



# TRANSPARES LIMITED

## DIRECTORS' REPORT

To  
The Members  
**Transpares Limited**  
Ahmedabad

Your Directors have pleasure in presenting the 15th Annual Report along with the Audited Accounts of the Company for the year ended on 31st March, 2010.

	(Rs in Lacs)	
<b>Financial Results</b>	<b>2009-2010</b>	<b>2008-2009</b>
Net Sales	1511.26	1325.50
Other Income	82.49	20.91
<b>Total Income</b>	<b>1519.51</b>	<b>1346.41</b>
Raw Material Consumed	931.35	846.91
Increase in Stock of Finished Goods and Process Stock	48.54	(11.39)
Employee cost	38.74	31.40
Manufacturing Expenses	193.70	151.64
Other Expenditure	102.8	59.01
Depreciation & Amortization	25.20	19.45
Finance Charges	34.83	45.39
Profit before tax	<b>204.38</b>	<b>203.98</b>
Tax Expenses	68.81	72.84
Profit after tax	<b>135.56</b>	<b>131.15</b>
Profit brought forward	391.95	312.07
<b>Total</b>	<b>516.01</b>	<b>443.22</b>
<b>Appropriation :</b>		
Transfer to General Reserve	25.00	13.50
Proposed Dividend	38.73	32.28
Tax on proposed dividend	6.58	5.49
Balance Carried to Balance Sheet	445.70	391.95

### Results of Operation

The Company has achieved 2.28 % growth in Net Sales which stood at Rs. 1511.26 Lacs as compared to last year's of Rs. 1325.50 Lacs. The Company has achieved Net Profit after Tax of Rs. 135.56 lacs as compared to last year's profit of Rs. 131.15 Lacs, which shows growth of 3.36% as compared to last year.

### Dividend

The Board of Directors is pleased to recommend for the approval of shareholders, a dividend @ 20%, Rs.2/- per equity shares (P.Y. 30% i.e. Rs.3.00 per equity shares) of the face value of Rs.10/- for the year 2009-2010

H.H. Doshi

**Finance**

During the year under review, your Company arranged for additional credit facilities from the Bank, State Bank of India in order to meet the working capital requirements. This will help the Company to implement its project very fast and effective.

**Directors**

Mrs. Akanksha Mamtara, Director of the Company who retires by rotation at the ensuing Annual General meeting and being eligible, offers herself for re-appointment, in accordance with the provisions of the Articles of Association of the company.

The Board of Directors at its Meeting held on 21<sup>st</sup> April, 2010 revised the terms & conditions of Remuneration of Mr. Hitendra Doshi, Chairman & Managing Directors of the Company w.e.f. 1st April, 2010 for the remaining period of his tenure.

**Bonus shares**

On 2nd December, 2009 the Company has issued the bonus shares to its existing shareholders in proportion of 4:5 (i.e. 4 bonus equity shares for every 5 equity shares held) by capitalizing its share premium account. As a result, the paid up equity share capital has increased from Rs.10,76,0000 to Rs.19,36,8000.

**Fixed Deposits**

The Company has not accepted any Fixed Deposits, from the public, during the year under review, as per the Section 58A of the Companies Act,1956.

**Directors' Responsibility Statement**

Pursuant to Section 217 (2AA) of the Companies Act, 1956 your Directors confirm the following:

- In the preparation of the annual accounts, the applicable accounting standards have been followed.
- Your Directors have 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 ended on 31<sup>st</sup> March, 2010.
- Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- Your Directors have prepared the attached statements of accounts for the year ended 31<sup>st</sup> March, 2010 on a going concern basis.

**The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988**

Information under Section 217(1)(e) of the Companies Act,1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules,1988, are forming part of the Director's Report.

H. M. Doshi

**Particulars regarding Employees**

Particulars of employees under section 217 (2A) of the Companies Act 1956 and the rules framed there under is not applicable this year, as there were no employees drawing the remuneration of Rs. 24 Lacs or more, paid in respect of persons employed through out the financial year or to whom remuneration of Rs.2 lac or more per month, paid in respect of persons employed for part of the financial year.

**Secretarial Compliance Certificate**

In accordance with Section 383A of the Companies Act,1956, and Companies (Compliance Certificate) Rule, 2001, the Company has obtained a certificate from a Secretary in whole time practice confirming that the Company has complied with various provisions of the Companies Act, 1956 and copy of such certificate is annexed to this Report.

**Auditors & Auditors' Report**

M/s. C. C. Chokshi & Co., Chartered Accountants, Ahmedabad, the auditors of the Company, hold their office until the conclusion of the ensuing Annual General Meeting, and are recommended for re-appointment. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under section 224(1-B) of the Companies Act, 1956. You are requested to re-appoint auditors to hold office until the conclusion of the next Annual General Meeting and to fix their remuneration.

Notes forming part of the accounts are self explanatory as far as Auditor's Report is concerned and therefore, it does not require any further comments.

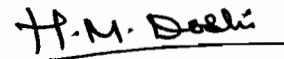
**Acknowledgement**

The Directors extend their sincere thanks to the Bankers, Central Government and State Government Authorities, Customers, Valued Shareholders, Staff members and all other associated with the Company, for their co-operation, continued support and confidence reposed by them in the Company.

**Date: 21st April, 2010**

**Place : Ahmedabad**

**For and on behalf of the Board of Directors**



**Hitendra Doshi**  
**Chairman & Managing Director**

**Information under Section 217(1)(e) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988**

**(1) Conservation of Energy:-**

**(a) Energy conservation measures taken:**

The Company has an ongoing study to identify and implement energy saving system to reduce energy consumption and cost of production. All new Equipment & Machinery is installed based upon optimum utilization of energy.

b) Additional investment and proposals, if any being implemented for reduction of energy consumption of energy : Nil.

c) Impact of measure at (a) & (b) above for reduction of energy consumption and consequent impact on the production of goods: Nil.

d) Total energy consumption and energy consumption per unit are as follows:

<b>Particulars</b>	<b>2009-2010</b>	<b>2008-2009</b>
Total Consumptions in Units	651549 Units	1902804 Units
Total Cost	Rs.4129210/-	Rs.326889/-
Cost per Unit	Rs.6.35/Unit	Rs.5.82/Unit

**(2) Research & Development and Technology absorption :-**

During the year, no further development is done for research. The company has not taken any technology in particular or entered into any technology agreement during the period hence the information required under this is not applicable to the company.

**(3) Foreign Exchange Earnings & Outgo :-**

The Company has neither earned nor spends any foreign currency, during the year as well as in last year.

H.M. Desai

**SECRETARIAL COMPLIANCE CERTIFICATE**

**Registration No. of the Company : 04 – 24841 (CIN- U31102GJ1995PLC024841)**

**Authorised Capital - 200.00 Lacs**

To,  
**The Members**  
**Transpares Limited**  
14/15, Ashwamegh Industrial Estate,  
Sarkhej Bavla Highway,  
Changodar,  
Ahmedabad – 382 210.

