

Transpek Industry Limited



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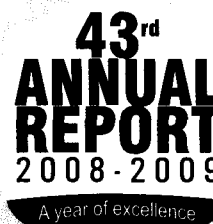


 **Transpek**
reative Chemistry

Transparency in the Environment



Factory Office



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Annual General Meeting on **27th August, 2009** at **3.30 p.m.**
At Auditorium Hall, The Institution of Engineers (India)
Vadodara Local Centre, Near Trident Complex, 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 of the year ended 31st March 2009. 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 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

D.C. Gami

D.K. Shroff

M.D. Patel

A.H. Patel

Dr. Bernd Dill

Ravi A. Shroff

Ninand D. Gupte

S.K. Solanki

Company Secretary

Bankers

State Bank of India

Bank of Baroda

Axis Bank Ltd.

Auditors

S.V. Ghatalia & Associates

Chartered Accountants

Registered Office

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

Works

Village Ekalbara, Tal. Padra,
Dist. Vadodara

2008-2009

Transpek Industry Limited

NOTICE TO THE MEMBERS

NOTICE IS HEREBY GIVEN THAT the FORTY-THIRD ANNUAL GENERAL MEETING of the Members of **TRANSPEK INDUSTRY LIMITED** will be held on Thursday, the 27th August, 2009 at 3.30 p.m at the Auditorium Hall, The Institution of Engineers (India), Vadodara Local Centre, Near Trident Complex, Race Course Circle, Vadodara 390 007 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account of the Company for the year ended on 31st March, 2009, 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 A. C. Shroff who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri D. C. Gami who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri D. K. Shroff who retires by rotation and, being eligible, offers himself for re-appointment.
6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

“ RESOLVED THAT M/s. S. R. Batliboi & Co., Chartered Accountants, be and they are hereby appointed as Auditors of the Company, in place of the retiring Auditors, M/s. S. V. Ghatalia & Associates, Chartered Accountants, who have given to the Company a notice in writing of their unwillingness to be re-appointed and that M/s. S. R. Batliboi & Co., 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. ”

By Order of the Board of Directors
For Transpek Industry Limited

Regd. Office:
6th Floor, Marble Arch,
Race Course,
Vadodara 390 007.

Dated: 12th June, 2009

SHAILESH K. SOLANKI
General Manager & Company Secretary

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 HIMSELF AND 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 Item No. 6 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 **Thursday, the 20th August, 2009 to Thursday, the 27th August, 2009 (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



NOTICE TO THE MEMBERS

Notes Cont'd...

after 27th August, 2009 to the Members whose names stand on the Company's Register of Members on 27th August, 2009 and to the Beneficiary (Owner/s) as per the Beneficiary List at the close of business hours on Thursday, the 27th August, 2009 provided by the National Securities and Depository Ltd. and Central Depository Services (India) Ltd.

- 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

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 42nd Annual General Meeting of the Company held on 22nd August, 2008, the Member had re-appointed M/s. S. V. Ghatalia & Associates, Chartered Accountants, as Auditors of the Company. M/s. S. V. Ghatalia & Associates hold office as Auditors of the Company until the conclusion of the ensuing 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. S. R. Batliboi & Co., Chartered Accountants, be appointed as Auditors of the Company. M/s. S. R. Batliboi & Co. 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. V. Ghatalia & Associates and the letter given by M/s. S. R. Batliboi & Co., referred to above, are open for inspection by the Members at the Registered Office of the Company on every working day between 2.00 p. m. to 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.

By Order of the Board of Directors
For Transpek Industry Limited

Regd. Office:
 6th Floor, Marble Arch,
 Race Course,
 Vadodara 390 007.

SHAILESH K. SOLANKI
General Manager & Company Secretary

Dated: 12th June, 2009

2008-2009**Transpek Industry Limited****DIRECTORS' REPORT**

To
The Members

Your Directors have pleasure in presenting the **Forty Third Annual Report** together with the Audited Accounts of the Company for the financial year ended 31st March, 2009.

