

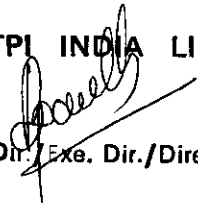


***TPI* INDIA LIMITED**

17th

**ANNUAL REPORT
1998-99**

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.

SHARE TRANSFER AGENT

Computronics Financial Services (I) Ltd.
1, Mittal Chambers
Nariman Point
Mumbai 400 021.



TPI INDIA LIMITED

NOTICE is hereby given that the Seventeenth 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 7th day of August, 1999 at 11.30 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, 1999 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 declare Dividend on the Equity Shares for the year ended 31st March, 1999, subject to the approval of Financial Institutions and Banks.
3. To appoint a Director in place of Mr. Sanjay H. Parekh, who retires by rotation and being eligible, offers himself for reappointment.
4. 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:

5. To consider and, if thought fit to pass with or without modification, the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of Section 61 of the Companies Act, 1956 and subject to such other approvals and permissions as may be necessary, the Consent of the Members of the Company be and is hereby given to delist the Equity Shares of the Company from Delhi, Calcutta and Ahmedabad Stock Exchanges.
RESOLVED FURTHER THAT the Executive Director of the Company be and is hereby authorised to comply with the necessary formalities for delisting the Equity Shares of the Company from Delhi, Calcutta and Ahmedabad Stock Exchanges."

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: 14th June, 1999

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. 5 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 Tuesday, the 27th day of July, 1999 to Saturday, the 7th day of August, 1999 (both days inclusive).
- (e) The dividend, if sanctioned and approved by the Financial Institutions and Banks will be made payable on and after 18th September, 1999 to those Members whose name stand on the Register of Members on 7th August, 1999.
- (f) 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.
- (g) 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 Share Transfer Agent for consolidation of all such shareholding into one folio to facilitate better services.
- (h) 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.
- (i) Members are requested to intimate the change of address, if any, to the Company and/or to the Share Transfer Agent of the Company immediately.



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

As per the terms of the Prospectus issued in respect of Equity Shares of the Company to the Public, the Company had listed its Equity Shares with Mumbai (Regional Stock Exchange), Delhi, Calcutta and Ahmedabad Stock Exchanges. However it has been observed that the Equity Shares of the Company were hardly quoted / traded on the Delhi, Calcutta and Ahmedabad Stock Exchanges from the date of the Listing. As the general purpose of listing i.e. liquidity with these Exchanges is not served, your Directors recommend to delist the Company's Equity Shares from Delhi, Calcutta and Ahmedabad Stock Exchanges.

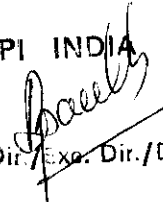
None of the Directors is interested in the said Resolution.

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: 14th June, 1999

FOR TPI INDIA LIMITED

Mg. Dir./Exe. Dir./Director,



TPI INDIA LIMITED

Dear Members,

Your Directors present their Seventeenth Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March, 1999.

FINANCIAL RESULTS:

	1998-99 (Rs. in Lacs)	1997-98 (Rs. in Lacs)
Sales and Other Income	5685.25	5449.91
Profit Before Interest, Depreciation and Tax	586.85	997.52
Less: Interest	554.62	616.99
Depreciation on Fixed Assets	115.44	91.46
Provision for Taxes	Nil	24.57
Prior Years' Adjustments	7.59	2.25
Profit before Extraordinary items	(90.80)	262.25
Less: Foreign Exchange Fluctuation	58.79	55.04
Shortfall in Insurance Claim	11.42	Nil
Net Profit/(Loss)	(161.01)	207.21
Add: Profit brought forward from Previous year	340.07	259.88
Amount Available for Appropriations	179.06	467.09
Less: Appropriations		
(i) Transfer to General Reserve	Nil	25.00
(ii) Proposed Dividend on Preference Shares	Nil	15.37
(iii) Proposed Dividend on Equity Shares	19.43	77.38
(iv) Tax on Dividend	2.14	9.27
Leaving a balance to be carried forward	157.49	340.07

OPERATIONS REVIEW:

Fiscal 1998-99 has not been a happy experience for the Company. Non-performing projects (Paper Mill at Surat), liquidity constraints, high cost of interest have taken heavy toll of the Company's financial strengths. As a result, your Directors regret to advise that working results of the Company reveals a cash loss of Rs. 37.98 Lacs and after providing depreciation and write off of Rs. 115.44 Lacs and Rs. 7.59 Lacs respectively, a net loss of Rs. 161.01 Lacs.

Your Directors are confident to report improved performance for the Current Year as a result of cost saving measures.

CONTRIBUTION TO EXCHEQUER:

The Company has paid Rs. 765.43 Lacs to the Government Exchequer by way of Excise Duty, Sales Tax and Income Tax.

DIVIDEND:

Your Directors regret to maintain past dividend track record of the Company in view of the loss incurred. However as a token of goodwill gesture, your Directors recommend a dividend of 30 Paise per Equity Share (Rs. 1.20 per Equity Share for the Previous Year) aggregating to Rs. 19.43 Lacs and nil dividend on 2,50,000 12% Cumulative Convertible Preference Shares of Rs. 100/- each.

The Equity Shares arising out of conversion of Preference Shares are entitled for *pro rata* dividend. Further the dividend payment is subject to the approval of Financial Institutions and Banks.

The total outgo on account of Equity Dividend would be Rs. 21.57 Lacs including Corporate Tax on Dividend as against Rs. 102.02 Lacs in the previous year ended 31st March, 1998 (including dividend on Preference Shares).

CONVERSION OF 12% 2,50,000 CUMULATIVE CONVERTIBLE PREFERENCE SHARES:

The promoters of the Company had brought in Rs. 250 Lacs by way of further participation in the Share Capital of the Company for strengthening Capital Base of the Company for meeting its capital expenditure programmes undertaken during the last few years.