I have examined the Registers , records, books and papers of **Transpares Limited** as required to be maintained under the Companies Act,1956, and rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2010. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained the registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made there under and all entries therein have been recorded.
2. The Company has filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Gujarat, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company being limited company, has paid-up capital of Rs. 193.68 Lacs as on 31<sup>st</sup> March, 2010.
4. The Board of Directors duly met 7 times on 26th April, 2009, 28th April, 2009, 20th July, 2009, 5th October, 2009, 2nd December, 2009, 1st January, 2010 and 5th February, 2010 and the proceedings were properly recorded and signed the Minutes book maintained for the purpose. The Company has not passed any Board resolution by circulation.
5. The Company has kept record date as of 29/05/2009 for payment of Dividend and complied with the provisions of the Act.



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6. The Annual General Meeting for the financial year ended on 31<sup>st</sup> March, 2010 was held on 29<sup>th</sup> May, 2009 and the resolution passed thereat were duly recorded in the minutes book maintained for the purpose.
7. One Extra-Ordinary General Meeting was held on 4th November, 2009 during the financial year and the resolutions passed thereat were duly recorded in the Minutes book maintained for the purpose.
8. The Company has not advanced any loans or given any guarantees or provided any securities to its directors or persons or firms or companies referred to under Section 295 of the Companies Act, 1956.
9. The Company has complied with the provisions of Section 297 of the Companies Act, 1956 in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under section 301 of the Companies Act, 1956.
11. As there were no instances falling within the purview of Section 314 of the Companies Act, 1956, the Company was not required to obtain any approvals from the Board of Directors, members or Central Government, as the case may be.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company :
  - (i) has delivered all the new certificates on issue of 860800 Bonus Shares as on 2/12/2009 and complied with the provisions. There was no transfers/ transmission of securities during the financial year.
  - (ii) has declared dividend during the year and paid the same to shareholders directly, without depositing in a separate bank account.
  - (iii) has paid the dividend to all the members within a period of 30 days from the date of declaration and there is no unclaimed dividend.
  - (iv) has no unpaid dividend amount, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid and as are required to be transferred to Investor Education and Protection Fund;
  - (v) duly complied with the requirements of section 217 of the Companies Act, 1956.
14. The Board of Directors of the Company is duly constituted. There was no appointment of directors, additional directors, alternate directors and directors to fill casual vacancy during the financial year.



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15. The Company has appointed Mr. Hitendra Doshi as Chairman & Managing Director of the Company w.e.f. 1<sup>st</sup> April,2007, after complying necessary provisions under the Company's Act,1956.
16. The Company has not appointed sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such other authorities as may be prescribed under the various provisions of the Companies Act,1956, during the financial year.
18. The Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has issued new 8,60,800, Bonus shares as on 2/12/2009, during the financial year and complied with the provisions of the Act.
20. The Company has not bought back any shares during the financial year.
21. There were no redemption of preference shares/ debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits falling within the purview of Section 58A of the Companies Act,1956, during the financial year.
24. The amount borrowed by the Company from Banks and others during the financial year ending 31<sup>st</sup> March, 2010, are within the borrowed limits of the Company .
25. The Company has not made Investment or loans or advances or given guarantee to other bodies corporate and consequently no entries have been made in the register kept for that purpose.
26. The Company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to the object of the company during the year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to name of the company during the year.



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29. The Company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The Company has not carried out any alteration in its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company for alleged offences under the Act and also no fines and penalties or any other punishment imposed on the Company in such cases, during the financial year.
32. The Company has not received any money as security from its employees during the financial year.
33. The provisions of section 418 of the Company's Act, are not applicable to the Company, for the above stated financial year

**Place : Ahmedabad**

**Signature :**



**Date : 21st April, 2010**

**Name of Company Secretary : TAPAN SHAH**

**C.P.No. : 2839**



**Annexure A****Name of the Company : Transpares Limited****Registration No. of the Company : 04 – 24841 (CIN- U31102GJ1995PLC024841)****Authorised Capital - 200.00 Lacs****Registers as maintained by the Company**

1. Register of Members u/s 150 of the Companies Act,1956.
2. Register of Directors' shareholding u/s 307 of the Companies Act,1956.
3. Register of Directors' , Managing Director, Manager and Secretary u/s 303 of the Companies Act,1956.
4. Register of Contracts, Companies and Firms in which Directors of the Company are interested u/s 301(3) of the Companies Act,1956.
5. Register of Charge u/s 143 of the Companies Act,1956.
6. Register of Investment u/s 49 of the Companies Act,1956.
7. Minutes book of Board of Directors u/s 193(1) of the Companies Act,1956.
8. Minutes book of the proceeding of General Meeting u/s 193(1),196(1) of the Companies Act,1956.
9. Register of Attendance for Board/ General Meetings.

**Place : Ahmedabad****Signature :****Date : 21st April, 2010****Name of Company Secretary : TAPAN SHAH****C.P.No. : 2839**

**Annexure B**

**Name of the Company : Transpares Limited**

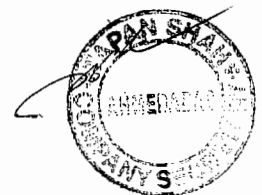
**Registration No. of the Company : 04 – 24841 (CIN-U31102GJ1995PLC024841)**

**Authorised Capital - 200.00 Lacs**

Forms and Returns as filed by the Company with the Registrar of Companies, Gujarat, Regional Director, Central Government or other authorities during the financial year ending on 31<sup>st</sup> March, 2010

• **With Registrar of Companies**

Sl No.	Form No.	Relevant Section	Description	Date of Filing & SRN	Whether filed within prescribed time Yes/No	If delay in filing, whether Requisite additional fees paid yes/no
1.	23	192	1)Borrowing limit U/s 293(1)(d) of the Co. Act 1956 2)To Create charge on Properties of the co. U/s 293(1)(d) of the Co. Act 1956- In EGM held on 13/11/2008.	23/04/2009 A60516390	No	Yes
2.	23	192	To Revise the Remuneration of Mr. Hitendra Doshi, Chairman & MD of the Co. w.e.f.1/4/2009, in BM held on 26/4/2009.	19/05/2009 A61992640	Yes	NA
3.	66	383A(1)	Compliance Certificate for the financial year 2008-09.	23/06/2009 P32951394	Yes	NA
4.	23	192	To Revise the Remuneration term of Mr. Hitendra Doshi, Chairman & MD of the Co. w. e. f. 1/4/2009, in AGM held on 29/05/2009	24/06/2009 A64076961	Yes	NA
5.	23AC & 23ACA	220(1)	Balance sheet made up to 31.03.2009	27/06/2009 P33017302	Yes	NA
6.	23B	224(1A)	Consent to act as an Auditor for the F. Y. 2009-10.	30/06/2009 S00595900	Yes	NA



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7.	8	125/127/ 130/135	Modification of charge with SBI through Supp. Agree. of Loan Cum Hypo. of stocks, P & M Equip. & all Current Assets and Memo. Of Deposit of Title deed, all dated 30/5/2009 for enhancement of financial limit from Rs, 1281 Lacs to Rs.1331 Lacs	13/07/2009 A65192452	No	Yes
8.	20B	159(1)	Schedule V made up to 29/05/2009	27/07/2009 P33468786	Yes	NA
9.	23	192	Issue of Bonus Shares 8,60,800 Equity Shares of Rs-10 each- in EGM held on 4/11/2009	01/12/2009 A73716318	Yes	NA
10.	2	75(1)	Allotment of 8,60,800 Equity Bonus shares of Rs.10/- each in board Meeting held on 2/12/2009.	02/12/2009 A73839623	Yes	NA

- With Regional Director, Central Government or other authorities

Not Applicable.

