

2011-12

46th annual report





*Learning and earning for tribal youth at
BPO unit at Chhotaudepur*



*Vocational training for tribal youth
at Chhotaudepur*

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Annual General Meeting on **Thursday, the 9th day of August, 2012 at 3:30 p.m.** at Hotel Express Tower, "Oaks Room", 8th Floor, R.C. Dutt Road, Alkapuri, Vadodara - 390 007.

The practice of distributing copies of the Annual Report at the Annual General Meeting has been discontinued. You are requested to bring your copy of the Annual Report to the Meeting.

A Request

We are sure you have read with interest the accounts of the year ended 31st March, 2012. You may desire to have some clarification or additional information on the said accounts at the ensuing Annual General Meeting. We shall very much appreciate, if you kindly write to us atleast ten days in advance in order to enable us to keep the information ready for you at the meeting. We solicit your kind co-operation.

Board of Directors

A.C. Shroff

Chairman

A.G. Shroff

Managing Director

Bimal V. Mehta

Executive Director

D.K. Shroff

M.D. Patel

A.H. Patel

Dr. Bernd Dill

Ravi A. Shroff

Ninad D. Gupte

Nimish U. Patel

S. K. Solanki

Company Secretary

Bankers

State Bank of India

Bank of Baroda

Axis Bank Ltd.

IDBI Bank Ltd.

Auditors

Contractor, Nayak & Kishnadwala

Chartered Accountants

Registered Office

6th floor, Marble Arch,

Race Course,

Vadodara - 390 007.

Works

Village Ekalbara, Tal. Padra,

Dist. Vadodara - 391 440.

Company's R & T Agent

Link Intime India Pvt. Ltd.

B-102 & 103, Shangrila Complex,

First Floor, Nr. Radhakrishna Char

Rasta, Akota, Vadodara - 390020.

NOTICE TO THE MEMBERS

NOTICE IS HEREBY GIVEN THAT the **FORTY SIXTH ANNUAL GENERAL MEETING** of the Members of **TRANSPEK INDUSTRY LIMITED** will be held on 9th August, 2012 at 3.30 P.M. at Hotel Express Towers, "Oaks Room", 8th Floor, R.C.Dutt Road, Alkapuri, Vadodara 390 007 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss of the Company for the year ended 31st March, 2012, the Balance Sheet as at that date and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Shri Dipesh K. Shroff, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Ravi A. Shroff, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Nimish U. Patel, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

Regd. Office:
6th Floor, Marble Arch,
Race Course,
Vadodara – 390007
Dated: 28th May, 2012

**By Order of the Board of Directors
For Transpek Industry Limited**

SHAILESH K. SOLANKI
General Manager & Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The instrument appointing a proxy should be deposited at the Regd. Office of the Company not less than 48 hours before the commencement of the meeting.

2. Members who hold shares in dematerialized form are requested to bring their DP ID and client ID Nos. for easy identification of attendance at the meeting.
3. The Register of Members and Share Transfer Books of the Company and the Register of Beneficial Owners maintained by NSDL and CDSL in respect of the Company will remain closed from 31st July, 2012 to 9th August, 2012 (both days inclusive).
4. Members are requested to notify promptly any change in their addresses to their respective Depository Participants in respect of their electronic share accounts quoting client ID No. and to Link Intime India Pvt. Ltd., the Company's Registrars and Share Transfer Agents, in respect of their physical shares, quoting their Folio No.
5. Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, the amounts of dividends remaining unclaimed for a period of seven (7) years are to be transferred to the Investor Education and Protection Fund set up by the Central Government.

NOTICE TO THE MEMBERS

Details of dividend declared for the year 2004-05 onwards are given below:

Date of Declaration	Dividend for the year	Dividend Rs. per share	Due date of the proposed transfer to the Investor Education & Protection Fund.
15.09.2005	2004-05	2.00	16.10.2012
24.08.2006	2005-06	2.50	24.09.2013
07.09.2007	2006-07	1.50	08.10.2014
22.08.2008	2007-08	1.50	23.09.2015
07.09.2009	2008-09	2.50	08.09.2016
13.08.2010	2009-10	2.50	06.09.2017
25.08.2011	2010-11	4.00	26.09.2018

Members who have not encashed the Dividend Warrants for the above years are requested to write to the Company for revalidation of Dividend Warrants before such unclaimed dividend is transferred to the Investor Education and Protection Fund.

DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting the Forty Sixth Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2012.

FINANCIAL RESULTS

	2011 - 2012 Rs. in Lakhs	2010-2011 Rs. in Lakhs
Net Sales including Trading and Operating Income	15,626.80	18,441.53
Other Income	444.91	140.94
Profit/(Loss) before Interest, Depreciation, Amortization, Taxes and Extraordinary Items	458.11	3,135.62
Interest	1,009.47	744.30
Cash Profit/(Loss) before Extraordinary Items and Taxes	(551.36)	2,391.32
Less:		
Depreciation	677.83	639.92
Amortization	19.12	41.50
Profit/(Loss) before Extraordinary Items and Tax	(1,248.31)	1,709.90
Less:		
Extraordinary Items		
- Assets written off (Net)	-	-
Profit / (Loss) before Tax	(1,248.31)	1,709.90
Provision for Taxation		
Current:		
(i) Current Tax	1.38	331.26
(ii) MAT	-	(45.00)
(iii) Deferred Tax (Asset) / Liability	(217.84)	146.43
Profit/(Loss) after Tax	(1,031.85)	1,277.21

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

DIVIDEND

Having regard to the financial position emerging out of the audited accounts and in the absence of any scope for declaring any dividend out of reserves, the Directors regret their inability to recommend payment of any dividend.

REVIEW OF OPERATIONS

The net sale of the Company for the year under review is Rs. 153.55 crores as compared to Rs.182.30 crores in the previous year, a fall of about 16%. During the financial year 2011-12, the Company incurred net loss of Rs.10.32 Crores as against profit after tax of Rs.12.78 Crores in the previous year.

During the year under review, exports registered Rs. 82.99 Crores (Previous year: Rs. 104.34 crores) a fall of 20%, and domestic sale registered Rs.70.56 Crores (Previous Year: Rs.77.95 Crores) a fall of 10% in comparison to previous year.

DIRECTORS' REPORT

The reasons for loss of turnover and profitability are:

- On the export front, reduction in demand due to negative economic conditions in Europe resulted in substantial reduction in turnover and profitability.
- Temporary ban imposed on production, use and sale of Endosulfan in India adversely affected domestic sale of Thionyl Chloride.
- There has also been reduced demand from Agrochemicals and Dyes sectors in addition to increased production capacities in India.

However, the Company has recovered partly the lost volumes. This positive development was due to consistent efforts to broad base the regional spread and customers.

SUBSIDIARY COMPANIES

(i) Transpek Industry (Europe) Ltd.

During the year under review, the wholly owned subsidiary of the Company - Transpek Industry (Europe) Ltd. has facilitated registration of three (3) products of Excel Industries Ltd. under REACH.

(ii) Sam Fine O Chem Ltd.

As reported earlier, the Company holds 50% of the paid up equity share capital of Sam Fine O Chem Limited (Changed name effective 19.11.2011).

However, that company's net-worth having been eroded, the promoters are considering ways and means to improve it.

Pursuant to a resolution passed by the Board of Directors of the Company in terms of the General Circular dated 8th February, 2011 issued by the Ministry of Corporate Affairs, Government of India, the audited financial statements and the Reports of the Boards of Directors and the Auditors of the Company's subsidiaries are not attached to this Annual Report. These documents shall be made available to the members of the Company seeking such documents. The same are available for inspection by members at the Registered Office of the Company and that of the respective subsidiaries and on the Company's website www.transpek.com.

OUTLOOK

We expect improving business conditions in the domestic as well as international market.

Having introduced more products in different segments and regions, we expect good growth in the coming period. Due to efforts being put in extending/expanding regional spread, your Company has been able to balance the business volumes in different regions.

Your Company has built a strong reputation as an environmentally conscious organisation. This provides reliability and sustainability for the customers and hence we see more customers interested to discuss long-term supply arrangements with the Company.

QUALITY, ENVIRONMENT, HEALTH AND SAFETY MANAGEMENT SYSTEMS

Re-certification audit of our existing Integrated Management System of QMS ISO 9001:2008, EMS ISO 14001:2004 and BS OHSAS 18001:2007 was successfully completed in February, 2012. The Company's existing Integrated Management System is in compliance with the requirements of QMS ISO 9001:2008, EMS ISO 14001:2004 and BS OHSAS 18001:2007 Standards.

HEALTH CARE AND WELFARE OF EMPLOYEES

Employees Welfare Schemes like subsidized canteen food, medical facilities, merit awards for the employees' children and Group Insurance continued to be maintained by the Company. Sports and cultural activities were also given priority during the year.

RISK MANAGEMENT

All functional heads periodically review risks facing their areas of responsibility and implement an effective system of internal controls to manage them.

DIRECTORS' REPORT

The Managing Director and the Executive Director give overall directions in controlling / mitigating risks generally.

DIRECTORS

Shri Dipesh K. Shroff, Shri Ravi A. Shroff and Shri Nimish U. Patel, Directors of the Company will retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment. The Directors commend their re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Directors hereby confirm that:

- a) in the preparation of the accounts for the financial year ended 31st March, 2012 the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) they have prepared the annual accounts on a going concern basis.

CORPORATE SOCIAL RESPONSIBILITY

Your Company has undertaken or supported several social responsibility initiatives.

One of the NGOs supported by the Company is the Shroffs Foundation Trust (SFT) which has been working essentially in rural and tribal areas in Gujarat in the fields of health, education, agriculture, animal husbandry, watershed management and in skill development for self-help. SFT works mainly with the Government of Gujarat on several projects. SFT has put in place effective governance systems to ensure transparency and accountability. The work done by SFT has recently been recognized by the Times of India Group by bestowing on it the honour of Social Impact Awards – Livelihoods category. SFT strives to create self-help groups aimed at curbing unemployment in tribal youth.

The initiatives taken by the Company for managing the Industrial Training Institute (ITI) at Padra, District Vadodara and the development of ITI, Dashrath in Vadodara District as a centre of excellence in chemical trade under the Public Private Partnership scheme of the Government, as mentioned in our last Report, are continuing.

CORPORATE GOVERNANCE

A separate statement on Corporate Governance is included in this Report along with a certificate of the Auditors on its compliance.

MANAGEMENT DISCUSSION AND ANALYSIS

The report on Management Discussion and Analysis forming part of this Annual Report deals with the Operations, Business Performance, etc.

FIXED DEPOSITS

During the year under review, your Company accepted deposits from Public/Shareholders/ Employees/ Senior Citizens and has complied with the provisions of section 58A of the Companies Act, 1956 and the Rules framed thereunder. There were 117 deposits aggregating to Rs.26 lacs which were due for repayment and remained unclaimed as on 31st March, 2012 of which 35 deposits amounting to Rs. 16.14 lacs have since been repaid or renewed.

AUDITORS

M/s. Contractor, Nayak & Kishnadwala, Chartered Accountants, Vadodara, who have given a letter to the Company certifying that their proposed appointment as Auditors would be in accordance with the limits specified in Section 224

DIRECTORS' REPORT

(1B) of the Companies Act, 1956, are proposed to be re-appointed as the Auditors of the Company.

AUDITORS' REPORT

With regard to the Auditors' qualificatory remarks at item (f) of their report, as mentioned in note no. 30 (d) notes forming part of the financial statements to the accounts, the Board is of the opinion that in view of the significant uncertainties associated with the said contract, whose ultimate outcome depends on future events, the exchange gain or loss, if any, on the strike date would be accounted for in the profit and loss account as and when it crystallizes.

TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In terms of the provisions of Section 217(1)(e) read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 particulars as prescribed therein relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in Annexure "A" forming part of this Report.

COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975

Information required pursuant to Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is given in Annexure "B" forming part of this Report.

ACKNOWLEDGEMENTS

Your Directors wish to acknowledge the co-operation and assistance extended to the Company by the Company's Bankers and State Government agencies. Your Directors also wish to place on record their appreciation of the contribution made by employees at all levels towards the growth of the Company. Your Directors also acknowledge with gratitude the support of the shareholders, other investors, customers and suppliers for the faith reposed in the Company and its management.

BY ORDER OF THE BOARD

PLACE : Vadodara
DATED : 28th May, 2012

A. C. SHROFF
CHAIRMAN

DIRECTORS' REPORT

ANNEXURE 'A'

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2012.

I. ENERGY CONSERVATION

Conservation activities carried out during the year.

Several activities were carried out during the year to achieve energy conservation and consequent savings as listed below:

1. Changeover of oil heating system which resulted in reduction of fuel oil consumption and maintenance. Installation of new cooling tower with higher capacity along with fan controllers which resulted in power saving.
2. Water saving by recovery of condensate water to boiler house as well as recycling of waste water in scrubbers.
3. Installation of different types of LED lamps in various plants and offices.
4. Replacement of regular pumps by energy efficient pumps/motors and replacement of high power consumption old motors by new energy efficient ones with low power consumption.
5. Facilitate common brine system for all the old plants to run the brine system based on process/plant load.

The investment in various energy conservation activities was Rs. 16.60 Lacs and the estimated annual saving works out to Rs. 21.41 Lacs.

FORM 'A'

	Current year (2011-2012) 12 months	Previous year (2010-2011) 12 months
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
a. Purchased Units	10310241	12861120
Total Amount (Rs. In lakhs)	670.88	770.58
Rate/Unit	6.51	5.99
b. Own Generation		
I. Through Diesel Generator (Units)	33626	36827
Units generated per liter of diesel oil	2.67	1.89
Total Cost/Unit	19.30	17.17
II. Through steam turbine / generator (Units)	Not	Not
Units per liters of fuel oil / gas / cost / unit	Applicable	Applicable
2. Coal		
Quantity (Tonnes)		
Total Cost / Average Rate	Not	Not
	Applicable	Applicable
3. Furnace oil		
Quantity (liters)	1004359	2021601
Total Amount (Rs. in lakhs)	395.62	548.26
Average Rate/Ltr. (Rs.)	39.39	27.12
4. Others		
Gas Quantity (Cu.M)	-	-
Total Amount (Rs. In lakhs)	-	-
Average Rate/Cu. M.	-	-

DIRECTORS' REPORT

	Current year (2011-2012) 12 months	Previous year (2010-2011) 12 months
B. CONSUMPTION PER UNIT OF PRODUCTION		
For all Products (with Unit Details)		
Electricity (Units)	157.87	147.43
Furnace Oil (Ltrs)	15.38	23.17
Coal (Specify quality)	Not Applicable	Not Applicable
Gas (Cu. M)		-

II. TECHNOLOGY ABSORPTION

Efforts made in Technology Absorption are given below in Form B:

FORM 'B'**RESEARCH & DEVELOPMENT****Specific areas in which in-house R & D activities were carried out by the Company**

Your Company is recognized as In-house R & D Unit since the year 2000 by the Department of Scientific & Industrial Research (DSIR), Ministry of Science and Technology, Government of India, New Delhi and it is valid up to 2013. The R & D Dept. of the Company is working on various Acid chlorides/ Organic chlorides and other products used in Polymers, Pharmaceuticals and Agrochemicals. The Company's R & D unit is also approved for expenditure deduction under section 35 (2AB) of the Income-tax Act, 1961.

Benefits derived as a result of the R & D activities

Two new molecules of Acid Chlorides have been established and commercialized.

Future Plan of Action

Our plan is to develop products for Polymer additives and Pharmaceuticals intermediates. We are also working on downstream products of Acid Chlorides.

Expenditure on R & D:

	Current year (2011-2012)	(Rs. in Lakhs) Previous year (2010-2011)
Capital	85.76	109.49
Recurring	171.51	156.55
Total	257.27	266.04
Total R & D Expenditure as a % of total turnover	1.60	1.43
Technology Absorption, Adaptation and Innovation	Not applicable	Not applicable

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

	Current year (2011-2012)	(Rs. in Lakhs) Previous year (2010-2011)
a) Earned by way of export of goods and claim	8,211.78	10,168.86
b) Used by way of Imports (Capital/ Revenue)	3,607.49	2,999.22

BY ORDER OF THE BOARD

PLACE: Vadodara
DATED: 28th May, 2012

**A. C. SHROFF
CHAIRMAN**

DIRECTORS' REPORT

ANNEXURE 'B'

PARTICULARS OF EMPLOYEES

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2012.

EMPLOYED THROUGHOUT THE YEAR AND IN RECEIPT OF REMUNERATION AGGREGATING NOT LESS THAN RUPEES 60,00,000/-* PER ANNUM.

Name of the Employee	Age (Yrs)	Designation / Nature of Duties	Qualification	Total Experience (Yrs)	Remuneration Received (Rs. in lacs)	Date of commencement of employment	Last employment
Atul G. Shroff	64	Managing Director	S.S.C.	44	90.69	01.12.1981	Excel Industries Ltd.

* Pursuant to the amendment to Companies (Particulars of Employees) Rules, 1975, vide notification no. G.S.R. 289(E) dated 31st March, 2011 issued by Ministry of Corporate Affairs, Government of India, New Delhi.

NOTES:

- 1) The nature of employment of the Managing Director is contractual for a period of five years.
- 2) Remuneration mentioned above includes salary, incentive payment, taxable value of perquisites, Company's contribution to Provident Fund and Superannuation Fund and contribution to Gratuity Fund under Annuity Policy with LIC.
- 3) The employee is not a relative of any of the Directors of the Company.
- 4) The Managing Director holds more than 2% of the equity of the Company.

BY ORDER OF THE BOARD

PLACE : Vadodara
DATED : 28th May, 2012

A. C. SHROFF
CHAIRMAN

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This report includes discussion on the following matters within the limits set by the Company's competitive position:

Industry structure and developments

Your Company's products have multiple applications in Agrochemicals, Polymers, Pharmaceuticals, Speciality Plastics, Organic Peroxide and Surfactants. Due to such a broad applications portfolio, we are able to cater to customers worldwide.

Polymers and Speciality Plastics

The market for different types of Polymers and Speciality Plastics has been growing due to widening applications spectrum. Due to large consumption of Polymers and Speciality Plastics, large capacities have been and are being established around the world. Looking to the scenario, we expect continued growth in the products that go towards these applications. Your Company has been able to build business with almost all major manufacturers of Aramid Fibres.

DIRECTORS' REPORT

The high end Polymers production in India is in its nascent stage and we do not expect sustained growth in the near future. In the international arena, however, production is quite large and is continuously increasing. Therefore, we expect good growth in the export market.

We are, however, in constant dialogue with the companies in India which are in the process of developing high end Polymers.

Pharma products

The Indian Pharma industry is expected to continue its growth path due to its inherent strength in providing world class quality products at a low cost. Your Company has many big pharma companies as long standing customers.

Many products are coming off-patent in the near future providing big opportunity for Indian companies to embark into introduction of new molecules in the form of intermediates and APIs.

Your Company is already supplying raw materials to big pharma companies in India and has been working on more products in collaboration with the customers.

In the coming years, we expect good growth for your Company in this market segment.

Agrochemicals

During the financial year 2011-2012, Agrochemical sector has shown good demand. However, the ban on Endosulfan adversely affected demand for our product. While there is a good domestic demand, stiff competition in the market prevails due to supply exceeding the demand.

Your Company is working on other products which are raw materials for herbicides where we expect to see steady growth in the near future.

Your Company is constantly working to develop new products for application in Agrochemicals sector.

Surfactants

Your Company has developed products that are used in the manufacture of Surfactants and is in the process of starting commercial supply. The market for Surfactants is quite big and we have been able to work towards building strategic relationship with large manufacturers of Surfactants.

Your Company expects good growth from this segment.

Opportunities and threats

Opportunities

While the overall economic outlook in USA and Europe remains negative, it is expected that chemical Industry in these regions will perform well in the coming period. This is evident from the performance of chemical companies in these regions recently. Our customers in these regions expect good consumption of products supplied by us and therefore we expect minimal effect of economic situation in the USA and Europe. Also, there has been good growth in Korean economy as well as good opportunity for our products in China.

Due to widely spread segments portfolio and Your Company's reach in almost all major markets of the world, we see good opportunities for growth in the coming period.

Threats

Competitive pricing pressure may affect your Company's capability to sustain the profitability. The weakening of the Rupee is expected to adversely affect in case of imported raw material. Rapid industrial development in Gujarat and consequent employment opportunities may adversely affect your Company's ability to hire and retain good talent.

DIRECTORS' REPORT

Risks and Concerns

Increase in the input costs, depreciating Rupee, breakdown of euro zone or euro as a currency and competitive pressure are causes for concern. Your Company is constantly watching these factors and taking steps to mitigate the risks as much as possible.

Outlook

With the broad-basing of regional spread, business segment portfolio and customers, your Company expects to grow and improve the volumes and margin in the coming years.

Your Company has built a good reputation as an organization which is socially responsible, conscious about environment protection and is customer-focused. This has built trust within the customers for reliability and sustainability as a supplier. We expect good opportunities and growth due to the trust that customers have in us.

Segment wise performance

The Company has only one business segment namely "Chemicals". The information in respect of secondary segment as per the Accounting Standard (AS-17) "Segment Reporting" issued by the Institute of Chartered Accountants of India is given under Note No. 29(b) in notes forming part of the consolidated financial statements.

Internal Control Systems and their adequacy

As reported in the previous year, your Company maintains an adequate and effective internal control system commensurate with its size and complexity. The internal control systems are supplemented through an extensive internal audit programme and periodic review by management.

Discussion on financial performance with respect to operational performance

The net sale of the Company for the year under review is Rs. 153.55 crores as against Rs. 182.30 crores in the previous year. In the year under review sales has decreased by 16% in comparison to previous year. During the year net loss is Rs. 10.31 crores vis-à-vis profit of Rs. 12.78 crores in the previous year.

The domestic market of our products in the dyestuff industry and for endosulphan suffered a major setback. Also, we had reduced demand from Europe.

To overcome this situation, we started spreading our customer base into all regions and balancing our business in various regions. This strategy has started to give results and we expect the operational performance to improve in the coming period.

Human resources / Industrial relations

The chemical industry in India is undergoing a volatile phase. In the recent past, we have identified Human Resources as one of the strategic aspect leading to success in all areas of operations.

Transpek's strength is its dedicated workforce developed over a period of time. It believes in empowering employees by enhancing their knowledge, developing competencies and motivating them to reach their goals and set higher standards for themselves.

Transpek's policy of hiring fresh professionals and grooming them as per its requirements has created a pool of experienced work force and it also helps in providing job opportunities as well as learning platform to the qualified youth.

DIRECTORS' REPORT

TRAINING PERFORMANCE

The Company has been conducting various Training & Development activities, which apart from minimizing the skill gap and technical obsolescence, are also focusing towards attaining the bigger organizational purpose of building a competent workforce to meet the challenge in the Chemical Sector. Also training is imparted to employees considering their need to upgrade and develop them.

This exercise has developed a sense of togetherness with the Company and resulted in a capable, dedicated and performance driven organization.

INDUSTRIAL RELATIONS

Industrial peace and harmony based on healthy employee relations, like the previous year has prevailed throughout the year. The grievances/issues raised by the employees / Union were given due attention and regard. The issues brought up by them were settled through regular meetings and interactions between Management and Union and action as mutually agreed was taken to settle them.

A further step towards workers' participation in critical issues concerning business endeavours, a special Joint Negotiation Committee meeting was convened to share the views of Union on the various aspects of our business endeavors and to obtain opinion from them to improve on the same.

The employee strength as on 31st March, 2012 was 587 in comparison to 609 in the previous year, a decrease of approximately 4%.

A well-defined performance management appraisal system is in place.

Industrial Relations continue to be cordial.

Cautionary Statement

Statements in this report on Management Discussion and Analysis relating to the Company's objectives, projections, estimates, expectations or prediction may be forward looking within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results might differ materially from those expressed or implied depending upon factors such as climatic conditions, global and domestic demand-supply conditions, finished goods prices, raw materials cost and availability, foreign exchange market movements, changes in Government regulations and tax structure, economic and political developments within India and the countries with which the Company has business and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company has adopted the required practices of Corporate Governance keeping in view its size, complexity, global operations and its traditional ethical values. The Company believes in achieving the global standards of corporate conduct towards all stakeholders by following the principles of accountability, integrity and responsibility in dealings with employees, shareholders, consumers and the community at large.

The Company has complied with all the requirements of corporate governance in terms of clause 49 of the listing agreement with the Stock Exchange, Mumbai and the best practices are followed to achieve its goal on corporate governance.

2. BOARD OF DIRECTORS

(i) Composition

The Board of Directors comprises the Managing Director, an Executive Director and eight non-executive Directors including the Chairman. Five of the eight non-executive Directors are independent Directors.

The composition and categories of Directors on the Board during the period 01.04.2011 to 31.03.2012 and details about Board Meetings held and attended by them, attendance in last AGM, Directorships in other companies and Chairmanship/Membership in Committees of other companies are given in the following table.

