

16th Annual Report- Transcorp International Limited

Corporate Information

Board of Directors

Dr. Ram S. Tarneja
Dr. Anil Kumar Khandelwal
Mr. Ashok Kumar Agarwal
Mr. Aloke Choudhary
Mr. Vineet Agarwal
Mr. Soumya Dutta
Mr. Amitava Ghosh

Company Secretary

Mr. Dilip Kumar Morwal

Auditors
Anand Jain & Co.
Chartered Accountants
C-11/24, Kaveri Path Shopping Centre,
Mansarovar, Jaipur-302020 (Raj.)

Bankers

HDFC Bank Limited
ICICI Bank Limited

Registered Office

138, Navketan Complex, 62, Sarojini Devi Road, Opp. Clock Tower, Secunderabad-500003 (A.P.)

Corporate Office

C/o IIHMR, Plot No. 3 HAF Pocket, Sector 18A, Phase-II, Dwarka, Near Veer Awas, New Delhi-110075

Head Office

C-300, Meghalaya Tower, Church Road, Jaipur- 302001

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NOTICE FOR 16TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 16th Annual General Meeting of the Members of Transcorp International Limited will be held on Thursday, the 28th day of July 2011, at Surana Udhyog Auditorium, The Federation of Andhra Pradesh, Chambers of Commerce & Industries, 11-6-841, Red Hills, Hyderabad-500004 (A.P.) at 10:00 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March 2011, Profit & Loss Account for the year ended on that date and the report of the Auditors and Directors thereon.
2. To declare dividend on equity shares.
3. To appoint a director in place of Mr. Aloke Choudhary, who retire by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Vineet Agarwal, who retire by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration

SPECIAL BUSINESS

6. To consider and if thought fit to pass, with or without modification(s), the following resolution as an ordinary resolution:-

“RESOLVED THAT in supersession of all previous resolutions passed in this regard and pursuant to the provisions of section 293 (1)(d) and other applicable provisions of the Companies Act, 1956, if any, consent of the company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum(s) of money on such terms and conditions whether with or without security as the Board of Directors may think fit, which together with moneys already borrowed by the company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up share capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose of the company at the relevant point of time, provided that the total amount of money/moneys so borrowed by the Board of Directors shall not at any time exceed Rs. 100 Crores (Rupees Hundred Crores Only).

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to do and perform all such acts, deeds and things as may be necessary, desirable or expedient to give effect to this resolution.”

7. To consider and if thought fit to pass, with or without modification(s), the following resolution as an ordinary resolution:-

“RESOLVED THAT in supersession of all previous resolutions passed in this regard the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors for mortgaging and or charging in such form and manner and on such terms and at such time(s) as the Board of Directors may deem fit, the whole or substantially the whole of the undertaking of the company, all the moveable and immovable properties of the company, present and future wheresoever situated in favour of Financial/Investment Institution(s)/Bank(s) to secure the loan(s) and/or other fund/non-fund based credit facilities availed or proposed to be availed together with interest thereon and such other costs, charges, expenses and other moneys payable by the company as per the terms and conditions of loan agreement entered into or proposed to be entered into by the Company, upto the maximum ceiling of Rs. 100 Crores (Rupees Hundred Crores Only).

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FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to finalise the documents and deeds, as may be applicable, for creating appropriate mortgages and /or charges on such of the immovable and/or moveable properties of the company on such terms and conditions as may be decided by the Board of Directors and to perform all such acts and things as may be necessary in this regard.”

Place: New Delhi

Date: 23.05.2011

Registered Office:

138, Navketan Complex,
62, Sarojini Devi Road,
Opp. Clock Tower,
Secunderabad 500003 (A.P.)

