

# Transpek Industry Limited



CIN : L23205GJ1965PLC001343

Registered Office : 6th Floor, Marble Arch,  
Race Course Circle, Vadodara - 390 007.

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## FORM DPT – 1 - CIRCULAR OR CIRCULAR IN THE FORM OF ADVERTISEMENT INVITING DEPOSITS

[Pursuant to section 73 (2) (a) and Rule 4(1) of the Companies

### 1. GENERAL INFORMATION:

(Acceptance of Deposits) Rules, 2014]

|    |   |   |  |
|----|---|---|--|
| a. | Name of the Company   | : | TRANSPEK INDUSTRY LTD.   |
|    | Address, website and other contact details  | : | 6 <sup>th</sup> Floor, Marble Arch, Race Course, Vadodara – 390 007<br><a href="http://www.transpek.com">www.transpek.com</a> . Telephone No. 0265 - 2335444   |
| b. | Date of Incorporation of the Company  | : | 6 <sup>th</sup> October, 1965 (CIN : L23205GJ1965PLC001343)  |
| c. | Business carried on by the Company and its subsidiaries with the details of branches or units, if any ; | : | The Company is carrying on the business of manufacturing and selling industrial chemicals. The factory of the Company is located at: Village: Ekalbara, Tal. Padra, Dist. Vadodara–391440.<br><br>On 22.04.2008, the Company formed a wholly owned subsidiary company viz: Transpek Industry (Europe) Ltd., U.K. The said company is carrying on the business of pre- registration / registration of various chemical products produced by non-EU manufacturers required under REACH and any other regulation of European Union. |
| d. | Brief particulars of Management of the Company ;  | : | The Company is managed by the Managing Director and Executive Director subject to the superintendence, control and direction of the Board of Directors.  |

### e. Names, Addresses, DIN and occupations of the Directors:

| Sr. No. | Name  | Address  | Occupation                                   | DIN      |
|---------|---|--|--|----------|
| 1.      | Shri Ashwin Champraj Shroff (Chairman)        | B-15, Theosophical Society, Juhu Road, Juhu, Mumbai 400 049.   | Industrialist                                | 00019952 |
| 2.      | Shri Atul Govindji Shroff (Managing Director) | House No.1028, At & Post : Raipura, Tal: Padra District : Vadodara 391410                                    | Industrialist                                | 00019645 |
| 3.      | Shri Bimal V. Mehta                           | 27, Pushpak Bungalows, Near Taksh Complex, Vasna Road, Vadodara–390 015.                                     | Executive Director                           | 00081171 |
| 4.      | Shri Dipesh Kantisen Shroff                   | 39, Hatkesh Co-op. Hsg. Society, 6 <sup>th</sup> North- South Road, J.V.P.D. Vile Parle (W), Mumbai 400 056. | Industrialist                                | 00030792 |
| 5.      | Dr. Bernd Dill                                | Salisweg 45b, D-63454 Hanau, GERMANY.  | Consultant (Independent Director)            | 01300832 |
| 6.      | Shri Ravi A. Shroff                           | B-15, Theosophical Society, Juhu Road, Juhu, Mumbai 400 049.   | Industrialist                                | 00033505 |
| 7.      | Shri Ninad D. Gupte                           | 301, Dudhwala Towers, Shreyas Colony, Goregaon (East), Mumbai-400 063.                                       | Professional Director (Independent Director) | 00027523 |
| 8.      | Shri Nimish U. Patel                          | “Krishnarpan”, Gotri - Sevasi Road, At & Post : Sevasi – 391 101 Dist. Baroda.                               | Industrialist (Independent Director)         | 00039549 |
| 9.      | Smt. Geeta A. Goradia                         | 12, Kesarbaug, Lane Opp to HDFC Bank, Vasna Road, Vadodara – 390015.   | Industrialist (Independent Director)         | 00074343 |
| 10.     | Shri Hemant J. Bhatt                          | 401, Indrasan Flats, Opp: Training Compound, Fatehgunj, Vadodara – 390 002.                                  | Chartered Accountant (Independent Director)  | 02657432 |

### f: Management's perception of risk factors:

The deposits accepted by the Company are unsecured and rank pari passu with other unsecured liabilities of the Company.

