

# 16th Annual Report- Transcorp International Limited

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## **Corporate Information**

### **Board of Directors**

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

### **Company Secretary**

Mr. Dilip Kumar Morwal

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

### **Bankers**

HDFC Bank Limited  
ICICI Bank Limited

### **Registered Office**

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

### **Corporate Office**

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

### **Head Office**

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

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## **NOTICE FOR 16<sup>TH</sup> ANNUAL GENERAL MEETING**

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

### **ORDINARY BUSINESS**

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

### **SPECIAL BUSINESS**

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

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

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

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

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

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

**Place:** New Delhi

**Date:** 23.05.2011

**Registered Office:**

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

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

**DILIP KUMAR MORWAL  
COMPANY SECRETARY**

**Notes:**

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

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

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

**Place:** New Delhi  
**Date:** 23.05.2011

**DILIP KUMAR MORWAL  
COMPANY SECRETARY**

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

### **ITEM NO. 6**

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

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

For the above purpose an ordinary resolution is required.

Board recommends the passing of the resolution.

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

### **ITEM NO. 7**

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

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

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

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Board recommends the passing of the resolution.

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

## **ANNEXURE TO THE AGM NOTICE**

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

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

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## DIRECTOR'S REPORT

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

## FINANCIAL RESULTS

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

## DIVIDEND

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

## OPERATIONS

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

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

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

## ACCOUNTS

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

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

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## **DIRECTORS**

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

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

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

## **AUDITORS**

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

## **CORPORATE GOVERNANCE**

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

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

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

## **WHOLLY OWNED SUBSIDIARIES**

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

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

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## **DISCLOSURES**

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

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

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

## **PARTICULARS OF EMPLOYEES**

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

## **PUBLIC DEPOSITS**

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

## **DIRECTOR'S RESPONSIBILITY STATEMENT**

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

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

## **INFORMATION TECHNOLOGY**

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



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## **COMPLIANCE**

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

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

## **MATERIAL CHANGES**

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

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

## **ACKNOWLEDGEMENTS**

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

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

**For and on behalf of the Board**

Place: New Delhi  
Date: 23<sup>rd</sup> May 2011  
**DUTTA**

**VINEET AGARWAL**

**SOUMYA**

*Director*

*Director*

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## **ANNEXURE TO THE DIRECTORS' REPORT**

### **REPORT ON CORPORATE GOVERNANCE**

#### **COMPANY'S PHILOSOPHY**

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

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

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

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

#### **Code of Conduct & Ethics:-**

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

#### **BOARD OF DIRECTORS**

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

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

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

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Name	Category	No. of Board Meetings attended During the year	AGM Attended	No. of directorship in other public companies in India		No. of Committee positions in other public companies *	
				Chairman	Member	Chairman	Member
Dr. Ram S. Tarneja	Independent & Non – Executive	4	No	1	10	2	4
Mr. Ashok Kumar Agarwal	Promoter	5	Yes	None	4	1	None
Mr. Anil Kumar Khandelwal	Independent & Non-Executive		No	None	1	None	None
Mr. Aloke Choudhary	Promoter's Relative & Non – Executive	4	No	None	None	None	None
Mr. Vineet Agarwal	Promoter's Relative & Non – Executive	5	Yes	None	3	None	1
Mr. Soumya Dutta	Independent & Non – Executive	3	Yes	None	None	None	None
Mr. Suresh Kumar Gambhir**	Independent & Non-Executive	1	No	None	None	None	None
Mr. Amitava Ghosh	WTD (Executive Director)	4	Yes	N.A.	N.A.	N.A.	N.A.

## **Note:**

\* Audit Committee and Shareholders Grievance Committee.

\*\* Mr. Suresh Kumar Gambhir resigned from the Board w.e.f. 26<sup>th</sup> October 2010.

## **Pursuant to good Corporate Governance the Independent Directors on Board:**

- Apart from receiving Director's remuneration (sitting fee and other amount viz., profit share etc.), do not have any material pecuniary relationships or transactions with the company, its promoters, its Directors, its senior management & associates which may affect independence of the Director.
- Are not related to promoters or persons occupying management positions at the board level or at one level below the board.
- Have not been an executive of the company in the immediately preceding three financial years.
- Are not partners or executives or were not partners or an executive during the preceding three years of the:
  - Statutory audit firm or the internal audit firm that is associated with the Company.
  - Legal firm(s) and consulting firm(s) that have a material association with the company.
- Are not material suppliers, service providers or customers or lessors or lessees of the company, which may affect independence of the Director.
- Are not substantial shareholders of the Company i.e. do not own two percent or more of the block of voting shares.

## **Information Supplied to the Board**

The Board has complete access to all information with the Company. Inter-alia, the following information is regularly provided to the Board as a part of the agenda papers well in advance of the Board meetings or is tabled in the course of the Board meeting:

- Annual operating plans & budgets and any update thereof.
- Capital budgets and any updates thereof.
- Quarterly results for the Company and operating divisions and business segments.
- Quarterly report on receivables and recovery efforts made.
- Minutes of the meetings of the audit committee and other committees of the Board.
- Materially important show cause, demand, prosecution notices and penalty notices.
- Details of any joint venture or collaboration agreement.
- Any significant development in human resources.

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• Compliance status of various regulatory, statutory or listing requirements and shareholders service such as payment of dividend, share transfer, etc.

## **Meeting of Board:-**

Five Board meetings were held during the year on 14<sup>th</sup> May 2010, 21<sup>st</sup> July 2010, 6<sup>th</sup> August 2010, 26<sup>th</sup> October 2010, and on 24<sup>th</sup> January 2011.

The maximum gap between any two Board meetings was less than 4 months.

Mr. Ashok Kumar Agarwal, Mr. Vineet Agarwal, Mr. Soumya Dutta attended the 15<sup>th</sup> Annual General Meeting of the company held on 21<sup>st</sup> July, 2010.

## **COMMITTEES OF BOARD**

### **AUDIT COMMITTEE**

The Audit Committee has been formed with a view to provide assistance to the board in fulfilling the Board's responsibilities.

The role of the Audit Committee includes the following:-

- Overseeing the Company's financial reporting process and disclosure of its financial information.
- Reviewing the Company's treasury policy.
- Recommending the appointment of the Statutory Auditors and fixation of their remuneration.
- Reviewing and discussion with the Statutory Auditors and the Internal Auditor about internal control system.
- Reviewing the adequacy and independence of the Internal Audit function, and observations of the Internal Auditor.
- Reviewing major accounting policies and practices and adoption of applicable Accounting Standards.
- Reviewing major accounting transactions involving exercise of judgment by the management.
- Disclosure of contingent liabilities.
- Reviewing, if necessary, the findings of any internal investigations by the internal auditors and reporting the matter to Board.
- Reviewing the risk management mechanisms of the Company.
- Reviewing compliance with Listing Agreement and various other legal requirements concerning financial statements and related party transactions.
- Reviewing the Quarterly and Half yearly financial results and the Annual financial statements before they are submitted to the Board of Directors.
- Reviewing the operations, new initiatives and performance of the business divisions.
- To discuss and approve the budget of the company for all its division along with capital expenditure Budget.

Minutes of the Audit Committee Meetings are circulated to the Members of the Board of Directors and taken note of.

Terms of reference and powers of the committee include the areas/powers prescribed by clause 49 of the listing agreement of stock exchanges. Mr. Dilip Kumar Morwal, Company Secretary acts as the Secretary of the Committee.

The composition, names of members and particulars of the meetings and attendance of the members during the year are as follows:

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S.No.	Name of Members	Capacity	No. of meetings attended
1.	Dr. Ram S. Tarneja	Member	3
2.	Mr. Soumya Dutta	Member	3
3.	Mr. Vineet Agarwal	Member	4
4	Mr. Suresh Kumar Gambhir*	Member	1

\*Mr. Suresh Kumar Gambhir resigned from Board of Directors and Audit Committee w.e.f. 26<sup>th</sup> October 2010.

The Committee met four times on 14<sup>th</sup> May 2010, 21<sup>st</sup> July 2010, 26<sup>th</sup> October 2010 and on 24<sup>th</sup> January 2011 during the financial year 2010-11

All the members of the Audit Committee are financially literate and have accounting or related financial management expertise.

Commission and sitting fee to the Non-Executive Directors, for the year 2010-2011 are as detailed below:-

S. No.	Name of Director	Commission Paid* Rs.	Sitting Fees Rs.	Total Rs.
1	Dr. Ram S. Tarneja	NIL	41000	41000
2	Mr. Ashok Kumar Agarwal	337070	NIL	337070
3	Mr. Anil Kumar Khandelwal	NIL	25000	25000
4	Mr. Alope Choudhary	NIL	20000	20000
5	Mr. Vineet Agarwal	NIL	NIL	NIL
6	Mr. Soumya Dutta	NIL	36000	36000
7	Mr. Suresh Kumar Gambhir**	NIL	8000	8000

\*Due to non-receipt of approval of Department of Company Affairs for giving commissions to directors at the rate of 10%, no commission was disbursed to directors except to Mr. Ashok Agarwal (at the rate of 3%) during the year 2010-2011.

\*\* Mr. Suresh Kumar Gambhir resigned from the Board w.e.f. 26<sup>th</sup> October 2011.

There were no other pecuniary relationship or transactions of Non-Executive Directors vis-à-vis the Company. The Company has not granted any stock option to any of its Directors.

## **SHAREHOLDERS/INVESTORS GREIVANCE COMMITTEE**

The committee is consisting of three members:

S.No.	Name of members	Capacity	No. of meetings attended
1.	Mr. Alope Choudhary	Member	2
2.	Mr. Soumya Dutta	Member	2
3.	Mr. Vineet Agarwal	Member	2

The Board has designated Mr. Dilip Kumar Morwal, Company Secretary as the Compliance Officer.

The committee looks into the matters relating to investor grievances viz, transfer of shares, non-receipt of dividend, non-receipt of Balance Sheet and other matters relating thereto.

The committee met two times on 14<sup>th</sup> May 2010 and on 26<sup>th</sup> October 2010 during the year 2010-11. Number of shareholders complaint received during the year was NIL & complaint not solved to the satisfaction of shareholders were NIL.

# 16th Annual Report- Transcorp International Limited

## **DISCLOSURES**

### **A. Related Party Transactions:-**

The related party disclosures are provided in notes to account forming part of the Balance Sheet. However in the opinion of the Board these transactions may not have any potential conflict with the interest of the Company at large.

### **B. Compliance with Regulations:-**

There has been no non-compliance or penalties or strictures imposed on your company by any of the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

### **C. Risk Management:-**

The Company has adopted a Risk Management Policy. It has laid down the procedures to inform the Board Members every quarter about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure the executive management controls various risks by means of properly defined framework.

### **D. Accounting Standards:-**

The Company has duly followed the accounting standards laid down by the Institute of Chartered Accountants of India.

The Company has complied with the mandatory requirements of corporate governance as required by the listing agreement.

## **MEANS OF COMMUNICATION**

Your Company's quarterly/half yearly results are communicated through newspapers in Economic Times (Mumbai & Hyderabad), Andhra Bhoomi (Hyderabad) and Andhra Prabha (Hyderabad). The said results are sent to Stock Exchanges where the shares of the company are listed.

Address of our official website is [www.transcorpint.com](http://www.transcorpint.com) where the information of the company is displayed. There was no presentation made to Institutional Investor or to the analyst during the year.

## **GENERAL SHAREHOLDER INFORMATION**

### **I. 16<sup>th</sup> ANNUAL GENERAL MEETING:**

<b>Date</b>	28 <sup>th</sup> July 2011
<b>Time</b>	10:00 A.M.
<b>Venue</b>	Surana Udhog Auditorium, The Federation of Andhra Pradesh, Chambers of Commerce & Industries, 11-6-841, Red Hills, Hyderabad-500004 (A.P.)
<b><u>Financial Calendar</u></b>	
Financial Year	From 1 <sup>st</sup> April 2010 to 31 <sup>st</sup> March 2011
<b>For the year ended 31<sup>st</sup> March 2011, results were announced on:</b>	
First Quarter:	21 <sup>st</sup> July 2010 (Un-audited)
Half Yearly:	26 <sup>th</sup> October 2010 (Limitedly reviewed)
Third Quarter	24 <sup>th</sup> January 2011 (Limitedly reviewed)
Fourth Quarter	23 <sup>rd</sup> May 2011 (Audited)

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<b>For the year ending 31<sup>st</sup> March 2012, results will be announced in:</b>	
For First Quarter	By 15 <sup>th</sup> August 2011 (Un-audited)
Half Yearly	By 15 <sup>th</sup> November 2011 (Un-audited)
Third Quarter	By 15 <sup>th</sup> February 2012 (Un-audited)
Fourth Quarter and Annual	By the end of May 2012 (Audited)
<b>Date of Book Closure</b>	From 26 <sup>th</sup> July 2011 to 27 <sup>th</sup> July 2011 (Both days inclusive)
<b>Dividend Payment Date</b>	On or after 28 <sup>th</sup> July 2011
<b>Listing on Stock Exchange</b>	Mumbai & Hyderabad (Recognition granted to HSE is withdrawn w.e.f. 29 <sup>th</sup> August 2007)
<b>Trade Code</b>	532410 of BSE
<b>Share Division Office</b>	C-300, 2 <sup>nd</sup> Floor, Meghalaya Tower, Church Road, Jaipur-302001
<b>Demat ISIN No.</b>	INE330E01015

## **II. POSTAL BALLOT**

During the last financial year under review, following resolutions were passed through Postal Ballot Process:-

S. No.	Date of Passing	Relevant Section of Companies Act, 1956	Matter	Type of resolution
1	20.09.2010	293(1)(a)	For transferring travels and car rental division to its WOS named Ritco Travels and Tours Private Limited	Ordinary Resolution
2	20.09.2010	293(1)(a)	For transferring immovable properties and advances and security deposits related to them to its WOS named Transcorp Estates Private Limited	Ordinary Resolution
3	20.09.2010	293(1)(a)	For transferring investment in quoted and un-quoted shares to its WOS named Transcorp Estates Private Limited	Ordinary Resolution
4	20.09.2010	372A	For authorizing the company for inter corporate loans and investments	Special Resolution
5	07.03.2011	17	Alteration of object clause of Memorandum of Association	Special Resolution
6	07.03.2011	17, 146(2)	For shifting of registered office from State of Andhra Pradesh to National Capital Territory of Delhi	Special Resolution

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## III. GENERAL BODY MEETINGS

Location, date and time of the Annual General Meetings and Extra Ordinary General Meetings held during the preceding 3 years are as under:-

Year	AGM/EGM	Location	Date	Time	Special Resolution
2011	EOGM	C-300, Meghalaya Tower, Church Road, Jaipur-302001	7 <sup>th</sup> March 2011	12:00 Noon	Yes, Three
2010	EOGM	C-300, Meghalaya Tower, Church Road, Jaipur-302001	20 <sup>th</sup> September 2010	10:00 A.M.	Yes, One
2010	15 <sup>th</sup> AGM	Surana Udhyag Auditorium, The Federation of Andhra Pradesh, Chambers of Commerce & Industries, 11-6-841, Red Hills, Hyderabad-500004 (Andhra Pradesh)	21 <sup>st</sup> July 2010	10:00 A.M.	Yes, Two
2010	EOGM	C/o IIHMR, Plot No. 3, Sector 18A, HAF Pocket, Phase-II, Dwarka, New Delhi-110075	21 <sup>st</sup> January 2010	12.00 Noon	Yes, Two
2009	14 <sup>th</sup> AGM	Surana Udhyag Auditorium, The Federation of Andhra Pradesh, Chambers of Commerce & Industries, 11-6-841, Red Hills, Hyderabad-500004 (Andhra Pradesh)	22 <sup>nd</sup> July 2009	10.00 A.M.	No
2009	EOGM	C-300, Meghalaya Tower, Church Road, Jaipur-302001	10 <sup>th</sup> June 2009	11.00 A.M.	Yes, One
2008	EOGM	C-300, Meghalaya Tower, Church Road, Jaipur-302001	8 <sup>th</sup> December 2008	11.00 A.M.	Yes, Three
2008	13 <sup>th</sup> AGM	138, Navketan Complex, 62, Saojani Devi Road, Opp. Clock Tower- Secunderabad-500003	30 <sup>th</sup> July 2008	11.30 A.M.	No

## Market Price Data:

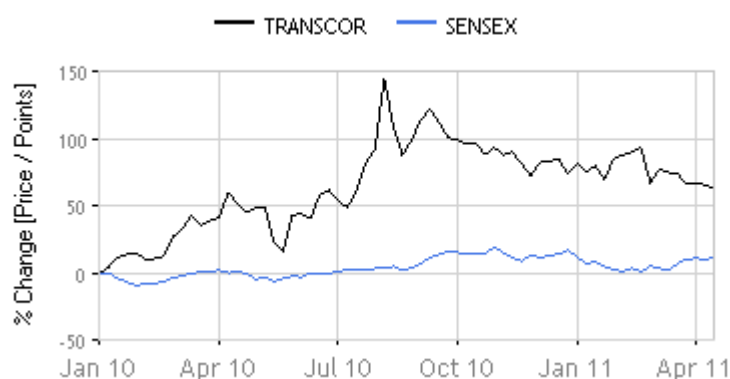
### The Stock Exchange, Mumbai

Month	High Price (in Rs.)	Low Price (in Rs.)
Apr-10	63.70	49.10
May-10	60.90	44.00
Jun-10	63.95	42.30
Jul-10	71.00	54.00
Aug-10	98.45	66.50
Sep-10	87.15	68.50
Oct-10	79.90	69.00
Nov-10	76.80	66.00
Dec-10	73.45	63.30
Jan-11	72.35	61.80
Feb-11	75.90	65.10
Mar-11	74.70	60.10

Index Comparison between Transcorp Script and Sensex is given below:-



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**Share Transfer System** : The work relating to share transfers is being looked after by the RTA and share division office of company situated at Jaipur.

**Registrar & Transfer Agent** : Alankit Assignment Ltd.  
RTA Division, 2E/8, 1st Floor,  
Jhandewalan Extn, New Delhi-110055

## Distribution of shareholding as on 31<sup>st</sup> March 2011:

S. No.	Slab of shareholding	Number of Share Holders	% of Total Holders	Nominal Value of share amount (in Rs.)	% of Total equity
1	Up to 5000	1939	95.42%	874450	2.15%
2	5001 to 10000	46	2.26%	347760	0.86%
3	10001 to 20000	14	0.69%	173410	0.43%
4	20001 to 30000	7	0.34%	177800	0.44%
5	30001 to 40000	2	0.10%	79750	0.19%
6	40001 to 50000	1	0.05%	50000	0.12%
7	50001 to 100000	4	0.20%	300610	0.73%
8	100001 and above	19	0.94%	38678130	95.08%
	<b>Total</b>	<b>2032</b>	<b>100.00%</b>	<b>40681910</b>	<b>100.00%</b>

## Shareholding pattern as on 31<sup>st</sup> March 2011:

Category	No. of shares	% of holding
Promoters	2980759	73.27%
Banks, FIs & FIs	4612	0.11%
Pvt. Corporate Bodies	771338	18.96%
Indian Public	307845	7.57%
NRIs (Both Repatriable and Non Repatriable)	3637	0.09%
<b>Total</b>	<b>4068191</b>	<b>100.00%</b>

## Dematerialization of shares:

The Company has entered into tripartite agreement with National Securities Depository Limited (NSDL) as well as Central Depository Services (India) Limited (CDSL) to facilitate dematerialization of shares.