**By Order of the Board
For TRANSCORP INTERNATIONAL LIMITED**

**DILIP KUMAR MORWAL
COMPANY SECRETARY**

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy and vote instead of himself. A proxy need not to be a member of the company.
PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The share transfer books and the register of members will remain close from 26th July 2011 to 27th July 2011 (both days inclusive). Dividend on equity shares for the year ended 31st March 2011, will be paid on or after 28th July 2011 (date of AGM) to those members whose names appear on the Company's register of members at the close of working hours of the Company on 27th July 2011 to the extent eligible. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
3. Non-Resident Indian Shareholders are requested to inform the company immediately about:
 - a. The Change in the residential status on return to India for permanent settlement.
 - b. The particulars of NRO Bank Account in India, if not furnished earlier.
4. The members are requested to send all their communications to the Registrar & Share Transfer Agent M/s Alankit Assignments Ltd., RTA Division, 2E/8, 1st Floor, Jhandewalan Extension, New Delhi-110055(India) or at the Share Division Office of the Company at 2nd Floor, Meghalaya Tower, Church Road, Jaipur-302001.
5. Members/Proxies should fill the Attendance Slip for attending the Meeting. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification for attendance at the Meeting.
6. The information and the details of the directors to be reappointed, to be provided in terms of clause 49 of the Listing Agreement with Stock Exchanges is annexed.
7. The members are requested to intimate any change in their address with pin code, if any, immediately and quote folio number in all correspondence.
8. The members are requested to kindly bring their copy of Annual Report with them at the Annual General Meeting, as no extra copy of Annual Report would be made available at the Annual General Meeting.
9. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special businesses is annexed hereto.

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10. Resolution no. 7 is to be passed through postal ballot process. Postal Ballot Form is attached herewith, which duly filled in and signed can be sent to the scrutinizer as per the instructions given in the Postal Ballot Form.
11. The Ministry of Corporate Affairs (MCA) has taken a Green Initiative and allowed the Corporate to send their Notices, Annual Reports etc., in electronic form and it will be deemed to have complied with the provisions of Companies Act, 1956. Accordingly, your Company proposes to send the Notices, Annual Reports etc., in electronic form to the members of the Company. Accordingly, you are requested to please register / update your e mail id with your Depository Participant (in case of Demat holding) and to Registrar and share transfer agent M/s Alankit Assignments Limited, RTA Division, 2E/8, 1st Floor, Jhandewalan Extension, New Delhi-110055 (India) (in case of physical holding). You are also requested to notify your e mail id at grievance@transcorpint.com.

**By Order of the Board
FOR TRANSCORP INTERNATIONAL LIMITED**

Place: New Delhi
Date: 23.05.2011

**DILIP KUMAR MORWAL
COMPANY SECRETARY**

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 6

As per the provisions of section 293(1)(d) of the Companies Act, 1956 a Company can borrow money upto the total of its share capital and free reserves and for borrowing more than that approval of Shareholders in the General Meeting of the Company is required and accordingly the shareholders in their meeting held on 23rd September 2006 approved the borrowing upto a limit of Rs. 20 Crores. Now the company in order to meet enhanced working capital requirements and for undertaking expansion etc., may need to borrow money in excess of Rs. 20 Crores and therefore this resolution is proposed.

This resolution will be passed in supersession of all resolution passed previously in this regard.

For the above purpose an ordinary resolution is required.

Board recommends the passing of the resolution.

None of the Directors of the Company is interested in the resolution, except as a member of the Company, wherever applicable.

ITEM NO. 7

In order to fund the acquisition of properties as well as future expansion, the Company may be resorting to secured borrowings from time to time in the form of Loan and other forms of financial assistance from various Financial/Investment Institutions/Banks which may necessitate creation of security in favour of lenders. Accordingly, the resolution has been proposed seeking approval of members under section 293(1)(a) of the Companies Act, 1956, authorizing the Board of Directors for mortgaging and/or charging the properties of the company for availing of various facilities upto the maximum ceiling of Rs. 100 Crores (Rupees Hundred Crores Only).

This resolution will be passed in supersession of all resolution passed previously in this regard.

This resolution is an ordinary resolution and is required to be passed through postal ballot process.

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Board recommends the passing of the resolution.

None of the Directors of the Company is interested in the resolution, except as a member of the Company, wherever applicable.