FINANCIAL RESULTS

	2008 - 2009	2007 - 2008
	<u>Rs. in Lakhs</u>	<u>Rs. in Lakhs</u>
Net Sales	16661.00	10679.98
Other Income	200.94	338.91
Profit before Interest, Depreciation, Amortisation, Taxes and Extraordinary Items	2434.93	1144.44
Interest	631.31	440.49
Cash Profit before Extraordinary Items and Taxes	1803.62	703.95
Less:		
Depreciation	514.07	455.52
Amortization	43.91	48.75
Profit/(Loss) before Extraordinary Items and Tax	1245.64	199.68
Less:		
Extraordinary Items		
- Loss / (Profit) on sale of investment	-	-
- Provision for Diminution in value of Investment.	-	(5.38)
Profit / (Loss) before Tax	1245.64	205.06
Provision for Taxation		
- Current	361.02	26.00
- Deferred Tax (Asset) / Liability	69.41	46.63
- Fringe Benefit Tax	20.00	20.00
Profit/(Loss) after Tax	795.21	112.43
Add/(Less):		
a) Excess / (Short) Previous Year's Tax Provision	(3.06)	5.12
b) Prior Years' Adjustments	(2.22)	(2.72)
	789.93	114.83
Balance brought forward from Previous Year	998.02	986.67
Amount available for appropriation	1787.95	1101.50
Appropriations to:		
a) Proposed Dividend	139.83	79.90
b) Tax on Proposed Dividend	23.76	13.58
c) Transfer to General Reserve	600.00	10.00
d) Balance Carried to Balance Sheet	1024.36	998.02
TOTAL	1787.95	1101.50

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

DIRECTORS' REPORT

DIVIDEND

Your Directors have recommended a dividend of 25% i.e. Rs.2.50 per equity share (Previous year: 15%, i.e. Rs.1.50 per equity share) on the Equity Share Capital of Rs.559.30 lacs for the year ended 31st March, 2009.

REVIEW OF OPERATIONS

The net sales of the Company for the year under review increased to Rs.16661 lacs from Rs.10680 lacs in the previous year registering a growth of 56%. Sales have increased substantially as export sales have been receiving focused attention as a result of which a growth of 80% from Rs.59.55 crores to Rs.107.07 crores was registered constituting 64% of the total sales turnover of the Company. In tune with increased sales, the profit after tax of the Company has gone up from Rs.112.43 lacs to Rs.795.21 lacs despite loss on account of foreign exchange fluctuation to the extent of Rs.824.56 lacs.

You will be happy to note that the Company registered an overall growth during the year in an otherwise difficult period when global recession set in during the third and fourth quarters.

CAPACITY ADDITION /IMPROVEMENTS

During the year under review production was increased by capacity addition due to de-bottlenecking, efficiency improvement, recovery of products from residue, implementing newer techniques to handle process and adopting new techniques to convert by-products into value added products. These measures have helped in increasing production and effecting saving in consumption of power. We have been able to maintain our market share and withstand the negative effects of global recession.

The Company has obtained environmental clearance from Ministry of Environment and Forests, Govt. of India for expansion of capacity of existing products and for other organic compounds.

Our R & D Division has developed new products to enable us to expand our market in the coming year.

PREFERENTIAL ISSUE

It was reported in our last (42nd) Annual Report that in order to meet the requirements for capital expenditure as well as additional general working capital, the Board of Directors of the Company had decided with the approval of the members of the Company to raise 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 (Disclosure and Investor Protection) Guidelines, 2000 and such conversion to be made in three tranches within a period not exceeding 18 months from the date of allotment of the warrants.

It was also informed that on receipt of 10% of the total value of the warrants towards application money from the promoters and others and also on receipt of requisite in principle approval from the Bombay Stock Exchange ("BSE"), the Company had completed the first tranche conversion of 2,53,651 fully paid up equity shares. These shares have been listed on the BSE.

Subsequently, on receipt of full subscription money on second tranche conversion, 2,66,333 fully paid up equity shares were allotted on 23.03.2009 and on third and final tranche conversion, 2,79,016 fully paid up equity shares were allotted on 25.5.2009 to the promoters and others. The Company has applied to the BSE for listing of 2,66,333 equity shares and also is in process of making application to the BSE for listing of 2,79,016 equity shares.

Funds raised so far from the first, second and the third and final tranche conversions have been utilized for the intended purpose.

SUBSIDIARY COMPANY

The wholly owned subsidiary company viz. Transpek Industry (Europe) Ltd., whose formation under the laws of the United Kingdom was reported in our previous Report, has in its capacity as the "only representative", pre-registered several products of the Company as well as four other Indian participants under the European Union Regulation

DIRECTORS' REPORT

called Registration, Evaluation, and Authorization of Chemicals ("REACH").

OUTLOOK

During the year under review, your Company registered the highest export sales. The outlook for 2009-10 is, however, somewhat subdued due to low demand in the European and American markets.

We are planning to launch a few more value added products in 2009-10. We are also trying to increase our overseas customer base for the existing products.