(ii) Details of Directors:

Sr. No.	Name of Director	Category of Directorship*	Board Meetings (April, 2011 to March, 2012)		Attendance in last AGM held on 25.08.2011	No. of other Directorships held as at 31 st March, 2012**	No. of Board Committee Positions held as at 31 st March, 2012 (including Transpek Industry Limited)	
			Held	Attended			Chairman	Member
1.	Shri Ashwin C. Shroff	PD/NED	7	6	Present	13	2	-
2.	Shri Atul G. Shroff	PD/MD	7	7	Present	6	4	2
3.	Shri Bimal V. Mehta	NPD/ED /WTD	7	7	Present	1	-	2
4.	Shri Dipesh K. Shroff	PD/NED	7	6	Present	18	1	2
5.	Shri M. D. Patel	NPD/NED /ID	7	7	Present	7	3	8
6.	Shri A. H. Patel	NPD/NED /ID	7	5	Absent	9	1	3
7.	Dr. Bernd Dill	NPD/NED /ID	7	7	Present	1	-	-
8.	Shri Ravi A. Shroff	PD/NED	7	5	Present	6	-	-
9.	Shri Ninad D. Gupte	NPD/NED /ID	7	7	Present	4	-	4
10.	Shri Nimish U Patel	NPD/NED /ID	7	3	Absent	4	-	2

* PD - Promoter Director; NPD - Non-Promoter Director; MD - Managing Director; NED - Non-Executive Director; ID - Independent Director; ED - Executive Director; WTD - Whole-time Director

** Number of other Directorships includes Directorship held in Private Limited Companies, Section 25 Companies and foreign companies

Detailed agenda notes were made available to the Directors in accordance with the provisions of Annexure-I(A) to clause 49 of the Listing Agreement.

REPORT ON CORPORATE GOVERNANCE

(iii) Details of Board Meetings held during the year:

Date of Board Meeting	09.04.2011	27.05.2011	29.07.2011	25.08.2011	12.11.2011	23.01.2012	31.03.2012
Board strength	10	10	10	10	10	10	10
No. of Directors present	8	9	9	9	9	8	8

3. THE SHAREHOLDING OF THE DIRECTORS AS ON 31ST MARCH, 2012, WAS AS UNDER:

Name of the Director	Shares held (No.)	% to total capital
Shri Ashwin C. Shroff	3,919	0.07
Shri Atul G. Shroff	2,61,090	4.45
Shri Bimal V. Mehta	-	-
Shri Dipesh K. Shroff	37,662	0.64
Shri M. D. Patel	5	-
Shri A. H. Patel	100	-
Dr. Bernd Dill	-	-
Shri Ravi A. Shroff	7,086	0.12
Shri Ninad D. Gupte	-	-
Shri Nimish U. Patel	-	-

4. PARTICULARS OF THE DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING:

Name of the Director	SHRI DIPESH K. SHROFF
Date of Birth	03.02.1960
Date of Appointment	27.03.2001
Expertise in Specific Functional Areas	Corporate Management
Qualification	Diploma Civil Engineering; MEP, IIM Ahmedabad; OPM – Harvard Business School, Boston.
Brief Resume of Shri D.K. Shroff	Mr. Dipesh K. Shroff, aged 52 years, having done Diploma in Civil Engineering, M.E.P. from IIM, Ahmedabad and OPM from Harvard Business School, Boston, is presently the Managing Director of Excel Crop Care Limited, a listed Company. He is also trustee of Vivekananda Research & Training Institute, Kutch, Founder Director of International Resources for Fairer Trade, Mumbai, and Trustee & Adviser of "Shrujan".
Other Public Companies in which Directorship held	<ul style="list-style-type: none"> Excel Crop Care Ltd. (Managing Director) Excel Industries Ltd. TML Industries Limited. Shroffs Engineering Limited. Hyderabad Chemicals Products Limited

REPORT ON CORPORATE GOVERNANCE

	<ul style="list-style-type: none"> Hyderabad Chemicals Limited. Agrocel Industries Limited. Excel Bio-Resources Pvt. Ltd. Excel Industries (Australia) Pty. Ltd. Excel Industries (Euro) N.V. Belgium. Kutch Crop Services Limited. Neo Seeds India Limited. Oasis Agritech Limited. Devnidhi Plastics Pvt. Ltd. Federation of Kutch Industries Association (Company under section 25)
Other Public Companies in which membership of Committees of Directors held.	<p><u>Member of Shareholders / Investor Grievance Committee</u></p> <p>Excel Industries Limited.</p> <p><u>Chairman of Remuneration Committee</u></p> <p>Hyderabad Chemicals Products Limited.</p>
Name of the Director	SHRI RAVI A. SHROFF
Date of Birth	05.02.1978
Date of Appointment	29.03.2008
Expertise in Specific Functional Areas	<p>i) New Product Development</p> <p>ii) Growth Management</p>
Qualifications	B.E. (Chemical Engineering), M.S. (Chemistry)
Brief Resume of Shri Ravi A. Shroff	<p>Shri Ravi A. Shroff joined the Board of Directors of the Company w.e.f. 29.03.2008. He is having good academic background. He is B.E. (Chemical Engineering) and M.S. (Chemistry). At the age of 25 years, he had shouldered the responsibility of Anshul Speciality Molecules Limited, Mumbai, in the capacity of CEO and Executive Director of the said Company. He is also holding directorship in four private limited Companies and one Investment Company and is a partner in M/s. Anshul Life Sciences (formerly M/s. Anshul Agencies), Mumbai. Presently he holds the position of Vice-President in Excel Industries Limited.</p>
Other Public Companies in which Directorship held	Anshul Speciality Molecules Limited
Other Public Companies in which membership of Committees of Directors held.	Kamaljiyot Investments Limited
Disclosure of relationship between directors inter-se	-
	Son of Shri Ashwin C. Shroff, Chairman of the Company

REPORT ON CORPORATE GOVERNANCE

Name of the Director	SHRI NIMISH U. PATEL
Date of Birth	22.12.1965
Date of Appointment	30.01.2010
Expertise in Specific Functional Areas	Electro Plating, Textile and Pharma Industries.
Qualifications	B.B.A from City University of New York Staten Island, New York, U.S.A., M.B.A. (Finance) from Wagner College, Staten Island, New York, U.S.A.
Brief Resume of Shri Nimish U. Patel	Shri Nimish U. Patel, aged 46 years, has 16 years of experience with the Industry in the field of Electro Plating, Textile and Pharma Industries. He is the Managing Director of Shri Dinesh Mills Ltd. since 2005. He is also holding the position of Director in Ultramarine & Pigments Limited. He is also the Managing Director of Dinesh Remedies Limited, a subsidiary of Shree Dinesh Mills Limited. He is a member of Vadodara Employers' Union, Vadodara and Gaekwad Baroda Golf Club, Vadodara. He is also the Managing Trustee of Shri Maganbhai B. Patel's Charity Trust and Trustee of Shri Dinesh Foundation.
Other Public Companies in which Directorship held	Shri Dinesh Mills Limited (Managing Director). Ultramarine & Pigments Limited. Dinesh Remedies Limited.
Other Public Companies in which membership of Committees of Directors held.	-

5. CODE OF CONDUCT

The Board of Directors has adopted the code of conduct for the Board members and the senior management of the Company. The said code has been communicated to the Directors and the senior management personnel. The code has also been posted on the Company's website www.transpek.com.

6. AUDIT COMMITTEE:

Terms of Reference:

The role of the Audit Committee has been defined in the Audit Committee charter adopted by the Board which includes supervision of the Company's reporting process and disclosure of its financial information; to recommend the appointment, re-appointment, replacement, removal of Statutory Auditors and Internal Auditors and fixation of their audit fee; Approval of Payment to Statutory Auditors Fees and any other services to be rendered by the Statutory Auditors, to review and discuss with the Internal Auditors about internal control systems, the scope of Audit including the observations of the Auditors, adequacy of the internal control system, major accounting policies, practices and entries, compliances with accounting standards and Listing Agreement with the Stock Exchange and other legal requirements concerning financial statements and related party transactions, if any; to review the Company's financial and risk management policies and discuss with Internal Auditors any significant findings for follow-up action thereon; to review the Quarterly, Half Yearly and Annual Financial Statements before they are submitted to the Board of Directors; pre and post Audit Discussion with Statutory Auditors to ascertain the scope of audit and areas of concern and review of financial statements of Subsidiary Companies (unlisted Indian Company).

The minutes of the meetings of the Audit Committee are circulated to the members of the Board, discussed and taken note of.

The Company has complied with the requirements of Clause 49 (II) (A) as regards the composition of the Audit Committee.

DIRECTORS' REPORT

ANNEXURE 'A'

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2012.

I. ENERGY CONSERVATION

Conservation activities carried out during the year.

Several activities were carried out during the year to achieve energy conservation and consequent savings as listed below:

1. Changeover of oil heating system which resulted in reduction of fuel oil consumption and maintenance. Installation of new cooling tower with higher capacity along with fan controllers which resulted in power saving.
2. Water saving by recovery of condensate water to boiler house as well as recycling of waste water in scrubbers.
3. Installation of different types of LED lamps in various plants and offices.
4. Replacement of regular pumps by energy efficient pumps/motors and replacement of high power consumption old motors by new energy efficient ones with low power consumption.
5. Facilitate common brine system for all the old plants to run the brine system based on process/plant load.

The investment in various energy conservation activities was Rs. 16.60 Lacs and the estimated annual saving works out to Rs. 21.41 Lacs.

FORM 'A'

	Current year (2011-2012) 12 months	Previous year (2010-2011) 12 months
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
a. Purchased Units	10310241	12861120
Total Amount (Rs. In lakhs)	670.88	770.58
Rate/Unit	6.51	5.99
b. Own Generation		
I. Through Diesel Generator (Units)	33626	36827
Units generated per liter of diesel oil	2.67	1.89
Total Cost/Unit	19.30	17.17
II. Through steam turbine / generator (Units)	Not	Not
Units per liters of fuel oil / gas / cost / unit	Applicable	Applicable
2. Coal		
Quantity (Tonnes)		
Total Cost / Average Rate	Not	Not
	Applicable	Applicable
3. Furnace oil		
Quantity (liters)	1004359	2021601
Total Amount (Rs. in lakhs)	395.62	548.26
Average Rate/Ltr. (Rs.)	39.39	27.12
4. Others		
Gas Quantity (Cu.M)	-	-
Total Amount (Rs. In lakhs)	-	-
Average Rate/Cu. M.	-	-

DIRECTORS' REPORT

	Current year (2011-2012) 12 months	Previous year (2010-2011) 12 months
B. CONSUMPTION PER UNIT OF PRODUCTION		
For all Products (with Unit Details)		
Electricity (Units)	157.87	147.43
Furnace Oil (Ltrs)	15.38	23.17
Coal (Specify quality)	Not Applicable	Not Applicable
Gas (Cu. M)		-

II. TECHNOLOGY ABSORPTION

Efforts made in Technology Absorption are given below in Form B:

FORM 'B'**RESEARCH & DEVELOPMENT****Specific areas in which in-house R & D activities were carried out by the Company**

Your Company is recognized as In-house R & D Unit since the year 2000 by the Department of Scientific & Industrial Research (DSIR), Ministry of Science and Technology, Government of India, New Delhi and it is valid up to 2013. The R & D Dept. of the Company is working on various Acid chlorides/ Organic chlorides and other products used in Polymers, Pharmaceuticals and Agrochemicals. The Company's R & D unit is also approved for expenditure deduction under section 35 (2AB) of the Income-tax Act, 1961.

Benefits derived as a result of the R & D activities

Two new molecules of Acid Chlorides have been established and commercialized.

Future Plan of Action

Our plan is to develop products for Polymer additives and Pharmaceuticals intermediates. We are also working on downstream products of Acid Chlorides.

Expenditure on R & D:

	Current year (2011-2012)	(Rs. in Lakhs) Previous year (2010-2011)
Capital	85.76	109.49
Recurring	171.51	156.55
Total	257.27	266.04
Total R & D Expenditure as a % of total turnover	1.60	1.43
Technology Absorption, Adaptation and Innovation	Not applicable	Not applicable

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

	Current year (2011-2012)	(Rs. in Lakhs) Previous year (2010-2011)
a) Earned by way of export of goods and claim	8,211.78	10,168.86
b) Used by way of Imports (Capital/ Revenue)	3,607.49	2,999.22

BY ORDER OF THE BOARD

PLACE: Vadodara
DATED: 28th May, 2012

**A. C. SHROFF
CHAIRMAN**

DIRECTORS' REPORT

ANNEXURE 'B'

PARTICULARS OF EMPLOYEES

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2012.

EMPLOYED THROUGHOUT THE YEAR AND IN RECEIPT OF REMUNERATION AGGREGATING NOT LESS THAN RUPEES 60,00,000/-* PER ANNUM.

Name of the Employee	Age (Yrs)	Designation / Nature of Duties	Qualification	Total Experience (Yrs)	Remuneration Received (Rs. in lacs)	Date of commencement of employment	Last employment
Atul G. Shroff	64	Managing Director	S.S.C.	44	90.69	01.12.1981	Excel Industries Ltd.

* Pursuant to the amendment to Companies (Particulars of Employees) Rules, 1975, vide notification no. G.S.R. 289(E) dated 31st March, 2011 issued by Ministry of Corporate Affairs, Government of India, New Delhi.

NOTES:

- 1) The nature of employment of the Managing Director is contractual for a period of five years.
- 2) Remuneration mentioned above includes salary, incentive payment, taxable value of perquisites, Company's contribution to Provident Fund and Superannuation Fund and contribution to Gratuity Fund under Annuity Policy with LIC.
- 3) The employee is not a relative of any of the Directors of the Company.
- 4) The Managing Director holds more than 2% of the equity of the Company.

BY ORDER OF THE BOARD

PLACE : Vadodara
DATED : 28th May, 2012

A. C. SHROFF
CHAIRMAN

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This report includes discussion on the following matters within the limits set by the Company's competitive position:

Industry structure and developments

Your Company's products have multiple applications in Agrochemicals, Polymers, Pharmaceuticals, Speciality Plastics, Organic Peroxide and Surfactants. Due to such a broad applications portfolio, we are able to cater to customers worldwide.

Polymers and Speciality Plastics

The market for different types of Polymers and Speciality Plastics has been growing due to widening applications spectrum. Due to large consumption of Polymers and Speciality Plastics, large capacities have been and are being established around the world. Looking to the scenario, we expect continued growth in the products that go towards these applications. Your Company has been able to build business with almost all major manufacturers of Aramid Fibres.

DIRECTORS' REPORT

The high end Polymers production in India is in its nascent stage and we do not expect sustained growth in the near future. In the international arena, however, production is quite large and is continuously increasing. Therefore, we expect good growth in the export market.

We are, however, in constant dialogue with the companies in India which are in the process of developing high end Polymers.

Pharma products

The Indian Pharma industry is expected to continue its growth path due to its inherent strength in providing world class quality products at a low cost. Your Company has many big pharma companies as long standing customers.

Many products are coming off-patent in the near future providing big opportunity for Indian companies to embark into introduction of new molecules in the form of intermediates and APIs.

Your Company is already supplying raw materials to big pharma companies in India and has been working on more products in collaboration with the customers.

In the coming years, we expect good growth for your Company in this market segment.

Agrochemicals

During the financial year 2011-2012, Agrochemical sector has shown good demand. However, the ban on Endosulfan adversely affected demand for our product. While there is a good domestic demand, stiff competition in the market prevails due to supply exceeding the demand.

Your Company is working on other products which are raw materials for herbicides where we expect to see steady growth in the near future.

Your Company is constantly working to develop new products for application in Agrochemicals sector.

Surfactants

Your Company has developed products that are used in the manufacture of Surfactants and is in the process of starting commercial supply. The market for Surfactants is quite big and we have been able to work towards building strategic relationship with large manufacturers of Surfactants.

Your Company expects good growth from this segment.

Opportunities and threats

Opportunities

While the overall economic outlook in USA and Europe remains negative, it is expected that chemical Industry in these regions will perform well in the coming period. This is evident from the performance of chemical companies in these regions recently. Our customers in these regions expect good consumption of products supplied by us and therefore we expect minimal effect of economic situation in the USA and Europe. Also, there has been good growth in Korean economy as well as good opportunity for our products in China.

Due to widely spread segments portfolio and Your Company's reach in almost all major markets of the world, we see good opportunities for growth in the coming period.

Threats

Competitive pricing pressure may affect your Company's capability to sustain the profitability. The weakening of the Rupee is expected to adversely affect in case of imported raw material. Rapid industrial development in Gujarat and consequent employment opportunities may adversely affect your Company's ability to hire and retain good talent.

DIRECTORS' REPORT

Risks and Concerns

Increase in the input costs, depreciating Rupee, breakdown of euro zone or euro as a currency and competitive pressure are causes for concern. Your Company is constantly watching these factors and taking steps to mitigate the risks as much as possible.

Outlook

With the broad-basing of regional spread, business segment portfolio and customers, your Company expects to grow and improve the volumes and margin in the coming years.

Your Company has built a good reputation as an organization which is socially responsible, conscious about environment protection and is customer-focused. This has built trust within the customers for reliability and sustainability as a supplier. We expect good opportunities and growth due to the trust that customers have in us.

Segment wise performance

The Company has only one business segment namely "Chemicals". The information in respect of secondary segment as per the Accounting Standard (AS-17) "Segment Reporting" issued by the Institute of Chartered Accountants of India is given under Note No. 29(b) in notes forming part of the consolidated financial statements.

Internal Control Systems and their adequacy

As reported in the previous year, your Company maintains an adequate and effective internal control system commensurate with its size and complexity. The internal control systems are supplemented through an extensive internal audit programme and periodic review by management.

Discussion on financial performance with respect to operational performance

The net sale of the Company for the year under review is Rs. 153.55 crores as against Rs. 182.30 crores in the previous year. In the year under review sales has decreased by 16% in comparison to previous year. During the year net loss is Rs. 10.31 crores vis-à-vis profit of Rs.12.78 crores in the previous year.

The domestic market of our products in the dyestuff industry and for endosulphan suffered a major setback. Also, we had reduced demand from Europe.

To overcome this situation, we started spreading our customer base into all regions and balancing our business in various regions. This strategy has started to give results and we expect the operational performance to improve in the coming period.

Human resources / Industrial relations

The chemical industry in India is undergoing a volatile phase. In the recent past, we have identified Human Resources as one of the strategic aspect leading to success in all areas of operations.

Transpek's strength is its dedicated workforce developed over a period of time. It believes in empowering employees by enhancing their knowledge, developing competencies and motivating them to reach their goals and set higher standards for themselves.

Transpek's policy of hiring fresh professionals and grooming them as per its requirements has created a pool of experienced work force and it also helps in providing job opportunities as well as learning platform to the qualified youth.

DIRECTORS' REPORT

TRAINING PERFORMANCE

The Company has been conducting various Training & Development activities, which apart from minimizing the skill gap and technical obsolescence, are also focusing towards attaining the bigger organizational purpose of building a competent workforce to meet the challenge in the Chemical Sector. Also training is imparted to employees considering their need to upgrade and develop them.

This exercise has developed a sense of togetherness with the Company and resulted in a capable, dedicated and performance driven organization.

INDUSTRIAL RELATIONS

Industrial peace and harmony based on healthy employee relations, like the previous year has prevailed throughout the year. The grievances/issues raised by the employees / Union were given due attention and regard. The issues brought up by them were settled through regular meetings and interactions between Management and Union and action as mutually agreed was taken to settle them.

A further step towards workers' participation in critical issues concerning business endeavours, a special Joint Negotiation Committee meeting was convened to share the views of Union on the various aspects of our business endeavors and to obtain opinion from them to improve on the same.

The employee strength as on 31st March, 2012 was 587 in comparison to 609 in the previous year, a decrease of approximately 4%.

A well-defined performance management appraisal system is in place.

Industrial Relations continue to be cordial.

Cautionary Statement

Statements in this report on Management Discussion and Analysis relating to the Company's objectives, projections, estimates, expectations or prediction may be forward looking within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results might differ materially from those expressed or implied depending upon factors such as climatic conditions, global and domestic demand-supply conditions, finished goods prices, raw materials cost and availability, foreign exchange market movements, changes in Government regulations and tax structure, economic and political developments within India and the countries with which the Company has business and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company has adopted the required practices of Corporate Governance keeping in view its size, complexity, global operations and its traditional ethical values. The Company believes in achieving the global standards of corporate conduct towards all stakeholders by following the principles of accountability, integrity and responsibility in dealings with employees, shareholders, consumers and the community at large.

The Company has complied with all the requirements of corporate governance in terms of clause 49 of the listing agreement with the Stock Exchange, Mumbai and the best practices are followed to achieve its goal on corporate governance.

2. BOARD OF DIRECTORS

(i) Composition

The Board of Directors comprises the Managing Director, an Executive Director and eight non-executive Directors including the Chairman. Five of the eight non-executive Directors are independent Directors.

The composition and categories of Directors on the Board during the period 01.04.2011 to 31.03.2012 and details about Board Meetings held and attended by them, attendance in last AGM, Directorships in other companies and Chairmanship/Membership in Committees of other companies are given in the following table.

(ii) Details of Directors:

Sr. No.	Name of Director	Category of Directorship*	Board Meetings (April, 2011 to March, 2012)		Attendance in last AGM held on 25.08.2011	No. of other Directorships held as at 31 st March, 2012**	No. of Board Committee Positions held as at 31 st March, 2012 (including Transpek Industry Limited)	
			Held	Attended			Chairman	Member
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2.	Shri Atul G. Shroff	PD/MD	7	7	Present	6	4	2
3.	Shri Bimal V. Mehta	NPD/ED /WTD	7	7	Present	1	-	2
4.	Shri Dipesh K. Shroff	PD/NED	7	6	Present	18	1	2
5.	Shri M. D. Patel	NPD/NED /ID	7	7	Present	7	3	8
6.	Shri A. H. Patel	NPD/NED /ID	7	5	Absent	9	1	3
7.	Dr. Bernd Dill	NPD/NED /ID	7	7	Present	1	-	-
8.	Shri Ravi A. Shroff	PD/NED	7	5	Present	6	-	-
9.	Shri Ninad D. Gupte	NPD/NED /ID	7	7	Present	4	-	4
10.	Shri Nimish U Patel	NPD/NED /ID	7	3	Absent	4	-	2

* PD - Promoter Director; NPD - Non-Promoter Director; MD - Managing Director; NED - Non-Executive Director; ID - Independent Director; ED – Executive Director; WTD – Whole-time Director

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REPORT ON CORPORATE GOVERNANCE

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Shri Dipesh K. Shroff	37,662	0.64
Shri M. D. Patel	5	-
Shri A. H. Patel	100	-
Dr. Bernd Dill	-	-
Shri Ravi A. Shroff	7,086	0.12
Shri Ninad D. Gupte	-	-
Shri Nimish U. Patel	-	-

4. PARTICULARS OF THE DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING:

Name of the Director	SHRI DIPESH K. SHROFF
Date of Birth	03.02.1960
Date of Appointment	27.03.2001
Expertise in Specific Functional Areas	Corporate Management
Qualification	Diploma Civil Engineering; MEP, IIM Ahmedabad; OPM – Harvard Business School, Boston.
Brief Resume of Shri D.K. Shroff	Mr. Dipesh K. Shroff, aged 52 years, having done Diploma in Civil Engineering, M.E.P. from IIM, Ahmedabad and OPM from Harvard Business School, Boston, is presently the Managing Director of Excel Crop Care Limited, a listed Company. He is also trustee of Vivekananda Research & Training Institute, Kutch, Founder Director of International Resources for Fairer Trade, Mumbai, and Trustee & Adviser of "Shrujan".
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REPORT ON CORPORATE GOVERNANCE

	<ul style="list-style-type: none"> Hyderabad Chemicals Limited. Agrocel Industries Limited. Excel Bio-Resources Pvt. Ltd. Excel Industries (Australia) Pty. Ltd. Excel Industries (Euro) N.V. Belgium. Kutch Crop Services Limited. Neo Seeds India Limited. Oasis Agritech Limited. Devnidhi Plastics Pvt. Ltd. Federation of Kutch Industries Association (Company under section 25)
Other Public Companies in which membership of Committees of Directors held.	<p><u>Member of Shareholders / Investor Grievance Committee</u></p> <p>Excel Industries Limited.</p> <p><u>Chairman of Remuneration Committee</u></p> <p>Hyderabad Chemicals Products Limited.</p>
Name of the Director	SHRI RAVI A. SHROFF
Date of Birth	05.02.1978
Date of Appointment	29.03.2008
Expertise in Specific Functional Areas	<p>i) New Product Development</p> <p>ii) Growth Management</p>
Qualifications	B.E. (Chemical Engineering), M.S. (Chemistry)
Brief Resume of Shri Ravi A. Shroff	<p>Shri Ravi A. Shroff joined the Board of Directors of the Company w.e.f. 29.03.2008. He is having good academic background. He is B.E. (Chemical Engineering) and M.S. (Chemistry). At the age of 25 years, he had shouldered the responsibility of Anshul Speciality Molecules Limited, Mumbai, in the capacity of CEO and Executive Director of the said Company. He is also holding directorship in four private limited Companies and one Investment Company and is a partner in M/s. Anshul Life Sciences (formerly M/s. Anshul Agencies), Mumbai. Presently he holds the position of Vice-President in Excel Industries Limited.</p>
Other Public Companies in which Directorship held	Anshul Speciality Molecules Limited
Other Public Companies in which membership of Committees of Directors held.	Kamaljiyot Investments Limited
Disclosure of relationship between directors inter-se	-
	Son of Shri Ashwin C. Shroff, Chairman of the Company

REPORT ON CORPORATE GOVERNANCE

Name of the Director	SHRI NIMISH U. PATEL
Date of Birth	22.12.1965
Date of Appointment	30.01.2010
Expertise in Specific Functional Areas	Electro Plating, Textile and Pharma Industries.
Qualifications	B.B.A from City University of New York Staten Island, New York, U.S.A., M.B.A. (Finance) from Wagner College, Staten Island, New York, U.S.A.
Brief Resume of Shri Nimish U. Patel	Shri Nimish U. Patel, aged 46 years, has 16 years of experience with the Industry in the field of Electro Plating, Textile and Pharma Industries. He is the Managing Director of Shri Dinesh Mills Ltd. since 2005. He is also holding the position of Director in Ultramarine & Pigments Limited. He is also the Managing Director of Dinesh Remedies Limited, a subsidiary of Shree Dinesh Mills Limited. He is a member of Vadodara Employers' Union, Vadodara and Gaekwad Baroda Golf Club, Vadodara. He is also the Managing Trustee of Shri Maganbhai B. Patel's Charity Trust and Trustee of Shri Dinesh Foundation.
Other Public Companies in which Directorship held	Shri Dinesh Mills Limited (Managing Director). Ultramarine & Pigments Limited. Dinesh Remedies Limited.
Other Public Companies in which membership of Committees of Directors held.	-

5. CODE OF CONDUCT

The Board of Directors has adopted the code of conduct for the Board members and the senior management of the Company. The said code has been communicated to the Directors and the senior management personnel. The code has also been posted on the Company's website www.transpek.com.