The promoters had been allotted 2,50,000, 12% Cumulative Convertible Preference Shares of Rs. 100/- on 26th day of September, 1997, which got converted into 15,15,150 Equity Shares of Rs. 10/- each on 25th March, 1999 at a premium of Rs. 6.50 per Equity Share, in conformity with the guidelines prescribed by SEBI on the subject. The said Equity Shares are not transferable for a period of



TPI INDIA LIMITED

three years upto 24th March, 2002. The promoters have been allotted these Equity Shares at a price of Rs. 16.50 per Equity Share as compared to prevailing market price of about Rs. 8.00 per Equity Share.

FIXED DEPOSITS:

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

DIRECTORS:

Mr. Sanjay H. 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.

SICOM Limited withdrawn the nomination of Mr. Ketan P. Gupte as its Nominee Director, as all its outstanding loans were fully repaid during the last year.

Further Mr. Anand S. Bhatt, Mr. Arun P. Sheth and Mr. K. G. Toolsidass, all directors of the Company resigned due to their pre-occupation.

The Board of Directors places on record its appreciation for the valuable services rendered by them during their tenure as Directors of the Company.

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(2-A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and 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 Annexures forming part of this report.

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. 4 of the Notice of the Annual General Meeting. Your Directors recommend their re-appointment.

EMPLOYEE RELATIONS:

Your Directors wishes 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 and growth of the business 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, SICOM, 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 TPI INDIA LIMITED

For and on behalf of the Board

Place: Mumbai, Dated: 14th June, 1999

Mg. Dir./Exc. Dir./Director,

H.C. PAREKH
Chairman & Managing Director



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	559.79



TPI INDIA LIMITED

Statement of Particulars of Employees pursuant to the provision of Section 217(2-A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Name, Qualification Age	Designation	Gross Remuneration	Experience (Years)	Date of Commencement of Employment	Last Employment
Mr. Has Mukh C. Parekh B.Com. 56 Years	Chairman and Managing Director	4,87,129	35	1st February, 1982	Warden & Co. (P) Limited
Mr. Bharat C. Parekh B.Com. 36 Years	Executive Director	4,06,081	13	2nd May, 1986	Not Applicable
Mr. Sanjay H. Parekh B.Com. 29 Years	Wholetime Director	3,26,220	05	31st May, 1994	Not Applicable

Notes.

1. Terms of Employment of the above employees are contractual.
2. Remuneration includes salary, house rent allowance and other perquisites.

For and on behalf of the Board

Place : Mumbai
Date : 14th June, 1999

H.C. PAREKH
Chairman & Managing Director



TO THE MEMBERS OF TPI INDIA LIMITED

We have audited the attached Balance Sheet of TPI India Limited as on 31st March, 1999 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 and to the best of our information and according to the explanations given to us, the said accounts 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, 1999 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

Mumbai
Dated: 14th June, 1999

(M.G. Dhankot)
Proprietor

ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in paragraph 1 of the Auditors' Report to the members of M/s. 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. The Basis of valuation of stocks is the same as in the preceding year.
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.



TPI INDIA LIMITED

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. Adequate provision has been made in the accounts for the loss on the items so determined.
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.
16. Maintenance of cost records has not been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 for any of the products of the Company, except Paper at Surat unit for which we have been informed by the management that the cost audit records were under compilation since trial production was carried out during the year.
17. Except delays on certain occasions, the Company has been generally regular in depositing the Provident Fund dues with appropriate authorities.
18. According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth-tax, custom duty and excise duty were outstanding, as at 31st March, 1999 for a period of more than six months from the date they became payable.
19. According to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
20. The Company is not a sick industrial unit within the meaning of clause (o) of Sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
21. In respect of the Company's trading activity, we are informed that there are no damaged goods.
22. In respect of service activities, the Company has a reasonable system of recording receipts, issues and consumptions of materials and stores commensurate with the size and nature of its business. The Company has reasonable system of authorisation at proper levels with the necessary control of the issues of stores. Though, the allocation of materials and man hours consumed is not made to relative jobs, there is in our opinion, an adequate system for internal control in respect of service activity which is commensurate with the size of the Company and the nature of its business.

FOR TPI INDIA LIMITED

Mumbai
Dated: 14th June, 1999

Mg. Dir./Exe. Dir./Director,

For M.G. Dhankot & Co.
Chartered Accountants

(M.G. Dhankot)
Proprietor



	Schedule	1998-99		1997-98	
		Rs.	Rs.	Rs.	Rs.
I. SOURCES OF FUNDS					
1. Shareholders' Funds					
(a) Share Capital — Equity	A	79,615,700		64,464,200	
(b) Share Capital — Preference	A	Nil		25,000,000	
(c) Reserves and Surplus	B	60,385,166		68,794,785	
			140,000,866		158,258,985
2. Loan Funds					
(a) Secured	C	385,240,989		339,602,248	
(b) Unsecured	D	36,567,757		29,004,367	
			421,808,746		368,606,615
Total Funds Employed			561,809,612		526,865,600
II. APPLICATION OF FUNDS					
1. Fixed Assets					
(a) Gross Block	E	257,588,043		251,814,431	
Less: Depreciation		55,993,852		44,449,708	
(b) Net Block		201,594,191		207,364,723	
(c) Capital work-in-progress		119,743,215		93,317,092	
			321,337,406		300,681,815
2. Investments					
	F		706,647		438,162
3. Current Assets, Loans and Advances					
(a) Inventories	G	89,619,783		87,502,856	
(b) Sundry Debtors	H	173,999,392		153,222,176	
(c) Cash and Bank Balances	I	9,323,797		8,345,059	
(d) Loans and Advances	J	35,828,602		43,794,106	
		308,771,574		292,864,197	
Less: Current Liabilities & Provisions					
(a) Liabilities	K	63,153,332		53,088,017	
(b) Provisions		6,591,794		15,580,150	
		69,745,126		68,668,167	
Net Current Assets			239,026,448		224,196,030
4. Miscellaneous Expenditure					
(To the extent not written off)	L		739,111		1,549,593
Total			561,809,612		526,865,600
Notes on Accounts	U				

As per our attached report of even date
FOR M.G. DHANKOT & CO.
Chartered Accountants

(M.G. DHANKOT)
Proprietor

Mumbai, Dated: 14th June, 1999

For and on behalf of the Board of Directors

H.C. PAREKH *Chairman & Managing Director*
B.C. PAREKH *Executive Director*
S.H. PAREKH *Wholtime Director*