ANNEXURE TO THE AGM NOTICE

Information pursuant to clause 49 of the Listing Agreement regarding appointment and re-appointment of director

| | | |
|--|--|--|
| Name of the Director | Mr. Alope Choudhary | Mr. Vineet Agarwal |
| Date of Birth | 12.07.1957 | 16.09.1973 |
| Date of Appointment | 07.03.1997 | 10.09.1997 |
| Experience | 34 years business experience | Bsc. (Econ.) with vast business experience |
| Directorship of other Companies As on 31st March, 2011 | None | 1. Transport Corporation of India Limited 2. TCI Developers Limited 3. TCI Infrastructure Limited 4. Transystem Logestics International Pvt. Limited 5. Bussan-TCIIL Automotives India Pvt. Ltd. 6. Infinite Logestics Solutions Pvt. Ltd. |
| Chairmanship/Membership of Other committees of Companies as on 31st March 2011 | <i>I. Shareholders/ Investors Grievance Committee:</i> A. Chairman: None B. Member: None <i>II. Audit Committee</i> A. Chairman: None B. Member: None | <i>I. Shareholders/ Investors Grievance Committee:</i> A. Chairman: None B. Member: Transport Corporation of India Limited <i>II. Audit Committee</i> A. Chairman: None B. Member: None |

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DIRECTOR'S REPORT

The directors are pleased to present the 16th annual report together with the audited statement of accounts for the year ended 31st March 2011.

FINANCIAL RESULTS

| Particulars | (Rs. In Lacs) | |
|---|-------------------------------|-------------------------------|
| | For the year ended 31.03.2011 | For the year ended 31.03.2010 |
| Profit Before Interest, Depreciation and Tax | 647.67 | 343.11 |
| Less: Interest | 207.18 | 155.89 |
| Profit before Depreciation and Tax | 440.49 | 187.22 |
| Less: Depreciation | 74.22 | 68.14 |
| Profit Before Tax (PBT) | 366.27 | 119.08 |
| Less: Provision for Taxation (inclusive of Deferred Tax and Current Tax) (Net of Tax revert back) | 79.58 | 38.77 |
| Profit After Tax (PAT) | 286.69 | 80.31 |
| Add: Previous surplus brought forward | 339.68 | 287.93 |
| Profit available for appropriation | 626.37 | 368.24 |
| Proposed Dividend | 40.68 | 24.41 |
| Tax on Proposed Dividend | 6.60 | 4.15 |
| Balance carried to Balance Sheet | 579.09 | 339.68 |

DIVIDEND

The Directors recommend that a dividend of Re. 1/- per share (previous Year Rs. 0.60 per share) be paid for the financial year ended 31st March 2011.

OPERATIONS

The gross revenue of the Company for the year ended 31st March, 2011 was Rs. 3803.62 Lacs as compared to Rs. 3011.49 Lacs in previous year.

During the year under consideration, your company consolidated the operations in both wholesale as well as retail segment of the foreign exchange business. We are aggressively pursuing the inward remittance business. During the year under consideration sub-agents locations were reached a level of 5600 sub-agents resulting a very good growth in transactions.

Your Company is also expanding geographically with a plan to open more branches, outlets and destinations during the current year to further expand the direct reach of the Company to maximum number of retail clients.

ACCOUNTS

Observations in the Auditor's Report read with relevant notes forming part of the accounts are self-explanatory and give the required information.

Your Company has three distinct activities namely, Foreign Exchange, Inward Remittance Services and Tours & Travels. In all cases, the general accounting principles, which are considered appropriate are adopted.

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DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Alope Choudhary and Mr. Vineet Agarwal retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for reappointment.

Mr. Suresh Kumar Gambhir, Director resigned on 26th October 2010 from the Board. Your Board acknowledges the contribution of Mr. Suresh Kumar Gambhir in Board proceedings.