**Outstanding GDRs/ADRs/** : Not Applicable

Warrants or any convertible  
Instruments, conversion date  
And likely impact on equity

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Plant Location : Not Applicable

Address for Correspondence : Transcorp International Ltd.  
C-300, 2<sup>nd</sup> Floor, Meghalaya Tower, Church Road, Jaipur-302001  
Tel: (0141) 3232850, 2363999  
e-mail: [grivance@transcorpint.com](mailto:grivance@transcorpint.com)

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

(Within the limits set by Company's competitive position)

## **BUSINESS AND INDUSTRY DEVELOPMENTS, OPPORTUNITIES & THREATS**

Your company is concentrating in the business of foreign exchange, Inward remittance, Tours & Travels. Your Company also offers wide range of travel and related services. The products offered by the company can be divided into the following four broad categories:-

1. Foreign Exchange Business. This includes buying and selling of Foreign Exchange in retail as well as wholesale to individuals and corporate clients.
2. Inward Money Remittance Business. The Company is a principal agent of Western Union money transfer services for Inward Money Remittance Business.
3. Tours & Travels related services

### **1. Foreign Exchange**

Foreign Exchange comprises of various sub-sectors like Wholesale Currency, Retail currency, Travelers Cheques, Prepaid Cards etc. The long term secular growth of Foreign Exchange market with the increase in the inbound and outbound travel is intact.

The volumes in the wholesale currency market have been increasing year after year. The margins are thin but with efficient systems, good risk management and proper working capital management, it is possible to ensure good contribution from this product to the company's bottom line. Your company has invested sizably into systems, training, professional consultancy and technology to ensure optimum contribution from this business. As we deal in huge amount of physical currency, the business is naturally risk prone to theft, robbery and fraud. However your company has covered itself with adequate insurance against these risks.

### **2. Inward Money Remittance**

India is one of the biggest recipient of remittances from abroad and this market is growing at a healthy pace, with increased income disparities across the globe the increasing immigration the business will continue to grow. We are operating in the segment of Inward Money Transfer as the principal agent of Western Union and as per MTS Scheme of Reserve Bank of India.

Western Union is the market leader in the inward money remittance market. The threat to this business is basically from the operators of mobile money transfer / card to card transfer and internet transfers however the cash to cash Money Transfer, which is the major chunk of Inward Money Remittance business is out of the reach for the operators of all these methods of Money Transfer. Our strength lies in our own locations spread across India, backed by a huge network of more than 5600 sub-agent locations.

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## **3. Tours & Travels related activities**

The financial performance of this segment was satisfactory during the year. Last year the company started using its sub-agents network for on-line ticketing, which has resulted very positively. This will be continued in the the coming years. During the last year we have entered into tie-up with major international player for Hotel Booking which will give its impact in the coming time. With the increasing number of inbound and outbound travels, we are hopeful of getting good results for this division.

Travel business has the risk of huge competition and the on-line ticketing for which your company has lounged its online portal, which will give its impact in coming time.

## **SEGMENT WISE REPORTING**

Segment wise revenue, results and capital employed are provided in the notes on account forming part of the Annual Report.

## **RISK AND CONCERNS**

Your company has exposure in foreign exchange and any wide fluctuations in foreign exchange prices have adverse effect on the performance of the company. Further the increase in competition, reduction in profit margins and change in government polices may affect the operation of the company.

## **FORWARD- LOOKING STATEMENTS**

This report contains forward- looking statements, which may be identified by use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, market position, expenditures and financial results, are forward looking statements.

These statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

## **CERTIFICATE BY CHIEF EXECUTIVE OFFICER OF THE COMPANY**

I, Amitava Ghosh, Executive Director, to the best of my knowledge and belief certify that:

1. I have reviewed the Balance Sheet and Profit and Loss Account of the Company for the year ended 31st March, 2011 and all its schedule and notes on accounts, as well as the Cash Flow Statement.
2. To the best of my knowledge and information:
  - a. these statements do not contain any materially untrue statement or omit to state a material fact or contains statement that might be misleading;
  - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. I also certify, that based on our knowledge and the information provided to us, there are no transactions entered into by the Company, which are fraudulent, illegal or violate the company's code of conduct.
4. The Company's other certifying officers and we are responsible for establishing and maintaining internal controls and procedures for the Company, and we have evaluated the effectiveness of the Company's internal controls and procedures.
5. The Company's other certifying officers and we have disclosed, based on our most recent evaluation, wherever applicable, to the company's auditors and thru them to the audit committee of the Company's Board of Directors:

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- a. All significant deficiencies in the design or operation of internal controls, which we are aware and have taken steps to rectify these deficiencies;
- b. Significant changes in internal control during the year;
- c. Any fraud, which we have become aware of and that involves Management or other employees who have a significant role in the Company's internal control systems;
- d. Significant changes in accounting policies during the year.

I further declare that all board members and senior management have affirmed compliance with the code of conduct for the current year.

**FOR TRANSCORP INTERNATIONAL LIMITED**

**Place: New Delhi,  
Date:- 23.05.2011**

**AMITAVA GHOSH  
EXECUTIVE DIRECTOR**

## **Auditors' Certificate for Corporate Governance:-**

To,  
The Members  
Transcorp International Limited  
138, Navketan Complex,  
62, sarojini Devi Road,  
Opp. Clock Tower,  
Secunderabad- 500003 (A.P.)

We have examined the compliance of conditions of corporate governance by Transcorp International Limited, for the year ended 31<sup>st</sup> March 2011 as stipulated in clause 49 of the listing agreement of the said company with the stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures & implementation thereof, adopted by the company for ensuring the Corporate Governance. It is neither an audit nor expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and the explanation given to us and the representations made by the directors and the management, we certify that the company has complied with the conditions of corporate governance as stipulated in above mentioned listing agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR ANAND JAIN & CO.  
Chartered Accountants**

**ANAND PRAKASH JAIN  
Proprietor**

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<b>Statement pursuant to Section 212 of the Companies Act, 1956 related to Subsidiary Companies</b>								
S.No.	Name of the Subsidiary Company	Financial Year of the subsidiary Company ended on	Interest of the Company in the subsidiary companies at the end of their respective financial years		Net aggregate of Profit/(Loss) of the subsidiary company so far as it concerns the members of Transcorp International Limited which are			
			Shareholding (No. of shares)	Extent of Holding (%)	Dealt with in the accounts of the Company amounted to (Rs. In Lacs)		Not dealt with in the accounts of the Company amounted to (Rs. In Lacs)	
					For Subsidiary's Financial year ended on 31st March 2011	For Previous financial years of the subsidiary since it became subsidiary of TIL*	For Subsidiary's Financial year ended on 31st March 2011	For Previous financial years of the subsidiary since it became subsidiary of TIL*
1	Transcorp Estates Private Limited	31st March 2011	1000000 Shares of Rs. 10 each	100%	NIL	NIL	10.26	NIL
2	Ritco Travels and Tours Private Limited	31st March 2011	10000 Shares of Rs. 10 each	100%	NIL	NIL	(3.39)	NIL

\* Both the subsidiaries were incorporated during the financial year 2010-11

# 16th Annual Report- Transcorp International Limited

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## AUDITORS' REPORT

### TO THE SHAREHOLDERS

1. We have audited the attached Balance Sheet of **TRANSCORP INTERNATIONAL LIMITED** as at 31<sup>st</sup> March, 2011, the Profit & Loss Account & Cash Flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by 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 (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs (iv) and (v) of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company including its divisions Ritco Travels and Wheels Rent A Car so far as appears from our examination of books, and proper returns adequate for the purpose of our audit have been received from the branches not visited by us.
  - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account and returns ;
  - d) In our opinion the Balance Sheet, Profit & Loss Account & Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - f) As the Central Government is yet to notify Cess payable under Section 441A, the reporting requirement under Section 227(3) (g) of the Companies Act, 1956 does not arise.
  - g) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give the information required by the Companies Act, 1956, in the manner prescribed 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, 2011;

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- ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
- iii) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

**For Anand Jain & Co.  
Chartered Accountants**

**Anand Prakash Jain  
Proprietor  
M. No.: 71045  
FRN: 001857C  
Place: New Delhi  
Dated: 23<sup>rd</sup> May, 2011**

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Auditors Report of even date on the accounts of Transcorp International Limited, for the year ended 31<sup>st</sup> March, 2011)

- i) a) The Company is maintaining proper records of fixed assets showing full particulars including quantitative details and situations thereof. However, such records showing full particulars including quantitative details and situations of certain fixed assets is being updated.
  - b) As per information given to us the assets are physically verified by the management once a year, which in our opinion is reasonable. No material discrepancies were noticed on such verification carried out during the year.
  - c) No substantial part of fixed assets have been disposed off during the year except the immovable properties transferred to Wholly Owned Subsidiary, hence it has not affected the aspect of going concern.
- ii) a) Foreign currencies and paid documents lying at the year end, which have been shown under Cash and Bank Balances in Schedule VIII to the Balance Sheet, have been physically verified by the management at reasonable intervals.
  - b) As explained to us, the procedures for physical verification of the above referred foreign currencies and paid documents, followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) The company is maintaining proper records of inventory and according to the information and explanations given to us, material discrepancies noticed on physical verification of the above items referred to in (a) above as compared to book records were properly dealt with in the books of account.
- iii) a) Company has granted unsecured loans to companies covered in the register maintained under section 301 of the Companies Act, 1956. Number of parties and amount involved is 1 & Rs. 162.25 Lacs respectively. However there was no outstanding at year end.
  - b) Rates of interest and other terms and conditions of loans given by the Company, secured or unsecured, are not prima facie prejudicial to the interest of company; and
  - c) Receipt of principal and interest is also regular wherever stipulated;
  - d) There was no over due amount and consequently question of taking reasonable steps for recovery of principal and interest when overdue amount is more than Rs. One Lac does not arise.

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e) According to the information and explanations given to us, the Company has not, during the year taken any loan, secured or unsecured, from companies, firms, or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Number of parties and amount involved therefore is NIL and Rs. NIL respectively.

f) Rate of interest and other terms & conditions of loans taken by the Company, secured or unsecured are not prima facie prejudicial to the interest of the Company and payment of principal amount and interest is also regular wherever stipulated.

iv) There are generally adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets, foreign currencies, paid documents and for the sale of the same. During the course of our audit, no continuing failure to correct major weakness in internal control system has been noticed.

v) The company has entered particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 in the register required to be maintained under that section and for transactions, the value of which exceeds Rupees five lacs in respect on any party during the period have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

vi) In our opinion and according to the information and explanations given to us, the Company has generally complied with the directions issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under in respect of deposits accepted from public. No order was passed by company law Board, or National Company Law Tribunal or Reserve Bank of India or under any Court or any other tribunal and hence question of its compliance does not arise.

vii) The Company has an in-house as well as outside agency governed internal audit system, which in our opinion is commensurate with the size of the Company and the nature of its business.

viii) According to the information given to us, the Central Government has not prescribed maintenance of cost records in relation to the activities of the company under Section 209 (1) (d) of the Companies Act, 1956.

ix) On the basis of the records produced to us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues, as is applicable to it. To the best of our knowledge and according to the information and explanations given to us, there were no material arrears of undisputed outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they become payable.

There were following unpaid disputed dues of Income Tax, Sales Tax, Service Tax, Wealth Tax Custom Tax (Duty), excise duty, and Cess:-

- Service Tax demand disputed with customs, excise & Service Tax Tribunal, New Delhi Rs. 2.96 Crores plus Penalty: Rs. 2.96 Crores and additional penalty of Rs. 1000/- plus interest.
- Demand disputed with enforcement directorate Rs. 15,00,000/- (net of amount deposited), appeal pending with Kolkata High Court.
- Demand disputed with CIT Appeals, Alwar Rs. 8.48 Lacs



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- x) The Company has no brought forward losses and has not incurred any cash losses during the year covered by our audit and in the immediately preceding financial year.
- xi) In our opinion the company has not defaulted in repayment of dues to a financial institution or bank.
- xii) On the basis of verification of the accounts and records maintained by the company and as per explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The company is not a chit fund company.
- xiv) In respect of dealing in shares, securities, debentures & other investments proper records have been maintained of the transactions and contracts and timely entries have been made therein. Shares, securities, debentures & other investments as may be applicable have been held by the Company in its own name.
- xv) On the basis of information and explanations given, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- xvii) According to various records examined by us, on an overall basis, funds raised on short term basis have prima facie, not been used during the year for long term investment.
- xviii) According to the information and explanations given to us, the company has not during the year made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956, and consequently question of issuing shares at a price prejudicial to interesting Company does not arise.
- xix) The company has not issued any debentures during the year covered by our audit report, hence question of creation of security or charge for the same does not arise.
- xx) The company has not raised any money by public issue during the year by our audit report, hence question of disclosure of end use of money raised does not arise.
- xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud by the Company has been noticed or reported during the year ended 31<sup>st</sup> March 2011. However frauds on the Company were noticed during the period involving misappropriation of cash/foreign exchange to the extent of Rs. 72.79 Lacs. Management after due investigation and insurance claims filed, is hopeful of recovery of same & hence no provision for liability, if any has been made.

**Place : New Delhi**  
**Dated : 23<sup>rd</sup> May, 2011**

**For ANAND JAIN & CO.**  
**Chartered Accountants**

**ANAND PRAKASH JAIN**  
**Proprietor**  
**M. No. 71045**  
**FRN: 001857C**

# 16th Annual Report- Transcorp International Limited

## TRANSCORP INTERNATIONAL LIMITED

Balance Sheet As AT 31st March 2011

All Amounts in Indian Rupees, Except Share Data and Where otherwise stated

	Schedule	As at 31.03.2011	As at 31.03.2010
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	I	40,681,910	40,681,910
Reserves and Surplus	II	338,255,547	88,352,212
		<b>378,937,457</b>	<b>129,034,122</b>
<b>Loan Funds</b>			
Secured Loans	III	141,349,448	111,114,379
Unsecured Loans	IV	20,717,831	17,881,078
		<b>162,067,279</b>	<b>128,995,457</b>
Deferred Tax Liability		10,482,015	9,654,015
		<b>551486751</b>	<b>267683594</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	V	136,960,654	146,674,628
Less: Accumulated depreciation		44,656,747	45,463,266
Net Block		<b>92,303,907</b>	<b>101,211,362</b>
<b>Investments</b>	<b>VI</b>	287,913,906	15,332,030
<b>Current Assets, Loans and Advances</b>			
Sundry Debtors	VII	155,169,442	111,985,751
Cash and Bank Balances	VIII	102,931,008	102,118,736
Loans and Advances	IX	63,769,657	57,806,424
		<b>321,870,107</b>	<b>271,910,911</b>
Less: Current Liabilities and Provisions	X		
Current Liabilities		145,873,015	117,914,960
Provisions		4,728,154	2,855,749
		<b>150,601,169</b>	<b>120,770,709</b>
Net Current Assets		171,268,938	151,140,202
		<b>551486751</b>	<b>267683594</b>
Accounting Policies & Practices and Notes On Accounts	XVII		

As per our report attached  
For Anand Jain & Co.  
Chartered Accountants

Anand Prakash Jain  
Proprietor

Ram S. Tarneja  
Director

Amitava Ghosh  
Executive Director

Dilip Kumar Morwal  
Company Secretary

M.No. 071045  
FRN: 001857C  
Date: 23<sup>rd</sup> May 2011

# 16th Annual Report- Transcorp International Limited

Place: New Delhi

## TRANSCORP INTERNATIONAL LIMITED

PROFIT & LOSS ACCOUNT FOR THE  
YEAR ENDED 31st March 2011

All Amounts in Indian Rupees, Except Share Data and Where otherwise stated

	Schedule	This Year 2009-11	Previous Year 2009-10
<b>INCOME</b>			
Income from Services rendered	XI	344,140,905	289,521,539
Other Income	XII	36,221,505	11,627,119
		<b>380,362,410</b>	<b>301,148,658</b>
<b>EXPENDITURE</b>			
Personnel Expenses	XIII	82,895,150	69,603,589
Other Expenses	XIV	206,019,867	176,138,281
Vehicle Operating Expenses	XV	7,448,846	5,095,614
Interest	XVI	20,718,291	15,588,516
Advertisement & Publicity Expenses		19,231,175	16,001,177
Depreciation	V	7,503,356	6,978,504
Less: Transfer from Revaluation Reserve		-81,354	-164,616
		<b>343,735,331</b>	<b>289,241,065</b>
Profit before Tax		36,627,079	11,907,593
Less : Provision for Tax-Current		6,900,000	2,620,000
Provision for Tax-Deferred		828,000	830,000
Income Tax paid for earlier years		230,489	426,548
Profit after Tax		28,668,590	8,031,045
Profit brought forward		<b>33,968,075</b>	28,792,779
Profit available for appropriations		<b>62,636,665</b>	<b>36,823,824</b>
<b>Dividends</b>			
Dividend to the shareholders of the company		<b>4,068,192</b>	2,440,915
Corporate Dividend Tax		<b>659,962</b>	414,834
Balance Carried to Balance Sheet		<b>57,908,511</b>	<b>33,968,075</b>
<b>Profit After Tax</b>		<b>28,668,590</b>	<b>8,031,045</b>
Weighted Average Number of Equity Shares		<b>4,068,191</b>	3,704,097
Basic / Diluted Earning per share		7.05	2.17
Nominal Value of Equity Shares		10	10

As per our report attached  
For Anand Jain & Co.  
Chartered Accountants

Anand Prakash Jain

Ram S. Tarneja

Amitava Ghosh

Dilip Kumar Morwal

# 16th Annual Report- Transcorp International Limited

Proprietor

Director

Executive Director

Company Secretary

M.No. 071045

FRN: 001857C

Date: 23<sup>rd</sup> May 2011

Place: New Delhi

## SCHEDULES TO THE ACCOUNTS

All Amounts in Indian Rupees, Except Share Data and Where otherwise stated

Schedule	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE I SHARE CAPITAL</b>		
<b>Authorised :</b>		
100,00,000 (Previous Year 10000000) Equity shares of Rs. 10 each	100,000,000	100,000,000
<b>Subscribed, Issued and Paid up :</b>		
4068191 (Previous Year 4068191) Equity shares of Rs.10/- each fully paid up	40,681,910	40,681,910
(Of the above includes 487592 (Previous Year 487592) Equity shares of Rs. 10/-each, issued in pursuance of the scheme of arrangement to the shareholders of Transport Corporation Of India Limited, for a consideration other than cash and 1308336 Equity Shares of Rs. 10/ each issued in pursuance of scheme of Amalgamation to the Shareholders of Erstwhile Wheels International Limited for a consideration other than cash) (of the above 1356064 equity shares are allotted as fully paid-up by way of Bonus Shares by capitalisation of share premium account)		
	<b>40,681,910</b>	<b>40,681,910</b>
<b>SCHEDULE II RESERVES AND SURPLUS</b>		
<b>Capital Reserves :</b>		
Revaluation Reserve as per last Balance Sheet	21,120,996	21,285,612
Add: Revaluation done of immovable properties	226,044,253	0
Less: Transferred to Profit and Loss Account being depreciation on revalued portion of fixed assets	-81,354	-164,616
Less: Transferred to General Reserve being related to property sold during the year	-473,936	0
Less: Transferred to General Reserve being related to the properties transferred to Wholly Owned Subsidiary during the year	-246,609,959	0

