

OK PLAY INDIA LTD · ANNUAL REPORT 2008

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September 3, 2008

It is my pleasure in reaching out and communicating with you for the Annual General Meeting and forwarding the Annual Report of your Company for the year ending 31st March, 2008.

During the year under review, despite very tough market conditions, your company has shown a marginal growth of 7%, achieving a turnover of Rs. 45.89 Crores. Due to these tough conditions, the company's product mix has also changed causing the profit margins to dip. However, the company's policies of innovation, expansion, diversification and qualitative production have been adhered to and in line with the same, I am happy to say, that your Company has entered into two agreements for the growth of the Company.

As you may be aware, your Company has entered into an exclusive Marketing, Technical & Manufacturing Agreement with PURFORM of New Zealand the world's largest selling plastic mannequins brand – known internationally for pioneering the concepts of mannequins. The fast increasing purchasing power & the appetite of Indian consumer for apparels & fashion products offers vast potential for PURFORM products in India and we are confident that the strong fundamentals of the PURFORM brand supported by your Company's strong distribution network across the country will replicate PURFORM's international success story here in India also.

Further, your Company has entered into an agreement with DKL & BBM Belgium Companies, the owner of Intellectual Property in relation to construction blocks known as "CLICS" products, which is a market leader in its own field of Educational Toys and whose products are sold in 46 Countries. Under the agreement, your Company will manufacture and sell CLICS products in the Indian subcontinent.

Your Company has been allotted 58500 sq. meters of Industrial land in Bawal which is proposed to be used for the expansion of the Company's production infrastructure.

I am confident that the consistent expansion & diversification policies of the management will deliver value in the near future to the stakeholders.

I acknowledge and appreciate the dedicated efforts of all employees thus enabling the company to move towards its goals.

I would like to take this opportunity to express my gratitude to the Board, customers, suppliers, bankers, employees and our shareholders for their unceasing confidence and support.

With best wishes,

Sincerely,



Justice T. R. Handa (Retd.)
Chairman & Whole-time Director



CORPORATE INFORMATION

BOARD OF DIRECTORS

JUSTICE (RETD.) T.R.HANDA	Chairman & Wholetime Director
SH. RAJAN HANDA	Managing Director
MRS. MAMTA HANDA	Wholetime Director
SH. RAJESH SHARMA (Nominee of HSIDC)	Director
SH. SHALABH JASORIA	Director
SH. S. M. HANDA	Director
DR.RAJAN WADHERA	Director

COMPANY SECRETARY

SH. DHIR SINGH BHATI

AUDITORS

M/S S. P. MARWAHA & CO.
22/44, WEST PATEL NAGAR,
NEW DELHI-100008

BANKERS

- CITI BANK N.A., GURGAON
- IDBI BANK, DELHI
- CANARA BANK, S.D.AREA, NEW DELHI

REGISTERED OFFICE

PLOT NO.17-18, ROZ-KA-MEO INDL.ESTATE,
TEHSIL NUH, DISTRICT MEWAT
HARYANA-122103
PHONES: 0124-2362335-36
Websites : www.okplay.in

CORPORATE OFFICE

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 19th Annual General Meeting of the members of OK PLAY INDIA LIMITED will be held on Tuesday, the 30th day of September, 2008 at 10.00 A.M. at Hakim Ji ki Choupal, opposite Batra Hospital, Village-Ujina, Police Station - Nuh, Dist. Mewat (Haryana) to transact the following:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit & Loss Account for the financial year ended 31st March, 2008 and Balance Sheet of the Company as at that date along with Directors' Report and Auditors' report therein and the Cash Flow Statement.
2. To appoint a Director in place of Sh. Surinder Mohan Handa, Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr. Rajan Wadhwa, Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s S. P. Marwaha & Co., Chartered Accountants, the retiring auditors are eligible for re-appointment.

SPECIAL BUSINESS:

5. INCREASE IN BORROWING LIMITS

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

"RESOLVED THAT the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose), be and is hereby authorized, in accordance with Section 293(1)(d) of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and the Articles of Association of the Company, to borrow any sum or sums of money (including non fund based facilities) from time to time at their discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other persons, firms, bodies corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, exceed up to a sum of Rs. 100 crore (Rupees one hundred crore) over and above the aggregate of the paid up capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) and that the Board of Directors be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit.

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RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

6. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

"RESOLVED THAT subject to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, approval be and is hereby accorded for the re-appointment of Mr. Rajan Handa as Managing Director of the Company for a period of three years from 1st March, 2009 to 29th February, 2012 and for payment of remuneration/ minimum remuneration as described below:

I Salary

Basic Salary: Rs.1,75,000/- (Rupees One Lac Seventy Five Thousand only) per month with effect from 1st March, 2009.