Mumbai, Dated: 14th June, 1999



	1998-99		1997-98	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE A				
SHARE CAPITAL				
AUTHORISED				
1,00,00,000 Equity Shares of Rs. 10/- each (Previous Year 1,00,00,000 Equity Shares of Rs. 10/- each)		100,000,000		100,000,000
5,00,000 Preference Shares of Rs. 100/- each (Previous Year 5,00,000 Preference Shares of Rs. 100/- each)		50,000,000		50,000,000
		150,000,000		150,000,000
ISSUED, SUBSCRIBED AND PAID UP				
79,63,470 Equity Shares of Rs. 10/- each (Previous Year 64,48,320 Equity Shares of Rs. 10/- each)	79,634,700		64,483,200	
Less: Calls in Arrears	19,000	79,615,700	19,000	64,464,200
— 12% Cumulative Convertible Preference Shares of Rs. 100/- each (Previous Year 250,000 Preference Shares of Rs. 100/- each)		Nil		25,000,000
		79,615,700		89,464,200
NOTES:				
1. Of the above Subscribed Capital 15,075 Equity Shares are issued and allotted as fully paid shares for consideration other than cash as purchase consideration as per agreement dated July 31, 1982.				
2. Paid up share capital includes				
(a) 24,18,120 Bonus Equity Shares of Rs. 10/- each issued on 22-5-96.				
(b) 15,15,150 Equity Shares of Rs. 10/- each allotted at a premium of Rs. 6.50 per Equity Share on 25-3-99 to firms & companies in which promoters are interested, on conversion of 2,50,000 12% Cumulative convertible preference shares of Rs. 100/- each and same are not transferable for a period of three years upto 24-3-2002.				
SCHEDULE B				
RESERVES & SURPLUS				
Capital Reserve:				
Subsidy received from Maharashtra Government		5,000,000		5,000,000
Investment Allowance Reserve		2,684,201		2,684,201
General Reserve:				
Balance Brought Forward	17,028,061		14,528,061	
Add: Transferred from Profit & Loss Account	Nil		2,500,000	
		17,028,061		17,028,061
Share Premium Account		19,924,000		10,075,500
Profit and Loss Account		15,748,904		34,007,023
		60,385,166		68,794,785
NOTE:				
The Share Premium account denotes:				
(A) Premium received on issue of 671,700 Equity Shares of Rs. 10/- each at a premium of Rs. 15/- per share.				
(B) Premium received on issue of 15,15,150 Equity Shares of Rs. 10/- each at a premium of Rs. 6.50/- per share.				

	1998-99		1997-98	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE C				
SECURED LOANS				
Indian Overseas Bank				
Cash Credit (Stock/Book Debts)		67,822,544		58,707,281
Bank of Baroda				
Cash Credit (Stock/Book Debts)		21,039,525		22,197,237
The Federal Bank Ltd.				
Cash Credit (Stock/Book Debts)		39,276,694		36,465,572
The South Indian Bank Ltd.				
Cash Credit (Stock/Book Debts)		38,362,038		34,400,254
Indian Overseas Bank (Term Loan)		18,769,611		14,007,042
The Federal Bank Ltd. (Term Loan)		21,978,152		Nil
The South Indian Bank Ltd. (Term Loan)		33,606,752		Nil
SICOM Limited		Nil		43,555,796
Maharashtra State Finance Corporation Ltd.		8,000,344		10,299,594
Industrial Development Bank of India		86,980,172		119,969,472
17% Non-Convertible Debentures (IDBI)		49,405,157		Nil
		<u>385,240,989</u>		<u>339,602,248</u>

NOTES:

- Cash Credits from Indian Overseas Bank, Bank of Baroda, The Federal Bank Ltd. and The South Indian Bank Ltd. and Packing Credit from Indian Overseas Bank and The Federal Bank Limited are secured by:
 - Hypothecation of raw materials, work-in-progress, finished goods and book debts of the Company and further secured by personal guarantees of the Whole-Time Directors, the Executive Director and the Managing Director. The charges are ranking *pari passu inter se* between Indian Overseas Bank, Bank of Baroda, The Federal Bank Ltd. and The South Indian Bank Ltd.
 - Second *pari passu* charge over properties of the Company situated at Plot No. G-1/2, MIDC, Boisar, Plot No. F-4 & F-54, MIDC Murbad, Dist. Thane and unit at village Gangadhara, Taluka Palsana, Dist. Surat.
- Term loans from SICOM were secured by:
 - Legal mortgage of all fixed assets acquired by the Company at Tarapur and Murbad and an exclusive charge on the existing plant and machinery acquired under equipment refinance scheme loan from SICOM.
 - First charge by way of hypothecation of plant and machinery, machinery spares, tools and accessories both present and future, electrical installation, furniture and fixtures, vehicles and other movable assets of the Company excluding the equipment acquired from term loan from IDBI under the Equipment Finance Scheme and SICOM under the Equipment Refinance Scheme.
 - Floating charge on other properties and assets of the Company, subject to prior charges created/to be created in favour of the Company's bankers on the Company's stock of raw materials, work-in-progress, finished goods, consumable stores and book debts for securing working capital.
 - Goodwill and uncalled capital of the Company.
 - Right, title and interest of the Company in Plot No. G 1/2, MIDC, Boisar and Plot Nos. F-4 and F-54 MIDC, Murbad and Unit at Village Gangadhara, Taluka Palsana, Dist. Surat.
 - Joint and several personal guarantees of Whole-Time Director, the Executive Director and the Managing Director of the Company.
 - Term loans from SICOM are fully repaid and charges over the properties given to SICOM are released.



