



# Transpek Industry Limited

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**35<sup>th</sup>**  
**A** **2000-01**  
Annual Report

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## 35<sup>th</sup> ANNUAL REPORT 2000-2001 (15 MONTHS)

### Board of Directors

**K. C. Shroff**  
**Chairman-Emeritus (Upto 12.01.2001)**

**A. C. Shroff**  
**Chairman**

**A. G. Shroff**  
**Managing Director**

**Paresh M. Saraiya**  
**Executive Director (Upto 19.01.2001)**

**R. R. Patel**  
**D. C. Gami**  
**M. K. Vadgama**  
**Dipesh K. Shroff (w.e.f. 27.03.2001)**  
**Mahendra L. Shah (w.e.f. 15.06.2001)**  
**Suresh Chatterjee (w.e.f. 28.09.2001)**  
(Nominee of IFCI)

**Company Secretary**  
**Shailesh K. Solanki**

**Bankers**  
**State Bank of India**  
**Bank of Baroda**  
**UTI Bank Ltd.**

**Auditors**  
**Messrs. S. V. Ghatalia & Associates**  
**Chartered Accountants**

**Registered Office**  
**6th Floor, Marble Arch,**  
**Race Course,**  
**Vadodara 390 007.**

**Works**  
**Village Ekalbara, Ta. Padra,**  
**Dist. Vadodara.**

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**Annual General Meeting on Friday, 21st December, 2001 at 4.00 P.M. at the Lecture Hall, The Institution of Engineers (India), Vadodara Local Centre, Near S. T. Depot, Race Course Circle, 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 for the period ended 30th June, 2001. You may desire to have some clarification or additional information on the said accounts at the ensuing Annual General Meeting. We shall very much appreciate, if you will kindly write to us at least 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.

**NOTICE TO THE SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN THAT the THIRTY FIFTH ANNUAL GENERAL MEETING** of the Shareholders of **TRANSPEK INDUSTRY LIMITED** will be held on Friday, the 21<sup>st</sup> day of December, 2001 at 4.00 p.m. at the Lecture Hall, The Institution of Engineers (India), Vadodara Local Centre, Near S. T. Depot, Race Course Circle, Vadodara 390 007 to transact the following business :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended on 30<sup>th</sup> June, 2001, the Balance Sheet as at that date and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Shri A. C. Shroff who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri R. R. Patel who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

**SPECIAL BUSINESS :**

5. To consider, and if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT Shri Dipesh K. Shroff be and is hereby appointed as a Director of the Company, liable to retire by rotation."
6. To consider, and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT Shri Mahendra L. Shah be and is hereby appointed as a Director of the Company, liable to retire by rotation."
7. 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 Sections 198, 269 and 309 read with Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the appointment of and the remuneration payable to Shri Atul G. Shroff as Managing Director of the Company for a period of five years with effect from December 1, 2001 on the terms and conditions set out in the draft Agreement to be entered into by the Company with him and submitted to this meeting and initialled by the Chairman for the purpose of identification, which draft agreement is hereby specifically

## Transpek Industry Limited



approved and sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said agreement in such manner as may be agreed to between the Board of Directors and Shri Atul G. Shroff but so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any amendment(s) thereto."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, during the term of office of Shri Atul G. Shroff the remuneration payable to him shall be governed by Section II of Part II of Schedule XIII to the Companies Act, 1956, or any amendment(s) thereto."

By Order of the Board of Directors  
For Transpek Industry Limited

Regd. Office :

6<sup>th</sup> Floor, Marble Arch,  
Race Course,  
Vadodara 390 007.

SHAILESH K. SOLANKI  
Dy. General Manager &  
Company Secretary

Dated : 28<sup>th</sup> September, 2001

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. An Explanatory Statement relating to Special Business under items No. 5 to 7 in the Notice as required under section 173(2) of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company and the Register of Beneficial Owners maintained by NSDL and CDS in respect of the Company will remain closed from 14<sup>th</sup> December, 2001 to 21<sup>st</sup> December, 2001 (both days inclusive).
4. The Company has entered into Agreements for seeking connectivity from Depositories viz. NSDL and CDS. The Registration Number granted to the Company by NSDL and CDS is INE687A01016. Equity shares of the Company are now available for dematerialisation. Trading of the Company's shares has been made compulsory in dematerialised form for the Financial Institutions, Mutual Funds, Banks and OCBs, effective from 26<sup>th</sup> June, 2000 and for retail investors, effective from 28<sup>th</sup> August, 2000. The Company has received



overwhelming response to the Company's initiatives for dematerialisation of its shares, and presently, over 48.49 % of the paid-up share capital of the Company stand converted into dematerialised form.