II. Allowances & Perquisites

Allowances & Perquisites shall be allowed in addition to Salary. However, it shall be restricted to an amount equal to Rs.1,75,000/- per month. Allowances and Perquisites are broadly classified as follows, viz., House Rent Allowance, Gas, Electricity, Water & Furnishing, Medical Reimbursement and Leave Travel concession as per rules of the Company, Personal Accident Insurance, Meal vouchers, Books & Periodicals, Use of Company's car with driver, Residential Telephones, Special Allowances etc

For the purpose of calculating the above ceiling, perquisites will be evaluated as per Income Tax rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost. However, ceilings under each of the above heads shall be fixed/re-fixed as may be mutually agreed to between the Company and the Appointee so as not to exceed the limit of Rs.1,75,000/- or to allow any other perquisite.

III. Other Payments and Provisions which shall not be included in the computation of the ceiling on remuneration:

- i) Contribution towards Provident Fund and Superannuation Fund:

Contribution towards Provident Fund and Superannuation fund as per Company's rules as amended from time to time. Contributions to Provident Fund, Pension / Superannuation / Annuity Fund to the extent of the limits prescribed under I.T.Rules 1962 or notification issued there under from time to time will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act / Rules / Notification.

- ii) Gratuity

Gratuity payable as per the rules of the Company.

- iii) Leave encashment

Encashment of Leave as per the rules of the Company.



"RESOLVED FURTHER THAT consent be and is hereby also accorded for payment of salaries, allowances etc as detailed above to Mr. Rajan Handa as minimum remuneration in the absence or inadequacy of profits in any year."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary, increase, modify or alter the remuneration and perquisites, in such manner as may be agreed to between the Board of Directors and Mr. Rajan Handa subject to the maximum annual remuneration not exceeding the limits prescribed under Table (B), Part II of Schedule XIII of the Companies Act, 1956."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution."

Except Mr. Rajan Handa, Justice T. R. Handa (Retd.) and Mrs. Mamta Handa, no other directors are concerned or interested.

The Board of Directors of your Company recommends to pass the resolution as a Special Resolution.

7 To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

"RESOLVED THAT subject to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, approval be and is hereby accorded for the re-appointment of Justice T. R. Handa (Retd.) as Chairmen and Whole- Time Director of the Company for a period of three years from 1st March, 2009 to 29th February, 2012 and for payment of remuneration/ minimum remuneration as described below:

I Salary

Basic Salary: Rs.1,50,000/- (Rupees One Lac Fifty Thousand only) per month with effect from 1st March, 2009.

II. Allowances & Perquisites

Allowances & Perquisites shall be allowed in addition to Salary. However, it shall be restricted to an amount equal to Rs.1,50,000/- per month. Allowances and Perquisites are broadly classified as follows, viz., House Rent Allowance, Gas, Electricity, Water & Furnishing, Medical Reimbursement and Leave Travel concession as per rules of the Company, Personal Accident Insurance, Meal vouchers, Books & Periodicals, Use of Company's car with driver, Residential Telephones, Special Allowances etc.

For the purpose of calculating the above ceiling, perquisites will be evaluated as per Income Tax rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost. However, ceilings under each of the above heads shall be fixed/re-fixed as may be mutually agreed to between the Company and the Appointee so as not to exceed the limit of Rs.1,50,000/- or to allow any other perquisite.

III. Other Payments and Provisions which shall not be included in the computation of the ceiling on remuneration:

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i) Contribution towards Provident Fund and Superannuation Fund:

Contribution towards Provident Fund and Superannuation fund as per Company's rules as amended from time to time. Contributions to Provident Fund, Pension / Superannuation / Annuity Fund to the extent of the limits prescribed under I.T.Rules 1962 or notification issued there under from time to time will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act / Rules / Notification.

ii) Gratuity

Gratuity payable as per the rules of the Company.

iii) Leave encashment

Encashment of Leave as per the rules of the Company.

"RESOLVED FURTHER THAT consent be and is hereby also accorded for payment of salaries, allowances etc as detailed above to Justice T.R.Handa (Retd.) as minimum remuneration in the absence or inadequacy of profits in any year."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary, increase, modify or alter the remuneration and perquisites, in such manner as may be agreed to between the Board of Directors and Justice T. R. Handa (Retd.) Subject to the maximum annual remuneration not exceeding the limits prescribed under Table (B), Part II of Schedule XIII of the Companies Act, 1956."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution."

Except Mr. Rajan Handa, Justice T. R. Handa (Retd.) and Mrs. Mamta Handa, no other directors are concerned or interested.

The Board of Directors of your Company recommends to pass the resolution as a Special Resolution.

8 To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

"RESOLVED THAT subject to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, approval be and is hereby accorded for the appointment of Dr. Rajan Wadhwa as Whole-Time Director of the Company for a period of three years from 1st March, 2009 to 29th February, 2012 and for payment of remuneration/ minimum remuneration as described below:

I Salary

Basic Salary: Rs.40,000/- (Rupees Forty Thousand only) per month with effect from 1st October, 2008.

II. Allowances & Perquisites

Allowances & Perquisites shall be allowed in addition to Salary. However, it shall be restricted to an amount equal to Rs.40,000/- per month. Allowances and Perquisites are broadly classified as follows, viz., House Rent Allowance, Gas, Electricity, Water & Furnishing, Medical Reimbursement and Leave Travel concession as per rules of the