6. AUDIT COMMITTEE:

Terms of Reference:

The role of the Audit Committee has been defined in the Audit Committee charter adopted by the Board which includes supervision of the Company's reporting process and disclosure of its financial information; to recommend the appointment, re-appointment, replacement, removal of Statutory Auditors and Internal Auditors and fixation of their audit fee; Approval of Payment to Statutory Auditors Fees and any other services to be rendered by the Statutory Auditors, to review and discuss with the Internal Auditors about internal control systems, the scope of Audit including the observations of the Auditors, adequacy of the internal control system, major accounting policies, practices and entries, compliances with accounting standards and Listing Agreement with the Stock Exchange and other legal requirements concerning financial statements and related party transactions, if any; to review the Company's financial and risk management policies and discuss with Internal Auditors any significant findings for follow-up action thereon; to review the Quarterly, Half Yearly and Annual Financial Statements before they are submitted to the Board of Directors; pre and post Audit Discussion with Statutory Auditors to ascertain the scope of audit and areas of concern and review of financial statements of Subsidiary Companies (unlisted Indian Company).

The minutes of the meetings of the Audit Committee are circulated to the members of the Board, discussed and taken note of.

The Company has complied with the requirements of Clause 49 (II) (A) as regards the composition of the Audit Committee.

REPORT ON CORPORATE GOVERNANCE

The Audit Committee of the Board of Directors of the Company presently comprises the following five Directors:

Shri M. D. Patel, Chairman	: Independent, non-executive Director
Shri D. K. Shroff	: Promoter, non-executive Director
Shri A. H. Patel	: Independent, non-executive Director
Shri Ninad D. Gupte	: Independent, non-executive Director
Shri Bimal V. Mehta	: Executive Director

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

The Committee held 5 meetings during the year i.e. on 27.05.2011, 29.07.2011, 12.11.2011, 23.01.2012 and 31.03.2012. Details of meetings attended by the aforesaid Directors are as under:

Date of Audit Committee Meeting	Shri D. K. Shroff PD/NED	Shri M.D. Patel (Chairman) (NED/ID)	Shri A. H. Patel (NED/ID)	Shri Ninad Gupte (NED/ID)	Shri Bimal V. Mehta (ED)
27.05.2011	Present	Present	Present	Present	Present
29.07.2011	Present	Present	Present	Present	Present
12.11.2011	Absent	Present	Present	Present	Present
23.01.2012	Present	Present	Absent	Present	Present
31.03.2012	Present	Present	Absent	Present	Present

Note: Shri S. K. Solanki, General Manager & Company Secretary of the Company acts as the Secretary to the Committee. Audit Committee Meetings are also attended by General Manager (Finance & ERP). Statutory Auditors and Internal Auditors of the Company are also invited to the meetings.

7. REMUNERATION COMMITTEE:

Terms of Reference:

The broad terms of reference of the Company's Remuneration Committee are to determine and recommend to the Board and the Members, compensation payable to the Managing Director and Executive Director, to determine and advise the Board on the payment of annual increments and incentive / commission to the Managing Director and the Executive Director.

The Remuneration Committee of the Board of Directors of the Company presently comprises of the following four Directors:

Shri M.D.Patel, Chairman	: Independent, Non Executive Director
Shri A.H.Patel	: Independent, Non Executive Director
Shri D.K.Shroff	: Promoter, Non Executive Director
Shri N.D.Gupte	: Independent, Non Executive Director

The Remuneration Committee held three meetings during the year i.e. on 09.04.2011, 27.05.2011 and 31.03.2012. Details of meetings attended by the aforesaid Directors are as under:

Date of Remuneration Committee Meeting	Shri M.D. Patel (Chairman) (NED/ID)	Shri D. K. Shroff (PD/NED)	Shri A. H. Patel (NED/ID)	Shri Ninad Gupte (NED/ID)
09.04.2011	Present	Present	Present	Present
27.05.2011	Present	Present	Present	Present
31.03.2012	Present	Present	Absent	Present

REPORT ON CORPORATE GOVERNANCE

REMUNERATION OF DIRECTORS:

The Company pays remuneration to its Managing Director by way of salary, perquisites, allowances and Performance Incentive in accordance with the approval received from Govt. of India, Ministry of Corporate Affairs vide its letter dated 09.02.2012 approving the re-appointment of Shri A. G. Shroff, as Managing Director of the Company for a period not exceeding five (5) years w.e.f. 01.12.2011 on the total remuneration of Rs.1,13,88,000/- per annum for a period of three years.

Year	Total Remuneration Rs.
1st Year	1,13,88,000
2nd Year	1,13,88,000
3rd Year	1,13,88,000

The above remuneration is (a) "notwithstanding the limits of 5% and 10% of the net profits as the case may be as laid down in sub-section (3) of Section 309 of the Companies Act, 1956, and the overall limit of 11% of the net profits as laid down in sub-Section (1) of Section 198 of the Companies Act, 1956"; and (b) as approved by the members in Annual General Meeting held on 25.08.2011.

- (i) Details of remuneration paid to Shri A. G. Shroff, Managing Director, during the period 01.04.2011 to 31.03.2012 are as under:

Rs. in Lacs				
Salary	Perquisites	Contribution to Provident Fund and other Funds	Performance Incentive	Total
39.00	39.00	12.69	—	90.69

The employment of Managing Director is contractual for a period of five years and terminable by either party giving three months' notice.

- (ii) The Company also pays remuneration to its Whole-time Director designated as Executive Director by way of Salary, Perquisites, Allowances and Commission in accordance with Part II – section II (B) of Schedule XIII to the Companies Act, 1956 and in accordance with the approval of the Board and shareholders of the Company for a period not exceeding three (3) years w. e. f. 09.04.2010.

Details of remuneration paid to Shri Bimal V. Mehta, Whole-time Director designated as Executive Director during the period 01.04.2011 to 31.03.2012 are as under:

Rs. in Lacs				
Salary	Perquisites	Contribution to Provident Fund and other Funds	Commission @ 1% of Net Profit	Total
19.15	21.78	4.22	—	45.15

- (iii) Remuneration to Non-Executive Directors for the year ended 31.03.2012:

Terms of Reference:

The non-executive Directors are paid sitting fees for attending meetings of the Board and of Committees of Directors. In addition, commission not exceeding in the aggregate 1% per annum of the net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 1956 in such proportion and manner as the Chairman may decide, is being paid to such non-executive Directors of the Company, as approved by the members of the Company.

REPORT ON CORPORATE GOVERNANCE

The Non-Executive Directors were paid sitting fees of Rs.5000/- for each meeting of the Board, Audit Committee and other Committees attended by them and commission as detailed below:

Name of Non-executive Director	Sitting fees paid during the year for attending Board and Committee Meetings. Rs.	Commission paid during the year but pertaining to the year 2010-2011. Rs.
Shri Ashwin C. Shroff	30,000	3,00,000
Shri Dipesh K. Shroff	59,000	3,00,000
Shri M. D. Patel	109,000	3,00,000
Shri A. H. Patel	69,000	3,00,000
Dr. Bernd Dill	32,500	1,75,000
Shri Ravi A. Shroff	22,500	1,45,000
Shri Ninad D. Gupte	69,000	2,50,000
Shri Nimish U. Patel	30,000	1,45,000

8. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:

The Company has constituted Shareholders'/Investors' Grievance Committee to look into the investors' complaints, if any, and to redress the same expeditiously.

The present Shareholders'/Investors' Grievance Committee comprises Shri Atul H. Patel (Chairman), Shri A. G. Shroff, Shri M. D. Patel, and Shri Nimish U. Patel. Shri Atul H. Patel is elected as Chairman of the Committee. Except Shri A.G.Shroff, the rest of the members of the Committee are non-executive independent Directors. The Committee held 6 meetings during the period under review i.e. on 07.05.2011, 29.07.2011, 25.08.2011, 24.09.2011, 22.10.2011 and 31.03.2012.

Further, the Board of Directors had at its meeting held on 05.03.2009, delegated the authority to approve the transfer of shares held either in demat or in physical form to a Committee of senior officials of the Company.

The Committee of senior officials meets as often as required but at least once in a fortnight to consider and approve only requests for transfer and submits reports on approvals accorded by it at every meeting of the Committee of Directors. The other aspects relating to shares (e.g. transmission, issue of duplicate physical share certificates etc.) continue to be dealt with by the Committee of Directors or by the Board.

Shri Shailesh K. Solanki, General Manager & Company Secretary is designated as the Compliance Officer.

Throughout the year, the Company has not received any complaints.

9. GENERAL MEETINGS:

The last three (43rd, 44th and 45th) Annual General Meetings of the Company were held at 3.30 P. M. on 27.08.2009, 13.08.2010 and 25.8.2011 respectively. The 43rd AGM was held at the Auditorium Hall, The Institution of Engineers (India), Vadodara Local Centre, Nr. Trident Complex, Race Course Circle, Vadodara - 390 007 while the 44th and 45th AGMs were held at Hotel Express Towers, "Oaks Room", 8th Floor, R. C. Dutt Road, Alkapuri, Vadodara 390 007 which is close to the Registered Office of the Company.

During the last three years, no Extraordinary General Meeting of the Company was held.

The Special Resolutions passed at the previous Annual General Meeting were not required to be put through postal ballot.

None of the resolutions proposed to be passed at the ensuing AGM to be held on 25th August, 2011 is required or proposed to be put through postal ballot.

REPORT ON CORPORATE GOVERNANCE

10. DISCLOSURES:

Related Party Transactions:

Related party transactions under Clause 49 of the Listing Agreement are defined as the transactions of the Company of a material nature, with its promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large.

Among the related party transactions are contracts or arrangements made by the Company from time to time with the companies in which the Directors are interested. All these contracts or arrangements are entered in the Register of Contracts under Section 301 of the Companies Act, 1956 and the Register is placed before the Audit Committee and the Board from time to time. There were no material transactions with related parties during the year 2011 - 12 that are prejudicial to the interest of the Company.

Particulars of transactions between the Company and related parties as per the Accounting Standard 18 "Related Party Disclosures" notified under the Companies (Accounting Standard) Rules, 2006 are given under Note No. 29(d).

Disclosure of Accounting Treatment:

We have complied with all the applicable accounting standards except as mentioned in note no. 30(d). The Board is of the view that in view of the significant uncertainties associated with the derivative contract, whose ultimate outcome depends on future events, the exchange gain or loss, if any, on the strike date would be accounted for in the profit and loss account as and when it crystallizes.

Statutory Compliance, Penalties and Strictures:

It was reported in our previous year 44th annual report about receipt of show cause notice from the office of Registrar of Companies, Gujarat, Ahmedabad for violation of section 217(3) of the Companies Act, 1956, mainly relating to non-compliance of updation of fixed assets register and physical verification of fixed assets. It was also reported that upon application and personal hearing, an order has been passed by the office of Company Law Board, Mumbai branch on 12.07.2010 and accordingly the offence committed under section 217(3) of the said Act stands compounded against the directors and secretary of the Company.

Except the foregoing, there has neither been any non-compliance of any of the provisions of law by the Company nor any penalty or stricture imposed by the Stock Exchange or SEBI or any other statutory authority on any matter related to capital markets during the last three years. The Company has complied with all the mandatory requirements of clause 49 of Listing Agreement.

11. MEANS OF COMMUNICATION:

- i) The un-audited quarterly and summarized annual audited results have been submitted to the Bombay Stock Exchange and published in newspapers such as Business Standard (Mumbai Edition), Financial Express (Mumbai Edition), Economic Times (Mumbai Edition) and Business Standard (Ahmedabad Edition) and Vadodara Samachar (Vadodara Edition) and also in Indian Express (Vadodara Edition) and Financial Express (Ahmedabad Edition) from time to time.
- ii) A report on Management Discussion and Analysis forming part of the Annual Report is annexed to the Directors' Report.

12. GENERAL SHAREHOLDER INFORMATION:

The mandatory as also various additional information of interest to investors is furnished in a separate section on investor information elsewhere in this report.

REPORT ON CORPORATE GOVERNANCE AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
TRANSPEK INDUSTRY LIMITED

We have examined the compliance of conditions of corporate governance by Transpek Industry Limited for the year ended March 31, 2012, as stipulated in clause 49 of the Listing Agreement of the said company with the Stock Exchange.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the 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 Contractor, Nayak & Kishnadwala
Chartered Accountants
Firm Registration No.129638W**

Himanshu Kishnadwala

Place : Vadodara
Date : May 28, 2012

Partner
Membership No. 37391

REPORT ON CORPORATE GOVERNANCE

INVESTOR INFORMATION

1. Annual General Meeting:

Date, time and venue: 09th August, 2012 at 3:30 p.m. at Hotel Express Tower, "Oaks Room", 8th Floor, R. C. Dutt Road, Alkapuri, Vadodara – 390 007 .

2. Financial calendar:

- i. Financial year: April to March
- ii. First quarter results – last week of July / middle of August
- iii. Half yearly results – last week of October/ middle of November
- iv. Third quarter results – last week of January/ middle of February
- v. Results for the year ended 31.03.2012- on or before 31.05.2012
- vi. Dividend Payment Date: Not Applicable

3. Book Closure Date:

31st July, 2012 to 9th August, 2012 (both days inclusive)

4. Stock Exchange Listings:

The Bombay Stock Exchange Ltd., Mumbai.

Stock code: 506687

ISIN NO.: INE 687A01016 for dematerialization.

5. Investor Service Centre:

Shareholders and depository participants are requested to send their requests for transfers, dematerialization and re-materialization of shares directly to the Registrar appointed for the purpose at the following address:

(i) Registered Office:

Link Intime India Private Limited,
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (W),
Mumbai 400 078.

Phones : 022- 5555 5454

Fax : 022- 2567 2693

Website: www.linkintime.co.in

(ii) Branch Office

Link Intime India Private Limited
B – 102 & 103 Shangrila Complex
First Floor, Nr. Radhakrishna Char Rasta
Akota, Vadodara - 390020

Phones : 0265- 2356794, 2356573

Fax : 0265- 2356791

Email : alpesh.gandhi@linkintime.co.in
mansi.bakshi@linkintime.co.in
vadodara@linkintime.co.in

6. Investors may also contact the Company at the following address in case of any grievances:

Transpek Industry Ltd., Investor Service Centre, 6th Floor, Marble Arch, Race Course, Vadodara 390 007.

Telephone : 0265-2335444, 2335446, 2335447, 2334141, 2358236, 2335757, 2342262

Fax : 0265-2335758

Email : secretarial@transpek.com
inquiry@transpek.com

REPORT ON CORPORATE GOVERNANCE

INVESTOR INFORMATION: Cont'd...

7. Dematerialization of Shares:

The Company has entered into agreements with both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) whereby shareholders have an option to dematerialize their shares with either of the depositories. 93.84 % of the paid up capital has been dematerialized as on 31.03.2012.

8. Plant location:

Transpek Industry Limited
At & Post Ekalbara 391 440,
Taluka Padra, Dist. Vadodara

Telephone : 02662-244444, 244289, 244309, 244318, 244276

e-mail : inquiry@transpek.com

Fax : 02662-244439

Website : www.transpek.com

9. Investors' correspondence may be addressed to the Registrar and Share Transfer Agent at the address mentioned above. The Compliance Officer of the Company may also be contacted at the following address:

Shri Shailesh K. Solanki
General Manager &
Company Secretary,

Transpek Industry Ltd,

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

Telephone : 0265-2335444, 2335446, 2335447, 2334141, 2358236, 2335757, 2342262

Fax : 0265-2335758

E-mail : secretarial@transpek.com

Website : www.transpek.com

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants.

10. Share Transfer System:

All the transfer requests received are processed by the Registrar and Share Transfer Agent and are approved by the Committee of Sr. Officials of the Company, which normally meets every fortnight. Share transfers are registered and returned within a maximum of 15 to 20 working days from the date of lodgment if documents are complete in all respects.

REPORT ON CORPORATE GOVERNANCE

INVESTOR INFORMATION: Cont'd...

11. Stock Price and Volume:

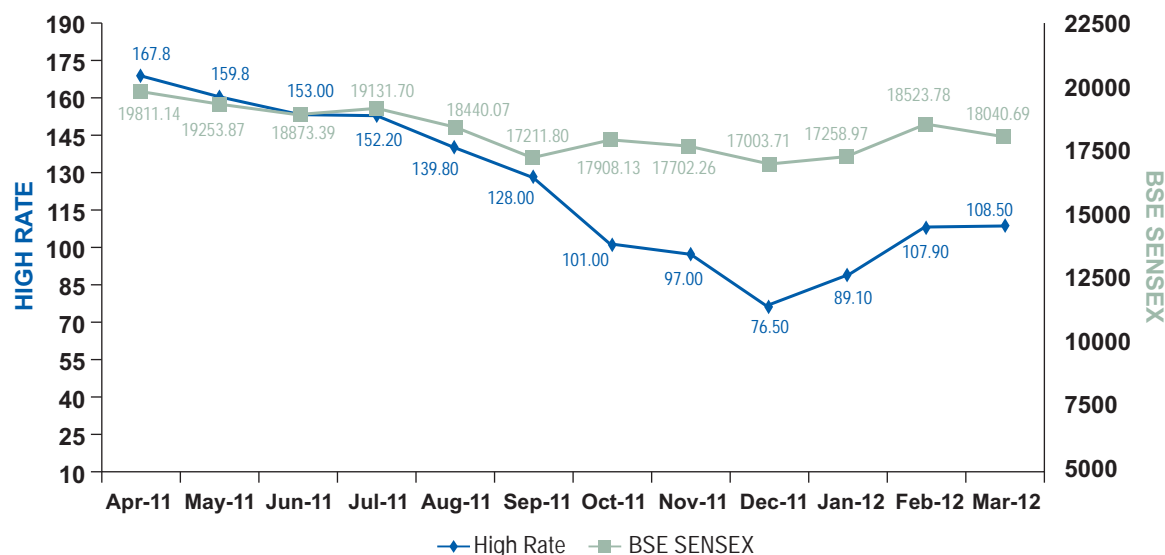
Monthly High, Low, Closing Market Price and number of shares traded during each month in the last financial year on Bombay Stock Exchange Ltd., is furnished below:

Mumbai (BSE)

2011-2012 (12 months)	Highest (Rs.)	Lowest (Rs.)	Closing Market price (Rs.)	Volume of Trade (Nos.)
April,11	167.80	139.00	143.80	359
May,11	159.80	133.25	151.50	415
June,11	153.00	120.10	126.90	263
July,11	152.20	110.60	143.10	1022
August,11	139.80	94.50	95.70	766
September,11	128.00	88.00	92.60	267
October,11	101.00	83.30	90.85	138
November,11	97.00	68.05	78.00	196
Deceember,11	76.50	63.05	65.30	139
January,12	89.10	62.00	85.35	669
February,12	107.90	76.50	82.30	363
March,12	108.50	74.10	85.05	791

12. Share price performance in comparison to Broad-based Index BSE SENSEX:

Company's Equity Share Price at BSE



REPORT ON CORPORATE GOVERNANCE

INVESTOR INFORMATION: Cont'd...

13. Distribution of shareholding as on 31st March, 2012:

Category Rs.	No. of Shareholders	Percentage to Total No. of Shareholders	No. of Shares	Percentage to Capital
1 - 5000	7015	92.1450	6,65,909	11.3403
5001 - 10000	273	3.5860	2,04,003	3.4741
10001 - 20000	149	1.9572	2,11,904	3.6087
20001 - 30000	38	0.4991	98,094	1.6705
30001 - 40000	27	0.3547	94,630	1.6115
40001 - 50000	21	0.2758	92,508	1.5754
50001 - 100000	41	0.5386	2,75,363	4.6895
100001 - and above	49	0.6436	42,29,629	72.0300
TOTAL	7613	100.0000	58,72,040	100.0000

14. Categories of Shareholders as on 31st March, 2012:

Category	No. of Shareholders	Voting Strength %	No. of Shares
Indian Promoters	41	38.14	2,239,884
Life Insurance Corporation of India	1	3.68	2,16,132
United India Insurance Company Ltd.	1	0.49	28,750
National Insurance Company Ltd.	1	1.28	74,950
Unit Trust of India	1	0.04	2,450
Stock Holding Corporation of India Ltd.	1	0.00	200
Southern India Depository Services P. Ltd. (A/c Kothari Pioneer Taxshield'95)	1	0.00	250
Nationalized Banks	8	0.03	2,019
Shares Pledged with Citibank N.A.	4	0.02	950
Foreign Company/ Institutions	3	0.01	420
Non-Resident Individuals	38	4.50	2,64,129
Other Bodies Corporate	132	14.93	8,76,557
Individuals	7381	36.88	21,65,349
TOTAL	7613	100.00	58,72,040

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY

This is to confirm and certify that the Company has adopted a Code of Conduct for Board Members and Senior Management Personnel. As provided under clause 49 of the Listing Agreement with the Stock Exchange, the Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended 31st March, 2012.

Place: Vadodara
Date: 28th May, 2012

Transpek Industry Ltd.
Atul G. Shroff
Managing Director

TEN-YEARS HIGHLIGHTS

(₹ in Lacs)

	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
I CAPITAL ACCOUNTS										
A Share Capital	587.20	587.20	587.20	559.30	532.67	507.30	507.30	507.30	507.30	507.30
B Reserves	4770.66	5802.52	4797.22	4360.34	3587.52	3432.31	3056.67	3162.21	2681.72	2426.76
C Shareholders' Fund (A+B)	5357.86	6389.72	5384.42	4919.64	4120.19	3939.61	3563.97	3669.51	3189.02	2934.06
D Borrowings*	6579.04	6566.50	5047.26	4670.52	3284.89	3284.26	3207.55	2438.35	2591.29	2885.70
E Fixed Assets										
i Gross Block	14931.21	13897.66	11426.75	10902.73	9278.33	8543.87	7089.11	5744.11	6864.89	6461.00
ii Net Block	9286.53	8853.61	6902.39	6846.64	5631.93	5332.74	4261.09	3226.73	3869.24	3881.92
F Debt-Equity Ratio	1.23:1	1.03:1	0.94:1	0.95:1	0.80:1	0.83:1	0.90:1	0.66:1	0.81:1	0.98:1
II REVENUE ACCOUNTS										
A Sales Turnover**										
i Domestic	7055.87	7795.81	4974.46	5953.71	4725.42	5324.94	5931.85	5565.08	5036.77	3556.94
ii Export	8299.24	10434.44	6366.28	10707.29	5954.56	2705.83	1794.39	1019.56	363.80	214.34
TOTAL	15355.11	18230.25	11340.74	16661.00	10679.98	8030.77	7726.24	6584.64	5400.57	3771.28
B Profit after taxes	(1031.85)	1278.27	454.60	789.93	114.83	464.67	501.94	512.90	254.96	(309.93)
C Return on Shareholders' Fund %	(19.26)	20.01	8.44	16.06	2.79	11.79	14.08	13.98	7.99	(10.56)
III EQUITY SHAREHOLDERS' EARNINGS										
A Earning per Equity Share Rs.	(17.57)	21.77	7.80	14.81	2.26	9.16	9.89	10.11	5.03	(6.94)
B Dividend per Equity Share # Rs.	-	4.00	2.50	2.50	1.50	1.50	2.50	2.00	-	-
C Dividend Payout Ratio %	-	21.36	37.66	20.71	81.41	19.16	28.81	22.56	-	-
D Net Worth per Equity Share Rs.	81.24	98.82	81.70	77.96	67.35	67.66	60.25	62.33	52.86	47.84
E Market price of Share as on 31st March Rs.	85.05	137.05	63.50	47.05	62.50	67.15	83.15	73.80	32.55	9.95

* Borrowing is net of Cash and Bank balance

** Sales Turnover is after reducing discounts/rebates

Equity Share of Face Value of Rs.10/- each

Previous year figures have been regrouped/rearranged wherever necessary

AUDITORS' REPORT

To, The Members of
Transpek Industry Limited,
Vadodara.

1. We have audited the attached Balance Sheet of Transpek Industry Limited as at 31st March 2012, and also Profit and Loss Statement and the 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in 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.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks as considered appropriate and according to the information and explanations given to us during the course of the audit, we enclose in the Annexure hereto a statement on the matters specified in Paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in above paragraph, 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 purposes of our audit;
 - b) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of the books of the Company;
 - c) The balance sheet, Profit and Loss Statement and cash flow statement dealt with by this report are in agreement with the books of account;
 - d) Subject to the observation in Para 4(f) below, in our opinion, the balance sheet, Profit and Loss Statement and cash flows 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 written representations received from the directors of the Company as on 31st March 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012, from being appointed as a director in terms of Section 274(1) (g) of the Companies Act, 1956.
 - f) The company has not provided loss amounting to ₹.341.38 lacs in respect of its outstanding contracts at March 31, 2012 which would have arisen had these contract been recorded for at market value at that date, as more fully disclosed in note no. 30(D) of the financial statements. As a result, loss before tax for the year is lower by ₹. 341.38 lacs, loss after tax for the year and Reserves and Surplus as at March 31, 2012 are higher by ₹. 341.38 lacs and basic and diluted earnings per share for the year is higher by ₹ 5.81. The report on the financial statements for the preceding year was also modified for the same.
 - g) In our opinion and to the best of our information and according to the explanations given to us, subject to the non-provision of mark-to-market losses on outstanding derivatives contract, referred to in the paragraph (f) above, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2012;
 - b. in the case of the Profit and Loss Statement, of the loss for the year ended on that date; and
 - c. in the case of cash flow statement, of the cash flows for the year ended on that date.