Brief profiles of Mr. Alope Choudhary and Mr. Vineet Agarwal, nature of their expertise in specific functional areas and names of companies in which they hold directorship and membership/ chairmanship of Board Committees, as stipulated under clause 49 of Listing Agreement with the Stock Exchanges in India, are provided in the annexure of Notice of Annual General Meeting.

AUDITORS

M/s Anand Jain & Co., Chartered Accountants, Jaipur, Statutory Auditors of the Company, holds office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The company has received letter from the Auditors to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the said Act. The observations of Auditors in their Report, read with the relevant notes on accounts in Schedule XVI, are self explanatory and do not require further explanation.

CORPORATE GOVERNANCE

Your Company has been practicing the principals of good corporate governance over the years and lays strong emphasis on transparency, accountability and integrity.

A separate section on Corporate Governance and a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement(s) with the Stock Exchange(s) form part of the Annual Report.

In terms of sub-clause (v) of Clause 49 of the Listing Agreement, certificate of the Executive Director, inter alia, confirming the correctness of the financial statements, adequacy of the internal control measures and reporting of matters to the Audit Committee in terms of the said Clause, is also enclosed as a part of the Report.

WHOLLY OWNED SUBSIDIARIES

During the year the company created two wholly owned subsidiaries viz., Transcorp Estates Private Limited and Ritco Travels and Tours Private Limited. Company transferred some immovable assets, investments in shares and some security deposits to Transcorp Estates Private Limited on 1st October 2010.

The annual accounts for the year ended 31st March 2011 of Transcorp Estates Private Limited (TEPL) and Ritco Travels and Tours Private Limited (RTTPL), the wholly owned subsidiaries of the Company, together with other documents as required under section 212 (1) of the Companies Act, 1956, (the Act). A statement of Company's interest in the subsidiary companies, as required under section 212 (3) of the Act, is attached with this report. Statements and report referred in section 212(5) & 212(6) respectively are not applicable.

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DISCLOSURES

Particulars under the Companies (Disclosures of particulars in the Report of Board of Directors) Rules, 1988 on Conservation of Energy and Technology Absorption are not applicable to your Company.

Earnings and outflow on account of foreign exchange are as under and also have been disclosed in the notes to the accounts. Cash flow statement pursuant to clause 32 of the listing agreement forms part of this annual report.

| Particulars | 2010-2011 | 2009-2010 |
|--|------------------|------------------|
| Expenditure in Foreign Currency, Traveling etc. | 3080276 | 741063 |
| CIF Value of imports- capital goods Advance for purchase | NIL | NIL |
| Earning in Foreign Currency (excluding reimbursement of expenses) Commission/Income | 220576709 | 219260830 |

PARTICULARS OF EMPLOYEES

During the year under consideration, none of the employees of the company was in receipt of remuneration in excess of limits prescribed under Section 217(2A) of the Companies Act, 1956. Hence, particulars as required under Companies (Particulars of Employees) Rules, 1975 as amended are not given.

PUBLIC DEPOSITS

The Company has outstanding deposits of Rs. 222.26 Lacs as on 31st March 2011 as compared to Rs. 198.28 Lacs as on 31st March, 2010 from the public. However there were no overdue deposits except unclaimed deposits of Rs. 15.08 Lacs.

DIRECTOR'S RESPONSIBILITY STATEMENT

The Directors would like to inform the members that the audited accounts for the financial year 31st March 2011 are in full conformity with the requirements of the Companies Act, 1956. The financial results are audited by the statutory auditors M/s Anand Jain & Co. The Directors further confirm that:

- The applicable accounting standards have been followed in the preparation of the Annual Accounts and proper explanations have been furnished, relating to material departures.
- Accounting Policies have been selected and applied consistently and reasonably, and prudent judgments have been made so as to give a true and fair view of the state of affairs of the company and the Profit & Loss account for the financial year ended 31st March, 2011.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies (Amendment) Act, 2000, for safeguarding the assets of the company and detecting fraud and other irregularities.
- The annual account has been prepared on a going concern basis.

