

# **TRANS FINANCIAL RESOURCES LIMITED**

**ANNUAL REPORT OF  
2002 - 2003**

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

**Dharmendra & Khajanchi**  
Chartered Accountants

**Dharmendra Solanki**  
B.Com., F.C.A., Grad.C.W.A.

**Ashish Khajanchi**  
B. Com., F.C.A.

### AUDITORS' REPORT

We have audited the attached Balance Sheet of M/S TRANS FINANCIAL RESOURCES LIMITED as at 31st March 2003 and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

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

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



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5. On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2003 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2003 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2003 and
- b) in the case of the Profit and Loss Account, of the Loss Rs. 10883761/- for the year ended on that date.

**FOR DHARMENDRA & KHAJANCHI**  
**CHARTERED ACCOUNTANTS**

PLACE : AHMEDABAD  
DATE :

  
**DHARMENDRA SOLANKI**  
**PARTNER**



**Dharmendra & Khajanchi**  
Chartered Accountants

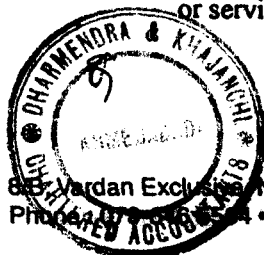
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### ANNEXURE TO THE AUDITORS' REPORT

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

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



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

**Report**

**FOR DHARMENDRA & KHAJANCHI**  
**CHARTERED ACCOUNTANTS**

**PLACE : AHMEDABAD**  
**DATE :**



**DHARMENDRA SOLANKI**  
**PARTNER**

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