




***TPI* INDIA LIMITED**

18th

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**ANNUAL REPORT
1999-2000**

FOR TPI INDIA LIMITED


Mg. Dir./Exe. Dir./Director



TPI INDIA LIMITED

BOARD OF DIRECTORS

H.C. Parekh
B.C. Parekh
S.H. Parekh
V. Ramesh Babu

Chairman & Managing Director
Executive Director
Wholetime Director
Nominee Director (IDBI)

AUDITORS

M.G. Dhankot & Co.
Chartered Accountants

BANKERS

Indian Overseas Bank
The Federal Bank Limited
The South Indian Bank Limited
Bank of Baroda

REGISTERED OFFICE

Plot No. G-1/2
M.I.D.C. Area, Boisar
Dist. Thane. (Maharashtra)

HEAD OFFICE

102, Atlanta, 10th Floor
Nariman Point
Mumbai 400 021.

PLANTS

- * G-1/2, M.I.D.C. Area,
Boisar, Dist. Thane.
- * F-4 and F-54
M.I.D.C. Industrial Area,
Murbad, Dist. Thane.
- * J-61, Additional MIDC,
Murbad, Dist. Thane.
- * A-1/2, G.D.D.I.D.C. Estate,
Somnath, Daman.
- * Gangadhara (T.V. Rly.)
Taluka Palsana, Dist. Surat,
Gujarat-394 310.

LEGAL ADVISORS

Wadia Ghandy & Co.



Notice of the Meeting

TPI INDIA LIMITED

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of TPI INDIA LIMITED will be held at the Registered Office of the Company situated at Plot No. G-1/2, MIDC Area, Boisar, Dist. Thane (Maharashtra) on Saturday, the 30th day of December, 2000 at 11 A.M. to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the company as at 31st March, 2000 and Profit & Loss Account for the year ended on that date together with the Reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Bharat C. Parekh, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint the 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.

SPECIAL BUSINESS:

4. To consider and, if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution.
 "RESOLVED THAT pursuant to the provisions of Section 23 and other applicable provisions of the Sick Industrial Companies (Special Provisions) Act, 1985, the Company do make a reference/report to the Board for Industrial and Financial Reconstruction (BIFR) about accumulated losses of the Company resulting in erosion of more than fifty percent of its peak networth during immediately preceding four years.
 RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as may be necessary proper or expedient to give effect to this resolution."

By Order of the Board
For TPI INDIA LIMITED

BHARAT C. PAREKH
(Executive Director)

Registered Office: Plot No. G-1/2, MIDC Area,
Boisar, Dist. Thane, Maharashtra

Place: Mumbai, Dated: 28th September, 2000

NOTES:

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- (b) THE INSTRUMENT APPOINTING A PROXY, IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT PLOT NO. G-1/2, MIDC AREA, BOISAR, DIST. THANE, MAHARASHTRA AT LEAST 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
- (c) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of item no. 4 of the Notice set out above is annexed hereto.
- (d) The Register of Members and the Shares Transfer Books in respect of Equity Shares will remain closed from Saturday, the 30th day of December, 2000 to Saturday, the 6th day of January, 2001 (both days inclusive).
- (e) Pursuant to the provisions of Section 205A of the Companies Act, 1956, all unclaimed dividends upto the financial year 1994-95 have been transferred to the General Revenue Account of the Central Government. Members who have not encashed their dividend warrants pertaining to the said period may submit their claims in the prescribed Form No. II to the Registrar of Companies, Maharashtra at Mumbai.
Those who have not encashed their dividend warrants for the financial year 1995-96, 1996-97 and 1997-98 may approach the Company immediately for revalidation or issuance of duplicate warrants.
- (f) Members who have multiple accounts in identical names or joint accounts in the same order in more than one folio, are requested to send the share certificate(s) to the Registrar and Share Transfer Agent for consolidation of all such shareholding into one folio to facilitate better services.
- (g) Members desirous of having any information regarding accounts are requested to address their queries to the Company at the Registered office of the Company at least 7 days before the date of meeting, so that the requisite information is made available at the meeting.
- (h) Members are requested to intimate the change of address, if any, to the Company and/or to the Registrar and Share Transfer Agent of the Company immediately.