## 16th Annual Report- Transcorp International Limited

	<b>A</b>	<b>0</b>	<b>21,120,996</b>
<b>Revenue Reserves:</b>			
<b>General Reserve</b>			
<b>Opening Balance</b>		10,823,781	10,823,781
Add: Transferred from Capital Reserve being related to the properties transferred to Wholly Owned Subsidiary during the year		246,609,959	0
Add: Transferred from Capital Reserve being related to property sold during the year		473,936	0
	<b>B</b>	<b>257,907,676</b>	<b>10,823,781</b>
<b>Profit and Loss Account</b>		57,908,511	33,968,075
	<b>C</b>	<b>57,908,511</b>	<b>33,968,075</b>
<b>Securities Premium</b>			
<b>Opening Balance</b>		22,439,360	36,000,000
<b>Less: Utilised for issue of 1356064 Equity shares as Bonus Shares</b>		0	13,560,640
	<b>D</b>	<b>22,439,360</b>	<b>22,439,360</b>
	<b>B+C+D</b>	<b>338,255,547</b>	<b>67,231,216</b>
	<b>A+B+C+D</b>	<b>338,255,547</b>	<b>88,352,212</b>

# 16th Annual Report- Transcorp International Limited

## SCHEDULES TO THE ACCOUNTS

All Amounts in Indian Rupees, Except Share Data and Where otherwise stated

	Schedule	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE III SECURED LOANS</b>			
<b><u>Working Capital Loan</u></b>			
<hr/>			
<hr/>			
<b>From HDFC Bank Ltd.</b>		118,840,340	97,204,825
(Secured by hypothecation of stocks of Foreign currencies, Travellers cheques & receivables, and all other current assets of company present & future, and personal gurantee of director, extension of equitable mortgage of some specific immovable properties of the company.)			
<hr/>			
<hr/>			
<b>Term Loan</b>			
<hr/>			
<b><u>From ICICI Bank Limited</u></b>			
<hr/>			
(against hypothecation of specific vehicles,mortgage of specific immovable property including unmatured financial charges as per contra under loans and advances)		364,178	2,442,104
<hr/>			
<hr/>			
<b><u>From ICICI Housing Finance Limited</u></b>			
<hr/>			
(against hypothecation of specific vehicles,mortgage of specific immovable property including unmatured financial charges as per contra under loans and advances)		4,790,800	5,782,000
<hr/>			
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<b><u>From TATA Capital Ltd.</u></b>			
<hr/>			
(against hypothecation of specific vehicles,mortgage of specific immovable property including unmatured financial charges as per contra under loans and advances)		3,701,840	798,100
<hr/>			

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<b>From Kotak Mahindra Prime Limited</b>	90,500	199,100
From Kotak Mahindra Bank (against hypothecation of specific vehicles, including unmatured financial charges as per contra under loans & Advances)		
<b>From HDFC Bank Ltd.</b>		
(against hypothecation of specific vehicles, including unmatured financial charges as per contra under loans & Advances)	11,190,255	4,688,250
<b>From India Bulls Housing Finance Limited</b>		
(Secured against mortgage of specific immovable property Including unmatured financial charges as per contra under loans and advances)	2,371,535	0
	<b>141,349,448</b>	<b>111,114,379</b>
<b>SCHEDULE IV UNSECURED LOANS</b>		
Public Deposits Amount repayable within one year Rs. 11114195/- (Previous Year Rs. 10782111/-)	20,717,831	17,881,078
	<b>20,717,831</b>	<b>17,881,078</b>

## SCHEDULE-V

### FIXED ASSETS

(Amount in Rs.)

All Amount in Indian Rupees

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	OPENING AS ON	ADDITIONS DURING PERIOD	SALE/ ADJUST MENT	AS AT	UPTO	DURING THE Period	SALE/ ADJUST MENT	UPTO	AS AT	AS AT
	01.04.2010			31.03.2011	01.04.2010			31.03.2011	31.03.2011	31.03.2010
FREEHOLD LAND*	15,853,998	0	15,853,998	0	0	0	0	0	0	15,853,998
LEASE HOLD LAND*	5,355,569	0	630,569	4,725,000	0	0	0	0	4,725,000	5,355,569
BUILDINGS	47,849,634	19,431,775	22,427,743	44,853,666	7,099,679	747,067	5,840,941	2,005,805	42,847,861	40,749,955
VEHICLES**	9,381,473	2,869,487	0	12,250,960	2,581,351	905,777	0	3,487,128	8,763,832	6,800,122
FURNITURE & FIXTURES	17,962,138	2,777,313	82,633	20,656,818	7,415,160	1,252,455	12,928	8,654,687	12,002,131	10,546,978
OFFICE EQUIPMENTS	13,680,670	1,287,596	2,075	14,966,191	5,460,634	725,518	2,052	6,184,100	8,782,091	8,220,036
AIR CONDITIONERS	5,298,964	180,850	0	5,479,814	2,149,917	258,220	0	2,408,137	3,071,677	3,149,047
COMPUTER EQUIPMENTS	20,806,535	3,135,374	271,400	23,670,509	13,714,137	2,154,422	241,612	15,626,947	8,043,562	7,092,398
MOTOR TAXIS/BUSES**	10,485,647	2,476,145	2,604,096	10,357,696	7,042,388	1,459,897	2,212,340	6,289,945	4,067,751	3,443,259

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TOTAL	146,674,628	32,158,540	41,872,514	136,960,654	45,463,266	7,503,356	8,309,873	44,656,749	92,303,905	101,211,362
Previous Year	128,287,521	25,290,478	6,903,371	146,674,628	42,914,951	6,978,504	4,430,189	45,463,266	101,211,362	85,372,570

\*Titles of certain immovable properties and other assets are still to be transferred in the name of the company.

Building of Rs. 28398609/- are equitably mortgaged with banks.

No provision has been made for write off of leasehold land as these are long term lease.

\*\* Assets acquired under hire purchase contracts Rs. 15410600/- (previous year 9926946/-)

During the year the Company revalued some of the lands and buildings by Rs. 206229575 and Rs. 51968927 respectively.

As these assets were transferred to Wholly Owned Subsidiary, revaluation reserve created was appropriately adjusted in reserves and surplus.

## SCHEDULES TO THE ACCOUNTS

All Amounts in Indian Rupees, Except Share Data and Where otherwise stated

	Schedule	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE VI INVESTMENTS</b>			
(In fully paid up equity shares)			
<b>NON-TRADE, LONG TERM, UNQUOTED (AT COST)</b>			
195,000 Equity Shares of Transcorp Enterprises Limited (formally known as Trans Corp Housing Finance Limited) of Rs. 10/- each		0	1,950,000
500,000 Equity Shares of Bhoruka Investment Limited of Rs.10/- each		0	5,000,000
1000000 Equity Shares of Transcorp Estates Private Limited of Rs. 10/- each		285,220,000	0
10000 Equity Shares of Ritco Travels and Tours Private Limited of Rs. 10/- each		100,000	0
		<b>285,320,000</b>	<b>6,950,000</b>
<b>NON-TRADE, LONG TERM, QUOTED (AT COST)</b>			
1500 (PY 1500) Equity Shares of Axis Bank Limited of Rs.10/- each		122,198	122,198
NIL (PY 400) Equity Shares of Gujarat Heavy Chemical Ltd. of Rs. 10/- Each		0	19,196
2000 (PY 2000) Equity Shares of Larsen & Toubro Ltd. of Rs. 2/- Each		23,097	23,097
400 (PY 400) Shares of Ultra Tech Cement Ltd. Of Rs. 10/- each		207,869	207,869
NIL (PY 50000) Equity Shares of TCI Bhoruka Projects Ltd. of Rs. 10/- each		0	126,071



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NIL (PY31000) Equity Shares of TCI Industries Ltd. of Rs. 10/- each	0	5,347,886
3000 (PY 3000) Equity Shares of Biocon Limited Rs.10/- each	712,451	712,451
1600 (PY1600) Equity Shares of TCS Ltd. of Rs. 1/- each	468,218	468,218
1200 (PY 1600) Equity Shares Dr. Reddy's Lab. Ltd. Of Rs. 5/- each	299,190	594,161
750 (PY 750) Equity Shares of Reliance Industries Ltd. Of Rs. 10/- each	467,700	467,700
3015 (PY 3015) Equity Shares of HT Media Ltd. of Rs 2/- each	293,183	293,183
7800 (PY NIL) Bonus Debenture of Dr. Reddy Laboratories Ltd. 9.25 NCD of Rs. 5/- each received pursuant to scheme of arrangement	0	0
	<b>2,593,906</b>	<b>8,382,030</b>
(Aggregate Market Value of Quoted Investment Rs. 11989333/- (Previous Year Rs. 86870504/-)	<b>287,913,906</b>	<b>15,332,030</b>

## SCHEDULES TO THE ACCOUNTS

All Amounts in Indian Rupees, Except Share Data and Where otherwise stated

Schedule	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE VII SUNDRY DEBTORS</b>		
(Unsecured, considered good )		
More than six months	13,800,727	11,623,929
Others	141,368,715	100,361,822
	<b>155,169,442</b>	<b>111,985,751</b>
<b>SCHEDULE VIII CASH AND BANK BALANCES</b>		
Cash and cheques on hand	26,833,782	39,019,015
Bank Balance with Scheduled Banks:		

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On Current Account	49,088,266	46,325,897
On Dividend Account (Unclaimed) and Fractional Proceeds	90,927	97,592
On Deposit Account (FDR for Rs. 701304/- pledged as security)	5,815,657	5,682,917
(Including interest accrued but not due Rs. 496145/- ; Previous year Rs. 349528/- on fixed deposits)		
Foreign Currency & Paid documents	21,102,376	10,993,315
<b>TOTAL</b>	<b>102,931,008</b>	<b>102,118,736</b>
<b>SCHEDULE IX LOANS AND ADVANCES</b>		
(Unsecured, considered good unless stated otherwise)		
Advances recoverable in cash or in kind or for value to be received (Including Rs. 2013472/- advance to Wholly Owned Subsidiaries)	30,809,932	24,298,731
Advance payment of taxes (Net of provision/write back)	2,831,083	5,043,004
Loans to Bodies corporate & others	20,990,801	14,394,423
Loans to Employees	1,057,641	1,182,216
Deposit With Landlords	3,622,765	9,066,358
Deposit with others	1,677,021	1,177,910
Unmatured hire purchase finance charges	2,780,414	2,643,782
	<b>63,769,657</b>	<b>57,806,424</b>

## SCHEDULES TO THE ACCOUNTS

All Amounts in Indian Rupees, Except Share Data and Where otherwise stated

	Schedule	This Year 2010-11	Previous Year 2009-10
<b>SCHEDULE X CURRENT LIABILITIES AND PROVISIONS</b>			
<b>Current Liabilities</b>			
Sundry Creditors			
a) Total outstanding dues of micro enterprises and small enterprises		0	0
b) Other Sundry Creditors		108,641,186	74,478,337
Interest Accrued but not Due		1,567,016	1,758,236
(including accrued Intt on Un Claimed Public Deposit Rs 149677/- (PY 271549)			
Unclaimed Dividend		90,927	97,592
Unclaimed Public Deposit		1,508,280	1,947,339
Security Deposit Received		5,732,679	17,718,248

# 16th Annual Report- Transcorp International Limited

Bank Book Overdraft	8,397,948	5,466,021
Other Liabilities	19,934,979	16,449,187
	<b>145,873,015</b>	<b>117,914,960</b>
<b>Provisions</b>		
Proposed Dividend	4,068,192	2,440,915
Corporate Dividend Tax	659,962	414,834
	<b>4,728,154</b>	<b>2,855,749</b>
<b>SCHEDULE XI INCOME FROM SERVICES RENDERED</b>		
Foreign Currencies and Paid Documents	48,814,382	39,072,476
Car/Vehicle Rentals	9,192,940	6,786,429
Tax deducted at Source Rs. 117512/- (Previous Year Rs. 102385/-)		
Commission/ Service Charges	286,133,583	243,662,634
Tax Deducted At Source Rs. 2283791/- (Previous Year Rs. 1532670/-)		
	<b>344,140,905</b>	<b>289,521,539</b>
<b>SCHEDULE XII OTHER INCOME</b>		
Rental Income	3,585,383	4,263,420
Tax deducted at source Rs. 410495/- (Previous Year Rs. 753545/-)		
Profit on sale of investment	22,133,762	769,105
Dividend Income	112,235	77,716
Unspent Liability Written back	196,434	77,140
Profit on Sale of Assets	4,280,544	45,923
Miscellaneous Income	1,769,684	3,659,588
Interest	4,143,463	2,734,227
(Tax deducted at source Rs. 410782/- (Previous Year Rs. 41688/-))		
	<b>36,221,505</b>	<b>11,627,119</b>

# 16th Annual Report- Transcorp International Limited

## SCHEDULES TO THE ACCOUNTS

All Amounts in Indian Rupees, Except Share Data and Where otherwise stated

	Schedule	This Year 2010-11	Previous Year 2009-10
<b>SCHEDULE XIII PERSONNEL EXPENSES</b>			
Salaries, Allowances and other Benefits		74,079,966	63,171,115
Staff Welfare		3,466,063	2,266,840
Employer contribution to Provident Fund		3,933,491	3,460,620
Gratuity		1,415,630	705,014
		<b>82,895,150</b>	<b>69,603,589</b>
<b>SCHEDULE XIV OTHER EXPENSES</b>			
Rent Paid		16,314,292	16,793,453
Rates & Taxes		631,205	683,988
Travelling & Conveyance		21,664,338	15,725,107
Communication Expenses		6,600,194	7,399,424
Legal and Professional expenses		5,464,523	4,099,541
Repairs and Maintainance		18,683,196	15,996,531
Repairs to Building		592,761	1,035,530
Electricity & Water		2,881,478	2,743,969
Miscellaneous expenses		3,564,394	3,056,802
Directors Remuneration		1,156,032	1,348,280
Director sitting fee		130,000	105,000
Insurance		1,783,773	969,932
Recruitment & Training expenses		1,862,694	1,329,564
Loss on Sale of Fixed Assets		61,518	891,776
Bad Debts		0	347,958
Auditors Remuneration			
-Audit Fee		460,000	300,000
-Tax Audit Fee		50,000	50,000
-Taxation Matters		50,000	50,000
-Other Matters including out of pocket expenses		40,000	40,000
Printing & Stationary		6,680,260	6,227,572
Bank Charges		2,261,924	2,000,961
Loss on Investment		0	45,186
Commission/Service Charges/Discounts		115,087,285	94,897,707
		<b>206,019,867</b>	<b>176,138,281</b>

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<b>SCHEDULE XV VEHICLE OPERATING EXPENSES</b>		
Vehicle Trip Expenses	5,945,903	3,644,856
Vehicle Taxes	467,543	421,268
Vehicle Insurance	225,418	265,934
Vehicle Repairs & Maintenance	809,982	763,556
	<b>7,448,846</b>	<b>5,095,614</b>
<b>SCHEDULE XVI INTEREST</b>		
Interest On fixed loans	1,884,893	1,023,304
Interest Others	18,833,398	14,565,212
<b>TOTAL</b>	<b>20,718,291</b>	<b>15,588,516</b>

## **Schedule : XVII Accounting Policies and Practices and Notes to Accounts**

### **Significant Accounting Policies and Practices**

#### **1. Basis of preparation of Accounts:**

The accounts of the company are prepared under the historical cost convention except for revaluation of certain fixed assets and in accordance with the applicable accounting standards in India.

#### **2. Recognition of Income/Expenditure:**

Income & expenditure is recognized on accrual basis of accounting. Income from foreign currency and paid documents is accounted for net of sales and purchases of foreign currencies and paid documents after adjusting their closing stock.

#### **3. Fixed Assets & Depreciation :**

A. Fixed Assets are stated at cost and includes amount added on revaluation, all related expenses and borrowing cost, where applicable less accumulated depreciation.

B. Depreciation :

Depreciation on Fixed Assets has been provided on the Straight Line Method at the rates and the manner prescribed under schedule XIV to the Companies Act, 1956. Assets costing up to Rs. 5000/- are written off on pro-rata basis in the year of acquisition. However, depreciation on account of appreciation upon revaluation is adjusted by transfer from revaluation reserve.

#### **4 Foreign Currency Transactions:**

The purchase and sale of foreign currencies and paid documents are recorded at the exchange rate prevailing at the time of transaction. Foreign currencies and Encashed Travelers Cheques (ETCs) at the year end are treated as monetary assets, in accordance with Accounting Standard-11

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(Accounting for the effects of changes in foreign exchange rates), issued by The Institute Of Chartered Accountants Of India and are valued at the closing market rate, which is the general buying rate at the year end.

Current Liabilities in foreign currencies at close of year are converted at the closing settlement rate, on the date of the Balance Sheet. Receivables/payables in foreign currencies are converted at the closing market rate at the year end. Exchange differences, if any, arising from rate fluctuation are dealt with in the Profit and Loss Account except in cases where these relate to the acquisition of fixed assets, in which case these are adjusted to the carrying cost of such assets.

## 5 Investments :

Long term investments are stated at cost. Provision for diminution in the value of long term investments is made if, in the opinion of the management, such decline is not temporary in nature.

## 6. Taxation:

(A). The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company.

(B). Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

(C). Deferred tax assets are not recognized on unabsorbed depreciation & carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized and are reviewed at each balance sheet date to reassure the realization.

(D). Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

## 7. Dividend Income :

Dividend on investment is accounted for as and when the right to receive the same is established.

## 8. Proposed Dividend:

Dividend as proposed by the Board of Directors is provided in the books of account, pending approval at the Annual General Meeting.

## Employee Benefits:

- a) Short term employee benefits like salaries & various incentives are recognized as expenses in year of their becoming due and payable.
- b) Long term employee benefits which are in the nature of defined benefit obligation, in respect of
  - (1) Gratuity liability as per actuarial valuation is recognized at the end of each reporting year in the statement of financial position based on the present value of the defined benefit obligation using Projected Unit Credit Method.
  - (2) The Provident Fund is funded through Provident Fund Trust and Company's contribution is charged to profit and loss Account each year.

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## NOTES TO ACCOUNTS

### 1. Contingent Liability:

- a. Bank Guarantee US\$ 15000 and Rs. 1000000/- (as on 31.03.2010 US\$ 15000)
- b. Claims against the company not acknowledged as debts:
  - i) Amount disputed Rs. 1249212/- (out of this deposited with court Rs. 33393/-) in respect of claims made by customers & other. (as on 31.03.2010 Rs. 1249212/-)
- c. Amounts disputed in appeals, with govt. departments Rs. 28.48 Lacs plus consequential interest (as on 31.03.2010 Rs. 31.97 Lacs)
- d. Notice of demand from Commissioner of Central Excise (Adjn.) towards Service Tax Rs. 2.96 Crore towards interest & Penalty: Rs. 2.96 Crores and towards additional penalty of Rs. 1000/- plus interest. Company has sought legal opinion from former Chief Justice of India Mr. P.N. Bhagwati as well as its counsel Mr. Vinod Aggarwal, and both of them have given opinion that there should be no levy. Company accordingly has already filed appeal before Customs, Excise and Service Tax Appellate Tribunal, New Delhi. In view of these facts and circumstances, no provision is made.

