



TPI INDIA LIMITED

21ST
ANNUAL REPORT
2002-2003

TPI INDIA LIMITED**TPI**

BOARD OF DIRECTORS : H. C. Parekh Chairman & Managing Director
 B. C. Parekh Executive Director
 R. P. Meena Nominee Director (IDBI)

AUDITORS : M. G. Dhankot & Co.
 Chartered Accounts

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 & F-54
 M. I. D. C. Industrial Area,
 Murbad, Dist. Thane.

J-61, Additional M. I. D. C.,
 Murbad, Dist. Thane.

Gangadhara (T.V. Rly.)
 Taluka Palsana, Dist. Surat,
 Gujarat - 394 310.

TPI**TPI INDIA LIMITED****NOTICE :**

NOTICE is hereby given that the **TWENTY FIRST 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 20th day of September, 2003 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, 2003 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 modifications, the following resolution as a Special Resolution:

"**RESOLVED THAT** subject to the provisions of SEBI (Delisting of Securities Guidelines), 2003, the Listing Agreement and all other relevant laws, regulations and guidelines including any statutory modifications or re-enactment thereof for the time being in force and subject to such approvals, permissions and sanctions as may be prescribed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the Board to get the Equity Shares of the Company delisted from the Ahmedabad Stock Exchange, Delhi Stock Exchange and Calcutta Stock Exchange.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof exercising the powers conferred by the Board) be and is hereby authorized to agree to such terms and conditions which they may consider appropriate and to do all acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable to delist the Equity Shares of the Company from the Ahmedabad Stock Exchange, Delhi Stock Exchange and Calcutta Stock Exchange and to execute all such deeds, documents, writings as may be necessary or expedient and for this purpose to delegate the authority to the Managing Director or any person whom the Managing Director may consider suitable to do various acts, deeds and things required to be done in this behalf."

Place : Mumbai
Date : 20-08-2003

By Order of the Board
for TPI INDIA LIMITED

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

BHARAT C. PAREKH
(Executive Director)

TPI INDIA LIMITED**TPI****NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The explanatory statement setting out the material facts concerning the special business mentioned under item Nos. 4 of the Notice as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and the Shares Transfer Books of the Company will be closed from Friday, the 12th day of September, 2003 to Saturday, the 20th day of September, 2003 (both days inclusive).
4. The members are requested to :
 - (a) Quote ledger folio numbers / DP Identity and Client Identity Numbers in all their correspondences;
 - (b) Approach the Company for consolidation of folios, if shareholdings are under multiple folios;
 - (c) Get the shares transferred in joint names, if they are held in single name to avoid inconvenience;
 - (d) Bring their copies of the Annual Report and the Attendance Slip duly filled in for attending the Annual General Meeting;
 - (e) Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Company at the registered office address so as to reach at least seven days before the date of the Meeting, to enable the information required to be made available at the Meeting, to the best extent possible.
5. Pursuant to Section 205A of the Companies Act, 1956, the amount of dividend for the financial year ended 31st March, 1996 and thereafter remaining unpaid or unclaimed for a period of seven years shall hereafter be transferred to the Investor Education and Protection Fund of the Central Government (the "Fund")

It may please be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund, as above, no claim shall lie against the Fund or the Company in respect of the individual amounts which were unclaimed and unpaid for a period of seven years from the date that they first became due for payment and no payment shall be made in respect of any such claims.

TPI**TPI INDIA LIMITED**

**Explanatory Statement In Respect Of Items No 4 Of The Notice Pursuant
To Section 173(2) Of The Companies Act, 1956.**

The Equity Shares of the Company are presently listed at The Stock Exchange, Mumbai (the Regional Stock Exchange) and the Ahmedabad Stock Exchange, The Calcutta Stock Exchange and the Delhi Stock Exchange. Since last five years, the volume of trading of the Company's shares at the Ahmedabad Stock Exchange, Calcutta Stock Exchange and the Delhi Stock Exchange has reduced considerably, which does not justify payment of considerable listing fees and other expenses which the Company is incurring.

Further the SEBI has now relaxed the delisting norms whereby if the Equity Shares of the Company are listed on any nation wide stock exchange i.e. The Stock Exchange, Mumbai and / or the National Stock Exchange of India, then through a special resolution the Equity Shares of the Company can be de-listed on any other stock exchanges.

Therefore the Board of Directors have decided to get the shares de-listed from the above mentioned Ahmedabad Stock Exchange, Calcutta Stock Exchange and the Delhi Stock Exchange in accordance with the applicable laws, rules, regulations and guidelines.

As required by the SEBI (De-listing of Securities Guidelines),2003 and the provisions of the listing agreement and other applicable laws, the Company seeks your approval by way of special resolution for de-listing the Equity Shares of the Company from the Ahmedabad Stock Exchange.

Shareholders / Investors in these regions will not suffer due to de-listing since the Equity Shares of the Company will continue to be traded on the Stock Exchange, Mumbai which is having nation wide presence.

None of the Directors of the Company is interested or concerned in the resolution.