INFORMATION TECHNOLOGY

Your company keeps in line with the ongoing technological developments taking place in the country and worldwide. The information technology adopted by the company serves as an important tool of internal control as well as providing the benefits of modern technology to its esteemed customers. All the branches of the company are integrated and data is centralized at the head office level.

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COMPLIANCE

In accordance with the Company's Compliance Policy and as per the directives issued by Reserve Bank of India, the Compliance department plays a crucial role in implementing the compliance functions in the Company. The instructions/guidelines issued by the regulatory authorities during the year were disseminated throughout the Company in order to ensure that the business/functional units operate within the boundaries set by the regulator. All new products and processes launched during the year were subjected to vetting from the compliance standpoint in accordance with the Company's Compliance Policy, which is based upon the rules, laws and standards of regulatory as well as non-regulatory bodies. The Company has introduced a mechanism for monitoring and identification of suspicious transactions and transaction-patterns, in accordance with international best practices, enabling pre-emptive action and also facilitating the reporting to the Financial Intelligence Unit - India mandated by the Prevention of Money Laundering Act, 2002. As an ongoing exercise, Compliance is engaged in enhancing the skill-sets of the operating staff on 'Know Your Customer' and 'Anti-Money Laundering' norms through specialized training.

The Company oversees the primary aspect of vigilance and has a zero tolerance policy for fraud, corruption and financial irregularity.

MATERIAL CHANGES

There were no material changes and commitments affecting the financial position of the company, which have occurred between the end of the financial year of the company to which this report relates and the date of the report except as other wise mentioned in this director report, if any.

There had been no changes in the nature of company's business. Company has no subsidiary. To the best of information and assessment there has been no material changes occurred during the financial year generally in the classes of business in which the company has an interest except as other wise mentioned in this director report, if any.

ACKNOWLEDGEMENTS

Your Directors would like to place on record their sincere appreciation for the guidance and support received from the Reserve Bank of India, our bankers, shareholders, deposit holders, business associates and our esteemed customers during the year under review.

The Directors also wish to thank all the employees for efforts put in by them at all levels to achieve the overall results during the year under consideration.

For and on behalf of the Board

Place: New Delhi
Date: 23rd May 2011
DUTTA

VINEET AGARWAL

SOUMYA

Director

Director

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ANNEXURE TO THE DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY

Corporate Governance is the way of handling the activities of a corporate in a fair and most transparent manner, setting accountability and integrity of the management. Corporate governance has indeed been an integral part of all activities and processes of Transcorp since years. Corporate Governance revolves around commitment and ethical business conduct.

Transcorp Board believes that Corporate Governance is just not as compliances of legal requirements, its about standards, value ethics and managing the business activities as the trustee of all stakeholders and society at large.

Corporate Governance is a continuous process of sustaining and enhancing the standards of values and ethics. Transcorp's basic philosophy of Corporate Governance is reflected in following principals:

- a) Conducting the business affairs in the ethical manner
- b) Internal checks and audits
- c) Effective and prompt shareholders communication ensuring correct and timely disclosures and disseminations of all the price sensitive information
- d) Ensuring highest level of accountability and responsibility
- e) Ensuring total compliance with all the applicable laws & regulations
- f) Compliance of Code of Conduct for Board Members and Senior Management along with Insider Trading prevention regulations

Code of Conduct & Ethics:-

Company's Board has laid down a code of conduct for all Board members and senior management of the Company. The code of conduct is available on the website of the Company www.transcorpint.com . All Board members and senior management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Executive Director to this effect is enclosed at the end of this report.

BOARD OF DIRECTORS

The Board comprises of eminent persons with considerable experience in diverse fields.

The Company has a policy of having optimum combination of executive and non executive directors, to ensure the independent functioning of the Board. The Board consists of Seven members, three of whom are independent directors. None of the Directors on the Board is a Member of more than ten committees and chairman of more than five committees across all the Companies in which they are directors. All necessary disclosures regarding the directorship have been made by the directors.

Names and categories of directors on the Board, their attendance at Board meetings during the year and at the last Annual General Meeting held on 21st July 2010, and also the number of directorship in other committees is as follows: