERATION AGGREGATING NOT LESS THAN RUPEES 24.00.000/- PER ANNUM.

	Age (Yrs)	Designation / Nature of Duties	Qualification	Total Experience Yrs.	Remuneration received (Rs. in Lacs)	Date of commencement of employment	Last employment
Atul G. Shroff	62	Managing Director	S.S.C.	42	82.23	01.12.1981	Excel Industries Ltd.

NOTES:

- 1) The nature of employment of the Managing Director is contractual for a period of five years.
- Remuneration mentioned above includes salary, commission, taxable value of perquisites, Company's contribution to Provident Fund and Superannuation Fund and contribution to Gratuity Fund under Annuity Policy with LIC.
- 3) The employee is not a relative of any of the Directors of the Company.
- 4) The Managing Director holds more than 2% of the equity of the Company.

BY ORDER OF THE BOARD

PLACE: Vadodara DATED: 31st May, 2010 A. C. SHROFF CHAIRMAN

MANAGEMENT DISCUSSION AND ANALYSIS

This report includes discussion on the following matters within the limits set by the Company's competitive position:

Industry structure and developments

Your Company's products find application in industries like agrochemicals, pharmaceuticals, polymers and cyestuffs.

The agrochemical products with which your Company is associated in India fared well during the period under review. The Indian agrochemical Industry is predominantly an insecticides market due to tropical conditions which are conducive to pest growth. The Indian farmers always look for fast knock down effect pesticides at affordable prices. Synthetic pyrithroids are insecticides which are popular for application in field crops like cotton, rice and wheat as well as in fruits and vegetables.

India is considered to be one of the major players in the world for raw material for Cypermethric Acid Chloride and Cypermethrin Tech and both are exported on a regular basis by Indian companies to several countries either in the form of Technical pesticides or in formulations.

China is also a big market for synthetic pyrithroids from India.

Realizing the growth potential of fungicides and herbicides in India, your Company has also developed some molecules and has put them in the market with positive results. Going by the market trends, we expect encouraging results in the future.

The Indian pesticides market is undergoing rapid change and faces multi dimensional challenges from votaries of organic farming, genetically modified seeds and changing farm practices.



Furthermore, agricultural growth has also been below expectation. Another major issue which our country is facing is the process of urbanization and industrialization which is causing rapid decrease in cultivable land. A fine balance needs to be developed.

It is expected that Indian farm practices will undergo rapid changes to meet our food requirement and to continue our self-sufficiency in food. Yet, due to environmental pressure, the tonnage could go down for pesticides due to introduction of low doze pesticides or, in extreme cases, our farmers may be tempted to use farm inputs indiscriminately to increase yield.

The Indian Pharma industry has been seeing a steady growth in the past several years and has emerged as a key player in global scenario. There has been a huge shift towards India as a manufacturing base of active pharmaceutical ingredients (APIs) and intermediates. Renowned global Pharma companies either have manufacturing base in India or are in the process of setting up their facilities. Mergers and acquisitions are happening at rapid pace. Low cost research in India has also opened opportunity for contract research for drug discovery.

The emerging Indian economy has been helpful for the health care sector and the per capita expenditure on health care products is also rising gradually.

It is expected that the Indian Pharma industry will continue to have robust growth in the near future because of the inherent strengths it possesses in the form of low cost manpower, availability of raw materials at competitive prices and a huge internal market backed by favourable government policies for the health care sector.

Your Company is associated with API manufacturing companies in India and product selection is being done after proper study and future prospects.

Currently, your Company has been a key supplier of Thionyl Chloride to several manufacturers of CMAC and Cypermethrin tech in India. It is also making intermediates for some anti-allergic, anti- epileptic and anti-depressant drugs. There are, however, certain concerns about some drugs which could have adverse effect on Thionyl Chloride sales.

Polymer chemistry has been experiencing lot of changes to suit customers' needs and, as result of efforts put in by chemists and other scientists, the world market is being introduced with products which are more and more customer friendly. The focus is on achieving optimization in properties to suit the needs of consumers world wide. Newer areas of applications are emerging.

Scientists are busy in developing newer varities of polymers with improved properties.

Your Company had identified Polymers as a growth prospect and has been putting in efforts in the last 4-5 years. As a result, we have been able to establish ourselves as one of the key manufacturers of monomers required in production of some polymers. It is also relevant to mention that the entire production of such monomers is being exported to some large companies in developed markets.

It is also expected that some more Polymer capacities will be generated in the near future which will open up opportunities for your Company to get associated with them.

During the year under review the Polymer industry also suffered a set back due to the global economic crisis and resulting in a down-turn in your Company's exports. Customers could, however, be retained.

The year 2009 cannot be forgotten easily – it carried forward the effect of the global economic slowdown which started in the third quarter of 2008. Sentiments were totally down with demand shrinkage for almost all the products including essential items.

Needless to mention, your Company was also not immune to the above scenario and got adversely affected due to low demand from certain customers in the West. Revival was noticed in the second half of the year under review and, customers having been retained, the prospects seem to be brighter.



Opportunities and threats

Opportunities

The technical textiles for which the Company is making monomers is showing healthy growth of over 11 percent and some new capacities are being added worldwide. This gives a good opportunity for the Company to have both vertical as well as horizontal growth.

The Pharma industry is also consolidating in India and, as stated earlier, India is emerging as a production base for many API companies. With some of the APIs (for which your company is making intermediates) off-patent or going to be off patent soon, opportunities for your Company seem to be good.

China is undergoing rapid changes with regard to pollution norms and the strengthening of their currency, thereby Chinese products are getting costlier day by day. These developments have opened up good business opportunities for your Company.

The Indian dyestuff industry has also consolidated its position in the domestic and in the global markets and is expected to grow with reasonable pace. As a supplier of raw materials for certain dyestuffs, this development would have a favourable impact on the Company's business.

Threats

The set of products which are being offered by your Company is also being offered by some Chinese and SSI units in India. Though currently they are not at parwith the quality requirements of buyers, can be threat in future in the event of their developing products as per the requirement of customers.

There is a potential for customers to do backward integration and start producing monomers currently supplied by your Company.

The Company is also facing domestic competition for certain products as a result of creation of new capacities.

Risks and Concerns

The Indian economy is strengthening and, as a result, input costs, especially those of power and fuel, are also rising and are likely to unfavourably impact profitability.

The volatility in the foreign exchange market is also a cause for concern.

Raw material prices will play a major role and any shift towards the upper side due to demand/supply gap and any major upsurge in crude oil price will have negative impact on our profitability.

Outlook

Our aim is to become a key supplier of monomers in the international market and for that we are in the process of cetting our products introduced to all potential customers.

We foresee a quantum jump in sales of monomers during coming year which will further consolidate our position.

The inputs which the Company is putting in for developing business in the Pharma sector appear to bring in encouraging results in the near future.

We are also focusing on Pharma industry and aim to become key suppliers for cur Pharma customers. Further, investments in capacity enhancements and new products are expected to provide an impetus to our aim to achieve leading position as a monomer and Pharma raw material supplier.

In domestic market, due to increasing demand driven by local consumption, a consistently moderate growth is expected. This is also attributable to the focus of various multinationals in India for lower cost, good quality products. Your Company is geared up to capture opportunities in new products as well as with new customers.

Segment wise performance

The Company has only one business segment namely "Chemicals". The information in respect of secondary segment as per the Accounting Standard (AS-17) "Segment Reporting" issued by the Institute of Chartered Accountants of India is given under Note No.16 in Schedule 22 of Annual Accounts.

Internal Control Systems and their adequacy

Your Company maintains an adequate and effective internal control system commensurate with its size and complexity. We believe that these internal control systems provide, among other things, a reasonable assurance that



transactions are executed with management authorizations and that they are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles and that the assets of the Company are adequately safeguarded against significant misuse or loss. An independent internal audit function is an important element of the Company's internal control system. The internal control systems are supplemented through an extensive internal audit programme and periodic review by management. Your Company has clearly laid down policies, guidelines and procedures that form part of its internal control systems.

Discussion on financial performance with respect to operational performance

The net sales of the Company for the year under review is Rs.113.41 crores as against Rs. 166.61 crores in the previous year. In the year under review the sales has reduced by 32% in comparison to previous year. During the year Profit After Tax is Rs. 4.55 crores vis-à-vis Rs. 7.90 crores in the previous year. The reduction was mainly due to reduction in selling price of our major products, because of reduction in major raw material prices having corresponding effect on selling price. However, it was partially compensated by increase in volume of domestic sales in one of our main product. Further there was reduction in export sales during the first three quarters of the year due to recessionary pressures in Europe. The last quarter of the year showed good recovery with improvement in global economic recession.

Human resources / Industrial relations

The employee strength as on 31st March, 2010 was 514.

The strength of the Company is its employees and it believes in nurturing and developing them through various programmes and activities like training for skill development and up-gradation of knowledge aimed at improving their total efficiency and in providing them with ample opportunities for their career growth. A well-defined performance management system is also in place.

Industrial Relations continue to be cordial.

Cautionary Statement

Statements in this report on Management Discussion and Analysis relating to the Company's objectives, projections, estimates, expectations or prediction may be forward looking within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results might differ materially from those expressed or implied depending upon factors such as climatic conditions, global and domestic demand-supply conditions, finished goods prices, raw materials cost and availability, foreign exchange market movements, changes in Government regulations and tax structure, economic and political developments within India and the countries with which the Company has business and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.



1. COMPANY'S PHILOSOPHY ON CODE OF CORPORTE GOVERNANCE:

The Company has adopted the required practices of Corporate Governance keeping in view its size, complexity, global operations and its traditional ethical values. The Company believes in achieving the global standards of corporate conduct towards all stakeholders by following the principles of accountability, integrity and responsibility in dealings with employees, shareholders, consumers and the community at large.

The Company has complied with all the requirements of corporate governance in terms of clause 49 of the listing agreement with the Stock Exchange, Mumbai and the best practices are followed to achieve its goal on corporate governance.

2. BOARD OF DIRECTORS:

(i) Composition:

The Board of Directors comprises the Managing Director, an Executive Director (appointed w.e.f. 09.04.2010) and eight non-executive Directors including the Chairman. Five of the eight non-executive Directors are independent Directors.

The composition and categories of Directors on the Board during the period 01.04.2009 to 31.03.2010 and details about Board Meetings held and attended by them, attendance in last AGM, Directorships in other companies and Chairmanship/Membership in Committees of other companies are given in the following table.

(ii) Details of Directors:

Sr. No.		Category of Director- ship¹	(Ap	ard Meetings ril, 2009 March, 010)	Attendance in last AGM held on 27.08.2009	No. of other Director- ships held as at 31" March, 2010	No. other! Comm Positi held a 31" Ma	Board nittee ons as at arch,
			Held	Attended			Chairman	Member
1. SI	hri Ashwin C. Shroff	PD/NED	5	5	Present	11	1	-
2. SI	hri Atul G. Shroff	PD/MD	5	5	Present	7	2	1
3. Lá	ate Shri D.C. Gami*	NPD/NED /ID	5	4	Present	-	-	-
4. SI	hri Dipesh K. Shroff	PD/NED	5	3	Present	12	-	1
5. SI	hri M. D. Patel	NPD/NED /ID	5	5	Present	8	3	6
6. SI	hri A. H. Patel	NPD/NED /ID	5	5	Present	8	2	1
7. D	r. Bemd Dill	NPD/NED /ID	5	5	Present	1	-	-
8. SI	hri Ravi A. Shroff	PD/NED	5	3	Absent	1	-	-
9. SI	hri Ninad D. Gupte	NPD/NED /ID	5	4	Present	7	7	2
10. SI	hri Nimish U Patel**	NPD/NED /ID	5		ĕ	4	-	1

^{*} Shri D. C. Gami – Ceased to be a Director of the Company w.e.f. 11.11.2009.

^{**} Shri Nimish U. Patel - Appointed as Director w.e.f. 30.01.2010 in the casual vacancy caused due to the sad demise of Shri D. C. Gami.

⁻ Shri Bimal V. Mehta appointed as Executive Director on 09.04.2010 is not included in the above list.



- PD Promoter Director; NPD Non-Promoter Director; MD Managing Director; NED Non-Executive Director;
 ID Independent Director
- Number of other Directorships includes Directorship held in Private Limited Companies and foreign companies

Detailed agenda notes were made available to the Directors in accordance with the provisions of Annexure-I(A) to clause 49 of the Listing Agreement.

(iii) Details of Board Meetings held during the year :

Date of Board Meeting	12.06.09	29.07.09	27.08-09	26.10.09	30.01.10
Board Strength	9	9	9	9	9
No. of Directors present	7	8	8	9	7

3. THE SHAREHOLDING OF THE DIRECTORS AS ON 31 ST MARCH, 2010, WAS AS UNDER:

Name of the Director	Shares held (No.)	% to total capital
Shri Ashwin C. Shroff	3,944	0.07
Shri Atul G. Shroff	2,54,590	4.34
Late Shri D. C. Gami*	100	-
Shri Dipesh K. Shroff	30,062	0.51
Shri M. D. Patel	5	=
Shri A. H. Patel	100	-
Dr. Bernd Dill	7:	T.
Shri Ravi A. Shroff	7086	0.12
Shri Ninad D. Gupte	-	-
Shri Nimish U. Patel	-	2

^{*}Shri D. C. GAMI - Ceased to be a Director w.e.f. 11.11.2009.

4. PARTICULARS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING:

Name of the Director DR. BERND DILL
Date of Birth 17.09.1950

 Date of Birth
 17.09.1950

 Date of Appointment
 22.06.2007

 ${\bf Expertise\,in\,Specific\,Functional\,Areas} \qquad {\bf Techno\,Commercial}.$

Qualification Ph.D.

Brief Resume of Dr. Bernd Dill Dr. Bernd Dill, a German national, has completed his school and

university education with emphasis on mathematics and natural sciences, Doctoral Thesis in Chemistry "Summa Cum Laude" at Frankfurt University. Subsequently, he spent 28 years with CIBA GEIGY in various international senior assignments. Recently, he has left his latest position as Executive Vice President Technology of



LURGI AG in Frankfurt and started his own company, Dr. Bernd Dill Consulting, based in Germany and Switzerland. He has a solid technical background, extensive experience in managing people from culturally very different environments and identification and recognition of talented and outstanding people, strong business and customer orientation, negotiating skills and experience, coupled with initiative, drive and result orientation. He holds membership of several professional organizations, some of which are National Technology and Environment Council of the German Chemical Industry Association, British Chemical Industry Association, American Chemical Society, Optical Society of America etc. He is also a member of the publishers' Board for Roempp's Chemical encyclopedia.

Dr. Dill is also owner of the following patents:

US Patent No.4659831 (Dill, Bernd), Process for the preparation of anthraquinone imides.

With Colleagues:

US Patent No.4767573 (Muller, Rolf and Dill, Bernd), Process for the preparation of a mixture of 1-amino – 2 – chloro – 4 – hydroxyanthraquinone and 1 – amino – 2 – bromo – 4 – hydroxyanthraquinone.

US Patent No.4825005 (Frey, Christian and Dill, Bernd), Process for the preparation of aromatic ether and thioether compounds, and

US Patent No.4964876 (Frey, Christian and Dill, Bernd; Schmid, Konrad), blue anthraquinone disperse dyes and mixtures of blue disperse dyes.

Other Public Companies in which Directorship held

Sasol/Lurgi, South Africa

Other Public Companies in which membership of Committees of Directors held.

Name of the Director

Shri Ravi A. Shroff

Date of Birth

05.02.1978

Date of Appointment

29.03.2008

Expertise in Specific Functional Areas

I) New Product Development

ii) Growth Management

Qualifications

B.E.(Chemical Engineering), M. S. (Chemistry)

Brief Resume of Shri Ravi A. Shroff

Shri Ravi A. Shroff joined the Board of Directors of the Company w.e.f. 29.3.2008. Shri Ravi Shroff is having good academic back ground. He is B.E. (Chemical Engineering) and M.S. (Chemistry). At the age of 25 years, he had shouldered the responsibility of Anshul Speciality Molecules Ltd., Mumbai, in the capacity of CEO and Executive Director of the said Company. He is also holding directorship in four private limited companies and is a partner in M/s. Anshul Agencies, Mumbai. Presently, he holds the position of Vice-President in Excel Industries Ltd.



Name of the Director Ninad D. Gupte Date of Birth 31.08.1953

Date of Appointment 07.06.2008

Expertise in Specific Functional Areas Management of Companies operating in the field of fine chemicals.

performance chemicals, industrial chemicals and agrochemicals.

Qualifications B.Sc (Bombay University); PGDBM - Equivalent to MBA (XLRI-Jamshedpur); Diploma in Tax Management (Bajaj Institute of

Management, Bombay University).

Shri Ninad Gupte, aged 56 years, has a B.Sc degree from Bombay Brief Resume of Shri Ninad D. Gupte

PGDBM-Equivalent to MBA (XLRI-Jamshedpur), and Diploma in Tax Management (Bajaj Institute of Management-Bombay University). He has 34 years of experience with the industry in the field of chemicals, petrochemicals and agrochemicals. He has worked with Indian as well as multinational companies at various senior level positions. Until recently, Shri Gupte was working as Managing Director of Cheminova India Ltd.- a Danish Multinational, having an annual turnover of Rs.275 crores. Shri Gupte has also held positions in the past as Director, Jalabindu Agritech Pvt. Ltd. and Director, Herdillia Oxides Ltd.

Shri Gupte has been actively involved in various industry associations in senior positions, to promote the cause of various industries in which he has operated. He is currently Vice-Chairman of Crop Care

Federation of India.

Presently he is the Managing Director of Agrocel Industries Ltd.

Other Public Companies in which

Directorship held

Qualifications

Agroce Industries Ltd. Excel Crop Care Ltd. TML Industries Ltd. Excel Genetics Ltd.

Name of the Director Shri Nimish U. Patel

Date of Birth 22.12.1965 Date of Appointment 30.01.2010

Expertise in Specific Functional Areas

Electro Plating, Textile and Pharma Industries.

B.B.A. from City University of New York Staten Island, New York, U.S.A., M.B.A. (Finance) from Wagner College, Staten Island, New

York, U.S.A.

Brief Resume of Shri Nimish U. Patel

Shri Nimish U. Patel, aged 44 years, has 14 years of experience with the industry in the field of Electro Plating, Textile and Pharma Industries. He is a Managing Director of Shri Dinesh Mills Ltd. and he is also the Managing Director of Dinesh Remedies Ltd., a subsidiary of Shri Dinesh Mills Ltd, since 2005. He is also holding the position of Director of Ultramarine & Pigments Ltd. Shri Nimish Patel is also holding membership in Vadodara Employers Union, Vadodara and Gaekwad Baroda Golf Club, Vadodara. He is also the Managing Trustee of Shri Maganbhai B. Patel's Charity Trust and Trustee of Shri

Dinesh Foundation.

Other Public Companies in which

Directorship held

Shri Dinesh Mills Ltd. Ultramarine & Pigments Ltd. Dinesh Remedies Ltd.



Name of the Director Shri Bimal V. Mehta

 Date of Birth
 27.09.1964

 Date of Appointment
 09.04.2010

Expertise in Specific Functional Areas Business Strategy and growth models including mergers and

acquisitions.

Management of manufacturing organizations.

Project and Programme management.

International Business Management, Marketing and Negotiations.

Team Management and Development.

Six Sigma Deployment and Lean Manufacturing.

Financial Planning and Restructuring.

Information Technology specializing in Cyber Crime Prevention and

Detection and IT Security Systems.

Qualifications B. Com. (1984 from Saurashtra University), Chartered Accountant

(1987)

Brief Resume of Shri Bimal V. Mehta, aged 45 years, is a qualified Chartered

Accountant by profession. He has worked in senior level positions in several Indian and multi-national companies. His last appointment was as Managing Director of Nibbana Ltd., Mauritius, a joint venture between TML Industries Ltd., Vadodara and State Investment Corporation of the Govt. of Mauritius. He has several achievements, some of which are: Started many plants of Lear Corporation (U.S. Fortune 500 multinational) in India and established firmly the business of Lear in India, managed successfully the first international interiors programme for Mahindra Scorpio SUV and effective consulting in business strategy, financial planning and restructuring and technology

initiatives for many small, medium and large organisations.

Other Public Companies in which Directorship held

Transchem Agritech Ltd.

5. CODE OF CONDUCT

The Board of Directors has adopted the code of conduct for the Board members and the senior management of the Company. The said code has been communicated to the Directors and the senior management personnel. The code has also been posted on the Company's website www.transpek.com.

6. AUDIT COMMITTEE:

Terms of Reference:

The role of the Audit Committee has been defined in the Audit Committee charter adopted by the Board which includes supervision of the Company's reporting process and disclosure of its financial information; to recommend the appointment of Statutory Auditors and Internal Auditors and fixation of their remuneration; to review and discuss with the Auditors about internal control systems, the scope of Audit including the observations of the Auditors, adequacy of the internal control system, major accounting policies, practices and entries, compliances with accounting standards and Listing Agreement with the Stock Exchange and other legal requirements concerning financial statements and related party transactions, if any; to review the Company's financial and risk management policies and discuss with Internal Auditors any significant findings for follow-up action thereon; to review the Quarterly, Half Yearly and Annual Financial Statements before they are submitted to the Board of Directors.

The minutes of the meetings of the Audit Committee are circulated to the members of the Board, discussed and taken note of.



The Company has complied with the requirements of Clause 49 (II) (A) as regards the composition of the Audit Committee.

The Audit Committee of the Board of Directors of the Company presently comprises the following four Directors:

Shri M. D. Patel, Chairman : Independent, non-executive Director
Shri D. K. Shroff : Promoter, non-executive Director
Shri A. H. Patel : Independent, non-executive Director
Shri Ninad D. Gupte : Independent, non-executive director

The Committee held 4 meetings during the year i.e. on 12.06.2009, 29.07.2009, 26.10.2009 and 28.01.2010. Details of meetings attended by the aforesaid Directors are as under:

Date of Audit Committee Meeting	Late Shri D.C. Gami* (Chairman)	Shri D. K. Shroff	Shri M.D. Patel ***	Shri A.H. Patel **
12.06.2009	Present	Present	Present	Present
29.07.2009	Present	Absent	Present	Present
26.10.2009	Present	Present	Present	Present
28.01.2010	Ceased	Absent	Present	Present

^{*}Shri D. C. GAMI - Ceased to be a Director w.e.f. 11.11.2009.

Note:

Shri Ninad D. Gupte was inducted as a member of Audit Committee w.e.f. 30.01.2010

Shri S. K. Solanki, General Manager & Company Secretary of the Company, acts as the Secretary to the Committee. Audit Committee Meetings are also attended by General Manager (Finance & ERP), the Company's Chief Financial Officer. Statutory Auditors and Internal Auditors of the Company are also invited to the meetings as and when required.

7. REMUNERATION COMMITTEE:

Terms of Reference:

The broad terms of reference of the Company's Remuneration Committee are to determine and recommend to the Board and the Members, compensation payable to the Managing Director and Executive Director, to determine and advise the Board on the payment of annual increments and commission to the Managing Director and the Executive Driector.

REMUNERATION OF DIRECTORS:

The non-executive Directors are paid sitting fees for attending meetings of the Board and of Committees of Directors. In addition, commission not exceeding in the aggregate 1% per annum of the net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 1956 in such proportion and manner as the Chairman may decide, is being paid to such non-executive Directors of the Company, as approved by the members of the Company.

The Company pays remuneration to its Managing Director by way of salary, perquisites, allowances and commission in accordance with the approval received from Govt. of India, Ministry of Corporate Affairs vide its letter dated 08.02.2007 approving the re-appointment of Shri A. G. Shroff, as Managing Director of the Company for a period not exceeding five (5) years w.e.f. 01.12.2006 on the remuneration payable to him from the date of his re-appointment, which shall not exceed the following:

^{**}Shri A. H. Patel - Elected as Chairman for the meeting held on 28.01.2010

^{***}Shri M. D. Patel - Elected as Chairman of the Committee w.e.f. 30.01.2010

Year	Total Remuneration Rs.	
1 st Year	64,62,000	
2 nd Year	75,21,000	
3 rd Year	87,57,000	
4" Year	99,91,500	
5ª Year	1,13,88,000	

The above remuneration is (a) "notwithstanding the limits of 5% and 10% of the net profits as the case may be as laid down in sub-section (3) of Section 309 of the Companies Act, 1956, and the overall limit of 11% of the net profits as laid down in sub-Section (1) of Section 198 of the Companies Act, 1956, and (b) as approved by the members in General Meetings held on 07.9.2007 and 22.08.2008.