The Ministry of Corporate Affairs, Govt. of India, has, vide its notification no. G.S.R.241 (E) dated 31st March, 2015 amended the Companies (Acceptance of Deposits) Rules, 2015 and allowed companies to accept deposits from Shareholders without insurance contract till 31st March, 2016 or till the availability of deposit insurance product, whichever is earlier. In the Companies (Amendment) Bill, 2016 pending before the Parliament it is proposed to omit clause (d) of sub-section 2 of section 73 of the Companies Act, 2013.

The Company has not entered into any insurance contract for deposits as such insurance product is not available. If the said provision in the Act is retained making it mandatory for the Company to avail deposit insurance, the Company would obtain such applicable insurance as and when it is available.

**g: Details of default, including the amount involved, duration of default and present status, in repayment of –**

The Company has not defaulted in re-payment of:

- i. statutory dues;
- ii. debentures and interest thereon;
- iii. loan from any bank or financial institution and interest thereon.

Note: The Company has not issued any debentures

**2. PARTICULARS OF THE DEPOSIT SCHEME:**

|         |   |   |  |
|---------|---|---|--|
| a.      | Date of passing of Board Resolution   | : | 24 <sup>th</sup> May, 2016   |
| b.      | Date of passing of resolution in the general meeting authorising the invitation of such deposits;                                   | : | 18 <sup>th</sup> September, 2014   |
| c.      | Type of Deposits, i.e. whether secured or unsecured   | : | Unsecured  |
| d.(i)   | Amount which the Company can raise by way of deposits as per the Act and the rules made thereunder                                  | : | Upto <b>Rs.22,63,87,000/-</b> being 25% of aggregate of Paid up Share Capital and Free Reserves of the Company on the basis of audited financial statements for the year ended 31 <sup>st</sup> March, 2016.   |
| d.(ii)  | The aggregate of deposits actually held on the last date of immediately preceding Financial Year i.e. 31 <sup>st</sup> March, 2016. | : | From Shareholders : Rs. 18,60,11,000/-   |
|         |   | : | From Public : Rs. NIL  |
| d.(iii) | The aggregate of deposits actually held as on date of issue of the circular or advertisement 24.05.2016                             | : | From Shareholders : Rs. 18,62,60,000/-   |
|         |   | : | From Public : Rs. NIL  |
|         |   | : | Total : Rs. 18,62,60,000/-   |
| d.(iv)  | The amount of deposits proposed to be raised under the Companies Act, 2013 and Companies (Acceptance of Deposit) Rules, 2014        | : | It is proposed to accept and renew deposits from shareholders of the Company to the extent that the aggregate amount of new deposits together with the existing or renewed deposits shall not exceed Rs.22,63,87,000/- at any time during the currency of this circular. |
| d.(v)   | Amount of deposit repayable within the next twelve months (upto 31.03.2017).  | : | Rs.3,40,86,000/-   |

**e. Terms of Raising of Deposits: Duration, Rate of Interest, mode of payment and repayment**

Interest Rates on new deposits and renewal of existing deposits from Shareholders on or after 24.05.2016 are as follows.

| <b>SCHEME A<br/>NON CUMULATIVE DEPOSITS<br/>(from Shareholders)</b> |                            |                            |
|---|----------------------------|----------------------------|
| Period  | Minimum Deposit Amt. in Rs | Rate of Interest per annum |
| 2 Years   | 10,000/-                   | 9.00%                      |
| 3 Years   | 10,000/-                   | 9.25%                      |

| <b>SCHEME B<br/>CUMULATIVE DEPOSITS<br/>(from Shareholders)</b> |                            |                     |                       |
|---|----------------------------|---------------------|-----------------------|
| Period  | Minimum Deposit Amt. in Rs | Maturity Amt in Rs. | Effective Return P.A. |
| 2 Years   | 10,000/-                   | 11,948/-            | 9.74%                 |
| 3 Years   | 10,000/-                   | 13,157/-            | 10.52%                |

- ✓ The Company will accept or renew unsecured Fixed Deposits only from its Shareholders and for two years or three years only.
- ✓ Any deposit in excess of the minimum acceptable amount covered under the said category shall be in multiples of Rs.1000/- only.
- ✓ Detailed terms and conditions for acceptance/renewal of deposits can be obtained from the Registered Office of the Company or from its authorised brokers.
- ✓ Deposits shall be treated as deposits from the shareholders if the first named holder of the deposit is a shareholder or a joint shareholder of the Company on the date of acceptance or renewal of deposit as the case may be.