Place : Ahmedabad

Date : 21st April, 2010

Signature :



Name of Company Secretary : TAPAN SHAH

C. P. No. : 2839

**AUDITORS' REPORT  
TO THE MEMBERS OF  
TRANSPARES LIMITED**

1. We have audited the attached Balance Sheet of **TRANSPARES LIMITED** ("the Company") as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both 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 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the 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 (CARO) issued by the Central Government in terms of Section 227(4A) 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 in paragraph 3 above, we report as follows:
  - (a) 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;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

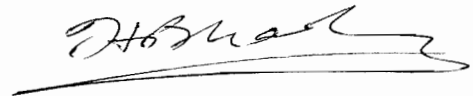


# C. C. Chokshi & Co.

C.C. Chokshi & Co.  
Chartered Accountants  
'Heritage', 3rd Floor,  
Near Gujarat Vidhyapith,  
Off Ashram Road,  
Ahmedabad - 380 014.  
Tel : +91 (79) 27582542  
+91 (79) 27582543  
+91 (79) 66073100  
Fax : +91 (79) 27582551

- (e) 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:
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010;
- (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
- (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2010 taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

**For C. C.CHOKSHI & CO.**  
Chartered Accountants  
(Registration No. 101876W)




Ahmedabad  
Date : 21<sup>st</sup> April, 2010

H. P. Shah  
Partner  
(Membership No. 33331)

**ANNEXURE TO THE AUDITORS' REPORT**

**(Referred to in paragraph 3 of our report of even date)**

- (i) Having regard to the nature of the Company's business/activities/result, clauses (x), (xiii) and (xiv) of CARO are not applicable.
- (ii) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) None of the fixed assets have been disposed off during the year.
- (iii) In respect of its inventory:
  - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

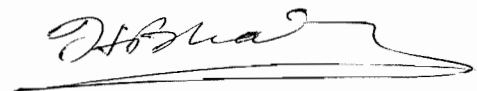


- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
  - (b) Having regard to the fact that the goods sold by the Company pursuant to the contracts or arrangements, where each of such transaction is in excess of Rs.5 lakhs in respect of any party, are of a specialized nature for which suitable alternative sources do not exist for obtaining comparative market prices prevailing at the relevant time, we are unable to comment as to whether these transactions were made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.
- (viii) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (ix) The Company is not required to maintain Cost records under section 209(1)(d) of the Companies Act, 1956 and therefore clause (viii) relating to its maintenance is not applicable.
- (x) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.
  - (c) There were no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31<sup>st</sup> March, 2010 on account of disputes.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.



- (xii) According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions.
- (xiv) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.
- (xv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.
- (xvi) The Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xvii) No debentures have been issued by the Company and hence the question of creating the securities or charges in respect thereof does not arise.
- (xviii) During the year the Company has not raised money by public issue.
- (xix) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

**For C. C.CHOKSHI & CO.**  
Chartered Accountants  
(Registration No. 101876W)



Ahmedabad  
Date : 21<sup>th</sup> April, 2010

H. P. Shah  
Partner  
(Membership No. 33331)



# Transpares Limited

Financial Statements

as on

31<sup>st</sup> March 2010

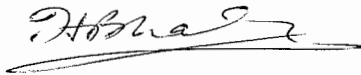
**TRANSPARES LIMITED**

Balance Sheet as at 31<sup>st</sup> March, 2010

	Schedule	As at 31st Mar 10	As at 31 <sup>st</sup> Mar 09
<b>SOURCES OF FUNDS</b>			
<b>Shareholders ' Funds</b>			
Share Capital	1	19,368,000	10,760,000
Reserves & Surplus	2	<u>47,092,827</u>	<u>46,676,303</u>
		66,460,827	57,436,303
<b>Loan Funds</b>			
Secured Loans	3	44,389,687	45,287,212
<b>Deferred Tax Liability (Net)</b>			
(See note no. 9 of Schedule 21 )		2,908,411	1,859,397
<b>TOTAL</b>		<u><u>113,758,925</u></u>	<u><u>104,582,912</u></u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	4	53,309,698	32,544,901
Less : Depreciation		<u>9,037,287</u>	<u>6,516,869</u>
Net Block		44,272,411	26,028,032
Add :- Capital work in progress		<u>28,331,329</u>	<u>29,294,878</u>
		72,603,740	55,322,910
<b>Investments</b>			
	5	1,125,000	792,000
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	6	21,949,656	14,928,723
Sundry Debtors	7	49,483,655	61,775,861
Cash & Bank Balances	8	4,867,330	3,538,678
Loans & Advances	9	<u>2,517,088</u>	<u>1,494,687</u>
		78,817,728	81,737,949
<b>Less : Current Liabilities &amp; Provisions</b>			
<b>Net Current Assets</b>	10	<u>38,787,544</u>	<u>33,305,447</u>
		40,030,184	48,432,502
<b>Miscellaneous Expenditure</b>			
(To the extent not written off)	11	-	35,500
<b>TOTAL</b>		<u><u>113,758,925</u></u>	<u><u>104,582,912</u></u>
<b>Significant Accounting Policies</b>	20		
<b>Notes on Accounts</b>	21		

Schedule 1 to 21 form part of this Balance Sheet

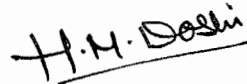
As per our attached report of even date.  
**For C. C. Chokshi & Co.**  
 Chartered Accountants