(i) Details of remuneration paid to Shri A. G. Shroff, Managing Director, during the period 01.04.2009 to 31.03.2010 are as under:

Rs. in Lacs

Salary Rs.	Perquisites Rs.	Contribution to Provident Fund and other Funds Rs.	Performance Incentive @ 1.5 % of PBT Rs.	Total Rs.
31.00	31.00	9.86	10.37	82.23

The employment of Managing Director is contractual for a period of five years and terminable by either party giving three months' notice.

(ii) Remuneration to Non-Executive Directors for the year ended 31.03.2010:

The Non-Executive Directors were paid sitting fees of Rs.2500/ - for each meeting of the Board and Audit Committee and Rs. 1500/-, for each meeting of other Committees attended by them.

Name of Non- executive Director	Sitting fees paid during the year for attending Board and Committee Meetings Rs.	Commission paid during the year but pertaining to the year 2008-2009 Rs.
Shri Ashwin C. Shroff	12,500	2,50,000
Late Shri D. C. Gami*	22,000	2,00,000
Shri Dipesh K. Shroff	12,500	2,50,000
Shri M. D. Patel	40,500	2,25,000
Shri A. H. Patel	40,500	2,25,000
Dr. Bernd Dill	12,500	75,000
Shri Ravi A. Shroff	7,500	75,000
Shri Ninad D. Gupte	10,000	75,000
Shri Nimish U. Patel**	-	-

^{*} Shri D. C. Gami - Ceased to be a Director w.e.f. 11.11.2009.

^{**} Shri Nimish U. Patel - Appointed as Director w.e.f. 30.01.2010 in the casual vacancy caused due to the sad demise of Shri D. C. Gami, he attended that meeting as special invitee and fees paid to him as Rs. 2500/-.



Further, subject to the approval of shareholders at the ensuing 44th Annual General Meeting, pursuant to the provisions of Section 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and pursuant to the resolution passed by the Remuneration Committee of Directors of the Company and subject to such other approvals, as may be necessary, the Board of Directors of the Company at its meeting held on 09.04.2010, appointed Shri Bimal V. Mehta, as Whole-time Director designated as Executive Director of the Company for a period of three years on the terms and conditions and remuneration as recommended by the Remuneration Committee at its meeting held on the same day. The Terms and conditions of the appointment, including payment of remuneration are given in the Explanatory Statement appended to the Notice to the Members.

8. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:

The Company has constituted Shareholders'/Investors' Grievance Committee to look into the investors' complaints, if any, and to redress the same expeditiously.

The present Shareholders/Investors' Grievance Committee comprises Shri A. G. Shroff (Chairman), Shri M. D. Patel, Shri A. H. Patel, and Shri Nimish U. Patel. Shri A. G. Shroff is elected as Chairman of the Committee in place of Shri D. C. Gami, who expired on 11.11.2009. Shri A. H. Patel, Shri M.D. Patel and Shri Nimish U. Patel are non-executive independent Directors. The Committee held 2 meetings during the period under review i.e. on 25.05.2009 & 28.01.2010.

Further, the Board of Directors had at its meeting held on 05.03.2009, delegated the authority to approve the transfer of shares held either in demat or in physical form to a Committee of senior officials of the Company.

The Committee of senior officials meets as often as required but at least once in a fortnight to consider and approve only requests for transfer and submits reports on approvals accorded by it at every meeting of the Committee of Directors. The other aspects relating to shares (e.g. transmission, issue of duplicate physical share certificates etc.) continue to be dealt with as at present by the Committee of Directors or by the Board.

Shri Shailesh K. Solanki, General Manager & Company Secretary is designated as the Compliance Officer.

During the period under review, the Company received 2 (two) complaints from the NSDL and SEBI. Same have been attended to and resolved. As on 31.03.2010 no complaints from investors are pending.

9. GENERAL MEETINGS:

The last three (41st, 42nd and 43rd) Annual General Meetings of the Company were held at 3:30 P. M. on 07.09.2007, 22.08.2008 and 27.08.2009 respectively. The AGMs were held at the Auditorium Hall, The Institution of Engineers (India), Vadodara Local Centre, Nr. Trident Complex, Race Course Circle, Vadodara - 390.007 which is close to the Registered Office of the Company.

During the last three years, two Extraordinary General Meetings of the Company were held, one at 3:30 P. M. on 28.12.2007 at the Auditorium Hall, The Institution of Engineers (India), Vadodara Local Centre, Nr. Trident Complex, Race Course Circle, Vadodara - 390 007 and the other at 3:30 P. M. on 05.03.2009 at the Registered Office of the Company - 6th Floor, Marble Arch, Race Course Circle, Vadodara 390 007.

No Special Resolution was required to be put through postal ballot last year.

None of the resolutions proposed to be passed at the ensuing AGM to be held on 13th August, 2010 is required or proposed to be put through postal ballot.

10. DISCLOSURES:

Related Party Transactions:

Related party transactions under Clause 49 of the Listing Agreement are defined as the transactions of the Company of a material nature, with its promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large.

Among the related party transactions are contracts or arrangements made by the Company from time to time with the companies in which the Directors are interested. All these contracts or arrangements are entered in the Register of Contracts under Section 301 of the Companies Act, 1956 and the Register is placed before the Audit Committee and the Board from time to time. There were no material transactions with related parties during the year 2009 - 10 that are prejudicial to the interest of the Company.



Particulars of transactions between the Company and related parties as per the Accounting Standard (AS-18) "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given under Note No.13 (a) & (b) in Schedule 22 of Annual Accounts.

Disclosure of Accounting Treatment:

We have complied with all the applicable accounting standards except as mentioned in note no.17(b) in Schedule 22 Notes to Accounts. The Board is of the view that in view of the significant uncertainties associated with the derivative contract, whose ultimate outcome depends on future events, the exchange gain or loss, if any, on the strike date would be accounted for in the profit and loss account as and when it crystallizes.

Disclosure of proceeds from Preferential Issue:

In order to meet the requirements for capital expenditure as well as additional general working capital, the Company raised funds by offer, issue and allotment of 7,99,000 equity share warrants of Rs.10/- each at a premium of Rs.55/- per equity share warrant to certain promoters and others on preferential basis entitling the holder thereof to apply for one equity share of the face value of Rs.10/- each at a premium of Rs.55/- per share in terms of the SEBI (DIP) Guidelines, 2000. Such conversion took place in three tranches and full value of the preferential issue has been received and utilised for the intended purpose.

A statement of funds utilised was placed before the Audit Committee at its meeting held on 12.06.2009 and the Audit Committee noted that the money raised through the issue has been fully spent on the intended purposes.

Statutory Compliance, Penalties and Strictures:

During the year the Company and the Directors of the Company had received show cause notice from the Office of Registrar of Companies, Gujarat, Ahmedabad vide its letter dated 28.10.2009 for violation of Section 217(3) of the Companies Act, 1956, mainly relating to non-compliance of updation of fixed assets register and also physical verification of fixed assets.

A reply has been submitted jointly by the Company and the Directors of the Company, by submitting an application under Section 621A of the Companies Act, 1956 for compounding of offence under Section 217(3) of the Act to the Office of Registrar of Companies, Gujarat, Ahmedabad vide letter dated 20.11.2009 under copy marked to the Office of the Regional Director, Western Region, Govt. of India, Mumbai.

11. MEANS OF COMMUNICATION:

- i) Information like quarterly financial results, half yearly results and annual audited results have been submitted to the Bombay Stock Exchange and published in newspapers such as Business Standard (Mumbai Edition) and Business Standard (Ahmedabad Edition) and Vadodara Samachar (Vadodara Edition) and/or Indian Express (Vadodara Edition) and Financial Express (Ahmedabad Edition) from time to time.
- ii) As per the requirement of clause 51 of the Listing Agreement, 43rd Annual Report for the year ended 31.03.2009, is provided on website viz. www.sebiedifar.nic.in within the time frame prescribed in this regard.
- A report on Management Discussion and Analysis forming part of the Annual Report is annexed to the Directors' Report.

12. GENERAL SHAREHOLDER INFORMATION:

The mandatory as also various additional information of interest to investors is furnished in a separate section on investor information elsewhere in this report.



REPORT ON CORPORATE GOVERNANCE AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To, The Members of TRANSPEK INDUSTRY LIMITED

We have examined the compliance of conditions of corporate governance by Transpek Industry Limited for the year ended March 31, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation 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.

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

FOR S. R. BATLIBOI & CO. Firm registration number: 301003E Chartered Accountants

Per Arvind Sethi Partner

 Place : Pune
 Partner

 Date : May 31, 2010
 Membership No. 89802



INVESTOR INFORMATION

1. Annual General Meeting:

Date, time and venue: 13th August, 2010 at 3:30 p.m. at Hotel Express Tower, "Oaks Room", 8th Floor, R. C. Dutt Road, Alkapuri, Vadodara 390 007.

2. Financial calendar:

- i. Financial year: April to March
- ii. First quarter results last week of July / middle of August
- iii. Half yearly results last week of October / middle of November
- iv. Third quarter results last week of January / middle of February
- v. Results for the year ended 31.03.2010 on or before 31.05.2010
- vi. Dividend Payment Date on or after13th August, 2010.

3. Book Closure Date:

6th August, 2010 to 13th August, 2010 (both days inclusive)

4. Stock Exchange Listings:

The Bombay Stock Exchange Ltd., Mumbai.

Stock code: 6687

ISIN NO.: INE 687A01016 for dematerialization.

5. Investor Service Centre:

Shareholders and depository participants are requested to send their requests for transfers, dematerialization and re-materialization of shares directly to the Registrar appointed for the purpose at the following address:

(i) Registered Office:

Link Intime India Private Limited C-13, Pannalal Silk Mills Compound,

LBS Marg, Bhandup (W),

Mumbai 400 078

Phones: 022- 5555 5454 Phones: 0265-Fax: 022- 2567 2693 Email: Alpesh.

Website: www.linkintime.co.in

(ii) Branch Office:

Link Intime India Private Limited, 1st Floor, 308, Jaldhara Complex,

Opp. Manisha Society, Off Old Padra Road,

Vasna Road, Vadodara 390 007.

Phones: 0265-2250241, 3249857, Fax: 2250246

Email: Alpesh.gandhi@linkintime.co.in mansi.bakshi@linkintime.co.in

6. Investors may also contact the Company at the following address in case of any grievances:

Transpek Industry Ltd.,

Investor Service Centre, 6th Floor, Marble Arch, Race Course, Vadodara 390 007.

Telephone: 0265-2335444.2335446, 2335447, 2334141, 2358236, 2335757, 2342262

Fax : 0265-2335758

Email : secretarial@transpek.com

inquiry@transpek.com



INVESTOR INFORMATION: Cont'd...

7. Dematerialization of Shares:

The Company has entered into agreements with both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) whereby shareholders have an option to dematerialize their shares with either of the depositories. 89.49% of the paid up capital has been dematerialized as on 31.03.2010.

8. Plant location:

Transpek Industry Limited

At & Post Ekalbara 391 440,

Taluka Padra, Dist. Vadodara

Telephone: 02662-244444, 244289, 244309, 244318, 244276

e-mail: inquiry@transpek.com

Fax : 02662-244439 Website : www.transpek.com

Investors' correspondence may be addressed to the Registrar and Share Transfer Agent at the address mentioned above. The Compliance Officer of the Company may also be contacted at the following address:

Shri Shailesh K. Solanki

General Manager & Company Secretary,

Transpek Industry Ltd,

6th Floor, Marble Arch,

Race Course,

Vadodara 390 007.

Telephone: 0265-2335444, 2335446, 2335447, 2334141, 2358236, 2335757, 2342262

Fax : 0265-2335758

E-mail : secretarial@transpek.com

Website : www.transpek.com

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants.

10. Share Transfer System:

All the transfer requests received are processed by the Registrar and Share Transfer Agent and are approved by the Committee of Sr. Officials of the Company, which normally meets every fortnight. Share transfers are registered and returned within a maximum of 15 to 20 working days from the date of lodgment if documents are complete in all respects.



INVESTOR INFORMATION: Cont'd...

11. Stock Price and Volume:

Monthly High, Low, Closing Market Price and number of shares traded during each month in the last financial year on Bombay Stock Exchange Ltd., is furnished below:

Mumbai (BSE)

2009-2010 (12 months)	Highest (Rs.)	Lowest (Rs.)	Closing Market price (Rs.)	Volume of Trade (Nos.)
April,09	57.00	45.20	46.00	15535
May,09	67.40	46.00	66.40	16001
June,09	76.95	60.05	69.00	44316
July,09	72.75	59.35	62.10	28189
August,09	68.75	57.10	61.45	28603
September,09	70.00	57.20	64.65	36571
October,09	71.55	59.70	60.30	30274
November,09	65.95	51.75	61.05	26203
Dececember,09	68.75	50.65	61.75	59822
January,10	79.90	57.00	63.05	79752
February,10	77.00	49.00	57.80	73709
March,10	67.00	51.00	63.50	68306

12. Share price performance in comparison to Broad-based Index BSE Sensex





INVESTOR INFORMATION: Cont'd...

13. Distribution of shareholding as on 31st March, 2010:

(Includes Preferential issue Tranche II allotted on 23.03.2009 and Tranche III allotted on 25.05.2009)

Category Rs.		*(C-10**)	No. of Shareholders	Percentage to Total No. of Shareholders	No. of Shares	Percentage to Capital
1	-	5000	7362	91.49	7,45,150	12.69
5001	-	10000	338	4.20	2,58,504	4.40
10001	-	20000	155	1.93	2,26,387	3.86
20001	-	30000	48	0.59	1,66,172	2.83
30001	-	40000	29	0.36	1,01,306	1.72
40001	-	50000	27	0.33	385,815	6.57
50001	-	100000	36	0.45	3,34,538	5.70
100001	-	and above	52	0.65	3,654,168	62.23
TOTAL			8047	100.00	58,72,040	100.00

14. Categories of Shareholders as on 31st March, 2010:

Category	No. of Shareholders	Voting Strength %	No. of Shares
Indian Promoters	56	29.29	17,19,921
Life Insurance Corporation of India	1	3.68	2,16,132
United India Insurance Company Ltd.	1	0.49	28,750
National Insurance Company Ltd.	1	1.28	74,950
Unit Trust of India	1	0.04	2,450
Stock Holding Corporation of India Ltd.	1	0.00	200
Southern India Depository Services P. Ltd. (A/c Kothari Pioneer Taxshield'95)	1	0.00	250
Nationalised Banks	8	0.03	2,019
Shares Pledged with Citibank N.A.	4	0.02	950
Foreign Company/ Institutions	3	0.01	420
Non-Resident Individuals	31	4.47	2,62,538
Other Bodies Corporate	134	10.79	6,33,864
Individuals	7805	49.90	29,29,596
TOTAL	8047	100.00	58,72,040

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY

This is to confirm and certify that the Company has adopted a Code of Conduct for Board Members and Senior Management Personnel. As provided under clause 49 of the Listing Agreement with the Stock Exchange, the Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended 31st March, 2010.

For Transpek Industry Ltd.

Atul G. Shroff Managing Director



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY

- 1. Name of the subsidiary company
- The financial year of the subsidiary company ended on
- 3. Date from which it became subsidiary
- Shares of the subsidiary company held by Transpek Industry Limited and its wholly owned subsidiary, at the end of the financial year of the subsidiary company -
 - (a) Number and face value
 - (b) Extent of holding
- Net aggregate profits/losses of the subsidiary company, so far as concerns the members of Transpek Industry Limited -
 - (a) not dealt with in the accounts of Transpek Industry Limited for the year ended 31st March, 2010, amounted to:
 - (i) for the subsidiary company's financial year ended as in (2) above.-
 - (ii) for pervious financial years of the subsidiary company -
 - (b) dealt with in the accounts of Transpek Industry Limited for the year ended 31st March, 2009, amounted to:
 - (i) for the subsidiary company's financial year ended as in (2) above-
 - (ii) for previous financial years of the subsidiary company-
- The financial years of Transpek Industry Limited and its Subsidiary Company are ended on 31st March, 2010 and hence no information pursuant to Section 212(5) is given.

Transpek Industry (Europe) Limited

31st March, 2010

22nd April, 2008

20 Ordinary Shares of GBP 1 each

100%

_

-

Note:

The income and expenditure incurred during the period are apportioned to the holding company and other group members, resulting in there being no profit and no loss.

For and on behalf of the Board of Directors

A. C. Shroff (Chairman)

A. G. Shroff (Managing Director)

Bimal V. Mehta (Executive Director)

M. D. Patel (Director)

S. K. Solanki (Company Secretary)

Place : Vadodara Date : May 31, 2010



SEVEN-YEARS HIGHLIGHTS

(Rs. in Lacs)

		2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04				
ı	CAPITAL ACCOUNTS											
	A Share Capital	587.20	559.30	532.67	507.30	507.30	507.30	507.30				
	B Reserves	4797.22	4360.34	3587.52	3432.31	3056.67	3162.21	2681.72				
	C Shareholders' Fund (A+B)	5384.42	4919.64	4120.19	3939.61	3563.97	3669.51	3189.02				
	D Borrowings*	5047.26	4670.52	3284.89	3284.26	3207.55	2438.35	2591.29				
	E Fixed Assets											
	i Gross Block	11426.75	10902.73	9278.33	8543.87	7089.11	5744.11	6864.89				
	ii Net Block	6902.39	6846.64	5631.93	5332.74	4261.09	3226.73	3869.24				
	F Debt-Equity Ratio	0.94:1	0.95:1	0.80:1	0.83:1	0.90:1	0.66:1	0.81:1				
II	REVENUE ACCOUNTS											
	A Sales Turnover**											
	i Domestic	4974.46	5953.71	4725.42	5324.94	5931.85	5565.08	5036.77				
	ii Export	6366.28	10707.29	5954.56	2705.83	1794.39	1019.56	363.80				
	TOTAL	11340.74	16661.00	10679.98	8030.77	7726.24	6584.64	5400.57				
	B Profit before taxes	606.53	1243.42	205.07	743.56	809.15	821.85	274.84				
	C Return on Shareholders' Fund %	11.26	25.27	4.98	18.87	22.70	22.40	8.62				
Ш	EQUITY SHAREHOLDERS' EARNINGS											
	A Earning per Equity Share Rs.	7.80	14.81	2.26	9.16	9.89	10.11	5.03				
	B Dividend per Equity Share # Rs.	2.50	2.50	1.50	1.50	2.50	2.00					
	C Dividend Payout Ratio %	37.66	20.71	81.41	19.16	28.81	22.56	-				
	D Net Worth per Equity Share	81.70	77.96	67.35	67.66	60.25	62.33	52.86				
	E Market price of Share as on 31st March	63.50	47.05	62.50	67.15	83.15	73.80	32.55				

^{*} Borrowing is net of Cash and Bank balance

Previous period figures have been regrouped/rearranged wherever necessary

^{**} Sales Turnover is after reducing discounts/rebates

[#] Equity Share of Face Value of Rs.10/- each



AUDITORS' REPORT

To

The Members of Transpek Industry Limited

- We have audited the attached Balance Sheet of Transpek Industry Limited ('the Company') as at March 31, 2010
 and also the Profit and Loss account and the cash flow statement 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 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.
- 3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) 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 and 5 of the said Order.
- 4. Further to our comments in the Annexure referred to above, we report that:
 - 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;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. Subject to our observation in para 4 (vi) below, 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 sub-section (3C) of section 211 of the Companies Act, 1956;
 - v. On the basis of the written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - vi. The Company has not provided for the loss amounting to Rs 723.36 lacs in respect of its outstanding derivative contracts at March 31, 2010 which would have arisen had these contracts been recorded for at market values at that date, as more fully discussed in note no. 17(b) of the financial statements. As a result, profit before tax for the year is higher by Rs 723.36 lacs, profit after tax for the year and Reserves and Surplus as at March 31, 2010 are higher by Rs 477.49 lacs and basic and diluted earnings per share for the year is higher by Rs 8.19. This had caused us to qualify our audit opinion on the financial statements relating to preceding year;
 - vii. In our opinion and to the best of our information and according to the explanations given to us, subject to the non-provision of mark-to-market losses on outstanding derivative contracts, referred to in paragraph (vi) above, 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 March 31, 2010;
 - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & CO. Firm registration number: 301003E Chartered Accountants

per Arvind Sethi Partner

Place: Pune Date: May 31, 2010



Annexure referred to in paragraph 3 of our report of even date

Re: Transpek Industry Limited ('the Company')

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, discrepancies, though not material, noticed on such verification, have been properly dealt with in the books of accounts.
 - (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at the end of the year.
 - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii)(b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 (as amended), are not applicable to the Company.
 - (b) The Company has taken fixed deposit from a party (falling within the shareholders category), covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year-end balance of deposits taken from such party was Rs. 15.61 lacs.
 - (c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
 - (d) In respect of the above fixed deposit taken, repayment of the principal amount is as stipulated and payment of interest has been regular.
- (iv) 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 inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.



AUDITORS' REPORT

- (x) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it. We are informed that the provisions relating to employees' state insurance are not applicable to the Company.
 - Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act,1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - (c) According to the records of the Company, there are no dues outstanding in respect of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute, other than the following:

Name of the statute	Nature of dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Gujarat Sales Tax Act, 1969	Sales Tax	20.18	1999-2000	Deputy Commissioner of Sales Tax, Vadodara
Central Sales Tax Act, 1956	Sales Tax	189.35	1999-2000	Deputy Commissioner o Sales Tax, Vadodara
Income Tax Act, 1961	Income Tax (including interest thereon)	59.85	1990-1991	Income Tax Appellate Tribunal, Ahmedabad
		31.02	1992-1993	Hon'ble High Court, Ahmedabad
		31.48	1993-1994	Assessing officer, Vadodara
		19.74	1993-1994	Income Tax Appellate Tribunal, Ahmedabad
		152.23	1993-1994	Hon'ble High Court, Ahmedabad
		49.72	1997-1998	Hon'ble High Court, Ahmedabad
		17.40	2003-2004	Income Tax Appellate Tribunal, Ahmedabad
		33.70	2004-2005	Income Tax Appellate Tribunal, Ahmedabad
		110.34	2006-2007	Commissioner of Income Tax (Appeals), Vadodara

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company has no outstanding dues to financial institution or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.



AUDITORS' REPORT

- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. In our opinion the price at which shares have been issued is not prejudicial to the interest of the Company.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised money through public issues during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S.R. BATLIBOI & CO. Firm registration number: 301003E Chartered Accountants

> per Arvind Sethi Partner

Membership No.: 89082

Place: Pune

Date: May 31, 2010



BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedules	March 31, 2010 (Rs. in Lacs)	March 31, 2009 (Rs. in Lacs)
SOURCES OF FUNDS			
Shareholders' Funds			
Share capital	1	587.20	559.30
Share application money pending allotment.			17.31
Reserves and surplus	2	4,797.22	4,360.34
		5,384.42	4,936.95
Loan funds			
Secured loans	3	2,703.48	3,409.96
Unsecured loans	4	2,476.55	1,374.48
		5,180.03	4,784.44
Deferred Payment Liabilities		49.61	49.61
(Refer Note No: 03 of schedule 22)			
Deferred Tax Liabilities (net)	5	914.21	925.01
TOTAL		11,528.27	10,696.01
APPLICATIONS OF FUNDS			
Fixed Assets	6		
Gross block		11,426.75	10,902.73
Less : Accumulated Depreciation		4,524.36	4,056.09
Net block		6,902.39	6,846.64
Capital work-in-progress including capital advance	ces	264.65	414.52
		7,167.04	7,261.16
Intangible Assets	7	100.77	144.68
Investments	8	439.25	439.25
Current Assets, Loans and Advances			
Inventories	9	1,487.83	1,475.33
Sundry debtors	10	3,601.90	2,556.36
Cash and bank balances	11	132.77	113.92
Other current assets	12	15.64	14.94
Loans and advances	13	914.66	1,053.17
(A)		6,152.80	5,213.72
CARRIED FORWARD (A)		6,152.80	5,213.72



BALANCE SHEET AS AT 31ST MARCH, 2010

<u> </u>	Schedules	March 31, 2010 (Rs. in lacs)	March 31, 2009 (Rs. in lacs)
BROUGHT F	ORWARD	6,152.80	5,213.72
Less: Current Liabilities and I	Provisions		
Current liabilities	14	2,005.10	2,061.27
Provisions	15	326.49	301.53
	(B)	2,331.59	2,362.80
Net Current Assets	(A - B)	3,821.21	2,850.92
TO	TAL	11,528.27	10,696.01
Notes to Accounts	22		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date

For and on behalf of the Board of Directors

For S.R. Batliboi & Co. Firm Registration No: 301003E Chartered Accountants

Per Arvind Sethi Partner

Membership No: 89802

Place : Pune

Date: May 31, 2010

A. C Shroff (Chairman)

A. G. Shroff (Managing Director)
Bimal V. Mehta (Executive Director)

M. D. Patel (Director)

S. K. Solanki (Company Secretary)

Place : Vadodara Date : May 31, 2010



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedules	March 31, 2010 (Rs. in lacs)	March 31, 2009 (Rs. in lacs)
INCOME			
Turnover (Gross)			
Sale of Product [Including Sale of Raw Materia Rs 103.65 lacs (Previous Year Rs 72.04 lacs]	als:	11,772.97	17,471.10
Less : Excise duty		432.23	810.10
Turnover (Net)		11,340.74	16,661.00
Other income	16	244.85	200.94
TOTA	L	11,585.59	16,861.94
EXPENDITURE			%
Purchase of Trading Goods		211.08	66.62
Raw materials consumed	17	3,600.81	7,444.76
Personnel expenses	18	1,398.05	1,334.05
Operating and other expenses	19	4,365.27	5,747.59
(Increase)/Decrease in inventories	20	186.52	(166.01)
Depreciation/amortization		604.91	557.98
Financial expenses	21	527.38	631.31
TOTA	AL.	10,894.02	15,616.30
Profit before Exceptional Item, Prior Period and Tax	Item s	691.57	1,245.64
Less: Exceptional Items (net) (Refer Note 4 of Sched	ule 22)	85.04	
Other Prior period items		-	2.22
Profit before tax		606.53	1,243.42
Provision For Taxation			
Current tax		190.79	361.02
(Excess)/Short provision for Taxation for earlier	years	(28.08)	3.06
Deferred Tax charge/(Credit)		(10.78)	69.41
Fringe Benefit Tax			20.00
Total Tax Expense		151.93	453.49
Profit after tax		454.60	789.93
CARRIED FORWARD		454.60	789.93



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedules	March 31, 2010 (Rs. in lacs)	March 31, 2009 (Rs. in lacs)
BROUGHT FORWARD		454.60	789.93
Balance brought forward from Previous Year		1,024.36	998.02
Profit available for appropriation		1,478.96	1,787.95
Appropriations:			
Proposed dividend		146.80	139.83
Tax on dividend		24.38	23.76
Transfer to General Reserve		250.00	600.00
Surplus carried to Balance Sheet		1,057.78	1,024.36
Earnings per share			
Basic Earning Per Share (Rs.)		7.80	14.81
Diluted Earning Per Share (Rs.)		7.80	14.07
Face Value Per Share (Rs.)		10.00	10.00
(Refer Note No: 15 in schedule 22)			
Notes to Accounts	22		

The schedules referred to above and the notes to accounts form an integral part of the Profit and Loss Account.

As per our report of even date

For and on behalf of the Board of Directors

For S.R. Batliboi & Co.	A. C Shroff (Chairman)
Firm Registration No: 301003E	A. G. Shroff (Managing Director)
Chartered Accountants	Bimal V. Mehta (Executive Director)
	M. D. Patel (Director)
Per Arvind Sethi Partner Membership No: 89802	S. K. Solanki (Company Secretary)

 Place : Pune
 Place : Vadodara

 Date : May 31, 2010
 Date : May 31, 2010



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Particulars	For the yea 31⁵¹ March (Rs. in lacs) (, 2010	31st Mar	ear ended ch, 2009
_		(NS. III Ides) (ixs. iii iacs) (i	(3. III lacs)	(13. 111 1803)
Α	CASH FLOW FROM OPERATING ACTIVITIES				
	Profit before exceptional items, prior period items	and tax:	691.57		1,245.64
	Adjustments for :				
	Depreciation	561.00		514.07	
	Amortisation of Intangible Assets	43.91		43.91	
	Loss/(Profit) on sale of Fixed Assets	(11.19)		30.17	
	Assets written off	85.04		30.55	
	Provision for Doubtful Debts	(21.06)		30.68	
	Provision for Doubtful Debts written back	(0.17)		(4.25)	
	Interest received	(18.21)		(17.03)	
	Dividend Received	(94.82)		(69.22)	
	Interest Expense	527.39		631.31	
	Exchange Difference (Gain)/Loss on loans taker	(10.99)		71.68	
	Excess Provision for depreciation	-		(0.15)	
	Short /(Excess) Provision for other items (Net)	(3.91)		(1.06)	
			1,056.99		1,260.66
	Operating Profit before working capital changes		1,748.56		2,506.30
	Adjustments for:				
	(Increase)/Decrease in Loans and Advances	163.89		(147.81)	
	(Increase)/Decrease in Debtors	(1,024.31)		(549.87)	
	(Increase)/Decrease in Inventories	(12.50)		111.17	
	(Increase) in Other Current Assets	(0.70)		33.40	
	(Increase)/Decrease in Current Liabilities and Pro	visions (52.84)		(331.30)	
			(926.46)		(884.41)
	Cash generated from Operations		822.10		1,621.89
	Direct taxes paid		187.20		570.83
	Cash flow before exceptional items		634.90		1,051.06
	Prior Period Adjustments (Other than Taxation)		-		(2.22)
	Net cash from Operating Activities	(A)	634.90		1,048.84
В	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of fixed assets		(667.18)		(1,964.70)
	Purchase of Intangible Assets		-		(13.35)
	Proceeds from sale of fixed assets		41.38		30.65
	Purchase of Investment in subsidiary		-		(0.02)
	Proceeds from sale of Investments		-		34.31
	Decrease / (Increase) in Fixed Deposits with a maperiod of more than 90 days	aturity	(29.12)		(27.03)
	Interest received		17.30		15.78
	Dividend received		94.82		69.22
	Net Cash used in Investing Activities	(B)	(542.80)		(1,855.14)
	CARRIED FORWARD	(A+B)	92.10		(806.30



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Particulars	For the year ended 31st March, 2010 (Rs. in lacs)		For the year ended 31st March, 2009 (Rs. in lacs) (Rs. in lace	
_	BROUGHT FORWARD	(A+B)	92.10	0. 111 1000)	(806.30)
	CASH FLOW FROM FINANCIAL ACTIVITIES		32.10		(000.50)
	Receipt of Long Term Borrowings		1,123.56		1,514.75
	Repayment of Long Term Borrowings		(706.47)		(380.16)
	Interest Paid		(521.77)		(584.23)
	Proceeds from issue of share warrants		164.05		155.80
	Dividend Paid		(137.98)		(78.90)
	Tax on distributed Profits		(23.76)		(13.58)
	Net cash used Financing Activities	(C)	(102.37)		613.68
	Net increase in cash and cash equivalents (A	(10.27)		(192.62	
	Cash and cash equivalents at the beginning of	59.10		251.72	
	Cash and cash equivalents at the end of the y	48.83		59.10	
	Components of Cash & Cash Equivalents				
	Cash on hand		3.35		5.32
	Balances with scheduled banks:				
	On Current Accounts		33.88		37.70
	On Margin money accounts		0.00		6.33
	On Deposit accounts		83.94		54.82
	On Unclaimed dividend accounts		9.89		8.04
	On Right issue application money account	1.71		1.71	
	Cash and Cash Equivalents as per Schedu	132.77		113.92	
	Less: Fixed deposits not considered as cash e	equivalents	83.94		54.82
	Cash and Cash Equivalents as per Cash Flo	ow Statement	48.83		59.10

Note:

- The Cash Flow Statement has been prepared under the Indirect method as set out in Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- Cash and cash equivalents includes Fixed Deposits pledged with government authorities Rs. 0.92 lacs (Previous year: Rs. 0.88 lacs), Unclaimed dividend accounts Rs. 9.89 lacs (Previous year: Rs. 8.04 lacs) and Right issue application money account Rs. 1.71 lacs (Previous year: Rs. 1.71 lacs), which are not available for use by the Company.
- 3. Figures in the brackets represents cash outflow.
- 4. Previous year figures have been regrouped where necessary to confirm to the year's classification.

As per our report of even date

For and on behalf of the Board of Directors

For S.R. Batliboi & Co. Firm Registration No: 301003E Chartered Accountants A. C Shroff (Chairman)
A. G. Shroff (Managing Director)
Bimal V. Mehta (Executive Director)
M. D. Patel (Director)

Per Arvind Sethi Partner

S. K. Solanki (Company Secretary)

Membership No: 89802

 Place : Pune
 Place : Vadodara

 Date : May 31, 2010
 Date : May 31, 2010



March :	31, 2010	March 31, 2009
(Rs.	in lacs)	(Rs. in lacs)
Schedule 1 : Share capital		
Authorised		
75,00,000 (Previous Year: 75,00,000) equity shares of Rs.10/- each	750.00	750.00
5,00,000 (Previous Year: 5,00,000) preference shares of Rs.100/- each	500.00	500.00
	1,250.00	1,250.00
Issued, Subscribed and paid up		
58,72,040 (Previous Year: 55,93,024) equity shares of Rs. 10/- each fully	587.20	559.30
paid (Refer Note No. 9 of Schedule 22)		
TOTAL	587.20	559.30
Of the above:		
26,86,632 (Previous Year: 26,86,632) Equity Shares have been alloted as fully paid-up by way of Bonus Shares by capitalisation of General Reserve.		
2,50,000 (Previous Year: 2,50,000) Equity Shares have been allotted as fully paid-up pursuant to a scheme of amalgamation without payments being received in cash.		
March 3	31, 2010	March 31, 2009
	in lacs)	(Rs. in lacs)
Schedule 2 : Reserves and Surplus		
Capital Reserve	19.00	19.00
Securities Premium Account:		
Balance as per last account	1,370.62	1,224.14
Add: Received on issue of shares on Preferential basis	153.46	146.48
	1,524.08	1,370.62
General Reserve		
Balance as per last account	1,946.36	1,346.36
Add: Transferred from Profit and Loss Account	250.00	600.00
3	2,196.36	1,946.36
Profit and Loss Account	1,057.78	1,024.36
TOTAL	4,797.22	4,360.34
March :	31, 2010	March 31, 2009
(Rs.	in lacs)	(Rs. in lacs)
Schedule 3 : Secured Loans		
Loans and advances from banks		
Cash/Export Credit facilities	1,067.62	983.97
(Refer Note No. 1 Below)		
Term loans	1,621.99	2,401.61
Includes Rs.725.12 Lacs (Previous Year: Rs.813.79 Lacs) repayable within one year (Refer Note Nos. 2 to 5 Below)		
Interest accrued and due	13.87	24.38
TOTAL	2,703.48	3,409.96



Schedule 3: Cont'd...

Notes:

- 1. Loans on Cash Credit Accounts from State Bank of India, Bank of Baroda and Axis Bank Limited (hereafter collectively referred to as "Consortium of Banks") are secured by first charge by way of hypothecation of stocks of raw materials, packing materials, consumable stores, finished goods, semifinished goods and book-debts. The aforesaid cash credit facilities are further secured by way of charge on the whole of the fixed assets of the Company ranking second and subservient for the charges created in respect of borrowings obtained from them.
- 2. Term Loan from Axis Bank Limited amounting to Rs. 87.61 Lacs (Previous Year: Rs. 296.68 Lacs) or equivalent in foreign currency is secured by first charge by way of hypothecation of all machinery financed or to be financed under the said term loan. It is further secured by second charge by way of hypothecation over entire current assets including stock and book-debts with the current charge holders on pari passu basis. The said loan is also further secured by first charge by way of an equitable mortgage on the whole of the fixed assets of the Company, both present and future, on pari passu basis with existing second and subservient charge holders.
- 3. Term loan from Bank of Baroda amounting to Rs.351.08 Lacs (Previous Year: Rs. 662.08 Lacs) is secured by first charge by way of hypothecation of all movable machinery financed or to be financed under the said term loan. The Bank of Baroda has agreed and ceded second pari passu charge in favour of State Bank of India and Axis Bank Limited, on the said movable machinery financed / to be financed out of the said term loan, for their respective working capital limits sanctioned to the Company. The said loan is also further secured by first charge by way of an equitable mortgage on the whole of the immovable assets of the Company, both present and future, on pari passu basis with existing first charge holders viz. State Bank of India and Axis Bank Limited.
- 4. Term loan from State Bank of India amounting to Rs. 620.80 Lacs (Previous Year: Rs. 933.29 Lacs) is secured by first charge by way of hypothecation of all movable machinery financed or to be financed under the said term loan. The State Bank of India has agreed and ceded second pari passu charge in favour of Bank of Baroda and Axis Bank Ltd. on the said movable machinery financed/to be financed out of ths said term loan, for their respective working capital limits sanctioned to the Company. The said loan is also further secured by first charge by way of an equitable mortgage on the whole of the immovable assets of the Company, both present and future, on pari passu basis with existing first charge holders viz. Bank of Baroda and Axis Bank Limited.
- 5. Term loan from Axis bank Ltd. amounting to Rs 562.50 lacs (Previous Year: Rs 459.55 lacs) is secured by first charge by way of hypothecation of all movable machinery financed or to be financed under the said term loan and also yet to be secured by first charge by way of an equitable mortgage on the whole of the immovable assets of the Company, both present and future, on pari passu basis with existing first charge holders viz. State Bank of India and Bank of Baroda.



							Ma	arch 31	, 2010	March 3	1, 2009
								(Rs. in	lacs)	(Rs.	in lacs
Sc	hedule 4 : Unsecure	d Loans									
	Fixed deposits							1,6	19.85	1,	174.4
	[Due within one year				us Year : F	Rs.480.69	Lacs)]				
	Fixed deposits from	Managing	Directo	r				1	56.70		
	Short-term loans an	d advances	s:								
	From banks							7	00.00	_	200.0
					TOTAL			2,4	76.55	1,	374.4
							Ma	arch 31	, 2010	March 3	1, 200
								(Rs. in	lacs)	(Rs.	in lace
3c	hedule 5 : Deferred	Tax Liabilit	y (net)								
	Deferred Tax Liabil	lities									
	Differences in depre	ciation and	other o	difference	s in block	of fixed					
	assets as per tax bo							9	79.23		989.8
	Gross Deferred Tax	x Liabilitie	s					9	79.23		989.8
	Deferred Tax Asset	ts									
	Provision for doubtfu	ul debts an	d advar	ices					15.51		23.0
	Others								49.51		41.7
								- 5		_	77.07
	Gross Deferred Tax	x Assets						9	65.02		64.7
	Gross Deferred Tax L							-	65.02 14.21	_	
0 -	Net Deferred Tax L	iability						-			925.0
Sc		iability						-			925.0
	Net Deferred Tax L	iability	ROSS BLO	DCK (AT C	OST)		DEPRECIAT	9		(Rs. i	925.0
Sr.	Net Deferred Tax L	ets GI As at	Additions	Deducti-	As at	As at	Deducti-	9 ION Provided	14.21 As at	(Rs. i	925.0 n lacs
Sr.	Net Deferred Tax L hedule 6: Fixed Asse	ets GH As at 1°	Additions during	Deducti- ons/Adjust-	As at	As at	Deducti- ons/Adjust-	ION Provided for the	As at 31"	(Rs. i	925.0 n lacs BLOCK
Sr.	Net Deferred Tax L hedule 6: Fixed Asse	ets GF As at 1" April,	Additions during	Deducti- ons/Adjust- ment during	As at 31" March,	As at 1" April,	Deducti- ons/Adjust- ment during	9 ION Provided	As at 31" March,	(Rs. i NET I As at 31" March,	925.0 n lacs BLOCK As
Sr. No.	Net Deferred Tax L hedule 6: Fixed Asse	ets GH As at 1°	Additions during	Deducti- ons/Adjust-	As at	As at	Deducti- ons/Adjust-	ION Provided for the	As at 31"	(Rs. i	925.0 n lacs BLOCK As Apr
Sr. No.	Net Deferred Tax L hedule 6 : Fixed Asse Description of assets Land (Freehold)	ets GI As at 1" April. 2009	Additions during the year	Deducti- ons/Adjust- ment during	As at 31" March, 2010	As at 1" April,	Deducti- ons/Adjust- ment during	9 Provided for the Year	As at 31" March,	(Rs. i NET 1 As at 31" March, 2010	925.0 n lacs BLOCK As Apr 200 285.0
1 2	Net Deferred Tax L hedule 6 : Fixed Asse Description of assets Land (Freehold) (Refer Note No.1 below) Buildings Well, Pumps and	GI As at 1° April. 2009 285.06	Additions during the year	Deducti- ons/Adjust- ment during	As at 31" March, 2010 285.06	As at 1" April, 2009	Deducti- ons/Adjust- ment during	Provided for the Year	As at 31" March. 2010	(Rs. i NET I As at 31" March. 2010 285.06	925.0 n lacs BLOCK As April 20 285.6
1 2 3	Net Deferred Tax L hedule 6 : Fixed Asset Description of assets Land (Freehold) (Refer Note No.1 below) Buildings Well, Pumps and Water Pipe Lines	GI As at 1" April. 2009 285.06 839.28 25.73	Additions during the year	Deducti- ons/Adjust- ment during	As at 31" March, 2010 285.06 841.56 26.75	As at 1" April, 2009 - 140.15	Deducti- ons/Adjust- ment during the year	Provided for the Year	As at 31" March. 2810 - 159.74 3.64	(Rs. i NET I As at 31" March. 2010 285.06 681.82 23.11	925.0 n lacs BLOCK As April 20 285.6 699.
Sr. No.	Net Deferred Tax L hedule 6 : Fixed Asse Description of assets Land (Freehold) (Refer Note No.1 below) Buildings Well, Pumps and	GI As at 1° April. 2009 285.06 839.28	Additions during the year - 2.28 1.02	Deducti- ons/Adjust- ment during the year	As at 31" March, 2010 285.06	As at 1" April, 2009 - 140.15 3.21	Deducti- ons/Adjust- ment during	Provided for the Year - 19.59 0.43	As at 31" March. 2010	(Rs. i NET I As at 31" March. 2010 285.06	925.0 n lacs BLOCK As Appl 20 285.6 699. 22.6 5,316.8
1 2 3	Net Deferred Tax L hedule 6: Fixed Asset Description of assets Land (Freehold) (Refer Note No.1 below) Buildings Well, Pumps and Water Pipe Lines Plant & Machinery	GI As at 1° April. 2009 285.06 839.28 25.73 8,886.31	Additions during the year - 2.28 1.02 618.85	Deducti- ons/Adjust- ment during the year	As at 31" March, 2010 285.06 841.56 26.75 9,325.47	As at 1" April, 2009	Deductions/Adjustment during the year	Provided for the Year - 19.59 0.43 489.14	As at 31" March. 2810	(Rs. i NET I As at 31" March, 2010 285.06 681.82 23.11 5,334.91	925.0 n lacs BLOCK As April 200 285.0 699.1 22.5 5,316.8 51.3
1 2 3 4 5	Net Deferred Tax L hedule 6: Fixed Asset Description of assets Land (Freehold) (Refer Note No.1 below) Buildings Well, Pumps and Water Pipe Lines Plant & Machinery Electrical Installations Research and	GI As at 1" April 2009 285.06 839.28 25.73 8,886.31 102.80	Additions during the year - 2.28 1.02 618.85 70.77	Deducti- ons/Adjust- ment during the year	As at 31" March. 2010 285.06 841.56 26.75 9,325.47 173.57	As at 1" April, 2009 - 140.15 3.21 3,569.49 51.47	Deductions/Adjustment during the year 68.07 0.63	9 Provided for the Year 19.59 0.43 489.14 5.34	As at 31" March, 2810 - 159.74 3.64 3,990.56 56.18	(Rs. i NET I As at 31" March, 2010 285.06 681.82 23.11 5,334.91 117.39	925.0 n lacs BLOCK As Apr 200 285.0 699.1 22.5 5,316.8 51.3 227.2
1 2 3 4 5 6 7	Net Deferred Tax L hedule 6: Fixed Asset Description of assets Land (Freehold) (Refer Note No.1 below) Buildings Well, Pumps and Water Pipe Lines Plant & Machinery Electrical Installations Research and Development Equipments	GI As at 1" April. 2009 285.06 839.28 25.73 8,886.31 102.80 330.94	Additions during the year - 2.28 1.02 618.85 70.77 3.16	Deducti- ons/Adjust- ment during the year	As at 31" March, 2010 285.06 841.56 26.75 9,325.47 173.57 334.10	As at 1" April, 2009 140.15 3.21 3,569.49 51.47 103.74	Deductions/Adjustment during the year	9 ION Provided for the Year 19.59 0.43 489.14 5.34 15.28	As at 31" March. 2810 - 159.74 3.64 3,990.56 56.18 118.86	(Rs. i NET I As at 31" March. 2010 285.06 681.82 23.11 5,334.91 117.39 215.24	925.0 n lacs BLOCK As Apr 200 285.0 699.1 22.6 5.316.6 51.3 227.2
1 2 3 4 5 6 7 8	Net Deferred Tax L hedule 6: Fixed Asset Description of assets Land (Freehold) (Refer Note No.1 below) Buildings Well, Pumps and Water Pipe Lines Plant & Machinery Electrical Installations Research and Development Equipments Furniture & Fixtures	GI As at 1" April. 2009 285.06 839.28 25.73 8,886.31 102.80 330.94 202.62	Additions during the year - 2.28 1.02 618.85 70.77 3.16	Deducti- ons/Adjust- ment during the year	As at 31" March, 2010 285.06 841.56 26.75 9,325.47 173.57 334.10 214.88	As at 1" April, 2009 140.15 3.21 3,569.49 51.47 103.74 97.01	Deductions/Adjustment during the year	99 Provided for the Year 19.59 0.43 489.14 5.34 15.28 14.53	As at 31" March. 2410 - 159.74 3.64 3.990.56 56.18 118.86 106.18	(Rs. i NET I As at 31" March, 2010 285.06 681.82 23.11 5,334.91 117.39 215.24 108.70	925.0 n lacs BLOCK As 20 285.0 699. 22.5 5,316.4 51.3 227.2
1 2 3 4 5 6 7 8 9	Net Deferred Tax L hedule 6 : Fixed Asset Description of assets Land (Freehold) (Refer Note No.1 below) Buildings Well, Pumps and Water Pipe Lines Plant & Machinery Electrical Installations Research and Development Equipments Furniture & Fixtures Technical Books	GI As at 1" April. 2009 285.06 839.28 25.73 8,886.31 102.80 330.94 202.62 42.18	Additions during the year 2.28 1.02 618.85 70.77 3.16	Deductions/Adjustment during the year	As at 31" March, 2010 285.06 841.56 26.75 9,325.47 173.57 334.10 214.88 42.18	As at 1" April, 2009	Deductions/Adjustment during the year	99 Provided for the Year 19.59 0.43 489.14 5.34 15.28 14.53 1.59	As at 31" March. 2410 - 159.74 3.64 3,990.56 56.18 118.86 106.18 34.34	(Rs. i NET I As at 31" March. 2010 285.06 681.82 23.11 5,334.91 117.39 215.24 108.70 7.84	925.0 n lacs BLOCK As April 200 285.0 699.1 5,316.8 51.3 227.2 105.6 9.4 129.8
Sr. No.	Net Deferred Tax L hedule 6: Fixed Asset Description of assets Land (Freehold) (Refer Note No.1 below) Buildings Well, Pumps and Water Pipe Lines Plant & Machinery Electrical Installations Research and Development Equipments Furniture & Fixtures Technical Books Vehicles	GI As at 1" April. 2009 285.06 839.28 25.73 8,886.31 102.80 330.94 202.62 42.18 187.81	Additions during the year 2.28 1.02 618.85 70.77 3.16 12.26 23.65	Deductions/Adjustment during the year	As at 31" March, 2010 285.06 841.56 26.75 9,325.47 173.57 334.10 214.88 42.18 183.18	As at 1" April. 2009 140.15 3.21 3.569.49 51.47 103.74 97.01 32.75 68.27	Deductions/Adjustment during the year 68.07 0.63 0.16 5.36 18.51	99 Provided for the Year 19.59 0.43 489.14 5.34 15.28 14.53 1.59 15.10	As at 31" March. 2810 - 159.74 3.64 118.86 106.18 34.34 54.86	(Rs. i NET 1 As at 31" March. 2010 285.06 681.82 23.11 5,334.91 117.39 215.24 108.70 7.84 128.32	64.73 925.0 n lacs BLOCK As. Apr. 200 285.0 699.1 22.5 5,316.8 51.3 227.2 105.6 9.4 129.5
1 2 3 4 5 6 7 8 9 TO' Cap	Net Deferred Tax L hedule 6: Fixed Asset Description of assets Land (Freehold) (Refer Note No.1 below) Buildings Well, Pumps and Water Pipe Lines Plant & Machinery Electrical Installations Research and Development Equipments Furniture & Fixtures Technical Books Vehicles	GI As at 1" April. 2009 285.06 839.28 25.73 8,886.31 102.80 330.94 202.62 42.18 187.81 10,902.73	Additions during the year 2.28 1.02 618.85 70.77 3.16 12.26 731.99	Deductions/Adjustment during the year 179.69 28.28	As at 31" March, 2010 285.06 841.56 26.75 9,325.47 173.57 334.10 214.88 42.18 183.18 11,426.75	As at 1" April. 2009 - 140.15 3.21 3.569.49 51.47 103.74 97.01 32.75 68.27	Deductions/Adjustment during the year	99 Provided for the Year 19.59 0.43 489.14 5.34 15.28 14.53 1.59 15.10 561.00	As at 31" March. 2010 - 159.74 3.64 3,990.56 56.18 118.86 106.18 34.34 54.86 4,524.36	(Rs. i NET 1 As at 31" March. 2010 285.06 681.82 23.11 5,334.91 117.39 215.24 108.70 7.84 128.32	925.0 n lacs BLOCK As Apr 200 285.0 699.1 22.5 5,316.8 51.3 227.2 105.6 9.4 129.8

NOTES:

- Out of the total area of the land admeasuring 5,10,434.490 Sq. Metres (Previous Year 5,10,434.490 Sq. Meters), part of the land admeasuring 94,947.485 Sq. Metres has been given on lease for a period of 90 years.

