



***TPI* INDIA LIMITED**

**32nd  
ANNUAL REPORT  
2013-2014**

BOARD OF DIRECTORS : B. C. Parekh Managing Director  
Ishan D. Selarkar Non-Executive Director  
Akshay Bhatt Independent Director  
Sandeep Poddar Independent Director

AUDITORS : M/S. B. R. DALAL & CO.  
Chartered Accountants

BANKERS : Union Bank of India  
Kokan Mercantile Co-op. Bank Ltd.

FINANCIAL INSTITUTIONS : SICOM Investment & Finance Ltd.

REGISTERED OFFICE : J-61, Additional M. I. D. C. Area  
Murbad, Dist. Thane.  
CIN : L28129MH1982PLC026917

REGISTRAR AND  
TRANSFER AGENT : BIGSHARE Services Private Limited  
E-2/3, Ansa Industrial Estate,  
Saki Vihar Road,  
Saki Naka, Andheri East,  
Mumbai 400 072  
Tele : 022-2847 0652 / 022-40430200  
Email : info@bigshareonline.com

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

F-4 M. I. D. C. Industrial Area,  
Murbad, Dist. Thane.

**DIRECTOR'S REPORT**

To,  
The Members,  
TPI INDIA LIMITED

Your Directors are pleased to present the Thirty Second Annual Report together with the audited financial statements for the year ended 31<sup>st</sup> March, 2014.

(Rs. in Lacs)

FINANCIAL RESULTS :	Year ended 31.03.2014	Year ended 31.03.2013
Total Income	2310.25	2100.41
Total Expenditure	2018.37	1774.20
Profit/(Loss) before Interest, Depreciation, Amortisation Exceptional Items	291.88	326.21
Less : Interest	204.39	222.78
Depreciation	77.95	76.82
Profit / (Loss) before Exceptional Item & Tax	9.56	26.61
Add : Exceptional Items	0.73	Nil
Profit / (Loss) Before Tax	8.81	26.61
Less : Provision for Taxation	Nil	Nil
Profit / (Loss) After Tax	8.81	26.61

**DIVIDEND :**

In view of the accumulated losses and to conserve resources for the business of the Company, the Board of Directors of your Company regret their inability to recommend any dividend for the year ended 31<sup>st</sup> March, 2014

**OPERATION REVIEW :**

The Indian economy has been plagued by persistent slow down since 2012. The Combination of domestic and global factors are responsible for down turn, spiraling inflation and rising interest rates over past few years have subdued both investment and demand.

Operating in volatile and uncertain environment, your Company demonstrated the resilience of its business model. Despite of these constraints and challenging environment, the company performed reasonably well and the highlights of the performance are as under :

- The total income of Rs. 2310.25 lacs during the year against Rs. 2100.41 lacs during the previous year.
- The Operational Profit before interest and depreciation and interest for the year under review is Rs. 291.88 lacs as against Rs. 326.21 lacs during the previous year.

**FUTURE OUTLOOK:**

The Company's motto is to establish long term relationship with its vendors and includes them in its growth plan. The macro-economic environment began to show sign of recovery. In the emerging market to contrast struggled for sustaining growth rate and deal with inflationary pressure, your company looks forward to move moderate growth path.

With the Net worth of the Company becoming positive and finalization of Long Term Business and Investment Plan, your Company looks forward promising and challenging FIBCs business in the years to come.

With new petrochemical complexes being set up such as Hindustan Energy Mittal Limited (HEML) and expansion of existing manufacturer like IOCL, Reliance Industries Limited, the demand for Kraft Lined Bags is also going to increase.

#### **FIXED DEPOSITS :**

The Company had accepted unsecured loan to meet the working capital requirement of the Company. The acceptance of said unsecured loan has resulted into non-compliance with section 58A of the Companies Act, 1956. The business circumstances has forced the Company to avail unsecured loan. The Management is of the opinion that considering the Company being under BIFR purview, the consequences associated with contravention of section 58A of the Companies Act, 1956 will be diluted.

#### **DIRECTORS:**

Pursuant to the provisions of section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Ishan D. Selarka was appointed as an additional Director designated as Non-Executive Promoter with effect from 14<sup>th</sup> November, 2013 and he shall hold office upto the date of ensuing Annual General Meeting. The Company has received requisite notice in writing from member proposing Mr. Ishan D. Selarka for the appointment.

Mr. Sandeep Podar retires by rotation and being eligible offer himself for re-appointment.