3. Term Loan and 17% Non-convertible debentures from IDBI are secured by:
- The Term Loan from IDBI under the Equipment Finance Scheme (EFS) is secured by exclusive first charge by way of hypothecation of the specific assets purchased under the EFS.
 - Legal mortgage of all immovable properties at Plot No. J-61, MIDC, Murbad, except machineries purchased under DPG from Indian Overseas Bank.
 - First charge by way of hypothecation of plant and machinery, machinery spares, tools and accessories both present and future, electrical installation, furniture and fixtures, vehicles and other movable assets of the Company except book-debts and subject to the prior charges created/to be created on the Company's stock of raw materials, work-in-progress and finished goods in favour of the Company's bankers at Plot No. J-61, MIDC, Murbad.
 - Joint and several personal guarantees of Whole-Time Director, the Executive Director and the Managing Director of the Company.
4. Term loan from MSFC is secured by:
- First charge on the entire fixed assets of Unit A-1/2, G.D.D.I.D.C., Daman Estate, Somnath, Daman.
 - Joint and several personal guarantees of Whole-Time Director, the Executive Director and the Managing Director of the Company.
5. Medium Term Loan from Indian Overseas Bank, The Federal Bank Ltd. and The South Indian Bank Ltd. are secured by:
- First *pari passu* charge over properties of the Company situated at Plot No. G-1/2, MIDC, Boisar, Plot No. F-4 & F-54, MIDC Murbad, Dist. Thane and unit of village Gangadhara, Taluka Palsana, Dist. Surat.
 - First charge by way of hypothecation of plant and machinery, spares, tools and accessories, electrical installations, furniture and fixture, vehicles and other movable assets of the Company.
 - Joint and several personal guarantee of Whole-Time Director, the Executive Director and the Managing Director of the Company.
6. Corporate Loan from IDBI was secured by:
- Legal mortgage of all immovable properties of Plot No. J-61, MIDC, Murbad.
 - Joint and several personal guarantees of Whole-Time Director, the Executive Director and the Managing Director of the Company.
 - Corporate loan from IDBI is fully repaid.

SCHEDULE D**UNSECURED LOANS**

	1998-99 Rs.	1997-98 Rs.
Development Corporation of Kokan Ltd.	428,100	428,100
Deferred Sales Tax Loan	13,660,657	11,776,267
Deferred payment guarantee (IOB)	2,697,000	Nil
Corporate Loan from SICOM	Nil	2,400,000
Inter Corporate Deposits	11,113,000	8,957,000
Other Deposits	8,669,000	5,443,000
	<u>36,567,757</u>	<u>29,004,367</u>

Schedules forming part of the Balance Sheet as on 31st March, 1999 (Contd.)

SCHEDULE E

FIXED ASSETS

	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 31-3-98 Rs.	Addi- tion Rs.	Deduc- tion Rs.	As at 31-3-99 Rs.	Upto 31-3-98 Rs.	Deduc- tion Rs.	For the Year Rs.	Total Rs.	As at 31-3-99 Rs.	As at 31-3-98 Rs.
Land (Leasehold)	2,966,104	—	—	2,966,104	25,400	—	—	25,400	2,940,704	2,940,704
Buildings	67,355,620	910,572	—	68,266,192	7,105,498	—	2,260,556	9,366,054	58,900,138	60,250,122
Flat at Boisar	103,144	—	—	103,144	19,443	—	1,681	21,124	82,020	83,701
Plant & Machinery	152,752,711	3,124,357	—	155,877,068	30,617,654	—	7,394,748	38,012,402	117,864,666	122,135,057
Electrical Installations ...	15,622,162	139,265	—	15,761,427	3,053,144	—	747,365	3,800,509	11,960,918	12,569,018
Furniture & Fixtures	4,632,541	1,340,402	—	5,972,943	1,147,947	—	329,628	1,477,575	4,495,368	3,484,594
Office Equipments	862,167	203,271	—	1,065,438	263,992	—	46,200	310,192	755,246	657,425
Vehicles	2,808,540	—	—	2,808,540	819,088	—	266,811	1,085,899	1,722,641	1,989,453
Factory Equipments	2,100,666	25,645	—	2,126,311	404,367	—	100,349	504,716	1,621,595	1,696,299
Computers	2,356,461	30,100	—	2,386,561	909,433	—	384,726	1,294,159	1,092,402	1,387,777
Laboratory Equipments	254,315	—	—	254,315	83,742	—	12,080	95,822	158,493	170,573
Total	251,814,431	5,773,612	—	257,588,043	44,449,708	—	11,544,144	55,993,852	201,594,191	207,364,723
Previous Year	235,072,829	16,741,602	—	251,814,431	35,303,992	—	9,145,716	44,449,708	207,364,723	199,768,837

	Upto 31-3-98 Rs.	Addition 98-99 Rs.	Deduction 98-99 Rs.	Net Bal. 31-3-99 Rs.
Capital work-in-progress	103,714,743	26,260,427	—	129,975,170
Less: Creditors for Capital Goods	10,397,651	—	165,696	10,231,955
	93,317,092	26,260,427	165,696	119,743,215
	77,051,203	11,712,087	4,553,802	93,317,092

NOTES

1. The Company has decided to write off lease in respect of value of leasehold land once in a period of ten years.
2. Flat at Boisar included cost of shares of the face value of Rs. 250 under the bye laws of the Co-op. Hsg. Society.



SCHEDULE F

INVESTMENTS:

UNQUOTED:

(Other than trade Investment)

800 (800) Equity Shares of Janaseva Sahakari Bank Ltd. of Rs. 25/- each

20,000

20,000

25 (25) Deep Discount Bonds of Sardar Sarovar Narmada Nigam Ltd. (Secured Redeemable Non-Tax exempt) of Rs. 3,600/- each

90,000

90,000

QUOTED:

400 (400) Equity Shares of Industrial Development Bank of India of Rs. 10/- each at a premium of Rs. 120/- each, Market Value **Rs. 12,000** (Rs. 36,800)

56,647

56,647

Nil (5,000) Equity Shares of Bank of Baroda of Rs. 10/- each at a premium of Rs. 75/- each, partly paid-up, Market Value **Rs. Nil** (Rs. 1,98,750)

Nil

271,515

10,000 (Nil) Equity Shares of The South Indian Bank Ltd. of Rs. 10/- each at a premium of Rs. 20/- each, Market Value **Rs. 1,80,000** (Rs. Nil)