 Capital Work-in-Progress includes Advances for Capital Expenditure Rs.20.96 Lacs (Previous Year: Rs.63.90 Lacs) and Interest Capitalisation of
- Rs. 5.21 Lacs (Previous Year Rs. Nil).
- During the year the Company has written off Fixed Asset Gross Block of Rs. 151.37 Lacs and Accumulated Depreciation on the same of Rs. 56.40 Lacs on account of discrepancies found at the time of physical verification of the Fixed Assets. (Refer Note No 4 (b) of Schedule 22)



Schedule 7: Intangible Assets

(Rs. in lacs)

Sr	Description	on Gross Block				Amortisation				Net Block		
No.	of assets	As at 1st April, 2009	Additions during the Year	Deduction during the Year	As at 31st March, 2010	As at 1st April, 2009	Deductions / Adjustments	Provided during the Year	Up to 31st March, 2010	As at 31st March, 2010	As at 1st April, 2009	
1	Technical Know-how	439.09			439.09	294.41		43.91	338,32	100.77	144.68	
	Total	439.09			439.09	294.41		43.91	338.32	100.77	144.68	
	Previous Year	439.09	*		439.09	250.50		43,91	294.41	*		

Schedule 8: Investments

	March 31, 2010	March 31, 2009
	(Rs. in lacs)	(Rs. in lacs)
ong Term Investments other than trade (At cost)		
I) Unquoted		
Government Securities		
12 Years National Defence Certificates [Face Value: Rs. 1,400 (Deposited with Government Authorities)]	0.01	0.01
7 Years National Saving Certificates [Face Value: Rs. 2,500 (Deposited with Government Authorities)]	0.03	0.03
Shares		
400 (Previous Year : 400) Equity Shares of Rs.25 each fully paid-up in Co-operative Bank of Baroda Limited	0.10	0.10
10 (Previous Year : 10) Equity Share of Rs.10 fully paid up in Pragati Sahakari Bank Limited	0.00	0.00
	0.10	0.10
Long Term Investments (At cost)		
I) Unquoted		
In Subsidiary Company		
20 (previous year: 20) equity shares of GBP 1 each fully paid-up in Transpek Industry (Europe) Limited	0.02	0.02
Trade Investment		
Shares		
10,000 (Previous Year : 10.000) Equity Shares of Rs.100 each fully paid-up in Agrocel Industries Limited	10.00	10.00
9,49,315(Previous Year: 9,49,315) Equity Shares of Rs.10 each fully paid-up in Transpek-Silox Industry Limited	290.96	290.96
	300.98	300.98
II) Quoted		
1,56,650 Equity Shares (Previous Year : 1,56,650) of Rs. 5 each fully paid-up in Excel Industries Limited (Also Refer Note No. 10 in Schedule 2	226.76	226.76
	527.88	527.88
Less: Provision for Diminution in value of Long Term Investment	88.63	88.63
TOTAL	439.25	439.25
Aggregate amount of quoted investments (Market value Rs. 91.25 Lacs (Previous Year Rs. 41.43 Lacs))	138.13	138.13
Aggregate amount of unquoted investments - Cost	301.12	301.12



Schedule 9: Inventories (At Lower of Cost and Net Realisable Value)

	March 31, 2010 (Rs. in lacs)	March 31, 2009 (Rs. in lacs)
Raw materials [Including Stock lying with third party Rs.51.44 Lacs.(Previous Year: Rs. 6.72 Lacs)]	628.25	487.87
Packing Material	37.58	9.39
Stores and spares	157.99	127.53
Work-in- progress	56.73	124.79
Finished goods [Including Stock in transit Rs. 295.89 Lacs (Previous Year Rs.112.20 Lacs)]	607.28	725.75
TOTAL	1,487.83	1,475.33

Schedule 10: Sundry Debtors

	March 31, 2010 (Rs. in lacs)	March 31, 2009 (Rs. in lacs)
Unsecured		
Debts outstanding for a period exceeding six months		
Considered Good	77.03	101.65
Considered Doubtful	7.05	28.28
Other debts		
Considered Good	3,524.87	2,454.71
	3,608.95	2,584.64
Less : Provision for Doubtful Debts	7.05	28.28
TOTAL	3,601.90	2,556.36

Schedule 11: Cash And Bank Balances

	March 31, 2010 (Rs. in lacs)	March 31, 2009 (Rs. in lacs)
Cash on hand	3.35	5.32
Balances with scheduled banks:		
On Current Accounts	33.88	37.70
On Margin money accounts	-	6.33
On Deposit Accounts	83.94	54.82
[Includes Rs. 0.92 Lacs (Previous Year : Rs. 0.88 Lacs) deposited with government authorities.]		
On Unclaimed dividend accounts	9.89	8.04
On Right issue application money account	1.71	1.71
TOTAL	132.77	113.92



Schedule 12: Other Current Assets

	March 31, 2010 (Rs. in lacs)	March 31, 2009 (Rs. in lacs)
Fixed Assets held for sale (at net book value or estimated net	11.09	11.30
realisable value, whichever is lower) Interest Receivable	4.55	3.64
TOTAL	15.64	14.94
Schedule 13 : Loans And Advances		
	March 31, 2010 (Rs. in lacs)	March 31, 2009 (Rs. in lacs)
(Unsecured and considered good, unless and otherwise stated)	7//	
Advances and loans to subsidiary	1.98	8.03
Advances recoverable in cash or kind or for value to be received		
Considered Good	156.85	152.89
Considered Doubtful	39.63	39.63
Balances with customs, excise, public bodies and other Government departments	434.38	590.19
Sundry Deposits	4.19	8.78
Loans and Advances to Employees	5.62	6.13
Payment of Taxes [Net of provision of Rs 67.63 lacs (Previous year: Rs. 28.71 lacs)]	311.64	287.15
	954.29	1,092.80
Less: Provision for doubtful advances	39.63	39.63
TOTAL	914.66	1,053.17
Schedule 14 : Current Liabilities		
	March 31, 2010	March 31, 2009
	(Rs. in lacs)	(Rs. in lacs)
Acceptances	-	33.25
Sundry creditors		
- Micro Small and Medium Enterprises (Refer Note No. 7 in schedule 22)	45.71	46.20
- Others	1,719.37	1,708.19
Advance from customers	35.38	52.47
Investor Education and Protection Fund shall be credited by following amounts (as and when due)		
(a) Unpaid dividend	9.89	8.04
 (b) Unpaid application money received for allotment of securities and due for refund 	1.71	1.71
(c) Unpaid Matured Deposits	37.72	36.28
(d) Interest accrued on (a) to (c) above.	1.93	2.16
Bank account excess drawn	0.33	40.19
Interest accrued but not due on loans	115.67	99.31
Others	37.39	33.47
TOTAL	2,005.10	2,061.27



Schedule 15: Provisions

	March 31, 2010 (Rs. in lacs)	March 31, 2009 (Rs. in lacs)
Provision for gratuity (Net of Plan Asset)	2.55	20.20
Provision for Compensated Absences	152.76	117.74
Proposed dividend	146.80	139.83
Tax on proposed dividend	24.38	23.76
TOTAL	326.49	301.53

Schedule 16: Other Income

	March 31, 2010 (Rs. in lacs)	March 31, 2009 (Rs. in lacs)
Interest		
On Deposits [TDS Rs.0.52 Lacs (Previous Year: Rs. 3.69 Lacs)]	11.61	16.53
Others	6.60	0.50
Dividend income from Long term Investments	94.82	69.22
Excess Provision for Doubtful Debt Written back [after write off of Bad Debt Rs 17.18 lacs (Previous Year: Nil) there against	3.88	4.25
Doubtful Debt Recovered	0.17	0.67
Conversion Charges	31.17	13.91
Export Incentive Received	43.91	29.04
Profit on Sale of Assets(Net)	11.19	
Excess liability of Previous years Written back	3.91	1.06
Sales Tax / Excise Refund Received	9.16	15.89
Miscellaneous income	28.43	49.87
TOTAL	244.85	200.94

Schedule 17: Raw Materials Consumed

	March 31, 2010 (Rs. in lacs)	March 31, 2009 (Rs. in lacs)
Inventories as at April 1, 2009	487.87	798.06
Add: Purchases	3,741.19	7,134.57
	4,229.06	7,932.63
Less: Inventories as at March 31, 2010	628.25	487.87
	3,600.81	7,444.76

[Includes cost of Raw material sold Rs. 76.07 lacs (Previous Year:

Rs. 58.44 Lacs)]



Schedule 18: Personnel Expenses

	March 31, 2010 (Rs. in lacs)	March 31, 2009 (Rs. in lacs)
Salaries, wages and bonus	1,021.03	978.19
Contribution to provident fund and other funds	160.86	148.60
Contribution / Provision for Employee Benefits	97.33	86.21
Workmen and staff welfare expenses	118.83	121.05
TOTAL	1,398.05	1,334.05

Schedule 19: Operating and Other Expenses

	March 31, 2010 (Rs. in lacs)	March 31, 2009 (Rs. in lacs)
Consumption of stores and spares	53.56	46.41
Containers & Packing Materials	379.01	280.23
Power and fuel	1,121.01	1,398.70
Freight and forwarding charges	725.67	1,061.57
Rent	2.58	12.24
Rates and taxes	8.09	12.58
Insurance	48.53	68.15
Repairs and maintenance		
Plant and Machinery	505.05	514.95
Buildings	16.39	5.50
Others	57.31	67.13
Advertising and sales promotion	28.40	53.37
Commission	360.05	667.55
Travelling and conveyance	171.27	199.56
Communication costs	23.19	26.03
Printing and stationery	19.04	18.49
Legal and professional fees	121.68	76.96
Directors' sitting fees	1.58	2.21
Commission to Non-Executive Directors	7.72	13.75
Payment to Auditors (Refer Note No 18(i) in schedule 22)	6.72	6.00
(Increase)/decrease of Excise duty on Inventory	(6.95)	(14.65)
Exchange difference (net)	320.92	824.56
Donations and contributions to charitable institutions	40.00	35.33
Provision for doubtful debts and advances		30.68
Bad-debts written off	7.75	-
Impairment of the Assets held for Disposal	-	30.55
Loss on sale of fixed assets (net)	-	30.17
Other Expenses	346.70	279.57
TOTAL	4,365.27	5,747.59



Schedule 20: (Increase) / Decrease in Inventories

	March 31, 2010 (Rs. in lacs)	March 31, 2009 (Rs. in lacs)
Inventories as at March, 31, 2010		
- Work-in-progress	56.73	124.78
- Finished goods	607.28	725.76
	664.01	850.54
Less: Inventories as at April 1, 2009		
- Work-in-progress	124.78	166.63
- Finished goods	725.75	517.90
	850.53	684.53
TOTA	AL 186.52	(166.01)

Schedule 21: Financial Expenses

	March 31, 2010 (Rs. in lacs)	March 31, 2009 (Rs. in lacs)
Interest		
On term loans	216.20	222.18
On banks	47.80	92.45
On Fixed Public Deposit and Fixed Loans	198.17	150.08
Others	5.63	16.21
Bank charges	59.58	150.39
TOTAL	527.38	631.31

SCHEDULE TO THE ACCOUNTS

(Currency: Rupees in Lacs unless and otherwise stated)

Schedule 22: Notes to Accounts

1. Nature of Operation

Transpek Industry Limited ('TIL', 'the Company') is into the manufacture and export of a range of chemicals servicing the requirements of customers from a diverse range of industries - Textiles, Pharmaceuticals, Agrochemicals, advanced Polymers, etc.

2. Statement on Significant Accounting Policies

a) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the Notified accounting standard by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b) Use of estimates

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statement and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.



SCHEDULES TO THE ACCOUNTS

Schedule 22: Notes to Accounts: Cont'd

c) Fixed Assets and capital work in progress

Fixed Assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost (net of Cenvat credit) of bringing the assets to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

d) Depreciation

Depreciation is provided using Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Assets valuing upto Rs 5,000/- are depreciated at the rate of 100 % in the year of acquisition. Depreciation in respect of additions to/deletions from the fixed assets, provided on prorata basis with reference to the month of addition/deletion of the assets.

e) Impairment

- i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
- ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- iii) A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

f) Intangibles

Technical Knowhow

Research costs are expensed as incurred. Product development expenditure incurred on individual product project is recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the asset and use or sell it:
- its ability to use or sell the asset;
- how the asset will generate probable future economic benefits;
- the availability of adequate resources to complete the development and to use or sell the asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during development.

Any expenditure capitalised as technical knowhow is amortized on a straight-line basis over a period of ten years from the month of addition of the underlying product.

The carrying value of development costs on technical know-how is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

g) Assets Held for Disposal

Items of Fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value or net realisable value.

h) Inventories

Raw materials, packing materials and fuel are valued at cost and net realizable value, whichever is lower. Cost is determined on First In First Out Basis. However, materials and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

SCHEDULES TO THE ACCOUNTS

Schedule 22: Notes to Accounts: Cont'd

Finished goods and semi-finished goods are valued at cost and net realizable value, whichever is lower. Cost is determined on absorption costing basis. Cost of finished goods includes excise duty.

Stores and spares are valued at cost and net realizable value, whichever is lower. During the year the Company has changed the basis of method of valuation of its Stores and Spares from Weighted Average to First In First Out (FIFO). The impact of such change is however not material.

Trading goods and process residue are valued at cost and net realizable value, whichever is lower.

Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

j) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise duty deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability arised during the period.

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date. Dividend from subsidiary is recognised even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of schedule VI of the Companies Act, 1956.

k) Export Benefits

Duty free imports of raw materials under Advance Licence for imports as per the Import and Export Policy are matched with the exports made against the said licences and the net benefit/obligation is accounted by making suitable adjustments in raw material consumption.

The benefits accrued under the Duty Entitlement Pass Book Scheme as per the Import and Export Policy in respect of exports made under the said scheme have been included under the head 'Export Incentives'.

I) Foreign Currency Transaction

Initial Recognition

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of



SCHEDULES TO THE ACCOUNTS

Schedule 22: Notes to Accounts: Cont'd

company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

m) Operating Lease

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as Operating Leases. Operating lease payments are recognised as an expense in the Profit and Loss account on a straight line basis over the lease term.

n) Taxation

Tax expense comprises current and deferred taxes. Current income-tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writesdown the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

o) Segment Reporting Policies

Identification of segments:

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the geographical location of the customers wherever required.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

Includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.



Schedule 22: Notes to Accounts: Cont'd

p) Employee Benefits

- Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions
 are charged to the Profit and Loss Account of the year when the contributions to the provident fund is
 due. There are no other obligations other than the contribution payable to the respective funds.
- ii. Superannuation Fund is a defined contribution scheme and contributions to the scheme are charged to the profit and loss account in the year when the contributions are due. The scheme is funded with an insurance company in the form of a qualifying insurance policy. There are no other obligations other than the contribution payable to the respective trusts.
- iii. The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Company. The aforesaid liability is provided for on the basis of an actuarial valuation made based on Projected unit credit method at the end of the financial year. The scheme is funded with an insurance company in the form of a qualifying insurance policy.
- iv. The Company has other long term employee benefits in the form of leave encashment. The liability in respect of leave encashment is provided for on the basis of actuarial valuation made based on Projected unit credit method at the end of the financial year. The aforesaid leave encashment is not funded.
- v. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

g) Provisions

A provision is recognized when an enterprise has a present obligation as result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the best current estimates.

r) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

s) Cash and Cash Equivalents

Cash and cash equivalents for the purposes of the cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

- 3. In the past the Company was eligible for a Sales tax incentive scheme amounting to Rs. 1084.03 lacs (Previous Year: Rs. 1084.03 lacs). Post completion of such incentive scheme, the Company has re-paid the amount of Sales tax deferred during the period the scheme was in force, and has applied to the Sales tax Department for a No Dues certificate. Pending reconciliation of the amount with sales tax department, the balance of Rs. 49.61 lacs (Previous Year: Rs. 49.61 lacs) has been disclosed as Deferred Payment Liabilities.
- 4. (a) The Company has prepared its fixed asset register during the year. On completion of the same it was observed that excess depreciation amounting to Rs. 9.93 lacs had been charged in earlier years, which now have been credited to the Profit and Loss account.
 - (b) Moreover, on physical verification of part of the Plant & Machinery during the year, differences were observed between the assets physically available and as per books amounting to Rs.151.37 lacs (gross block) and Rs. 94.97 lacs (net block), which have been written off during the year.

The net amount of Rs. 85.04 lacs arising out of (a) and (b) above, has been charged off to the Profit and Loss account as an exceptional item.



SCHEDULES TO THE ACCOUNTS

Schedule 22: Notes to Accounts: Cont'd

(Rs. in Lacs)

5. (a) Contingent Liabilities (to the extent not provided for)

Sr. No	Particulars	As on March 31, 2010	As on March 31, 2009
(a)	Disputed Income Tax Liability	848.09	843.85
(b)	Disputed Sales Tax Liability	259.06	261.07
(c)	Guarantees given by Banks to third parties on behalf of the Company	23.05	26.88
(d)	Claims against the Company not acknowledged as debts (mainly on account of outstanding law suits)	134.25	376.50
(e)	Counter Guarantees given to The Housing Development Finance Corporation Limited in respect of housing loans taken by employees.		0.49

⁽b) The Company has undertaken export obligation of eight times of the CIF value of machineries imported, to be fulfilled over a period of eight years. The obligation cutstanding on the date of Balance Sheet amounts to Rs. Nil (Previous Year: Rs. 103.45 lacs).

6. Capital Commitment

The estimated amount of contracts, net of advances remaining to be executed on capital account at March 31, 2010 is Rs.111.83 lacs (Previous Year: Rs. 61.93 lacs).

7. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

Information required to be furnished as per section 22 of Micro, Small & Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended 31st March, 2010. This information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

(Rs. in Lacs)

apon b) mor admore.		(RS. III Lacs
Particulars	For the year ended March 31, 2010	For the year ended March March 31, 2009
The principal amount remaining unpaid to any supplier as at the end of each accounting period.	42.19	46.20
The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day curing each accounting period.		*
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.		
The amount of interest accrued and remaining unpaid at the end of each accounting period.	3.52	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Act, 2006.		

^{8.} Excise duty on sales amounting to Rs. 432.23 lacs (Previous Year: Rs. 810.10 lacs) has been reduced from sales in profit & loss account and excise duty on increase/(decrease) in stock amounting to Rs. 6.95 lacs (Previous Year: Rs. 14.65 lacs) has been considered as income in Schedule 19 of financial statements.

9. The Company had issued 7,99,000 share warrants to promoters and others on preferential allotment basis at a



Schedule 22: Notes to Accounts: Cont'd

price of Rs. 65 per share on 5th February, 2008 which were convertible into equal number of equity shares of Rs. 10 each. Of the above 519,984 share warrants had been converted into equity shares of Rs. 10 each fully paid-up till 31st March, 2009. The balance 279,016 share warrants have been converted into equity shares in the current year. The said equity shares shall rank pari-passu with the other equity shares.

- 10. The Company has an investment in equity shares of Excel Industries Limited amounting to Rs. 226.76 lacs. In respect of this investment, the Company had, in the previous year, recognized a diminution in the value of investment amounting to Rs.88.63 lacs. The market value of this investment at March 31, 2010 is Rs. 91.85 lacs (Previous Year: Rs. 41.43 lacs). In view of the long-term nature of this investment and having regard to the book value of the equity shares, management does not consider any further diminution in the carrying value of this investment, as at March 31, 2010.
- 11. Provision for Taxation includes provision for Wealth Tax amounting to Rs. 0.79 lacs (Previous Year: Rs. 1.02 lacs).

12. Gratuity plan:

Profit and Loss Account

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with insurance companies in the form of a qualifying insurance policy. The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Net employee benefit expense (recognised in Employee	Cost)	(Rs. in Lacs)
	March 31, 2010	March 31, 2009
Current service cost	20.83	18.66
Interest cost	30.07	25.24
Expected return on plan assets	(28.45)	(23.43)
Net actuarial(gain) / loss recognised in the year	38.44	17.30
Past service cost		-
Net benefit expense	60.89	37.77
Actual return on plan assets	39.05	30.45
Balance sheet		(Rs. in Lacs
	March 31, 2010	March 31, 2009
Defined benefit obligation	463.54	375.90
Fair value of plan assets	460.98	355.70
Less: Unrecognised past service cost		-
Plan asset / (liability)	2.56	20.20
Changes in the present value of the defined benefit oblig follows:	ation are as	(Rs. in Lacs
	March 31, 2010	March 31, 2009
Opening defined benefit obligation	375.90	315.45
Interest cost	30.07	25.24
Current service cost	20.83	18.66
Benefits paid	(12.30)	(7.77)
Actuarial (gains) / losses on obligation	49.04	24.32
Closing defined benefit obligation	463.54	375.90



SCHEDULES TO THE ACCOUNTS

Schedule 22: Notes to Accounts: Cont'd

Changes in the fair value of plan assets are as follows:

(Rs. in Lacs)

	March 31, 2010	March 31, 2009
Opening fair value of plan assets	355.70	292.84
Expected return	28.45	23.43
Contributions by employer	78.54	40.18
Benefits paid	(12.30)	(7.77)
Actuarial gains / (losses)	10.59	7.02
Closing fair value of plan assets	460.98	355.70

The Company expects to contribute Rs 37.09 lacs (Previous Year: Rs. 79.76 lacs) to gratuity in 2010-11.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31,	March 31,
	2010	2009
	%	%
Investments with insurer	100.00	100.00

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining gratuity for the Company's plan are shown below:

	March 31, 2010 %	March 31, 2009 %
Discount rate	8.25	8
Expected rate of return on assets	8.25	8
Increase in Compensation cost	7	6
Mortality Table	LIC(1994-96) Ultimate	LIC(1994-96) Ultimate
Proportion of employees opting for early retirement	1%	1%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, senicrity, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current and previous two periods are as follows:

(Rs. in Lacs)

			1.0
	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligation	(463.54)	(375.90)	(315.45)
Plan Assets	460.98	355.70	292.84
Experience adjustments on plan liabilities*	-	-	-
Experience adjustments on plan liabilities*	-	-	100
Surplus/(Deficit)	(2.56)	(20.20)	(22.61)

^{*}In the absence of availability of relevant information, experience adjustments on plan assets and liabilities have not been furmished above.