For Contractor, Nayak & Kishnadwala
Chartered Accountants
Firm Registration No.129638W

Himanshu Kishnadwala
Partner
Membership No. 37391
Vadodara, May 28, 2012

AUDITORS' REPORT

Annexure referred to in paragraph 3 of the Report of even date

Re: Transpek Industry Limited ('the Company')

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets;
- (b) All the Fixed Assets have not been physically verified by the management during the year but there is a regular programme of verifying them once in three years which, in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification;
- (c) There is no substantial disposal of fixed assets during the year;
- (ii) (a) The management has conducted physical verification of inventory at the end of the year;
- (b) The procedures of physical verification of inventory followed by the management are 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 no material discrepancies were noticed on physical verification carried out at the end of the year;
- (iii) (a) As informed, the Company has not granted any loans secured or unsecured to a Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii)(b), (c) and (d) of the Companies (Auditor's Report) order, 2003 (as amended) are not applicable to the company;
- (b) As informed, the Company has taken Fixed Deposit from one person (falling within the shareholders category), covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year ₹ 15.61 lacs and the year-end balance of these deposits was ₹ 15.61 lacs;
- (c) In our opinion and according to the information and explanations given to us, the rate of Interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the company;
- (iv) In our opinion and according to the information and explanation given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for sale of goods and services. During the course of audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company;
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that particulars of contracts or arrangements referred to in section 301 of the Act that needs to be entered into the register required to be maintained under Section 301 have been so entered;
- (b) In our opinion and according to the information and explanation given to us, transactions made in pursuance of such contracts or arrangements exceeding value of Rs. five lacs have been entered in to during the Financial Year at price which are reasonable having regards to the prevailing market price at the relevant time;
- (vi) In respect of deposit accepted, in our opinion and according to the information and explanation given to us, directives issued by the Reserve Bank Of India and the provisions of Section 58A, 58AA or any other relevant provisions of the companies act, 1956 and the rules framed thereunder, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the company law board, national company law tribunal or Reserve Bank of India or any court or any other tribunal;
- (vii) The company has appointed an independent firm of Chartered Accountants to carry out the internal audit. In our opinion, the said system of internal audit system is commensurate with the size of the company and nature of its operations;

AUDITORS' REPORT

(viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete;

(ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise-duty, cess and other material statutory dues applicable to it. We are informed that the provisions relating to employee's state insurance are not applicable to the company;

According to the information and explanation given to us, no undisputed amount payable in respect of provident fund, investor education & protection fund, employee's state insurance, income tax, sales tax, customs, wealth-tax, service tax, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for the period more than 6 months from the date they become payable;

(b) According to the record of the company, there are no dues outstanding in respect of income tax, sales tax, service tax, wealth tax, custom duty, excise duty & cess which have not been deposited on account of any disputes, other than following :

Name of the Statute	Nature of dues	Amount (₹. In lacs)	Period to which the amount relates	Forum where dispute is pending
Gujarat Sales Tax Act, 1969	Sales Tax	0.31	1999-2000	Deputy Commissioner of Sales Tax, Vadodara
Central Sales Tax Act, 1956	Sales Tax	33.80	1999-2000	Deputy Commissioner of Sales Tax, Vadodara
Income Tax Act, 1961	Income Tax (including interest thereon)	59.85	1990-1991	Hon'ble High Court, Ahmedabad
		31.02	1992-1993	Hon'ble High Court, Ahmedabad
		31.48	1993-1994	Assessing Officer, Vadodara
		19.74	1994-1995	Income Tax Appellate Tribunal, Ahmedabad.
		152.23	1994-1995	Hon'ble High Court, Ahmedabad
		154.29	2002-2003	Income Tax Appellate Tribunal, Ahmedabad.

(x) The company does not have any accumulated losses at the end of the financial year. The company has incurred cash losses during the financial year covered by our audit. There were no cash losses in immediately preceding financial year;

(xi) Base on our audit procedure and as per the information and explanation given by the, management, we are of the opinion that the company has not defaulted in repayment of dues to Bank. The company has no outstanding due to financial institutions or debenture holders;

(xii) According to the information and explanation given to us and based on documents and records produced to us, the company has not granted loan and advances on the bases of securities by way of pledge or shares, debenture and other securities;

AUDITORS' REPORT

- (xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore the provisions of clause 4(xiii) of the companies (Auditor's report) order, 2003 as amended are not applicable to the company;
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4(xiv) of the companies (Auditor's report) order, 2003 as amended are not applicable to the company;
- (xv) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions;
- (xvi) Based on the information and explanation given to us by the management, the term loans were applied for the purpose for which the loans were obtained;
- (xvii) According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we report that no fund raised on the short term bases have been used for the long term investment;
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the registered maintained under section 301 of the act;
- (xix) The company did not have any outstanding debentures during the year;
- (xx) The Company has not raised any money through public issues during the year;
- (xxi) Based upon the audit procedure perform for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit;

For Contractor, Nayak and Kishnadwala
Chartered Accountants
Firm Registration No. 129638W

Himanshu Kishnadwala
Partner
Membership No. 37391

Place : Vadodara
Date : May 28, 2012

BALANCE SHEET AS AT 31ST MARCH 2012

₹ in Lacs

Particulars	Note No.	As at 31st March, 2012	As at 31st March, 2011
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	587.20	587.20
(b) Reserves and Surplus	4	4,770.66	5,802.52
		<u>5,357.86</u>	<u>6,389.72</u>
2 Non-current liabilities			
(a) Long-term borrowings	5	2,546.96	3,226.94
(b) Deferred tax liabilities (Net)	6	842.82	1,060.64
(c) Long-term provisions	7	180.46	185.60
		<u>3,570.24</u>	<u>4,473.18</u>
3 Current liabilities			
(a) Short-term borrowings	8	2,837.97	2,474.78
(b) Trade payables	9	4,710.81	2,782.79
(c) Other current liabilities	10	2,451.37	1,893.54
(d) Short-term provisions	11	84.94	386.59
		<u>10,085.09</u>	<u>7,537.70</u>
TOTAL		<u><u>19,013.19</u></u>	<u><u>18,400.60</u></u>
II ASSETS			
Non - Current Assets			
1 (a) Fixed Assets	12		
(i) Tangible Assets		9,286.53	8,853.61
(ii) Intangible Assets		40.15	59.27
(iii) Capital Work in Progress		89.51	471.32
		<u>9,416.19</u>	<u>9,384.20</u>
(b) Non - Current Investments	13	1,060.83	1,315.83
(c) Long term loans & advances	14	767.85	913.26
		<u>11,244.87</u>	<u>11,613.29</u>
CARRIED FORWARD		11,244.87	11,613.29

BALANCE SHEET AS AT 31ST MARCH 2012

		₹ in Lacs	
Particulars	Note No.	As at 31st March, 2012	As at 31st March, 2011
BROUGHT FORWARD		11,244.87	11,613.29
2 Current Assets			
(a) Inventories	15	2,912.50	2,779.22
(b) Trade receivables	16	3,841.82	3,173.43
(c) Cash and Bank Balances	17	352.48	210.08
(d) Short-term loans and advances	18	616.93	543.66
(e) Other current assets	19	44.59	80.92
		7,768.32	6,787.31
TOTAL		19,013.19	18,400.60
Notes forming part of the financial statements			

As per our report of even date.

For and on behalf of the Board of Directors

For Contractor, Nayak & Kishnadwala
Chartered Accountants

Himanshu Kishnadwala
Partner

Place : Vadodara
Date : 28th May, 2012

A. C. Shroff (Chairman)
A. G. Shroff (Managing Director)
Bimal V. Mehta (Executive Director)
M. D. Patel (Director)
A. P. Shah (General Manager(Finance & ERP))
S. K. Solanki (Company Secretary)

Place : Vadodara
Date : 28th May, 2012

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

		₹ in Lacs	
Particulars	Note No.	For the Year ended 31st March, 2012	For the Year ended 31st March, 2011
I. Revenue from operations	20	15,626.80	18,441.53
II. Other income	21	444.91	140.95
III. Total Revenue (I + II)		16,071.71	18,582.48
IV. EXPENSES			
Cost of Materials consumed	22	7,532.20	7,518.03
Purchases of Stock-in-Trade	23	490.80	1,027.71
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	24	105.94	(731.73)
Employee benefits expense	25	1,879.65	1,983.26
Finance costs	26	1,009.47	744.30
Depreciation and amortization expense		696.95	681.42
Other expenses	27	5,605.01	5,650.36
Total expenses (IV)		17,320.02	16,873.35
V. Profit/(Loss) before tax (III- IV)		(1,248.31)	1,709.13
VI. Tax expense:			
Current tax		1.38	331.26
Deferred tax		(217.84)	146.43
Mat Credit Entitlement		-	(45.00)
Taxation adjustments for earlier years		-	(1.83)
VII. Profit / (Loss) for the period (V-VI)		(1,031.85)	1,278.27
VIII. Earnings per equity share:			
Basic		(17.57)	21.77
Diluted		(17.57)	21.77
Notes forming part of the financial statements			

As per our report of even date.

For and on behalf of the Board of Directors

For Contractor, Nayak & Kishnadwala
Chartered Accountants

Himanshu Kishnadwala
Partner

A. C. Shroff (Chairman)
A. G. Shroff (Managing Director)
Bimal V. Mehta (Executive Director)
M. D. Patel (Director)
A. P. Shah (General Manager(Finance & ERP))
S. K. Solanki (Company Secretary)

Place : Vadodara
Date : 28th May, 2012

Place : Vadodara
Date : 28th May, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

₹ in Lacs

Particulars	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before exceptional items, prior period items and tax:	(1,248.31)	1,709.13
Adjustments for :		
Depreciation /ammortisation	696.95	681.42
Loss/(Profit) on disposal of fixed assets	(107.32)	27.70
Excess depreciation written back	(15.30)	-
Diminution in the carrying amount of Long term Investments	255.00	-
Interest received	(71.57)	(18.65)
Dividend Received	(113.88)	(104.23)
Interest Expense	1,009.47	744.30
	<u>1,653.35</u>	<u>1,330.54</u>
Operating Profit before working capital changes	405.04	3,039.67
Adjustments for:		
(Increase)/Decrease in Loans and Advances	(34.05)	(305.72)
(Increase)/Decrease in Trade receivables	(668.39)	428.48
(Increase)/Decrease in Inventories	(133.28)	(1,291.38)
(Increase) in Other Current Assets	40.29	(55.52)
(Increase)/Decrease in Liabilities and Provisions	1,921.31	1,680.52
	<u>1,125.88</u>	<u>456.38</u>
Cash generated from Operations	1,530.92	3,496.05
Less : Direct taxes paid	(104.81)	509.80
Cash flow before extraordinary items	1,635.73	2,986.25
Prior Period Adjustments (Other than Taxation)	-	-
Net cash from Operating Activities (A)	1,635.73	2,986.25
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(802.81)	(2,930.43)
Proceeds from sale of fixed assets	196.50	83.95
Purchase of Investment	-	(876.59)
Decrease / (Increase) in fixed deposits with a maturity period of more than 90 days	(96.81)	(64.10)
Interest received	67.61	18.69
Dividend received	113.88	104.23
Net Cash used in Investing Activities (B)	(521.63)	(3,664.25)
CARRIED FORWARD (A+B)	1114.10	(678.00)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

₹ in Lacs

Particulars	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011	
BROUGHT FORWARD	(A+B)	1114.10	(678.00)
C CASH FLOW FROM FINANCIAL ACTIVITIES			
Receipt of Borrowings(net)		154.94	1,580.34
Interest Paid		(952.80)	(719.81)
Dividend Paid		(232.55)	(144.95)
Dividend distribution Tax Paid		(38.10)	(24.38)
Net cash used Financing Activities	(C)	(1,068.51)	691.20
Net increase in cash and cash equivalents	(A+B+C)	45.59	13.20
Cash and cash equivalents at the beginning of the year		62.04	48.84
Cash and cash equivalents at the end of the year		107.63	62.04
Components of Cash & Cash Equivalents			
Cash on hand		6.10	4.32
Balances with scheduled banks:			
On Current Accounts		85.75	46.19
On Margin money accounts		155.68	29.37
On Deposit accounts		89.17	118.67
On unclaimed dividend account		14.07	9.82
On Right issue application money account		1.71	1.71
Cash and Cash Equivalents as per Note 17		352.48	210.08
Less: Fixed deposits not considered as cash equivalents		244.85	148.04
Cash and Cash Equivalents as per Cash Flow Statement		107.63	62.04

Note:-

- The Cash flow statement has been prepared under the Indirect method as set out in Accounting Standard - 3 on Cash Flow Statements notified under Companies (Accounting Standard) Rules, 2006.
- Cash and cash equivalents includes Fixed Deposits pledged with government authorities ₹ 0.83 lacs (Previous year ₹ 0.95 lacs), Unclaimed dividend accounts ₹. 14.07 lacs (Previous year ₹ 9.89 lacs) and Right issue application money account ₹ 1.71 lacs (Previous year ₹ 1.71 lacs), which are not available for use by the Company.
- Figures in the brackets represents cash outflow
- Previous year figures have been regrouped where necessary to confirm to the year's classification.

As per our report of even date

For and on behalf of the Board of Directors

For Contractor, Nayak & Kishnadwala
Chartered Accountants

A. C. Shroff (Chairman)
A. G. Shroff (Managing Director)
Bimal V. Mehta (Executive Director)
M. D. Patel (Director)
A. P. Shah (General Manager(Finance & ERP))
S. K. Solanki (Company Secretary)

Himanshu Kishnadwala
Partner

Place : Vadodara
Date : 28th May, 2012

Place : Vadodara
Date : 28th May, 2012

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Back Ground

Transpek Industry Limited ('TIL', 'the Company') is into the manufacturing and export of a range of chemicals servicing the requirements of customers from a diverse range of industries - Textiles, Pharmaceuticals, Agrochemicals, advanced polymers, etc.

2. Statement on Significant Accounting Policies

a) Basis of Preparation

The financial statements have been prepared to comply within all material respects with the Notified accounting standard by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statement and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Tangible Fixed Assets and Capital Work in Progress

Fixed Assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost (net of CENVAT Credit) of bringing the assets to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

d) Intangible Assets

Technical Knowhow

Research costs are expensed as incurred. Product development expenditure incurred on individual product project is recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the asset and use or sell it;
- its ability to use or sell the asset;
- how the asset will generate probable future economic benefits;
- the availability of adequate resources to complete the development and to use or sell the asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during development.

Any expenditure capitalised as technical knowhow is amortized on a straight-line basis over a period of ten years from the month of addition of the underlying product.

The carrying value of development costs on technical know-how is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

e) Depreciation

Depreciation is provided using Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Assets valuing upto Rs 5,000/- are depreciated at the rate of 100 % in the year of acquisition. Depreciation in respect of additions to/deletions from the fixed assets, provided on pro-rata basis with reference to the date of addition/deletion of the assets.

f) Impairment

- i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
- ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- iii) A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

g) Assets Held for Disposal

Items of Fixed assets that have been retired from active use and held for disposal are stated at the lower of their net book value or net realisable value.

h) Inventories

Raw materials, packing materials and fuel are valued at cost and net realizable value, whichever is lower. Cost is determined on First In First Out Basis. However, materials and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Finished goods semi-finished goods are valued at cost and net realizable value, whichever is lower. Cost is determined on absorption costing basis. Cost of finished goods includes excise duty.

Stores and spares are valued at cost and net realizable value, whichever is lower. Cost is determined on First In First Out Basis.

Trading goods and process residue are valued at cost and net realizable value, whichever is lower.

i) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried at lower of cost and fair value determined on an individual investment basis.

Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

j) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Sale of goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise duty deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability arising during the period.

Job Work Income

Income from Job work is accounted on accrual basis on dispatch of material and as per terms of agreement.

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.

k) Export Benefits

Duty free imports of raw materials under Advance Licence for imports as per the Import and Export Policy are matched with the exports made against the said licences and the net benefit/obligation is accounted by making suitable adjustments in raw material consumption.

The benefits accrued under the Duty Entitlement Pass Book Scheme as per the Import and Export Policy in respect of exports made under the said scheme have been included under the head 'Export Incentives'.

l) Foreign Currency Transaction

Initial Recognition

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

m) Operating Lease

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as Operating Leases. Operating lease payments are recognised as an expense in the Profit and Loss account on a straight line basis over the lease term.

n) Taxation

Tax expense comprises current and deferred taxes. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The Company avails credit for MAT if there is reasonable certainty that the same would be set off in the eligible period.

o) Segment Reporting Policies

Identification of segments:

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the geographical location of the customers wherever required.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

Includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

p) Employee Benefits

- i. Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- ii. Superannuation Fund is a defined contribution scheme and contributions to the scheme are charged to the profit and loss account in the year when the contributions are due. The scheme is funded with an insurance company in the form of a qualifying insurance policy. There are no other obligations other than the contribution payable to the respective trusts.
- iii. The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Company. The aforesaid liability is provided for on the basis of an actuarial valuation made based on Projected unit credit method at the end of the financial year. The scheme is funded with an insurance company in the form of a qualifying insurance policy.
- iv. The Company has other long term employee benefits in the form of leave encashment. The liability in respect of leave encashment is provided for on the basis of actuarial valuation made based on Projected unit credit method at the end of the financial year. The aforesaid leave encashment is not funded.
- v. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

q) Provisions

A provision is recognized when an enterprise has a present obligation as result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the best current estimates.

r) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

s) Cash and Cash Equivalents

Cash and cash equivalents for the purposes of the cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note no 3 :Share capital

Note 3(a) :- Details of share capital :

Particulars	As at 31 st March, 2012		As at 31 st March, 2011	
	Number of shares	₹ in Lacs	Number of shares	₹ in Lacs
<u>Authorised</u>				
Equity shares of ₹ 10 each with voting rights	7,500,000	750.00	7,500,000	750.00
Preference shares of ₹ 100/- each	500,000	500.00	500,000	500.00
<u>Issued</u>				
Equity shares of ₹ 10 each with voting rights	5,872,040	587.20	5,872,040	587.20
<u>Subscribed & Fully Paid up</u>				
Equity shares of ₹ 10 each with voting rights	5,872,040	587.20	5,872,040	587.20

Note 3(b) :- Reconciliation of the Number of shares and amount outstanding at the beginning and at the end of the year :

Particulars	As at 31 st March, 2012		As at 31 st March, 2011	
	Number of shares	₹ in Lacs	Number of shares	₹ in Lacs
Opening/closing balance of Equity shares with voting rights	5,872,040	587.20	5,872,040	587.20

Note 3(c) :- The rights, preferences and restrictions attaching to each class of shares :

Equity shares with voting rights:

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive any remaining assets of the company, after distribution of all preferential amounts and repayment towards Preference share holders, if any.

Note 3(d) :- Details of Shares held by each Share Holder Holding more than 5% Shares.

Class of shares/Name of share holder	As at 31 st March, 2012		As at 31 st March, 2011	
	Number of shares	Extent of holding	Number of shares	Extent of holding
<u>Equity shares with voting rights</u>				
Finquest Securities Pvt. Ltd	682,699	11.63%	795,900	13.55%
Kamaljiyot Investments Ltd	608,493	10.36%	608,493	10.36%
Shruti A. Shroff	305,725	5.21%	305,725	5.21%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Note no. 4: Reserves and surplus**

Particulars	As at 31st March, 2012 (₹ in lacs)	As at 31st March, 2011 (₹ in lacs)
(a) Capital Reserve(On amalgamation of subsidiary company)		
Opening/closing balance	19.00	19.00
(b) Securities Premium Account		
Opening/closing balance	1,524.08	1,524.09
(c) General Reserve		
Opening Balance	2,446.36	2,196.36
Add: Additions during the year	-	250.00
Closing Balance	2,446.36	2,446.36
(d) Surplus		
Opening balance	1,813.07	1,057.78
(+) Net Profit/(Net Loss) for the year	(1,031.85)	1,278.27
(-) Proposed dividend	-	234.88
(-) Tax on proposed dividend	-	38.10
(-) Transfer to general reserve	-	250.00
Closing Balance	781.22	1,813.07
Total	4,770.66	5,802.52

Note No. 5 : Long term borrowings

Particulars	As at 31st March, 2012 (₹ in lacs)	As at 31st March, 2011 (₹ in lacs)
(a) Term Loans		
- Secured		
From Banks (Refer note (i) and (ii))	1,314.91	1,968.22
(b) Deposits		
- Unsecured		
Public Deposits(Refer note - (iii) below)	1,232.05	1,258.72
Total	2,546.96	3,226.94

(i) Nature of security:

The above Term loans are secured by first charge by way of hypothecation of all the movable machinery financed or to be financed under the said term/capex loans by the respective banks. The above loans are further secured by first charge by way of an equitable mortgage on the whole of the immovable assets of the Company, both present and future, on pari passu basis. They are further secured by second charge by way of hypothecation over entire current assets including stock and book debts with current charge holders on pari passu basis.

(ii) Term of repayments are as below:

(a) Term loan from Bank of Baroda of ₹ 213.35 lacs (P.Y. Nil) is repayable by way of quarterly Installment of

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹.18.75 lacs each. The term loan has balance maturity tenure of 48 months.

- (b) Term loan from IDBI Bank Ltd of ₹.122.21 lacs (P.Y. ₹. 305.56 lacs) is repayable by way of monthly Installment of ₹.15.27 lacs each. The loan has balance maturity tenure of 20 months.
- (c) Term Loan from IDBI Bank Ltd of ₹.531.25 lacs (P.Y. ₹. 743.75 lacs) is repayable by way of monthly Installment of ₹.17.70 lacs each. The loan has balance maturity tenure of 42 months.
- (d) Term loan from Axis Bank Ltd loan of ₹. 112.50 lacs (P.Y. ₹. 262.50 lacs) is repayable by way of quarterly Installment of ₹.37.50 lacs each. The loan has balance maturity tenure of 24 months.
- (e) Term loan from Axis Bank Ltd of ₹.335.60 lacs (P.Y. ₹. 473.11 lacs) is repayable by way of quarterly Installment of ₹. 34.38 lacs each. The loan has balance maturity tenure of 42 months.

(iii) Public deposits aggregating to ₹. 1232.05 lacs are repayable within a period of next 2 to 3 years.

Note No. 6: Deferred Tax liabilities(Net)

Particulars	As at 31st March, 2012 (₹ in lacs)	As at 31st March, 2011 (₹ in lacs)
Deferred tax liabilities		
Related to fixed assets	1,253.33	1,138.84
Total	1,253.33	1,138.84
Deferred tax assets		
Disallowances under the Income Tax Act ,1961	72.43	65.34
Provision for doubtful debts / advances	12.86	12.86
Unabsorbed depreciation carried forward	325.22	-
Total	410.51	78.20
Net deferred tax (liability) / asset	842.82	1,060.64

Note No. 7 : Long term provisions

Particulars	As at 31st March, 2012 (₹ in lacs)	As at 31st March, 2011 (₹ in lacs)
(a) Provision for employee benefits:		
(i) Provision for compensated absences	180.46	185.60
Total	180.46	185.60

Note No. 8 : Short term borrowings

Particulars	As at 31st March, 2012 (₹ in lacs)	As at 31st March, 2011 (₹ in lacs)
(a) Secured		
Loans repayable on demand from banks(Refer note (i) below)	2,600.57	1,891.00
(b) Unsecured		
- Public Deposits (Refer note (ii) below)	237.40	233.78
- Bank loan	-	350.00
	237.40	583.78
Total	2,837.97	2,474.78

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note: (i) : The above cash/Export credit facilities from Consortium bankers i.e State Bank of India, Axis Bank Limited , Bank of Baroda and IDBI Bank Limited are secured by first charge by way of hypothecation of stocks of raw materials, packing materials, consumable stores, finished goods, semi-finished goods and book debts of the company, on pari passu basis. The aforesaid credit facilities are further secured by way of charge on the whole of the fixed assets of the company ranking second and subservient for the charges created in respect of borrowings obtained from them.