**H.P. Shah**  
 Partner

Place : Ahmedabad  
 Date : 21st April,2010

For and on behalf of the Board



**Hitendra M. Doshi**  
 Chairman & M. D.

Place : Ahmedabad  
 Date : 21st April,2010



**Karuna J Mamtara**  
 Director

**TRANSPARES LIMITED****Profit & Loss Account For The Year Ended on 31<sup>st</sup> March 2010**

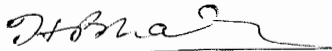
	Schedule	For the year ended on 31st Mar 10	For the year ended on 31 <sup>st</sup> Mar 09
<b>INCOME</b>			
Gross Sales		163,650,738	148,780,486
Less : Cenvat Duty recovered on sales		<u>12,524,594</u>	<u>16,230,591</u>
Net Sales		151,126,144	132,549,895
Other Income	12	824,856	2,090,916
<b>TOTAL</b>		<b><u>151,951,000</u></b>	<b><u>134,640,811</u></b>
<b>EXPENDITURE</b>			
Raw Materials Consumed	13	93,135,872	84,691,312
(Increase)/Decrease in stock of Finished goods and Process Stock	14	4,854,011	(1,138,503)
Manufacturing Expenses	15	19,369,555	15,163,896
Payments to and Provision for Employees	16	4,063,050	3,139,992
Selling, Distribution, Administrative and Other Expenses	17	4,086,410	5,901,193
Finance charges	18	3,483,836	4,538,664
Depreciation		2,520,418	1,945,454
<b>TOTAL</b>		<b><u>131,513,152</u></b>	<b><u>114,242,008</u></b>
<b>Profit before tax</b>		<b>20,437,848</b>	<b>20,398,803</b>
Provision for Taxation	19	6,691,087	7,080,744
Short provision of taxation of earlier years		<u>190,319</u>	<u>203,198</u>
<b>Profit after tax</b>		<b>13,556,442</b>	<b>13,114,861</b>
Balance brought forward from previous year		39,195,028	31,206,766
Less:- Capitalised by issue of bonus shares		<u>1,150,000</u>	<u>-</u>
<b>TOTAL</b>		<b><u>51,601,470</u></b>	<b><u>44,321,627</u></b>
<b>Appropriations</b>			
Transferred to General Reserve		2,500,000	1,350,000
Proposed Dividend		3,873,600	3,228,000
Tax on Proposed Dividend		658,318	548,599
Balance Carried to Balance Sheet		44,569,552	39,195,028
<b>TOTAL</b>		<b><u>51,601,470</u></b>	<b><u>44,321,627</u></b>
<b>Basic &amp; Diluted Earning Per Share (Rs.)</b>		<b>7.00</b>	<b>6.77</b>
(See note no. 8 of Schedule 21 )			
<b>Significant Accounting Policies</b>	20		
<b>Notes on Accounts</b>	21		

Schedule 1 to 21 form part of this Balance Sheet

As per our attached report of even date.

**For C. C. Chokshi & Co.**

Chartered Accountants

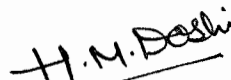
**H.P. Shah**

Partner

Place : Ahmedabad

Date : 21st April,2010

For and on behalf of the Board

**Hitendra M. Doshi**  
Chairman & M. D.

Place : Ahmedabad

Date : 21st April,2010

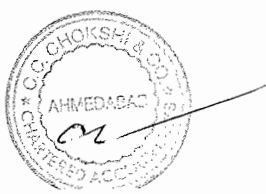
**Karuna J Mamtara**  
Director

# TRANSPARES LIMITED

## Cash Flow Statement for the year ended on 31<sup>st</sup> March, 2010

(Amount in Rs.)

	For the period ended on 31st Mar 10	For the year ended on 31 <sup>st</sup> Mar 09
<b>Cash Flow From Operating Activities</b>		
Profit before tax	20,437,848	20,398,804
<u>Adjustments for:</u>		
Interest income	(243,027)	(208,357)
Dividend Income	(16,250)	(16,250)
Provision for Doubtful Debts No Longer Required	-	(1,000,000)
Provision for Diminution In Value of Investment	-	333,000
Provision for Diminution In Value of Investment No Longer Required	(333,000)	-
Depreciation	2,520,418	1,945,454
Finance charges	3,483,836	4,538,664
Miscellaneous expenditure written off	35,500	35,500
	<u>5,447,477</u>	<u>5,628,011</u>
Operating Profit before Working capital changes	25,885,325	26,026,815
<u>Adjustment for :</u>		
Trade & other receivables	11,269,807	(19,216,053)
Inventories	(7,020,933)	4,683,710
Trade payables	6,221,686	8,238,695
	<u>10,470,560</u>	<u>(6,293,648)</u>
Cash generated from operations	36,355,885	19,733,167
Direct taxes paid	(7,327,300)	(3,991,122)
<b>Net Cash From Operating Activities - (A)</b>	<b><u>29,028,585</u></b>	<b><u>15,742,045</u></b>
<b>Cash flow from Investing activities</b>		
Purchase of fixed Assets	(19,801,250)	(19,879,055)
Dividend Received	16,250	16,250
Interest received	243,027	208,357
<b>Net Cash Used In Investing Activities - (B)</b>	<b><u>(19,541,973)</u></b>	<b><u>(19,654,448)</u></b>
<b>Cash flow from financing activities</b>		
Proceeds/Repayment from Borrowings	(899,522)	14,401,936
Interest & Finance charges Paid	(3,481,839)	(4,538,664)
Dividend paid and Tax thereon	(3,776,599)	(2,517,732)
<b>Net Cash Used In Financing Activities - (C)</b>	<b><u>(8,157,960)</u></b>	<b><u>7,345,540</u></b>
Net Changes in Cash & Cash Equivalents (A+B+C)	1,328,652	3,433,137
Add : Cash & Cash Equivalents- Opening Balance	3,538,678	105,541
<b>Cash &amp; Cash Equivalents - Closing Balance</b>	<b><u>4,867,330</u></b>	<b><u>3,538,678</u></b>



Notes

(Amount in Rs.)

	As at 31st Mar 2010	As at 31st Mar 2009
1. Cash and cash equivalents includes:		
Cash on hand	34,537	22,421
<u>With Scheduled banks:</u>		
In Current Accounts	47,583	134,257
In Margin Money Accounts	4,785,210	3,382,000
Total	<u>4,867,330</u>	<u>3,538,678</u>

2. Cash and Cash Equivalent include following amounts not available immediate use :-

In Margin Money Accounts	4,785,210	3,382,000
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3. Interest paid is exclusive of and Purchase of Fixed Assets is inclusive of Interest Capitalised

4. 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.

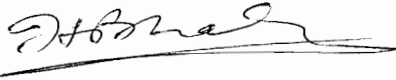
5. The previous year's figures have been regrouped wherever necessary.

As per our attached report of even date.

**For C. C. Chokshi & Co.**

Chartered Accountants

For and on behalf of the Board



**H.P. Shah**

Partner

Place : Ahmedabad

Date : 21<sup>st</sup> April, 2010




**Hitendra M. Doshi**

Chairman & M. D.

Place : Ahmedabad

Date : 21<sup>st</sup> April, 2010



**Karuna J. Mamtara**

Director

**Schedules forming part of Balance Sheet**

Schedule '1'	As at 31st Mar 10	As at 31st Mar 09
<b>Share Capital</b>		
<b>Authorised</b>		
2,000,000 Equity Shares of Rs. 10/- each	20,000,000	20,000,000
<b>Issued, Subscribed and Paid Up :</b>		
1,936,800 (Previous Year 1,076,000) Equity Shares of Rs. 10/- each fully paid up	19,368,000	10,760,000
<b>Total</b>	<b>19,368,000</b>	<b>10,760,000</b>

Notes

Of the above shares :

- (i) During the year, 860,800 equity shares have been allotted as fully paid up by way of bonus shares by capitalisation of surplus in Profit and Loss account Rs. 1,150,000, and General Reserve Rs. 7,458,000.
- (ii) 987,768 (Previous Year 548,760) equity shares are held by holding company M/s Transformers & Rectifiers (India) Limited.