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement u/s 217(2AA) of the Companies Act, 1956, with respect to Director's Responsibility Statement, it is confirmed:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to the material departures.
- that the Directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give 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.
- 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.
- that the Directors have prepared the annual accounts on a going concern basis.

#### **PERSONNEL :**

There were no employees covered u/s 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

#### **ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:**

Particulars pursuant to section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 are given in the Annexure forming the part of this Report.

#### **AUDITORS:**

M/s B. R. Dalal & Co. Chartered Accountants, retires at the conclusion of the forthcoming Annual General Meeting and have expressed their willingness to continue as Statutory Auditor for the Financial Year 2014-15. The relevant certificate to the effect that their appointment, if made, will be in pursuant to section 224(1B) of the

Companies Act, 1956 has been received. The resolution for their re-appointment is being submitted to the Annual General Meeting.

**AUDITORS' REPORT:**

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

**SICK INDUSTRIAL COMPANY:**

As informed earlier, the Company had been declared as Sick Industrial Company u/s 3(i)(c) of Sick Industrial Companies (Special Provision) Act, 1985, at BIFR hearing held on 12<sup>th</sup> December, 2005 and IDBI was appointed as Operating Agency.

At the hearing held on 1<sup>st</sup> September, 2010 BIFR has approved the Rehabilitation Scheme under reference SS-10. The IDBI has been appointed as Monitoring Agency and Monitoring Committee has been constituted for review and appraisal

At the direction of BIFR in the hearing held on 19<sup>th</sup> March, 2013, the Company had submitted Modified Draft Rehabilitation Scheme and all the clarification & explanation with regards to said MDRS had been submitted through IDBI, Monitoring Agency to BIFR. The next hearing is scheduled on 30<sup>th</sup> July, 2014 on the MDRS. In the mean time, the Company has moved Miscellaneous Application for the requisite approval of BIFR for allotment of equity shares to SICOM Investment and Finance Ltd for their investment of Rs. 300 lac.

**CORPORATE GOVERNANCE:**

A report on the Corporate Governance is annexed hereto and forms part of this Report.

**HUMAN RESOURCES DEVELOPMENT:**

Talent Management, leadership development and succession planning are the major focus areas for the Company. Your Company have been focusing on acquiring and retaining the talent with requisite competencies. The Company is committed to create an appropriate climate, opportunities and systems to facilitate identification, development and utilization of their full potential. The Company provide in house training to its workers.

The Management of the Company enjoys cordial relations with its employee at all levels. The Board of Directors wish to place on record its highest appreciation for the contribution made by all the employees in achieving growth of the Company

**CASH FLOW STATEMENT:**

In conformity with the clause 32 of the Listing Agreement, the Cash Flow Statement for the year ended 31<sup>st</sup> March, 2014 is annexed hereto.

**ACKNOWLEDGEMENT:**

Your Directors place on record their appreciation for the assistance and co-operation extended by SICOM Ltd. SICOM Investment and Finance Limited (SIFL), Kokan Mercantile Co-op. Bank Ltd., Union Bank of India and all the government authorities. 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: 30th May, 2014

B. C. Parekh  
CHAIRMAN

**ANNEXURE TO THE DIRECTORS' REPORT**

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

**A. CONSERVATION OF ENERGY:**

- i) Energy Conservation measure taken:
  1. Regular monitoring of consumption, efforts for increase in Power Factor and upto date maintenance.
  2. Adopted natural lights wherever possible
  3. Improved operation methods helped in achieving better productivity which in turn reduce the Power Consumption.
  4. Greater employee awareness made about need of energy conservation which in turn resulted in switching off lights, fans and machinery when not required.
- ii) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy :- NIL
- iii) Impact of the measures at (a) and (b) above for reduction of energy conservation and consequent impact on the production of goods. However the said impact has not been measured.

**B. TECHNOLOGY ABSORPTION:****i) RESEARCH & DEVELOPMENT**

The Company continues to lay emphasis on improving quality, upgradation of existing formulations, minimizing dependence on scarce and improved raw materials

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

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

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

**ii) TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION**

- 1) Efforts in brief made towards technology absorption, adoption and innovation. The Technology imported has been fully absorbed.
- 2) Benefit derived as a result of the above efforts: The FIBC's manufactured with imported technology facilitate bulk transport of materials. The FIBC's have good export potential.
- 3) Technology imported during the last five years : NIL.