SCHEDULES TO THE ACCOUNTS

Schedule 22: Notes to Accounts: Cont'd....

Defined Contribution plans:

Amounts recognised as expense for the period towards contribution to the following funds: (Rs. in Lacs)

		March 31, 2010	March 31, 2009
En	nployers contribution to:		
-	Provident Fund	80.31	73.39
-	Gujarat Labour Welfare fund	0.05	0.05
-	Superannuation fund	80.50	75.16
		160.86	148.60

13. Related Party Disclosure

a) Names of related parties and description of relationship:

Subsidiary Company	Transpek Industry (Europe) Limited
	Excel Industries Limited
Enterprises owned or significantly influenced by key	
management personnel or their relatives	Excel Crop Care Limited
	TML Industries Limited
	Shroffs Engineering Limited
	Anshul Speciality Molecules Limited
	Anshul Agencies
	Agrocel Industries Limited
	Shroffs Foundation Trust
	Transchem Agritech Limited
	Hyderabad Chemical Products Limited
	C.C. Shroff Research Institute
Key Managemment Personnel	Atul G. Shroff
Relatives of key management personnel	Ashwin C. Shroff
	Dipesh K. Shroff
	Vishwa A. Shroff
	Shruti A. Shroff
	Chaitanya D. Shroff



SCHEDULES TO THE ACCOUNTS

Schedule 22: Notes to Accounts: Cont'd....

b) Transactions along with related parties as at March 31, 2010 and March 31, 2009 are as follows: (Previous Year's figures are shown in brackets)

(Rs. in Lacs)

Particulars	Subsidiary	Enterprises owned or significantly influenced by key Management Personnel or their relatives	Key Management Personnel and relatives	Total
Sales of Goods	2	495.07	120	495.07
		(698.16)	12	(698.16)
Other Income		0.29	-	0.29
	-	(0.60)	-	(0.60)
Sale of Fixed Assets		26.70	-	26.70
	-	(5.06)	-	(5.06)
Dividend Received	-	1.78		1.78
	-	(2.77)	-	(2.77)
Dividend Paid	-		14.16	14.16
	-	-	(2.73)	(2.73)
Commission Paid	_	26.67	5.00	31.67
		(29.34)	-	(29.34)
Purchase of Goods		17.05	-	17.05
	-	(39.38)		(39.38)
Purchase of Fixed Assets	-	21.87	-	21.87
	-	(0.36)	_	(0.36)
Office Rent	2	0.33	2	0.33
		(1.32)	-	(1.32)
Services Availed	-	49.61	-	49.61
	-	(10.91)	-	(10.91)
Others	-			
	-	(0.41)	-	(0.41)
Conations Paid	-	11.76	-	11.76
	=	(18.76)	25	(18.76)
Frade Advance Given	_	0.30	_	0.30
	¥	(10.00)		(10.00)
Deposit Taken		-	200.00	200.00
	-	-	-	-
Deposit Repaid		S#1	50.00	50.00
		S 7 1	-	-
Advances Received back	-	10.00	-	10.00
	2	-	-	-
nterest Paid	-	0.32	9.00	9.32
nesanoris de la comercia del la comercia de la comercia del la comercia de la comercia del la comercia de la comercia de la comercia del la comerci		(0.32)	(1.56)	(1.88)
nterest Received			-	-
	_	-	-	

SCHEDULES TO THE ACCOUNTS

Schedule 22: Notes to Accounts: Cont'd

(Rs. in Lacs)

Particulars	Subsidiary	Enterprises owned or significantly influenced by key Management Personnel or their relatives	Key Management Personnel and relatives	Total
Reimbursements charged by the Company	13.77			13.77
	(15.67)	(0.14)	-	(15.81)
Reimbursements charged to the Company	37.14		2	37.14
	(17.87)	(15.72)	-	(33.59)
Managerial Remuneration*	-	-	82.23	82.23
	-	*	(85.54)	(85.54)
Director Sitting Fees	-		0.25	0.25
	-		(0.43)	(0.43)
Balance Outstanding at the year end:				
Accounts Payables	-	28.64	-	28.64
	-	(9.49)	-	(9.49)
Accounts Receivables including trade Advance	1.98	140.83	*	142.81
	(10.86)	(99.14)	×	(110.00)
Agency Deposit	-	4.00		4.00
	-	(4.00)	*	(4.00)
Advance Given	-	0.30		0.30
	-	(10.00)	-	(10.00)
Interest Receivable	-			
	-	(0.02)	4	(0.02)
Interest Payable		*	(0.06)	(0.06)
	-	*	(0.06)	(0.06)
Fixed Deposits	-	-	15.61	15.61
	-	-	(15.61)	(15.61)
Remuneration payable to Managing Director	-	<u> </u>	10.37	10.37
	-	H	(20.63)	(20.63)

^{*}As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the directors are not included above.

Note:

Related party transactions include transactions pertaining to the following parties with whom the percentage of transactions is 10% or more of the total or each of the above:



SCHEDULES TO THE ACCOUNTS

	hedule 22 : Notes to Accounts : Cont'd		(Rs. in Lacs)
	Particulars	Year ended	Year ended
<u> </u>	200 80 80 80 80	March 31, 2010	March 31, 2009
A)	Transactions during the year		
	Sale of Goods		
	Excel Crop Care Limited	308.54	623.62
	Hyderabad Chemical Products Limited	149.65	-
	Sale of Fixed Assets		
	Agroce Industries Limited	8.62	4.59
	Excel Industries Limited	17.56	-
	Other income		
	Transmetal Limited		0.60
	Agroce Industries Limited	0.29	-
	Dividend Received		
	Agroce Industries Limited	1.00	1.57
	Excel Industries Limited	0.78	1.20
	Dividend Paid		
	Atul G. Shroff	5.15	2.35
	Shruti A. Shroff	6.44	_
	Vishwa A. Shroff	1.96	0.31
	Purchase of Goods		
	Excel Industries Limited	17.05	38.54
	Purchase of Fixed Assets		
	Transchem Agritech Limited	21.87	-
	Office Rent		
	Excel Crop Care Limited	0.33	1.32
	Services Availed		
	Transchem Agritech Ltd.		4.70
	Excel Industries Limited	39.01	15
	Shroffs Foundation Trust	6.00	6.00
	Commission Paid		
	Anshul Agencies	26.67	21.40
	Transchem Agritech Ltd.		7.94
	Ashwin C. Shroff	2.50	-
	Dipesh K. Shroff	2.50	-
	Others		
	Shroffs Foundation Trust		0.24
	Donation Paid		
	Shroffs Foundation Trust	11.76	18.76



Particulars

Deposit Taken
Atul G. Shroff
Deposit Re-paid
Atul G. Shroff

Advances received back Agrocel Industries Limited

Transchem Agritech Ltd.
Transpek Industry (Europe) Ltd.
Managerial remuneration

Atul G. Shroff

Director Sitting Fees

A. C. Shroff
D. K. Shroff
Interest Paid
Anshul Agencies
Atul G. Shroff
Shruti A. Shroff

Outstandings

Transchem Agritech Ltd. Anshul Agencies Shruti A. Shroff Atul G. Shorff

Excel Crop Care Limited Agrocel Industries Limited

Shroffs Foundation Trust

Indenting Agency Deposit

Interest Receivable
Transchem Agritech Ltd

Anshul Agencies

Transpek Industry (Europe) Ltd.
Transchem Agritech Ltd.

B) Closing Balance as at end of the year:

Receivable Indcluding Trade Advance

Transpek Industry (Europe) Limited

Hyderabad Chemicals Product Limited

(Currency: Rupees in Lacs unless and otherwise stated)

SCHEDULES TO THE ACCOUNTS

Schedule	22:	Notes	to	Accounts	:	Cont'd

Reimbursements charged by the company

Reimbursements charged to the company

	(Rs. in Lacs
Year ended	Year ended
March 31, 2010	March 31, 2009
200.00	-
F0.00	
50.00	-
10.00	
13.77	15.67
-	0.14
	15.72
37.14	17.87
3	17.01
82.23	85.54
0.13	0.20
0.12	0.23
0.22	0.22
0.32 7.43	0.32
	-
1.56	-
19.90	4.08
8.74	5.41
15.67	15.67
167.06	20.63
05.07	70.00
65.37	78.63
13.74	27.96

1.98

39.78

0.30

4.00

10.86

0.20

4.00



SCHEDULES TO THE ACCOUNTS

Schedule 22: Notes to Accounts: Cont'd

14. Lease Commitments

The Company has cancelable operating leasing arrangements relate to office premises which are renewable by mutual consent and lease rentals payable are accordingly charged as rent under Schedule 19. During the period, the Company has taken office premises under cancelable operating lease; the rentals for which amounting to Rs. 2.58 lacs (Previous Year: Rs.12.24 lacs) are charged to the Profit and Loss Account for the period. The lease term is for 11 months and there are no sub-leases.

15. Earnings Per Share

		Year Ended March 31,2010	Year Ended March 31,2009
Basic Earnings per Share			
Profit after tax	(A)	454.60	789.93
Weighted average number of equity shares outstanding during the year	(B)	5,830,761	5,334,717
Basic Earning Per Share (in Rupees)	(A)/(B)	7.80	14.81
Nominal Value of Equity Share (in Rupees)		10.00	10.00
Diluted Earnings per Share			
Profit after taxation	(A)	454.60	789.93
Weighted average number of equity shares outstanding during the year		5,830,761	5,334,717
Add: Dilutive impact of convertible share warra	ants		279,016
Weighted average number of equity shares for diluted earning per share	r (B)	5,830,761	5,613,733
Diluted Earning Per Share (in Rupees)	(A)/(B)	7.80	14.07
Nominal Value of Equity Share (in Rupees)		10.00	10.00

16. Segment Information

Identification of Segments

I. Primary Segment - Business Segment

The Company's operations predominantly comprise of only one segment i.e. chemicals. In view of the same, separate segmental information is not required to be disclosed as per the requirements of Accounting Standard 17.

ii. Secondary Segment - Geographical Segment

The analysis of geographical segment is based on the geographical location of the customers. The geographical segments considered for disclosure are as follows:

Sales within India include sales to customers located within India.

Sales outside India include sales to customers located outside India.



Schedule 22: Notes to Accounts: Cont'd....

Information pertaining to Secondary Segment

Gross revenue as per Geographical Locations		(Rs. in Lacs)	
Particulars	Year ended	Year ended	
WOOD STATE OF THE	March 31, 2010	March 31, 2009	
Within India	4,974.46	5,953.71	
Asia	3,076.70	3,035.41	
Europe	2,779.14	5,362.31	
North America	418.72	2,083.02	
South America	91.72	226.55	
TOTAL	11,340.74	16,661.00	

	(Rs. in Lacs)
Year ended	Year ended
March 31, 2010	March 31, 2009
11,650.12	11,164.03
369.06	582.47
1,521.19	1,259.35
319.49	
	52.96
13,859.86	13,058.81
	March 31, 2010 11,650.12 369.06 1,521.19 319.49

Fixed Assets by Geographical Locations

The Company has common fixed assets for producing goods for domestic as well as overseas market. There are no fixed assets situated outside India. Hence, additional segment-wise information for fixed assets / additions to fixed assets has not been furnished.

17. (a) Derivative Instruments and Unhedged foreign currency exposure.

Nature of Contract	Currency	March 31, 2010	March 31, 2009	Purpo	se
Sale	US\$	20.50	30.7	Hedge	of receivables
Purchase	US\$	1.98	¥	Hedge of Payables	
Particulars of unhea	lged foreign c	urrency exposures as	at the balance shee	et date are	as follows:
Particulars			March 3	As on 31, 2010	As on March 31, 2009
Debtors					
- USD				28.01	36.59
- EURO				0.33	0.42
- GBP				0.03	0.13
Creditors & Other Lia	bilities				
- USD				0.70	7.07
Term Loans from Ban	ks				
- USD				6.34	15.46



SCHEDULES TO THE ACCOUNTS

Schedule 22: Notes to Accounts: Cont'd

(b) The Company has entered into a five year derivative contract for sale of foreign currency starting from October, 2007 to September, 2012 to hedge its foreign currency exposure. The management is of the opinion that, in view of the significant uncertainties associated with the said contract whose ultimate outcome depends on future events, the exchange gain or loss, if any, on the strike date would be accounted for in the Profit & Loss Account as and when it crystallizes. Based on mark to market concept, the loss amounts to Rs.723.36 lacs (Previous Year: Rs. 2174.00 lacs) as at March 31, 2010 in respect of the aforesaid outstanding foreign currency derivatives contract.

18. Supplemental Statutory Information

i. Auditor's Remuneration

(Rs. in Lacs)

			(
Particulars		Year ended	Year ended
		March 31, 2010	March 31, 2009
Audit Fees		4.00	3.75
Tax Audit Fees		0.75	0.75
Fees for other services		1.30	1.48
Out of pocket expenses		0.67	0.02
	TOTAL	6.72	6.00

- ii. Donations Include Donation made to Bhartiya Janta Party (political party) Rs. 10.00 lacs (Previous Year: Rs. Nil)
- iii. Research and Development costs, as certified by the management, debited to the profit and loss account as under: (Rs. in Lacs)

Particulars	Year ended	Year ended	
	March 31, 2010	March 31, 2009	
a) Revenue expenses debited to appropriate heads of account	51.20	57.12	
b) Depreciation on Research and Development Assets	15.28	15.04	
TOTAL	66.48	72.16	

Additional information pursuant to the provision of paragraph 3, 4C and 4D of part II of Schedule VI to the Companies Act, 1956.

i) Installed Capacity and Actual Production (in units)*

Particulars Unit	Unit	Installe	d Capacity*	Actual Production**	
	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2010	Year ended March 31, 2009	
Chlorinated Compunds	МТ	50,800	50,800	25,988	26,911
SO3/Oleum	MT	45,000	45,000	34,178	26,996

Notes:

- In terms of Notification No. 477(E) dated July 25, 1991, issued by the Ministry of Industry, Department of Industrial Development, the Company's products have been exempted from industrial licensing. Accordingly, disclosure requirements concerning licensed capacity are not applicable.
- 2. *The installed capacity is as certified by the management as this being a technical matter.
- 3. **Production includes quantities for captive consumption
 - Chlorinated Compunds 4783 MT (Previous Year: 9036 MT)
 - SO3 / Oleum 7938 MT (Previous Year: 7863 MT)
- Production of Chlorinated Compounds excludes 12 MT (Previous Year : 15 MT) produced by the Company on behalf of third parties.



SCHEDULES TO THE ACCOUNTS

Schedule 22: Notes to Accounts: Cont'd....

ii) Details of Opening and Closing Stock

(Rs. in Lacs)

Particulars		As at Ma	arch 31,	2010	As at March 31, 2009)9	
	Open	ing Stock	Clos	ing Stock	Openi	ng Stock	Closing	Stock
	Qty		Qty		Qty		Qty	
	(MT)	Rs.	(MT)	Rs.	(MT)	Rs.	(MT)	Rs.
Manufacturing Activities								
Chlorinated Compunds	769.00	696.09	518.05	595.15	505	493.84	769	696.09
So3 / Oleum	288.00	21.59	285.97	5.91	299	16.23	288	21.59
Process Residue		8.08		6.22		7.83		8.08
TOTAL		725.76		607.28		517.90		725.76

iii) Details of Sales of Manufactured goods and Traded goods

(Rs. in Lacs)

Quantity	Yea	r ended	Year ended	
544-55-50	March	31, 2010	March 3	31, 2009
	Qty (M	T) Rs.	Qty(MT)	Rs.
MT	21,444	10,427.60	17,686	14,038.86
MT	26,259	741.46	19,165	1,942.17
		234.82		1334.13
MT	113.80	265.43	77	83.90
		11,669.31		17,399.06
	MT MT	March Qty (M MT 21,444 MT 26,259	March 31, 2010 Qty (MT) Rs. MT 21,444 10,427.60 MT 26,259 741.46 234.82 MT 113.80 265.43	March 31, 2010 March 3 Qty (MT) Rs. Qty(MT) MT 21,444 10,427.60 17,686 MT 26,259 741.46 19.165 234.82 MT 113.80 265.43 77

ivi	Details	of Raw	Materials	Consumed*
17)	Details	OI Kaw	Materiais	Consumed

(Rs. in Lacs)

Raw Materials			r ended 31, 2010		ear ended 31, 2009
		Qty (MT)	Rs.	Qty (MT)	Rs.
Chlorine	MT	13,512	447.14	11,286	475.53
Sulphur	MT	18,393	880.31	16,008	3,801.25
Mono Chloro Acetic Acid/ Iso pethelic Acid	MT	532	307.33	556	641.00
Purified Terephthalic Acid	MT	1382	642.16	1891	842.72
Others		-	1247.80	-	1625.82
TOTAL			3,524.74		7,386.32

^{*} The above figures have been ascertained on the basis of opening stock plus purchases less closing stock and therefore include the adjustments of excesses and shortages ascertained on physical count, write off of unserviceable items etc.

Above values of Raw Material consumed do not include cost of Raw Material sold Rs. 76.07 lacs (Previous Year: Rs. 58.44 lacs).

(Rs in Lacs)



Perquisites

Performance Incentive

(included in other expense)

b) To Non Excecutive Directors Commission

(Currency: Rupees in Lacs unless and otherwise stated)

31.00

10.37

82.23

7.72

89.95

SCHEDULES TO THE ACCOUNTS

Schedule 22: Notes to Accounts: Cont'd

v) Value of Imported and Indigenous Raw Materials Consumed

V)	Value of Imported and Indigenous Raw Materials Consumed		erials Consumed			(Rs	s. in Lacs)
Rav	w Materials			Yea	ar ended	Ye	ar ended
				March	31,2010	March	31,2009
				Rs	%	Rs	%
Imp	orted			572.15	16.23	1,539.85	20.85
Indigenous				2,952.59	83.77	5,846.47	79.15
		TOTAL		3,524.74	100.00	7,386.32	100.00
vi)	Value of Imported and Indig	enous Stores a	nd Spares Consur	ned		(Rs	s. in Lacs)
Sto	res & Spares			Yea	ar ended	Ye	ar ended
				March	31,2010	March	31,2009
				Rs	%	Rs	%
Imp	orted			1.41	2.63	-	
Indi	genous			52.15	97.37	46.41	-
		TOTAL		53.56	100.00	46.41	100.00
vii)	Details of Purchase of Trade	ed Goods				(Rs	s. in Lacs)
Par	ticulars		Qty	Year en	ded	Ye	ar ended
				March 3	1,2010	March	31,2009
				Qty(MT)	Rs.	Qty(MT) Rs.
Che	emicals		MT	113.80	211.08	77	66.62
		TOTAL			211.08		66.62
	Directors' Pompings (1)					75.	- In I ac-1
	Directors' Remuneration ticulars				Year ended		s. in Lacs) ar ended
rai	liculais			Mai	rear ended		31, 2009
a)	Paid to Managing Director			Wat	011 01, 2010	March	01, 2003
/	Salary and Incentives				31.00	r.	28.00
	Contribution to Provident and	d Other Funds			9.86		8.91
							1200000

Note: As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the Managing director is not included above.

TOTAL

GRAND TOTAL

28.00

20.63

85.54

13.75

99.29



SCHEDULES TO THE ACCOUNTS

Schedule 22: Notes to Accounts: Cont'd

ix) Computation of Net Profit in accordance with section 349 of the Companies Act, 1956 for calculation of Commission payable to directors

(Rs. in Lacs)

or commission payable to uncertors		(RS. In Lacs)
Particulars	Year Ended	Year Ended
	March 31, 2010	March 31, 2009
Profit before tax	691.57	1,245.65
Add:		
Depreciation (including Short/(Excess) provision for depreciation)	561.00	514.07
Managerial Remuneration	82.23	85.54
Commission to Non-Executive Directors	7.72	13.75
Directors' Sitting Fees	1.58	2.21
Loss on sale of Fixed Assets as per Account (Net)	-	30.17
TOTAL	652.53	645.74
Less:		
Depreciation as per Section 350 of the Companies Act 1956	561.00	514.07
Prior Period Adjustments (net)	_	2.22
Provision for Diminution in value of Long-term Investments written back		-
Profit on sale of Fixed Assets as per Accounts	11.19	
CONSISSENT PROPERTY OF THE PRO	572.19	516.29
Net Profit as per Section 309(5) of the Companies Act, 1956	771.91	1375.10

		(Rs. in Lacs)
Particulars	Year Ended March 31,2010	Year Ended March 31,2009
Commission to Non Executive Directors:		
@ 1 % of Rs. 771.91 lacs, (Previous Year: Rs. 1375.10 lacs) i.e. Rs. 7.72 lacs (Previous Year: Rs.13.75 lacs)	7.72	13.75

The Central Government vide its letter dated 8th February, 2007, has permitted the Company, w.e.f. 1st December, 2006, to pay remuneration to its Managing Director in excess of the limits prescribed under sections 309(3) and 198(1) of the Companies Act, 1956. Accordingly, the Company has paid/provided remuneration to the Managing Director as per the permission granted by the Central Government.

x) CIF Value of Imports (on accrual basis)		(Rs. in Lacs)
Particulars	Year Ended March 31,2010	Year Ended March 31,2009
Raw Materials	529.66	656.26
Capital goods	17.91	330.36
TOTAL	547.57	986.62
xi) Earnings in foreign currency (on accrual basis)		(Rs. in Lacs)
Particulars	Year Ended March 31,2010	Year Ended March 31,2009
F.O.B. value of Exports	6,255.85	10,487.10



SCHEDULES TO THE ACCOUNTS

Schedule 22: Notes to Accounts: Cont'd

xii) Expenditure in foreign currency (on Cash basis)

(Rs. in Lacs)

Year Ended March 31,2010	Year Ended March 31,2009
-	7.92
58.27	86.36
389.74	456.76
196.63	111.96
29.09	93.57
32.26	26.24
705.99	782.81
	58.27 389.74 196.63 29.09 32.26

20. The following are the loans and advances of the Company outstanding at the end of the year in terms of Clause 32 of the Listing Agreement with Securities and Exchange Board of India. (Rs. in Lacs)

Loans and Advances to Subsidiaries	Outstanding amount as at		Maximum amount outstanding during the year		
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009	
Transpek Industry (Europe) Limited	1.98	8.03	25.34	10.86	

21. Previous period figures have been regrouped/rearranged wherever necessary.

Signatures to Schedules '1' to '22'

For and on behalf of the Board of Directors

For S.R. Batliboi & Co.