Note:-(ii) Public deposits includes deposits from related parties amounting to ₹ 15.61 Lacs (P.Y. :15.61 lacs)

Note No. 9 : Trade Payables

Particulars	As at 31st March, 2012 (₹ in lacs)	As at 31st March, 2011 (₹ in lacs)
Acceptances	1,988.79	656.53
Others (Refer note 30(A))	2,722.02	2,126.26
Total	4,710.81	2,782.79

Note No. 10: Other Current Liabilities

Particulars	As at 31st March, 2012 (₹ in lacs)	As at 31st March, 2011 (₹ in lacs)
(a) Current maturities of long-term debt (Refer Note (i) below)	879.14	748.32
(b) Current maturities of unsecured deposits	641.17	295.03
(c) Interest accrued but not due on borrowings	169.41	120.20
(d) Interest accrued and due on borrowings	14.52	15.78
(e) Unpaid dividends(*)	14.07	11.74
(f) Application money received for allotment of securities and due for refund and interest accrued thereon	1.71	1.71
(g) Unpaid matured deposits and interest accrued thereon	50.10	54.41
(h) Other payables		
(i) Statutory remittances "	55.23	58.18
(ii) Interest accrued on trade payables	6.14	6.66
(iii) Interest accrued on others	9.34	1.58
(iv) security deposits received	11.05	11.05
(v) Advances from customers	50.18	48.45
(vi) Salary Wages Payable	132.90	108.97
(vii) Payable to Subsidiary	3.67	-
(viii) Other Payables	412.74	411.46
Total	2,451.37	1,893.54

(*) To be deposited with Investor Education and Protection Fund as and when they became due.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note (i): Current maturities of long-term debt (Refer Notes (i) in Note 5 - Long-term borrowings for details of security and guarantee):

Particulars	As at 31st March, 2012 (₹ in lacs)	As at 31st March, 2011 (₹ in lacs)
(a) Secured Term loans from banks:		
(i) State Bank of India	120.79	187.49
(ii) Bank of Baroda	75.00	52.49
(iii) IDBI Bank Limited	395.83	289.58
(iv) Axis Bank Limited	287.52	218.76
	879.14	748.32

Note No. 11 : Short term provisions

Particulars	As at 31st March, 2012 (₹ in lacs)	As at 31st March, 2011 (₹ in lacs)
(a) Provision for employee benefits:		
(i) Provision for Bonus/exgratia	47.13	45.00
(ii) Provision for compensated absences	37.81	10.52
(iii) Provision for gratuity (net) (Refer Note 29B(a))	-	58.09
(b) Other Provisions:		
(i) Provision for proposed dividend	-	234.88
(ii) Provision for tax on proposed dividend	-	38.10
Total	84.94	386.59

Note no. 12 : Fixed Assets

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at 1 st April, 2011	Additions	(Disposals)	Balance as at 31 st March, 2012	Balance as at 1 st April, 2011	Deprecia- tion charge for the year	On Disposals	Balance as at 31 st March, 2012	Balance as at 31 st March, 2012	Balance as at 31 st March, 2011
(i) Tangible Assets (Owned)										
(a) Land- Free Hold	285.06	7.00	7.11	284.95	-	-	-	-	284.95	285.06
(b) Buildings	1,050.07	99.69	-	1,149.76	186.41	24.93	-	211.34	938.42	863.66
(c) Electric Installations	186.24	36.51	-	222.75	62.99	8.81	1.05	70.75	152.00	123.25
(d) Plant and Equipment	11,345.26	911.17	138.31	12,118.12	4,427.58	560.96	63.03	4,925.51	7,192.61	6,917.68
(e) Research and Development Equipment	443.59	85.76	5.31	524.04	137.53	41.10	2.93	175.70	348.34	306.06
(f) Furniture and Fixtures	214.51	5.90	-	220.41	102.18	13.31	10.17	105.32	115.09	112.34
(g) Vehicles	235.98	32.42	0.35	268.05	62.18	23.12	0.02	85.28	182.77	173.80
(h) Office equipment	94.77	5.99	-	100.76	29.41	4.55	-	33.96	66.80	65.35
(i) Technical Books	42.18	0.19	-	42.37	35.77	1.05	-	36.82	5.55	6.41
Total	13,897.66	1,184.63	151.08	14,931.21	5,044.05	677.83	77.20	5,644.68	9,286.53	8,853.61
Previous Year Tangible	11,426.75	2,702.79	231.88	13,897.66	4,524.36	639.92	120.23	5,044.05		
(ii) Intangible Assets										
Technical Know How	439.09	-	-	439.09	379.82	19.12	-	398.94	40.15	59.27
Total	439.09	-	-	439.09	379.82	19.12	-	398.94	40.15	59.27
Previous Year Intangible	439.09	-	-	439.09	338.32	41.50	-	379.82		
(iii) Capital Work In Progress	471.33	83.40	465.22	89.51	-	-	-	-	89.51	471.32
Total	471.33	83.40	465.22	89.51	-	-	-	-	89.51	471.32
Previous Year C.W.I.P	243.69	471.33	243.69	471.33	-	-	-	-	-	471.33
Total	14,808.08	1,268.03	616.30	15,459.81	5,423.87	696.95	77.20	6,043.62	9,416.19	9,384.20

Note

Addition to fixed assets includes an amount of ₹. 4.12 lacs (March 31, 2011: ₹. 7.97 lakhs) on account of capitalisation of interest cost as per Accounting Standard -16 (Borrowing costs).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Note no. 13: Non-Current Investments**

Particulars	As at 31st March, 2012 (₹ in lacs)	As at 31st March, 2011 (₹ in lacs)
Long term Investments at cost, unless otherwise specified		
Trade Investments (unquoted)		
Investment in equity instruments (fully paid up)		
(i) Subsidiaries		
(a) 20(P.Y. : 20) equity shares of 1 GBP each of Transpek Industry (Europe) Limited	0.02	0.02
(b) 2,92,919 (2,92,919) Equity Shares of ₹. 10 each of SAM Fine O Chem Limited(earlier Sam fine chem Ltd) (Refer note 29(vi))	876.58	876.58
Less: Provision for diminution, other than temporary	255.00	-
	621.58	876.58
(ii) Other Companies		
(a) 10,000 (P.Y. : 10,000) Equity Shares of ₹. 100 each of Agrocel Industries Limited	10.00	10.00
(b) 9,49,315 (P.Y. : 9,49,315) Equity Shares of ₹. 10 each in Transpek-Silox Industry Limited	290.96	290.96
Total - (A)	922.56	1,177.56
Trade Investments (quoted)		
1,56,650 (P.Y. : 1,56,650) Equity Shares of ₹. 5 each in Excel Industries Limited	226.76	226.76
Less: Provision for diminution, other than temporary	88.63	88.63
Total - (B)	138.13	138.13
Other Investments (unquoted)- Non trade	-	-
(a) Investments in equity instruments (fully paid up)		
(a) 400 (P.Y.:400) Equity Shares of ₹. 25 each of Co-operative Bank of Baroda Limited	0.10	0.10
(b) 10 (P.Y.: 10) Equity Shares of ₹. 10 each of Pragati Sahakari Bank Limited	-	-
	0.10	0.10
(b) Investment in Government Securities		
(a) 12 Years National Defence Certificate (Face Value: ₹. 1,400)	0.01	0.01
(b) 7 Years National Saving Certificate (Face Value: ₹. 2,500)	0.03	0.03
	0.04	0.04
Total - (C)	0.14	0.14
Total - (A+B+C)	1,060.83	1,315.83
Aggregate value of unquoted investments	1,177.70	1,177.70
Aggregate value of quoted investments	226.76	226.76
Aggregate market value of quoted investments	106.85	116.16
Aggregate provision for diminution in value of investments	343.63	88.63

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note no. 14: Long-term loans and advances

Particulars	As at 31st March, 2012 (₹ in lacs)	As at 31st March, 2011 (₹ in lacs)
(a) Capital Advances	36.35	47.53
(b) Security deposits		
Unsecured, considered good	112.21	109.97
(c) Balances with government authorities		
Unsecured, considered good		
(i) Advance taxes (net of provisions)	385.82	492.01
(ii) MAT credit entitlement	45.00	45.00
(iii) VAT Recoverable	188.47	218.75
Total	767.85	913.26

Note no.: 15 Inventories

(At lower of cost and net realisable value)

Particulars	As at 31st March, 2012 (₹ in lacs)	As at 31st March, 2011 (₹ in lacs)
(a) Raw materials	1,407.77	1,118.05
(Includes Stock in transit of ₹.286.03 Lacs (P.Y. Nil))		
(b) Work-in-progress	249.10	216.31
(c) Finished goods	1,040.69	1,179.43
(Includes Stock in transit of ₹.184.95 Lacs (P.Y. ₹.348.08 Lacs))		
(d) Stores and spares	161.24	210.00
(e) Packing Materials	31.82	37.52
(f) Stock of fuel	21.88	17.91
Total	2,912.50	2,779.22

Note no.16: Trade receivables

Particulars	As at 31st March, 2012 (₹ in lacs)	As at 31st March, 2011 (₹ in lacs)
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	95.34	71.08
Other trade receivables		
Unsecured, considered good	3,746.48	3,102.35
Total	3,841.82	3,173.43

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Note no.17 : Cash and Bank Balances**

Particulars	As at 31st March, 2012 (₹ in lacs)	As at 31st March, 2011 (₹ in lacs)
Cash and Cash Equivalents		
(a) Cash in hand	6.10	4.32
(b) Balances with banks		
(i) In current accounts	85.75	46.19
(ii) In earmarked accounts		
- Balances held in unpaid dividend accounts	14.07	9.82
- Balances held in Right issue application money account	1.71	1.71
Others		
(a) Deposits with bank with maturity more than 3 Months(*)	89.17	118.67
(b) Balances held as margin money against guarantees	155.68	29.37
Total	352.48	210.08

(*) Notes :-

- (a) Includes Fixed deposits with Banks of ₹. Nil (P.Y. ₹.25.00 Lacs) having maturity of more than 12 months.
(b) Includes ₹. 0.83 Lacs (P.Y. ₹. 0.95 Lacs) deposited with government authorities.

Note no. 18 : Short-term loans and advances

Particulars	As at 31st March, 2012 (₹ in lacs)	As at 31st March, 2011 (₹ in lacs)
(a) Loans and advances to related parties		
Unsecured, considered good	366.67	45.56
(b) Loans and advances to suppliers		
Unsecured, considered good	14.79	76.78
Doubtful	39.63	39.63
	54.42	116.41
Less : Provision for bad and doubtful loans and advances	39.63	39.63
Balance	14.79	76.78
(c) Loans and advances to employees		
Unsecured, considered good	4.56	5.80
(d) Prepaid expenses -		
Unsecured, considered good	91.60	90.30
(e) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT Credit receivable	86.34	269.74
(ii) Service Tax credit receivable	33.40	55.14
(f) Advance for Expenses		
Unsecured, considered good	19.57	0.34
Total	616.93	543.66

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 19 : Other current assets

Particulars	As at 31st March, 2012 (₹ in lacs)	As at 31st March, 2011 (₹ in lacs)
(a) Accruals		
(i) Interest accrued on deposits	8.47	4.51
(ii) Discount and claims receivable	16.41	56.62
(b) Others		
(i) Assets Held for sale	19.71	19.79
Total	44.59	80.92

Note no. 20 : Revenue from Operations

Particulars	For the year ended 31 st March, 2012 (₹ in Lacs)	For the year ended 31 st March, 2011 (₹ in Lacs)
(a) Sale of products	16,035.30	18,939.31
(b) Other Operating revenues	271.69	211.28
	16,306.99	19,150.59
Less:		
(a) Excise duty	680.19	709.06
Total	15,626.80	18,441.53

Note- 20 (i) Sale of products comprises of

Particulars	For the year ended 31 st March, 2012 (₹ in Lacs)	For the year ended 31 st March, 2011 (₹ in Lacs)
<u>Manufactured goods</u>		
Chlorinated Compounds	12,865.01	15,604.22
SO ₃ / Oleum	1,365.10	921.83
Process Residue /others	638.00	651.78
Total - Sale of manufactured goods	14,868.11	17,177.83
<u>Traded Goods</u>		
Napthalene	338.95	-
Fexofinedine	-	452.02
Other Chemicals	148.05	600.40
Total - Sale of Traded goods	487.00	1,052.42
Total Sale of Products	15,355.11	18,230.25

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note- 20(ii) Other Operating Revenue comprises of

Particulars	For the year ended 31 st March, 2012 (₹ in Lacs)	For the year ended 31 st March, 2011 (₹ in Lacs)
(i) Job Work Income	154.20	77.15
(ii) Income from sale of scrap	62.55	59.30
(iii) Export Incentives and Duty drawbacks	54.94	74.83
Total - Other operating revenues	271.69	211.28

Note no. 21 : Other Income

Particulars	For the year ended 31 st March, 2012 (₹ in Lacs)	For the year ended 31 st March, 2011 (₹ in Lacs)
(a) Interest Income	71.57	18.65
(b) Dividend Income		
From Long Term Investments	113.88	104.23
(c) Other Non-Operating Income	259.46	18.07
Total	444.91	140.95

Note- 21 (i) Interest Income Comprises of

Particulars	For the year ended 31 st March, 2012 (₹ in Lacs)	For the year ended 31 st March, 2011 (₹ in Lacs)
(i) Interest from Bank on:		
Deposits	14.27	11.55
(ii) Interest on Income Tax refund	16.80	0.16
(iii) Interest on Loans and Advances	36.14	-
(iv) Other Interest		
Other deposits	0.51	0.73
Others	3.85	6.21
Total - Interest income	71.57	18.65

Note- 21(ii) Other Non- Operating Income Comprises of

Particulars	For the year ended 31 st March, 2012 (₹ in Lacs)	For the year ended 31 st March, 2011 (₹ in Lacs)
(i) Rental income of		
(a) Lease Rent	0.02	0.02
(b) ISO Tanks	78.69	0.06
(ii) Profit on sale of fixed assets	139.79	-
(iii) Insurance claim	24.28	9.87
(iv) Sundry Balance Written back	0.53	5.54
(v) Discount received	0.58	1.61
(vi) Excess depreciation written back	15.30	-
(vii) Other Income	0.27	0.97
Total	259.46	18.07

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 22 : Cost of materials consumed

Particulars	For the year ended 31 st March, 2012 (₹ in Lacs)	For the year ended 31 st March, 2011 (₹ in Lacs)
Raw Material Consumption		
Opening Stock	1,118.05	628.25
Add: Purchases	7,821.92	8,007.83
	8,939.97	8,636.08
Less: Closing stock	1,407.77	1,118.05
Cost of materials consumed	7,532.20	7,518.03
Total	7,532.20	7,518.03

Note no. 23 : Purchase of Traded goods

Particulars	For the year ended 31 st March, 2012 (₹ in Lacs)	For the year ended 31 st March, 2011 (₹ in Lacs)
Napthalene	344.44	-
Fexofinedine	-	454.02
Other Chemicals	146.36	573.69
Total	490.80	1,027.71

Note no. 24 : Changes in Inventories of finished goods , Work in Progress and Stock -in - Trade

Particulars	For the year ended 31 st March, 2012 (₹ in Lacs)	For the year ended 31 st March, 2011 (₹ in Lacs)
(a) Inventories at the beginning of the year:		
Finished Goods	1,166.24	601.06
Work in Progress	216.31	56.73
Process Residue	13.19	6.22
	1,395.74	664.01
(b) Inventories at the end of the year:		
Finished Goods	1,034.63	1,166.24
Work in Progress	249.10	216.31
Process Residue	6.07	13.19
	1,289.80	1,395.74
Net Change in Inventories	105.94	(731.73)

Note no. 25 : Employee Benefit expenses

Particulars	For the year ended 31 st March, 2012 (₹ in Lacs)	For the year ended 31 st March, 2011 (₹ in Lacs)
(a) Salaries and wages	1,452.82	1,479.54
(b) Contributions to Provident and other funds	208.60	290.79
(c) Retirement benefits	22.14	43.61
(d) Staff welfare expenses	196.09	169.32
Total	1,879.65	1,983.26

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Note no. 26 : Finance Costs**

Particulars	For the year ended 31st March, 2012 (₹ in Lacs)	For the year ended 31st March, 2011 (₹ in Lacs)
(i) Interest expense		
(a) Borrowings	871.89	613.28
(b) Trade Payables	-	3.15
(c) Others	3.56	1.97
(ii) Other borrowing costs	134.02	125.90
Total	1,009.47	744.30

Note no. 27 : Other Expenses

Particulars	For the year ended 31st March, 2012 (₹ in Lacs)	For the year ended 31st March, 2011 (₹ in Lacs)
Consumption of stores and spare parts	150.40	131.80
Power and fuel	1,170.40	1,415.59
Consumption of Packing Materials	512.47	445.51
Rent	203.43	180.51
Repairs to buildings	14.90	15.44
Repairs to machinery	371.45	631.43
Repairs to Others	47.19	48.86
Insurance	90.63	75.75
Rates and taxes(excluding taxes on income)	36.77	24.08
Freight and Forwarding charges	611.17	622.63
Commission Expense	455.54	581.18
Travelling and Conveyance	230.30	222.72
Legal and Professional charges	154.37	212.01
Donation and contribution to charitable organisations	11.97	31.25
Net loss on foreign currency transactions & translation	630.37	267.67
Payment to Auditors (Refer note 28 G)	7.86	6.04
Diminution in the carrying amount of Long term Investments (Refer note 29 (A) (b))	255.00	-
Loss on disposal of assets	32.47	27.70
Miscellaneous expenses	618.32	710.19
Total	5,605.01	5,650.36

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. :-28 Additional information to the financial statements

(A) Contingent Liabilities and Commitments (to the extent not provided for).

Particulars	Year ended 31 st March, 2012 (₹ in Lacs)	Year ended 31 st March, 2011 (₹ in Lacs)
(a) Contingent Liabilities		
(a) Claims against the company not acknowledged as debts (mainly on account of outstanding law suits)	264.25	264.25
(b) Guarantees given by Banks to third parties on behalf of the company	18.24	2.43
(c) Disputed Income tax Liability	343.86	506.67
(d) Disputed Sales tax Liability	34.11	83.55
Total	660.46	856.90
(b) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account & not provided for		
- Tangible Assets	127.95	413.66
(b) other Commitments	-	-
Total	127.95	413.66

(B) CIF Value of Imports (on accrual basis)

Particulars	Year ended 31 st March, 2012 (₹ in Lacs)	Year ended 31 st March, 2011 (₹ in Lacs)
Raw Materials	2,880.10	2,243.05
Stores and Spares	0.23	-
Capital goods	27.30	60.38
Total	2,907.63	2,303.43

(C) Expenditure in foreign currency (on cash basis)

Particulars	Year ended 31 st March, 2012 (₹ in Lacs)	Year ended 31 st March, 2011 (₹ in Lacs)
Compensation/Damages	-	1.48
Travelling Expenses	63.76	54.66
Export Sales Commission	327.55	430.06
Tanker Hire Charges	169.35	173.56
Interest Expenses	1.68	15.51
Others	28.50	16.07
Total	590.84	691.34

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Note : 28 Cont'd...****(D) (a) Value of Imported and Indigenous Raw Materials consumed**

Particulars	Year ended 31 st March, 2012 (₹ in Lacs)	%	Year ended 31 st March, 2011 (₹ in Lacs)	%
Imported	3,016.65	40.05%	2,307.88	30.70%
Indigenous	4,515.55	59.95%	5,210.15	69.30%
Total	7,532.20	100.00%	7,518.03	100.00%

(b) Value of Imported and Indigenous Stores and Spares consumed

Particulars	Year ended 31 st March, 2012 (₹ in Lacs)	%	Year ended 31 st March, 2011 (₹ in Lacs)	%
Imported	0.35	0.23%	1.16	0.88%
Indigenous	150.05	99.77%	130.64	99.12%
Total	150.40	100.00%	131.80	100.00%

(E) Details of Raw Materials Consumed*

Particulars	Year ended 31 st March, 2012 (₹ in Lacs)	Year ended 31 st March, 2011 (₹ in Lacs)
Chlorine	300.06	887.49
Sulphur	2,169.45	1,930.06
Mono Chloro Acetic Acid/ Isophthalic Acid	965.49	1,398.15
Purified Terephthalic Acid	643.44	916.20
Others	3,453.76	2,386.13
Total	7,532.20	7,518.03

*The above figures have been ascertained on the basis of opening stock plus purchases less closing stock and therefore include the adjustments of excesses and shortages ascertained on physical count, write off of unserviceable items etc.

Above values of Raw Material consumed includes cost of Raw material sold ₹. 9.92 lacs (Previous Year : ₹.11.77 Lacs).

(F) Earnings in foreign currency (on accrual basis)

Particulars	Year ended 31 st March, 2012 (₹ in Lacs)	Year ended 31 st March, 2011 (₹ in Lacs)
F.O.B. value of Exports	8,211.78	10,168.86

(G) Auditor's Remuneration

Particulars	Year ended 31 st March, 2012 (₹ in Lacs)	Year ended 31 st March, 2011 (₹ in Lacs)
Audit Fees	5.00	4.00
Fees for other services	2.40	1.75
Out of pocket expenses	0.46	0.29
Total	7.86	6.04

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 28 Cont'd...

(H) Amounts remitted in foreign currency during the year on account of dividend

Particulars	Year ended 31 st March, 2012 (₹ in Lacs)	Year ended 31 st March, 2011 (₹ in Lacs)
Amount of dividend remitted in foreign currency	Nil	Nil

Note no. :- 29 Disclosures under Accounting Standards as notified under the Companies (Accounting Standard) Rules, 2006

(A) Disclosure as per Accounting Standard -13(Accounting for Investments)

- (a) The Company has an investment in equity shares of Excel Industries Limited amounting to ₹.226.76 lacs. In respect of this investment, the Company had, in the previous year, recognized a diminution in the value of investment amounting to ₹.88.63 lacs. The market value of this investment at March 31, 2012 is ₹.106.85 lacs.(Previous Year ₹.116.16 lacs). In view of the long-term nature of this investment and having regard to the book value of the equity shares, management does not consider any further diminution in the carrying value of this investment, as at March 31, 2012.
- (b) The Company has an investment in equity shares of Sam Fine O Chem limited (earlier Sam Fine Chem limited) amounting to ₹.876.58 lacs.Sam Fine O Chem Limited has incurred substantial losses and as on 31st March, 2012 its net worth has been completely eroded.In view of the same , the company has recognised a diminution in the value of investment amounting to ₹.255.00 lacs during the year.The evaluation of the diminution involves usage of assumptions and significant judgements based on valuation methodologies. (Also refer note no.30 G).

(B) Disclosure as per Accounting Standard -15(Employee Benefits)

(a) Gratuity plan:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with insurance company in the form of a qualifying insurance policy. The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Profit and Loss Account

Net employee benefit expense (recognised in Employee Cost)

Particulars	As on 31 st March, 2012 (₹. in lacs)	As on 31 st March, 2011 (₹. in lacs)
Current service cost	34.03	25.26
Interest cost	49.10	38.24
Expected return on plan assets	(44.31)	(38.03)
Net actuarial(gain) / loss recognised in the year	(45.31)	74.76
Past service cost	-	-
Net (benefit)/ expense	(6.49)	100.23
Actual return on plan assets	55.08	45.57

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Note : 29 Cont'd...****Balance sheet**

Particulars	As on 31st March, 2012 (₹. in lacs)	As on 31st March, 2011 (₹. in lacs)
Defined benefit obligation	617.12	595.12
Fair value of plan assets	636.12	537.03
Less: Unrecognised past service cost	-	-
Plan asset / (liability)	(19.00)	58.09

Changes in the present value of the defined benefit obligation are as follows:

Particulars	As on 31st March, 2012 (₹. in lacs)	As on 31st March, 2011 (₹. in lacs)
Opening defined benefit obligation	595.12	463.54
Interest cost	49.10	38.24
Current service cost	34.03	25.26
Benefits paid	(26.59)	(14.21)
Actuarial (gains) / losses on obligation	(34.54)	82.30
Closing defined benefit obligation	617.12	595.13

Changes in the fair value of plan assets are as follows:

Particulars	As on 31st March, 2012 (₹. in lacs)	As on 31st March, 2011 (₹. in lacs)
Opening Balance of Plan Assets	537.03	460.98
Interest cost	44.31	38.03
Contribution made during the year	70.60	44.69
Benefits paid	(26.59)	(14.21)
Actuarial (gains) / losses on obligation	10.77	7.54
Closing defined benefit obligation	636.12	537.03

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	As on 31st March, 2012 %	As on 31st March, 2011 %
Investments with insurer	100.00	100.00

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 29 Cont'd...

The principal assumptions used in determining gratuity for the Company's plan are shown below:

Particulars	As on 31 st March, 2012	As on 31 st March, 2011
Discount rate	8.75	8.25
Expected rate of return on assets	8.75	8.25
Increase in Compensation cost	8.00	7.00
Mortality Table	LIC(1994-96) Ultimate	LIC(1994-96) Ultimate
Proportion of employees opting for early retirement	1.00%	1.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current and previous two periods are as follows:

Particulars	As on 31 st March, 2012 (₹. in lacs)	As on 31 st March, 2011 (₹. in lacs)	As on 31 st March, 2010 (₹. in lacs)
Defined benefit obligation	(617.12)	(595.12)	(463.54)
Plan Assets	636.12	537.03	460.98
Experience adjustments on plan liabilities*	-	-	-
Surplus/(Deficit)	19.00	(58.09)	(2.56)

*In the absence of availability of relevant information, experience adjustments on plan assets and liabilities have not been furnished above.

(b) Defined Contribution plans:

Amounts recognized as expense for the period towards contribution to the following funds:

Particulars	As on 31 st March, 2012 (₹. in lacs)	As on 31 st March, 2011 (₹. in lacs)
Employers contribution to:		
- Provident Fund	111.92	105.13
- Gujarat Labour Welfare Fund	0.06	0.06
- Superannuation Fund	102.44	96.53
Total	214.42	201.72

(C) Disclosure as per Accounting Standard - 17 (Segment Reporting)

Segment Information

As per para 4 of AS-17 "Segment Reporting", Segment information has been disclosed in Consolidated Financial Accounts.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Note : 29 Cont'd...****(D) Disclosure as per Accounting Standard - 18 (Related Party Disclosures)****(a) Names of related parties and description of relationship:**

Subsidiary Companies	Transpek Industry (Europe) Limited Sam Fine O Chem Limited(earlier known as Sam Fine Chem Limited) (Associate w.e.f. 28.05.2010 and subsidiary w.e.f. 20.11.2010)
Enterprises owned or significantly influenced by key management personnel or their relatives	Excel Industries Limited Excel Crop Care Limited TML Industries Limited Shroffs Engineering Limited Anshul Speciality Molecules Limited Anshul Life Science (earlier known as Anshul Agencies) Shroffs Foundation Trust Agrocel Industries Limited Transchem Agritech Limited Hyderabad Chemical Products Limited C.C. Shroff Research Institute
Key Management Personnel	Atul G. Shroff (Managing Director) Bimal V. Mehta (Executive Director) (appointed w.e.f. 09.04.2010)
Relatives of key management personnel	Ashwin C.Shroff Dipesh K. Shroff Vishwa A. Shroff Shruti A. Shroff Chaitanya D. Shroff Ravi A. Shroff

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 29 Cont'd...