QUALITY & ENVIRONMENT MANAGEMENT SYSTEM & OHSAS (QMS)

QMS ISO 9001:2008, EMS ISO 14001:2004 & BS OHSAS 18001:2007 systems have been integrated. Audit of the integrated system has been completed in the month of April, 2009.

OCCUPATIONAL HEALTH

The Company's Health Centre is having a full-time doctor. Services of ambulance and paramedical staff are available round the clock. Routine medical check-up of all the employees and occupation related health checks of employees working in specific areas such as generators, boilers etc. are periodically conducted.

RISK MANAGEMENT

The Company considers risks concerning manufacturing and handling activities like gas leakage, fire, explosion, storage and handling of gas cylinders etc. through an ISO Audit i.e. OHSAS and also other risks like financial risks (recovery of outstandings, hedging transactions), fire and marine risk, third party public liability risk (domestic) etc.

All functional heads periodically review risks facing 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 in the context of the Company's risk appetite, such as production, treasury, insurance, legal and other issues like health, safety and environment and provide for upward communication of any significant issues that could arise.

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

DIRECTORS

Shri D. C. Gami, Shri D. K. Shroff and Shri A. C. Shroff, 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, 2009 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;
- c) 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.

DIRECTORS' REPORT

HR INITIATIVES

In continuation of the process started during the past years, the Company has placed emphasis on training and skill enhancement. Training programmes cover the entire spectrum of employees, workers to General Managers. Due to continuous efforts, it has been possible to develop a team of internal trainers.

Owing to earlier HR initiatives, it has been possible to develop an excellent second line of leadership. Our policy of participative and interactive management continues.

Activities like KAIZEN, GEMBA etc. have become a way of life at the Company's factory premises at Ekalbara. During the year around 150 improvement suggestions were received and implemented by our KAIZEN team.

Every employee is encouraged to give suggestions, even for small improvements. As a result, a number of suggestions have been received. The suggestions received are categorized on the basis of contribution, cost-benefit, productivity, quality and on EHS. Awards are given every six months for the best suggestions.

SOCIAL RESPONSIBILITY

Your Company is fully aware of its responsibilities towards employees, communities in and around the site and towards the society in general.

The Company discharges its responsibilities to the society, particularly in the area surrounding our factory premises by studying their needs and takes effective steps to act as a catalyst in helping them solve the problems. The Company also helps them plan for their future.

The Company continues to be active in the areas such as vocational workshops for village children, scholarships for employees' children and awards for meritorious students in the villages in and around Ekalbara. The Company also organized two health awareness camps in the nearby schools.

Your Company has been assigned the responsibility of managing ITI Padra under the Public Private Partnership Scheme of Govt. of India, since December, 2008. The Company has taken up this challenge and considerable input is being given by involving senior experienced personnel of the Company. The Company is confident of enhancing the skill level of students in the Institute so that they are readily employable.

Your Company also got actively engaged with Science, Engineering and Management Institutes of repute in Vadodara and Vallabh Vidyanagar as part of industry-academia interaction. This engagement will help students in putting their academic knowledge into practice and orient them to various other industrial aspects.

The Company is extending help to Schools in the nearby villages by providing computers and also by deputing staff members to give instructions. The Company has conducted medical check-up camps in these Schools. The Company encourages students and parents in their efforts to achieve better standards in studies.

The Company has continued its efforts in water harvesting and has been able to improve levels and quality of sub-soil water.

The Company also continues to support NGOs engaged in social and rural welfare activities.

Additional twelve thousand trees have been planted during the year 2008-2009.

WELFARE ACTIVITIES FOR EMPLOYEES

The Company has always looked towards its work force as an asset and has given them better working conditions and benefits. During the year under review the Company has insured all its employees through a cash-less Mediciam policy. Similarly, the Company has instituted a widow fund for the benefit of widows of those employees who may unfortunately die while in employment.

CORPORATE GOVERNANCE

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

2008-2009

Transpek Industry Limited

DIRECTORS' REPORT

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 155 deposits aggregating to Rs.35.70 lacs which were due for repayment and remained unclaimed as on 31st March, 2009 of which 49 deposits amounting to Rs. 9.65 lacs have since been repaid or renewed.

AUDITORS

M/s. S. V. Ghatalia & Associates, 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. S. R. Batliboi & Co., Chartered Accountants, Mumbai, 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.4 (vi) of their report, as mentioned in note no. 17(b) in Schedule 22 to the Accounts, the Board is of the view 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
Dated: 12th June, 2009

A. C. SHROFF
CHAIRMAN