Firm Registration No: 301003E

A. C. Shroff (Chairman)

A. G. Shroff (Managing Director)

Chartered Accountants

Bimal V. Mehta (Executive Director)

M. D. Patel (Director)

Per Arvind Sethi S. K. Solanki (Company Secretary)
Partner

Membership No: 89802

Place : Pune Place : Vadodara
Date : May 31, 2010 Place : May 31, 2010



SCHEDULES TO THE ACCOUNTS

Schedule 22: Notes to Accounts: Cont'd

Additional Information pursuant to the Government of India's Notification No.G.S.R 388(E) dated 15-5-95. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

1	DEC	CTDA	TIONE	ETAIL C
	REG	SIKA	HON L	DETAILS

(a)	Registration No.:	1343
(b)	State Code:	04
(c)	Balance Sheet Date:	3/31/2010

II CAPITAL RAISED DURING THE YEAR:

Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement (Preference issue to Promoters and Others)	2,790

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS:

(I) Total Liabilities	1,152,827
(ii) Total Assets	1,152,827
(iii) Sources of Funds:	
(a) Paid-up Capital	58,720
(b) Reserves and Surplus	479,722
(c) Secured Loans	270,348
(d) Unsecured Loans	247,655
(e) Deferred Payment Liabilities	4,961
(f) Deferred tax Liability	91,421
(iv) Application of Funds:	
(a) Fixed Assets	716,704
(b) Intangible Assets	10,077
(c) Investments	43,925

PERFORMANCE OF THE COMPANY:

(e) Miscellaneous Expenditure

(d) Net Current Assets

1,158,559
1,089,402
60,653
45,460
7.80
7.80
25%

V GENERIC NAME OF THE PRINCIPAL PRODUCT / SERVICE OF COMPANY:

(As per monetary terms)	
Item Code no.[ITC Code]	281210.04
Product Description	Thionyl Chloride

For and on behalf of the Board of Directors

(Amount in Rs.Thousands)

382,121

A. C Shroff (Chairman) A. G. Shroff (Managing Director) Bimal V. Mehta (Executive Director) M. D. Patel (Director) S. K. Solanki (Company Secretary)

Place: Vadodara

Date: May 31, 2010



CONSOLIDATED AUDITORS' REPORT

The Board of Directors of

Transpek Industry Limited

- i. We have audited the attached consolidated balance sheet of Transpek Industry Limited and its subsidiary ('the Company'), as at 31st March 2010, and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of Transpek Industry Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding the subsidiary. Our responsibility is to express an opinion on these financial statements based on our audit.
- ii. We conducted our audit in accordance with the 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.
- iii. We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 12.61 lacs as at 31st March 2010, the total revenue of Rs. Nil and cash flows amounting to Rs. Nil for the year then ended. We have based our opinion on the unaudited financial statements and financial information of the foreign subsidiary, prepared and certified by the management.
- iv. We report that the consolidated financial statements have been prepared by Transpek Industry Limited's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements, notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended).
- v. The Company has not provided for the loss amounting to Rs 723.36 lacs in respect of its outstanding derivative contracts at March 31, 2010 which would have arisen had these contracts been recorded for at market values at that date, as more fully discussed in note no. 17(b) of the financial statements. As a result, profit before tax for the year is higher by Rs 723.36 lacs, profit after tax for the year and Reserves and Surplus as at March 31, 2010 are higher by Rs 477.49 lacs and basic and diluted earnings per share for the year is higher by Rs 8.19. This had caused us to qualify our audit opinion on the financial statements relating to preceding year.
- vi. Based on our audit and on consideration of separate management-certified financial statements, and on the other financial information of the subsidiary, and to the best of our information and according to the explanations given to us, subject to the non-provision of mark-to-market losses on outstanding derivative contracts, referred to in paragraph (v) above we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated balance sheet, of the state of affairs of the Group as at 31st March 2010;
 - (b) in the case of the consolidated profit and loss account, of the profit for the year ended on that date; and
 - (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & CO.

Firm registration number: 301003E

Chartered Accountants
per Arvind Sethi
Partner

Membership No.: 89082

Place : Pune

Dated: May 31, 2010



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

	Schedules	March 31, 2010 (Rs. in Lacs)	March 31, 2009 (Rs. in Lacs)
SOURCES OF FUNDS			
Shareholders' Funds			
Share capital	1	587.20	559.30
Share application money pending all	otment.	-	17.31
Reserves and surplus	2	4,795.68	4,358.80
		5,382.88	4,935.41
Loan funds			
Secured loans	3	2,703.48	3,409.96
Unsecured loans	4	2,476.55	1,374.48
		5,180.03	4,784.44
Deferred Payment Liabilities		49.61	49.61
(Refer Note No: 04 of schedule 22)			
Deferred Tax Liabilities (net)	5	914.21	925.01
TOTA	L	11,526.73	10,694.47
APPLICATIONS OF FUNDS			
Fixed Assets	6		
Gross block		11,426.75	10,902.73
Less : Accumulated Depreciation		4,524.36	4,056.09
Net block		6,902.39	6,846.64
Capital work-in-progress including ca	apital advances	264.65	414.52
		7,167.04	7,261.16
Intangible Assets	7	100.77	144.68
Investments	8	439.23	439.23
Current Assets, Loans and Advance	ces		
Inventories	9	1,487.83	1,475.33
Sundry debtors	10	3,610.00	2,556.36
Cash and bank balances	11	137.30	126.72
Other current assets	12	15.64	14.94
Loans and advances	13	912.68	1,053.12
	(A)	6,163.45	5,226.47
Less: Current Liabilities and Provi	sions	reactive reactive second 65°41°	
Current liabilities	14	2,017.27	2,075.54
Provisions	15	326.49	301.53
	(B)	2,343.76	2,377.07
Net Current Assets	(A - B)	3,819.69	2,849.40
TOTA		11,526.73	10,694.47
Notes to Accounts	22		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date.

For S.R. Batliboi & Co. Firm Registration No: 301003E **Chartered Accountants**

Per Arvind Sethi Partner

Membership No: 89802

Place: Pune

Date: May 31, 2010

For and on behalf of the Board of Directors

A. C Shroff (Chairman)

A. G. Shroff (Managing Director) Bimal V. Mehta (Executive Director)

M. D. Patel (Director)

S. K. Solanki (Company Secretary)

Place: Vadodara

Date: May 31, 2010

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CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	Schedules	March 31, 2010 (Rs. in Lacs)	March 31, 2009 (Rs. in Lacs)
INCOME		· ·	
Turnover (Gross)			
Sale of Product [Including Sale of Raw Materia	als:		
Rs 103.65 lacs (Previous Year: Rs 72.04 lacs)		11,772.97	17,471.10
Less : Excise duty		432.23	810.10
Turnover (Net)		11,340.74	16,661.00
Other income	16	244.85	200.94
TOTA	AL	11,585.59	16,861.94
EXPENDITURE			
Purchase of Trading Goods		211.08	66.62
Raw materials consumed	17	3,600.81	7,444.76
Personnel expenses	18	1,398.05	1,334.05
Operating and other expenses	19	4,365.27	5,749.13
(Increase)/Decrease in inventories	20	186.52	(166.01)
Depreciation/amortization	55 A	604.91	557.98
Financial expenses	21	527.38	631.31
TOTA	AL	10,894.02	15,617.84
Profit before Exceptional Item,	3279	691.57	1,244.10
Prior Period Items and Tax		00.1101	1,211110
Exceptional Items (net) (Refer Note 5 of Sched	lule 22)	85.04	
Other Prior period items			2.22
Profit before tax		606.53	1,241.88
Provision For Taxation			
Current Tax		190.79	361.02
(Excess) / Short provision for Taxation for earlie	er vears	(28.08)	3.06
Deferred Tax charge/(Credit)	, , , , , , , , , , , , , , , , , , , ,	(10.78)	69.41
Fringe Benefit Tax		(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	20.00
Total Tax Expense		151.93	453.49
Profit after tax		454.60	788.39
Balance brought forward from Previous Year		1,022.82	998.02
Profit available for appropriation		1,477.42	1,786.41
Appropriations:		-	
Proposed dividend		146.80	139.83
Tax on dividend		24.38	23.76
Transfer to General Reserve		250.00	600.00
Surplus carried to Balance Sheet		1,056.24	1,022.82
Earnings per share		.,,	.,
Basic Earning Per Share (Rs.)		7.80	14.78
Diluted Earning Per Share (Rs.)		7.80	14.04
Face Value Per Share (Rs.)		10.00	10.00
(Refer Note No: 15 in Schedule 22)			,0,00
Notes to Accounts	22		

The schedules referred to above and the notes to accounts form an integral part of the Profit and Loss Account. As per our report of even date.

For S.R. Batliboi & Co.

Firm Registration No: 301003E

Chartered Accountants

Per Arvind Sethi Partner

Membership No: 89802

Place: Pune

Date: May 31, 2010

For and on behalf of the Board of Directors

A. C Shroff (Chairman)

A. G. Shroff (Managing Director)
Bimal V. Mehta (Executive Director)

M. D. Patel (Director)

S. K. Solanki (Company Secretary)

Place: Vadodara Date: May 31, 2010

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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

For the year ended

For the year ended

	Particulars	31 st March (Rs. in lacs) (31 st Mar	rch, 2009 (Rs. in lacs)
Α	CASH FLOW FROM OPERATING ACTIVITIES				
	Profit before exceptional items, prior period items an	d tax:	691.57		1,244.10
	Adjustments for :				
	Depreciation	561.00		514.07	
	Amortisation of Intangible Assets	43.91		43.91	
	Loss/(Profit) on sale of Fixed Assets	(11.19)		30.17	
	Assets written off	85.04		30.55	
	Provision for Doubtful Debts	(21.06)		30.68	
	Provision for Doubtful Debts written back	(0.17)		(4.25)	
	Interest received	(18.21)		(17.03)	
	Dividend Received	(94.82)		(69.22)	
	Interest Expense	527.39		631.31	
	Exchange Difference (Gain)/Loss on loans taken	(10.99)		71.68	
	Excess Provision for depreciation	-		(0.15)	
	Short /(Excess) Provision for other items (Net)	(3.91)		(1.06)	
			1,056.99		1,260.66
	Operating Profit before working capital changes		1,748.56		2,504.76
	Adjustments for:				
	(Increase)/Decrease in Loans and Advances	165.82		(147.80)	
	(Increase)/Decrease in Debtors	(1,032.40)		(751.20)	
	(Increase)/Decrease in Inventories	(12.50)		111.17	
	(Increase) in Other Current Assets	(0.70)		33.40	
	(Increase)/Decrease in Current Liabilities and Provis	ions (54.96)		(115.66)	
			(934.74)		(870.09)
	Cash generated from Operations		813.82		1,634.67
	Direct taxes paid		187.20		570.83
	Cash flow before exceptional items		626.62		1,063.84
	Prior Period Adjustments (Other than Taxation)				(2.22)
	Net cash from Operating Activities (A)		626.62		1,061.62
В	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of fixed assets		(667.18)		(1,964.70)
	Purchase of Intangible Assets		-		(13.35)
	Proceeds from sale of fixed assets		41.38		30.65
	Proceeds from sale of Investments		-		34.31
	Decrease / (Increase) in Fixed Deposits with a mature period of more than 90 days	rity	(29.12)		(27.03)
	Interest received		17.30		15.78
	Dividend received		94.82		69.22
	Net Cash used in Investing Activities (B)	(542.80)		(1,855.12)
	CARRIED FORWARD (A)+(B)	83.82		(793.50)



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

	Particulars	For the year ended 31st March, 2010	For the year ended 31st March, 2009
		Rs. in lacs) (Rs. in lacs) (R	
С	BROUGHT FORWARD (A)+(B) CASH FLOW FROM FINANCIAL ACTIVITIES	83.82	(793.50)
50	Receipt of Long Term Borrowings	1,123.56	1,514.75
	Repayment of Long Term Borrowings	(706.47)	(380.16)
	Interest Paid	(521.76)	(584.23)
	Proceeds from issue of share warrants	164.05	155.80
	Dividend Paid	(137.98)	(78.90)
	Tax on distributed Profits	(23.76)	(13.58)
	Net cash used Financing Activities (C)	(102.36)	613.68
	Net increase in cash and cash equivalents (A+B+C)	(18.54)	(179.82)
	Cash and cash equivalents at the beginning of the year	71.90	251.72
	Cash and cash equivalents at the end of the year	53.36	71.90
	Components of Cash & Cash Equivalents		
	Cash on hand	3.47	5.32
	Balances with scheduled banks:		
	On Current Accounts	38.29	50.50
	On Margin money accounts		6.33
	On Deposit accounts	83.94	54.82
	On Unclaimed dividend accounts	9.89	8.04
	On Right issue application money account	1.71	1.71
	Cash and Cash Equivalents as per Schedule 11	137.30	126.72
	Less: Fixed deposits not considered as cash equivalent	ts <u>83.94</u>	54.82
	Cash and Cash Equivalents as per Cash Flow State	ement 53.36	71.90

Note:-

- The Cash Flow Statement has been prepared under the Indirect method as set out in Accounting Standard-3 on Cash Flow Statements issued by the institute of Chartered Accountants of India.
- Cash and cash equivalents includes Fixed Deposits pledged with government autorities Rs. 0.92 lacs (Previous year: Rs. 0.88 lacs), Unclaimed dividend accounts Rs. 9.89 lacs (Previous year: Rs. 8.04 lacs) and Right issue application money account Rs. 1.71 lacs (Previous year: Rs. 1.71 lacs)
- 3. For components of cash and cash equivalents, refer Schedule 11 to the Balance Sheet.
- 4. Previous year figures have been regrouped where necessary to confirm to the year's classification.
- 5. Figures in the brackets represents cash outflow.

As per our report of even date.

For S.R. Batliboi & Co. Firm Registration No: 301003E Chartered Accountants

Per Arvind Sethi

Partner

Membership No: 89802

Place: Pune Date: May 31, 2010 For and on behalf of the Board of Directors

A. C Shroff (Chairman)

A. G. Shroff (Managing Director)
Bimal V. Mehta (Executive Director)

M. D. Patel (Director)

S. K. Solanki (Company Secretary)

Place: Vadodara Date: May 31, 2010



	March 31, 2010	March 31, 2009
	(Rs. in lacs)	(Rs. in lacs)
chedule 1 : Share capital		
Authorised		
75,00,000 (Previous year: 75,00,000) equity shares of Rs.10/- each	750.00	750.00
5,00,000 (Previous year: 5,00,000) preference shares of Rs.100/- eac	th 500.00	500.00
	1,250.00	1,250.00
Issued, Subscribed and paid up		
58,72,040 (Previous Year: 55,93,024) equity shares of Rs. 10/each fully paid (Refer Note No 9 of Schedule 22)	587.20	559.30
TOTAL	587.20	559.30
Of the above:		
26,86,632 (Previous Year: 26,86,632) Equity Shares have been allot fully paid-up by way of Bonus Shares by capitalisation of General Res		
2,50,000 (Previous Year: 2,50,000) Equity Shares have been allotte fully paid-up pursuant to a scheme of amalgamation without payment received in cash.	ed as s being	
	March 31, 2010	March 31, 2009
	(Rs. in lacs)	(Rs. in lacs)
hedule 2 : Reserves and Surplus	***************************************	
Capital Reserve	19.00	19.00
Securities Premium Account:	10.00	10.00
Balance as per last account	1,370.62	1,224.14
Add: Received on issue of shares on Preferential basis	153.46	146.48
Add. Necessed of Islands of Shares of Frederical Basis	1,524.08	1,370.62
General Reserve	1,024.00	1,070.02
Balance as per last account	1,946.36	1,346.36
Add: Transferred from Profit and Loss Account	250.00	600.00
Add. Transferred from Front and Loss Account	2,196.36	1,946.36
Profit and Loss Account	1,056.24	1,022.82
TOTAL	4,795.68	4,358.80
TOTAL	4,793.00	4,336.60
	March 31, 2010	March 31, 2009
	(Rs. in lacs)	(Rs. in lacs)
	(NS. III Ides)	(1.5. 111 1405)
chedule 3 : Secured Loans		
Loans and advances from banks		
Cash/Export Credit facilities	1,067.62	983.97
(Refer Note No. 1 Below)		
	1,621.99	2,401.61
Term loans		
[Includes Rs.725.12 Lacs (Previous Year Rs.813.79 Lacs) repayable within one year (Refer Note Nos. 2 to 5 Below)]		
[Includes Rs.725.12 Lacs (Previous Year Rs.813.79 Lacs)	13.87	24.38



Notes:

- 1. Loans on Cash Credit Accounts from State Bank of India, Bank of Baroda and Axis Bank Limited (hereafter collectively referred to as "Consortium of Banks") are secured by first charge by way of hypothecation of stocks of raw materials, packing materials, consumable stores, finished goods, semi-finished goods and book-debts. The aforesaid cash credit facilities are further secured by way of charge on the whole of the fixed assets of the Company ranking second and subservient for the charges created in respect of borrowings obtained from them.
- 2. Term Loan from Axis Bank Limited amounting to Rs. 87.61 Lacs (Previous Year: Rs. 296.68 Lacs) or equivalent in foreign currency is secured by first charge by way of hypothecation of all machinery financed or to be financed under the said term loan. It is further secured by second charge by way of hypothecation over entire current assets including stock and book-debts with the current charge holders on pari passu basis. The said loan is also further secured by first charge by way of an equitable mortgage on the whole of the fixed assets of the Company, both present and future, on pari passu basis with existing second and subservient charge holders.
- 3. Term loan from Bank of Baroda amounting to Rs. 351.08 Lacs (Previous Year: Rs. 662.08 Lacs) is secured by first charge by way of hypothecation of all movable machinery financed or to be financed under the said term loan. The Bank of Baroda has agreed and ceded second pari passu charge in favour of State Bank of India and Axis Bank Limited, on the said movable machinery financed / to be financed out of the said term loan, for their respective working capital limits sanctioned to the Company. The said loan is also further secured by first charge by way of an equitable mortgage on the whole of the immovable assets of the Company, both present and future, on pari passu basis with existing first charge holders viz. State Bank of India and Axis Bank Limited.
- 4. Term loan from State Bank of India amounting to Rs. 620.80 Lacs (Previous Year: Rs. 933.29 Lacs) is secured by first charge by way of hypothecation of all movable machinery financed or to be financed under the said term loan. The State Bank of India has agreed and ceded second pari passu charge in favour of Bank of Baroda and Axis Bank Ltd. on the said movable machinery financed/to be financed out of ths said term loan, for their respective working capital limits sanctioned to the Company. The said loan is also further secured by first charge by way of an equitable mortgage on the whole of the immovable assets of the Company, both present and future, on pari passu basis with existing first charge holders viz. Bank of Baroda and Axis Bank Limited.
- 5. Term loan from Axis bank Ltd. amounting to Rs 562.50 lacs (Previous Year: Rs 459.55 lacs) is secured by first charge by way of hypothecation of all movable machinery financed or to be financed under the said term loan and also yet to be secured by first charge by way of an equitable mortgage on the whole of the immovable assets of the Company, both present and future, on pari passu basis with existing first charge holders viz. State Bank of India and Bank of Baroda.

	March 31, 2010 (Rs. in lacs)	March 31, 2009 (Rs. in lacs)
Schedule 4 : Unsecured Loans		
Fixed deposits	1,619.85	1,174.48
[Due within one year : Rs. 674.64 Lacs (Previous Year :	Rs.480.69 Lacs)]	
From Managing Director	156.70	
Short-term loans and advances:		
From banks	700.00	200.00
TOTAL	2,476.55	1,374.48



	March 31, 2010 (Rs. in lacs)	March 31, 2009 (Rs. in lacs)
Schedule 5 : Deferred Tax Liability (net)		
Deferred Tax Liabilities		
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	979.23	989.80
Gross Deferred Tax Liabilities	979.23	989.80
Deferred Tax Assets		
Provision for doubtful debts and advances	15.51	23.08
Others	49.51	41.71
Gross Deferred Tax Assets	65.02	64.79
Net Deferred Tax Liability	914.21	925.01

Schedule 6: Fixed Assets

(Rs. in lacs)

	icadic v. i ixca Asse									(1.0	macoj
Sr.	Description	GI	GROSS BLOCK (AT COST) DEPRECIATION				NET I	BLOCK			
No.	of assets	As at	Additions	Deducti-	As at As at	Deducti-	Provided	As at	As at	As at	
		April,	during	ons/Adjust-	31"	April	ons/Adjust-	for the	31"	31"	April
		1"	the year	ment during	March,	1st,	ment during	Year	March,	March,	1st,
		2009		the year	2010	2009	the year	1.00000	2010	2010	2009
1	Land (Freehold)	285.06			285.06					285.06	285.06
	(Refer Note No.1 below)										
2	Buildings	839.28	2.28		841.56	140.15	-	19.59	159.74	681.82	699.13
3	Well, Pumps and										
	Water Pipe Lines	25.73	1.02	-	26.75	3.21		0.43	3.64	23.11	22.52
4	Plant & Machinery	8,886.31	618.85	179.69	9,325.47	3,569.49	68.07	489.14	3,990.56	5,334.91	5,316.82
5	Electrical Installations	102.80	70.77		173.57	51.47	0.63	5.34	56.18	117.39	51.33
6	Research and										
	Development Equipments	330.94	3.16		334.10	103.74	0.16	15.28	118.86	215.24	227.20
7	Furniture & Fixtures	202.62	12.26		214.88	97.01	5.36	14.53	106.18	108.70	105.61
8	Technical Books	42.18			42.18	32.75		1.59	34.34	7.84	9.43
9	Vehicles	187.81	23.65	28.28	183.18	58.27	18.51	15.10	54.86	128.32	129.54
то	ral .	10,902.73	731.99	207.97	11,426.75	4,056.09	92.73	561.00	4,524.36	6,902.39	6,846.64
Pre	vious Year	9,278.33	1,789.47	165.07	10,902.73	3,646.40	104.38	514.07	4,056.09		
Cap	ital Work-ir-Progress									264.65	414.52
Re	fer Note Na.2 below)					TOTAL				7,167.04	7,261.16

NOTES:

- Out of the total area of the land admeasuring 5,10,434.490 Sq. Metres (Previous Year: 5,10,434.490 Sq. Meters), part of the land admeasuring 94,947.485 Sq. Metres has been given on lease for a period of 90 years.
- 2 Capital Work-in-Progress includes Advances for Capital Expenditure Rs.20.96 Lacs (Previous Year: Rs.63.90 Lacs) and Interest Capitalisation of Rs. 6.21 Lacs (Previous Year: Rs. Nil).
- During the year the Company has written off Fixed Asset Gross Block of Rs. 151.37 Lacs and Accumulated Depreciation on the same of Rs. 56.40 Lacs on account of discrepancies found at the time of phycical verification of the Fixed Assets. (Refer Note No 4 (b) of Schedule 22)

March 31, 2010



SCHEDULES TO THE CONSOLIDATED ACCOUNTS

Schedule 7: Intangible Assets

(Rs. in lacs)

March 31, 2009

Sr	Description	tion Gross Block			Amortisation			Net Block			
No.	of assets	As at 1st April, 2009	Additions during the Year	Deduction during the Year	As at 31st March, 2010	As at 1st April, 2009	Deductions / Adjustments	Provided during the Year	Up to 31st March, 2010	As at 31st March, 2010	As at 1st April, 2009
1	Technical Knowhow	439.09			439.09	294.41		43,91	338.32	100.77	144.68
	Total	439.09			439.09	294,41		43.91	338.32	100.77	144.68
	Previous Year	439.09			439.09	250.50		43.91	294.41		

Schedule 8: Investments

	(Rs. in lacs)	(Rs. in lacs)
Long Term Investments other than trade (At cost)	,	(
I) Unquoted		
Government Securities		
12 Years National Defence Certificates [Face Value: Rs. 1,400 (Deposited with Government Authorities)]	0.01	0.01
7 Years National Saving Certificates [Face Value: Rs. 2,500 (Deposited with Government Authorities)]	0.03	0.03
	0.04	0.04
Shares		
400 (Previous Year : 400) Equity Shares of Rs.25 each fully paid-up in Co-operative Bank of Baroda Limited	0.10	0.10
10 (Previous Year : 10) Equity Shares of Rs. 10 fully paid up in Pragati Sahakari Bank Limited	0.00	0.00
	0.10	0.10
Long Term Investments (At cost)		