**PRINCIPAL TERMS AND CONDITIONS GOVERNING UNSECURED FIXED DEPOSIT SCHEME OF THE COMPANY:**

**APPLICATION:**

Deposits will be accepted from the shareholders for a period of 2 years and 3 years only subject to the terms and conditions specified in

- ✓ the prescribed application form which is available at the Registered Office of the Company or from its authorised brokers.  
The Company's prescribed application form duly filled in along with necessary remittance should be sent to the Company's Registered Office
- ✓ situated at 6th Floor ,Marble Arch ,Race Course ,Vadodara - 390 007.
- ✓ The amount of the deposit should be remitted by an "Account Payee" cheque/draft payable at Vadodara and drawn in favour
- ✓ " Transpek Industry Limited- Fixed Deposit Scheme".

- ✓ The minimum amount of deposit acceptable under the non cumulative (scheme A) and cumulative (scheme B) is Rs 10,000/- respectively for two years and three years. Any deposit in excess of the minimum acceptable amount covered under the above categories shall be in multiple of Rs 1,000/- only.
- ✓ The Company will not entertain any request for change of scheme once selected. Where the scheme choice is not indicated in the application form (cumulative / non cumulative) the deposit will be treated as placed under the non cumulative scheme.
- ✓ Deposits will not be accepted from non resident Indians and foreign nationals, unregistered trusts, partnership firms etc. Applications from minors are acceptable provided the application forms are signed by their natural guardians on their behalf.
- ✓ Depositors should mention their share ledger folio number or DPID / CLID on the application forms. Applications for deposits from persons other than Members of the Company will not be accepted.
- ✓ In the event of death of the first named depositor, all payments on account of principal amount of deposit and /or interest will be made to the first of the joint depositors in order of the survivors on production of the death certificate, without reference to the heirs and/or legal representatives of the deceased depositor. In any other case, it will be necessary for the legal representative of the deceased depositor to produce Succession Certificate / Letters of Administration / Probate of the Will / Indemnity and Guarantee etc. to the satisfaction of the Company.
- ✓ Individual depositors singly or jointly can nominate any person (major or minor through FNG) under the nomination facility. In the event of the death of all the Depositor / s the deposits shall vest in the nominee, Power of Attorney holder or a guardian applying on behalf of a minor cannot nominate and in that case proper indemnity must accompany such requests for repayment of Fixed Deposits.

#### **FIXED DEPOSIT RECEIPTS:**

- ✓ Fixed Deposit Receipts will be issued to the depositors from the Company's Registered Office situated at Vadodara within a period of 21 days from the date of deposit.
- ✓ The Fixed Deposit Receipt is non transferable.
- ✓ The Company will not accept or recognise any pledge / lien or assignment of the deposit and /or interest thereon.
- ✓ In the event of loss or destruction or mutilation of a Fixed Deposit Receipt the Company may in its sole discretion issue a duplicate receipt on such terms as to indemnity or otherwise as it may think fit. All expenses incurred in this connection will be borne by the depositor / s.

#### **INTEREST:**

- ✓ Interest will be calculated from the date of realization of the cheque / draft in the Company's Bank Account. Interest under non cumulative deposit scheme (scheme A) shall be payable on quarterly basis on 31<sup>st</sup> March, 30<sup>th</sup> June, 30<sup>th</sup> September and 31<sup>st</sup> December and on the date of maturity of deposits for 3 years categories of deposits and on half yearly basis on 31<sup>st</sup> March and 30<sup>th</sup> September and on the date of maturity of deposits for 1\* and 2 years category of deposits (\*on deposits for 1 year existing on 24-05-2016, till their maturity).
- ✓ In the case of cumulative deposit scheme (scheme B) compounding of interest will be done 'quarterly' and on the date of Maturity after taking into consideration the deduction of applicable income tax at source wherever applicable.
- ✓ Payment of interest will be made by 'ACH' (Automated Clearing House) to the Depositors who have provided their complete Bank Details for direct credit to their Bank Account or by an account payee Interest Warrant drawn on the Company's bank and payable at par at all the branches of the concerned bank in India. The Interest Warrants will be sent by Regd. Post / speed post / courier at the registered address of the depositor / s.
- ✓ Change of address and instructions regarding interest remittance would be given effect to in the next payment of interest if they are received atleast 30 days in advance of the date of payment duly quoting the Fixed Deposit Receipt Number.
- ✓ Interest will cease to accrue after the date of maturity of the deposits.
- ✓ Interest amount will be rounded off to the nearest rupee. Excess interest, if any, paid under any circumstances, will be recovered from the subsequent payment of interest or from the principal amount.