2. Loans to Bodies Corporate stated in Schedule IX -Loans & Advances, to the Balance Sheet includes Loans due from M/s Bhoruka Investment Limited Rs. NIL (as on 31.03.2010 Rs. NIL), TCI Bhoruka Projects Limited Rs. NIL (as on 31.03.2010 Rs. NIL), which are covered under the same management within the meaning of sub section (1B) of Section of 370 of the Companies Act, 1956. Maximum amount due during the year Rs. 162.25 Lacs (for previous year ended on 31.03.2010 Rs. 48.50 Lacs).

### 3. a. Managerial Remuneration:

#### Commission provided under section 309(4) to non-executive directors

Particulars	Year Ended 31.03.2011 (Amount in Rs.)	Year Ended 31.03.2010 (Amount in Rs.)
Remuneration	1156032	1348280
Director Sitting Fees	130000	105000
<b>Total</b>	<b>1286032</b>	<b>1453280</b>

#### b. Computation of Net Profit in accordance with Section 198 read with Section 309(5) of the Companies Act, 1956

Particulars	Year Ended 31.03.2011 (Amount in Rs.)	Year Ended 31.03.2010 (Amount in Rs.)
Profit before Taxation as Per Account	36627079	11907593
Add: Depreciation as per Accounts	7422002	6813888
Director Sitting Fees	130000	105000
Director Remuneration	1156032	1348280
(Profit)/Loss on sale of fixed assets (Net)	(-) 4219026	845853
(Profit)/Loss on sale on Investments (Net)	(-) 22133762	(-) 723919
	<b>18982325</b>	<b>20296695</b>
Less: Depreciation as per Section 350 of the Companies Act, 1956	7422002	6813888
Net Profit u/s 198(1) of the Companies Act, 1956	11560323	13482808
Maximum amount payable @ 10% to Directors as per Special Resolution passed subject to approval of Central Government	1156032	1348280

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## 4. Business Segment wise revenue, results and assets/liabilities:

(Amount in Rupees)								
Segment	Foreign Exchange Money Exchange & Money Transfer		Travel Ticketing & Car Rental		Investments Building Rent & shares Investment		Total	
Nature of Services	For Year ended	For Year ended	For Year ended	For Year ended	For Year ended	For Year ended	For Year ended	For Year ended
	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
<b>REVENUE</b>								
External Revenue	305020603	262273343	40482215	30472503	34089722	7844598	379592540	300590444
Inter Segment Revenue	0	0	769870	558214	0	0	769870	558214
Total Revenue	305020603	262273343	41252085	31030717	34089722	5110371	380362410	301148658
<b>RESULT</b>								
Segment Result	17741109	18002105	7442310	3677514	28005198	3082262	53188617	24761881
Unallocated Corporate Expenses	0	0	0	0	0	0	0	0
Operating Profit	17741109	18002105	7442310	3677514	28005198	3082262	53188617	24761881
Interest Expenses							20718291	15588516
Interest Income							4156753	2734227
Profit from Ordinary Activity							36627079	11907593
Extra Ordinary Loss							0	0
Net Profit before taxes							36627079	11907593
Tax provision current & Deferred							7958489	3876547
Profit after taxes							28668590	8031045
<b>OTHER INFORMATION</b>								
Segment Assets	302,208,986	274,106,123	79479623	48262896	296577517	41181836	678,266,126	363,550,855
Other Assets (Loan to Corporate Bodies, Advance Tax)	0	0	0	0	0	0	23,821,886	19,437,427
Total Assets	302,208,986	274106123	79,479,623	48262896	296,577,517	41181836	702,088,012	382,988,282
Segment Liabilities	114192915	93238586	33449168	20037356	1392069	2028746	149034152	115304688
Other Liabilities (Loan Funds, Deferred tax liability, Interest accrued)							174116311	138649472
Total Liabilities	114192915	93238586	33449168	20037356	1392069	2028746	323150463	253954160
Capital Expenditure	28354554	24062549	3803986	699699	0	528230	32158540	25290478
Depreciation and amortization	5093538	4463870	2230220	2225532	98244	124486	7422002	6813888
Non cash expenses other than depreciation	0	295453	0	0	0	52505	0	347958

**Note:-** a) Travel segment is providing car rental services both to outside customer as well as other segment of the company. The car rental on the other segment is charged on the same basis as charged to outside customer.



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b) The Company is engaged in business in India only, which in the context of Accounting Standard -17 "Segment Reporting" issued by Institute of Chartered Accountants of India is considered the only Geographical segment.

5. Related Party Information:  
Relationship

## 1. Associates/ Investing Party

- Transcorp Housing Finance Limited
- TCI Boruka Projects Ltd.
- Boruka Investment Ltd.

## 2. Enterprise over which relative of person having significant influence is able to exercise significant influence:

- Rama Craft Pvt. Ltd.
- Transport Corporation of India Limited
- GATI Limited
- ABC India Limited
- TCI Industries Limited
- Boruka Power Corporation Limited

## 3. Key Management Personnel and person having significant influence

- Mr. Ashok Kumar Agarwal
- Mr. Amitava Ghosh

## 4. Relative of Person having significant influence:

- Mrs. Manisha Agarwal
- Miss. Avani Agarwal
- Master Ayan Agarwal
- Mr. D.P. Agarwal
- Mr. M.K. Agarwal
- Mr. S.N. Agarwal
- Mr. Anand Agarwal
- Miss Polumi Ghosh

## 5. Concern over which key management person is having significant influence

- Ayan Fintrade Pvt. Ltd.
- TCI Infrastructure Finance Limited

## 6. Wholly Owned Subsidiary Companies

- Transcorp Estates Private Limited
- Ritco Travels and Tours Private Limited

Transaction with the above related parties for the year ended 31<sup>st</sup> March 2011 are as follows:

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(Rupees in Lacs )

S. No.	Particulars	Associates/investing party		Enterprise over which relative of person having significant influence is able to exercise significant influence		Relative of person having significant influence		Concern over key managerial person having significant influence		Subsidiary Company		Total	
		10-11	09-10	10-11	09-10	10-11	09-10	10-11	09-10	10-11	09-10	10-11	09-10
1	Services Rendered	1.31	1.24	88.92	81.77	7.43	3.08	7.38	4.52	0.00	N.A.	105.04	90.61
2	Loan (Max. Amount Given)	162.25	48.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	N.A.	162.25	48.50
3	Interest Earned	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	N.A.	0.00	0.00
4	Loan (Max. Amount Taken)	0.00	86.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	N.A.	0.00	86.30
5	Services taken	0.00	3.35	44.79	17.18	0.00	0.00	0.00	0.00	0.00	N.A.	44.79	20.53
6	Guarantees Given	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	N.A.	0.00	0.00
7	Salary	0.00	0.00	0.00	0.00	31.06	29.27	0.00	0.00	0.00	N.A.	31.06	29.27
8	Rent Expenses	0.00	0.00	0.00	0.00	28.37	25.15	3.31	3.15	0.00	N.A.	31.68	28.30
9	Rent/ Other Recovery	0.00	0.00	0.00	0.00	0.00	3.00	0.04	0.00	1.56	N.A.	1.60	3.00
10	Expenses Recovered/Shared	0.03	0.00	2.08	4.56	2.40	0.00	0.00	0.00	5.83	N.A.	10.34	4.56
11	Guarantee Commission Received	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	N.A.	0.00	0.00
12	Sale of shares	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	N.A.	0.00	0.00
13	Sale of Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	N.A.	0.00	0.00
14	Purchase of Fixed Assets	51.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	N.A.	51.98	0.00
15	Security Deposit given/Transferred	0.00	0.00	0.90	0.00	0.00	0.00	0.00	0.00	17.39	N.A.	18.29	0.00
16	Investment made	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2863.00	N.A.	2863.00	0.00
17	Fixed Assets Sold/Transferred	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2581.99	N.A.	2581.99	0.00
18	Investments Sold/Transferred	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	237.09	N.A.	237.09	0.00
19	Advances Transferred	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	63.60	N.A.	63.60	0.00
	<b>OUTSTANDING</b>											0.00	
1	Receivables	0.07	0.00	2.41	17.39	0.94	0.00	0.35	0.00	19.60	N.A.	23.37	17.39
2	Guarantees Given	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	N.A.	0.00	0.00
3	Guarantees Taken	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	N.A.	0.00	0.00

6. Sundry Debtors include certain parties, against whom proceedings are pending in the Court of Law under Section 138 of the Negotiable Instruments Act, 1881 being on account of dishonor of cheques and under C.P.C., for which remedy is available under the said Act, and consequently have been considered good by the management.
7. Foreign Currency transactions relating to monetary assets and liabilities as at year end translated as per accounting policy no. 4, resulted in net profit of Rs.32246201 /- (Previous year net profit Rs. 22062799/-) which has been accounted under relevant heads in the Profit and Loss Account.
8. Sundry Creditors, Advances, Debtors and some bank balances are subject to confirmation/reconciliation. Branch and Head Office balance are at different stages of reconciliation. Management expects no major impact of same on financial statements.

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9. In the opinion of management, all current and fixed assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

	Year ended 31 <sup>st</sup> March 2011 (Rupees)	Year ended 31 <sup>st</sup> March, 2010 (Rupees)
10. Expenditure in foreign Currency, Traveling etc. CIF Value of imports- Business Promotion (net of advances)	3080276	741063
	-	-
11. Earnings in Foreign Exchange (Excluding reimbursement of expenses) Commission/Income	220576709	219260830
12. Other additional information required under clause 4 of the Part –II of the Schedules VI to the Companies Act, 1956 are not applicable/nil.		

13. Previous year's figures have been regrouped, rearranged or recasted wherever considered necessary.

14. Employee Benefits:-

For gratuity company has obtained the scheme managed by LIC. As required by AS-15 "Employee Benefits" issued by the Institute of Chartered Accountant of India, the following disclosures have been made as per the information provided by LIC.

**a) Gratuity:-**

Gratuity Report under AS-15 (Revised 2005) for the year ended 31.03.2011 in respect of employees group gratuity trust for Policy No. 313910

S. No.	Description	Details	
		As on 31 <sup>st</sup> March 2011	As on 31 <sup>st</sup> March 2010
<b>1.</b>	<b>Assumption</b>		
A.	Discount Rate	8.00%	8.00%
B.	Salary Escalation	7.00%	7.00%
<b>C.</b>	<b>Mortality Rate</b>	<b>LIC (1994-96) ultimate</b>	
<b>D.</b>	<b>Withdrawal Rate</b>	<b>1% to 3% depending on age</b>	
<b>2</b>	<b>Table showing changes in present value of obligation As on 31.03.2011</b>		<b>As on 31.03.2010</b>
	Present value of obligations as at beginning of year	3776793.00	3112829.00
	Interest Cost	302143.00	249026.00
	Current Service Cost	1099372.00	691839.00
	Benefits Paid	(705809)	(295498)
	Actuarial (gain)/loss on obligations	686809.00	18597.00
	Present value of obligations as at end of year	5159308.00	3776793.00
<b>3</b>	<b>Table showing changes in the fair value of plan assets As on 31.03.2011</b>		
	Fair value of plan assets at beginning of year	5223950.00	3446865.00
	Expected return on plan assets	445722.00	347785.00
	Contributions	1917010.00	1724798.00
	Benefits paid	(705809)	(295498)
	Actuarial gain/(loss) on Plan assets	NIL	NIL
	Fair value of plan assets at the end of year	6880873.00	5223950.00
<b>4</b>	<b>Table showing fair value of plan assets</b>		

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	Fair value of plan assets at beginning of year	5223950.00	3446865.00
	Actual return on plan assets	445722.00	347785.00
	Contributions	1917010.00	1724798.00
	Benefits paid	(705809)	(295498)
	Fair value of plan assets at the end of year	6880873.00	5223950
	Funded status	1721565.00	1447157
	Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31 <sup>st</sup> March)	NIL	NIL
<b>5</b>	<b>Actuarial Gain/Loss recognized As on 31.03.2011</b>		
	Actuarial (gain)/ loss on obligations	(686809)	(18597)
	Actuarial (gain)/ loss for the year-plan assets	NIL	NIL
	Actuarial (gain)/ loss on obligations	686809.00	18597.00
	Actuarial (gain)/ loss recognized in the year	686809.00	18597.00
<b>6</b>	<b>Expenses Recognised in statement of Profit and loss</b>		
	Current Service Cost	5159308.00	691839.00
	Interest Cost	6880873.00	249026.00
	Expected return on plan assets	1721565.00	(347785.00)
	Net Actuarial (gain)/loss recognized in the year	(1721565)	18597.00
	Expenses recognized in statement of Profit & Loss	1642602.00	611677.00

15. Major components of deferred tax liability is on account of timing difference of depreciation and gratuity provision.

As per our report attached  
For Anand Jain & Co.  
Chartered Accountants

Anand Prakash Jain  
Proprietor

Ram S. Tarneja  
Director

Amitava Ghosh  
Executive Director

Dilip Kumar Morwal  
Company Secretary

M.No. 071045  
FRN: 001857C  
Date: 23<sup>rd</sup> May 2011  
Place: New Delhi

# 16th Annual Report- Transcorp International Limited

## TRANSCORP INTERNATIONAL LIMITED

### Cash Flow Statement For the Year Ended 31st MARCH 2010

PARTICULARS	All Amounts in Indian Rupees	
	As at 31.03.2011	As at 31.03.2010
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profits Before Tax & Extra Ordinary Items	36627079	11907593
Adjustments for		
Depreciation	7422002	6813888
(Profit)/Loss On Sale Of Assets	(4219026)	845853
(Profit)/Loss On Sale Of Investments	(22133762)	(723919)
Dividend Income	(112235)	(77716)
Bad Debts Written off	0	347958
Property Income	(3585383)	(4263420)
Interest Income	(4143463)	(2734227)
Interest Expenses	20718291	15588515
<b>Operating profit Before Working Capital Changes</b>	<b>30573503</b>	<b>27704525</b>
Adjustments for		
Trade & Other Receivables	(51047042)	(41441349)
Trade & other Payables	30905671	(15950269)
Cash Generated From Operations	10432132	(29687093)
Direct Taxes Paid (net)	(4918573)	(3786257)
Net Cash Flow from Operating Activities	<b>5513559</b>	<b>(33473350)</b>
<b>B. CASH FLOW FOR INVESTING ACTIVITIES</b>		
Purchase of Fixed assets (net)	(32158537)	(25290478)
Purchase of Investment	(11522500)	0
Investment in Subsidiary	(200000)	0
Sale of Investments	22685272	804745
Sale of Fixed assets	5627418	1627329
Rental Income	3585383	4263420
Dividend Income	112235	77716
Interest Received	4143463	2734227
Decrease/ (Increase) in loans to Bodies Corporates and Others	(6471803)	12399620
<b>Net Cash Used in Investing Activities</b>	<b>(14199069)</b>	<b>(3383421)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Short Term Borrowings	21635515	59609281
Proceeds from Long Term Borrowings	14614033	6538539

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Repayment of Short Term Borrowings	0	0
Repayment of Long Term Borrowings	(3177726)	(611760)
Interest Paid	(20718291)	(15588515)
Dividend and Corporate Dividend Tax paid	(2855749)	(313115)
<b>Net cash From Financing Activities</b>	<b>9497782</b>	<b>49634430</b>
Net Increase In Cash And Cash equivalents	812,272	12,777,658
* Cash And Cash Equivalents (Opening)	102118736	89341078
Cash And Cash Equivalents (Closing)	<b>102931008</b>	<b>102118736</b>

## \* Difference is due to regrouping

As per our report attached  
For Anand Jain & Co.  
Chartered Accountants

Anand Prakash Jain  
Proprietor

Ram S. Tarneja  
Director

Amitava Ghosh  
Executive Director

Dilip Kumar Morwal  
Company Secretary

M.No. 071045  
FRN: 001857C  
Date: 23<sup>rd</sup> May 2011  
Place: New Delhi

# 16th Annual Report- Transcorp International Limited

TRANSCORP INTERNATIONAL LIMITED										
BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE										
I. Registration No.	0	0	2	8	3	9	7	State Code	0	1
Balance Sheet Date	3 1			0 3			2 0 1 1			
	Date			Month			Year			
II. Capital Raised during the year (Amount in Rs. Thousand)										
Public Issue	Nil			Right Issue			Nil			
Bonus Issue	Nil			Private Placement			Nil			
III. Position of mobilization and deployment of funds (Amount in Rs. Thousand)										
Total Liabilities							Total Assets			
5 5 1 4 8 7							5 5 1 4 8 7			
Source of Funds										
Paid-up-Capital							Reserves and Surplus			
4 0 6 8 2							3 3 8 2 5 6			
Secured Loans							Unsecured Loans			
1 4 1 3 4 9							2 0 7 1 8			
Deferred Tax Liability										
1 0 4 8 2										
Application of Funds										
Net Fixed Assets (including Capital Advance)							Investments			
9 2 3 0 4							2 8 7 9 1 3			
Net Current Assets							Miscellaneous Expenditure			
1 7 1 2 6 8							Nil			
Accumulated Losses										
Nil										
IV. Performance of Company (Amount in Rs. Thousand)										
Turnover (Including Prior Period Adjustments)							Total Expenditure			
3 8 0 3 6 2							3 4 3 7 3 5			
Profit/Loss Before Tax							Profit/Loss After Tax			
+ - 3 6 6 2 7							+ - 2 8 6 6 9			
(Please tick Appropriate Box for profit/for Loss)										
Earning per share (Rs.)							Dividend Rate			
7.05							10%			
V. Generic Names of three principal Products/services of the Company (as per monetary terms)										
Item Code No. (ITC Code)							NA			
Product Description							NA			

As per our report attached  
For Anand Jain & Co.  
Chartered Accountants

Anand Prakash Jain  
Proprietor

Ram S. Tarneja  
Director

Amitava Ghosh  
Executive Director

Dilip Kumar Morwal  
Company Secretary

M.No. 071045  
FRN: 001857C  
Date: 23<sup>rd</sup> May 2011  
Place: New Delhi

# 16th Annual Report- Transcorp International Limited

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## Accounts of Wholly Owned Subsidiaries- Transcorp Estates Private Limited

### AUDITORS' REPORT

#### TO THE SHAREHOLDERS

1. We have audited the attached Balance Sheet of **TRANSCORP ESTATES PRIVATE LIMITED** as at 31<sup>st</sup> March, 2011, the Profit & Loss Account & Cash Flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by 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 (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs (iv) and (v) of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of books, and proper returns adequate for the purpose of our audit have been received from the branches not visited by us.
  - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account and returns ;
  - d) In our opinion the Balance Sheet, Profit & Loss Account & Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - f) As the Central Government is yet to notify Cess payable under Section 441A, the reporting requirement under Section 227(3) (g) of the Companies Act, 1956 does not arise.
  - g) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give the information required by the Companies Act, 1956, in the manner prescribed 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, 2011;
    - ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
    - iii) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

**For Anand Jain & Co.  
Chartered Accountants**

**Anand Prakash Jain  
Proprietor  
M. No.: 71045  
FRN: 001857C  
Place: New Delhi  
Dated: 23<sup>rd</sup> May, 2011**



# 16th Annual Report- Transcorp International Limited

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## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Auditors Report of even date on the accounts of Transcorp Estates Private Limited, for the year ended 31<sup>st</sup> March, 2011)

- i) a) The Company is maintaining proper records of fixed assets showing full particulars including quantitative details and situations thereof.
  - b) As per information given to us the assets are physically verified by the management once a year, which in our opinion is reasonable. No material discrepancies were noticed on such verification carried out during the year.
  - c) No substantial part of fixed assets have been disposed off during the year which would have affected the going concern.
- ii) Company having no inventory , question of physical verification at reasonable intervals by the management , adequacy of procedures in relation to the size of Company and nature of its business , maintenance of proper records of inventory and properly dealing with discrepancies noticed on physical verification in the books of accounts , does not arise.
- iii) a) Company has granted unsecured loans to companies covered in the register maintained under section 301 of the Companies Act, 1956. Number of parties and amount involved is 1 & Rs. 5.80 Lacs respectively. Balance at year end was also Rs.5.80 lacs
  - b) Rates of interest and other terms and conditions of loans given by the Company, secured or unsecured, are not prima facie prejudicial to the interest of company; and
  - c) Receipt of principal and interest is also regular wherever stipulated;
  - d) There was no over due amount and consequently question of taking reasonable steps for recovery of principal and interest when overdue amount is more than Rs. One Lac does not arise.
  - e) According to the information and explanations given to us, the Company has, not during the year taken any loan, secured or unsecured, from companies, firms, or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- iv) There are generally adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and supply of services. During the course of our audit, no continuing failure to correct major weakness in internal control system has been noticed.
- v) The company has entered particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 in the register required to be maintained under that section and for transactions, the value of which exceeds Rupees five lacs in respect on any party during the period have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) Company has not accepted deposits from public during the year, No order was passed by company law Board, or National Company Law Tribunal or Reserve Bank of India or under any Court or any other tribunal and hence question of its compliance does not arise.
- vii) The Company has an in-house internal audit system, which in our opinion is commensurate with the size of the Company and the nature of its business.