(b) Transactions along with related parties for the year ended March 31, 2012 and March 31, 2011 are as follows: (Previous years figures are shown in brackets)

				₹ in Lacs
Particulars	Subsidiary	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Management personnel and relatives	Total
Sales of Goods	56.06 (257.18)	213.31 (764.26)	- -	269.37 (1,021.44)
Other Income	-	(0.02)	-	(0.02)
Sale of Fixed Assets	-	(0.79)	-	(0.79)
Dividend Received	-	13.87 (4.33)	- -	13.87 (4.33)
Dividend Paid	-	3.49 (1.10)	26.24 (16.83)	29.73 (17.93)
Commission Paid	-	46.04 (45.82)	- (7.72)	46.04 (53.54)
Purchase of Goods	- (901.06)	11.54 (3.14)	- -	11.54 (904.20)
Purchase of Fixed Assets	-	0.15 (1.23)	- -	0.15 (1.23)
Office Rent	-	2.31 (4.14)	- -	2.31 (4.14)
Services Availed	-	3.62 (1.01)	- -	3.62 (1.01)
Services Rendered	-	- (1.72)	- -	- (1.72)
Donations Paid	-	1.25 (28.75)	- -	1.25 (28.75)
Interest Received	32.52 -	- -	- -	32.52 -
Deposit Repaid	-	-	-	-
	-	-	(150.00)	(150.00)
Interest Paid	-	0.32 (0.32)	1.55 (12.62)	1.87 (12.94)
Investment	- (876.58)	- -	- -	- (876.58)
Prior period expense	-	-	-	-
	-	(0.69)	-	(0.69)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Note : 29 Cont'd...****₹ in Lacs**

Particulars	Subsidiary	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Management personnel and relatives	Total
Reimbursements charged by the company	14.22	5.21	-	19.43
	(13.77)	(4.87)	-	(18.64)
Reimbursements charged to the company	49.76	-	-	49.76
	(41.70)	-	-	(41.70)
Remuneration to Executive Director	-	-	45.15	45.15
	-	-	(55.76)	(55.76)
Managerial Remuneration(*)	-	-	90.69	90.69
	-	-	(104.41)	(104.41)
Directors' Sitting Fees	-	-	5.00	5.00
	-	-	(1.74)	(1.74)
Salary Paid	-	-	2.12	2.12
	-	-	(2.00)	(2.00)

* As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the directors are not included in above.

Balance Outstanding at the year end:

Accounts Payables	3.67	23.24	-	26.91
	-	(16.46)	-	(16.46)
Accounts Receivables including Trade Advance	574.57	82.43	-	657.00
	(197.39)	(173.61)	-	(371.00)
Agency Deposit	-	4.00	-	4.00
	-	(4.00)	-	(4.00)
Fixed Deposits	-	-	15.61	15.61
	-	-	(15.61)	(15.61)
Renuneration payable to Executive Directors	-	-	-	-
	-	-	(19.15)	(19.15)
Remuneration payable to Managing Director	-	-	-	-
	-	-	(25.60)	(25.60)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 29 Cont'd...

Note:

Related party transactions include transactions pertaining to the following parties with whom the percentage of transactions is 10% or more of the total or each of the above:

Particulars	As on 31 st March, 2012 (₹. in lacs)	As on 31 st March, 2011 (₹. in lacs)
A) Transactions during the year		
Sale of Goods		
Excel Crop Care Limited	66.32	461.39
Hyderabad Chemical Products Limited	108.41	243.69
Sam Fine O chem Limited	56.06	257.18
Sale of Fixed Assets		
Sam Fine O chem Limited	-	0.79
Dividend Received		
Agrocel Industries Limited	8.00	1.20
Excel Industries Limited	5.87	3.13
Dividend Paid		
Atul G. Shroff	10.44	6.36
Shruti A. Shroff	12.23	7.65
Vishwa A. Shroff	3.13	1.96
TML Industries Limited	3.49	1.10
Purchase of Goods		
Excel Industries Limited	0.15	3.07
Sam Fine O chem Limited	-	901.06
Purchase of Fixed Assets		
Transchem Agritech Limited	-	0.53
Office Rent		
Agrocel Industries Limited	2.31	4.14
Services Availed		
C.C. Shroff Research Institute	0.14	0.12
Shroffs Foundation Trust	0.34	0.03
Commision Paid		
Anshul Life Science	46.04	45.83
Ashwin C. Shroff	-	1.00
Donation Paid		
Shroffs Foundation Trust	1.25	28.75
Deposit Re-paid		
Atul G. Shroff	-	150.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Note : 29 Cont'd...**

Particulars	As on 31st March, 2012 (₹. in lacs)	As on 31st March, 2011 (₹. in lacs)
Reimbursements charged by the company		
Transpek Industry (Europe) Ltd.	14.22	12.21
Excel Crop Care Limited	-	1.72
Reimbursements charged to the company		
Transpek Industry (Europe) Ltd.	49.75	41.70
Managerial remuneration(*)		
Atul G. Shroff	90.69	104.41
Bimal V.Mehta	45.15	55.76
Director Sitting Fees		
Dipesh K. Shroff	0.59	0.14
Interest Paid		
Anshul Life Science	0.32	0.32
Atul G. Shroff	-	11.07
Shruti A. Shroff	1.55	1.55
B) Closing Balance as at end of the year :		
Outstandings		
Transchem Agritech Ltd.	-	0.85
Anshul Life Science	22.83	15.61
Shruti A. Shroff	15.61	15.61
Receivable Including Trade Advances		
Excel Crop Care Limited	-	94.12
Agrocel Industries Limited	6.19	14.10
Transpek Industry (Europe) Limited	-	20.99
Hyderabad Chemicals Products Limited	72.28	57.25
Sam Fine O chem Limited	574.57	176.41
Indenting Agency Deposit		
Anshul Life Science	4.00	4.00

* As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the directors are not included in above.

(E) Disclosures under Accounting Standard 19 (Leases)

The Company has cancellable operating leasing arrangements relate to office premises which are renewable by mutual consent and lease rentals payable are accordingly charged as rent. During the period, the Company has taken office premises under cancellable operating lease; the rentals for which are charged to the Profit and Loss statements for the period. The lease term is for 11 months and there are no sub-leases.

Particulars	As on 31st March, 2012 (₹. in lacs)	As on 31st March, 2011 (₹. in lacs)
Annual lease rent	7.70	9.17

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 29 Cont'd...

(F) Disclosures under Accounting Standard 20 (Earnings Per Share)

Particulars	As on 31 st March, 2012	As on 31 st March, 2011
Profit available to Equity share holders (₹.in Lacs)	(1,031.85)	1,278.27
Weighted average number of equity shares outstanding during the year	5,872,040	5,872,040
Basic and Diluted Earnings per Share (₹.)	(17.57)	21.77
Nominal Value of Equity Share (₹.)	10	10

Note No. 30 Other Disclosures :

(A) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

The amount of trade payables includes ₹. 96.96 Lacs(P.Y. ₹.105.50 Lacs) outstanding to Micro ,Small and Medium enterprises as defined under Micro, Small and Medium Enterprises Development Act,2006 based on the information available with the company. The amount of interest payable to such parties is not significant and the company is of the opinion to provide for such Interest as and when it is demanded by the respective parties.

(B) Research and Development costs (as certified by the management) debited to the profit and loss account are as under:

Particulars	Year ended 31 st March, 2012 (₹. in lacs)	Year ended 31 st March, 2011 (₹. in lacs)
a) Revenue expenses debited to appropriate heads of account	130.41	137.88
b) Depreciation on Research and Development Assets	41.10	18.67
Total	171.51	156.55

(a) Capital Expenditure incurred during the year on Research and Development ₹. 85.76 Lacs (Previous Year: ₹.109.49 Lacs).

(b) The company has been granted approval for claiming deductions u/s 35 (2AB) of the Income Tax Act, 1961. Thus, the company has considered weighted deduction u/s 35 (2AB) of the Income Tax Act,1961.

(C) (i) Derivative Instruments and Unhedged foreign currency exposures.

Nature of contract	Currency	As on 31 st March, 2012	As on 31 st March, 2011
Sales	US \$ (in lacs)	23.89	15.31
Purchases	US \$ (in lacs)	29.37	14.70

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Note : 30 Cont'd...**

(ii) Particulars of unhedged foreign currency exposures as at the balance sheet date are as follows:

Particulars	As on 31 st March, 2012	As on 31 st March, 2011
Trade receivables		
- USD	7.22	9.69
- Euros	0.10	1.97
- GBP	-	0.29
Trade Payables		
- USD	18.64	8.59
- Euros	0.05	0.02
- GBP	0.04	-
- SGD	0.40	-

(D) The Company has entered into a five year derivative contract for sale of foreign currency starting from October, 2007 to September, 2012 to hedge its foreign currency exposure. The management is of the opinion that, in view of the significant uncertainties associated with the said contract whose ultimate outcome depends on future events, the exchange gain or loss, if any, on the strike date would be accounted for in the Profit & Loss statement as and when it crystalizes. Based on mark to market concept, the loss amounts to ₹. 341.38 lacs (Previous Year: ₹. 419.95 lacs) as at March 31, 2012 in respect of the aforesaid outstanding foreign currency derivatives contract.

(E) Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchange:

Details of loans and advances in the nature of loans given to subsidiaries and associates

Name of the Party	Relationship	Amount outstanding as at 31 st March, 2012 (₹. in lacs)	Maximum balance outstanding during the year (₹. in lacs)
Sam Fine O Chem Limited	Subsidiary	366.67	366.67
(The above loan is repayable on demand and is inclusive of Interest outstanding thereon)		(Nil)	(Nil)

Note: Figures in bracket relate to the previous year.

(F) In the past the Company was eligible for a Sales tax incentive scheme amounting to ₹.1084.03 lacs (Previous Year ₹.1084.03 lacs). Post completion of such incentive scheme, the Company has re-paid the amount of Sales tax deferred during the period the scheme was in force, and has applied to the Sales tax Department for a No dues certificate. Pending reconciliation of the amount with sales tax department, the balance of ₹. 49.61 lacs (Previous Year : ₹. 49.61 lacs) has been included in other current liabilities.

(G) Pursuant to Memorandum of Understanding (MOU), dated 16.03.2010 and the Shareholders' Agreement and Share Purchase-cum-Subscription Agreement, both dated 20.11.2010, entered into between the company and Sam Fine Chem Limited(now known as Sam Fine O Chem Limited)., the company has acquired 2,92,919 number of equity shares representing 50% of the total equity share capital of Sam Fine Chem Limited (now known as Sam Fine O Chem Limited).

In terms of the aforesaid Agreements, the company has an irrevocable Call Option for a period of 5 years commencing from 20.11.2010 to increase its shareholding in the Sam Fine Chem Ltd. (now known as Sam Fine O Chem Limited)by purchasing from the Promoters such number of additional Equity Shares so as to increase

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 30 Cont'd...

the shareholding percentage of the company by additional 26% (twenty six per cent) of the Paid-up Capital of Sam Fine Chem Ltd.(now known as Sam Fine O Chem Limited) at a price to be determined in terms of the said agreements.

Also, in terms of the aforesaid Agreements, the Promoters of the Sam Fine Chem Ltd, (now known as Sam Fine O Chem Limited) have an irrevocable Put Option for a period of 5 (five) years commencing from the date of exercise by the Company of its Call Option to sell to the company all the Equity Shares then held by them and their Affiliates in Sam Fine Chem Ltd(now known as Sam Fine O Chem Limited) at a price to be determined in terms of the said Agreements.

- (H) Provision for Taxation includes provision for Wealth Tax amounting to ₹. 1.37 lacs (Previous Year: ₹.1.26 lacs).
- (I) The unpaid interest amounting to ₹. 0.02 lacs for the year 2004-05 and unpaid amount of matured deposits of ₹.0.41 lacs for the year 2004-05 totalling to ₹.0.43 lacs has been transferred and deposited in the account maintained by Central Government under the head 'Other General Economic Services' pursuant to the provisions of section 205C of the Companies Act,1956, Establishment of Investor Education and Protection Fund on 11.05.2012, 23.05.2012 & 25.05.2012.
- (J) The Ministry of Corporate Affairs, Govt. of India, vide General Circular No. 2 &3 dated 8th February, 2011 & 21st February, 2011, respectively has granted a general exemption from compliances with Section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circulars. The Company has satisfied the conditions stipulated in the circulars and hence it is entitled to the exemptions. Necessary information relating to the subsidiaries has been included in the consolidated Financial Statements.

Note No.: 31 Previous Year's Figures

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signatures to Notes '1' to '31'

For Contractor, Nayak & Kishnadwala
Chartered Accountants

Himanshu Kishnadwala
Partner

Place : Vadodara
Date : 28th May, 2012

For and on behalf of the Board of Directors

A. C. Shroff (Chairman)
A. G. Shroff (Managing Director)
Bimal V. Mehta (Executive Director)
M. D. Patel (Director)
A. P. Shah (General Manager(Finance & ERP))
S. K. Solanki (Company Secretary)

Place : Vadodara
Date : 28th May, 2012

CONSOLIDATED AUDITOR'S REPORT

To

The Board of Directors of

Transpek Industry Limited

- I. We have audited the attached consolidated Balance sheet of Transpek Industry Limited and its subsidiaries ('the Companies'), as at 31st March, 2012, and also the consolidated profit and loss statement and the consolidated cash flow statement for the year ended on that date annexed there to. These financial statements are the responsibility of the Transpek Industry Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding the subsidiaries. Our responsibility is to express an opinion on these financial statements based on our audit.
- II. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount 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 statements presentation. We believe that our audit provides reasonable basis of our opinion.
- III. We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs.12.99 lacs as at 31st March, 2012, the total revenue of Rs. Nil and cash flows amounting to Rs. Nil for the year then ended. We have based our opinion on the unaudited financial statements and financial information of the foreign subsidiary, prepared and certified by the management.
- IV. We report that the consolidated financial statements have been prepared by Transpek Industry Limited's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements, notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended).
- V. The company has not provided loss amounting to Rs.341.38 lacs in respect of its outstanding contracts at March 31, 2012 which would have arisen had these contract been recorded for at market value at that date, as more fully disclosed in note no. 30(C) of the financial statements. As a result, loss before tax for the year is lower by Rs. 341.38 lacs, loss after tax for the year and Reserves and Surplus as at March 31, 2012 are higher by Rs. 341.38 lacs and basic and diluted earnings per share for the year is higher by Rs 5.81. The report on the financial statements for the preceding year was also modified for the same.
- VI. Based on our audit and on consideration of separate management-certified financial statements, and on the other financial information of the subsidiary and according to the explanations given to us, subject to the non-provision of mark-to-market losses on outstanding derivatives contract, referred to in the paragraph (v) above, 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 March 31, 2012;
 - b. in the case of the profit and loss statement, of the loss for the year ended on that date; and
 - c. in the case of cash flow statement, of the cash flows for the year ended on that date.

For Contractor, Nayak and Kishnadwala

Chartered Accountants

Firm Registration No.129638W

Himanshu Kishnadwala

Partner

Membership No. 37391

Vadodara, May 28, 2012

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2012

(₹ in lacs)

Particulars		As at 31st March, 2012	As at 31st March, 2011
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	587.20	587.20
(b) Reserves and Surplus	4	3,934.49	5,519.25
		<u>4,521.69</u>	<u>6,106.45</u>
2 Non-current liabilities			
(a) Long-term borrowings	5	2,891.49	3,703.72
(b) Deferred tax liabilities (Net)	6	842.82	1,060.64
(c) Long-term provisions	7	201.71	201.47
		<u>3,936.02</u>	<u>4,965.83</u>
3 Current liabilities			
(a) Short-term borrowings	8	4,223.34	3,945.77
(b) Trade payables	9	5,796.06	3,514.63
(c) Other current liabilities	10	2,772.07	2,179.68
(d) Short-term provisions	11	89.80	397.12
		<u>12,881.27</u>	<u>10,037.20</u>
TOTAL		<u><u>21,338.98</u></u>	<u><u>21,109.48</u></u>
II ASSETS			
Non - Current Assets			
1 (a) Fixed Assets	12		
(i) Tangible Assets		10,755.40	10,374.74
(ii) Intangible Assets		40.15	59.27
(iii) Capital Work in Progress		89.52	516.27
		<u>10,885.07</u>	<u>10,950.28</u>
(b) Goodwill on acquisition/Consolidation		430.30	685.27
(c) Non - Current Investments	13	444.28	444.28
(d) Long term loans & advances	14	820.88	962.11
		<u>12,580.53</u>	<u>13,041.94</u>
2 Current Assets			
(a) Inventories	15	3,368.67	3,401.24
(b) Trade receivables	16	4,591.02	3,623.01
(c) Cash and Bank Balances	17	392.27	337.59
(d) Short-term loans and advances	18	343.11	615.51
(e) Other current assets	19	63.38	90.19
		<u>8,758.45</u>	<u>8,067.54</u>
TOTAL		<u><u>21,338.98</u></u>	<u><u>21,109.48</u></u>

Notes Forming part of the financial statements.

As per our report of even date.

For Contractor, Nayak & Kishnadwala
Chartered Accountants

Himanshu Kishnadwala
Partner

Place : Vadodara
Date : 28th May, 2012

For and on behalf of the Board of Directors

A. C. Shroff (Chairman)
A. G. Shroff (Managing Director)
Bimal V. Mehta (Executive Director)
M. D. Patel (Director)
A. P. Shah (General Manager(Finance & ERP))
S. K. Solanki (Company Secretary)

Place : Vadodara
Date : 28th May, 2012

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

₹ in Lacs

Particulars	Note No.	For the Year ended 31st March, 2012	For the Year ended 31st March, 2011
I. Revenue from operations	20	18,384.67	19,911.10
II. Other income	21	411.72	143.82
III. Total Revenue (I + II)		18,796.39	20,054.92
IV. EXPENSES			
Cost of Materials consumed	22	9,047.34	9,044.74
Purchases of Stock-in-Trade	23	792.46	311.31
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	24	197.48	(793.07)
Employee benefits expense	25	2,162.63	2,219.51
Finance costs	26	1,323.03	1,101.62
Depreciation and amortization expense		863.05	841.36
Other expenses	27	6,211.62	6,158.72
Total expenses (IV)		20,597.61	18,884.19
V. Profit/(Loss) before tax (III- IV)		(1,801.22)	1,170.73
VI. Tax expense:			
Current tax		1.38	331.26
Deferred tax		(217.84)	82.56
Mat Credit Entitlement		-	(45.00)
Loss Attributable to Minority Share Holders		-	(191.31)
Taxation adjustments for earlier years		-	(1.83)
VII. Profit / (Loss) for the period (V-VI)		(1,584.76)	995.05
VIII. Earnings per equity share:			
Basic		(26.99)	16.95
Diluted		(26.99)	16.95
Notes forming part of the financial statements			

As per our report of even date.

For Contractor, Nayak & Kishnadwala
Chartered Accountants

Himanshu Kishnadwala
Partner

Place : Vadodara
Date : 28th May, 2012

For and on behalf of the Board of Directors

A. C. Shroff (Chairman)
A. G. Shroff (Managing Director)
Bimal V. Mehta (Executive Director)
M. D. Patel (Director)
A. P. Shah (General Manager(Finance & ERP))
S. K. Solanki (Company Secretary)

Place : Vadodara
Date : 28th May, 2012

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

Particulars	₹ in Lacs	
	for the year ended 31st March, 2012	For the year ended 31st March, 2011
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before exceptional items, prior period items and tax:	(1,801.22)	1,184.48
Adjustments for :		
Depreciation /amortisation	863.05	841.36
Loss/(Profit) on disposal of fixed assets	(99.45)	27.70
Excess depreciation written back	(15.30)	-
Diminution in the carrying amount of Long term Investments	255.00	-
Interest received	(37.88)	(20.17)
Dividend Received	(114.38)	(104.73)
Share of Minority Share Holders		191.31
Short/(Excess) Provision for other item		0.97
Interest Expense	<u>1,323.04</u>	<u>1,101.62</u>
	<u>2,174.08</u>	<u>2,038.06</u>
Operating Profit before working capital changes	<u>372.86</u>	<u>3,222.54</u>
Adjustments for:		
(Increase)/Decrease in Loans and Advances	308.45	(420.56)
(Increase)/Decrease in Trade receivables	(968.01)	(21.10)
(Increase)/Decrease in Inventories	32.56	(1,913.41)
(Increase) in Other Current Assets	31.64	(63.74)
(Increase)/Decrease in Liabilities and Provisions	<u>2,295.76</u>	<u>2,550.48</u>
	<u>1,700.40</u>	<u>131.67</u>
Cash generated from Operations	<u>2,073.26</u>	<u>3,354.21</u>
Less : Direct taxes paid	(103.82)	514.59
Increase/Decrease in deferred tax on consolidation	-	63.87
Cash flow before extraordinary items	<u>2,177.08</u>	<u>2,903.49</u>
Prior Period Adjustments (Other than Taxation)	-	(13.76)
Net cash from Operating Activities (A)	<u>2,177.08</u>	<u>2,889.73</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(880.07)	(4,652.62)
Proceeds from sale of fixed assets	196.96	83.95
Goodwill on Consolidation / Acquisition	-	(685.27)
Purchase of Investment	-	(5.05)
Decrease / (Increase) in fixed deposits with a maturity period of more than 90 days	(93.02)	(85.14)
Interest received	33.05	19.15
Dividend received	114.38	104.73
Net Cash used in Investing Activities (B)	<u>(628.70)</u>	<u>(5,220.25)</u>
CARRIED FORWARD (A+B)	<u>1548.38</u>	<u>(2330.52)</u>

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

₹ in Lacs

Particulars	for the year ended 31st March, 2012	For the year ended 31st March, 2011
BROUGHT FORWARD (A+B)	1548.38	(2330.52)
C CASH FLOW FROM FINANCIAL ACTIVITIES		
Receipt of Borrowings (net)	(54.64)	3,652.08
Interest Paid	(1,261.44)	(1,037.09)
Dividend Paid	(232.55)	(144.95)
Dividend distribution Tax Paid	(38.09)	(24.37)
Net cash used Financing Activities (C)	(1,586.72)	2,445.67
Net increase in cash and cash equivalents(A+B+C)	(38.34)	115.15
Cash and cash equivalents at the beginning of the year	168.50	53.35
Cash and cash equivalents at the end of the year	130.16	168.50
Components of Cash & Cash Equivalents		
Cash on hand	21.19	31.72
Balances with scheduled banks:		
On Current Accounts	93.19	125.25
On Margin money accounts	171.90	49.53
On Deposit accounts	90.21	119.56
On unclaimed dividend account	14.07	9.82
On Right issue application money account	1.71	1.71
Cash and Cash Equivalents as per Note 17	392.27	337.59
Less: Fixed deposits not considered as cash equivalents	262.11	169.09
Cash and Cash Equivalents as per Cash Flow Statement	130.16	168.50

Note:-

1. The Cash flow statement has been prepared under the Indirect method as set out in Accounting Standard - 3 on Cash Flow Statements notified under Companies (Accounting Standard) Rules, 2006.
2. Cash and cash equivalents includes Unclaimed dividend accounts ₹.14.07 Lacs (Previous year ₹.9.89 Lacs) and Right issue application money account ₹.1.71 Lacs (Previous year ₹.1.71 Lacs), which are not available for use by the Company.
3. Figures in the brackets represents cash outflow.
4. Previous year figures have been regrouped where necessary to confirm to the year's classification.

As per our report of even date.

For and on behalf of the Board of Directors

For Contractor, Nayak & Kishnadwala
Chartered Accountants

A. C. Shroff (Chairman)
A. G. Shroff (Managing Director)
Bimal V. Mehta (Executive Director)
M. D. Patel (Director)
A. P. Shah (General Manager(Finance & ERP))
S. K. Solanki (Company Secretary)

Himanshu Kishnadwala
Partner

Place : Vadodara
Date : 28th May, 2012

Place : Vadodara
Date : 28th May, 2012

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Background

Transpek Industry Limited ('TIL', 'the Company') is into the manufacturing and export of a range of chemicals servicing the requirements of customers from a diverse range of industries - Textiles, Pharmaceuticals, Agrochemicals, advanced polymers, etc.

2. Consolidation

- a. The Consolidated financial statements comprise the financial statements of Transpek Industry Limited (hereinafter referred to as 'the Holding Company') and its subsidiary companies, hereinafter collectively referred to as 'the Group'.
- b. **Details of the subsidiary companies considered in the consolidated financial statements are as under:**

Name of the Company	Subsidiary /Joint Venture/Associate	Country of Incorporation	% Shareholding & Voting Power
Transpek Industry (Europe) Limited	Subsidiary	United Kingdom	100
Sam Fine O Chem Limited	Subsidiary	India	50*

* On basis of control of Board of Directors.

c. Principles of Consolidation

The consolidated financial statements of the Group have been prepared on the following basis:

- (i) The consolidated financial statements of the Group are prepared in accordance with AS 21 notified under the Companies (Accounting Standards) Rules, 2006 (as amended).
- (ii) The financial statements of the parent company and subsidiary companies are combined on a line-by-line basis by adding together the book values of like item of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and resulting unrealized profits in full. Unrealized losses resulting from intra-group transactions are also eliminated except to the extent that recoverable value of related assets is lower than their cost to the Group. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserve of subsidiaries.
- (iii) Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances except where it is not practicable to do so.
- (iv) The excess of cost to the company of its investment in the subsidiaries, on the acquisition dates over and above the company's share of equity in the subsidiaries, is recognised in the financial statements as Goodwill on consolidation. The said Goodwill is tested for impairment at each balance sheet date and the impairment loss, if any is provided for.
- (v) Investment in other than Subsidiaries have been accounted as per Accounting Standard 13 on "Accounting for Investment".