Schedule '2'	As at 31st Mar 10	As at 31st Mar 09
<b>Reserve &amp; Surplus</b>		
General Reserve		
As per last balance sheet	7,481,275	6,131,275
Less: Capitalised by Issue of Bonus Shares	7,458,000	-
Add : Amount transferred from Profit and Loss Account	2,500,000	1,350,000
	2,523,275	7,481,275
Surplus in Profit & Loss Account	44,569,552	39,195,028
<b>Total</b>	<b>47,092,827</b>	<b>46,676,303</b>

Schedule '3'	As at 31st Mar 10	As at 31st Mar 09
<b>Secured Loans</b>		
<b>From Banks</b>		
Cash Credit Account (Note : 1)	22,046,704	22,639,364
Term Loan (Note : 2)	22,120,897	22,427,759
Interest Accrued and Due	222,086	220,089
<b>Total</b>	<b>44,389,687</b>	<b>45,287,212</b>

Notes:

- Secured by the Hypothication of entire Current Assets of the Company  
Collaterally Secured by equitable mortgage over factory land and building of the Company and hypothication of all plant & machinery (other than those acquired out of the term loan). Further secured by personal guarantee of some Directors and corporate guarantee given by the Holding Company.
- Secured by the Hypothication of Fixed Assets acquired out of the Term Loan  
Collaterally Secured by equitable mortgage over factory land and building of the Company and hypothication of all plant & machinery (other than those acquired out of the term loan). Further secured by personal guarantee of some Directors and corporate guarantee given by the Holding Company.
- Payable within 12 months out of the above loans is Rs. 7,800,000 (Previous Yr. Rs. 7,800,000)



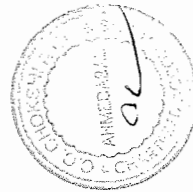
**Schedules forming part of Balance Sheet**

**SCHEDULE : 4 - Fixed Assets**

Sr No	Particulars	GROSS BLOCK (At Cost)				DEPRECIATION			NET BLOCK	
		As at 1st Apr 09	Additions	Deductions	As at 31st Mar 10	For the year	Adjustments	Up to 31st Mar 10	As at 31st Mar 10	31st Mar 10
1	Land	790,084	-	-	790,084	-	-	-	790,084	790,084
2	Building	7,122,450	14,796,584	-	21,919,034	1,233,459	364,558	1,598,017	20,321,017	5,888,017
3	Plant & Machinery	18,048,046	2,239,755	-	20,287,801	3,499,488	1,429,200	4,928,688	15,359,114	14,548,426
4	Electrifications	2,808,383	976,574	-	3,784,957	570,722	226,894	797,616	2,987,342	2,237,726
5	Furniture & Fixtures & Office Equipments	1,730,755	205,346	-	1,936,101	296,808	137,649	434,457	1,501,644	1,433,185
6	Computer & Accessories	560,573	36,600	-	597,173	302,895	98,264	401,159	196,014	257,159
7	Vehicals	1,484,609	2,509,937	-	3,994,546	613,497	263,853	877,350	3,117,196	871,346
	<b>TOTAL</b>	<b>32,544,900</b>	<b>20,764,796</b>	<b>-</b>	<b>53,309,697</b>	<b>6,516,869</b>	<b>2,520,418</b>	<b>9,037,287</b>	<b>44,272,411</b>	<b>26,028,124</b>
	<b>Previous Year</b>	<b>22,815,716</b>	<b>9,729,184</b>	<b>-</b>	<b>32,544,900</b>	<b>4,571,415</b>	<b>1,945,454</b>	<b>6,516,869</b>	<b>174,895,096</b>	<b>17,097,127</b>
	<b>Capital Work In Progress</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,331,329</b>	<b>29,294,658</b>

**Notes:**

- Capital Work In Progress includes Rs 6,413,726/- on account of advance against Capital Expenditure (Previous Year Rs.13,930,886/-)
- Capital Work In Progress includes interest of Rs.2,590,874/- (Previous Year Rs.1,424,507/-).



**Schedules forming part of Balance Sheet**

Schedule ' 5 '	As at 31st Mar 10	As at 31st Mar 09
<b>Investments</b>		
Unquoted - Non Trade		
1) <u>Long term investments (At Cost)</u>		
In Equity shares (Fully paid up)		
1,250 The Bhagyodaya Co-operative Bank Ltd. of Rs.100/- each	125,000	125,000
	<u>125,000</u>	<u>125,000</u>
2) <u>Current investments</u>		
100,000 SBI Blue Chip Fund of Rs.10/- each	1,000,000	1,000,000
Less : Provision for Diminution In Value of Investment	-	(333,000)
	<u>1,000,000</u>	<u>667,000</u>
<b>Total</b>	<b><u>1,125,000</u></b>	<b><u>792,000</u></b>
Unquoted investments	Cost price 125,000	125,000
Mutual Funds	Cost price 1,000,000	1,000,000
	Repurchase Price 1,229,000	667,000

Schedule ' 6 '	As at 31st Mar 10	As at 31st Mar 09
<b>Inventories</b>		
(Raw materials, Process stock and finished goods are valued at lower of cost and net realisable value)		
<u>Stock- in -Trade</u>		
Raw Materials	17,667,200	5,792,256
[Including Goods In Transit Rs.889,175 (Previous year: Rs.527,074)]		
Finished Goods	3,886,721	7,728,768
Process Stock	395,735	1,407,699
<b>Total</b>	<b><u>21,949,656</u></b>	<b><u>14,928,723</u></b>

Schedule ' 7 '	As at 31st Mar 10	As at 31st Mar 09
<b>Sundry Debtors</b>		
(Unsecured)		
<u>Exceeding Six months</u>		
Considered Good	1,577,417	-
Considered Doubtful	3,976,410	3,976,410
<u>Others Debts</u>		
Considered Good	47,906,238	61,775,861
	<u>53,460,065</u>	<u>65,752,271</u>
Less : Provision for Doubtful Debts	3,976,410	3,976,410
<b>Total</b>	<b><u>49,483,655</u></b>	<b><u>61,775,861</u></b>

Schedule ' 8 '	As at 31st Mar 10	As at 31st Mar 09
<b>Cash &amp; Bank Balances</b>		
Cash	34,537	22,421
<u>Balances with Scheduled Banks :</u>		
In Current Accounts	47,583	134,257
In Margin Money Accounts	4,785,210	3,382,000
<b>Total</b>	<b><u>4,867,330</u></b>	<b><u>3,538,678</u></b>





**Schedules forming part of Balance Sheet**

Schedule ' 9 '	As at 31st Mar 10	As at 31st Mar 09
<b>Loans &amp; Advances</b>		
(Unsecured, considered good)		
Prepaid Expenses	232,494	88,755
Advances to suppliers	288,076	-
Loans and advances to staff	289,858	327,430
Deposits and balances with government and other authorities	964,480	262,825
Other deposits	624,861	688,242
Interest receivable	117,319	127,435
<b>Total</b>	<b>2,517,088</b>	<b>1,494,687</b>

Schedule ' 10 '	As at 31st Mar 10	As at 31st Mar 09
<b>Current Liabilities &amp; Provisions</b>		
<u>Current Liabilities</u>		
Sundry Creditors :		
a) Micro & Small Enterprises (to the extent identified with available information)	-	-
b) Others	31,146,192	24,846,539
	<u>31,146,192</u>	<u>24,846,539</u>
Other Liabilities	1,683,456	1,337,307
<u>Provisions</u>		
Proposed Dividend	3,873,600	3,228,000
Tax on proposed dividend	658,318	548,599
Provision for Gratuity	-	160,666
Provision for Leave encashment	279,415	337,843
Provision for taxation (Net of advance tax and TDS)	1,146,563	2,846,493
<b>Total</b>	<b>38,787,544</b>	<b>33,305,447</b>

Note :

There is no amount due and outstanding as at balance sheet date to be credited to Investor Education and Protection Fund.