Annexure to Notice



TPI INDIA LIMITED

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

Since during the year 1999-2000, the Company has lost/eroded more than half of its peak net worth, the Company is required to make a report to the Board for Industrial and Financial Reconstruction (BIFR) under Sick Industrial Companies (Special Provisions) Act, 1985. The Company has lost more than half of its net worth due to

- (i) Reduction in turnover with consequent reduction in profits
- (ii) Higher operational costs
- (iii) Higher cost of interest
- (iv) Liquidity constraints
- (v) Non performing project i.e paper mill at Surat.

None of the Directors is interested in the said Resolution.

By Order of the Board
For TPI INDIA LIMITED

BHARAT C. PAREKH
(Executive Director)

Registered Office: Plot No. G-1/2, MIDC Area,
Boisar, Dist. Thane, Maharashtra

Place: Mumbai, Dated: 28th September, 2000





Directors' Report

TPI INDIA LIMITED

Dear Members,

Your Directors present their Eighteenth Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2000.

FINANCIAL RESULTS:

	1999-2000	1998-1999
	(Rs. in lakhs)	(Rs. in lakhs)
Sales and Other Income	3613.32	5685.25
Profit Before Interest, Depreciation	13.53	516.64
Less: Interest	817.46	554.62
Depreciation on Fixed Assets	116.81	115.44
Provision for Taxes	Nil	Nil
Prior Years' Adjustments	3.59	7.59
Profit After Tax	(924.35)	(161.01)
Add: Profit brought forward from Previous year	157.49	340.07
Amount Available for Appropriations	(766.86)	179.06
Less: Appropriations		
(i) Proposed Dividend on Equity Shares	Nil	19.43
(ii) Tax on Dividend	Nil	2.14
Add: Transfers		
(i) Last Years Dividend not approved	19.43	Nil
(ii) Provision for Tax on Dividend	2.14	Nil
Leaving a Balance to be carried forward	(745.29)	157.49

OPERATIONS REVIEW:

The year 1999-2000 has not been a good one for the Company and your Directors regret to advise that the Company has eroded more than half of its peak net worth during the year 1999-2000. Your Company achieved Sales Turnover of Rs. 3613.32 lakhs as against Rs. 5685.25 lakhs during the previous year, a decrease in Sales of 36.44% due to recessionary and liquidity constraints. Due to lower turnover, increased operational expenses, mounting interest cost on Non-Performing projects (paper mill at Surat), liquidity constraints and high cost of interest, the Company suffered a cash loss of Rs. 812.37 lakhs and a net loss of Rs. 932.77 lakhs after the provision of depreciation.

Your Directors regret to advise that your Company shall be required to make a report/reference to the Board for Industrial and Financial Reconstruction (BIFR) under Sick Industrial Companies (Special Provisions) Act, 1985 about erosion of more than half of its net worth.

DIVIDEND

In view of the non-availability of distributable profits and loss incurred by the Company during the year 1999-2000, your Directors regret not to recommend any dividend.

FIXED DEPOSITS:

The Company has accepted fixed deposit from the Public within the meaning of Section 58A of the Companies Act, 1956 and rules made thereunder and there are no outstanding overdue fixed deposits.

INSURANCE:

Your Company's properties are adequately insured against fire, strike, riots earthquake and malicious damage risks.



TPI INDIA LIMITED

DIRECTORS:

Mr. Bharat C. Parekh, Director of the Company retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for reappointment. His reappointment is recommended.

COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975:

There were no employees who were in receipt of remuneration in excess of Rs. 6,00,000/- per annum, if employed for the full year or Rs. 50,000/- per month, if employed for part of the year. Hence, the information required by Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not given.