**5. Members are requested to :**

- a) notify promptly any change in their address to the Company; and
- b) encash their dividend warrants promptly.

The unclaimed dividends upto the Company's financial year ended March 31, 1995 have been transferred to the General Revenue Account of the Central Government.

Shareholders who have so far not claimed their dividends for the said years are requested to claim the amount by submitting an application in the prescribed form No.II Rule 6 (1) PART A of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 to the Registrar of Companies, Gujarat, Gujarat Housing Board Building, Opp. Rupal Park, Near Ankur Char Rasta, Naranpura, Ahmedabad 380 013.

Pursuant to Sections 205A to 205C of the Companies Act, 1956, any money transferred to the unpaid dividend account which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to a fund called Investor Education and Protection Fund set up by the Central Government. Accordingly, the unpaid/unclaimed dividends for the years 1995-96 onwards will become transferable at the end of seven years respectively to the said Investor Education and Protection Fund and no claims shall lie against the Fund or the Company in respect of individual amounts thereafter. Shareholders are, therefore, requested to check up and send their claims, if any, for the relevant years from 1995-96 onwards before the respective amounts become due for transfer to the said Funds.

**ANNEXURE TO NOTICE**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956  
ITEM NO. 5**

Shri Dipesh K. Shroff was appointed by the Board as a Director of the Company with effect from 27<sup>th</sup> March, 2001 under Article 112 of the Articles of Association of the Company and as per the provisions of Section 262 of the Companies Act, 1956, to fill the casual vacancy caused by the resignation of Shri K. C. Shroff.



**Shri Dipesh K. Shroff holds the office as a Director of the Company upto the date up to which Shri K. C. Shroff (in whose place he was appointed), would have held the office, viz. up to date of the ensuing Annual General Meeting of the Company.**

**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 Dipesh K. Shroff as a candidate for the office of the Director of the Company. The requisite deposit of Rs.500/- has also been received from the said member.**

**Shri Dipesh K. Shroff holds a diploma in Civil Engineering and is presently Jt. Managing Director of Excel Industries Ltd. He has wide experience and expertise in operations, marketing and Corporate Management. He is a member of the Board of Directors of several public and private limited companies and is also a Trustee of Vivekanand Research and Training Institute, Kutch; Chairman of C. C. Shroff Self Help Centre, Mumbai and Trustee and Adviser of "Shrujan", Kutch.**

**The Board commends his appointment.**

**None of the Directors except Shri Dipesh K. Shroff is concerned or interested in this Resolution.**

#### **ITEM NO. 6**

**Shri Mahendra L. Shah was appointed by the Board as a Director of the Company with effect from 29<sup>th</sup> May, 2001 under Article 112 of the Articles of Association of the Company and as per the provisions of Section 262 of the Companies Act, 1956, to fill the casual vacancy caused by the resignation of Shri K. V. Mariwala.**

**Shri Mahendra L. Shah holds the office as a Director of the Company upto the date up to which Shri K. V. Mariwala (in whose place he was appointed), would have held the office, viz. up to date of the ensuing Annual General Meeting of the Company.**

**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 Mahendra L. Shah as a candidate for the office of the Director of the Company. The requisite deposit of Rs.500/- has also been received from the said member.**

**Shri Mahendra L. Shah holds degrees in Bachelor of Science (Hons) and Bachelor of Science (Tech), and is presently working as President, Environment & Bio-Technology, Division of Excel Industries Ltd., Mumbai. He has wide experience in operations and environmental management.**

**The Board commends his appointment.**

**None of the Directors except Shri Mahendra L. Shah is concerned or interested in this Resolution.**

**ITEM NO. 7**

Shri Atul G. Shroff was appointed as Managing Director of the Company for a period of five years with effect from 1.12.1996.

At the Board Meeting held on 30.7.2001, the Board re-appointed Shri Atul G. Shroff as Managing Director for a further period of five years, with effect from 1.12.2001 subject to the approval of the shareholders of the Company.

The terms and conditions of his re-appointment as Managing Director are as follows :

**1. Period :**

Five years with effect from 1.12.2001.

**2. Remuneration :**

**(i) Salary :**

In the range of Rs.75,000/- to Rs.1,50,000/- . Effective from 1.12.2001 the salary will be Rs. 75,000/- per month.

Effective from 1<sup>st</sup> April of each year commencing from the year 2002, the Board will refix the salary within the aforesaid range having regard to merit and the Company's performance.

**(ii) Perquisites :**

(a) In addition to salary referred to in Clause 2(i) above Shri Atul G. Shroff, Managing Director, shall be also entitled to 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 Shri Atul G. Shroff. Such perquisites will be an amount equal to annual salary or Rs. 18,00,000/- per annum, whichever is less.