Schedule ' 11 '	As at 31st Mar 10	As at 31st Mar 09
<b>Miscellaneous Expenses</b>		
(To the extent not written off or adjusted)		
Share Issue Expense	35,500	71,000
Less : Written off	35,500	35,500
	<u>-</u>	<u>35,500</u>
<b>Total</b>	<b>-</b>	<b>35,500</b>



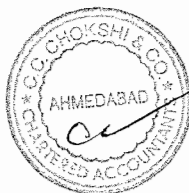
**Schedules forming part of the Profit and Loss account**

Schedule ' 12 '	For the year ended on 31st Mar 10	For the year ended on 31st Mar 09
<b>Other Income</b>		
Interest Received	243,027	208,357
Rent Received	36,000	36,000
Scrap Sales	109,775	223,150
Dividend Income	16,250	16,250
Other Income	86,804	607,159
Provision for Doubtful Debt no longer required	-	1,000,000
Provision for Diminution in value of Investment no longer required	333,000	-
<b>Total:</b>	<u><u>824,856</u></u>	<u><u>2,090,916</u></u>

Schedule ' 13 '	For the year ended on 31st Mar 10	For the year ended on 31st Mar 09
<b>Raw Materials Consumed</b>		
Opening Stock	5,792,256	11,614,469
Add : Purchases (Net of Cenvat Credit)	105,010,816	78,869,099
Less : Closing Stock	17,667,200	5,792,256
<b>Total:</b>	<u><u>93,135,872</u></u>	<u><u>84,691,312</u></u>

Schedule ' 14 '	For the year ended on 31st Mar 10	For the year ended on 31st Mar 09
<b>(Increase)/Decrease in stock of Finished Goods and Process stock</b>		
<b>Closing Stocks</b>		
Finished Goods	3,886,721	7,728,768
Process Stock	395,735	1,407,699
	<u>4,282,456</u>	<u>9,136,467</u>
<b>Less : Opening Stocks</b>		
Finished Goods	7,728,768	5,808,470
Process Stock	1,407,699	2,189,494
	<u>9,136,467</u>	<u>7,997,964</u>
<b>Total:</b>	<u><u>4,854,011</u></u>	<u><u>(1,138,503)</u></u>

Schedule ' 15 '	For the year ended on 31st Mar 10	For the year ended on 31st Mar 09
<b>Manufacturing Expenses</b>		
Power & Fuel	4,129,258	3,011,586
Job Work Charges & Other Manufacturing Expenses	12,480,757	10,379,233
Repairs		
Plant and Machinery	1,489,871	807,825
Factory Building	52,736	3,800
	<u>1,542,607</u>	<u>811,625</u>
Workers Wages	1,439,115	1,099,467
Testing Charges	3,238	5,640
Cenvat Duty provided on stock	(225,420)	(143,655)
<b>Total:</b>	<u><u>19,369,555</u></u>	<u><u>15,163,896</u></u>



**Schedules forming part of the Profit and Loss account**

<b>Schedule ' 16 '</b>	<b>For the year ended on 31st Mar 10</b>	<b>For the year ended on 31st Mar 09</b>
<b>Payments to and Provisions for Employees</b>		
Salaries, Bonus, Gratuity, etc.	3,768,843	2,926,095
Contribution to Provident and other funds	292,861	213,897
Employee welfare expenses	1,346	-
<b>Total:</b>	<b><u>4,063,050</u></b>	<b><u>3,139,992</u></b>

<b>Schedule ' 17 '</b>	<b>For the year ended on 31st Mar 10</b>	<b>For the year ended on 31st Mar 09</b>
<b>Selling, Distribution, Administrative and Other Expenses</b>		
Rates and taxes	9,400	9,197
Repairs: Others	2,623	19,885
Insurance	153,348	159,886
Selling Expenses	1,445,048	2,088,263
Stationary, Printing, Postage and Telephone	165,432	182,249
Travelling Expenses & Conveyance	559,544	494,497
Bank charges	103,489	388,393
Legal & Professional Charges	613,068	901,409
Audit Fees	100,000	100,000
Sales Commission	-	320,357
Membership & Subscription Fees	32,530	35,736
Security service charges	344,310	279,334
After sales services	17,655	18,346
General charges	354,348	370,363
Cenvat Duty Expense	149,615	164,778
Sales Tax Expenses	500	-
Diminutions in Value of Current Investment	-	333,000
Preliminary Expense	35,500	35,500
<b>Total:</b>	<b><u>4,086,410</u></b>	<b><u>5,901,193</u></b>

<b>Schedule ' 18 '</b>	<b>For the year ended on 31st Mar 10</b>	<b>For the year ended on 31st Mar 09</b>
<b>Finance Charges</b>		
Interest on fixed loans from Banks	2,618,482	3,306,654
Interest - Others	772,455	766,993
Bill discounting charges	92,899	465,017
<b>Total:</b>	<b><u>3,483,836</u></b>	<b><u>4,538,664</u></b>

<b>Schedule ' 19 '</b>	<b>For the year ended on 31st Mar 10</b>	<b>For the year ended on 31st Mar 09</b>
<b>Provision for Taxation</b>		
Current Tax (Including Wealth Tax)	5,642,073	5,670,000
Deferred Tax	1,049,014	1,365,475
Fringe Benefit Tax	-	45,269
<b>Total:</b>	<b><u>6,691,087</u></b>	<b><u>7,080,744</u></b>



- 1) **Accounting Convention :**  
The accounts are prepared on historical cost basis and based on accrual method of accounting and applicable Accounting Standards.
- 2) **Use of Estimates**  
The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on date of the financial statement and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known/ materialized.
- 3) **Fixed Assets:**
  - a) Tangible Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes non-refundable taxes and levies, freight and other incidental expenses related to acquisition and installation of the respective assets.
  - b) Certain computer software costs are capitalised and recognised as intangible assets in terms of Accounting Standard 26 on intangible assets based on materiality, accounting prudence and significant economic benefits expected to flow therefrom for a period longer than 1 year. Capitalised cost include direct cost of implementation and expenses directly attributable to the implementation.
  - c) The Company evaluates the impairment losses on the fixed assets whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. If such assets are considered to be impaired the impairment loss is then recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the
- 4) **Depreciation :**
  - a) Depreciation on fixed assets is provided on Straight Line Method in accordance with Section 205 (2) (b) of the Companies Act, 1956 at the rate and in the manner prescribed in schedule XIV of the said Act.
  - b) Computer software costs capitalised are amortised using the Straight Line Method over estimated useful life of 3 to 5 years, as estimated at the time of capitalisation.
- 5) **Investments :**
  - a) Long Term investments are stated at cost and provision is made to recognise any diminution in value, other than that of temporary nature.
  - b) Current investments are carried at lower of cost and market value. Diminution in value is charged to the profit and loss account.
- 6) **Inventories:**
  - a) Raw materials, Process stock and Finished Goods are valued at lower of cost or net realisable value.
  - b) Cost for Raw materials is determined on Weighted Average/FIFO basis, net of cenvat credit availed.
  - c) Cost for Finished Goods and Process Stock is determined taking material cost [Net of cenvat credit availed] labour and relevant appropriate overheads and cenvat duty.
- 7) **Revenue Recognition**  
In appropriate circumstances, Revenue (income) is recognised when no significant uncertainty as to determination or realisation exists.
- 8) **Sales/Service Income:**  
Sales of products are recognised when risk and rewards of ownership of the products are passed on to the customers, which is generally on despatch of goods.
- 9) **Cenvat credit:**  
Cenvat credit is accounted for on accrual basis on purchase of eligible inputs, capital goods and services.