I) Unquoted

Trade Investment

Shares

onares		
10,000 (Previous Year : 10.000) Equity Shares of Rs.100 each fully paid-up in Agrocel Industries Limited	10.00	10.00
9,49,315(Previous Year : 9,49,315) Equity Shares of Rs. 10 each fully paid-up in Transpek-Silox Industry Limited	290.96	290.96
	300.96	300.96
Quoted		
1,56,650 Equity Shares (Previous Year : 1,56,650) of Rs. 5 each fully paid-up in Excel Industries Limited	226.76	226.76

II)

(Also Refer Note No. 10 in Schedule 22)	527.86	527.86
Less: Provision for Diminution in value of Long Term Investment	88.63	88.63
TOTAL	439.23	439.23

Aggregate amount of quoted investments [(Market value Rs. 91.25 Lacs(Previous Year: Rs. 41.43 Lacs)]	138.13	138.13
Aggregate amount of unquoted investments - Cost	301.10	301.10



	March 31, 2010	March 31, 200	
	(Rs. in lacs)	(Rs. in lacs)	
Raw materials and components [Including Stock lying at third party Rs. 51.44 Lacs (Previous Year: Rs. 6.72 Lacs)]	628.25	487.87	
Packing Material	37.58	9.39	
Stores and spares	157.99	127.53	
Work-in- progress	56.73	124.79	
Finished goods [Including Stock in transit Rs. 295.89 Lacs (Previous Year: Rs.112.20 Lacs)]	607.28	725.75	
TOTAL	1,487.83	1,475.33	
Schedule 10 : Sundry Debtors			
	March 31, 2010 (Rs. in lacs)	March 31, 2009 (Rs. in lacs)	
Unsecured			
Debts outstanding for a period exceeding six months			
Considered Good	77.03	101.65	
Considered Doubtful	7.05	28.28	
Other debts			
Considered Good	3,532.97	2,454.71	
	3,617.05	2,584.64	
Less : Provision for Doubtful Debts	7.05	28.28	
TOTAL	3,610.00	2,556.36	
Schedule 11 : Cash And Bank Balances			
	March 31, 2010 (Rs. in lacs)	March 31, 2009 (Rs. in lacs)	

	March 31, 2010 (Rs. in lacs)	March 31, 2009 (Rs. in lacs)
Cash on hand	3.46	5.32
Balances with scheduled banks:		
On Current Accounts	38.30	50.50
On Margin money accounts	-	6.33
On Deposit Accounts	83.94	54.82
[includes Rs. 0.92 Lacs (Previous Year : Rs. 0.88 Lacs) deposited with government authorities.]		
On Unclaimed dividend accounts	9.89	8.04
On Right issue application money account	1.71	1.71
TOTAL	137.30	126.72



Schedule 12: Other Current Assets

	March 31, 2010 (Rs. in lacs)	March 31, 2009 (Rs. in lacs)
	,	4 % (20 4447 A.C.) (20 20 A.C.) (20 20 A.C.)
Fixed Assets held for sale (at net book value or estimated net realisable value, whichever is lower)	11.09	11.30
Interest Receivable	4.55	3.64
TOTAL	15.64	14.94
Schedule 13 : Loans And Advances		
	March 31, 2010 (Rs. in lacs)	March 31, 2009 (Rs. in lacs)
(Unsecured and considered good, unless and otherwise stated)		
Advances recoverable in cash or kind or for value to be received		
Considered Good	156.85	161.12
Considered Doubtful	39.63	39.63
Balances with customs, excise, public bodies and other Governr	ment departments 434.38	590.19
Sundry Deposits	4.19	8.53
Loans and Advances to Employees	5.62	6.13
Payment of Taxes (net of provision)	311.64	287.15
,	952.31	1.092.75
Less: Provision for doubtful advances	39.63	39.63
TOTAL	912.68	1,053.12
Schedule 14 : Current Liabilities		#1 2
	March 31, 201	March 31, 2009
	(Rs. in lacs)	(Rs. in lacs)
Acceptances		33.25
Sundry creditors		
- Micro, Small and Medium Enterprises	45.71	46.20
- Others	1,731.54	1,709.45
Advance from customers	35.38	52.47
Investor Education and Protection Fund shall be credited by following amounts (as and when due)		
(a) Unpaid dividend	9.89	8.04
 (b) Unpaid application money received for allotment of securities and due for refund 	1.71	1.71
(c) Unpaid Matured Deposits	37.72	36.28
(d) Interest accrued on (a) to (c) above.	1.93	2.16
Bank account excess drawn	0.33	40.19
Interest accrued but not due on loans	115.67	99.31
Others	37.39	46.48
TOTAL	2,017.27	2,075.54



Schedule 15: Provisions

	March 31, 2010 (Rs. in lacs)	March 31, 2009 (Rs. in lacs)
Provision for gratuity (Net of Plan Asset)	2.55	20.20
Provision for Compensated Absences	152.76	117.74
Proposed dividend	146.80	139.83
Tax on proposed dividend	24.38	23.76
тот	AL 326.49	301.53

Schedule 16: Other Income

	March 31, 2010 (Rs. in lacs)	March 31, 2009 (Rs. in lacs)
Interest		
- On Deposits (TDS Rs.0.52 Lacs, Previous Year: Rs.3.69 Lacs)	11.61	16.53
- Others	6.60	0.50
Dividend income from Long term Investments	94.82	69.22
Excess Provision for Doubtful Debt Written back [after write off of Bad Debt Rs. 17.18 lacs (Previous Year: Nil) there against]	3.88	4.25
Doubtful Debt Recovered	0.17	0.67
Conversion Charges	31.17	13.91
Export Incentive Received	43.91	29.04
Profit on Sale of Assets(Net)	11.19	-
Excess liability of Previous years Written back	3.91	1.06
Sales Tax / Excise Refund Received	9.16	15.89
Miscellaneous income	28.43	49.87
TOTAL	244.85	200.94

Schedule 17: Raw Materials Consumed

	March 31, 2010 (Rs. in lacs)	March 31, 2009 (Rs. in lacs)
Inventories as at March 31, 2009	487.87	798.06
Add: Purchases	3,741.19	7,134.57
	4,229.06	7,932.63
Less: Inventories as at March, 31, 2010	628.25	487.87
	3,600.81	7,444.76
[includes cost of Raw material sold Rs. 76.07 lacs (Previous Year : Rs. 58.44 Lacs)]		



Schedule 18: Personnel Expenses

	March 31, 2010 (Rs. in lacs)	March 31, 2009 (Rs. in lacs)
Salaries, wages and bonus	1,021.03	978.19
Contribution to provident fund and other funds	160.86	148.60
Contribution / Provision for Retirement Benefits	97.33	86.21
Workmen and staff welfare expenses	118.83	121.05
TOTAL	1,398.05	1,334.05

Schedule 19: Operating and Other Expenses

	March 31, 2010 (Rs. in lacs)	March 31, 2009 (Rs. in lacs)
Consumption of stores and spares	53.56	46.41
Containers & Packing Materials	379.01	280.23
Power and fuel	1,121.01	1,398.70
Freight and forwarding charges	725.67	1,061.57
Rent	2.58	12.24
Rates and taxes	8.09	12.58
Insurance	48.53	68.15
Repairs and maintenance		
Plant and Machinery	505.05	514.95
Buildings	16.39	5.50
Others	57.31	67.13
Advertising and sales promotion	28.40	53.37
Commission	360.05	667.55
Travelling and conveyance	171.27	199.56
Communication costs	23.19	26.03
Printing and stationery	19.04	18.49
Legal and professional fees	121.68	76.96
Directors' sitting fees	1.58	2.21
Commission to Non-Executive Directors	7.72	13.75
Payment to Auditors (Refer Note No 18(i) in schedule 22)	6.72	6.00
(Increase)/decrease of Excise duty on Inventory	(6.95)	(14.65)
Exchange difference (net) Including Foreign Currency	320.92	826.10
Translation Reserve Rs. 0.003 lacs (Previous Year: Rs. 1.54 lacs)		
Donations and contributions to charitable institutions	40.00	35.33
Provision for doubtful debts and advances	-	30.68
Bad-debts written off	7.75	-
Impairment of the Assets held for Disposal	-	30.55
Loss on sale of fixed assets (net)		30.17
Other Expenses	346.70	279.57
TOTAL	4,365.27	5,749.13



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

Schedule 20: (Increase) / Decrease in Inventories

	March 31, 2010 (Rs. in lacs)	March 31, 2009 (Rs. in lacs)
Inventories as at March, 31, 2010		
- Work-in-progress	56.73	124.78
- Finished goods	607.28	725.76
	664.01	850.54
Less: Inventories as at March 31, 2009		
- Work-in-progress	124.78	166.63
- Finished goods	725.75	517.90
	850.53	684.53
TOTAL	186.52	(166.01)

Schedule 21: Financial Expenses

	March 31, 2010 (Rs. in lacs)	March 31, 2009 (Rs. in lacs)
Interest		
On term loans	216.20	222.18
On banks	47.80	92.45
On Fixed Public Deposit and Fixed Loans	198.17	150.08
Others	5.63	16.21
Bank charges	59.58	150.39
TOTAL	527.38	631.31

NOTES TO ACCOUNTS

(Currency: Rupees in Lacs unless and otherwise stated)

Schedule 22:

1. Nature of Operation

Transpek Industry Limited and its subsidiary ('TIL', 'the Company') is into the manufacture and export of a range of chemicals servicing the requirements of customers from a diverse range of industries - Textiles, Pharmaceuticals, Agrochemicals, advanced Polymers, etc.

2. Consolidation

a. The Consolidated financial statements comprise the financial statements of Transpek Industry Limited (herein after referred to as 'the Company') and its subsidiary company, Transpek Industry (Europe) Limited.

b. Details of the subsidiary company considered in the consolidated financial statements are as under:

Name of the Company	Subsidiary /Joint Venture/Associate	Country of Incorporation	% Shareholding & Voting Power
Transpek Industry (Europe) Limited	Subsidiary	United Kingdom	100

c. Principles of Consolidation

The consolidated financial statements of the Company have been prepared on the following basis:

- (i) The consolidated financial statements of the Company are prepared in accordance with AS 21 notified under the Companies (Accounting Standards) Rules, 2006 (as amended).
- (ii) The financial statements of the parent company and subsidiary company are combined on a line-by-line basis by adding together the book values of like item of assets, liabilities, income and expenses after



Schedule Forming Part of the Consolidated Accounts

NOTES TO ACCOUNTS

Schedule 22: Notes to Accounts: Cont'd...

eliminating intra-group balances/transactions and resulting unrealized profits in full. Unrealized losses resulting from intra-group transactions are also eliminated except to the extent that recoverable value of related assets is lower than their cost to the Company. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserve of subsidiaries.

(iii) Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances except where it is not practicable to do so.

3. Statement on Significant Accounting Policies

a) Basis of Preparation

The financial statements have been prepared to comply in all material respects in respects with the Notified accounting standard by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b) Use of estimates

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statement and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Fixed Assets and capital work in progress

Fixed Assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost (net of Cenvat credit) of bringing the assets to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

d) Depreciation

Depreciation is provided using the Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Assets valuing upto Rs 5,000/- are depreciated at the rate of 100 % in the year of acquisition. Depreciation in respect of additions to/deletions from the fixed assets, provided on pro-rata basis with reference to the month of addition/deletion of the assets.

e) Impairment

- i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
- ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- iii) A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

f) Intangibles

Technical Knowhow

Research costs are expensed as incurred. Product development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate:

Schedule Forming Part of the Consolidated Accounts

NOTES TO ACCOUNTS

Schedule 22: Notes to Accounts: Cont'd...

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the asset and use or sell it;
- its ability to use or sell the asset;
- how the asset will generate probable future economic benefits;
- the availability of adequate resources to complete the development and to use or sell the asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during development.

Any expenditure so capitalized as technical knowhow is amortised on a straight-line basis over a period of ten years from the month of addition of the underlying product.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

g) Assets Heldfor Disposal

Items of Fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value or net realisable value.

h) Inventories

Raw materials, packing materials and fuel are valued at cost and net realizable value, whichever is lower. Cost is determined on First In First Out Basis. However, materials and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Finished goods and semi-finished goods are valued at cost and net realizable value, whichever is lower. Cost is determined on absorption costing basis. Cost offinished goods includes excise duty.

Stores and spares are valued at cost and net realizable value, whichever is lower. During the year the Company has changed the basis of method of valuation of its Stores and Spares from Weighted Average to First In First Out (FIFO). The impact of such change is however not material.

Trading goods and process residue are valued at cost and net realizable value, whichever is lower.

i) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

i) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise duty deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability arised during the period.

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.



Schedule Forming Part of the Consolidated Accounts

NOTES TO ACCOUNTS

Schedule 22: Notes to Accounts: Cont'd...

k) Export Benefits

Duty free imports of raw materials under Advance Licence for imports as per the Import and Export Policy are matched with the exports made against the said licences and the net benefit/obligation is accounted by making suitable adjustments in raw material consumption.

The benefits accrued under the Duty Entitlement Pass Book Scheme as per the Import and Export Policy in respect of exports made under the said scheme have been included under the head 'Export Incentives'.

I) Foreign Currency Transaction

Initial Recognition

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

Translation of Integral foreign operation

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the company itself.

m) Operating Lease

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as Operating Leases. Operating lease payments are recognised as an expense in the Profit and Loss account on a straight line basis over the lease term.

n) Taxation

Tax expense comprises current and deferred taxes. Current income-tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situation where the Company has unabsorbed depreciation and carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as

Schedule Forming Part of the Consolidated Accounts

NOTES TO ACCOUNTS

Schedule 22: Notes to Accounts: Cont'd...

the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(Currency: Rupees in Lacs unless and otherwise stated)

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writesdown the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

o) Segment Reporting Policies

Identification of segments:

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the geographical location of the customers wherever required.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

Includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

p) Employee Benefits

- i. Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the provident fund is due. There are no other obligations other than the contribution payable to the respective fund.
- ii. Superannuation Fund is a defined contribution scheme and contributions to the scheme are charged to the profit and loss account in the year when the contributions are due. The scheme is funded with an insurance company in the form of a qualifying insurance policy. There are no other obligations other than the contribution payable to the respective trusts.
- iii. The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Company. The aforesaid liability is provided for on the basis of an actuarial valuation made based on Projected unit credit method at the end of the financial year. The scheme is funded with an insurance company in the form of a qualifying insurance policy.
- iv. The Company has other long term employee benefits in the form of leave encashment. The liability in respect of leave encashment is provided for on the basis of actuarial valuation made based on Projected unit credit method at the end of the financial year. The aforesaid leave encashment is not funded.
- v. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

a) Provisions

A provision is recognized when an enterprise has a present obligation as result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the best current estimates.

r) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid



Schedule Forming Part of the Consolidated Accounts

NOTES TO ACCOUNTS

Schedule 22: Notes to Accounts: Cont'd...

equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

s) Cash and Cash Equivalents

Cash and cash equivalents for the purposes of the Cash Flow Statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

- 4. In the past the Company was eligible for a Sales tax incentive scheme amounting to Rs 1084.03 lacs (Previous Year: Rs. 1084.03 lacs). Post completion of such incentive scheme, the Company has re-paid the amount of Sales tax deferred during the period the scheme was in force, and has applied to the Sales tax Department for a No Dues certificate. Pending reconciliation of the amount with sales tax department, the balance of Rs 49.61 lacs (Previous Year: Rs. 49.61 lacs) has been disclosed as Deferred Payment Liabilities.
- a. The Company has prepared its fixed asset register during the year. On completion of the same it was observed
 that excess depreciation amounting to Rs 9.93 lacs had been charged in earlier years, which now have been
 credited to the Profit and Loss account.
 - b. Moreover, on physical verification of part of the Plant & Machinery during the year, differences were observed between the assets physically available and as per books amounting to Rs151.37 lacs (gross block) and Rs. 94.97 lacs (net block), which have written off during the year.

The net amount of Rs. 85.04 lacs (Previous Year: Nil) arising out of (a) and (b) above, has been charged off to the Profit and Loss account as an exceptional item.

6. (a) Contingent Liabilities (to the extent not provided for)

(Rs. in lacs)

			•
Sr. No	Particulars	As on March 31, 2010	As on March 31, 2009
(a)	Disputed Income Tax Liability	848.09	843.85
(b)	Disputed Sales Tax Liability	259.06	261.07
(c)	Guarantees given by Banks to third parties on behalf of the Company	23.05	26.88
(d)	Claims against the Company not acknowledged as debts (mainly on account of outstanding law suits)	134.25	376.50
(e)	Counter Guarantees given to The Housing Development Finance Corporation Limited in respect of housing loans taken by employees.	-	0.49

⁽b) The Company has undertaken export obligation of eight times of the CIF value of machineries imported, to be fulfilled over a period of eight years. The obligation outstanding on the date of Balance Sheet amounts to Rs. Nil (Previous Year: Rs. 103.45 lacs).

7. Capital Commitment

The estimated amount of contracts, net of advances remaining to be executed on capital account at March 31, 2010 is Rs.111.83 lacs (Previous Year: Rs. 61.93 lacs).

- 8. Excise duty on sales amounting to Rs. 432.23 lacs (Previous Year: Rs. 810.10 lacs) has been reduced from sales in profit & loss account and excise duty on increase/(decrease) in stock amounting to Rs. 6.95 lacs (Previous Year: Rs. 14.65 lacs) has been considered as income in Schedule 19 of financial statements.
- 9. The Company had issued 7,99,000 share warrants to promoters and others on preferential allotment basis at a price of Rs. 65 per share on 5th February, 2008 which were convertible into equal number of equity shares of Rs.10 each. Of the above 519,984 share warrants had been converted into equity shares of Rs.10 each fully paid-up till 31st March, 2009. The balance 279,016 share warrants have been converted into equity shares in the current year. The said equity shares shall rank pari-passu with the other equity shares.



Schedule Forming Part of the Consolidated Accounts

NOTES TO ACCOUNTS

Schedule 22: Notes to Accounts: Cont'd

- 10. The Company has an investment in equity shares of Excel Industries Limited amounting to Rs.226.76 lacs. In respect of this investment, the Company had, in the previous year, recognized a diminution in the value of investment amounting to Rs.88.63 lacs. The market value of this investment at March 31, 2010 is Rs.91.85 lacs. (Previous Year: Rs.41.43 lacs). In view of the long-term nature of this investment and having regard to the book value of the equity shares, management does not consider any further diminution in the carrying value of this investment, as at March 31, 2010
- 11. Provision for Taxation includes provision for Wealth Tax amounting to Rs. 0.79 lacs (Previous Year: Rs. 1.02 lacs).

12. Gratuity plan:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with insurance companies in the form of a qualifying insurance policy. The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Profit and Loss Account
Net employee benefit expense (recognised in Employee Cost)

March 31, 2010 20.83 30.07 (28.45)	March 31, 2009 18.66 25.24
30.07	
	25.24
(28.45)	
	(23.43)
38.44	17.30
	-
60.89	37.77
39.05	30.45
	(Rs. in lacs)
March 31, 2010	March 31, 2009
463.54	375.90
460.98	355.70
-	-
2.56	20.20
re as follows:	(Rs. in lacs
March 31, 2010	March 31, 2009
375.90	315.45
30.07	25.24
20.83	18.66
(12.30)	(7.77)
49.04	24.32
463.54	375.90
	38.44 - 60.89 39.05 March 31, 2010 463.54 460.98 - 2.56 re as follows: March 31, 2010 375.90 30.07 20.83 (12.30) 49.04

(Rs. in lacs)



Schedule Forming Part of the Consolidated Accounts

Schedule Forming Part of the Consolidated Accou

NOTES TO ACCOUNTS

Schedule 22: Notes to Accounts: Cont'd

Changes in the fair value of plan assets are as follows:

(Rs. in lacs)

orialiges in the lan value of plan assets are as follows.		(110. 111 1400)	
	March 31, 2010	March 31, 2009	
Opening fair value of plan assets	355.70	292.84	
Expected return	28.45	23.43	
Contributions by employer	78.54	40.18	
Benefits paid	(12.30)	(7.77)	
Actuarial gains / (losses)	10.59	7.02	
Closing fair value of plan assets	460.98	355.70	

The Company expects to contribute Rs 37.09 lacs (Previous Year: Rs. 79.76 lacs) to gratuity in 2010-11.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31, 2010	March 31, 2009
	%	%
Investments with insurer	100.00	100.00

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period overwhich the obligation is to be settled.

The principal assumptions used in determining gratuity for the Company's plan are shown below:

	March 31, 2010	March 31, 2009
	%	%
Discount rate	8.25	8
Expected rate of return on assets	8.25	8
Increase in Compensation cost	7	6
Mortality Table	LIC(1994-96) Ultimate	LIC(1994-96) Ultimate
Proportion of employees opting for early retirement	1%	1%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current and previous two periods are as follows:

March 31, 2010	March 31, 2009	March 31, 2008
(463.54)	(375.90)	(315.45)
460.98	355.70	292.84
-	-	-
	-	-
(2.56)	(20.20)	(22.61)
	2010 (463.54) 460.98	2010 2009 (463.54) (375.90) 460.98 355.70

^{*}In the absence of availability of relevant information, experience adjustments on plan assets and liabilities have not been furmished above.

(Rs. in lacs)



Schedule Forming Part of the Consolidated Accounts

NOTES TO ACCOUNTS

Schedule 22: Notes to Accounts: Cont'd...

Defined Contribution plans:

Amounts recognised as expense for the period towards contribution to the following funds: (Rs. in lacs)

(Currency: Rupees in Lacs unless and otherwise stated)

	March 31, 2010	March 31, 2009
Employers contribution to:	2010	2000
- Provident Fund	80.31	73.39
Gujarat Labour Welfare fund	0.05	0.05
- Superannuation fund	80.50	75.16
	160.86	148.60

13. Related Party Disclosure

a) Names of related parties and description of relationship:

Enterprises owned or significantly influenced by key	Excel Industries Limited
management personnel or their relatives	Excel Crop Care Limited
	TML Industries Limited
	Shroffs Engineering Limited
	Anshul Speciality Molecules Limited
	Anshul Agencies
	Agrocel Industries Limited
	Shroffs Foundation Trust
	Transchem Agritech Limited
	Hyderabad Chemical Products Limited
	C.C. Shroff Research Institute
Key Managemment Personnel	Atul G. Shroff
Relatives of key management personnel	Ashwin C. Shroff
	Dipesh K. Shroff
	Vishwa A. Shroff
	Shruti A. Shroff
	Chaitanya D. Shroff



Schedule Forming Part of the Consolidated Accounts

NOTES TO ACCOUNTS

Schedule 22: Notes to Accounts: Cont'd...

(b) Transactions along with related parties for the year ended March 31, 2010 and March 31,2009 are as follows: (Previous Year's figures are shown in brackets)

(Rs. in lacs)

			(113. 111 1403)
Particulars	Enterprises owned or significantly influenced by key Management Personnel or their relatives	Key Management Personnel and relatives	Total
Sales of Goods	495.07	120	495.07
	(698.16)	-	(698.16)
Other Income	0.29	-	0.29
	(0.60)		(0.60)
Sale of Fixed Assets	26.70	-	26.70
	(5.06)	-	(5.06)
Dividend Received	1.78	-	1.78
	(2.77)	2	(2.77)
Dividend Paid	-	14.16	14.16
	-	(2.73)	(2.73)
Commission Paid	26.67	5.00	31.67
	(29.34)	1.00	(29.34)
Purchase of Goods	17.05	-	17.05
	(39.38)	-	(39.38)
Purchase of Fixed Assets	21.87	_	21.87
	(0.36)	-	(0.36)
Office Rent	0.33	-	0.33
	(1.32)	1.0	(1.32)
Services Availed	49.61	1 10	49.61
	(10.91)		(10.91)
Others	-	-	-
	(0.41)	_	(0.41)
Donations Paid	11.76	-	11.76
	(18.76)	125	(18.76)
Trade Advance Given	0.30	-	0.30
	(10.00)	-	(10.00)
Deposit Taken	•	200.00	200.00
	-	-	-
Deposit Repaid	-	50.00	50.00
		-	-
Advances Received back	10.00	-	10.00
	and with the second	-	_
Interest Paid	0.32	9.00	9.32
	(0.32)	(1.56)	(1.88)
Interest Received			*
	1 -	-	



Schedule Forming Part of the Consolidated Accounts NOTES TO ACCOUNTS

(Currency: Rupees in Lacs unless and otherwise stated)

Schedule 22: Notes to Accounts: Cont'd...