**C. FOREIGN EXCHANGE EARNING AND OUTGO:**

	(Rs. In lacs)	
	31.3.2014	31.3.2013
Foreign Exchange Earned :	Nil	Nil
Foreign Exchange Outgo :	Nil	Nil

For and on behalf of the Board

Place : Mumbai  
Date : 30th May, 2014

B. C. Parekh  
Chairman

**REPORT ON CORPORATE GOVERNANCE**

Your Directors submit their report on the Corporate Governance of the Company for the Financial year 2013-2014.

**COMPANYS' PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company Philosophy on Corporate Governance is to adopt internal and external measures to increase the level of transparency and accountability and to respect the laws of land & rights of stakeholders and to uphold at all times fundamental values of accountability, probity and transparency. Your Company has been declared as Sick Industrial Company under section 3(i)(c) of Sick Industrial Companies (Special Provision) Act, 1985 and at the BIFR hearing held on 1<sup>st</sup> September, 2010. BIFR has approved the Rehabilitation Scheme under reference SS-10. The IDBI has been appointed as Monitoring Agency and Monitoring Committee has been constituted for review and appraisal. Due to vicious cycle of liquidity crunch and lower capacity utilization, your Company stands to meet its commitments of Corporate Governance to a limited extent. As a productive step, your Company has implemented the code of Corporate Governance as stipulated in the Listing Agreement and report in line with is given below:

**MANAGEMENT DISCUSSION:**

The Company had moved Miscellaneous Application before BIFR for Reduction of Capital and Equity subscription by SIFL. Both the Application was heard on 19<sup>th</sup> March, 2013 and BIFR has allowed Reduction of Capital by 90% with reduction in the face value of share from Rs. 10/- each to Re. 1/- each and directed the Company to submit Modified Draft Rehabilitation Scheme (MDRS) for considering Equity subscription by SIFL. The Company is in the process of finalizing and submitting MDRS to BIFR.

Further, during the year SICOM Investment & Finance Ltd (SIFL) has subscribed for Preference upto Rs. 500.00 Lacs and Equity Shares upto Rs. 300.00 Lacs and appropriated of subscription amount towards its Debts and Promoters' contribution of Rs. 350.00 lacs under Sanctioned Scheme of BIFR has been converted into equity capital with allotment of Equity shares. With the above development, the Debt Equity ratio has improved as well as the Net Worth of the Company is also getting positive on allotment of subscribed Equity by SIFL. Consequentially now the Company is in the position to borrow funds from nationalized banks at normal rate of interest.

**BOARD OF DIRECTORS:**

The Board of Directors comprises of Two Executive Directors and Two Independent Non-Executive Directors. During the financial year 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March 2014, Board Meetings were held on 29<sup>th</sup> May, 2013, 14<sup>th</sup> August, 2013, 14<sup>th</sup> November, 2013 and 10<sup>th</sup> February, 2014

The Composition of the Board of Directors and their attendance at the meetings during the year and at the last Annual General Meeting as also number of the other Directorship/Membership of Committees are as follows:

Name of the Director	Category of Directorship	No. of Board Meeting attended	Attendance of last AGM	No. of Other Directorship		
					Member	Chairman
Mr. B. C. Parakh	ED	4	YES	—	—	—
Mr. Ishan D. Selarka	NED	4	YES	—	—	—
Mr. Akshay Bhatt	NED	4	YES	—	—	—
Mr. Sandeep Poddar	NED	4	YES	—	—	—

NED – Non-Executive Director

ED – Executive Director

**Audit Committee:**

The Audit Committee consist of Mr. B.C. Parekh – Executive Director, Mr. Akshay Bhatt and Mr. Sandeep Poddar as Members.

The Audit committee met on 29th May, 2013, 14<sup>th</sup> August, 2013, 14th November, 2013 and 10<sup>th</sup> February, 2014 to overseas the general accounting practice and other management policies.

**Remuneration Policy and Details of Remuneration Paid:**

During the year under review, the Company has not paid any remuneration to Directors.

**Share Transfer Committee/Investor Grievance Committee:**

Shareholder's Grievance Committee was constituted to look into shareholder's/Investor's grievance relating to transfer/transmission of shares, non-receipt of Dividend/Annual Reports, duplicate share certificate & other related matter. The Shareholder/Investor Grievance committee has been constituted under the chairmanship of Mr. B.C. Parekh with Mr. Akshay Bhatt and Mr. Sandeep Poddar.