For the purpose of calculating the above ceilings, perquisite 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 for use of the Company's car to be fully maintained by the Company for official duties and telephones at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceilings.



(b) 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, gratuity payable as per the rules of the Company and encashment of leave at the end of his tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

**3. Commission :**

In addition to the salary and perquisites as referred to in Clauses 2 (i) & (ii) above, the Managing Director 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, 1956 every year, as may be determined by the Board of Directors, subject to a maximum limit of 1% of the net profits and also within the overall limits on Managerial Remuneration as prescribed under Sections 198 and 309 of the Companies Act, 1956.

**4. Minimum Remuneration :**

Where in any financial year during the currency of tenure, the Company has no profits or its profits are inadequate it may pay remuneration by way of salary and perquisites which will be subject to the ceilings set out in Section II of Part II of Schedule XIII to the Companies Act, 1956.

**5. Leave :**

On full pay and allowance, as per the Rules of the Company but not exceeding one month's leave for every 11 months of service.

**6. Shri Atul G. Shroff will be entitled to reimbursement of entertainment expenses actually incurred by him in the course of business of the Company.**

**7. Shri Atul G. Shroff will also be entitled to receive from the Company travelling, hotel and other expenses incurred in performance of duties on behalf of the Company.**

**OTHER TERMS :**

**8. The terms and conditions of the said appointment and/or 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 Managing Director in accordance with Schedule XIII to the Companies Act, 1956 or any amendment(s) made hereafter in this regard.**

**9. Shri Atul G. Shroff shall not so long as he functions as Managing 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 as may be required.

10. The appointment may be terminated by either party giving to the other party ninety days' notice in writing.
11. In the event of dispute or difference arising at any time between Shri Atul G. Shroff and the Company in respect of the agreement or the construction thereof, the same will be submitted to and be decided by arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996.
12. The headquarter of the Managing Director shall be at Vadodara.
13. The Managing Director, as long as he continues to be a Managing Director of the Company, shall not be liable to retire by rotation and shall not be reckoned as a Director for the purpose of determining the number of Directors liable to retire by rotation.
14. If at any time Shri Atul G. Shroff ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Managing Director.

This explanation may also be treated as an abstract under section 302 of the Companies Act, 1956.

Your Directors commend the Resolution at item No. 7 for your approval.

None of the Directors of the Company except Shri Atul G. Shroff is concerned or interested in this resolution.

The draft Agreement referred to in the resolution under item No. 7 of the Notice will be open for inspection by the members at the Registered Office of the Company on any working day between 11.00 A. M. and 1.00 P. M.

By Order of the Board of Directors  
For Transpek Industry Limited

Regd. Office :  
6<sup>th</sup> Floor, Marble Arch,  
Race Course,  
Vadodara 390 007.  
Dated : 28<sup>th</sup> September, 2001

SHAILESH K. SOLANKI  
Dy. General Manager &  
Company Secretary

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## Transpek Industry Limited

**DIRECTORS' REPORT**

To  
The Members

Your Directors take pleasure in presenting the Thirty Fifth Annual Report together with the Audited Accounts of the Company for the year ended 30th June, 2001.

**FINANCIAL RESULTS**

	<b>2000-2001</b> <b>Rs. in Lakhs</b>	<b>1999-2000</b> <b>Rs. in Lakhs</b>
Sales and other Income	<b>11514.13</b>	18141.98
Profit before Interest and depreciation	<b>1059.59</b>	1783.83
Interest	<b>1089.76</b>	1256.01
Cash Profit/(Loss) before Taxes	<b>(30.17)</b>	527.82
Less :		
Depreciation	<b>479.74</b>	434.09
Profit/(Loss) before Tax	<b>(509.91)</b>	93.73
Provision for Taxation	<b>0.20</b>	12.00
Profit/(Loss) after Tax	<b>(510.11)</b>	81.73
a) Excess /(Short) Previous Years' Tax Provision	<b>0.55</b>	67.18
b) Prior Years' Adjustments	<b>(48.44)</b>	(22.43)
c) Transferred from Debenture Redemption Reserve	<b>—</b>	40.00
	<b>(558.00)</b>	166.48
Balance brought forward from Previous Year	<b>215.24</b>	148.27
Amount available for appropriation	<b>(342.76)</b>	314.75
Appropriations to :		
a) Proposed Dividend	<b>—</b>	40.58
b) Tax on Proposed Dividend	<b>—</b>	8.93
c) Transfer to General Reserve	<b>—</b>	50.00
d) Balance Carried to Balance Sheet	<b>—</b>	215.24
<b>TOTAL</b>	<b>(342.76)</b>	314.75