#### **INCOME TAX:**

- ✓ Tax at the applicable rates and in accordance with the provisions of Income-tax Act, 1961, will be deducted at source from the amount of interest paid and/or credited to a depositor. At present, tax is deductible if the aggregate amount of interest paid or payable during the financial year exceeds Rs. 5,000/-. However, tax will not be deducted if the necessary statement/declaration in Form 15G/15H as required under the Income-tax Act is furnished to the Company in respect of each financial year along with a photocopy of PAN. If the PAN is not received, tax will be deducted at the applicable rate. Tax deducted due to non-compliance with this condition will not be refunded under any circumstances.

#### **RENEWAL/REPAYMENT OF DEPOSITS:**

- ✓ The Company reserves the right not to repay a deposit before the date of maturity. In case of premature withdrawals, re payment of deposit amount and interest will be governed by the Companies Acceptance of Deposit Rules 2014 and amendments thereto.
- ✓ The Deposit Receipt duly discharged on a revenue stamp should be sent to the Company 30 days before the date of maturity to enable the Company to renew or refund the deposits as the case may be on the due date. For renewals, a fresh application form duly filled in should accompany the discharged Fixed Deposit Receipt.
- ✓ Repayment of principal amounts will be made by an "Account Payee" cheque / draft / warrant drawn on any bank.
- ✓ It is not obligatory on the part of the Company to give notice or advance intimation about the due date of the Renewal or Repayment of the Deposit.
- ✓ Where the due date for any payment falls on a day on which the Registered Office of the Company is closed or on a Bank holiday the payment will be made on the next working day. (The Registered Office of the Company will remain closed on Saturday, Sunday and holidays declared by the Company).

#### **JOINT DEPOSITS:**

- ✓ Deposits will be accepted in joint names not exceeding THREE including the applicant. The first named depositor will be regarded as the beneficial owner of the deposits and will be treated as the payee for the purpose of deducting tax u / s 194 A of the Incometax Act 1961.
- ✓ In the case of deposits in joint names, all correspondence, payment of interest and repayment of the fixed deposit will be made to the person whose name appears first on the Deposit Receipt.

## **GENERAL:**

- ✓ The Company reserves the right § )
  - To accept deposit only for such periods as it may decide from time to time .
  - To reject any application for a fresh deposit or for renewal without assigning any reason .
  - To repay the deposit prematurely before the due date .
- ✓ Fixed Deposit will be subject to Companies (Acceptance of Deposits) Rules 2014, as amended from time to time and any other rules or regulations prescribed by the Central Government or the Reserve Bank of India or any other statutory body .
- ✓ The brokerage will be paid only to the authorised brokers of the Company .
- ✓ Disputes arising out of acceptance of deposits are subject to Vadodara jurisdiction only .
- ✓ The forms having incomplete information will not be accepted and the remittance will be returned to the prospective depositors ,within reasonable time .
- ✓ In the case of deposits made under Power of Attorney the relevant Notarised Power of Attorney must be lodged with the Company at the time of application .
- ✓ All the correspondence for change of name address loss of Fixed Deposit Receipt /Interest Warrant etc .,should be addressed to :

### **TRANSPEK INDUSTRY LIMITED – FIXED DEPOSIT SECTION**

**6<sup>TH</sup> FLOOR, MARBLE ARCH, RACE COURSE CIRCLE, VADODARA – 390007, GUJARAT**

- ✓ The Company has constituted the Stakeholders Relationship Committee of Directors authorised by the Board of the Directors of the Company for taking actions to redress the stakeholders' grievances. All complaints/grievances may be sent to the Dy. Company Secretary & Compliance Officer, Transpek Industry Limited, 6th Floor, Marble Arch, Race Course, Vadodara – 390007; e-mail : [secretarial@transpek.com](mailto:secretarial@transpek.com); phone : (0265)2335444, 2335757.