3. Statement on Significant Accounting Policies

a) Basis of Preparation

The financial statements have been prepared to comply within all material respects with the Notified accounting standard by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statement and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Tangible Fixed Assets and Capital Work in Progress

Fixed Assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost (net of CENVAT Credit) of bringing the assets to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

d) Depreciation

Depreciation is provided using Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Assets valuing upto ₹.5,000/- are depreciated at the rate of 100 % in the year of acquisition. Depreciation in respect of additions to/deletions from the fixed assets, provided on pro-rata basis with reference to the date of addition/deletion of the assets.

e) Impairment

- i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
- ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- iii) A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

f) Intangibles

Technical Knowhow

Research costs are expensed as incurred. Product development expenditure incurred on individual product project is recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the asset and use or sell it;
- its ability to use or sell the asset;

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- how the asset will generate probable future economic benefits;
- the availability of adequate resources to complete the development and to use or sell the asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during development.

Any expenditure capitalised as technical knowhow is amortized on a straight-line basis over a period of ten years from the month of addition of the underlying product.

The carrying value of development costs on technical know-how is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

g) Assets Held for Disposal

Items of Fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value or net realisable value.

h) Inventories

Raw materials, packing materials and fuel are valued at cost and net realizable value, whichever is lower. Cost is determined on First In First Out Basis. However, materials and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Finished goods semi-finished goods are valued at cost and net realizable value, whichever is lower. Cost is determined on absorption costing basis. Cost of finished goods includes excise duty.

Stores and spares are valued at cost and net realizable value, whichever is lower. Cost is determined on First In First Out Basis.

Trading goods and process residue are valued at cost and net realizable value, whichever is lower.

i) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried at lower of cost and fair value determined on an individual investment basis.

Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

j) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise duty deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability arising during the period.

Job Work Income

Income from Job work is accounted on accrual basis on dispatch of material and as per terms of agreement.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date. Dividend from subsidiary is recognised even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of schedule VI of the Companies Act, 1956.

k) Export Benefits

Duty free imports of raw materials under Advance Licence for imports as per the Import and Export Policy are matched with the exports made against the said licences and the net benefit/obligation is accounted by making suitable adjustments in raw material consumption.

The benefits accrued under the Duty Entitlement Pass Book Scheme as per the Import and Export Policy in respect of exports made under the said scheme have been included under the head 'Export Incentives'.

l) Foreign Currency Transaction

Initial Recognition

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

m) Operating Lease

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as Operating Leases. Operating lease payments are recognised as an expense in the Profit and Loss account on a straight line basis over the lease term.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

n) Taxation

Tax expense comprises current and deferred taxes. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The Company avails credit for MAT if there is reasonable certainty that the same would be set off in the eligible period.

o) Segment Reporting Policies

Identification of segments:

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the geographical location of the customers wherever required.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

Includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

p) Employee Benefits

- i. Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- ii. Superannuation Fund is a defined contribution scheme and contributions to the scheme are charged to the Profit and Loss account in the year when the contributions are due. The scheme is funded with an insurance company in the form of a qualifying insurance policy. There are no other obligations other than the contribution payable to the respective trusts.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- iii. The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Company. The aforesaid liability is provided for on the basis of an actuarial valuation made based on Projected unit credit method at the end of the financial year. The scheme is funded with an insurance company in the form of a qualifying insurance policy for the Holding Company.
- iv. The Company has other long term employee benefits in the form of leave encashment. The liability in respect of leave encashment is provided for on the basis of actuarial valuation made based on Projected unit credit method at the end of the financial year. The aforesaid leave encashment is not funded.
- v. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

q) Provisions

A provision is recognized when an enterprise has a present obligation as result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the best current estimates.

r) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

s) Cash and Cash Equivalents

Cash and cash equivalents for the purposes of the cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note no 3 :Share capital

Note 3(a) :- Details of share capital :

Particulars	As at 31 st March, 2012		As at 31 st March, 2011	
	Number of shares	₹ in Lacs	Number of shares	₹ in Lacs
Authorised				
Equity shares of ₹ 10 each with voting rights	7,500,000	750.00	7,500,000	750.00
Preference shares of ₹ 100/- each	500,000	500.00	500,000	500.00
Issued				
Equity shares of ₹ 10 each with voting rights	5,872,040	587.20	5,872,040	587.20
Subscribed & Fully Paid up				
Equity shares of ₹ 10 each with voting rights	5,872,040	587.20	5,872,040	587.20

Note 3(b) :- Reconciliation of the Number of shares and amount outstanding at the beginning and at the end of the year :

Particulars	As at 31 st March, 2012		As at 31 st March, 2011	
	Number of shares	₹ in Lacs	Number of shares	₹ in Lacs
Opening/closing balance of Equity shares with voting rights	5,872,040	587.20	5,872,040	587.20

Note 3(c) :- The rights, preferences and restrictions attaching to each class of shares :

Equity shares with voting rights :

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive any remaining assets of the company, after distribution of all preferential amounts and repayment towards Preference share holders, if any.

Note 3(d) :- Details of Shares held by each Share Holder Holding more than 5% Shares.

Class of shares/Name of share holder	As at 31 st March, 2012		As at 31 st March, 2011	
	Number of shares	Extent of holding	Number of shares	Extent of holding
Equity shares with voting rights				
Finquest Securities Pvt. Ltd	682,699	11.63%	795,900	13.55%
Kamaljiyot Investments Ltd	608,493	10.36%	608,493	10.36%
Shruti A. Shroff	305,725	5.21%	305,725	5.21%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**Note no. 4: Reserves and surplus**

Particulars	As at 31 st March, 2012 (₹. in lacs)	As at 31 st March, 2011 (₹. in lacs)
(a) Capital Reserve(On amalgamation of subsidiary company)		
Opening/closing balance	19.00	19.00
(b) Securities Premium Account		
Opening/closing balance	1,524.08	1,524.08
(c) General Reserve		
Opening Balance	2,446.36	2,196.36
Add: Additions during the year	-	250.00
Closing Balance	2,446.36	2,446.36
(d) Surplus		
Opening balance	1,529.81	1,057.74
(+) Net Profit/(Net Loss) for the year	(1,584.76)	995.05
(-) Proposed dividend	-	234.88
(-) Tax on proposed dividend	-	38.10
(-) Transfer to general reserve	-	250.00
Closing Balance	(54.95)	1,529.81
Total	3,934.49	5,519.25

Note No. 5 : Long term borrowings

Particulars	As at 31 st March, 2012 (₹. in lacs)	As at 31 st March, 2011 (₹. in lacs)
(a) Term Loans		
- Secured		
From Banks (Refer note (i) and (ii))	1,509.44	2,295.00
(b) Deposits		
- Unsecured		
Public Deposits(Refer note - (iii) below)	1,232.05	1,258.72
Others (Refer note -(IV) below)	150.00	150.00
Total	2,891.49	3,703.72

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(I) Nature of security:

- (a) The term loans are secured by first charge by way of hypothecation of all the movable machinery financed or to be financed under the said term loans by the respective banks. The above loans are further secured by first charge by way of an equitable mortgage on the whole of the immovable assets of the Company, both present and future, on pari passu basis. They are further secured by second charge by way of hypothecation over entire current assets including stock and book debts with current charge holders on pari passu basis.
- (b) **The term loan facilities from Union Bank of India of the Subsidiary Company Sam Fine O Chem Ltd. are Secured :**
 - (i) By way of Hypothecation of plant and machinery acquired out of the Term loan and by way of equitable mortgage on factory land and building of the company situated at Revenue Survey No. 47, Hadamtala Industrial Area, Gondal Road, Dist. Rajkot – 360 030,
 - (ii) Collaterally secured by way of equitable mortgage on two additional plots near the factory,
 - (iii) Personal guarantee of Mr. Deepak Mehta, Director and relatives of the Director of the Company.
- (c) **The term loan facilities from The Kapol Co-operative Bank Ltd of the Subsidiary Company Sam Fine O Chem Ltd. are Secured :**
 - (i) By way of Hypothecation of plant and machinery acquired out of the Term loan.
 - (ii) Collaterally secured by way of (a) Equitable mortgage of office premises No. 203, Mehta Estate compound S.V. Road, Borivali(w), Mumbai-400092, (b) Equitable mortgage of flat at A/301, Borivali Paras CHS Ltd, Rokadia lane, Borivali (w), Mumbai having ownership of Mrs, Bharti Deepak Mehta and Mr. Sameet Deepak Mehta and (c) second charge on factory land and building of the company situated at Revenue Survey No. 47, Hadamtala Industrial Area, Gondal Road, Dist. Rajkot – 360 030
 - (iii) Personal guarantee of a Mr. Deepak Mehta, Director and relatives of a Director of the company.

(II) Terms of repayments are as below:

- (a) Term loan from Bank of Baroda of ₹.213.35 lacs (P.Y. Nil) is repayable by way of quarterly Installment of ₹.18.75 lacs each. The term loan has balance maturity tenure of 48 months.
- (b) Term loan from IDBI Bank Ltd of ₹.122.22 lacs (P.Y. ₹.305.56 lacs) is repayable by way of monthly Installment of ₹.15.27 lacs each. The loan has balance maturity tenure of 20 months.
- (c) Term Loan from IDBI Bank Ltd of ₹.531.25 lacs (P.Y. ₹.743.75 lacs) is repayable by way of monthly instalment of ₹.17.70 lacs each. The loan has balance maturity tenure of 42 months.
- (d) Term loan from Axis Bank Ltd loan of ₹.112.50 lacs (P.Y. ₹.262.50 lacs) is repayable by way of quarterly Installment of ₹.37.50 lacs each. The loan has balance maturity tenure of 24 months.
- (e) Term loan from Axis Bank Ltd of ₹.335.60 lacs (₹.473.11 lacs) is repayable by way of quarterly Installment of ₹.34.38 lacs each. The loan has balance maturity tenure of 42 months.
- (f) Term Loan from Union Bank of India is payable by way of monthly installment of ₹.10.60, lacs each and 30 (P.Y. 42) installments are outstanding as on Balance Sheet date.
- (g) Term Loan from The Kapol Co-operative Bank Ltd is payable by way of monthly installment of ₹.0.50 lacs each and 14 (P.Y. 26) installments are outstanding as on Balance Sheet date.

(III) Public deposits aggregating to ₹.1232.05 lacs are repayable within a period of next 2 to 3 years.

(IV) The amount of other deposits includes 15% cumulative non-convertible redeemable preference shares held outside the group amounting to ₹. 150 Lacs.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**Note No. 6: Deferred Tax liabilities(Net)**

Particulars	As at 31st March, 2012 (₹ in lacs)	As at 31st March, 2011 (₹ in lacs)
Deferred tax liabilities		
Related to fixed assets	1,253.32	1,138.84
Total	1,253.32	1,138.84
Deferred tax assets		
Disallowances under the Income Tax Act , 1961	72.43	65.34
Provision for doubtful debts / advances	12.86	12.86
Unabsorbed depreciation carried forward	325.22	-
Total	410.51	78.20
Net deferred tax (liability) / asset	842.82	1,060.64

Note No. 7 : Long term provisions

Particulars	As at 31st March, 2012 (₹ in lacs)	As at 31st March, 2011 (₹ in lacs)
(a) Provision for employee benefits:		
(i) Provision for compensated absences	186.42	191.26
(ii) Provision for gratuity (net)	15.29	10.21
Total	201.71	201.47

Note No. 8 : Short term borrowings

Particulars	As at 31st March, 2012 (₹ in lacs)	As at 31st March, 2011 (₹ in lacs)
(a) Secured		
Loans repayable on demand from banks(Refer note (i) below)	3,320.59	2,530.66
(b) Unsecured		
- Public Deposits (Refer note (ii) below)	237.40	233.78
- Bank loan	-	350.00
(c) Loans and advances from related party	665.35	831.33
Total	4,223.34	3,945.77

Note: (I) :

- (a) The Cash/Export credit facilities from Consortium bankers i.e State Bank of India, Axis Bank Limited , Bank of Baroda and IDBI Bank Limited are secured by first charge by way of hypothecation of stocks of raw materials, packing materials, consumable stores, finished goods, semi-finished goods and book debts of the company, on pari passu basis . The aforesaid credit facilities are further secured by way of charge on the whole of the fixed assets of the company ranking second and subservient for the charges created in respect of borrowings obtained from them.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note : 8 Cont'd...

- b) The cash credit facilities from The kapol Co-operative Bank Ltd of the Subsidiary Company Sam Fine O Chem Ltd are Secured :
- By way of Hypothecation of Stock and Book debts of the Company
 - Collaterally secured by way of (a) Equitable mortgage of office premises No. 203, Mehta Estate compound S.V. Road, Borivali(w), Mumbai-400092,(b) Equitable mortgage of flat at A/301,Borivali Paras CHS Ltd, Rokadia lane , Boriwali (w), Mumbai having ownership of Mrs, Bharti Deepak Mehta and Mr. Sameet Deepak Mehta and (c) second charge on factory land and building,Plant and machinery of the company situated at Revenue Survey No. 47, Hadamtala Industrial Area, Gondal Road, Dist. Rajkot – 360 030.
 - Personal Guarantee of Mr. Deepak Mehta directors and relatives of a Director of the Company.

Note:-(II):

Public deposits includes deposits from related parties amounting to ₹. 15.61 Lacs (P.Y.₹. 15.61 lacs)

Note No. 9 : Trade Payables

Particulars	As at 31st March, 2012 (₹ in lacs)	As at 31st March, 2011 (₹ in lacs)
Acceptances	1,780.89	656.53
Others (Refer note 30(A))	4,015.17	2,858.10
Total	5,796.06	3,514.63

Note No. 10: Other Current Liabilities

Particulars	As at 31st March, 2012 (₹ in lacs)	As at 31st March, 2011 (₹ in lacs)
(a) Current maturities of long-term debt (Refer Note (i) below)	1,011.41	872.28
(b) Current maturities of unsecured deposits	641.17	295.03
(c) Interest accrued but not due on borrowings	169.41	120.20
(d) Interest accrued and due on borrowings	59.49	55.83
(e) Unpaid dividends(*)	14.07	11.74
(f) Application money received for allotment of securities and due for refund and interest accrued thereon	1.71	1.71
(g) Unpaid matured deposits and interest accrued thereon	50.10	54.41
(h) Other payables		
(i) "Statutory remittances"	63.96	79.33
(ii) Interest accrued on trade payables	6.14	6.66
(iii) Interest accrued on others	9.34	1.58
(iv) security deposits received	11.05	11.05
(v) Advances from customers	113.61	80.07
(vi) Salary Wages Payable	151.42	124.28
(vii) Other Payables	469.19	465.51
Total	2,772.07	2,179.68

(*) To be deposited with Investor Education and Protection Fund as and when they became due.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**Note : 10 Cont'd...****Note (i): Current maturities of long-term debt (Refer Notes (i) in Note 5 - Long-term borrowings for details of security and guarantee):**

Particulars	As at 31st March, 2012 (₹ in lacs)	As at 31st March, 2011 (₹ in lacs)
(a) Secured Term loans from banks:		
(i) State Bank of India	120.79	187.49
(ii) Bank of Baroda	75.00	52.49
(iii) IDBI Bank Limited	395.83	289.58
(iv) Axis Bank Limited	287.52	218.72
(v) Union Bank of India	127.27	119.04
(vi) The Kapol Co-operative Bank Ltd	4.98	4.49
(vii) H.D.F.C. Bank Ltd	-	0.43
Total	1,011.39	872.24

Note No. 11 : Short term provisions

Particulars	As at 31st March, 2012 (₹ in lacs)	As at 31st March, 2011 (₹ in lacs)
(a) Provision for employee benefits:		
(i) Provision for Bonus/exgratia	51.19	48.90
(ii) Provision for compensated absences	38.38	11.34
(iii) Provision for gratuity (net)	0.23	58.28
(b) Other Provisions:		
(i) Provision for proposed dividend	-	234.88
(ii) Provision for tax on proposed dividend	-	38.10
(iii) Provision for Taxation	-	5.62
Total	89.80	397.12

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note no. 12 : Fixed Assets

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at 1 st April, 2011	Additions	(Disposals)	Balance as at 31 st March, 2012	Balance as at 1 st April, 2011	Depreciation charge for the year	On Disposals	Balance as at 31 st March, 2012	Balance as at 31 st March, 2011
(i) Tangible Assets (Owned)									
(a) Land- Free Hold	448.13	7.00	7.11	448.02	-	-	-	448.02	448.12
(b) Buildings	1,245.17	122.29	-	1,367.46	198.16	31.72	-	1,137.58	1,047.02
(c) Electric Installations	235.13	38.53	-	273.66	76.72	11.15	1.05	186.84	158.42
(d) Plant and Equipment	12,749.96	1,004.87	151.89	13,602.94	4,802.58	707.69	68.26	8,160.93	7,947.39
(e) Research and Development Equipment	525.22	87.13	5.31	607.04	164.17	45.01	2.93	400.79	361.05
(f) Furniture and Fixtures	242.34	6.32	-	248.66	107.28	15.07	10.17	136.48	135.06
(g) Vehicles	262.97	32.42	0.35	295.04	70.86	25.68	0.02	198.52	192.08
(h) Office equipment	113.81	8.07	-	121.88	34.63	6.56	-	80.69	79.18
(i) Technical Books	42.18	0.19	-	42.37	35.77	1.05	-	5.55	6.41
Total	15,864.91	1,306.82	164.66	17,007.07	5,490.17	843.93	82.43	10,755.40	10,374.74
Previous Year Tangible	11,426.75	4,670.04	231.88	15,864.91	4,524.32	799.86	(166.00)	10,374.73	
(ii) Intangible Assets									
Technical Know How	439.09	-	-	439.09	379.82	19.12	-	40.15	59.27
Total	439.09	-	-	439.09	379.82	19.12	-	40.15	
Previous Year Intangible	439.09	-	-	439.09	338.32	41.50	-	59.27	
(iii) Capital Work In Progress	516.27	83.40	510.16	89.52				89.52	516.27
Total	516.27	83.40	510.16	89.52	-	-	-	89.52	
Previous Year C.W.I.P	243.69	516.27	243.69	516.27				516.27	-

Note:

Addition to fixed assets includes an amount of ₹. 4.12 lakhs (March 31, 2011: ₹. 7.97 lakhs) on account of capitalisation of interest cost as per Accounting Standard -16 (Borrowing costs).

Note no. 13: Non-Current Investments

Particulars	As at 31st March, 2012 (₹ in lacs)	As at 31st March, 2011 (₹ in lacs)
Long term Investments at cost, unless otherwise specified		
Trade Investments (unquoted)		
(i) Other Companies		
(a) 10,000 (P.Y. : 10,000) Equity Shares of ₹ 100 each of Agrocel Industries Limited	10.00	10.00
(b) 9,49,315 (P.Y. : 9,49,315) Equity Shares of ₹ 10 each in Transpek-Silox Industry Limited	290.96	290.96
Total - (A)	300.96	300.96
Trade Investments (quoted)		
1,56,650 (P.Y. : 1,56,650) Equity Shares of ₹ 5 each in Excel Industries Limited	226.76	226.76
Less: Provision for diminution, other than temporary	88.63	88.63
Total - (B)	138.13	138.13

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**Note : 13 Cont'd...**

Particulars	As at 31st March, 2012 (₹ in lacs)	As at 31st March, 2011 (₹ in lacs)
Other Investments (unquoted)- Non trade		
(a) Investments in equity instruments (fully paid up)		
(a) 400 (P.Y.: 400) Equity Shares of ₹. 25 each of Co-operative Bank of Baroda Limited	0.10	0.10
(b) 50,000 (P.Y.: 50,000) Equity Shares of ₹. 10/- each fully paid of The Kapol Co-operative bank Limited	5.00	5.00
(c) 10 (P.Y.: 10) Equity Shares of ₹.10 each of Pragati Sahakari Bank Limited	-	-
	5.10	5.10
(b) Investment in Government Securities		
(a) 12 Years National Defence Certificate (Face Value: ₹. 1,400)	0.01	0.01
(b) 7 Years National Saving Certificate (Face Value: ₹. 2,500)	0.08	0.08
	0.09	0.09
Total - (C)	5.19	5.19
Total - (A+B+C)	444.28	444.28
Aggregate value of unquoted investments	306.15	306.15
Aggregate value of quoted investments	226.76	226.76
Aggregate market value of quoted investments	106.85	116.16
Aggregate provision for diminution in value of investments	88.63	88.63

Note no. 14: Long-term loans and advances

Particulars	As at 31st March, 2012 (₹ in lacs)	As at 31st March, 2011 (₹ in lacs)
(a) Capital Advances	37.83	51.41
(b) Security deposits		
Unsecured, considered good	142.97	139.48
(c) Balances with government authorities		
Unsecured, considered good		
(i) Advance taxes (net of provisions)	386.82	492.01
(ii) MAT credit entitlement	45.00	45.00
(iii) VAT Recoverable	208.26	234.21
Total	820.88	962.11

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note no.: 15 Inventories

(At lower of cost and net realisable value)

Particulars	As at 31st March, 2012 (₹ in lacs)	As at 31st March, 2011 (₹ in lacs)
(a) Raw materials (Includes Stock in transit of ₹.286.03 Lacs(P.Y. Nil))	1,721.41	1,505.14
(b) Work-in-progress	371.26	348.16
(c) Finished goods (Includes Stock in transit of ₹.184.94 Lacs (P.Y. ₹.429.88 Lacs))	1,040.69	1,261.28
(d) Stores and spares	177.61	227.61
(e) Packing Materials	34.50	40.71
(f) Stock of fuel	23.20	18.34
Total	3,368.67	3,401.24

Note no.16: Trade receivables

Particulars	As at 31st March, 2012 (₹ in lacs)	As at 31st March, 2011 (₹ in lacs)
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	146.36	113.23
Other trade receivables		
Unsecured, considered good	4,444.66	3,509.78
Total	4,591.02	3,623.01

Note no.17 : Cash and Bank Balance

Particulars	As at 31st March, 2012 (₹ in lacs)	As at 31st March, 2011 (₹ in lacs)
Cash and Cash Equivalents		
(a) Cash in hand	21.19	31.72
(b) Balances with banks		
(i) In current accounts	93.19	125.25
(ii) In earmarked accounts		
- Balances held in unpaid dividend accounts	14.07	9.82
- Balances held in Right issue application money account	1.71	1.71
Others		
(a) Deposits with bank with maturity more than 3 Months(*)	90.21	119.56
(b) Balances held as margin money against guarantees	171.90	49.53
Total	392.27	337.59

(*) Notes :-

- (a) Includes Fixed deposits with Banks of ₹. Nil (P.Y. ₹.25.00 Lacs) having maturity of more than 12 months
- (b) Includes ₹. 0.83 lacs (P.Y. ₹.0.95 lacs) deposited with government authorities.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**Note no. 18 : Short-term loans and advances**

Particulars	As at 31st March, 2012 (₹ in lacs)	As at 31st March, 2011 (₹ in lacs)
(a) Loans and advances to related parties		
Unsecured, considered good	14.79	76.78
(b) Loans and advances to suppliers		
Unsecured, considered good	14.79	76.78
Doubtful	39.63	39.63
	54.42	116.41
Less : Provision for bad and doubtful loans and advances	39.63	39.63
Balance	14.79	76.78
(c) Loans and advances to employees		
Unsecured, considered good	6.32	13.67
(d) Prepaid expenses -		
Unsecured, considered good	97.26	94.27
(e) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT Credit receivable	154.04	350.29
(ii) Service Tax credit receivable	33.77	61.88
(iii) Vat Recoverable	0.94	8.44
(iv) Export Benefit Receivable	14.90	8.30
(f) Advance for Expenses		
Unsecured, considered good	21.09	1.88
Total	343.11	615.51

Note No. 19 : Other current assets

Particulars	As at 31st March, 2012 (₹ in lacs)	As at 31st March, 2011 (₹ in lacs)
(a) Accruals		
(i) Interest accrued on deposits	10.40	5.57
(ii) Discount and claims receivable	17.05	56.62
(b) Others		
(i) Advances to Suppliers	13.22	8.21
(ii) Assets Held for sale	22.71	19.79
Total	63.38	90.19

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 20 : Revenue from Operations

Particulars	For the year ended 31 st March, 2012 (₹ in Lacs)	For the year ended 31 st March, 2011 (₹ in Lacs)
(a) Sale of products	18,886.52	20,589.96
(b) Other Operating revenues	311.23	221.70
	19,197.75	20,811.66
Less:		
(a) Excise duty	813.08	900.56
Total	18,384.67	19,911.10

Note No. 20 (i) Sale of products comprises of

Particulars	For the year ended 31 st March, 2012 (₹ in Lacs)	For the year ended 31 st March, 2011 (₹ in Lacs)
Manufactured goods		
Chlorinated Compounds	12,808.94	14,446.00
SO3 / Oleum	1,365.10	921.83
Process Residue /others	638.00	651.78
Piperidone Intermediate	434.06	572.53
Fexofenadine	838.98	888.61
Other Chemical	1,159.95	865.45
Total - Sale of manufactured goods	17,245.03	18,346.20
Traded Goods		
Napthalene	338.95	-
Fexofenadine	-	452.02
Other Chemicals	217.23	779.67
Loradadine Intermediate	153.21	111.52
Piperidone Intermediate	119.02	-
Total - Sale of Traded goods	828.41	1,343.21
Total Sale of Products	18,073.44	19,689.41