(Rs. in lacs)

			(No. III lac
Particulars	Enterprises owned or significantly influenced by key Management Personnel or their relatives	Key Management Personnel and relatives	Total
Reimbursements charged by the company			13.77
	(0.14)		(15.81)
Reimbursements charged to the company	2		37.14
	(15.72)	2	(33.59)
Managerial Remuneration*	=	82.23	82.23
	×	(85.54)	(85.54)
Director Sitting Fees	-	0.25	0.25
		(0.43)	(0.43)
Balance Outstanding at the year end:			
Accounts Payables	28.64		28.64
	(9.49)	-	(9.49)
Accounts Receivables including trade Advance	140.83	-	142.81
	(99.14)		(110.00)
Agency Deposit	4.00	-	4.00
	(4.00)		(4.00)
Advance Given	0.30		0.30
	(10.00)		(10.00)
Interest Receivable	-		-
	(0.20)		(0.20)
Interest Payable	4	(0.06)	(0.06)
	=	(0.06)	(0.06)
Fixed Deposits	-	15.61	15.61
	-	(15.61)	(15.61)
Remuneration payable to Managing Director	*	10.37	10.37
	=	(20.63)	(20.63)

^{*}As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the directors are not included above.

Note:

Related party transactions include transactions pertaining to the following parties with whom the percentage of transactions is 10% or more of the total or each of the above:





Schedule Forming Part of the Consolidated Accounts

NOTES TO ACCOUNTS

Schedule 22: Notes to Accounts: Cont'd	(Rs. in lacs)
--	---------------

		(113. 111 1403)
Particulars	Year ended	Year ended
	March 31, 2010	March 31, 2009
A) Transactions during the year		
Sale of Goods		
Excel Crop Care Limited	308.54	623.62
Hyderabad Chemical Products Limited	149.65	
Sale of Fixed Assets		
Agroce Industries Limited	8.62	4.59
Excel Industries Limited	17.56	-
Other income		
Transmetal Limited		0.60
Agroce Industries Limited	0.29	-
Dividend Received		
Agroce Industries Limited	1.00	1.57
Excel Industries Limited	0.78	1.20
Dividend Paid		
Atul G. Shroff	5.15	2.36
Shruti A. Shroff	6.44	-
Vishwa A. Shroff	1.96	0.31
Purchase of Goods		
Excel Industries Limited	17.05	38.54
Purchase of Fixed Assets		
Transchem Agritech Limited	21.87	-
Office Rent		
Excel Crop Care Limited	0.33	1.32
Services Availed		
Transchem Agritech Ltd.		4.70
Excel Industries Limited	39.01	-
Shroffs Foundation Trust	6.00	6.00
Commission Paid		
Anshul Agencies	26.67	21.40
Transchem Agritech Ltd.	2	7.94
Ashwin C. Shroff	2.50	-
Dipesh K. Shroff	2.50	-
Others		
Shroff's Foundation Trust		0.24

NOTES TO ACCOUNTS

Schedule 22 : Notes to Accounts : Cont'd	(Rs.
--	------

Part	ticulars	Year ended	Year ended
ı arı	action as	March 31, 2010	March 31, 2009
Don	nation Paid		maron on Esse
Shro	off's Foundation Trust	11.76	18.76
Dep	osit Taken		
Atul	G. Shroff	200.00	
Dep	osit Re-paid		
Atul	G. Shroff	50.00	
Adv	rances received back		
Agro	ocel Industries Limited	10.00	
Rein	mbursements charged by the company		
Tran	nschem Agritech Ltd.		0.14
Rein	mbursements charged to the company		
Tran	nschem Agritech Ltd.		15.72
Man	nagerial remuneration		
Atul	G. Shroff	82.23	85.54
Dire	ector Sitting Fees		
A. C	C. Shroff	0.13	0.20
D. K	K. Shroff	0.12	0.23
Inte	rest Paid		
Ansl	hul Agencies	0.32	0.32
Atul	G. Shroff	7.43	
Shru	uti A. Shroff	1.56	
) Clos	sing Balance as at end of the year:		
Outs	standings		
Tran	nschem Agritech Ltd.	19.90	4.08
Ansl	hul Agencies	8.74	5.4
Shru	uti A. Shroff	15.67	15.67
Atul	G. Shorff	167.06	20.63
Rec	eivable Indcluding Trade Advance		
Exce	el Crop Care Limited	65.37	78.63
Agro	ocel Industries Limited	13.74	27.96
Hyde	erabad Chemicals Product Limited	39.78	
Shro	offs Foundation Trust	0.30	
Inte	rest Receivable		
Tran	nschem Agritech Ltd		0.20
Inde	enting Agency Deposit		
Ansl	hul Agencies	4.00	4.00



Schedule Forming Part of the Consolidated Accounts

NOTES TO ACCOUNTS

Schedule 22: Notes to Accounts: Cont'd...

14. Lease Commitments

The Company has cancelable operating leasing arrangements relate to office premises which are renewable by mutual consent and lease rentals payable are accordingly charged as rent under Schedule 19. During the period, the Company has taken office premises under cancelable operating lease; the rentals for which amounting to Rs 2.58 lacs (Previous Year Rs.12.24 lacs) are charged to the Profit and Loss Account for the period. The lease term is for 11 months and there are no sub-leases.

15. Earnings Per Share

		Year Ended March 31,2010	Year Ended March 31,2009
Basic Earnings per Share			
Profit after tax	(A)	454.60	788.39
Weighted average number of equity shares outstanding during the year	(B)	5,830,761	5,334,717
Basic Earning Per Share (in Rupees)	(A)/(B)	7.80	14.78
Nominal Value of Equity Share (in Rupees)		10.00	10.00
Diluted Earnings per Share			
Profit after taxation	(A)	454.60	788.39
Weighted average number of equity shares outstanding during the year		5,830,761	5,334,717
Add: Dilutive impact of convertible share warra	ints		279,016
Weighted average number of equity shares for diluted earning per share	(B)	5,830,761	5,613,733
Diluted Earning Per Share (in Rupees)	(A)/(B)	7.80	14.04
Nominal Value of Equity Share (in Rupees)		10.00	10.00

16. Segment Information

Identification of Segments

i. Primary Segment - Business Segment

The Company's operations predominantly comprise of only one segment i.e. chemicals. In view of the same, separate segmental information is not required to be disclosed as per the requirements of Accounting Standard 17.

ii. Secondary Segment - Geographical Segment

The analysis of geographical segment is based on the geographical location of the customers. The geographical segments considered for disclosure are as follows:

Sales within India include sales to customers located within India.

Sales outside India include sales to customers located outside India.

Schedule Forming Part of the Consolidated Accounts

SCHEDULE TO THE ACCOUNTS

Schedule 22: Notes to Accounts: Cont'd....

Information pertaining to Secondary Segment

Gross revenue as per Geographical	Locations		(Rs. in lacs
Particulars		Year ended	Year ended
		March 31, 2010	March 31, 2009
Within India		4,974.46	5,953.71
Asia		3,076.70	3,035.41
Europe		2,779.14	5,362.31
North America		418.72	2,083.02
South America		91.72	226.55
	TOTAL	11,340.74	16,661.00
arrying value of segment assets			(Rs. in lacs)
Particulars		Year ended	Year ended
		March 31, 2010	March 31, 2009
Within India	1	11,660.75	11,176.76
Asia		369.06	582.47
Europe		1,521.19	1,259.35
North America		319.49	
South America			52.96
	TOTAL	13,870.49	13,071.54

Fixed Assets by Geographical Locations

The Company has common fixed assets for producing goods for domestic as well as overseas market. There are no fixed assets situated outside India. Hence, additional segment-wise information for fixed assets / additions to fixed assets has not been furnished.

17. (a) Derivative Instruments and Unhedged foreign currency exposure.

Nature of Contract	Currency	March 31, 2010	March 31, 2009	Purpo	se
Sale	US\$	20.50	30.7	Hedge	of receivables
Purchase	US\$	1.98	-	Hedge	of Payables
Particulars of unhed	ged foreign c	urrency exposures as	at the balance shee	t date are	as follows:
Particulars			March 3	As on 1, 2010	As on March 31, 2009
Debtors					
- USD				28.01	36.59
- EURO				0.33	0.42
- GBP				0.03	0.13
Creditors & Other Lial	bilities				
- USD				0.70	7.07
Term Loans from Ban	ks				
- USD				6.34	15.46



Schedule Forming Part of the Consolidated Accounts

SCHEDULE TO THE ACCOUNTS

Schedule 22: Notes to Accounts: Cont'd....

(b) The Company has entered into a five year derivative contract for sale of foreign currency starting from October, 2007 to September, 2012 to hedge its foreign currency exposure. The management is of the opinion that, in view of the significant uncertainties associated with the said contract whose ultimate outcome depends on future events, the exchange gain or loss, if any, on the strike date would be accounted for in the Profit & Loss Account as and when it crystallizes. Based on mark to market concept, the loss amounts to Rs. 723.36 lacs (Previous Year: Rs. 2174.00 lacs) as at March 31, 2010 in respect of the aforesaid outstanding foreign currency derivatives contract.

18. Supplemental Statutory Information

i. Auditor's Remuneration

(Rs. in lacs)

			1
Particulars		Year ended	Year ended
0.0000000000000000000000000000000000000		March 31, 2010	March 31, 2009
Audit Fees		4.00	3.75
Tax Audit Fees		0.75	0.75
Fees for other services		1.30	1.48
Out of pocket expenses		0.67	0.02
	TOTAL	6.72	6.00

- ii. Donations Include Donation made to Bhartiya Janta Party (political party) Rs. 10.00 lacs (Previous Year: Rs. Nil)
- iii. Research and Development costs, as certified by the management, debited to the profit and loss account as under: (Rs. in lacs)

Year ended	Year ended
March 31, 2010	March 31, 2009
51.20	57.12
15.28	15.04
66.48	72.16
	March 31, 2010 51.20 15.28

i) Di	irectors Remuneration		(Rs. in lacs)
Partic	ulars	Year ended	Year ended
3		March 31, 2010	March 31, 2009
a)	Paid to Managing Director		
	Salary and Incentives	31.00	28.00
	Contribution to Provident and Other Funds	9.86	8.91
	Perquisites	31.00	28.00
	Performance Incentive	10.37	20.63
	TOTAL	82.23	85.54
b)	To Non Excecutive Directors Commission (included in other expense)	7.72	13.75
	GRAND TOTAL	89.95	99.29

Note:

As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the Managing director is not included above.



Schedule Forming Part of the Consolidated Accounts

SCHEDULE TO THE ACCOUNTS

Schedule 22: Notes to Accounts: Cont'd

- 19. As all expenses of the subsidiary company have been reimbursed by the parent company, which have got eliminated as part of intra-group transactions, there is no impact to the Profit and Loss account of the subsidiary for the year, and hence not been separately disclosed.
- 20. Previous period figures have been regrouped/rearranged wherever necessary.

Signatures to Schedules '1' to '22'

For S.R. Batliboi & Co. Firm Registration No: 301003E Chartered Accountants

Per Arvind Sethi Partner Membership No: 89802

Place: Pune

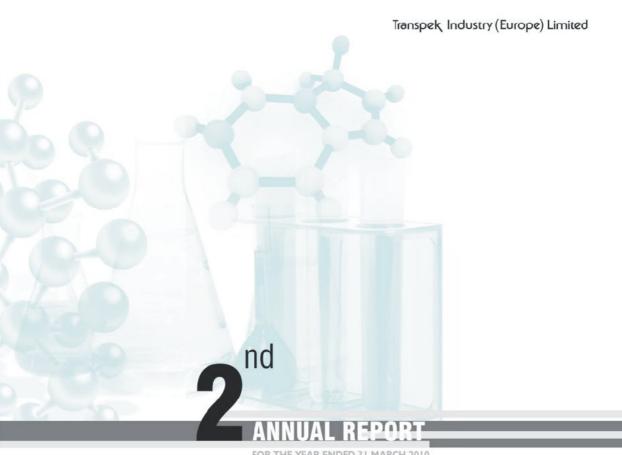
Date: May 31, 2010

For and on behalf of the Board of Directors

(Currency: Rupees in Lacs unless and otherwise stated)

A. C Shroff (Chairman)
A. G. Shroff (Managing Director)
Bimal V. Mehta (Executive Director)
M. D. Patel (Director)
S. K. Solanki (Company Secretary)

Place: Vadodara Date: May 31, 2010



FOR THE YEAR ENDED 31 MARCH 2010

Transpek Industry (Europe) Limited

Wholly owned Subsidiary Company TRANSPEK INDUSTRY LIMITED

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Directors' report	110
Accountants' report	112
Profit and & loss account and Balance sheet	113
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Profit and loss account	115



DIRECTORS, OFFICERS AND ADVISERS

DIRECTORS

Atul Govindji Shroff Shailesh Kantilal Solanki Ninad D. Gupte (appointed 14.09.2009) Chairman

SECRETARY AND REGISTERED OFFICE

Shailesh K. Solanki 2nd Floor, 1, Risborough Street, LONDON SE1 0HF

REGISTERED NUMBER

06572934 (England and Wales)

ACCOUNTANTS

Simpson Wreford & Co. Wellesley House Duke of Wellington Avenue Royal Arsenal LONDON SE18 6SS

BANKERS

HSBC Bank plc 15 Wellington Street Woolwich LONDON SE18 6PH

Annual Report

DIRECTORS' REPORT

For the year ended 31" March, 2010

The Directors have pleasure in submitting the Second Annual Report together with the Accounts of the Company for the year ended 31st March, 2010.

Principal activity

The principal activity of the company is:

- a) To carry on business as a general commercial company.
- b) To carry on manufacturing, trading, and any other business including acting as agent of any person, firm or company which, in the opinion of the Company, may be capable of being conveniently or profitably carried on in connection with or subsidiary to any other business of the Company and is calculated to enhance the value of the Company's property.

To apply for and obtain for itself or for any other person, firm or company registration under any Regulation of the European Union or any other country or combinations of countries.

Financial Results

The Income and expenditure incurred during the year are apportioned to the holding company and other group members resulting in there being no profit and no loss.

Directors

The Directors who served during the year were: Atul Govindji Shroff Shailesh Kantilal Solanki Ninad D. Gupte (appointed 14 September 2009)

In view of the non applicability of Articles 73 to 77 of Table A 1995 and amendments thereto, the existing Directors, Mr. Atul G. Shroff and Mr. Shailesh K. Solanki, appointed by the Board at the meeting held on 22nd April, 2008 and Mr. Ninad D. Gupte, appointed by the Board at the meeting held on 14th September, 2009 are the permanent Directors on the Board of Directors of the Company and are not liable to retire by rotation.

About the Company

Your Company was incorporated on 22nd April, 2008 as a Private Limited Company. The Company is a wholly owned subsidiary company of Transpek Industry Ltd., India, and in terms of the objects of the Company, your Company has been appointed as the "only representative" of Transpek Industry Ltd. as well as four other non EU manufacturers of India, mainly, to obtain pre-registrations/registrations under European Union (EU) Regulation 2006/1907 of 18th December, 2006, called Registration, Evaluation, Authorization of Chemicals (REACH) of their products exported to the member nations of the EU.

During the year under review your Company has pre-registered 93 products of Transpek Industry Ltd., Excel Industries Ltd., Anshul Speciality Molecules Ltd., Excel Crop Care Ltd. and Agrocel Industries Ltd., The expenditures incurred by the Company on its REACH activities is to be borne by the above five companies on an agreed formula. Accordingly, the expenditure incurred during the year under review by the Company has been allocated to the respective companies in the agreed proportions.

Outlook

Your Company's activities for the year 2010-2011 will remain to the extent of providing services related to REACH to the non EU manufacturers. For the purpose, the Company has acquired new lease rented office premises at 1 Risborough Street, London, SE 1 0HF for a period of 2 years.

The Company is in the process of recruitment of the required personnel including UK citizens.

Directors'Interests

The Company, being a wholly owned subsidiary company of Transpek Industry Ltd. (TIL) and Mr. Atul G. Shroff, being Managing Director and Mr. Shailesh K. Solanki being General Manager & Company Secretary of TIL, are considered to be interested in TIL.



DIRECTORS' REPORT

For the year ended 31" March, 2010

Fixed Assets

During the year the Company has acquired further fixed assets in the form of furniture and fixtures, computer and Laptop etc. and in view of the Government guideline for the year 2010-11, your Directors have thought it fit to charge 100% deprecation in the year of acquisition.

Dividend

The Directors have not recommended any dividend for the year under review as there are no distributable profits.

Political and charitable contributions

There were no political or charitable donations made by the Company during the year review.

Directors' responsibilities

The Directors are required by UK Company Law to prepare the financial statements for each financial year which gives a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that year. Accordingly, while preparing the financial statements for the year ended 31st March, 2010 the Directors are responsible for;

- ensuring that the Company keeps accounting records, which comply with section 386 of the Companies Act, 2006, and
- preparing accounts which give a true and fair view of the state of affairs of the Company as at 31st March, 2010
 and of its results for the year then ended in accordance with the requirement of sections 394&395 of the
 Companies Act, 2006, and which otherwise comply with the requirements of this Act relating to accounts so far
 as, applicable to the Company.

while preparing the accounts, the Directors have taken into consideration the following:

- Selected suitable accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent;
- Followed applicable accounting standard:
- Prepared the financial statements on the going concern basis;
- Are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial
 position of the Company and to enable that the financial statements comply with the Companies Act, 2006;
- Are also responsible for safeguarding the assets of the Company and hence taken reasonable steps for the
 prevention and detection of the fraud and other irregularities:
- Are also responsible for determining whether in, respect of the year, the Company meets to the conditions of exemption from an audit of the accounts set out in Section 477 of the Companies Act, 2006:

In respect of the year as the availability of the exemption from an audit of the accounts is conditional upon Directors causing a report in respect of these accounts to be prepared for the purposes of Section 477, of the Companies Act, 2006, the Directors are responsible for deciding whether that report shall be made and for appointing Auditors as reporting accountants to make that report to the Shareholders of the Company.

Accountants

M/s. Simpson Wreford & Co., Chartered Accountants, London UK will retire at the conclusion of the ensuing Annual General Meeting and, being eligible, have offered themselves for re-appointment as Accountants of the Company. Their re-appointment and remuneration is proposed at the ensuing Annual General meeting.

SIGNED ON BEHALF OF THE BOARD ATUL GOVINDJI SHROFF - Chairman NINAD DWARKANATH GUPTE - Director SHAILESH KANTILAL SOLANKI - Director Approved by the Board on 7 May 2010

Annual Report

ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE ACCOUNTS

For the year ended 31st March, 2010

In accordance with your instructions, we have prepared these financial statements on pages 6 to 9 without canying out an audit or examination, from the accounting records of the company and on the basis of information and explanations provided by you.

Simpson Wreford & Co Chartered Accountants

Wellesley House Duke of Wellington Avenue Royal Arsenal London SE18 6SS 7 May 2010



PROFIT AND LOSS ACCOUNT

For the year ended 31st March, 2010

	Notes	2010	2009
		£	£
Turnover	2	117,368	37,807
Administrative expenses		(117,368)	(37,807)
Operating result	3	-	-

BALANCE SHEET

At 31st March 2010

	Notes	2010	2009
		£	£
Current assets			
Debtors	4	11,896	14,849
Cash at bank and in hand		6,639	17,564
		18,535	32,413
Creditors: Amounts falling due within one year	5	(18,515)	(32,393)
Net current assets		20	20
		20	20
Capital and reserves		(s	
Called up share capital	6	20	20

These accounts have been prepared in accordance with the provisions available to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

For the financial year ended 31st March 2010 the company was entitled to exemption from audit under section 477 Companies Act 2006. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and if its profit or loss for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

Approved by the Board of Directors on 7 May 2010 and signed on its behalf.

Atul Govindji Shroff - Director

Shailesh Kantilal Solanki - Director

Ninad D. Gupte - Director

Company Registration No: 06572934 (England and Wales)

The notes on page 7 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2010

1. Accounting policies

(a) Basis of accounting

The financial statements are prepared on the historical cost basis of accounting and have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The Company has taken advantage of the exemption, conferred by Financial Reporting Standard 1, from presenting a cash flow statement as it qualifies as a small company.

(b) Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax.

(c) Tangible fixed assets

Assets are fully depreciated in the year of acquisition.

2. Turnover

The tumover and result before taxation is attributable to the one principal activity of the company.

3. Result on ordinary activities before taxation

This is stated after charging:	2010	2009
	£	£
Depreciation	103	2,771

Income and expenses are appointed to the holding company and other group members resulting in there no profit or loss.

4. Debtors	tors	2010	2009
		£	£
Othe	er debtors	11,896	14,849

5.	Creditors: amounts falling due within one year	2010	2009
		£	£
	Amounts owing to parent company	2,906	12,807
	Other creditors	15,609	19,586

6. Called-up share capital	2010	2009	
		£	£

Allotted called up and fully paid Equity shares:

Ordinary shares of £1 each 20 20

7. Controlling party

The company is a 100% owned by Transpeck Industry Ltd a company incorporated under the (Indian) Companies Act 1956.

32,393

18,515



PROFIT AND LOSS ACCOUNT

For the year ended 31st March, 2010

	2010	2009
	£	£
Management charges received	117,368	37,807
Deduct : Expenses		
Rent	47,738	14,853
Rates	3,860	787
Premises expenses	3,103	3,309
Insurance	2,190	
Accountancy	1,725	1,725
Legal and professional fees	575	625
Conveyance expense	4,427	2,372
Salaries	23,937	5,133
Telephone	2,023	647
Printing, postage & stationery	1,250	
Advertising	92	253
General expenses	9,301	1,179
Computer consumables	180	
Sundry expenses	3,629	962
Sitting fees	400	-
Travelling	12,650	3,107
Bank charges and interest	185	84
Depreciation	103	2,771
	117,368	37,807
Result before taxation		



NOTES:



ATTENDANCE SLIP

	7000
L.F. No. / Client ID No.	44 th annual report
No. of Shares held	2009-10
	ANNUAL GENERAL MEETING
	y-Fourth Annual General Meeting of the Company held att Road, Aklapuri, Vadodara - 390 007. (Gujarat) on Friday,
Name of the Shareholders / Beneficial Owners (IN BLOCK LETTERS)	
Signature of the Shareholders / Beneficial Owners	
Name of the Proxy (IN BLOCK LETTERS)	
Signature of the Proxy	
be deposited at the Registered Office of the holding the Meeting.	slip at the entrance to the Meeting Venue. Meeting instead of yourself, the Form of the Proxy must Company not less than 48 hours before the time for
PROXY FORM	7666
L.F. No. / Client ID No.	44annual report
No. of Shares held	ANNUAL GENERAL MEETING
	of in the district
	a member / members / beneficial owners of TRANSPEK
INDUSTRY LIMITED, hereby appoint	of
in the district of	of or failing him
of	in the district of
as my / our proxy to vote for me / us on my / our be	ehalf at the Forty-Fourth Annual General Meeting of the
Company to be held on Friday, 13th August, 2010 at	nd at any adjourment thereof.
Signature of the Shareholder / Beneficial Owner	

1-1-1-

Revenue Stamp



TRANSPEK INDUSTRY LIMITED

REGISTERED OFFICE

6th Floor, Marble Arch, Race Course Circle Vadodara-390 007, Gujarat, India. phone: +91 265 2335444, 2335757

Fax: +91 265 2335758 Email: inquiry@transpek.com

FACTORY:

At & Post Ekalbara 391 440, Taluka-Padra District - Vadodara, Gujarat, India.

Phone: +91 2662 244444 / 244318 / 244309

Fax: +91 2662 244439



TRANSPEK INDUSTRY (EUROPE) LIMITED

A wholly owned subsidiary of Transpek Industry Limited.

REGISTERED OFFICE:

2nd Floor, 1 Risborough Street SE1 0HF

LONDON, U.K.

Telefax: +44 (0) 207 9287771 Email: tileurope@gmail.com