## 16th Annual Report- Transcorp International Limited

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- viii) According to the information given to us, the Central Government has not prescribed maintenance of cost records in relation to the activities of the company under Section 209 (1) (d) of the Companies Act, 1956.
- ix) a) On the basis of the records produced to us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues, as is applicable to it. To the best of our knowledge and according to the information and explanations given to us, there were no arrears of undisputed outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they become payable.  
b) According to the information and explanation given to us , there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, and cess as may be applicable which have not been deposited on account of any dispute.
- x) The Company has no brought forward losses and has not incurred any cash losses during the year covered by our audit and in the immediately preceding financial year.
- xi) In our opinion the company has not defaulted in repayment of dues to a financial institution or bank.
- xii) On the basis of verification of the accounts and records maintained by the company and as per explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The company is not a chit fund company.
- xiv) In respect of dealing in shares, securities, debentures & other investments proper records have been maintained of the transactions and contracts and timely entries have been made therein. Shares, securities, debentures & other investments as may be applicable have been held by the Company in its own name.
- xv) On the basis of information and explanations given, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- xvii) According to various records examined by us, on an overall basis, funds raised on short term basis have prima facie, not been used during the year for long term investment.
- xviii) According to the information and explanations given to us, the company has not during the year made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956, and consequently question of issuing shares at a price prejudicial to interesting Company does not arise.
- xix) The company has not issued any debentures during the year covered by our audit report, hence question of creation of security or charge for the same does not arise.

## 16th Annual Report- Transcorp International Limited

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- xx) The company has not raised any money by public issue during the year, hence question of disclosure of end use of money raised does not arise.
- xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year .

**Place : New Delhi**  
**Dated : 23<sup>rd</sup> May, 2011**

**For ANAND JAIN & CO.**  
*Chartered Accountants*

**ANAND PRAKASH JAIN**  
**Proprietor**  
**M. No. 71045**  
**FRN: 001857C**

# 16th Annual Report- Transcorp International Limited

## TRANSCORP ESTATES PRIVATE LIMITED BALANCE SHEET AS AT 31ST MARCH,2011

<b>PARTICULARS</b>	<b>SCHEDULE NO.</b>	<b>AS AT 31.03.2011</b>
<b>Share Holder's funds</b>		
Share Capital	1	10000000
Reserves and Surplus	2	276246211
		<b>286246211</b>
<b>Application of Funds</b>		
<b>Fixed Assets</b>		
Gross Block	3	258198502
Depreciation		422386
<b>Net Block</b>		<b>257776116</b>
<b>Investments</b>	4	23709114
<b>Current Assets, Loans &amp; Advances</b>		
Sundry Debtors	5	91410
Cash and Bank Balances	6	277226
Loans & Advances	7	8243326
		<b>8611962</b>
<b>Less :Current Liabilities &amp; Provision</b>		
Current Liabilities	8	3444981
Provision for Taxation		406000
		<b>3850981</b>
Net Current Assets		4760981
		<b>286246211</b>

### NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES -11

Schedule 1 to 11 annexed here to forms part of these account.

As per our report attached  
For Anand Jain & Co.  
Chartered Accountants

Anand Prakash Jain  
Proprietor  
M.No. 071045  
FRN: 001857C  
Date: 23<sup>rd</sup> May 2011  
Place: New Delhi

Avani Agarwal  
Director

Ram Narayan Dewenda  
Director

# 16th Annual Report- Transcorp International Limited

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## TRANSCORP ESTATES PRIVATE LIMITED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2011

PARTICULARS	SCHEDULE NO.	THIS YEAR AMOUNT
Income from Operations		
Rent Received (Including ITDS Rs 275559/-)		2872520
Interest Received (Including ITDS Rs. 1329/-)		13290
		<b>2885810</b>
<b>EXPENDITURE</b>		
Personnel Expenses	9	583287
Administrative Expenses	10	447926
Depreciation	3	422386
		<b>1453599</b>
Profit before Tax		1432211
<b>Provision for Taxation</b>		
Current Year Provision		406000
Profit After Tax		<b>1026211</b>
<b>Net profit carried forward</b>		<b>1026211</b>

## SCHEDULE OF NOTES AND SIGNIFICANT ACCOUNTING POLICIES 11

As per our report attached  
For Anand Jain & Co.  
Chartered Accountants

Anand Prakash Jain  
Proprietor  
M.No. 071045  
FRN: 001857C  
Date: 23<sup>rd</sup> May 2011  
Place: New Delhi

Avani Agarwal  
Director

Ram Narayan Dewenda  
Director

# 16th Annual Report- Transcorp International Limited

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## TRANSCORP ESTATES PRIVATE LIMITED

### BALANCE SHEET AS AT 31ST MARCH,2011

#### SCHEDULE-1

AS AT  
31.03.2011

#### Share Capital

##### Authorised

1000000 Equity Shares of Rs.10/- each

10000000

10000000

##### Issued,Subscribed and Paid up

1000000 Equity Shares of Rs.10 each

10000000

fully paid up

(of the above share 990000 equity shares are allotted as fully paid up pursuant to a contract without payment being received in cash)

All These Shares are allotted to Holding Co. Transcorp Intenational Ltd.and its Nominee

10000000

#### SCHEDULE-2

#### Reserve & Surplus

##### RESERVES

Securities Premium

275220000

275220000

##### SURPLUS

Net profit as per Profit & Loss A/C

1026211

276246211

# 16th Annual Report- Transcorp International Limited

## Schedule 3 : Fixed Assets

ITEM	Cost	Addition/Transfer From Holding Company	Cost	Depreciation			Net Block	
	as at 01.10.2010	during the Year	as at 31.03.2011	Up to 01.10.2010	for the year	Total up to 31.03.2011	As at 31.03.2011	As at 31.03.2010
Building*	0.00	51968927	51968927	0	422386	422386	51546541	0
Lands*	0.00	206229575	206229575	0	0	0	206229575	0
	<b>0.00</b>	<b>258198502</b>	<b>258198502</b>	<b>0</b>	<b>422386</b>	<b>422386</b>	<b>257776116</b>	<b>0</b>

\* Title of these immovable properties are still to be transferred in the name of the company. Buildings for Rs. 26565000 and Land for Rs. 20071250 are equitably mortgage with banks for securing the facilities availed by Holding Company. No provision has been made for write off of leasehold land as these are long term lease.

### SCHEDULE – 4 INVESTMENT

AT COST, LONG TERM , NON TRADE			AS AT 31.03.2011			
NAME OF COMPANY	FACE VALUE	NO. OF SHARES	Rs.	MARKET RATE 31.03.2011	Market VALUE	
<b>UNQUOTED</b>						
BHORUKA INVESTMENT LTD	10	50000	500000			
TRANSCORP ENTERPRISES LTD.	10	195000	1950000			
<b>QUOTED</b>						
TCI BHORUKA PROJECTS LTD.	10	50000	126071	2.52142	126071.00	
TCI INDUSTRIES LTD	10	26000	16633043	1450	37700000.00	
			<b>23709114</b>			
MARKET VALUE OF QUOTED SHARES			<b>37826071</b>		37826071.00	

# 16th Annual Report- Transcorp International Limited

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## **SCHEDULE-5**

### **Sundry Debtors**

(Unsecured, considered good)

Within Six Month- Rent Receivable 91410

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**91410**

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## **SCHEDULE-6**

### **Cash & bank balances**

Cash in hand 38733

### **Bank balances**

With Scheduled banks 238493  
on Current Accounts

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**277226**

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## **SCHEDULE-7**

### **Loans and Advances**

(Unsecured, Considered Good)

Advances recoverable in cash or in kind or  
for value to be received or pending adjustments 7386438

Loans to Bodies Corporate & Others 580000

Advance Payment Of Taxes (ITDS) 276888

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**8243326**

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## **SCHEDULE-8**

### **CURRENT LIABILITIES & PROVISIONS**

### **Sundry Creditors**

Holding Co- Transcorp International Ltd. 1619693

Security Deposits 1739000

Other Liabilities 86288

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**3444981**

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# 16th Annual Report- Transcorp International Limited

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## TRANSCORP ESTATES PRIVATE LIMITED

### PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2011

#### SCHEDULE-9

##### PERSONNEL EXPENSES

Salaries,allowances,Bonus and other Benefits	582793
Staff Welfare Expenses	494
	<hr/>
	<b>583287</b>
	<hr/>

#### SCHEDULE-10

##### ADMINISTRATIVE AND SELLING EXPENSES

Rates & Taxes	125058
Building Repair and maintenance	84093
Audit Fees	11030
Conveyance Expenses	1325
Demat Charges	441
Electric & Water Expenses	1520
Legal & Professional Exp.	3930
Misc. Expenses	5429
Preliminary Expenses	215100
	<hr/>
	<b>447926</b>
	<hr/>

# 16th Annual Report- Transcorp International Limited

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## **Schedule : XVII Accounting Policies and Practices and Notes to Accounts**

### **Significant Accounting Policies and Practices**

#### **4. Basis of preparation of Accounts:**

The accounts of the company are prepared under the historical cost convention and in accordance with the applicable accounting standards in India.

#### **5. Recognition of Income/Expenditure:**

Income & expenditure is recognized on accrual basis of accounting.

#### **6. Fixed Assets & Depreciation :**

A. Fixed Assets are stated at cost inclusive of all related expenses and borrowing cost, where applicable less accumulated depreciation.

B. Depreciation :

Depreciation on Fixed Assets has been provided on the Straight Line Method at the rates and the manner prescribed under schedule XIV to the Companies Act, 1956. Assets costing up to Rs. 5000/- are written off on pro-rata basis in the year of acquisition.

#### **5 Investments :**

Long term investments are stated at cost. Provision for diminution in the value of long term investments is made if, in the opinion of the management, such decline is not temporary in nature.

#### **9. Taxation:**

(A). The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company.

(B). Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

(C). Deferred tax assets are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized and are reviewed at each balance sheet date to reassure the realization.

(D). Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

#### **10. Dividend Income :**

Dividend on investment is accounted for as and when the right to receive the same is established.

#### **11. Proposed Dividend:**

Dividend as proposed by the Board of Directors is provided in the books of account, pending approval at the Annual General Meeting.

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## Employee Benefits:

- a) Short term employee benefits like salaries & various incentives that fall due within twelve month from the end of the year in which the employee provide the services are recognized as expenses in year of incurring the expenditure as employee provides the services to the entity by reference to which the benefits are payable.
- b) Long term employee benefits which are in the nature of defined benefit obligation, in respect of
  - (3) Gratuity liability as per actuarial valuation is recognized at the end of each reporting year in the statement of financial position based on the present value of the defined benefit obligation using Projected Unit Credit Method and is paid by holding company
  - (4) The Provident Fund is funded through Provident Fund Trust and Company's contribution is charged to profit and loss Account each year by reimbursement of same to holding company.

## NOTES TO ACCOUNTS

1. Loans to Bodies Corporate stated in Schedule 7 -Loans & Advances, to the Balance Sheet includes Loans due from M/s Bhoruka Investment Limited Rs.5.80 Lacs, which is covered under the same management within the meaning of sub section (1B) of Section of 370 of the Companies Act, 1956. Maximum amount due during the year Rs. 5.80 Lacs .

b) The Company is engaged in business in India only, which in the context of Accounting Standard -17 "Segment Reporting" issued by Institute of Chartered Accountants of India is considered the only Geographical segment. Company is engaged in the business of letting out of immovable properties being the only segment,

## 5. Related Party Information:

- |   | Relationship |
|---|--------------|
| 1. Holding Company<br>Transcorp International Limited     |              |
| 2. Associates/ Investing Party<br>Bhoruka Investment Ltd. |              |

Transaction with the above related parties for the year ended 31<sup>st</sup> March 2011 are as follows:

(Rupees in Lacs )			
S. No.	Particulars	Holding Company	Associates/Investing Party
1	Loan given (Max. amount)	0.00	5.80
2	Payables	16.20	0.00
3	Rent Received	1.56	0.00
4	Expenses Sharing	5.83	0.00
5	Share Capital Received	100.00	0.00
6	Share Premium	2752.00	0.00
7	Fixed Assets Purchased	2581.99	0.00

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6. In the opinion of management, all current assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

7. Other additional information required under clause 4 of the Part –II of the Schedules VI to the Companies Act, 1956 are not applicable/nil.

8. This being the first year of the company, previous year's figures have not been given.

9. Earnings Per Share

Particulars		2010-11
Net Profit After Tax available for equity share holders- for basic and diluted EPS	Rupees	1026211
Weighted average no. Number of Equity Shares for basic and diluted EPS	Nos.	806082
Basic/diluted Earnings per Equity Shares	Rupees	1.28

As per our report attached  
For Anand Jain & Co.  
Chartered Accountants

Anand Prakash Jain  
Proprietor  
M.No. 071045  
FRN: 001857C  
Date: 23<sup>rd</sup> May 2011  
Place: New Delhi

Avani Agarwal  
Director

Ram Narayan Dewenda  
Director

## TRANSCORP ESTATES PRIVATE LIMITED

### Cash Flow Statement For the Year Ended 31st MARCH 2011

PARTICULARS	31.03.2011
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net profits Before Tax & Extra Ordinary Items	1432211
Adjustments for	
Depreciation	422386
Interest Expenses	(13,290)
Dividend Income	-
Bad Debts Written off	-
Property Income	-
(Profit)/Loss On Sale Of Assets	-
(Profit)/Loss On Sale Of Investments	-
<b>Operating profit Before Working Capital Changes</b>	<b>1841307</b>
Adjustments for	
Trade & Other Receivables	(7477848)
Trade & other Payables	3444981
Cash Generated From Operations	(4032867)

# 16th Annual Report- Transcorp International Limited

Direct Taxes Paid(net)	(276888)
Net Cash Flow from Operating Activities	<b>(2468448)</b>

## B. CASH FLOW FOR INVESTING ACTIVITIES

Purchase of Fixed assets(net)	(258198502)
Sale of Fixed assets	-
Purchase of Investments	(23,709,114)
Sale of Investments	-
,Property & Dividend Income Received	-
Decrease/ (Increase) in loans to Bodies Corporates and Others	(580,000)
Interest Received	13290
Net Cash Used in Investing Activities	<b>(282474326)</b>

## C. CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from Short Term Borrowings	-
Proceeds from Long Term Borrowings	-
Repayment of Short Term Borrowings	-
Repayment of Long Term Borrowings	-
Interest Paid	-
Dividend and dividend tax paid	-
Proceeds from issue of Share Capital	10000000
Security premium received	275220000
<b>Net cash From Financing Activities</b>	<b>285220000</b>
Net Increase In Cash And Cash equivalents	277,226
Cash And Cash Equivalents (Opening)	-
Cash And Cash Equivalents (Closing)	<b>277226</b>

### Notes:

1. The above Cash Flow statement has been compiled from and is based on the Balance Sheet as at March 31, 2011 and the related Profit and Loss account for the year ended on that date.
2. The above Cash Flow statement has been prepared as per the indirect method as set out in the Accounting Standard-3 on Cash Flow Statements as notified under section 211(3C) of the Companies Act, 1956.