10) **Prior Period Expenses/Income:**

Material items of prior period expenses/income are disclosed separately.

11) **Employees Benefits:**

a) Defined Contribution Plan

The Company's contributions paid / payable for the year to Provident Fund are recognised in the profit and loss accounts.

b) Defined Benefit Plan

The Company's liabilities towards gratuity, and leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognised on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognised immediately in the profit and loss account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

12) **Borrowing Cost**

Interest and other costs in connection with the borrowings of the funds to the extents related/attributed to the acquisition /construction of qualifying fixed assets are capitalised upto the date when such assets are ready for their intended use and other borrowing costs are charged to Profit And Loss Account.

13) **Miscellaneous Expenditure:**

a) Shares issue expenses incurred are amortised over a period of five years.

14) **Taxes on Income :**

Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with provision of Income Tax Act, 1961. Deferred tax resulting from "timing difference "between book and taxable profit is accounted for using the tax rates and laws that have been enacted or subsequently enacted as on the balance sheet date. The Deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

15) **Leases**

Lease transaction entered into on or after April 1, 2001:

a) Assets acquired under lease where the company has substantially all risk and rewards incidental to ownership are classified as finance leases. Such assets are capitalised at the inception of lease at the lower of fair value or the present value of minimum lease payment and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability of each period.

b) Assets acquired on lease where a significant portion of risk and rewards incidental to ownership is retained by the lessor are classified as operating lease. Lease rental are charged to the profit and loss account on accrual basis..

16) **Earnings Per Share:**

The Company reports basic and diluted Earnings Per Share (EPS) in accordance with Accounting Standard 20 on Earnings Per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year.

17) **Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.



## Schedule 21

### Notes Forming Part Of Accounts:

#### 1. Contingent Liability in respect of :

Particulars	<i>(Amount in Rs.)</i>	
	As at 31st Mar 10	As at 31st Mar 09
a) Disputed demand of Income Tax department (Net of advance paid)	NIL	23,524
b) Letters of Credit discounted with Banks	NIL	5,526,402

2. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 1,15,00,000 [Previous year 22,500,000].

3. Previous Years' figures have been regrouped wherever necessary to make them comparable with the figures of this year.

4. Cenvat duty shown as a deduction from the Gross Sales represents the amount of excise duty collected on sales. Cenvat duty provided on stock expensed under Schedule – 15, "Manufacturing expenses", represents the difference between excise duty element in the amounts of closing stocks & opening stocks.

#### 5. Profit and Loss includes :

a) Managing Director's Remuneration

Particulars	<i>(Amount in Rs.)</i>	
	For the year ended on 31st Mar 10	For the year ended on 31st Mar 09
Salary	1,200,000	834,000
Perquisites	494,728	391,131

b) Auditors' Remuneration

Particulars	<i>(Amount in Rs.)</i>	
	For the year ended on 31st Mar 10	For the year ended on 31st Mar 09
Audit Fees	100,000	100,000
Tax Audit Fees	25,000	25,000

6. Tax assessment of the Company under Income Tax Act 1961, has been completed up to Financial Year 2006-2007 and the sales tax assessment up to Financial Year 2006-2007.



7. **Employee Benefits :**

Defined Benefit Plans :

(Amount in Rs.)

Particulars	Gratuity		Leave Encashment	
	2009-10	2008-09	2009-10	2008-09
i. Expenses recognized in Profit & Loss				
Account for the year				
Current service cost	75,723	-	-	-
Interest Cost	29,437	-	-	-
Expected return on plan assets	(25,567)	-	-	-
Net actuarial losses (gains)	(131,407)	55,654	(58,428)	75,028
Total Expenses	(51,814)	55,654	(58,428)	75,028
ii. Reconciliation of Opening and Closing balances of changes in present value of the Defined Benefit Obligation				
Opening defined benefit obligation	356,810	301,156	337,843	262,815
Service cost	75,723	-	-	-
Interest cost	29,437	-	-	-
Actuarial losses (gains)	(131,407)	55,654	(58,428)	75,028
Losses (gains) on curtailments	-	-	-	-
Liabilities extinguished on settlements	-	-	-	-
Benefits paid	-	-	-	-
Closing defined benefit obligation	330,563	356,810	279,415	337,843
iii. Reconciliation of Opening and Closing balances of changes in fair value of plan assets				
Opening fair value of plan assets	196,144	-	-	-
Expected return on plan assets	25,567	-	-	-
Actuarial gains and (losses)	-	-	-	-
Assets distributed on settlements	-	-	-	-
Contributions by employer	209,300	196,144	-	-
Benefits paid	-	-	-	-
Closing balance of fair value of plan assets	431,011	196,144	-	-
iv Net Liability recognized in the Balance Sheet				
Defined Benefit Obligation	330,563	356,810	279,415	337,843
Fair Value of plan assets	431,011	196,144	-	-
Present Value of unfunded obligation recognized as liability	(100,448)	160,666	279,415	337,843
V. Actual Return on Plan Assets				
	-	-	-	-
VI. Major categories of Plan Assets as a Percentage of total plan assets are as Follows:				
Policy of Insurance	100%	100%		



VII Actuarial Assumption

As at 31<sup>st</sup> March 2010

Discount Rate	8.25%
Expected rate of return on plan assets	8.5% Based on LIC Structure of interest rates on gratuity funds
Expected rate of salary increase	6%
Mortality	LIC (1994-96) published table of rates
Withdrawal Rates	5% at younger ages reducing to 1% at older age
Retirement Age	58 Years
Actuarial Valuation Method	Projected Unit Credit Method

(b) **Defined Contribution Plans:**

Rs. 292,861 recognised as an expenses and included in the Schedule 16 of Profit and Loss Account under the head "Salaries, Bonus, Gratuity etc."

**8. Earning per Equity Share :**

	<i>(Amount in Rs.)</i>	
	For the year ended on 31st Mar 10	For the year ended on 31st Mar 09
Profit after tax as per Profit & Loss Account (a)	13,556,442	13,114,861
Weighted average number of Equity Shares (b)	1,936,800	1,936,800*
Nominal Value of Equity Shares (Rs.)	10	10
EPS (Basic & Diluted) (Rs.) (a)/(b)	7.00	6.77

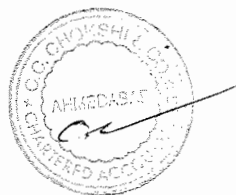
\* Adjusted for Bonus shares issued during the year ended on 31<sup>st</sup> March.2010

**9. Components of Deferred Tax Liability are as under :**

	<i>(Amount in Rs.)</i>	
	As at 31st Mar 10	As at 31st Mar 09
<b>(A) Deferred Tax Liability:</b>		
Difference between book and tax depreciation	4,354,966	3,380,422
<b>(B) Deferred Tax Assets</b>		
Disallowance under Income Tax, 1961	1,446,555	1,521,025
<b>Net Deferred Tax Liability (A)-(B)</b>	2,908,411	1,859,397

**10. Segment Reporting :**

The company is in the business of Pressed Steel Radiators. In the context of Accounting Standard 17, on Segment Reporting issued by Institute of Chartered Accountant of India, is considered to constitute one single primary segment.