Place : Mumbai
Date : 20-08-2003

By Order of the Board
for TPI INDIA LIMITED

BHARAT C. PAREKH
(Executive Director)

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

TPI INDIA LIMITED**TPI****DIRECTORS' REPORT**

Dear Members,

Your Directors present their Twenty First Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2003. The summarized financial results are given below.

FINANCIAL RESULTS :

	2002-2003 (Rs. in Lacs)	2001-2002 (Rs. in Lacs)
Sales and Other Income	1073.66	1242.35
Profit/(Loss) Before Interest, Depreciation, Amortisation, Extraordinary/Exceptional Items and Tax	20.80	84.52
Less : Interest	1383.46	1131.75
Depreciation on Fixed Assets	117.83	119.81
Amortisation of Deferred Revenue Expenses	57.60	57.60
Preliminary & Issue Expenses W/off	0.51	0.73
Profit / (Loss) before Extraordinary / Exceptional Items and Tax	(1538.60)	(1225.39)
Less : Extra Ordinary Items		
Project Abandoned W/Off A/c	0	103.62
Prior Years' Adjustments	13.48	0.24
Profit / (Loss) before Tax	(1525.12)	(1329.25)
Less : Provision for Taxation	Nil	Nil
Add : Profit/(Loss) B/F from Previous Year	(4200.96)	(2898.55)
Less : Transfer from General Reserve	0	26.84
Balance Carried Forward	(5726.08)	(4200.96)

OPERATIONS REVIEW :

During the year 2002-2003, the Company achieved Sales Turnover of Rs. 1061.89 Lacs as against Rs. 1229.81 Lacs during the previous year and earned PBIDT of Rs. 20.80 Lacs. The Company has achieved these results on 35% utilisation of production capacity of Murbad Works. The Company has stopped incurring operational losses inspite of the fact that during the year 2002-2003, 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.

TPI**TPI INDIA LIMITED****FUTURE OUTLOOK :**

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 crystallising the financial liability of the Company and once the debt restructuring package is accepted by Financial Institutions / Banks, the investors may be interested in the investment opportunity with the Company.

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, 2003.

FIXED DEPOSITS :

The Company has accepted unsecured loans to meet the working capital requirements of the Company. The acceptance of said unsecured loans has resulted into non compliance with Section 58A of the Companies Act, 1956 as the entire net worth of the Company has been eroded.

The business considerations has forced the Company to avail unsecured loans. The Management is of the opinion considering that the Company being under BIFR purview, the consequences associated with Section 58A of the Companies Act, 1956 will be diluted.

DIRECTORS :

In accordance with the requirement of the Companies Act, 1956 and Articles of Association of the Company, Shri Bharat 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.

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 judgements 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.

TPI INDIA LIMITED**TPI****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 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 and the companies application has been registered as Case No. 277/2001 and the same is pending in appeal with Appellate Authority of Industrial and Financial Reconstruction vide appeal No. 240/03.

CORPORATE GOVERNANCE :

Clause 49 of the Listing Agreement requires the Company to comply with certain corporate governance requirements. Your Directors would like to state that at present the Company has been referred to BIFR and remedial actions are being awaited. During the process, the Company is finding it difficult to appoint independent professional directors and hence the Company is not in a position to implement the provisions of clause 49 of the listing agreement.

However all sincere efforts are being made to comply with Clause 49 of the Listing Agreement.

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 at Tarapur @ workers Union at Tarapur.

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, 2003 is annexed hereto.

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 and The Federal 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

Place : Mumbai

Date : 20-08-2003

H. C. PAREKH
Chairman & Managing Director

TPI**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. 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	:	Rs. 9,487,353/-
Foreign Exchange Used	:	Rs. 174,002/-

For and on behalf of the Board

Place : Mumbai
Date : 20-08-2003

H. C. PAREKH
Chairman & Managing Director

TPI INDIA LIMITED**TPI****AUDITORS' REPORT****TO THE MEMBERS OF TPI INDIA LIMITED**

We have audited the attached Balance Sheet of TPI India Limited as on 31st March, 2003 and also the Profit & loss Account and the Cash Flow Statement for the year ended on that date annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility 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 for 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 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 and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion the Balance Sheet and the Profit and Loss account and the Cash Flow Statement 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, 2003 and taken on record by the Board of 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. 14 of Schedule-U in respect of valuation of Capital work-in-progress of abandoned project.
 - (ii) Note No. 16 of Schedule-U in respect of provision for doubtful debts amounting to Rs. 1234.17 lacs not made in the accounts due to which the loss would have been higher by Rs. 1234.17 lacs.
 - (iii) Note No. 17 of Schedule-U in respect of preparation of accounts on the basis of going concern read together with the other 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, 2003
 - ii) In the case of the Profit & Loss Account, the loss of the Company for the year ended on that date,

AND

- iii) In the case of the Cash Flow Statements, of the cash flows for the year ended on that date,

FOR M.G.DHANKOT & CO.
Chartered Accountants

PLACE : MUMBAI
DATED : 20TH AUGUST, 2003

M.G. DHANKOT
PROPRIETOR