## **f. Proposed time schedule mentioning the date of opening of the schemes and the time period for which the circular or advertisement is valid:**

These schemes are applicable from the date on which the Board of Directors of the Company accords its approval. The circular issued under the schemes is valid until the expiry of six months from the date of closure of the financial year in which it is issued or until the date on which the financial statement is laid before the Company in Annual General Meeting or, where the Annual General Meeting for any year has not been held, the latest day on which that meeting should have been held in accordance with the provisions of the Companies Act, 2013 whichever is earlier. This circular for acceptance of Fixed Deposits from the members of the Company is on the basis of Audited Financial Statements for the year ended 31<sup>st</sup> March, 2016, which will be laid before the Shareholders at their ensuing Annual General Meeting and is valid upto the date of the next Annual General Meeting to be held on or before 30<sup>th</sup> September, 2017.

## **g. Reasons for/objects of raising the deposit:**

The object of raising the deposit is to augment the working capital base of the Company for running its business activities.

## **h. Credit Rating obtained; Name of the credit rating agencies, Rating obtained, Meaning of the rating obtained, Date on which rating was obtained:**

The Company has availed credit rating from CRISIL Ratings on 7th December, 2015. The rating is 'FA - / Stable' (pronounced FA minus rating with stable outlook) which means that the degree of safety regarding timely payment of interest and principal is satisfactory. Changes in circumstances can affect such issues more than those in the higher rated categories.

## **i. Extent of Deposit Insurance; Name of the Insurance Company, terms of the Insurance coverage, duration of coverage, extent of coverage, procedure for claim in case of default etc:**

The Ministry of Corporate Affairs, Govt. of India, has, vide its notification no. G.S.R.241 (E) dated 31<sup>st</sup> March, 2015, amended the Companies (Acceptance of Deposits) Rules, 2015 and allowed companies to accept deposits from Shareholders without insurance contract till 31<sup>st</sup> March, 2016 or till the availability of deposit insurance product, whichever is earlier. In the Companies (Amendment) Bill, 2016 pending before the Parliament it is proposed to omit clause (d) of sub-section 2 of section 73 of the Companies Act, 2013. The Company has not entered into any insurance contract for deposits as such insurance product is not available. If the said provision in the Act is retained making it mandatory for the Company to avail deposit insurance, the Company would obtain such applicable insurance as and when it is available.

## **j. Short particulars of the charge created or to be created for securing such deposits, if any:**

The Company will be accepting "UNSECURED DEPOSITS" from the shareholders of the Company and hence creation of charge on deposits is not applicable to the Company.

## **k. Any financial or other material interest of the directors, promoters or key managerial personnel in such deposits and the effect of such interest in so far as it is different from the interest of other persons.**

The terms and conditions including rate of interest decided by the Company for the acceptance of deposits from shareholders, applicable to all other depositors under the scheme are also applicable to Directors, Promoters and Key Managerial Personnel for their deposits under the Scheme. No specific financial or other material benefits are provided to them.

## **3. DETAILS OF ANY OUTSTANDING DEPOSITS:**

Details of aggregate amount of unsecured deposits from shareholders accepted by the Company upto 31<sup>st</sup> March, 2016 and interest thereon, as per the then scheme of the Company, are as under –

- a. Amount Outstanding:(From Shareholders) **Deposit** : Rs.18,63,05,000/-
- b. Date of Acceptance: During the period from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016.
- c. Total Amount accepted: Rs.5,00,36,000/- (includes new Deposits and Renewals during the FY 2015-16).
- d. Rate of Interest: In case of outstanding Non Cumulative deposits interest @9.50% p.a. payable half yearly on Deposits for 1 year; @ 9.75% p.a. payable half yearly on Deposits for two years; and @10.00% payable quarterly on Deposits for three years, and in case of outstanding Cumulative Deposits interest will be compounded quarterly at the said respective applicable rates as per the scheme approved by the Board of Directors at its meeting held on 25.05.2015.
- e. Total number of Depositors: 2057(all shareholders)
- f. Default, if any, in repayment of deposits and payment of interest thereon, if any, including number of depositors, amount and duration of default involved; NIL DEFAULT
- g. Any waiver by the depositors, of interest accrued on deposits: NIL