300,000

Nil

7,900 (Nil) Equity Shares of The South Indian Bank Ltd. of Rs. 10/- each at a premium of Rs. 22/- each, partly paid-up Market Value **Rs. 1,42,200** (Rs. Nil)

240,000

Nil

706,647

438,162

SCHEDULE G

INVENTORIES

Taken as valued and certified by the Management:
(At Cost or realisable value whichever is less)

(A) Stores & Spare Parts

6,652,442

6,114,857

(B) Loose Tools

89,253

58,672

(C) Stock in Trade:

(1) Raw Materials

19,061,615

22,227,015

(2) Finished Goods

30,651,141

32,147,044

(3) Work-in-Progress

33,165,332

26,955,268

89,619,783

87,502,856

	1998-99		1997-98	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE H				
SUNDRY DEBTORS				
A. Unsecured Considered Good				
1. Outstanding for more than six months	12,587,901		12,124,576	
2. Others	161,411,491	173,999,392	<u>141,097,600</u>	153,222,176
B. Unsecured Considered Doubtful	584,737		458,570	
Less: Provision for doubtful debts	584,737	Nil	<u>458,570</u>	<u>Nil</u>
		<u>173,999,392</u>		<u>153,222,176</u>
SCHEDULE I				
CASH & BANK BALANCES				
(A) Cash on Hand		3,881,271		1,630,694
(B) Bank Balances				
With Scheduled Banks:				
(1) In Current Account		80,005		473,536
(2) In F.D.R. Account		5,360,656		5,055,339
(3) In Margin Account		1,865		<u>1,185,490</u>
		<u>9,323,797</u>		<u>8,345,059</u>
SCHEDULE J				
LOANS AND ADVANCES				
(Unsecured Considered Good)				
Prepaid Expenses		761,366		1,740,438
Advances Recoverable in cash or in kind or for value to be received		5,925,264		12,323,442
Import entitlement etc. receivable		8,589,390		10,090,940
Share application money — South Indian Bank Ltd		Nil		300,000
Loans and Advances to staff & workers		681,155		911,680
Excise balance		512,427		1,385,004
Deposits		14,615,644		14,510,144
Interest accrued on Deposits		470,777		293,349
Advance Tax		4,272,579		1,497,141
Sales Tax refund due		Nil		741,968
		<u>35,828,602</u>		<u>43,794,106</u>



	1998-99		1997-98	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE K				
CURRENT LIABILITIES & PROVISIONS				
A: CURRENT LIABILITIES				
Sundry Creditors for Goods		51,045,324		42,062,944
Sundry Creditors for Expenses		10,864,211		8,271,962
Other Liabilities		400,048		335,082
Refund orders payable account		6,187		6,187
Advances from Customers		22,700		17,700
Interest accrued but not due		349,164		2,122,499
Dividend payable account		465,698		271,643
		<u>63,153,332</u>		<u>53,088,017</u>
B: PROVISIONS				
Provisions for Taxation	4,434,828		5,377,683	
Provision for Tax on Dividend	213,753		927,497	
Proposed Dividend	1,943,213	6,591,794	9,274,970	15,580,150
		<u>69,745,126</u>		<u>68,668,167</u>
SCHEDULE L				
MISCELLANEOUS EXPENDITURE				
Public Issue Expenses	670,825		894,432	
Less: Written off during the Year	223,607	447,218	223,607	670,825
Rights issue Expenses	345,071		418,685	
Less: Written off during the Year	73,614	271,457	73,614	345,071
Preliminary Expenses (to the extent not written off or adjusted)				
Balance brought forward	34,158		47,880	
Less: Written off during the Year	13,722	20,436	13,722	34,158
Deferred Revenue Expenditure	499,539		999,079	
Less: Written off during the Year	499,539	Nil	499,540	499,539
		<u>739,111</u>		<u>1,549,593</u>



	1998-99		1997-98	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE M				
SALES				
Sales — Manufacturing		549,037,093		501,480,679
Sales — Trading		5,532,382		32,333,019
Job work		4,874,694		4,151,986
		<u>559,444,169</u>		<u>537,965,684</u>
SCHEDULE N				
OTHER INCOME				
Interest Income — Gross		3,837,230		2,738,986
Dividend		5,861		4,400
Sales Tax Refund		Nil		142,498
Profit on Sales of Investments		131,388		Nil
Others		392,042		586,160
		<u>4,366,521</u>		<u>3,472,044</u>
SCHEDULE O				
ACCRETION/DECRETION TO STOCK OF FINISHED GOODS AND WORK IN PROGRESS				
OPENING STOCK				
Finished Goods		32,147,044		28,337,191
Work-in-Progress		26,955,268		27,211,660
		<u>59,102,312</u>		<u>55,548,851</u>
CLOSING STOCK				
Finished Goods		30,651,141		32,147,044
Work-in-Progress		33,165,332		26,955,268
		<u>63,816,473</u>		<u>59,102,312</u>
Accretion/(Decretion) to Stock		4,714,161		3,553,461
SCHEDULE P				
MATERIAL INPUT				
Opening Stock of Raw Materials		22,227,015		20,538,856
Add: Purchases		318,640,689		243,572,431
Freight Inward		3,099,955		3,270,160
		<u>343,967,659</u>		<u>267,381,447</u>
Less: Closing Stock of Raw Materials		19,061,615		22,227,015
Raw Materials Consumed		<u>324,906,044</u>		<u>245,154,432</u>
Add: Purchases Traded Goods including Merchant Exports ..		5,019,831		32,002,502
		<u>329,925,875</u>		<u>277,156,934</u>
SCHEDULE Q				
MANUFACTURING EXPENSES				
Processing Charges		16,873,384		14,413,007
Consumption of Stores		8,367,698		8,722,716
Power & Fuel		21,867,395		19,423,504
Water Charges		410,594		306,553
Insurance		1,690,038		1,366,049
Repairs and Maintenance				
(A) Buildings		102,086		45,497
(B) Plant and Machinery		1,380,779		1,182,383
Factory Maintenance Charges		356,633		286,231
		<u>51,048,607</u>		<u>45,745,940</u>



TPI INDIA LIMITED

Schedules forming part of the Profit and Loss Account for the Year Ended
31st March, 1999 (Contd.)