**11. Related party transactions :**

(a) Names of related parties and description of relationship :

Sr. No.	Nature of Relationship	Name of Related Parties
1	Holding Company	Transformer & Rectifiers (India) Limited
2	Fellow Subsidiary Company	Transweld Mechanical Engineering Works Ltd
3	Key Management Personnel	Mr. Hitendra M. Doshi
4	Enterprise over which Key Managerial Personnel is able to exercise significant influence	Transpower

(b) Details of transactions with related parties:

(Amount in Rs.)

Particulars	2009-2010	2008-2009
<b>(A) Volume of Transactions</b>		
<b>1) Service Rendered</b>		
<b>Holding Company</b>		
Transformers & Rectifiers (India) Limited	36000	7,98,140
<b>2) Purchase of Goods</b>		
<b>Holding Company</b>		
Transformers & Rectifiers (India) Limited	3,37,651	-
<b>Fellow Subsidiary Company</b>		
Transweld Mechanical Engineering Works Limited	68,186	108,703
<b>3) Purchase of Capital Goods</b>		
<b>Fellow Subsidiary Company</b>		
Transweld Mechanical Engineering Works Limited	3,20,631	1,56,843
<b>4) Sale of Goods</b>		
<b>Holding Company</b>		
Transformers & Rectifiers (India) Limited	121,644,541	96,293,621



**5) Managerial Remuneration**

**Key Management Personnel**

Mr. Hitendra M. Doshi 1,694,728 1,225,131

**6) Dividend Paid**

**Holding Company**

Transformers & Rectifiers (India) Limited 1,646,280 1,097,520

**Key Management Personnel**

Mr. Hitendra M. Doshi 1,580,220 1,053,480

**6) Bonus shares issued**

**Holding Company**

Transformers & Rectifiers (India) Limited 4,390,080

**Key Management Personnel**

Mr. Hitendra M. Doshi 4,213,920

**(B) Balance at the end of the period**

**1) Due from**

**Holding Company**

Transformers & Rectifiers (India) Limited 41,159,764 40,840,063

**12. Information pursuant to the provisions of paragraphs 3,4C & 4D of Part II of Schedule VI to the Companies Act, 1956**

**a) Particulars of Capacity: (As certified by management)**

	UOM	For the year ended on 31st Mar 10	For the year ended on 31st Mar 09
Licensed Capacity	TON	N.A.	N.A.
Installed Capacity	TON	1500	1500

**(b) Details of Products Manufactured, Turnover, Opening Stock and Closing Stock:**

Product/ Year	Opening stock		Production		Turnover		Closing Stock	
	Nos.	Amount Rs.	Nos.	Nos.	Amount Rs.	Nos.	Amount Rs.	

**1) Electric Transformer Radiators**

2009-10	459	7,728,768	5096	5295	151,126,668	260	3312062
2008-09	297	5,808,470	5465	5303	132,549,895	459	7,728,768



(c) Particulars of Raw Material Consumed:

Indigenous	UNIT	2009-10		2008-2009	
		Qty	Value (Rs.)	Qty	Value (Rs.)
CRCA	Kgs	1856162	61,201,126	1,384,841	54,721,309
Paint	Ltrs	125701	22,611,465	96,945	18,274,835
Others	-		9,323,281		11,695,168
<b>Total</b>			<b>93,135,872</b>		<b>84,691,312</b>

(d) Value of Imported and Indigenous Raw Materials and tools and percentage thereof to the total consumption

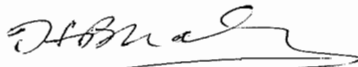
Particulars	Particulars	Value in Rs.		Value in Rs.	
		2009-10	Percent	2008-09	Percent
Raw Materials	Imported	NIL	0%	NIL	0%
	Indigenous	93,135,872	100%	84,691,312	100%
<b>Total</b>		<b>93,135,872</b>		<b>84,691,312</b>	

13. The Company is in process of compiling relevant information from its suppliers about their coverage under the "Micro, Small and Medium Enterprises Development Act, 2006". Since the relevant information from vendors is still not available, no disclosure have been made in the accounts. In the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

Signature to Schedule 1 to 21

As per our attached report of even date

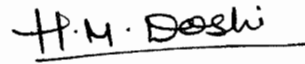
For C.C.Chokshi & Co.  
Chartered Accountants



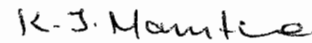
**H.P. Shah**  
Partner

Ahmedabad  
Date: 21<sup>st</sup> April, 2010

For and on behalf of Board of Directors



**Hitendra M. Doshi**  
Director



**Karunaben J. Mamtara**  
Director

Ahmedabad  
Date: 21<sup>st</sup> April, 2010

**14. Balance Sheet Abstract and Company's General Business Profile as Per Schedule VI of The Companies Act, 1956.**

**1. REGISTRATION DETAILS :**

Registration No.(CIN) : U31102GJ1995PLC024841  
Balance Sheet Date : 31.03.2010  
State Code No. : 04

**2. CAPITAL RAISED DURING THE YEAR :**

Public Issue : Nil  
Right Issue : Nil  
Preferential Allotment : Nil  
Bonus Issue : 860,800  
Private Placement : Nil

**3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS :**

Total Liabilities : Rs. 113,758,925  
Total Assets : Rs. 113,758,925

**SOURCES OF FUNDS:**

Paid up Capital : Rs. 19,368,000  
Secured Loans : Rs. 44,389,687  
Reserve & Surplus : Rs. 47,092,828  
Unsecured Loans :Rs. Nil  
Deferred Tax Liability : Rs. 2,908,11

**APPLICATION OF FUNDS:**

Net Fixed Assets : Rs. 72,603,742  
Net Current Assets : Rs. 40,030,184  
Investment : Rs. 1,125,000  
Misc. Expenditure : Rs. NIL

**4. PERFORMANCE OF COMPANY:**

Total Income : Rs. 151,951,000  
Profit Before Tax. : Rs. 20,437,848  
Earning per share : Rs. 7.00  
Total Expenditure : Rs. 131,513,152  
Profit After Tax : Rs. 13,556,442  
Dividend Rate : 20%

**5. GENERIC NAME OF PRINCIPAL PRODUCT OF THE COMPANY:**

**Item Code No.** 8504

**Product Description** : - Press Steel Radiators

For and on behalf of the Board of Directors



**Hitendra M. Doshi**  
Chairman & M. D.



**Karuna J. Mamtara**  
Director

Place : Ahmedabad  
Date : 21<sup>st</sup> April,2010