



TPI INDIA LIMITED

20th

Annual Report
2001-2002

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TPI INDIA LIMITED

BOARD OF DIRECTORS

H. C. Parekh
B. C. Parekh
R. P. Meena

Chairman & Managing Director
Executive 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.
- * Gangadhara (T.V. Rly.)
Taluka Palsana, Dist. Surat
Gujarat-394 310.

**Notice****TPI INDIA LIMITED**

NOTICE is hereby given that the TWENTIETH 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 14th day of September, 2002 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, 2002 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. Hashmukh 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.

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 : 12th August, 2002.

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) The Register of Members and the Shares Transfer Books in respect of Equity Shares will remain closed from Saturday, the 31st day of August, 2002 to Saturday, the 7th day of September, 2002 (both days inclusive).
- (d) Pursuant to the provisions of Section 205 A 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.

Those shareholders who have so far not claimed or collected their dividend for the said period may claim their dividend directly from the Registrar of Companies, Maharashtra by submitting an application in the prescribed form.

- (e) Members are hereby informed that dividends which remain unclaimed / unencashed over a period of 7 years have to be transferred by the Company to Investor Education and Protection Fund constituted by the Central Government under Section 205(A) & 205(C) of the Companies Act, 1956.



TPI INDIA LIMITED

It may be noted that no claim of the shareholders will be entertained for the unclaimed dividends which have been transferred to the credit of Investor Education & Protection Fund of the Central Government under the provisions of Section 205(B) of the Companies Act, 1956.

In view of the above, 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.
- (i) Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the Meeting.





TPI INDIA LIMITED

Director's Report

Dear Members,

Your Directors present their Twentieth Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2002. The summarized financial results are given below.

FINANCIAL RESULTS

	2001-2002 (Rs. in lakhs)	2000-2001 (Rs. in lakhs)
Sales and Other Income	1242.35	1898.99
Profit/(Loss) Before Interest, Depreciation, Amortisation, Extra ordinary/Exceptional Items and Tax	84.52	(931.03)
Less : Interest	1131.75	976.68
Depreciation on Fixed Assets	119.81	120.53
Amortisation of Deferred Revenue Expenses	57.60	18.63
Preliminary & Issue Expenses W/Off	0.73	3.04
Profit/(Loss) before Extraordinary/Exceptional Items and Tax	(1225.39)	(2049.91)
Less : Extra Ordinary Items Project Abandoned W/Off A/c	103.62	Nil
Prior Years' Adjustments	0.24	273.63
Profit/(Loss) Before Tax	(1329.25)	(2323.54)
Less : Provision for Taxation	Nil	Nil
Add : Profit/(Loss)B/F from Previous year	(2898.55)	(745.29)
Less : Transfer from General Reserve	26.84	170.28
Balance carried forward	(4200.96)	(2898.55)

OPERATIONS REVIEW :

During the year 2001-2002, the Company achieved Sales Turnover of Rs.1229.81 Lacs as against Rs.1886.87 Lacs during the previous year and earned PBIDT of Rs. 84.52 Lacs as against operational loss of Rs. 931.03 Lacs during the previous year. The company has achieved these results inspite of the fact that during the year 2001-2002, Murbad Plant was the only operational plant from various manufacturing units of the Company.

The Tarapur unit of the Company has stopped functioning due to high labour costs, underutilisation of capacity, unavailability of working capital funds and therefore a historic VRS settlement was signed with the Workers at Tarapur Works, which has ultimately resulted in reducing the wage bill of Rs 1.00 Crore per annum and the same will also be sine que non for eventual revival of the manufacturing operations of Tarapur Unit under the Comprehensive Debt Restructuring submitted to Banks/Financial Institutions.

FUTURE OUTLOOK :

Company's order position is improving and the Company is receiving continuous support from domestic and foreign buyers. The lead bank has provided support to the Company recently in the form of executing Letter of Guarantee / Letter of Credit for procurement of raw Marterial, which is many times more valuable than the mere amount of guarantee. It marks continued confidence of the Bankers in the management's credential.

All out efforts are being made for revival of the Company and restoration of its net worth. Efforts are being made to rope-in Investors who are internationally reputed manufacturer of FIBCs On crystalising the financial liability of the Company and once the debt restructural package is accepted by Financial Institutions / Banks, the investors may be interested in the investment opportunity with the Company.



TPI INDIA LIMITED

The Banks have given an opportunity to the Company to submit the proposal for revival under latest provisions of RBI in the form of Corporate Debt Restructuring Scheme (CDR). Accordingly the Company has submitted the detailed package of CDR to the Banks.

However a substantial reduction in the debt burden is necessary for revival of the Company and the Management is following up with the secured creditors for this purpose.

DIVIDEND :

In view of the losses suffered by the Company, your Directors are unable to recommend any dividend for the year ended 31st March, 2002.