	1998-99		1997-98	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE R				
SALARIES, WAGES & BENEFITS TO EMPLOYEES				
Salaries & Wages including Bonus		24,862,798		22,909,230
Workmen & Staff Welfare Expenses		1,826,795		1,607,407
Remuneration & Allowances including Provident Fund etc. to Directors and Managing Director		1,219,430		1,134,450
Contribution to Provident Fund and Other Funds		2,348,753		2,026,661
		30,257,776		27,677,748
SCHEDULE S				
ADMINISTRATIVE & SELLING EXPENSES				
Printing and Stationery		683,677		738,944
Postage, Telegram and Telephone		1,905,321		2,308,787
Repairs and Maintenance of Vehicles		1,051,441		1,054,174
Repairs and Maintenance of Others		268,261		188,272
Rent		60,825		95,640
Rates & Taxes		32,500		22,073
Packaging, Forwarding & Transport Charges		7,187,700		7,383,896
Legal and Professional Fees		1,055,514		783,199
Bank Charges and Bank Commission incl. Guarantee Com. ..		3,419,833		1,378,602
Travelling Expenses		2,464,815		1,507,248
Conveyance		1,315,635		1,370,960
Donation		17,215		70,001
Brokerage & Commission		378,703		92,014
Advertisement, Sales Promotion & Presentations		828,719		775,016
Sundry Expenses		1,082,139		1,880,408
Sales Tax		10,144,228		5,407,929
Preliminary & Issue Expenses written off		310,943		310,943
Auditor's Remuneration		81,377		62,781
Bad Debts written off		247,591		374,835
Deferred Revenue Expenses written off		499,539		499,540
Provision for Doubtful Debts		314,398		921,261
		33,350,374		26,626,523
SCHEDULE T				
INTEREST CHARGES				
To Banks and Financial Institutions:				
On Working Capital		35,134,674		36,911,657
On Term Loan		19,622,610		24,771,593
To Others		704,593		16,249
		55,461,877		61,699,499

SCHEDULE U**NOTES ON ACCOUNTS****1. CONTINGENT LIABILITIES**

	1998-99 Rs.	1997-98 Rs.
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	1,196,596	161,814
(ii) Company has received the notice of demand of Rs. 12,354,478 from the central excise authorities for which appeals are pending before Excise Tribunal (Previous year Rs. 1,454,478)		
(iii) Letters of credit established by bankers	65,942	2,636,782
(iv) The Company has given counter-guarantees for Rs. 115.44 lakhs to banks in respect of guarantees given by the banks to third parties for supply of machineries & excise bonds. (Previous year Rs. 155.74 lakhs)		
(v) In respect of partly paid shares of Bank of Baroda.	Nil	175,000
(vi) In respect of partly paid shares of The South Indian Bank Ltd.	12,800	Nil
(vii) Income Tax Liability under Mat for Financial Year 96-97.	1,112,853	1,112,853
(viii) In respect of bills discounted.	6,593,965	6,367,016
2. In the opinion of the Company the current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business. Provision for known liabilities is adequate and not in excess of amount reasonably necessary.		
3. Sundry Debtors, Sundry Creditors, loans and advances are subject to their confirmation.		
4. No provision for taxation is made since there will be no taxable income in the current year.		
5. Payments to Auditors:		
Audit Fees	78,750	60,000
Certification Fees	Nil	2,000
Out of Pocket Expenses	2,627	781
	81,377	62,781
6. Managerial Remuneration under Section 198 of the Companies Act, 1956		
Remuneration	1,080,000	1,035,000
Contribution towards Provident Fund and Gratuity Fund	135,720	127,170
Accident Insurance Premium	3,710	3,671
	1,219,430	1,165,841
7. Deposits include Rs. 10,750,000/- (Previous year Rs. 10,750,000/-) for Office premises given to Individuals, AOP, Firm etc. wherein some of the Directors are interested.		
8. Capital work-in-progress includes Deposit of Rs. 9,350,000/- (Previous year Rs. 9,350,000/-) for Office premises, given to AOP, Firm etc. wherein some of the Directors are interested.		
9. Prior year's adjustments includes shortfall in Income Tax provision of Rs. 227,528/- of earlier years.		



ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 3 AND 4 OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956

10. Quantitative and Turnover information (As certified by the Directors)

(A) Capacity and Production

	Unit	1998-99		1997-98	
		Licensed Capacity	Installed Capacity	Licensed Capacity	Installed Capacity
(I) Capacity					
Hessian Lami. Bags	Bags	N.A.	7,200,000	N.A.	7,200,000
Multiwall Bags/sacks	Bags	N.A.	6,000,000	N.A.	6,000,000
PP/LDPE Laminated to kraft paper/ Poster paper/Glassine paper/OLB paper/Polycoated paper	Tons	N.A.	2,000	N.A.	2,000
PP/HDPE/PE/woven fabrics/rolls/ sheets/bags/sacks/FIBC Laminated/ Unlaminated/lined with kraft paper on circular looms	Tons	N.A.	4,500	N.A.	4,500
(II) Production:					
Hessian Lami. Bags	Bags		Nil		Nil
Multiwall Bags/sacks	Bags		Nil		Nil
PP/LDPE Laminated to kraft paper/ Poster paper/Glassine paper/OLB paper/Polycoated paper	Tons		1		3
PP/HDPE/PE/woven fabrics/rolls/ sheets/bags/sacks/FIBC Laminated/ Unlaminated/lined with kraft paper on circular looms					
(a) PE sheets/tarpaulin	Tons		97		35
(b) PE Rolls	Tons		125		207
(c) HDPE/PP/Kraftlined/FIBC bags	Bags		21,074,268		21,627,789