AUDITORS:

M/s. M.G. Dhankot & Co., Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for reappointment for the current year. You are requested to appoint them on a remuneration to be fixed by your Directors.

The resolution for their re-appointment is set out at item no. 3 of the Notice of the Annual General Meeting. Your Directors recommend their re-appointment.

AUDITORS' REPORT:

The comments in the Auditors' Report are self explanatory and suitably explained in the Notes to the Accounts.

REFERENCE/REPORT TO BIFR:

Since during the year 1999-2000, the Company has lost/eroded more than half of its net worth, the Company is required to make a report to the Board for Industrial and Financial Reconstruction (BIFR) under Sick Industrial Companies (Special Provisions) Act, 1985. The Company has lost more than half of its net worth due to

- (i) Reduction in turnover with consequent reduction in profits
- (ii) Higher operational costs
- (iii) Higher cost of interest
- (iv) Liquidity constraints
- (v) Non performing project i.e paper mill at Surat.

EMPLOYEE RELATIONS:

Your Directors wish to place on record their appreciation to all employees of your Company for their sustained efforts and immense contribution to achieve high level of performance during the year.

During the year under review, industrial relations remained extremely cordial and harmonious at all Units of the Company.

ACKNOWLEDGEMENT:

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from various departments of Central and State Governments, IDBI, MSFC, Indian Overseas Bank, Bank of Baroda, The Federal Bank Limited, The South Indian Bank Limited without whose support, co-operation and assistance the Company could not have achieved a level of eminence in its field of operation.

Your Directors also acknowledge with thanks the continued support and confidence reposed in the management by the Company's shareholders, customers and suppliers.

For and on behalf of the Board

Place : Mumbai

Date : 28th September, 2000

H.C. PAREKH

Chairman & Managing Director



TPI INDIA LIMITED

Annexure to the Directors' Report

Information required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY:

- a. Energy Conservation measures taken
 1. Added power capacitors and systems with automatic monitoring and control for improving the power factor.
 2. Regular monitoring of consumption, efforts for increase of power factor and upto date maintenance.
 3. Adopted use of natural lights wherever possible.
 4. Improved operational methods helped in achieving better productivity which in turn reduced power consumption per unit of output.
 5. Greater employee awareness made about need of energy conservation which in turn resulted in switching off lights, fans and machinery when not required.
- b. Additional investments and proposals, if any, being implemented for reduction of consumption of energy.
Proposal for Energy Audit and adequate energy conservation measures with help of expert Consultancy are under consideration.
- c. Impact of the measures at (a) and (b) above for reduction of energy conservation and consequent impact on the cost of production of goods.
Impact has not been measured.

B. TECHNOLOGY ABSORPTION:**(a) RESEARCH AND DEVELOPMENT**

The Company continues to lay emphasis on improving quality, upgradation of existing formulations, minimising dependence on scarce and imported raw materials and development of new products.

As a result of these efforts, the Company has been able to produce better products and these have been well received by the market.

The Company will continue its efforts to improve the quality of the products.

The Revenue expenditure incurred have been charged under primary heads of accounts and hence are not identifiable separately. No capital expenditure on R & D has been incurred in the year.

(b) TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

- (i) Efforts in brief made towards technology absorption, adoption and innovation.

The technology imported has been fully absorbed.

- (ii) Benefits derived as a result of the above efforts.

The FIBCs manufactured with imported technology facilitate bulk transport of materials. The FIBCs have good export potential.

- (iii) Technology imported during the last five years : NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Rs. in lakhs)

Foreign Exchange Earned :	578.77
Foreign Exchange Used :	654.25

For and on behalf of the Board

Place : Mumbai

Date : 28th September, 2000

H.C. PAREKH

Chairman & Managing Director

Auditors' Report

TPI INDIA LIMITED

TO THE MEMBERS OF TPI INDIA LIMITED

We have audited the attached Balance Sheet of TPI India Limited as on 31st March, 2000 and also the annexed Profit & Loss Account for the year ended on that date.