**4. FINANCIAL POSITION OF THE COMPANY:**

a. Profit of the Company before and after making provision for tax for the three financial years immediately preceding the date of issue of circular or advertisement and

b. Dividends declared by the Company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid or interest paid).

| FINANCIAL HIGHLIGHTS       |           | (Rs. in Lacs) |           |  |
|----------------------------|-----------|---------------|-----------|--|
| Particulars                | 2015-2016 | 2014-2015     | 2013-2014 |  |
| Total Income               | 28,757.59 | 26,412.60     | 24,840.51 |  |
| Profit / (Loss) Before Tax | 3,167.37  | 1,575.63      | 1,187.44  |  |
| Profit / (Loss) After Tax  | 2,127.78  | 1,105.80      | 719.75    |  |
| Fixed Assets (Net)         | 10,398.34 | 9,707.63      | 9,762.51  |  |
| Shareholders Fund          | 9,074.46  | 7,476.74      | 6,723.24  |  |
| Dividend on Equity shares  | 75.00%    | 50.00%        | 25.00%    |  |
| Interest Coverage Ratio    | 3.98      | 2.35          | 2.03      |  |

c. A summary of the financial position of the Company as in the three Audited Balance sheets immediately preceding the date of issue of circular or advertisement :

| (Rs. in Lacs)                  |                  |                  |                  | (Rs. in Lacs)                  |                  |                  |                  |
|--------------------------------|------------------|------------------|------------------|--------------------------------|------------------|------------------|------------------|
| EQUITY AND LIABILITIES         | 2015-2016        | 2014-2015        | 2013-2014        | ASSETS                         | 2015-2016        | 2014-2015        | 2013-2014        |
| Share Capital                  | 587.20           | 587.20           | 587.20           | Fixed Assets – Tangible Assets | 9,391.43         | 9,227.04         | 9,297.06         |
| Reserves and Surplus           | 8,487.26         | 6,889.54         | 6,136.04         | Intangible Assets              | 0.00             | 5.56             | 17.90            |
| Long-term borrowings           | 2,600.04         | 2,966.02         | 895.15           | Capital Work in Progress       | 1,006.91         | 475.03           | 447.55           |
| Deferred tax liabilities (Net) | 1,540.00         | 1,569.28         | 1,373.69         | Non Current Investments        | 527.88           | 527.88           | 944.83           |
| Long-term provisions           | 265.75           | 221.25           | 169.70           | Long term loans & advances     | 454.09           | 851.17           | 1,077.39         |
| Short-term borrowings          | 3,044.17         | 4,192.33         | 5,011.44         | Inventories                    | 3,776.52         | 2,736.50         | 2,792.77         |
| Trade payables                 | 2,027.66         | 4,559.86         | 4,434.84         | Trade Receivables              | 4,604.53         | 8,165.21         | 6,828.73         |
| Other current liabilities      | 1,589.26         | 1,264.77         | 3,484.03         | Cash and Bank Balances         | 362.51           | 235.96           | 260.71           |
| Short-term provisions          | 772.12           | 608.61           | 373.99           | Short-term loans and advances  | 731.19           | 540.47           | 681.15           |
|                                |                  |                  |                  | Other Current Assets           | 58.40            | 94.04            | 117.99           |
| <b>TOTAL</b>                   | <b>20,913.46</b> | <b>22,858.86</b> | <b>22,466.08</b> | <b>TOTAL</b>                   | <b>20,913.46</b> | <b>22,858.86</b> | <b>22,466.08</b> |

d. Audited Cash Flow Statement for the three years immediately preceding the date of issue of circular or advertisement:

**Cash Flow Statement**

| For the year ended March 31, 2016, March 31, 2015 and March 31, 2014 |  |                              |                 | (Rs. in Lacs) |                   |            |                   |
|--|--|------------------------------|-----------------|---------------|-------------------|------------|-------------------|
|  |  | For the year ended March 31, |                 |               |                   |            |                   |
|  |  | 2016                         |                 | 2015          |                   | 2014       |                   |
| <b>A.</b>  | <b>Cash Flow from Operating Activities</b>                   |                              |                 |               |                   |            |                   |
|  | Profit before exceptional items, prior period items and tax: |                              | 3,167.37        |               | 1,575.63          |            | 1,187.44          |
|  | Adjustments for:   |                              |                 |               |                   |            |                   |
|  | Depreciation/Amortization                                    | 830.26                       |                 | 857.92        |                   | 722.18     |                   |
|  | Loss/(Profit) on disposal of fixed assets                    | 139.12                       |                 | 7.92          |                   | 27.88      |                   |
|  | Diminution in the carrying amount of Long Term Investments   | 0.00                         |                 | 80.02         |                   | 450.00     |                   |
|  | Gain on foreign currency transactions/translations           | (36.59)                      |                 | (36.39)       |                   | (28.00)    |                   |
|  | Interest received  | (57.26)                      |                 | (62.65)       |                   | (47.36)    |                   |
|  | Dividend received  | (17.18)                      |                 | (243.57)      |                   | (241.31)   |                   |
|  | Interest Expense   | 1,063.88                     |                 | 1,166.37      |                   | 1,151.82   |                   |
|  |  |                              | 1,922.23        |               | 1,769.62          |            | 2,035.21          |
|  | Operating Profit before working capital changes              |                              | <b>5,089.60</b> |               | <b>3,345.25</b>   |            | <b>3,222.65</b>   |
|  | Adjustments for:   |                              |                 |               |                   |            |                   |
|  | (Increase)/Decrease in Loans and Advances                    | (253.43)                     |                 | 194.53        |                   | (390.82)   |                   |
|  | (Increase)/Decrease in Trade receivables                     | 3,584.54                     |                 | (1,311.79)    |                   | (1,777.64) |                   |
|  | (Increase)/Decrease in Inventories                           | (1,040.02)                   |                 | 56.27         |                   | (347.45)   |                   |
|  | (Increase) in Other Current Assets                           | 23.16                        |                 | 30.76         |                   | (20.90)    |                   |
|  | (Increase)/Decrease in Trade Payables                        | (2,519.48)                   |                 | 118.25        |                   | 1,662.09   |                   |
|  | (Increase)/Decrease in Other Liabilities and Provisions      | 95.93                        |                 | (1,361.67)    |                   | (130.90)   |                   |
|  |  |                              | <b>(109.30)</b> |               | <b>(2,273.65)</b> |            | <b>(1,005.64)</b> |
|  | Cash generated from Operations                               |                              | <b>4,980.30</b> |               | <b>1,071.60</b>   |            | <b>2,217.01</b>   |
|  | Less: Direct taxes paid                                      |                              | 592.26          |               | 101.88            |            | 293.83            |
|  | Cash flow before extraordinary items                         |                              | 4,388.04        |               | 969.72            |            | 1,923.18          |
|  | Prior Period Adjustments (Other than taxation)               |                              | 0.00            |               | 0.00              |            | 0.00              |
|  | Net cash from Operating Activities ----- (A)                 |                              | <b>4,388.04</b> |               | <b>969.72</b>     |            | <b>1,923.18</b>   |

## Cash Flow Statement

(Contd.)

For the year ended March 31, 2016, March 31, 2015 and March 31, 2014

(Rs. in Lacs)