	Unit	1998-99		1997-98	
		Quantity	Value Rs.	Quantity	Value Rs.
(B) Turnover					
Hessian Lami. Bags	Bags	Nil	Nil	Nil	Nil
Multiwall Bags/sacks	Bags	Nil	Nil	Nil	Nil
PP/LDPE Laminated to kraft paper/ Poster paper/Glassine paper/OLB paper/ Polycoated paper	Tons	1	96,743	3	276,012
PP/HDPE/PE/woven fabrics/rolls/sheets/ bags/sacks/FIBC Laminated/Untaminated/ lined with kraft paper on circular looms					
(a) PE sheets/tarpaulin	Tons	126	13,909,314	54	9,345,374
(b) PE Rolls	Tons	204	13,361,979	166	15,201,808
(c) HDPE/PP/Kraftlined/FIBC bags	Bags	21,120,925	519,571,013	21,207,153	473,286,926
Traded Item -- (Merchant Export/Others) ..	Rs.		5,532,382		32,333,019
Miscellaneous			2,098,044		3,370,559
			554,569,475		533,813,698

	Unit	1998-99		1997-98	
		Quantity	Value Rs.	Quantity	Value Rs.
(C) Stock					
CLOSING STOCK:					
Hessian Lami. Bags	Bags	Nil	Nil	Nil	Nil
Multiwall Bags/sacks	Bags	Nil	Nil	Nil	Nil
PP/LDPE. Laminated to kraft paper/ Poster paper/Glassine paper/OLB paper/ Polycoated paper	Tons	Nil	Nil	Nil	Nil
PP/HDPE/PE/woven fabrics/rolls/sheets/ bags/sacks/FIBC Laminated/Unlaminated/ lined with kraft paper on circular looms					
(a) PE sheets/tarpaulin	Tons	73	11,436,328	102	16,731,218
(b) PE Rolls	Tons	67	3,782,092	146	8,545,645
(c) HDPE/PP/Kraftlined/FIBC bags	Bags	762,001	15,432,721	828,658	6,870,181
			<u>30,651,141</u>		<u>32,147,044</u>
OPENING STOCK:					
Hessian Lami. Bags	Bags	Nil	Nil	Nil	Nil
Multiwall Bags/sacks	Bags	Nil	Nil	Nil	Nil
PP/LDPE. Laminated to kraft paper/ Poster paper/Glassine paper/OLB paper/ Polycoated paper	Tons	Nil	Nil	Nil	Nil
PP/HDPE/PE/woven fabrics/rolls/sheets/ bags/sacks/FIBC Laminated/Unlaminated/ lined with kraft paper on circular looms					
(a) PE sheets/tarpaulin	Tons	102	16,731,218	121	18,824,286
(b) PE Rolls	Tons	146	8,545,645	125	6,382,124
(c) HDPE/PP/Kraftlined/FIBC bags	Bags	828,658	6,870,181	408,022	3,130,781
			<u>32,147,044</u>		<u>28,337,191</u>
(D) Consumption of Raw Materials					
(i) Paper	Kgs.	2,078,870	64,807,873	1,745,162	47,584,678
(ii) Polythene/Fabrics	Kgs.	4,569,473	245,908,021	3,905,383	182,459,884
(iii) Other Miscellaneous	Rs.		14,490,150		15,109,870
			<u>324,906,044</u>		<u>245,154,432</u>
(E) Purchases of Traded Goods					
(i) Merchant exports & Others			5,019,531		32,002,502
			<u>5,019,531</u>		<u>32,002,502</u>
(F) Value of import calculated on CIF basis					
Raw Materials		33,379,425		17,279,299	
Machinery		166,446		3,693,468	
			<u>33,545,871</u>		<u>20,972,767</u>



(G) Value of Imported and Indigenous Raw Material and Stores and Spare Parts (Including Components) consumed

- (I) Raw Materials
 - (i) Imported
 - (ii) Indigenous

- (II) Stores & Spare Parts (Including Components)
 - (i) Imported
 - (ii) Indigenous

1998-99		1997-98	
Value Rs.	%	Value Rs.	%
49,602,423	15.27	24,631,255	10
275,303,621	84.73	220,523,177	90
324,906,044	100.00	245,154,432	100
Nil	Nil	Nil	Nil
8,367,698	100.00	8,722,716	100
8,367,698	100.00	8,722,716	100

- 11. Expenditure in Foreign Currency during the year on account of other matter
 - Foreign travel
 - Machinery
 - Advertisement & Others
 - Interest

1998-99	1997-98
423,479	512,992
166,446	3,693,468
214,257	103,907
5,738,272	4,363,776
6,542,454	8,674,143
Nil	Nil
57,876,995	50,067,239

- 12. Remittance during the year on account of dividend in foreign currency
- 13. Earnings in foreign exchange
 - Export (FOB basis)

14. Significant accounting policies of the Company are:

- (A) The financial statements are prepared under the Historical cost convention, in accordance with applicable accounting standards.
- (B) (i) Fixed Assets are stated at cost, net of modvat, less accumulated depreciation. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations relating to borrowing attributable to the fixed assets are capitalised.
- (ii) Depreciation is charged in accordance with Schedule XIV of the Companies Act, 1956 on straight line method.
- (C) Investments are stated at cost.
- (D) Inventories:

Inventories are valued at cost or realisable value, whichever is less.
- (E) Excise Duty payable on finished goods is accounted on the clearance thereof from the Factory Premises. Custom Duty payable on Raw Materials, Stores, Spares and Components is accounted on clearance thereof from the Bonded Warehouses.