As per our report attached  
For Anand Jain & Co.  
Chartered Accountants

Anand Prakash Jain  
Proprietor  
M.No. 071045  
FRN: 001857C  
Date: 23<sup>rd</sup> May 2011  
Place: New Delhi

Avani Agarwal  
Director

Ram Narayan Dewenda  
Director

# 16th Annual Report- Transcorp International Limited

## TRANSCORP ESTATES PRIVATE LIMITED

### BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

I. Registration No. 

0	0	3	2	8	6	4
---	---	---	---	---	---	---

 State Code 

0	1
---	---

Balance Sheet Date

3	1
---	---

  
Date

0	3
---	---

  
Month

2	0	1	1
---	---	---	---

  
Year

II. Capital Raised during the year (Amount in Rs. Thousand)

Public Issue

Nil
-----

Right Issue

Nil
-----

Bonus Issue

Nil
-----

Private Placement

Nil
-----

III. Position of mobilization and deployment of funds (Amount in Rs. Thousand)

Total Liabilities

2	8	6	2	4	6
---	---	---	---	---	---

Total Assets

2	8	6	2	4	6
---	---	---	---	---	---

Source of Funds

Paid-up-Capital

1	0	0	0	0
---	---	---	---	---

Reserves and Surplus

2	7	6	2	4	6
---	---	---	---	---	---

Secured Loans

N	I	L
---	---	---

Unsecured Loans

N	I	L
---	---	---

Deferred Tax Liability

N	I	L
---	---	---

Application of Funds

Net Fixed Assets

(including Capital Advance)

2	5	7	7	7	6
---	---	---	---	---	---

Investments

2	3	7	0	9
---	---	---	---	---

Net Current Assets

8	6	1	2
---	---	---	---

Miscellaneous Expenditure

Nil
-----

Accumulated Losses

Nil
-----

IV. Performance of Company (Amount in Rs. Thousand)

Turnover

(Including Prior Period Adjustments)

2	8	8	5
---	---	---	---

Total Expenditure

1	4	5	4
---	---	---	---

# 16th Annual Report- Transcorp International Limited

Profit/Loss Before Tax					Profit/Loss After Tax						
+	-				+	-					
<input type="checkbox"/>	<input type="checkbox"/>	1	4	3	2	<input type="checkbox"/>	<input type="checkbox"/>	1	0	2	6

(Please tick Appropriate Box for profit/for Loss)

Earning per share (Rs.)	Dividend Rate
1.28	NIL

## V. Generic Names of three principal Products/services of the Company (as per monetary terms)

Item Code No. (ITC Code)

NA

Product Description

NA

As per our report attached  
For Anand Jain & Co.  
Chartered Accountants

Anand Prakash Jain  
Proprietor  
M.No. 071045  
FRN: 001857C  
Date: 23<sup>rd</sup> May 2011  
Place: New Delhi

Avani Agarwal  
Director

Ram Narayan Dewenda  
Director

# 16th Annual Report- Transcorp International Limited

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## Accounts of Wholly Owned Subsidiaries- Ritco Travels and Tours Private Limited

### AUDITORS' REPORT

#### TO THE SHAREHOLDERS

1. We have audited the attached Balance Sheet of **RITCO TRAVELS AND TOURS PRIVATE LIMITED (A wholly owned subsidiary of TRANSCORP INTERNATIONAL LIMITED)** as at 31<sup>st</sup> March, 2011, the Profit & Loss Account & Cash Flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, is not applicable to the Company; therefore matters specified therein have not been commented upon.
4. Further to our comments in the Annexure referred to above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of books, and proper returns adequate for the purpose of our audit have been received from the branches not visited by us.
  - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account and returns ;
  - d) In our opinion the Balance Sheet, Profit & Loss Account & Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - f) As the Central Government is yet to notify Cess payable under Section 441A, the reporting requirement under Section 227(3) (g) of the Companies Act, 1956 does not arise.
  - g) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give the information required by the Companies Act, 1956, in the manner prescribed 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, 2011;
  - ii) in the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
  - iii) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

**For Vaibhav Jain & Co.  
Chartered Accountants**

**(Vaibhav Jain)  
Proprietor  
M. No.: 410108  
FRN: 015159C  
Place: New Delhi  
Dated: 23<sup>rd</sup> May, 2011**



# 16th Annual Report- Transcorp International Limited

**RITCO TRAVELS AND TOURS PRIVATE LIMITED**  
**( A WHOLLY OWNED SUBSIDIARY OF TRANSCORP INTERNATIONAL LIMITED)**  
**BALANCE SHEET AS AT 31st MARCH,2011**

<b>PARTICULARS</b>	<b>SCHEDULE NO.</b>	<b>AS AT 31.03.2011 (Rs.)</b>
<b>Share Holder's funds</b>		
Share Capital	1	100,000.00
Reserve and Surplus		-
<b>Loan funds</b>		
Unsecured Loans		-
		<b>100,000.00</b>
<b>Application of Funds</b>		
<b>Fixed Assets</b>		
Gross Block		-
Depreciation		-
<b>Net Block</b>		-
<b>Investments</b>		-
<b>Current Assets, Loans &amp; Advances</b>		
Cash and Bank Balances	2	166,827.08
Loans & Advances		-
Deposit Assets		-
		<b>166,827.08</b>
<b>Less :Current Liabilities &amp; Provisions</b>		
Current Liabilities	3	406,318.00
Provision for Taxation		-
		<b>406,318.00</b>
Net Current Assets		(239,490.92)
Miscellaneous expenditure to the extent not written off or Adjusted		-
Profit and Loss account		339,490.92
		<b>100,000.00</b>

**NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES -6**

As per our report attached  
For Vaibhav Jain & Co.  
Chartered Accountants

Vaibhav Jain  
Proprietor  
M.No. 410108  
FRN: 015159C  
Date: 23<sup>rd</sup> May 2011  
Place: New Delhi

Manisha Agarwal  
Director

Hem Bhargav  
Director

Tamanna Girdhani  
Company Secretary

# 16th Annual Report- Transcorp International Limited

**RITCO TRAVELS AND TOURS PRIVATE LIMITED  
( A WHOLLY OWNED SUBSIDIARY OF TRANSCORP INTERNATIONAL LIMITED)  
PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH  
2011**

PARTICULARS	SCHEDULE NO.	<u>AS AT 31.03.2011</u> (Rs.)
<b><u>INCOME</u></b>		
Income from services rendered		-
		-
<b><u>EXPENDITURE</u></b>		
Personnel Expenses	4	97,573.00
Administrative & Selling Expenses	5	241,917.92
Financial Expenses		-
Depreciation		-
		339,490.92
Profit before Tax		(339,490.92)
<b>Provision for Taxation</b>		
Current Year Provision		-
Deferred tax		-
Profit After Tax		<b>(339,490.92)</b>
<b>Balance brought forward</b>		-
<b>Balance carried forward to balance sheet</b>		<b>(339,490.92)</b>
Profit after tax		(339,490.92)
Weighted average number of equity shares		5,833.00
Basic/Diluted Earning per share		(58.20)
Nominal Value of Equity shares		10.00

**SCHEDULE OF NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES -6**

As per our report attached  
For Vaibhav Jain & Co.  
Chartered Accountants

Vaibhav Jain  
Proprietor  
M.No. 410108  
FRN: 015159C  
Date: 23<sup>rd</sup> May 2011  
Place: New Delhi

Manisha Agarwal  
Director

Hem Bhargav  
Director

Tamanna Girdhani  
Company Secretary

# 16th Annual Report- Transcorp International Limited

## **RITCO TRAVELS AND TOURS PRIVATE LIMITED ( A WHOLLY OWNED SUBSIDIARY OF TRANSCORP INTERNATIONAL LIMITED) BALANCE SHEET AS AT 31st MARCH,2011**

**AS AT  
31.03.2011  
(Rs.)**

### **SCHEDULE-1 SHARE CAPITAL**

#### **Authorised Capital:**

1,000,000 Equity shares @ Rs.10/- each

**10,000,000.00**

#### **Subscribed, Issued and Paid up:**

10,000 Equity Shares of Rs.10/- each fully paid up in cash

100,000.00

( All the shares are held by the holding company "TRANSCORP INTERNATIONAL LIMITED" and its nominees)

**100,000.00**

### **SCHEDULE-2 Cash & bank balances**

Cash in hand

-

Bank balances with Scheduled banks:

On current accounts

166,827.08

On deposit accounts

-

**166,827.08**

### **SCHEDULE-3 CURRENT LIABILITIES & PROVISIONS**

#### **CURRENT LIABILITIES**

Sundry Creditors:

Holding Company-

Transcorp International Limited

393,779.00

Other Liabilities

12,539.00

**406,318.00**

# 16th Annual Report- Transcorp International Limited

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**RITCO TRAVELS AND TOURS PRIVATE LIMITED  
( A WHOLLY OWNED SUBSIDIARY OF TRANSCORP INTERNATIONAL LIMITED)  
PROFIT AND LOSS ACCOUNT FOR 31ST MARCH  
2011**

**SCHEDULE-4**

**PERSONNEL EXPENSES**

Salaries,allowances and other Benefits	<u>97,573.00</u>
	<b><u><u>97,573.00</u></u></b>

**SCHEDULE-5**

**ADMINISTRATIVE AND SELLING EXPENSES**

Bank charges	2,172.92
Legal & Professional Exp. Payment to auditor:	14,625.00
Audit Fees	10,000.00
Preliminary Expenditure written off	<u>215,120.00</u>
	<b><u><u>241,917.92</u></u></b>

**Schedule : 6**

**Significant Accounting Policies and Notes on Accounts**

**Significant Accounting Policies and Practices**

**1 Basis of preparation of Accounts:**

The accounts of the company are prepared under the historical cost convention and in accordance with the applicable accounting standards in India.

**2. Recognition of Income/Expenditure:**

Income & expenditure is recognized on accrual basis of accounting.

**3. Fixed Assets & Depreciation :**

A. Fixed Assets are stated at cost inclusive of all related expenses and borrowing cost, where applicable less accumulated depreciation.

# 16th Annual Report- Transcorp International Limited

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## B. Depreciation :

Depreciation on Fixed Assets has been provided on the Straight Line Method at the rates and the manner prescribed under schedule XIV to the Companies Act, 1956. Assets costing up to Rs. 5000/- are written off on pro-rata basis in the year of acquisition.

## 4. Investments :

Long term investments are stated at cost. Provision for diminution in the value of long term investments is made if, in the opinion of the management, such decline is not temporary in nature.

## 5. Taxation:

(A). The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company.

(B). Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

(C). Deferred tax assets are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized and are reviewed at each balance sheet date to reassure the realization.

(D). Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

## 6. Dividend Income :

Dividend on investment is accounted for as and when the right to receive the same is established.

## 7. Proposed Dividend:

Dividend as proposed by the Board of Directors is provided in the books of account, pending approval at the Annual General Meeting.

## Employee Benefits:

- a) Short term employee benefits like salaries & various incentives that fall due within twelve month from the end of the year in which the employee provide the services are recognized as expenses in year of incurring the expenditure as employee provides the services to the entity by reference to which the benefits are payable.
- b) Long term employee benefits which are in the nature of defined benefit obligation, in respect of
  - (5) Gratuity liability as per actuarial valuation is recognized at the end of each reporting year in the statement of financial position based on the present value of the defined benefit obligation using Projected Unit Credit Method and is paid by holding company
  - (6) The Provident Fund is funded through Provident Fund Trust and Company's contribution is charged to profit and loss Account each year by reimbursement of same to holding company.

## NOTES ON ACCOUNTS

- a) Segment information is not furnished since there is no reportable segment

# 16th Annual Report- Transcorp International Limited

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- b) Bank balances are subject to confirmations.  
c) Related Party Information:

Relationship:

Holding Company  
- Transcorp International Limited

**Transaction with the above related parties for the year ended 31<sup>st</sup> March 2011 are as follows:**

(Amount in thousands)

S. No.	Particulars	Holding Company
1	Loan given (Max. amount)	Nil
2	Share Capital	100
3	Sharing of Expenses	110
4	Payables	394

- d) In the opinion of management, all current assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.
- e) Other additional information required under clause 4 of the Part –II of the Schedules VI to the Companies Act, 1956 are not applicable/nil.
- f) This being the first year of the company, previous year's figures has not been given.

As per our report attached  
For Vaibhav Jain & Co.  
Chartered Accountants

Vaibhav Jain  
Proprietor  
M.No. 410108  
FRN: 015159C  
Date: 23<sup>rd</sup> May 2011  
Place: New Delhi

Manisha Agarwal  
Director

Hem Bhargav  
Director

Tamanna Girdhani  
Company Secretary

# 16th Annual Report- Transcorp International Limited

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**RITCO TRAVELS AND TOURS PRIVATE LIMITED**  
**( A WHOLLY OWNED SUBSIDIARY OF TRANSCORP INTERNATIONAL LIMITED)**  
**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2011**

<b><u>PARTICULARS</u></b>	<b><u>As at 31.03.2011 (Rs.)</u></b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	
Net profit before tax and extraordinary items	(339,490.92)
<b>Adjustments for:</b>	
Depreciation	-
Extra ordinary items	-
Operating profit before working capital changes	(339,490.92)
<b>Adjustments for:</b>	
Increase in current liabilities	406,318.00
Net Cash flow from Operating Activities	<b><u>66,827.08</u></b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	
	-
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>	
Proceeds from issue of share capital	100,000.00
Net Cash flow from Operating Activities	<b><u>100,000.00</u></b>
Net increase in Cash and Cash equivalents	<b>166,827.08</b>
Cash and Cash equivalents (Opening)	-
Cash and Cash equivalents (Closing)	<b>166,827.08</b>

# 16th Annual Report- Transcorp International Limited

**Notes:**

1. The above Cash Flow statement has been compiled from and is based on the Balance Sheet as at March 31,2011 and the related Profit and Loss account for the year ended on that date.
2. The above Cash Flow statement has been prepared as per the indirect method as set out in the Accounting Standard-3 on Cash Flow Statements as notified under section 211(3C) of the Companies Act, 1956.

As per our report attached  
For Vaibhav Jain & Co.  
Chartered Accountants

Vaibhav Jain  
Proprietor  
M.No. 410108  
FRN: 015159C  
Date: 23<sup>rd</sup> May 2011  
Place: New Delhi

Manisha Agarwal  
Director

Hem Bhargav  
Director

Tamanna Girdhani  
Company Secretary

**RITCO TRAVELS AND TOURS  
PRIVATE LIMITED  
( A WHOLLY OWNED SUBSIDIARY OF TRANSCORP INTERNATIONAL  
LIMITED)**

**BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE**

I. Registration No.

C	0	3	2	9	0	2
---	---	---	---	---	---	---

State Code

1	7
---	---

Balance Sheet Date

3	1
---	---

Date

0	3
---	---

Month

2	0	1	1
---	---	---	---

Year

II. Capital Raised during the year (Amount in Rs. Thousand)

Public Issue

Nil
-----

Right Issue

Nil
-----

Bonus Issue

Nil
-----

Private Placement

100
-----

III. Position of mobilization and deployment of funds (Amount in Rs. Thousand)

Total Liabilities

			1	0	0
--	--	--	---	---	---

Total Assets

			1	0	0
--	--	--	---	---	---

Source of Funds

Paid-up-Capital

			1	0	0
--	--	--	---	---	---

Reserves and Surplus

			0	0	0
--	--	--	---	---	---

Secured Loans

			0	0	0
--	--	--	---	---	---

Unsecured Loans

			0	0	0
--	--	--	---	---	---



# 16th Annual Report- Transcorp International Limited

**Deferred Tax Liability**

	0	0	0
--	---	---	---

**Application of Funds**

**Net Fixed Assets**

(including Capital Advance)

		0	0	0
--	--	---	---	---

**Investments**

		0	0	0
--	--	---	---	---

**Net Current Assets**

		-	2	3	9
--	--	---	---	---	---

**Miscellaneous Expenditure**

Nil
-----

**Accumulated Losses**

339
-----

**IV. Performance of Company (Amount in Rs. Thousand)**

**Turnover**

(Including Prior Period Adjustments)

		0	0	0
--	--	---	---	---

**Total Expenditure**

		3	3	9
--	--	---	---	---

**Profit/Loss Before Tax**

+	-			3	3	9
	-					

**Profit/Loss After Tax**

+	-			3	3	9
	-					

(Please tick Appropriate Box for profit/for Loss)

**Earning per share (Rs.)**

(-) 58.20
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**Dividend Rate**

0
---

**V. Generic Names of three principal Products/services of the Company (as per monetary terms)**

**Item Code No. (ITC Code)** NA

**Product Description** NA

As per our report attached  
For Vaibhav Jain & Co.  
Chartered Accountants

Vaibhav Jain  
Proprietor  
M.No. 410108  
FRN: 015159C  
Date: 23<sup>rd</sup> May 2011  
Place: New Delhi

Manisha Agarwal  
Director

Hem Bhargav  
Director

Tamanna Girdhani  
Company Secretary

# 16th Annual Report- Transcorp International Limited

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## Consolidated Account

### Auditor's Report on Consolidated Financial Statements

To The Board of Directors of TRANSCORP INTERNATIONAL LIMITED

We have Audited the attached consolidated balance sheet of Transcorp International Limited, & its subsidiaries, hereinafter referred to as group as at 31<sup>st</sup> March, 2011 also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the group's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We did not audit the financial statements of Ritco Travels and Tours Private Limited, whose financial statements reflect total assets of Rs. 166827/- as at 31<sup>st</sup> March, 2011, the total revenue of Rs. NIL and cash flows amounting to Rs. 166827/- for the year then ended. These financial statements and other financial information have been audited by other auditors M/s Vaibhav Jain & Co., Chartered Accountants whose report has been furnished to us, and our opinion is based solely on the report of other Auditors.

We report that the consolidated financial statements have been prepared by the group's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statement, issued by the Institute of Chartered Accountants of India.

Based on our audit, consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) In the case of the consolidated balance sheet, of the state of affairs of the Group as at 31<sup>st</sup> March, 2011
- (b) In the case of the consolidated profit and loss account, of the Profit of the group for the year ended on that date ; and
- (c) In the case of the consolidated cash flow statement, of the cash flows of the group for the year ended on that date

**For ANAND JAIN & CO.  
CHARTERED ACCOUNTANTS**

**(ANAND PRAKASH JAIN)  
PROPRIETOR  
M.NO. : 71045  
FRN NO. : 001857C**

Place : New Delhi  
Date : 23.05.2011

# 16th Annual Report- Transcorp International Limited

## TRANSCORP INTERNATIONAL LIMITED

### Consolidated Balance Sheet As AT 31st March 2011

All Amounts in Indian Rupees, Except Share Data and Where otherwise stated

	Schedule	As at 31.03.2011
<b>SOURCES OF FUNDS</b>		
<b>SHAREHOLDERS' FUNDS</b>		
Share Capital	I	40,681,910
Reserves and Surplus	II	338,942,267
		<b>379,624,177</b>
<b>Loan Funds</b>		
Secured Loans	III	141,349,448
Unsecured Loans	IV	20,717,831
		<b>162,067,279</b>
Deferred Tax Liability		10,482,015
		<b>552,173,471</b>
<b>APPLICATION OF FUNDS</b>		
<b>Fixed Assets</b>		
Gross Block	V	395,159,156
Less: Accumulated depreciation		45,079,133
Net Block		<b>350,080,023</b>
<b>Investments</b>	VI	26,303,020
<b>Current Assets, Loans and Advances</b>		
Sundry Debtors	VII	155,260,852
Cash and Bank Balances	VIII	103,375,061
Loans and Advances	IX	69,593,511
		<b>328,229,424</b>
Less: Current Liabilities and Provisions	X	
Current Liabilities		147,710,842
Provisions		4,728,154
		<b>152,438,996</b>
Net Current Assets		175,790,428
		<b>552,173,471</b>
Accounting Policies & Practices and Notes On Accounts	XVII	

As per our report attached  
For Anand Jain & Co.  
Chartered Accountants

Anand Prakash Jain  
Proprietor

Ram S. Tarneja  
Director

Amitava Ghosh  
Executive Director

Dilip Kumar Morwal  
Company Secretary

M.No. 071045  
FRN: 001857C  
Date: 23<sup>rd</sup> May 2011  
Place: New Delhi

# 16th Annual Report- Transcorp International Limited

## CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st March 2011

All Amounts in Indian Rupees, Except Share Data and Where otherwise stated

	Schedule	This Year 2010-11
<b>INCOME</b>		
Income from Services rendered	XI	344,140,905
Other Income	XII	39,107,315
		<b>383,248,220</b>
<b>EXPENDITURE</b>		
Personnel Expenses	XIII	83,576,010
Other Expenses	XIV	206,709,711
Vehicle Operating Expenses	XV	7,448,846
Interest	XVI	20,718,291
Advertisement & Publicity Expenses		19,231,175
Depreciation	V	7,925,742
Less: Transfer from Revaluation Reserve		-81,354
		<b>345,528,421</b>
Profit before Tax		37,719,799
Less : Provision for Tax-Current		7,306,000
Provision for Tax-Deferred		828,000
Income Tax paid for earlier years		230,489
		0
Profit after Tax		29,355,310
Profit brought forward		33,968,075
Profit available for appropriations		<b>63,323,385</b>
<b>Dividends</b>		
Dividend to the shareholders of the company		4,068,192
Corporate Dividend Tax		659,962
Balance Carried to Balance Sheet		<b>58,595,231</b>
<b>Profit After Tax</b>		<b>29,355,310</b>
Weighted Average Number of Equity Shares		4,068,191
Basic / Diluted Earning per share		7.22
Nominal Value of Equity Shares		10

As per our report attached  
For Anand Jain & Co.  
Chartered Accountants

Anand Prakash Jain  
Proprietor  
M.No. 071045  
FRN: 001857C  
Date: 23<sup>rd</sup> May 2011  
Place: New Delhi