**Name & Designation of Compliance Officer:**

Mr. B.C. Parekh  
102 Atlanta  
Nariman point  
Mumbai 400 021

**GENERAL BODY MEETINGS:**

Financial Year	Date	Venue
1st April 2010 to 31 <sup>st</sup> March 2011	Saturday, 9 <sup>th</sup> day of July, 2011 at 11.00 a.m.	Plot No. J-61, Additional MIDC Area, Murbad, Dist.Thane
1st April 2011 to 31 <sup>st</sup> March 2012	Wednesday, 26 <sup>th</sup> day of September, 2012 at 11.00 a.m.	Plot No. J-61, Additional MIDC Area, Murbad, Dist.Thane
1st April 2012 to 31 <sup>st</sup> March 2013	Saturday, 28 <sup>th</sup> day of September, 2013 at 11.00 a.m	Plot No. J-61, Additional MIDC Area, Murbad, Dist.Thane

**DISCLOSURES:**

The related party transactions are reported in the notes to the Accounts of this Annual Report.

**MEANS OF COMMUNICATION:**

Quarterly results have been communicated to Bombay Stock Exchange Limited where the shares of the Company's is listed and the same has been published in Two Newspaper-Free Press Journal (in English) and Nav Shakti (in Marathi) in terms of the requirement of Listing Agreement. Annual Reports are dispatched to all the shareholders.

**SHAREHOLDER INFORMATION:**

1. Financial Year : 1st April 2013 to 31st March, 2014
2. Dividend Payment Date : NIL
3. Stock Exchanges : Bombay Stock Exchange Limited, Delhi Stock Exchange and Ahmedabad Stock Exchange
4. Market Price Data : The Shares of the Company are suspended for some technical reason. Hence the Share price data could not be furnished.



5. Dematerialization of Shares : As per the directive of the Stock Exchange, the Company's shares are dematerialized.
6. Registered Office : Plot No. J-61, Additional MIDC Area, Murbad,  
Dist Thane, Maharashtra.
7. Share Transfer Agent : BIGSHARE Services Private Limited  
E-2/3, Ansa Industrial Estate, Saki Vihar Road,  
Saki Naka, Andheri East, Mumbai 400 072.  
Tele : 022-2847 0652 / 022-40430200  
Email : info@bigshareonline.com
8. Demat Arrangement : NSDL and CDSL
9. ISIN : INE578C01013
10. BSE Stock Code : 500421

**MANAGEMENT DISCUSSION AND ANALYSIS****OVERALL REVIEW, INDUSTRY STRUCTURE AND DEVELOPMENTS:**

Presently the Company is engaged in manufacturing of FIBC and Kraft Lined Paper Bags at its Murbad unit. GRIEF has underwritten entire capacity for FIBC Bags at J-61, plant at Murbad and TPI has entered into job-work arrangement with GRIEF for FIBC bags due to lack of working capital. The World wide market for FIBCs is estimated at approximately 240 million bags per annum out of which GRIEF alone has 10% share through its activities in 28 countries. The Indian market is also growing very fast though the current size is only about 4 million bags per annum and this market is expected to go upto more than 12% p.a.

**OPPORTUNITIES AND THREAT**

Under the Job Work arrangement with GRIEF, the Company is getting opportunity to operate at its optimum level of its installed capacity and machines & equipments at factory are remained at upgraded conditions. Further with manufacturing of Kraft Lined Paper Bags (KLB) under own sale, the Company is retaining its identity in the market.

Entry of New Competitors in FIBCs to cater increased demand in domestic market due to slow down in the Global Market. Expansion of existing capacities and new manufacturing locations close to customer and competitive pricing to get more business.

**SEGMENT WISE PERFORMANCE**

Presently the Company deal in only one segment which is manufacturing of packaging items.

**FUTURE OUTLOOK**

The Company is proposing to convert its Job-Work arrangement into own sale. Further with the reduction of capital and financial engineering / structuring, Net-worth of the Company will become positive and then the Company is proposing to undertake extended expansion in its capacity with the capital required outlay. Thus through the intrinsic strength of its association with GRIEF, improved productivity, increase in the installed capacity and better capacity utilization, the Company can achieve a sustained growth over the years to come. Further with low cost and productive manufacturing support centre to GRIEF, the Company can help in increasing their share in India as well Globally.

**INTERNAL CONTROL SYSTEM**

The Company adequate internal control systems, which provide, among other things, reasonable assurance of recording the transaction of its operations in all material respects and provide protection against significance misuse of loss of Company's assets.