- (F) Liabilities/assets in foreign currencies are reckoned in the accounts as per the following governing principles:
- (A) All foreign currency transactions are recorded at rates prevailing on the date of the transaction.
 - (B) All foreign currency assets and liabilities, other than investments and those covered by forward contracts, are restated at the exchange rate prevailing at year end.
 - (C) Investment outside India are carried in the balance sheet at the rates prevailing at the date of the transaction.
 - (D) All exchange differences arising out of actual purchase/sale of foreign currencies and those arising out of restatement mentioned in (B) above are:
 - (1) Adjusted to the cost of fixed assets, if the foreign currency liability concerned is contracted for acquisition of fixed assets, and
 - (2) Recognised as income/expense for the period, in all other cases.
 - (E) Exchange differences arising on booking of forward contracts are recognised as income or expense over the life of the contract, except in respect of liabilities incurred for acquiring fixed assets, in which case such differences are adjusted to the cost of the fixed assets.
 - (G) Revenue expenditure on research and development are charged as an expense in the year in which they are incurred. Capital expenditure on research and development are shown as an addition to fixed assets.
 - (H) The provision for tax is based on the assessable profits of the Company computed in accordance with the Income Tax Act, 1961.
 - (I) Pre-Operative expenditure is carried forward to be capitalised and apportioned to various assets on commissioning of the project.
 - (J) Leave encashment is accounted for on pay-as-you-go method.
 - (K) Sales are inclusive of sales tax and excise duty.
 - (L) Gratuity is provided on the basis of premium computed by Life Insurance Corporation of India.
 - (M) Capital issue and preliminary expenses are amortised as per Section 35 D of the Income Tax Act, 1961.
 - (N) Heavy revenue expenditure on account of foreign travelling and advertisements are debited to deferred revenue expenditure and the said expenditure is being written off over a period of five years.
 - (O) Capital subsidy received from Maharashtra Government is credited to capital reserve.
15. Dividend payable accounts and refund order payable accounts are under reconciliation pending receipt of details from Banks.
16. Capital work-in-progress is net of creditors for capital goods Rs. 102.32 lakhs (Previous year Rs. 103.98 lakhs).
17. Previous year's figures have been re-arranged and/or re-grouped wherever necessary to make them comparable with those of the current year.



18. Additional information pursuant to the provisions of Part IV of Schedule VI to the Companies Act, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration details :

Registration No.	State Code	Balance Sheet Date
26917	11	31.3.1999

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	Rights Issue	Bonus Issue	Private Placement
Nil	Nil	Nil	15,152

III. Position of mobilisation and deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	561,810	Total Assets	561,810
Sources of Funds		Application of Funds	
Paid-up Capital	79,616	Net Fixed Assets	321,337
Reserves & Surplus	60,385	Investments	707
Secured Loans	385,241	Net Current Assets	239,027
Unsecured Loans	36,568	Misc. Expenditure	739
Share Application Money	Nil	Accumulated Losses	Nil

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	568,525	Total Expenditure	584,626
Profit/Loss before Tax(-)	(16,101)	Profit/Loss after Tax(-)	(16,101)
Earning per Share (Rs.)	Nil	Dividend Rate %	3

V. General Names of Three Principal Products/Services of Company (As per Monetary Terms)

Item Code No. (ITC Code)	39239000	39269000	48190000
Product Description	KRAFTLINED HDPE BAGS/FIBC BULK BAGS/PP/HDPE/PE BAGS	HDPE TARPAULINE	MULTIWALL PAPER BAGS

NOTE: ALL SCHEDULES FROM SCHEDULE "A" TO SCHEDULE "U" HAVE BEEN SIGNED BY THE FOLLOWING:

FOR M.G. DHANKOT & CO.
Chartered Accountants

(M.G. DHANKOT)
Proprietor

Mumbai, Dated: 14th June, 1999

For and on behalf of the Board of Directors

H.C. PAREKH Chairman &
Managing Director

B.C. PAREKH Executive Director

S.H. PAREKH Wholetime Director

Mumbai, Dated: 14th June, 1999



(Figures in bracket indicates outflows)

(Rs. in lakhs)

	1998-99		1997-98	
	Rs.	Rs.	Rs.	Rs.
Cash flow from operating activities				
Net Profit before tax and extraordinary items		(153.42)		234.03
Adjusted for				
Depreciation	115.44		91.46	
Interest/Other Income	(38.37)		(27.39)	
Dividend Income	(0.06)		(0.04)	
Miscellaneous expenses written off	8.10		8.10	
Profit on sale of Investments	(1.31)		Nil	
Interest Expenses	554.62	638.42	616.99	689.12
Operating Profit before working Capital Changes		485.00		923.15
Adjusted for				
Trade & Other Receivables	(98.59)		(392.78)	
Inventories	(21.17)		(50.93)	
Trade Payables	116.45	(3.31)	(0.18)	(443.89)
Cash generated from operations		481.69		479.26
Income Tax Paid		(37.19)		(5.42)
Cash Flow before extraordinary items		444.50		473.84
Net Prior Year Expenses		(7.59)		(2.24)
Net Cash from Operating Activities	(A)	436.91		471.60
Cash Flow from Investing Activities				
Purchase of Fixed Assets		(322.00)		(330.07)
Disinvestment of Fixed Assets		Nil		Nil
Purchase of Investments		(7.32)		(1.47)
Sale of Investments		5.95		Nil
Net Cash used in investing Activities	(B)	(323.37)		(331.54)
Cash Flow from Financing Activities				
Subsidy recd. from Government		Nil		30.00
Proceeds from Long Term Borrowings		1,132.84		555.35
Repayment of Long Term Borrowings		(823.75)		(86.63)
Short term loans		222.94		63.30



(Figures in bracket indicates outflows)

(Rs. in lakhs)

	1998-99		1997-98	
	Rs.	Rs.	Rs.	Rs.
Interest Paid		(554.62)		(616.99)
Interest Income		38.37		27.39
Dividend Income		0.06		0.04
Interest Accrued but not due		(17.73)		(3.52)
Interest Accrued on Deposits		(1.78)		0.89
Dividends Paid		(90.81)		(78.02)
Dividend Tax Paid		(9.27)		(7.74)
Net Cash used in Financing Activities	(C)	(103.75)		(115.92)
Net increase in Cash and Cash Equivalents	(A)+(B)+(C)	9.79		24.14
Opening Balance of Cash and Cash Equivalents		83.45		59.31
Closing Balance of Cash and Cash Equivalents		93.24		83.45

For and on behalf of the Board of Directors

H.C. PAREKH

*Chairman &
Managing Director*

B.C. PAREKH

Executive Director

S.H. PAREKH

Director

Mumbai, Dated: 14th June, 1999

AUDITORS' REPORT

We have verified the above Cash Flow Statement of TPI India Limited derived from audited financial statements and the books and records maintained by the Company for the Year ended 31st March, 1999 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the Listing Agreements with the Stock Exchanges.

For M.G. DHANKOT & CO.
Chartered Accountants

(M.G. DHANKOT)
Proprietor

Mumbai, Dated: 14th June, 1999