Ram S. Tarneja  
Director

Amitava Ghosh  
Executive Director

Dilip Kumar Morwal  
Company Secretary

# 16th Annual Report- Transcorp International Limited

## SCHEDULES TO THE ACCOUNTS

All Amounts in Indian Rupees, Except Share Data and Where otherwise stated

	Schedule	As at 31.03.2011
<b>SCHEDULE I SHARE CAPITAL</b>		
<b>Authorised :</b>		
100,00,000 (Previous Year 10000000) Equity shares of Rs. 10 each		120,000,000
<b>Subscribed, Issued and Paid up :</b>		
4068191 (Previous Year 4068191) Equity shares of Rs.10/- each fully paid up		40,681,910
<p>(Of the above includes 487592 (Previous Year 487592) Equity shares of Rs. 10/-each, issued in pursuance of the scheme of arrangement to the shareholders of Transport Corporation Of India Limited, for a consideration other than cash and 1308336 Equity Shares of Rs. 10/ each issued in pursuance of scheme of Amalgamation to the Shareholders of Erstwhile Wheels International Limited for a consideration other than cash)</p> <p>(of the above 1356064 equity shares are allotted as fully paid-up by way of Bonus Shares by capitalisation of share premium account)</p>		
		<b>40,681,910</b>
<b>SCHEDULE II RESERVES AND SURPLUS</b>		
<b>Capital Reserves :</b>		
Revaluation Reserve as per last Balance Sheet		21,120,996
Add: Revaluation done of immovable properties		226,044,253
Less: Transferred to Profit and Loss Account being depreciation on revalued portion of fixed assets		-81,354
Less: Transferred to General Reserve being related to property sold during the year		-473,936
Less: Transferred to General Reserve being related to the properties transferred to Wholly Owned Subsidiary during the year		-
		246,609,959
	<b>A</b>	<b>0</b>
<b>Revenue Reserves:</b>		
<b>General Reserve</b>		
<b>Opening Balance</b>		10,823,781
Add: Transferred from Capital Reserve being related to the properties transferred to Wholly Owned Subsidiary during the year		246,609,959

# 16th Annual Report- Transcorp International Limited

Add: Transferred from Capital Reserve being related to property sold during the year		473,936
	<b>B</b>	<b>257,907,676</b>
<b>Profit and Loss Account</b>		<b>58,595,231</b>
	<b>C</b>	<b>58,595,231</b>
<b>Securities Premium</b>		22,439,360
	<b>D</b>	<b>22,439,360</b>
	<b>B+C+D</b>	<b>338,942,267</b>
	<b>A+B+C+D</b>	<b>338,942,267</b>

## SCHEDULES TO THE ACCOUNTS

All Amounts in Indian Rupees, Except Share Data and Where otherwise stated

	Schedule	As at 31.03.2011
--	----------	---------------------

### SCHEDULE III SECURED LOANS

#### Working Capital Loan

<b>From HDFC Bank Ltd.</b>		118,840,340
----------------------------	--	-------------

(Secured by hypothecation of stocks of Foreign currencies, Travellers cheques & receivables, and all other current assets of company present & future, and personal gurantee of director, extension of equitable mortgage of some specific immovable properties of the company.)

#### **Term Loan**

#### From ICICI Bank Limited

(against hypothecation of specific vehicles, mortgage of specific immovable property including unmatured financial charges as per contra under loans and advances)		364,178
--	--	---------

# 16th Annual Report- Transcorp International Limited

<b>From ICICI Housing Finance Limited</b>	4,790,800
(against hypothecation of specific vehicles, mortgage of specific immovable property including unmaturred financial charges as per contra under loans and advances)	
<b>From TATA Capital Ltd.</b>	3,701,840
(against hypothecation of specific vehicles, mortgage of specific immovable property including unmaturred financial charges as per contra under loans and advances)	
<b>From Kotak Mahindra Prime Limited</b>	90,500
From Kotak Mahindra Bank (against hypothecation of specific vehicles, including unmaturred financial charges as per contra under loans & Advances)	
<b>From HDFC Bank Ltd.</b>	
(against hypothecation of specific vehicles, including unmaturred financial charges as per contra under loans & Advances)	
	11,190,255
<b>From India Bulls Housing Finance Limited</b>	
(Secured against mortgage of specific immovable property)	
	2,371,535
<b>141,349,448</b>	
<b>SCHEDULE IV UNSECURED LOANS</b>	
Public Deposits	20,717,831
Amount repayable within one year Rs. 11114195/- (Previous Year Rs. 10782111/-)	
<b>20,717,831</b>	

# 16th Annual Report- Transcorp International Limited

**SCHEDULE-V  
CONSOLIDATED FIXED  
ASSETS**

(Amount in  
Rs.)

All Amount in Indian Rupees

ASSETS	GROSS BLOCK					DEPRECIATION				NET BLOCK
	OPENING AS ON 01.04.2010	ADDITIONS DURING PERIOD		SALE/ ADJUST MENT	AS AT 31.03.2011	UPTO 01.04.2010	DURING THE Period	SALE/ ADJUST MENT	UPTO 31.03.2011	AS AT 31.03.2011
	FREEHOLD LAND*	15,853,998	183,648,326	***	15,853,998	183,648,326	0	0	0	0
LEASE HOLD LAND*	5,355,569	22,581,249	***	630,569	27,306,249	0	0	0	0	27,306,249
BUILDINGS	47,849,634	71,400,702	***	22,427,743	96,822,593	7,099,679	1,169,451	5,840,941	2,428,189	94,394,404
VEHICLES**	9,381,473	2,869,487		0	12,250,960	2,581,351	905,777	0	3,487,128	8,763,832
FURNITURE & FIXTURES	17,962,138	2,777,313		82,633	20,656,818	7,415,160	1,252,455	12,928	8,654,687	12,002,131
OFFICE EQUIPMENTS	13,680,670	1,287,596		2,075	14,966,191	5,460,634	725,518	2,052	6,184,100	8,782,091
AIR CONDITIONERS	5,298,964	180,850		0	5,479,814	2,149,917	258,220	0	2,408,137	3,071,677
COMPUTER EQUIPMENTS	20,806,535	3,135,374		271,400	23,670,509	13,714,137	2,154,422	241,612	15,626,947	8,043,562
MOTOR TAXIS/BUSES**	10,485,647	2,476,145		2,604,096	10,357,696	7,042,388	1,459,897	2,212,340	6,289,945	4,067,751
<b>TOTAL</b>	<b>146,674,628</b>	<b>290,357,042</b>		<b>41,872,514</b>	<b>395,159,156</b>	<b>45,463,266</b>	<b>7,925,740</b>	<b>8,309,873</b>	<b>45,079,133</b>	<b>350,080,023</b>

\* Titles of certain immovable properties and other assets are still to be transferred in the name of Company.

Building and Land of Rs. 75034859 are equitable mortgaged with banks.

No provision has been made for write off of leasehold land and these are long term lease.

\*\* Assets acquired under hire purchase contracts Rs. 15410600/-

\*\*\* Additions include Rs. 258198502 being the value of properties transferred from Holding Company to its Wholly Owned Subsidiaries.

## SCHEDULES TO THE ACCOUNTS

All Amounts in Indian Rupees, Except Share Data and Where otherwise stated

Schedule  
As at  
31.03.2011

### SCHEDULE VI INVESTMENTS

(In fully paid up equity shares)

#### NON-TRADE, LONG TERM, UNQUOTED (AT COST)

195,000 Equity Shares of Transcorp Enterprises Limited (formaly known as Trans Corp Housing Finance Limited) of Rs. 10/- each	1,950,000
--	-----------

500,000 Equity Shares of Bhoruka Investment Limited of Rs.10/- each	5,000,000
---	-----------

6,950,000

#### NON-TRADE, LONG TERM, QUOTED (AT COST)



## 16th Annual Report- Transcorp International Limited

1500 (PY 1500) Equity Shares of Axis Bank Limited of Rs.10/- each	122,198
NIL (PY 400) Equity Shares of Gujarat Heavy Chemical Ltd. of Rs. 10/- Each	
2000 (PY 2000) Equity Shares of Larsen & Toubro Ltd. of Rs. 2/- Each	23,097
400 (PY 400) Shares of Ultra Tech Cement Ltd. Of Rs. 10/- each	207,869
50000 (PY 50000) Equity Shares of TCI Bhoruka Projects Ltd. of Rs. 10/- each	126,071
26000 (PY31000) Equity Shares of TCI Industries Ltd. of Rs. 10/- each	16,633,043
3000 (PY 3000) Equity Shares of Biocon Limited Rs.10/- each	712,451
1600 (PY1600) Equity Shares of TCS Ltd. of Rs. 1/- each	468,218
1200 (PY 1600) Equity Shares Dr. Reddy's Lab. Ltd. Of Rs. 5/- each	299,190
750 (PY 750) Equity Shares of Reliance Industries Ltd. Of Rs. 10/- each	467,700
3015 (PY 3015) Equity Shares of HT Media Ltd. of Rs 2/- each	293,183
7800 (PY NIL) Bonus Debenture of Dr. Reddy Laboratories Ltd. 9.25 NCD of Rs. 5/- each received pursuant to scheme of arrangement	<b>19,353,020</b>
(Aggregate Market Value of Quoted Investment Rs. 49815404/- (Previous Year Rs. 86870504/-)	<b>26,303,020</b>

# 16th Annual Report- Transcorp International Limited

## SCHEDULES TO THE ACCOUNTS

All Amounts in Indian Rupees, Except Share Data and Where otherwise stated

	Schedule	As at 31.03.2011
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### SCHEDULE VII SUNDRY DEBTORS

(Unsecured, considered good )

More than six months		13,800,727
Others		141,460,125
		<b>155,260,852</b>

### SCHEDULE VIII CASH AND BANK BALANCES

Cash and cheques on hand		26,872,515
Bank Balance with Scheduled Banks:		
On Current Account		49,493,586
On Dividend Account (Unclaimed) and Fractional Proceeds		90,927
On Deposit Account		5,815,657
(Including interest accrued but not due Rs. 496145/- ; Previous year Rs. 349528/- on fixed deposits)		
Foreign Currency & Paid documents		21,102,376
<b>TOTAL</b>		<b>103,375,061</b>

### SCHEDULE IX LOANS AND ADVANCES

(Unsecured, considered good unless stated otherwise)

Advances recoverable in cash or in kind or for value to be received		36,182,898
Advance payment of taxes (Net of provision/write back)		2,701,971
Loans to Bodies corporate & others		21,570,801
Loans to Employees		1,057,641
Deposit With Landlord		3,622,765
Deposit with others		1,677,021
Unmatured hire purchase finance charges		2,780,414
		<b>69,593,511</b>

## SCHEDULES TO THE ACCOUNTS

All Amounts in Indian Rupees, Except Share Data and Where otherwise stated

# 16th Annual Report- Transcorp International Limited

	Schedule	This Year 2010-11
<b>SCHEDULE X CURRENT LIABILITIES AND PROVISIONS</b>		
<b><u>Current Liabilities</u></b>		
Sundry Creditors		
a) Total outstanding dues of micro enterprises and small enterprises		0
b) Other Sundry Creditors		108,641,186
Interest Accrued but not Due		1,567,016
(including accrued Intt on Un Claimed Public Deposit Rs 306081/- (PY 271559)		0
Unclaimed Dividend		90,927
Unclaimed Public Deposit		1,508,280
Security Deposit Received		7,471,679
Bank Overdraft		8,397,948
Other Liabilities		20,033,806
		<b>147,710,842</b>
<b><u>Provisions</u></b>		
Proposed Dividend		4,068,192
Corporate Dividend Tax		659,962
		<b>4,728,154</b>
<b>SCHEDULE XI INCOME FROM SERVICES RENDERED</b>		
Foreign Currencies and Paid Documents		48,814,382
Car/Vehicle Rentals		9,192,940
Tax deducted at Source Rs. 117512/- (Previous Year Rs. 102385/-)		
Commission/ Service Charges		286,133,583
Tax Deducted At Source Rs. 2283791/- (Previous Year Rs. 1532670/-)		
<b>TOTAL</b>		<b>344,140,905</b>
<b>SCHEDULE XII OTHER INCOME</b>		
Rental Income		6,457,903
Tax deducted at source Rs. 686054/- (Previous Year Rs. 753545/-)		0
Profit on sale of investment		22,133,762

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Dividend Income	112,235
Unspent Liability Written back	196,434
Profit on Sale of Assets	4,280,544
Miscellaneous Income	1,769,684
Interest	4,156,753
(Tax deducted at source Rs. 412111/- (Previous Year Rs. 41688/-))	
	<b>39,107,315</b>

## SCHEDULES TO THE ACCOUNTS

All Amounts in Indian Rupees, Except Share Data and Where otherwise stated

	Schedule	This Year 2010-11
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### SCHEDULE XIII PERSONNEL EXPENSES

Salaries, Allowances and other Benefits		74,760,332
Staff Welfare		3,466,557
Employer contribution to Provident Fund		3,933,491
Gratuity		1,415,630
		0
		<b>83,576,010</b>

### SCHEDULE XIV OTHER EXPENSES

Rent Paid		16,314,292
Rates & Taxes		756,263
Travelling & Conveyance		21,665,663
Communication Expenses		6,600,194
Legal and Professional expenses		5,483,078
Repairs and Maintainance		18,683,196
Repairs to Building		676,854
Electricity & Water		2,882,998
Miscellaneous expenses		3,570,264
Directors Remuneration		1,156,032
Director sitting fee		130,000
Insurance		1,783,773
Recruitment & Training expenses		1,862,694
Loss on Sale of Fixed Assets		61,518
Auditors Remuneration		
-Audit Fee		481,030
-Tax Audit Fee		50,000
-Taxation Matters		50,000
-Other Matters including out of pocket expenses		40,000
Printing & Stationary		6,680,260
Bank Charges		2,264,097

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Loss on Investment	0
Commission/Service Charges/Discounts	115,087,285
	<b>206,709,711</b>

## SCHEDULE XV VEHICLE OPERATING EXPENSES

Vehicle Trip Expenses	5,945,903
Vehicle Taxes	467,543
Vehicle Insurance	225,418
Vehicle Repairs & Maintenance	809,982
	<b>7,448,846</b>

## SCHEDULE XVI INTEREST

Interest On fixed loans	1,884,893
Interest Others	18,833,398
<b>TOTAL</b>	<b>20,718,291</b>

### Schedule : XVII Notes on consolidated Accounts

A. The consolidated financial statements include results of all the subsidiaries of Transcorp International Limited

S. No.	Name of the Company	Country of Incorporation	% Shareholding	Consolidated as
1	Transcorp Estates Private Limited	India	100%	Wholly Owned Subsidiary
2	Ritco Travels and Tours Private Limited	India	100%	Wholly Owned Subsidiary

a. The financial statements of these companies are for the period as under:-

S. No.	Name of the Company	Period		Remarks
		From	To	
1	Transcorp Estates Private Limited	17.09.2010	31.03.2011	First financial year of the company
2	Ritco Travels and Tours Private Limited	20.09.2010	31.03.2011	First financial year of the company

b. the consolidated financial statements have been prepared on the following principles:-

i. in respect of Subsidiary companies, the financial statements have been consolidated on line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealized profits/losses on intra-group transactions as per Accounting Standard-AS-21 "Consolidates Financial Statements."

ii. in view of its being the first occasion, comparative figures for the previous year are not given.

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## B. Significant Accounting Policies and Practices

### 7. **Basis of preparation of Accounts:**

The accounts of the company are prepared under the historical cost convention except for revaluation of certain fixed assets and in accordance with the applicable accounting standards in India.

### 8. **Recognition of Income/Expenditure:**

Income & expenditure is recognized on accrual basis of accounting. Income from foreign currency and paid documents is accounted for net of sales and purchases of foreign currencies and paid documents after adjusting their closing stock.

### 9. **Fixed Assets & Depreciation :**

C. Fixed Assets are stated at cost and includes amount added on revaluation, inclusive of all related expenses and borrowing cost, where applicable less accumulated depreciation.

D. Depreciation :

Depreciation on Fixed Assets has been provided on the Straight Line Method at the rates and the manner prescribed under schedule XIV to the Companies Act, 1956. Assets costing up to Rs. 5000/- are written off on pro-rata basis in the year of acquisition. However, depreciation on account of appreciation upon revaluation is adjusted by transfer from revaluation reserve.

### 4 **Foreign Currency Transactions:**

The purchase and sale of foreign currencies and paid documents are recorded at the exchange rate prevailing at the time of transaction. Foreign currencies and Encashed Travelers Cheques (ETCs) at the year end are treated as monetary assets, in accordance with Accounting Standard-11 (Accounting for the effects of changes in foreign exchange rates), issued by The Institute Of Chartered Accountants Of India and are valued at the closing market rate, which is the general buying rate at the year end.

Current Liabilities in foreign currencies at close of year are converted at the closing settlement rate, on the date of the Balance Sheet. Receivables/payables in foreign currencies are converted at the closing market rate at the year end. Exchange differences, if any, arising from rate fluctuation are dealt with in the Profit and Loss Account except in cases where these relate to the acquisition of fixed assets, in which case these are adjusted to the carrying cost of such assets.

### 5 **Investments :**

Long term investments are stated at cost. Provision for diminution in the value of long term investments is made if, in the opinion of the management, such decline is not temporary in nature.

### 12. **Taxation:**

(A). The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company.

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(B). Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

(C). Deferred tax assets are not recognized on unabsorbed depreciation & carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized and are reviewed at each balance sheet date to reassure the realization.

(D). Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

## 13. Dividend Income :

Dividend on investment is accounted for as and when the right to receive the same is established.

## 14. Proposed Dividend:

Dividend as proposed by the Board of Directors is provided in the books of account, pending approval at the Annual General Meeting.

## Employee Benefits:

- a) Short term employee benefits like salaries & various incentives are recognized as expenses in year of their becoming due and payable.
- b) Long term employee benefits which are in the nature of defined benefit obligation, in respect of
  - (7) Gratuity liability as per actuarial valuation is recognized at the end of each reporting year in the statement of financial position based on the present value of the defined benefit obligation using Projected Unit Credit Method.
  - (8) The Provident Fund is funded through Provident Fund Trust and Company's contribution is charged to profit and loss Account each year.

## C. NOTES TO ACCOUNTS

### 1. Contingent Liability:

- e. Bank Guarantee US\$ 15000 and Rs. 1000000/- (as on 31.03.2010 US\$ 15000)
  - f. Claims against the company not acknowledged as debts:
    - i) Amount disputed Rs. 1249212/- (out of this deposited with court Rs. 33393/-) in respect of claims made by customers & other. (as on 31.03.2010 Rs. 1249212/-)
  - g. Amounts disputed in appeals, with govt. departments Rs. 28.48 Lacs plus consequential interest (as on 31.03.2010 Rs. 31.97 Lacs)
  - h. Notice of demand from Commissioner of Central Excise (Adjn.) towards Service Tax Rs. 2.96 Crore plus interest & Penalty: Rs. 2.96 Crores and additional penalty of Rs. 1000/- plus interest. Company has sought legal opinion from former Chief Justice of India Mr. P.N. Bhagwati as well as its counsel Mr. Vinod Aggarwal, and both of them have given opinion that there should be no levy. Company accordingly has already filed appeal before Customs, Excise and Service Tax Appellate Tribunal, New Delhi. In view of these facts and circumstances, no provision is made.
6. Loans to Bodies Corporate stated in Schedule IX -Loans & Advances, to the Balance Sheet includes Loans due from M/s Bhoruka Investment Limited Rs. 5.80 Lacs (as on 31.03.2010 Rs. NIL), TCI Bhoruka Projects Limited Rs. NIL (as on 31.03.2010 Rs. NIL), which are covered under the same management within the meaning of sub section (1B) of Section of 370 of the

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Companies Act, 1956. Maximum amount due during the year Rs. 168.05 Lacs (for previous year ended on 31.03.2010 Rs. 48.50 Lacs).