FIXED DEPOSITS :

The Company has not accepted any 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.

DIRECTORS :

In accordance with the requirement of the Companies Act, 1956 and Articles of Association of the Company, Shri Hasamukh C. Parekh, Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. His reappointment is recommended.

Further during the year, Shri V. Ramesh Babu as director of the Company has been substituted by Shri Ramphool Meena. The Company places on record its sincere appreciation for the valuable service and guidance rendered by Shri V. Ramesh Babu as Director of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibilities Statement, it is hereby confirmed.

- (a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) that the directors have 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 profit or loss of the company for that period;
- (c) that the directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the directors have prepared the annual accounts on a going concern basis.

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

Particulars pursuant to Section 217(1)(e) of the said Act read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are given in the Annexure forming part of this report.

There were no employees covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as mentioned upto date, hence the particulars required in thereof are Nil.

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. They have furnished a Certificate to the effect that the re-appointment, if made, will be in accordance with Sub-Section (1B) of Section 224 of the Companies Act, 1956.

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



TPI INDIA LIMITED

Director's Report

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.

PROVISIONS OF SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985 :

As you are aware, in view of the accumulated loss of the Company having exceeded its net worth as at 31st March 2001, your Company was referred to the Board for Industrial and Financial Reconstruction.

EMPLOYEE RELATIONS :

Your Company believes that the employees are its biggest assets and it is committed to the development of this vital resource. Your Directors wishes to place on record its appreciation of the contribution made by all employees especially workers and workers Union at Tarapur for successfully implementing the VRS 'Scheme' which will ultimately lead to revival of the company.

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

CASH FLOW ANALYSIS :

In conformity with the provisions of Clause 32 of the Listing Agreement/(s), the Cash Flow Statement for the year ended 31st March 2002 is annexed hereto.

CORPORATE GOVERNANCE :

In view of the non applicability of corporate governance requirements as stipulated under Clause 49 of the Listing Agreement for the year, the same has not been reported.

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

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

H.C. PAREKH

Chairman & Managing Director

Place : Mumbai

Date : 12th August, 2002



Annexure to the Directors' Report

TPI INDIA LIMITED

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. Regular monitoring of consumption, efforts for increase of power factor and upto date maintenance.
 2. Adopted use of natural lights wherever possible.
 3. Improved operational methods helped in achieving better productivity which in turn reduced power consumption per unit of output.
 4. 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. NIL
- 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.

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 : 93.56

Foreign Exchange Used : 4.39

For and on behalf of the Board

H.C. PAREKH

Chairman & Managing Director

Place : Mumbai

Date : 12th August, 2002

**TPI INDIA LIMITED****Auditors' Report****TO THE MEMBERS OF TPI INDIA LIMITED**

We have audited the attached Balance Sheet of TPI India Limited as on 31st March, 2002 and also the annexed Profit & Loss Account for the year ended on that date and, 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.

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 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 the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.

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.

Further to our comments in the Annexure referred to in paragraph 4 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 non-compliance of Accounting Standard AS(15) issued by the Institute of Chartered Accountants of India in respect of Encashment of Leave to employees which is accounted on cash basis by the company.
- e. On the basis of information received from directors of the company as at 31st March, 2002 and taken on record by the Board of Directors, we report that no such director is disqualified from being appointed as a directors, we report that no such director is disqualified from being appointed as a director of the company under clause (g) of Section 274(1) of the Companies Act, 1956.
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to :
 - (i) Note No.15 of Schedule-U in respect of valuation of Capital work-in progress of abandoned projects.
 - (ii) Note No.17 of Schedule-U in respect of provision for doubtful debts amounting to Rs.1239 lacs not made in the accounts due to which the loss would have been higher by Rs.1239 lacs.
 - (iii) Note No.18 of Schedule-U in respect of preparation of accounts on the basis of "going concern".
 read together with the notes thereon 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.
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2002 and
 - ii. In the case of the Profit & Loss Account, the loss of Company for the year ended on that date.

For M. G. Dhankot & Co.
Chartered Accountants

(M.G. Dhankot)
Proprietor

Mumbai, Dated : 12th August, 2002



Annexure to the Auditors Report

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 Fixed 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 intervals during the year in respect of raw materials finished goods, work-in-progress spare parts and stores at all locations (except stock being with the third parties and in transit)
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 and as per Accounting standard-2 in respect of Valuation of inventories pronounced by The Institute of Chartered Accountants of India.
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 and / or from companies under the same management as defined under sub section (1-B) 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 and/or to 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. In our opinion, adequate provisions have been made in the financial statements for the loss arising in respect of such items.
13. In our opinion and according to the explanations and information given to us, the company has complied with the provisions of Section 58 A of the Companies Act, 1956 and companies (Acceptance of Deposit) rules, 1975 framed there under with regards to deposits accepted.
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 internal audit system is adequate and is commensurate with size