|           |  | For the year ended March 31, |                 |                   |
|-----------|--|------------------------------|-----------------|-------------------|
|           |  | 2016                         | 2015            | 2014              |
| <b>B.</b> | <b>Cash Flow from Investing Activities</b>   |                              |                 |                   |
|           | Purchase of fixed assets   | (1,715.15)                   | (908.27)        | (928.77)          |
|           | Proceeds from sale of fixed assets   | 55.12                        | 97.35           | 46.66             |
|           | Purchase of Investments  | 0.00                         | 0.00            | 0.00              |
|           | Sale of Investments  | 0.00                         | 336.93          | (0.01)            |
|           | Decrease/ (Increase) in fixed deposits with a maturity period of more than 90 days | (38.33)                      | 31.01           | (17.00)           |
|           | Interest received  | 69.73                        | 55.83           | 32.37             |
|           | Dividend received  | 17.18                        | 243.57          | 241.31            |
|           | <b>Net cash used in Investing Activities ----- (B)</b>                             | <b>(1,611.45)</b>            | <b>(143.58)</b> | <b>(625.44)</b>   |
| <b>C.</b> | <b>Cash Flow from Financial Activities</b>   |                              |                 |                   |
|           | Receipt/ (Repayment) of Borrowings (net)   | (1,349.10)                   | 619.87          | 60.92             |
|           | Interest Paid  | (989.21)                     | (1,268.59)      | (1,185.53)        |
|           | Dividend Paid  | (291.36)                     | (146.20)        | (175.61)          |
|           | Dividend distribution Tax paid   | (58.70)                      | (24.95)         | (29.94)           |
|           | <b>Net cash used in Financing Activities ----- (C)</b>                             | <b>(2,688.37)</b>            | <b>(819.87)</b> | <b>(1,330.16)</b> |
|           | <b>Net Increase in cash and cash equivalents (A+B+C)</b>                           | <b>88.22</b>                 | <b>6.27</b>     | <b>(32.44)</b>    |
|           | Cash and cash equivalents at the beginning of the year                             | 131.38                       | 125.11          | 157.54            |
|           | Cash and cash equivalents at the end of the year                                   | 219.60                       | 131.38          | 125.11            |
|           | <b>Components of Cash &amp; Cash Equivalents</b>                                   |                              |                 |                   |
|           | Cash on hand   | 13.90                        | 29.56           | 14.34             |
|           | Balances with scheduled banks:   |                              |                 |                   |
|           | On Current Accounts  | 160.65                       | 81.83           | 86.01             |
|           | On unclaimed interest on fixed deposit account                                     | 28.49                        | 5.67            | 11.04             |
|           | On margin money accounts   | 51.22                        | 60.37           | 20.78             |
|           | On deposit accounts  | 91.69                        | 44.21           | 114.82            |
|           | On unclaimed dividend account  | 14.85                        | 12.61           | 12.01             |
|           | On Right issue application money account   | 1.71                         | 1.71            | 1.71              |
|           | Cash and Cash equivalents as per Note No 17.                                       | <b>362.51</b>                | <b>235.96</b>   | <b>260.70</b>     |
|           | Less: Fixed deposits not considered as cash equivalents                            | 142.91                       | 104.58          | 135.59            |
|           | Cash and cash Equivalents as per Cash Flow Statement                               | 219.60                       | 131.38          | 125.11            |

**Notes:-**

The Cash flow statement has been prepared under the Indirect method as set out in Accounting Standard – 3 as 2006 as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.

Figures in the brackets represent cash outflow.

Previous year's figures have been regrouped/re-classified, wherever necessary to conform to the current year's classification.

**e. Any change in accounting policies during the last three years and their effect on the profits and the reserves of the Company**

The Company has not changed its accounting policies during the last three years.

**5. DECLARATIONS**

The Directors hereby declare that:

- a) The Company has not defaulted in the repayment of deposits accepted either before or after the commencement of the Act or payment of interest thereon;
- b) The Board of Directors have satisfied themselves fully with respect to the affairs and prospects of the Company and that they are of the opinion that having regard to the estimated future financial position of the Company, the Company will be able to meet its liabilities as and when they become due and that the Company will not become insolvent within a period of one year from the date of issue of the circular or advertisement;
- c) The Company has complied with the provisions of the Act and the rules made thereunder;
- d) The compliance with the Act and the rules does not imply that repayment of deposits is guaranteed by the Central Government;
- e) The deposits accepted by the Company before the commencement of the Act have been repaid.
- f) In case of any adverse change in credit rating, depositors will be given a chance to withdraw deposits without any penalty.
- g) The deposits shall be used only for the purposes indicated in the circular or circular in the form of advertisement;
- h) The deposits accepted by the company are unsecured and rank pari passu with other unsecured liabilities of the Company.

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

**Alak D. Vyas**

**Dy. Company Secretary & Compliance Officer**

Date: 23/07/2016

Place: Vadodara