We report as follows:

1. As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a Statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such Books.
 - c. The Balance Sheet and Profit & Loss Account dealt with by this Report are in agreement with the books of accounts.
 - d. In our opinion the Balance Sheet and the Profit and Loss Account dealt with by this report are prepared in compliance with the Accounting Standards referred to in Section 211(3)(c) of the Companies Act, 1956 except Accounting Standard AS(2) issued by the Institute of Chartered Accountants of India regarding valuation of inventories.
 - e. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with:
 - (i) Note no. 13[D] of Schedule-U to the accounts regarding change in the method of valuation of finished goods due to which there is no impact on the loss of the Company.
 - (ii) Note no. 19 in respect of provision for doubtful debts amounting to Rs. 1118.23 Lacs was not made in the accounts due to which the loss would have been higher by Rs. 1118.23 Lacs.
 - (iii) Note no. 20 in respect of valuation of inventories as per Accounting Standard AS(2) due to which loss would have been higher by Rs. 8.69 Lacs.
 - (iv) Note no. 21 in respect of valuation of work-in-progress as per Accounting Standard AS(2) due to which loss would have been higher by Rs. 325.63 Lacs.

Read together with the notes and Accounting policies give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:-

- i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2000 and
- ii. In the case of the Profit & Loss Account, the loss of the Company for the year ended on that date.

For M.G. Dhankot & Co.
Chartered Accountants

(M.G. Dhankot)
Proprietor

Mumbai
Dated: 28th September, 2000



TPI INDIA LIMITED

ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in paragraph 1 of the Auditors' Report to the members of TPI India Limited.

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. All the assets have been physically verified by the management during the year and as informed to us, no material discrepancies were noticed on such verification.
2. None of the fixed assets has been revalued during the year.
3. Physical verification has been conducted by the management at reasonable periods during the year in respect of raw materials, finished goods, spares and stores.
4. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies noticed on verification between the physical stocks and the book records were not material.
6. In our opinion, the valuation of stocks of finished goods, raw materials, stores and spares and work in progress is fair and proper in accordance with the normally accepted accounting principles except as stated in Note no. 20 of Schedule-U to the Accounts. The Basis of valuation of stocks is the same as in the preceding year except as stated in Note no. 13(D) of Schedule-U to the Accounts.
7. The Company has taken unsecured Loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. We are informed that there are no companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956. The terms and conditions of the said loans were not *prima facie*, prejudicial to the interest of the Company.
8. The Company has not granted any loan, secured or unsecured to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. We are informed that there are no companies under the same management as defined under sub-section (1-B) of Section 370 of the Companies Act, 1956.
9. As per the information and explanations given to us, the Company has given interest free loans to employees, who were regular in repayment thereof as stipulated.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials including components, plant and machinery, equipments and other assets and with regard to the sale of goods.
11. In our opinion and according to the information and explanations given to us, the transactions of purchases of goods and materials and sale of goods, materials and services, made in pursuance of contracts or agreements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- (Rupees Fifty Thousand only) or more in respect of each parties have been made at prices which are reasonable having regard to the prevailing market prices for such goods and materials or the prices at which transactions for similar goods, materials and services have been made with other parties.
12. As explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stores, raw materials and finished goods. No adequate provision has been made in respect of goods held in work-in-progress, the same should have been valued at Rs. 274.28 Lacs, as the goods held in work-in-progress (as certified by the management) is of deteriorated or damaged nature.
13. In our opinion and according to the explanations and information given to us, the Company has complied with the provisions of Section 58A of the Companies Act, 1956 and the rules made thereunder with regards to deposits accepted from public.
14. In our opinion reasonable records have been maintained for the sale and disposal of scrap. There are no by-products arising out of manufacturing processes of the Company.
15. The Company has appointed a firm of Chartered Accountants, who have carried out internal audit of the Company. With reference to the above, the internal audit system is adequate and is commensurate with size and nature of its business.