## 7. a. Managerial Remuneration:

### Commission provided under section 309(4) to non-executive directors

Particulars	Year Ended 31.03.2011 (Amount in Rs.)	Year Ended 31.03.2010 (Amount in Rs.)
Remuneration	1156032	1348280
Director Sitting Fees	130000	105000
<b>Total</b>	<b>1286032</b>	<b>1453280</b>

### b. Computation of Net Profit in accordance with Section 198 read with Section 309(5) of the Companies Act, 1956

Particulars	Year Ended 31.03.2011 (Amount in Rs.)	Year Ended 31.03.2010 (Amount in Rs.)
Profit before Taxation as Per Account	36627079	11907593
Add: Depreciation as per Accounts	7422002	6813888
Director Sitting Fees	130000	105000
Director Remuneration	1156032	1348280
(Profit)/Loss on sale of fixed assets (Net)	(-) 4219026	845853
(Profit)/Loss on sale on Investments (Net)	(-) 22133762	(-) 723919
	<b>18982325</b>	<b>20296695</b>
Less: Depreciation as per Section 350 of the Companies Act, 1956	7422002	6813888
Net Profit u/s 198(1) of the Companies Act, 1956	11560323	13482808
Maximum amount payable @ 10% to Directors as per Special Resolution passed subject to approval of Central Government	1156032	1348280

b) The Company is engaged in business in India only, which in the context of Accounting Standard -17 "Segment Reporting" issued by Institute of Chartered Accountants of India is considered the only Geographical segment.

(Amount in Rupees)							
Segment	Foreign Exchange Money Exchange & Money Transfer		Travel Ticketing & Car Rental		Investments Building Rent & shares Investment		Total
Nature of Services	For Year ended		For Year ended		For Year ended		For Year ended
	31.03.2011		31.03.2011		31.03.2011		31.03.2011
<b>REVENUE</b>							
External Revenue	305020603		40482215		36975532		382478350
Inter Segment Revenue	0		769870		0		769870
Total Revenue	305020603		41252085		36975532		383248220
<b>RESULT</b>							
Segment Result	17741109		7102819		29437409		54281337
Unallocated Corporate Expenses	0		0		0		0
Operating Profit	17741109		7102819		29437409		54281337
Interest Expenses							20718291



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Interest Income							4156753	
Profit from Ordinary Activity							37719799	
Extra Ordinary Loss							0	
Net Profit before taxes							37719799	
Tax provision current & Deferred							8364489	
Profit after taxes							29355310	
<b>OTHER INFORMATION</b>								
Segment Assets	302,208,986		79646450		298484349		680,339,785	
Other Assets (Loan to Corporate Bodies, Advance Tax)	0		0		0		24,272,774	
Total Assets	302,208,986		79,646,450		298,484,349		704,612,559	
Segment Liabilities	114192915		33855486		3229578		151277979	
Other Liabilities (Loan Funds, Deferred tax liability, Interest accrued)							173710311	
Total Liabilities	114192915		33855486		3229578		324988290	
Capital Expenditure	28354554		3803986		258198502		290357042	
Depreciation and amortization	5093538		2230220		520630		7844388	
Non cash expenses other than depreciation	0		0		0		0	

#### 4. Related Party Information: Relationship

##### 1. Associates/ Investing Party

- Transcorp Housing Finance Limited
- TCI Bhoruka Projects Ltd.
- Bhoruka Investment Ltd.

##### 2. Enterprise over which relative of person having significant influence is able to exercise significant influence:

- Rama Craft Pvt. Ltd.
- Transport Corporation of India Limited
- GATI Limited
- ABC India Limited
- TCI Industries Limited
- Bhoruka Power Corporation Limited

##### 3. Key Management Personnel and person having significant influence

- Mr. Ashok Kumar Agarwal
- Mr. Amitava Ghosh

##### 8. Relative of Person having significant influence:

- Mrs. Manisha Agarwal

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- Miss. Avani Agarwal
- Master Ayan Agarwal
- Mr. D.P. Agarwal
- Mr. M.K. Agarwal
- Mr. S.N. Agarwal
- Mr. Anand Agarwal
- Miss Polumi Ghosh

## 9. Concern over which key management person is having significant influence

- Ayan Fintrade Pvt. Ltd.
- TCI Infrastructure Finance Limited

Transaction with the above related parties for the year ended 31<sup>st</sup> March 2011 are as follows:

(Rupees in Lacs )

S. No.	Particulars	Associates/investing party		Enterprise over which relative of person having significant influence is able to exercise significant influence		Relative of person having significant influence		Concern over which key managerial person having significant influence		Total	
		10-11	09-10	10-11	09-10	10-11	09-10	10-11	09-10	10-11	09-10
1	Services Rendered	1.31	1.24	88.92	81.77	7.43	3.08	7.38	4.52	105.04	90.61
2	Loan (Max. Amount Given)	162.25	48.50	0.00	0.00	0.00	0.00	0.00	0.00	162.25	48.50
3	Interest Earned	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Loan (Max. Amount Taken)	0.00	86.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	86.30
5	Services taken	0.00	3.35	44.79	17.18	0.00	0.00	0.00	0.00	44.79	20.53
6	Guarantees Given	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7	Salary	0.00	0.00	0.00	0.00	31.06	29.27	0.00	0.00	31.06	29.27
8	Rent Expenses	0.00	0.00	0.00	0.00	28.37	25.15	3.31	3.15	31.68	28.30
9	Rent/ Other Recovery	0.00	0.00	0.00	0.00	0.00	3.00	0.04	0.00	1.60	3.00
10	Expenses Recovered/Shared	0.03	0.00	2.08	4.56	2.40	0.00	0.00	0.00	10.34	4.56
11	Guarantee Commission Received	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12	Sale of shares	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13	Sale of Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14	Purchase of Fixed Assets	51.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	51.98	0.00
15	Security Deposit given/Transferred	0.00	0.00	0.90	0.00	0.00	0.00	0.00	0.00	18.29	0.00
16	Investment made	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2863.00	0.00
17	Fixed Assets Sold/Transferred	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2581.99	0.00
18	Investments Sold/Transferred	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	237.09	0.00
19	Advances Transferred	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	63.60	0.00
	<b>OUTSTANDING</b>									0.00	
1	Receivables	0.07	0.00	2.41	17.39	0.94	0.00	0.35	0.00	23.37	17.39
2	Guarantees Given	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Guarantees Taken	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

16. Sundry Debtors include certain parties, against whom proceedings are pending in the Court of Law under Section 138 of the Negotiable Instruments Act, 1881 being on account of dishonor of cheques and under C.P.C., for which remedy is available under the said Act, and consequently have been considered good by the management.

17. Foreign Currency transactions relating to monetary assets and liabilities as at year end translated as per accounting policy no. 4, resulted in net profit of Rs. 32246201/- (Previous year net profit Rs. 22062799/-) which has been accounted under relevant heads in the Profit and Loss Account.

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18. Sundry Creditors, Advances, Debtors and some bank balances are subject to confirmation/reconciliation. Branch and Head Office balance are at different stages of reconciliation. Management expects no major impact of same on financial statements.
19. In the opinion of management, all current assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

	Year ended 31 <sup>st</sup> March 2011 (Rupees)	Year ended 31 <sup>st</sup> March, 2010 (Rupees)
20. Expenditure in foreign Currency, Traveling etc.	3080276	741063
Earnings in Foreign Exchange (Excluding reimbursement of expenses) Commission/Income	220576709	219260830

21. Other additional information required under clause 4 of the Part –II of the Schedules VI to the Companies Act, 1956 are not applicable/nil.

22. Previous year's figures have been regrouped or rearranged wherever considered necessary.

23. Employee Benefits:-

For gratuity company has obtained the scheme managed by LIC. As required by AS-15 "Employee Benefits" issued by the Institute of Chartered Accountant of India, the following disclosures have been made as per the information provided by LIC.

## b) Gratuity:-

Gratuity Report under AS-15 (Revised 2005) for the year ended 31.03.2011 in respect of employees group gratuity trust for Policy No. 313910

S. No.	Description	Details	
		As on 31 <sup>st</sup> March 2011	As on 31 <sup>st</sup> March 2010
<b>1.</b>	<b>Assumption</b>		
A.	Discount Rate	8.00%	8.00%
B.	Salary Escalation	7.00%	7.00%
<b>C.</b>	<b>Mortality Rate</b>	<b>LIC (1994-96) ultimate</b>	
<b>D.</b>	<b>Withdrawal Rate</b>	<b>1% to 3% depending on age</b>	
<b>2</b>	<b>Table showing changes in present value of obligation As on 31.03.2011</b>		<b>As on 31.03.2010</b>
	Present value of obligations as at beginning of year	3776793.00	3112829.00
	Interest Cost	302143.00	249026.00
	Current Service Cost	1099372.00	691839.00
	Benefits Paid	(705809)	(295498)
	Actuarial (gain)/loss on obligations	686809.00	18597.00
	Present value of obligations as at end of year	5159308.00	3776793.00
<b>3</b>	<b>Table showing changes in the fair value of plan assets As on 31.03.2011</b>		
	Fair value of plan assets at beginning of year	5223950.00	3446865.00
	Expected return on plan assets	445722.00	347785.00
	Contributions	1917010.00	1724798.00
	Benefits paid	(705809)	(295498)
	Actuarial gain/(loss) on Plan assets	NIL	NIL
	Fair value of plan assets at the end of year	6880873.00	5223950.00
<b>4</b>	<b>Table showing fair value of plan assets</b>		

## 16th Annual Report- Transcorp International Limited

	Fair value of plan assets at beginning of year	5223950.00	3446865.00
	Actual return on plan assets	445722.00	347785.00
	Contributions	1917010.00	1724798.00
	Benefits paid	(705809)	(295498)
	Fair value of plan assets at the end of year	6880873.00	5223950
	Funded status	1721565.00	1447157
	Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31 <sup>st</sup> March)	NIL	NIL
<b>5</b>	<b>Actuarial Gain/Loss recognized As on 31.03.2011</b>		
	Actuarial (gain)/ loss on obligations	(686809)	(18597)
	Actuarial (gain)/ loss for the year-plan assets	NIL	NIL
	Actuarial (gain)/ loss on obligations	686809.00	18597.00
	Actuarial (gain)/ loss recognized in the year	686809.00	18597.00
<b>6</b>	<b>Expenses Recognised in statement of Profit and loss</b>		
	Current Service Cost	5159308.00	691839.00
	Interest Cost	6880873.00	249026.00
	Expected return on plan assets	1721565.00	(347785.00)
	Net Actuarial (gain/loss recognized in the year	(1721565)	18597.00
	Expenses recognized in statement of Profit & Loss	1642602.00	611677.00

24. Major components of deferred tax liability is on account of timing difference of depreciation and gratuity provision.

As per our report attached  
For Anand Jain & Co.  
Chartered Accountants

Anand Prakash Jain  
Proprietor

Ram S. Tarneja  
Director

Amitava Ghosh  
Executive Director

Dilip Kumar Morwal  
Company Secretary

M.No. 071045  
FRN: 001857C  
Date: 23<sup>rd</sup> May 2011  
Place: New Delhi

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## TRANSCORP INTERNATIONAL LIMITED

### Consolidated Cash Flow Statement For the Year Ended 31st MARCH 2011

PARTICULARS	All Amounts in Indian Rupees As at 31.03.2011
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net profits Before Tax & Extra Ordinary Items	37719799
Adjustments for	
Depreciation	7844388
(Profit)/Loss On Sale Of Assets	(4219026)
(Profit)/Loss On Sale Of Investments	(22133762)
Dividend Income	(112235)
Property Income	(6457903)
Interest Expenses	16561538
<b>Operating profit Before Working Capital Changes</b>	<b>29202799</b>
Adjustments for	
Trade & Other Receivables	(50351418)
Trade & other Payables	29795882
Cash Generated From Operations	8647263
Direct Taxes Paid(net)	5195461
<b>Net Cash Flow from Operating Activities</b>	<b>3451802</b>
<b>B. CASH FLOW FOR INVESTING ACTIVITIES</b>	
Purchase of Fixed assets (net)	(32158537)
Purchase of Investment	(11522500)
Sale of Investments	22685272
Sale of Fixed assets	5627418
Rental Income	6457903
Dividend Income	112235
Interest Received	4156753
Decrease/ (Increase) in loans to Bodies Corporates and Others	(7051803)
<b>Net Cash Used in Investing Activities</b>	<b>(11693259)</b>
Proceeds from Short Term Borrowings	21635515
Proceeds from Long Term Borrowings	14614033
Repayment of Long Term Borrowings	(3177726)
Interest Paid	(20718291)
Dividend and Corporate Dividend Tax paid	(2855749)

# 16th Annual Report- Transcorp International Limited

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<b>Net cash From Financing Activities</b>	<b>9497782</b>
Net Increase In Cash And Cash equivalents	1,256,325
* Cash And Cash Equivalents (Opening)	102118736
Cash And Cash Equivalents (Closing)	<b>103375061</b>

As per our report attached  
For Anand Jain & Co.  
Chartered Accountants

Anand Prakash Jain  
Proprietor

Ram S. Tarneja  
Director

Amitava Ghosh  
Executive Director

Dilip Kumar Morwal  
Company Secretary

M.No. 071045  
FRN: 001857C  
Date: 23<sup>rd</sup> May 2011  
Place: New Delhi

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## **POSTAL BALLOT NOTICE**

(Pursuant to Section 192A of the Companies Act, 1956)

**NOTICE** is hereby given pursuant to Section 192A(2) of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, that the resolution appended below is proposed to be passed as Special Resolutions by way of Postal Ballot.

Members' consent is requested for the proposal contained in the Resolutions appended below. The Explanatory Statement pertaining to the said Resolutions setting out the material facts and the reasons thereof are annexed with the notice of Annual General Meeting. Postal Ballot Form (the "form") is annexed with this notice for your consideration. The Company has appointed Mr. Anand Prakash Jain, Chartered Accountant as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed in the Postal Ballot Form and return the form duly completed in the attached self addresses, postage prepaid envelope, so as to reach the Scrutinizer on or before the close of working hours on the 27<sup>th</sup> July 2011. The Scrutinizer will submit his report to the Company and the result of postal ballot will be announced by the Chairman at the venue of the ensuring Annual General Meeting to be held on 28<sup>th</sup> July 2011.

Members may please note that the resolutions will be deemed to have been passed as special resolutions if the votes cast in favour are at least three times than the votes cast against and would be deemed to have been passed at the Annual General Meeting referred to above.

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

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

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

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## POSTAL BALLOT FORM

1. Name(s) of shareholder(s)  
(including joint holders, if any)
2. Registered address of the sole/first  
Named shareholder
3. Registered Folio No./DPID No./  
Client ID No. (Applicable to investors  
Holding shares in dematerialized form)
4. I/We hereby exercise my/our vote(s) in respect of the ordinary resolution to be passed through postal ballot for the businesses stated in the Notice of the Company by sending my/our assent or dissent to the said resolution by placing tick (✓) marks in the appropriate box as given below:

Item No.	Description	No. of shares	I/We assent to the resolution	I/We dissent to the resolution
1.	Ordinary Resolution under section 293 (1) (a) and other applicable provisions (if any) for authorizing the Board of Directors of the Company for creation mortgage or charging the whole undertaking or substantially whole undertaking and various assets of the company for securing fund based/non fund based loan/credit facilities upto a ceiling of Rs. 100 Crores.			

**Place:**

**Date:**

**(Signature of the shareholder)**

### Instructions

1. A member desiring to exercise vote by postal ballot may complete this postal ballot form and send it to the scrutinizer in the attached self-addressed pre-stamped envelope. However, envelope containing postal ballot, if sent by courier at the expense of the registered shareholders or by hand delivery will also be accepted.
2. The self addressed envelope bears the name and address of scrutinizer appointed by the Board of Directors of the Company.
3. This Form should be completed and signed by the shareholder.  
In case of joint holding, this form should be completed and signed (as per specimen signature registered with the Company) by the first named shareholder and in his/her absence, by the next named shareholder.
4. Unsigned postal ballot forms will be rejected.
5. Duly completed postal ballot form should reach the Scrutinizer Mr. Anand Prakash Jain at C-11/24, Kaveri Path Shopping Centre, Opp. Mansarovar Stadium, Mansarovar, Jaipur-302020 not later than the close of working hours on 27<sup>th</sup> July 2011. Postal ballot forms received after this date will be strictly treated as if the reply from such shareholder has not been received.
6. In case of shares held by companies, trusts, societies, etc. the duly completed postal ballot form should be signed by the authorized signatory whose signature is already registered with the company or accompanied by the certified true copy of the Board resolution/authority.
7. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the shareholders on the date of the dispatch of the notice.
8. Members are requested not to send any other communication along with the postal ballot form in the enclosed self addressed postage prepaid envelop and any extraneous paper(s) found in such envelop would be destroyed by the scrutinizer.



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## TRANSCORP INTERNATIONAL LIMITED

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

### Attendance Slip

Folio No.	
DP Id	
Client Id No.	

I certify that I am Registered Shareholder/Proxy for Registered Shareholder of Company holding \_\_\_\_\_ shares. I hereby record my presence at the 16<sup>th</sup> Annual General Meeting of the Company at Surana Udhog Auditorium, The Federation of Andhra Pradesh, Chambers of Commerce & Industries, 11-6-841, Red Hills, Hyderabad-500 004 (A.P.) on Thursday, 28<sup>th</sup> July, 2011 at 10.00 A.M.

<b>Member's/ Proxy's name in block letters</b>	<b>Member's/Proxy's Signature</b>
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- NOTES:**
1. Shareholder/Proxy wishing to attend the meeting must bring the Attendance Slip to the meeting and handover the same duly signed, at the entrance of the meeting hall.
  2. Shareholders/Proxy desiring to attend the meeting are advised to bring copy of the Annual Report for reference at the meeting.

## TRANSCORP INTERNATIONAL LIMITED

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

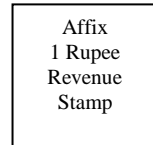
### PROXY FORM

I/We \_\_\_\_\_ of \_\_\_\_\_ in the \_\_\_\_\_ district of \_\_\_\_\_ being a Member/ Members of the above named company, hereby appoint \_\_\_\_\_ to \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/ our proxy to vote for me/ us and on my/ our behalf at the 16<sup>th</sup> Annual General Meeting of the company, to be held at Surana Udhog Auditorium, The Federation of Andhra Pradesh, Chambers of Commerce & Industries, 11-6-841, Red Hills, Hyderabad-500 004 (A.P.) on Thursday, 28<sup>th</sup> July, 2011 at 10.00 A.M. or any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011

Folio No./Client No.: \_\_\_\_\_

Number of Shares held: \_\_\_\_\_



Note: The Proxy must be received so as to reach at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.