Note No. 20(ii) Other Operating Revenue comprises of

Particulars	For the year ended 31 st March, 2012 (₹ in Lacs)	For the year ended 31 st March, 2011 (₹ in Lacs)
(i) Job Work Income	154.81	77.15
(ii) Income from sale of scrap	70.39	61.63
(iii) Export Incentives and Duty drawbacks	86.03	82.92
Total - Other operating revenues	311.23	221.70

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**Note No. 21 : Other Income**

Particulars	For the year ended 31st March, 2012 (₹ in Lacs)	For the year ended 31st March, 2011 (₹ in Lacs)
(a) Interest Income	37.88	20.17
(b) Dividend Income		
From Long Term Investments	114.38	104.73
(c) Other Non-Operating Income	259.46	18.92
Total	411.72	143.82

Note No. 21 (i) Interest Income Comprises of

Particulars	For the year ended 31st March, 2012 (₹ in Lacs)	For the year ended 31st March, 2011 (₹ in Lacs)
(i) Interest from Bank on:		
Deposits	14.27	11.55
(ii) Interest on Income Tax refund	16.80	0.16
(iii) Other Interest		
Other deposits	0.51	0.73
Others	3.85	6.21
Total - Interest income	35.43	18.65

Note No.- 21(ii) Other Non- Operating Income Comprises of

Particulars	For the year ended 31st March, 2012 (₹ in Lacs)	For the year ended 31st March, 2011 (₹ in Lacs)
(i) Rental income of		
(a) Lease Rent	0.02	0.02
(b) ISO Tanks	78.69	0.06
(ii) Profit on sale of fixed assets	139.79	-
(iii) Insurance claim	24.28	10.72
(iv) Sundry Balance Written back	0.53	5.54
(v) Discount received	0.58	1.61
(vi) Excess depreciation written back	15.30	-
(vii) Other Income	0.27	0.97
Total	259.46	18.92

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 22 : Cost of materials consumed

Particulars	For the year ended 31 st March, 2012 (₹ in Lacs)	For the year ended 31 st March, 2011 (₹ in Lacs)
Raw Material Consumption		
Opening Stock	1,505.14	814.04
Add: Purchases	9,263.61	9,735.84
	10,768.75	10,549.88
Less: Closing stock	1,721.41	1,505.14
Cost of Material Consumed	9,047.34	9,044.74
Total	9,047.34	9,044.74

Note No. 23 : Purchase of Traded goods

Particulars	For the year ended 31 st March, 2012 (₹ in Lacs)	For the year ended 31 st March, 2011 (₹ in Lacs)
Napthalene	344.44	-
Fexofinedine	-	153.97
Other Chemicals	181.21	98.28
Loradadine Intermediate	147.58	59.06
Piperidone Intermediate	119.23	-
Total	792.46	311.31

Note No. 24 : Changes in Inventories of finished goods , Work in Progress and Stock -in - Trade

Particulars	For the year ended 31 st March, 2012 (₹ in Lacs)	For the year ended 31 st March, 2011 (₹ in Lacs)
(a) Inventories at the beginning of the year:		
Finished Goods	1,248.08	605.32
Work in Progress	348.16	204.82
Process Residue	13.19	6.22
	1,609.43	816.36
(b) Inventories at the end of the year:		
Finished Goods	1,050.29	1,248.08
Work in Progress	355.59	348.16
Process Residue	6.07	13.19
	1,411.95	1,609.43
Net Change in Inventories	197.48	(793.07)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**Note No. 25 : Employee Benefit expenses**

Particulars	For the year ended 31 st March, 2012 (₹ in Lacs)	For the year ended 31 st March, 2011 (₹ in Lacs)
(a) Salaries and wages	1,712.51	1,690.19
(b) Contributions to Provident and other funds	218.22	297.20
(c) Retirement benefits	27.50	55.31
(d) Staff welfare expenses	204.40	176.81
Total	2,162.63	2,219.51

Note No. 26 : Finance Costs

Particulars	For the year ended 31 st March, 2012 (₹ in Lacs)	For the year ended 31 st March, 2011 (₹ in Lacs)
(i) Interest expense		
(a) Borrowings	1,206.41	960.21
(b) Trade Payables	-	3.15
(c) Others	3.96	2.55
(ii) Other borrowing costs	112.66	135.71
Total	1,323.03	1,101.62

Note No. 27 : Other Expenses

Particulars	For the year ended 31 st March, 2012 (₹ in Lacs)	For the year ended 31 st March, 2011 (₹ in Lacs)
Consumption of stores and spare parts	161.74	189.56
Power and fuel	1,392.16	1,612.07
Consumption of Packing Materials	527.44	459.93
Rent	206.43	187.24
Repairs to buildings	31.92	33.95
Repairs to machinery	505.24	684.47
Repairs to Others	52.36	48.86
Insurance	95.76	79.30
Rates and taxes(excluding taxes on income)	50.17	31.01
Freight and Forwarding charges	662.33	668.40
Commission Expense	478.44	582.22
Travelling and Conveyance	247.99	235.02
Legal and Professional charges	170.70	239.81
Donation and contribution to charitable organisations	12.24	31.78
Net loss on foreign currency transactions & translation	600.79	264.58
Payment to Auditors (Refer Note no. 28(B))	9.36	7.29
Loss on disposal of assets	40.34	27.70
Impairment of Goodwill on consolidation	255.00	-
Miscellaneous expenses	711.21	761.78
Prior period item(net)	-	13.75
Total	6,211.62	6,158.72

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 27 (i) Prior Period Expenses

Particulars	For the year ended 31 st March, 2012 (₹ in Lacs)	For the year ended 31 st March, 2011 (₹ in Lacs)
Domestic Travelling / Commission	-	5.10
Gratuity and Leave Encashment	-	8.65
Total	-	13.75

Note No. :-28 Additional information to the Consolidated financial statements

(A) Contingent Liabilities and Commitments (to the extent not provided for).

Particulars	Year ended 31 st March, 2012 (₹ in Lacs)	Year ended 31 st March, 2011 (₹ in Lacs)
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debts (mainly on account of outstanding law suits)	264.25	264.25
(b) Guarantees given by Banks to third parties on behalf of the company	34.46	10.54
(c) Disputed Income tax Liability	343.86	508.41
(d) Disputed Sales tax Liability	34.11	83.55
(e) Dividend on 15 % Cumulative Non - Convertible Redeemable Preference Shares of Subsidiary Company Sam Fine O Chem Ltd held outside the group.	45.00	-
Total	721.68	866.75
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account & not provided for		
- Tangible Assets	133.75	424.34
- Advances paid for the tangible Assets	1.47	3.88
(b) Other Commitments	-	-
Total	135.22	428.22

(B) Auditor's Remuneration

Particulars	Year ended 31 st March, 2012 (₹ in Lacs)	Year ended 31 st March, 2011 (₹ in Lacs)
Audit Fees	6.25	5.25
Fees for other services	2.65	1.75
Out of pocket expenses	0.46	0.29
Total	9.36	7.29

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note no. :- 29 Disclosures under Accounting Standards as notified under the companies (Accounting Standard) Rules, 2006

(A) Disclosure as per Accounting Standard -13(Accounting for Investments)

- (a) The Company has an investment in equity shares of Excel Industries Limited amounting to ₹.226.76 lacs. In respect of this investment, the Company had, in the previous year, recognized a diminution in the value of investment amounting to ₹.88.63 lacs. The market value of this investment at March 31, 2012 is ₹. 106.85 lacs.(Previous Year ₹.116.16 lacs) In view of the long-term nature of this investment and having regard to the book value of the equity shares, management does not consider any further diminution in the carrying value of this investment, as at March 31, 2012

(B) Disclosure as per Accounting Standard - 17 (Segment Reporting)**Identification of Segments****(a) Primary Segment – Business Segment**

The Company's operations predominantly comprise of only one segment i.e. chemicals. In view of the same, separate segmental information is not required to be disclosed as per the requirements of Accounting Standard 17.

(b) Secondary Segment – Geographical Segment

The analysis of geographical segment is based on the geographical location of the customers. The geographical segments considered for disclosure are as follows:

Sales within India include sales to customers located within India.

Sales outside India include sales to customers located outside India.

Information pertaining to Secondary Segment

Gross revenue as per Geographical Location

Particulars	For the year ended 31st March, 2012 (₹ in Lacs)	For the year ended 31st March, 2011 (₹ in Lacs)
Within India	8,897.62	8,722.05
Asia	4,261.26	2,971.25
Europe	2,805.30	5,010.58
North America	2,109.26	2,984.47
South America	-	1.01
Total	18,073.44	19,689.36

Carrying value of segment assets

Particulars	For the year ended 31st March, 2012 (₹ in Lacs)	For the year ended 31st March, 2011 (₹ in Lacs)
Within India	19,571.85	19,738.73
Asia	239.91	488.16
Europe	742.76	515.86
North America	784.46	361.06
Total	21,338.98	21,103.81

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.: 29 Cont'd...

Fixed Assets by Geographical Locations

The Company has common fixed assets for producing goods for domestic as well as overseas market. There are no fixed assets situated outside India. Hence, additional segment-wise information for fixed assets / additions to fixed assets has not been furnished.

(C) Disclosure as per Accounting Standard - 18 (Related Party Disclosures)

a. Names of related parties and description of relationship:

Enterprises owned or significantly influenced by key management personnel or their relatives	Excel Industries Limited Excel Crop Care Limited TML Industries Limited Shroffs Engineering Limited Anshul Speciality Molecules Limited Anshul Life Sciences (earlier known as Anshul Agencies) Shroffs Foundation Trust Agrocel Industries Limited Transchem Agritech Limited Hyderabad Chemical Products Limited C.C. Shroff Research Institute Sam Organics Ltd Shipra Trading and Finance Pvt. Ltd
Key Management Personnel	Atul G. Shroff (Managing Director) Bimal V. Mehta (Executive Director) (appointed w.e.f. 09.04.2010) Deepak N. Mehta
Relatives of key management personnel	Ashwin C. Shroff Dipesh K. Shroff Vishwa A. Shroff Shruti A. Shroff Chaitanya D. Shroff Ravi A. Shroff Bharti D.Mehta Kundanben N. Mehta Sameet Mehta Rekha H. Mehta

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**Note No.: 29 Cont'd...**

(b) Transactions along with related parties for the year ended March 31, 2012 and March 31, 2011 are as follows:
(Previous Year's figures are shown in brackets) ₹ in Lacs

Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Management personnel and relatives	Total
Sales of Goods	279.50	-	279.50
	(852.57)	-	(852.57)
Other Income	-	-	-
	(0.02)	-	(0.02)
Dividend Received	13.87	-	13.87
	(4.33)	-	(4.33)
Dividend Paid	3.49	26.24	29.73
	(1.10)	(16.83)	(17.93)
Commission Paid	46.04	-	46.04
	(45.82)	(7.72)	(53.54)
Purchase of Goods	280.15	-	280.15
	(138.99)	-	(138.99)
Purchase of Fixed Assets	0.15	-	0.15
	(1.23)	-	(1.23)
Office Rent	2.31	-	2.31
	(4.14)	(5.94)	(10.08)
Services Availed	3.62	-	3.62
	(1.01)	-	(1.01)
Services Rendered	-	-	-
	(1.72)	-	(1.72)
Donations Paid	1.25	-	1.25
	(28.75)	-	(28.75)
Deposits Repaid	-	-	-
	-	(150.00)	(150.00)
Deposits / Loan Taken	-	-	-
	(199.29)	(20.00)	(219.29)
Deposit / Loan Repaid	148.25	-	148.25
	(197.56)	(25.34)	(222.90)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.: 29 Cont'd...

₹ in Lacs

Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Management personnel and relatives	Total
Interest Paid	119.68 (133.64)	1.55 (12.62)	121.23 (146.26)
Prior period expense	- (0.69)	- -	- (0.69)
Reimbursements charged by the company	5.21 (4.87)	- -	5.21 (4.87)
Remuneration to Executive Director	- -	45.15 (55.76)	45.15 (55.76)
Managerial Remuneration (*)	- -	120.69 (134.41)	120.69 (134.41)
Directors' Sitting Fees	- -	5.00 (1.74)	5.00 (1.74)
Salary Paid	- -	2.12 (2.00)	2.12 (2.00)
Balance Outstanding at the year end:			
Accounts Payables	770.40 (873.27)	- -	770.40 (873.27)
Accounts Receivables including Trade Advance	82.43 (173.61)	- -	82.43 (173.61)
Agency Deposit	4.00 (4.00)	- -	4.00 (4.00)
Fixed Deposits	- -	15.61 (15.61)	15.61 (15.61)
Interest Payable	44.79 (40.04)	- -	44.79 (40.04)
Remuneration payable to Executive Director	- -	- (19.15)	- (19.15)
Remuneration payable to Managing Director	- -	2.50 (28.10)	2.50 (28.10)

* As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the directors are not included above.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**Note No.: 29 Cont'd...****Note:**

Related party transactions include transactions pertaining to the following parties with whom the percentage of transactions is 10% or more of the total or each of the above:

Particulars	For the year ended 31st March, 2012 (₹ in Lacs)	For the year ended 31st March, 2011 (₹ in Lacs)
A) Transactions during the year		
Sale of Goods		
Excel Crop Care Limited	66.32	461.39
Hyderabad Chemical Products Limited	108.41	243.69
Sam Organics Limited	66.12	85.05
Dividend Received		
Agrocel Industries Limited	8.00	1.20
Excel Industries Limited	5.87	3.13
Dividend Paid		
Atul G. Shroff	10.44	6.36
Shruti A. Shroff	12.23	7.65
Vishwa A. Shroff	3.13	1.96
TML Industries Limited	3.49	1.10
Purchase of Goods		
Excel Industries Limited	0.15	3.07
Sam Organics Limited	268.61	135.85
Purchase of Fixed Assets		
Transchem Agritech Limited	-	0.53
Office Rent		
Agrocel Industries Limited	2.31	4.14
Bharti D. Mehta	-	5.94
Services Availed		
C.C. Shroff Research Institute	0.14	0.12
Shroffs Foundation Trust	0.34	0.03
Commision Paid		
Anshul Life Science	46.04	45.83
Ashwin C. Shroff	-	1.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.: 29 Cont'd...

Particulars	For the year ended 31 st March, 2012 (₹ in Lacs)	For the year ended 31 st March, 2011 (₹ in Lacs)
Donation Paid		
Shroffs Foundation Trust	1.25	28.75
Deposit / Loan Taken		
Shipra Trading and Finance Private Limited	117.19	82.10
Deposit / Loan Repaid		
Sam Organics Limited	113.25	197.56
Shipra Trading and Finance Private Limited	35.00	-
Deposit Re-paid		
Atul G. Shroff	-	150.00
Reimbursements charged by the company		
Excel Crop Care Limited	-	1.72
Reimbursements charged to the company		
Managerial remuneration		
Atul G. Shroff	90.69	104.41
Bimal V. Mehta	45.15	55.76
Deepak Mehta	30.00	30.00
Interest Paid		
Anshul Life Science	0.32	0.32
Atul G. Shroff	-	11.07
Shruti Shroff	1.55	1.55
Sam Organics Limited	110.45	124.33
Outstandings		
Transchem Agritech Ltd.	-	0.85
Anshul Life Science	22.83	15.61
Shruti A. Shroff	15.61	15.61
Sam Organics Limited	696.05	761.26
Receivable Including Trade Advance		
Excel Crop Care Limited	-	94.12
Agrocel Industries Limited	6.19	14.10
Hyderabad Chemicals Product Limited	72.28	57.25
Indenting Agency Deposit		
Anshul Life Science	4.00	4.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**Note No.: 29 Cont'd...****(D) Disclosures under Accounting Standard 20 (Earnings Per Share)**

Particulars	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
Profit available to Equity Share holders (₹. in lacs)	(1,584.76)	995.05
Weighted average number of equity shares outstanding during the year	5,872,040	5,872,040
Basic and Diluted Earnings per Share (₹. in lacs)	(26.99)	16.96
Nominal Value of Equity Share (₹.)	10.00	10.00

Note No. 30 Other Disclosures :**(A) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.**

The amount of trade payables includes ₹.96.96 lacs (P.Y. ₹. 105.50 lacs) outstanding to Micro, Small and Medium enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 based on the information available with the company. The amount of interest payable to such parties is not significant and the company is of the opinion to provide for such interest as and when it is demanded by the respective parties.

(B) (i) Derivative Instruments and Unhedged foreign currency exposure.

Nature of Contract	Currency	As on 31 st March, 2012	As on 31 st March, 2011
Sale	US \$ (in Lacs)	23.89	15.31
Purchase	US \$ (in Lacs)	29.37	14.70

(ii) Particulars of unhedged foreign currency exposures as at the balance sheet date are as follows:

(Amount in Lacs)

Particulars	As on 31 st March, 2012	As on 31 st March, 2011
Debtors		
- USD	8.58	10.75
- Euros	1.92	3.03
- GBP	-	0.29
Creditors & Other Liabilities		
- USD	18.98	8.64
- Euros	0.05	0.02
- GBP	0.04	-
- SGD	0.40	-

(C) The Company has entered into a five year derivative contract for sale of foreign currency starting from October, 2007 to September, 2012 to hedge its foreign currency exposure. The management is of the opinion that, in view of the significant uncertainties associated with the said contract whose ultimate outcome depends on future events, the exchange gain or loss, if any, on the strike date would be accounted for in the Profit & Loss Account as and when it crystalizes. Based on mark to market concept, the loss amounts to ₹. 341.38 lacs (Previous Year ₹.419.95 lacs) as at March 31, 2012 in respect of the aforesaid outstanding foreign currency derivatives contract.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.: 30 Cont'd...

(D) Research and Development costs (as certified by the management) debited to the profit and loss account as under:

Particulars	Year ended 31 st March, 2012 (₹ in Lacs)	Year ended 31 st March, 2011 (₹ in Lacs)
a) Revenue expenses debited to appropriate heads of account	130.41	137.88
b) Depreciation on Research and Development Assets	41.10	18.67
Total	171.51	156.55

(i) Capital Expenditure incurred during the year on Research and Development ₹.85.76 Lacs (Previous Year ₹.109.49 Lacs).

(ii) The company has been granted approval for claiming deductions u/s 35 (2AB) of the Income Tax Act, 1961. Thus, the company has considered weighted deduction u/s 35 (2AB) of the Income Tax Act, 1961.

(E) Provision for Taxation includes provision for Wealth Tax amounting to ₹.1.38 lacs (Previous Year ₹.1.26 lacs).

Note No.: 31 Previous Year's Figures

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signatures to Notes '1' to '31'

**For Contractor, Nayak & Kishnadwala
Chartered Accountants**

**Himanshu Kishnadwala
Partner**

Place : Vadodara
Date : 28th May, 2012

For and on behalf of the Board of Directors

A. C. Shroff (Chairman)
A. G. Shroff (Managing Director)
Bimal V. Mehta (Executive Director)
M. D. Patel (Director)
A. P. Shah (General Manager(Finance & ERP))
S. K. Solanki (Company Secretary)

Place : Vadodara
Date : 28th May, 2012

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**Schedules to the Consolidated Accounts****Financial Information of Subsidiary Companies**

	Sam Fine O Chem Ltd.	Transpek Industry (Europe) Ltd.
Reporting Currency	INR	GBP
	in Lacs	in Lacs In GBP
1 Capital	208.58	0.02 20.00
2 Reserve	(689.97)	- -
3 Total Assets	3081.77	12.99 0.16
4 Total Liabilities	3577.21	12.99 0.16
5 Investment	5.05	- -
6 Total Income	2846.46	- -
7 (Profit)/Loss Before Tax	552.91	- -
8 Provision for Deferred Tax	0.00	- -
9 (Profit)/Loss After Tax	552.91	- -
10 Proposed Dividend		
11 Country	India	U.K

As on 31.03.2012: 1 GBP = Rs.81.7992

For and on behalf of the Board of Directors

A. C. Shroff (Chairman)

A. G. Shroff (Managing Director)

Bimal V. Mehta (Executive Director)

M. D. Patel (Director)

A. P. Shah (General Manager(Finance & ERP))

S. K. Solanki (Company Secretary)

Place : Vadodara

Date : 28th May, 2012

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY

1. Name of the subsidiary company	Transpek Industry (Europe) Limited
2. The financial year of the subsidiary company ended on	31st March, 2012
3. Date from which it became subsidiary	22nd April, 2008
4. Shares of the subsidiary company held by Transpek Industry Limited and its wholly owned subsidiary, at the end of the financial year of the subsidiary company -	20 Ordinary Shares of GBP 1 each
(a) Number and face value	100%
(b) Extent of holding	
5. Net aggregate profits/losses of the subsidiary company, so far as concerns the members of Transpek Industry Limited -	
(a) not dealt with in the accounts of Transpek Industry Limited for the year ended 31st March, 2012, amounted to:	
(i) for the subsidiary company's financial year ended as in (2) above.	-
(ii) for previous financial years of the subsidiary company	-
(b) dealt with in the accounts of Transpek Industry Limited for the year ended 31st March, 2012, amounted to:	
(i) for the subsidiary company's financial year ended as in (2) above	-
(ii) for previous financial years of the subsidiary company	-
6. The financial years of Transpek Industry Limited and its Subsidiary Company ended on 31st March, 2012 and hence no information pursuant to Section 212(5) is given.	

Note:

The income and expenditure incurred during the period are apportioned to the holding company and other group members, resulting in there being no profit and no loss.

For and on behalf of the Board of Directors

A. C. Shroff (Chairman)
A. G. Shroff (Managing Director)
Bimal V. Mehta (Executive Director)
M. D. Patel (Director)
A. P. Shah (General Manager(Finance & ERP))
S. K. Solanki (Company Secretary)

Place : Vadodara
Date : 28th May, 2012

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY

1. Name of the subsidiary company	Sam Fine O Chem Limited
2. The financial year of the subsidiary company ended on	31st March, 2012
3. Date from which it became subsidiary	31st March, 2011
4. Shares of the subsidiary company held by Transpek Industry Limited and its wholly owned subsidiary, at the end of the financial year of the subsidiary company -	
(a) Number and face value	2,92,919 Equity Shares of Rs. 10/- each
(b) Extent of holding	50%
5. Net aggregate profits/losses of the subsidiary company, so far as concerns the members of Transpek Industry Limited -	
(a) not dealt with in the accounts of Transpek Industry Limited for the year ended 31st March, 2012, amounted to:	
(i) for the subsidiary company's financial year ended as in (2) above.	(552.92)
(ii) for previous financial years of the subsidiary company	(496.22)
(b) dealt with in the accounts of Transpek Industry Limited for the year ended 31st March, 2012, amounted to:	
(i) for the subsidiary company's financial year ended as in (2) above	-
(ii) for previous financial years of the subsidiary company	-
6. The financial years of Transpek Industry Limited and its Subsidiary Company ended on 31st March, 2012 and hence no information pursuant to Section 212(5) is given.	

For and on behalf of the Board of Directors

A. C. Shroff (Chairman)

A. G. Shroff (Managing Director)

Bimal V. Mehta (Executive Director)

M. D. Patel (Director)

A. P. Shah (General Manager(Finance & ERP))

S. K. Solanki (Company Secretary)

Place : Vadodara

Date : 28th May, 2012

This image shows a full page of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page, providing a template for handwriting practice or general writing. There are no margins, text, or other markings on the page.

ATTENDANCE SLIP

L.F. No. / Client ID No.	
No. of Shares held	



ANNUAL GENERAL MEETING

I / We hereby record my / our presence at the Forty-Sixth Annual General Meeting of the Company held at Hotel Express Tower, "Oaks Room", 8 Floor, R.C. Dutt Road, Alkapuri, Vadodara - 390 007. (Gujarat) on Thursday, 9th August, 2012 at 3:30 p.m.

Name of the Shareholders / Beneficial Owners (IN BLOCK LETTERS)	
Signature of the Shareholders / Beneficial Owners	
Name of the Proxy (IN BLOCK LETTERS)	
Signature of the Proxy	

NOTE:

1. Your are requested to sign and hand over this slip at the entrance to the Meeting Venue.
2. If you intend to appoint a proxy to attend the Meeting instead of yourself, the Form of the Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.

PROXY FORM

L.F. No. / Client ID No.	
No. of Shares held	



ANNUAL GENERAL MEETING

I / We of in the district of being a member / members / beneficial owners of TRANSPEK INDUSTRY LIMITED, hereby appoint of in the district of or failing him of in the district of as my / our proxy to vote for me / us on my / our behalf at the Forty-Sixth Annual General Meeting of the Company to be held on Thursday, 9th August, 2012 and at any adjournment thereof.

Signature of the Shareholder / Beneficial Owner

Signed this Day of 2012.

Please
Affix
Re. 1
Revenue
Stamp



Industrial Training at ITI Padra



Kalrav workshop for Children of employees and surrounding villages



TRANSPEK INDUSTRY LIMITED

REGISTERED OFFICE
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Vadodara-390 007, Gujarat, India.
Phone : +91 265 2335444, 2335757
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District - Vadodara, Gujarat, India.
Phone : +91 2662 244444, 244318, 244309, 244207
Fax : +91 2662 244439



TRANSPEK INDUSTRY (EUROPE) LIMITED

A wholly owned subsidiary of Transpek Industry Limited.

REGISTERED OFFICE
2nd Floor, 1 Risborough Street SE1 OHF
LONDON, U.K.
Telefax : +44 (0) 207 9287771
Email : tileurope@gmail.com



Sam Fine O Chem Limited

A subsidiary of Transpek Industry Limited.

REGISTERED OFFICE
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