



TPI INDIA LIMITED

21ST
ANNUAL REPORT
2002-2003

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.

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, document, 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)

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.

**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.

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.

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.

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

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

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

ANNEXURE TO THE AUDITORS' REPORT

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

1. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. All Fixed Assets have been physically verified by the management during the year and as informed to us, no material discrepancies were noticed on such verification.
2. None of the Fixed Assets has been revalued during the year.
3. Physical verification has been conducted by the management at reasonable intervals during the year in respect of Raw materials, Finished goods, Spare Parts and Stores at all its location (except location of stock lying with the third parties).
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. As explained to us, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles.
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 (1-B) of Section 370 of the Companies Act, 1956. The terms and conditions of the said loans are not prima facie prejudicial to the interest of the company.
8. The Company has not granted any loan, secured or unsecured to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. We are informed that there are no companies under the same management as defined under sub-section (1-B) of section 370 of the Companies Act, 1956.
9. As per the information and explanations given to us, the Company has given interest free loans to employees, who were regular in repayment thereof as stipulated except the employees which have left the company who are not paying the installments as stipulated. However we are informed that loan amount recoverable from such employees will be adjusted against the outstanding dues payable to them.
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. 50000/- (Rupees Fifty Thousand only) or more in respect of each parties have been made at prices which are reasonable having regard to the prevailing market prices for

such goods and materials or the prices at which transactions for similar goods, materials and services have been made with other parties.

12. As explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stores, raw materials and finished goods. In our opinion, adequate provisions have been made in the financial statements for the loss arising in respect of such items.
13. The company has accepted certain deposits from the public during the year under review for which the directives issued by the Reserve Bank of India and the provisions of Section 58A of the Companies Act, 1956 and the rules framed thereunder have not been complied with. For the above referred accepted Deposits, company has not complied with the provisions like Advertisement in Newspaper, Filing of Annual Return, maintaining the liquid assets and the limit upto which the deposits can be accepted from the 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.
17. According to the records of the company, Provident Fund dues have been regularly deposited during the year with appropriate authorities.
18. According to the information and explanations given to us, no undisputed amounts payable in respect of wealth tax, custom duty and excise duty, except income tax of Rs. 25.62 Lacs, professional tax of Rs. 1.52 Lakhs, sales tax of Rs. 32.68 Lakhs were outstanding as at 31st March, 2003 for a period of more than six months from the date become 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 has become a Sick industrial company within the meaning of clause (o) of Sub-Section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985. To reconsider the Company's application for registering the company as Sick Industrial Company the company has filed an appeal with the Appellate Authority for Industrial and Financial Reconstruction (AAIFR) and the same is pending for hearing.
21. In respect of the Company's trading activity, we are informed that there are no damaged goods.

FOR M.G.DHANKOT & CO.
Chartered Accountants

PLACE : MUMBAI
DATED : 20TH AUGUST, 2003

M.G. DHANKOT
PROPRIETOR

BALANCE SHEET AS ON 31st MARCH 2003

	SCH	Current Year		Previous Year	
		Rs.	Rs.	Rs.	Rs.
I. SOURCES OF FUNDS					
1. Shareholder's Funds					
a) Share Capital-Equity	A	79,615,700		79,615,700	
b) Reserve & Surplus	B	24,924,000		24,924,000	
			104,539,700		104,539,700
2. Loan Funds					
a) Secured	C	781,139,776		658,078,824	
b) Unsecured	D	51,913,729		59,794,445	
			833,053,505		717,873,269
Total Funds Employed			937,593,205		822,412,969
II. APPLICATION OF FUNDS					
1. Fixed Assets					
a) Gross Block	E	267,728,923		268,920,372	
Less : Depreciation		102,269,776		91,708,730	
b) Net Block		165,459,147		177,211,642	
c) Capital Work-in-progress		102,770,745		102,784,900	
			268,229,892		279,996,542
2. Investments	F		76,647		720,187
3. Current Assets, Loans & Advances					
a) Inventories	G	6,841,793		7,294,474	
b) Sundry Debtors	H	145,626,174		148,968,927	
c) Cash & Bank Balance	I	6,349,126		7,027,090	
d) Loans & Advances	J	11,217,337		33,575,965	
			170,034,430		196,866,456
Less : Current Liabilities & Provisions	K				
a) Liabilities		84,086,279		91,579,809	
b) Provision		4,207,300		4,434,828	
Net Current Assets		88,293,579		96,014,637	
4. a) Misc. Expenditure (To the extent not written off)	L		14,937,727		100,851,819
b) Profit and Loss Account			572,608,088		20,748,109
					420,096,312
TOTAL			937,593,205		822,412,969

Notes on Accounts

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

For and on behalf of the Board of Directors

H. C. Parekh Chairman &
Managing Director

B. C. Parekh Executive Director

M. G. DHANKOT
Proprietor

Mumbai, dated 20th August, 2003

Mumbai, dated 20th August, 2003

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2003

	SCH	Current Year Rs.	Previous Year Rs.
INCOME			
Sales	M	106,189,022	122,980,744
Other Income	N	1,176,762	1,254,536
		107,365,784	124,235,280
EXPENDITURE			
Material Input	O	56,828,844	50,432,783
Decreton to stock of Finished Goods & Work in progress	P	41,739	4,638,796
Excise Duty		11,192,567	14,296,713
Manufacturing Expenses	Q	17,362,546	22,925,704
Salaries, Wages & Benefits to employees	R	6,268,152	10,189,732
Administrative & Selling Exp.	S	13,592,201	13,300,005
		105,286,049	115,783,733
Profit before amortisation, Depreciation Interest, Extraordinary / exceptional items and tax		2,079,735	8,451,547
Preliminary & Issue Expenses written off		50,615	73,614
Amortisation of deferred Revenue Expenses		5,759,767	5,759,766
Depreciation		11,783,593	11,981,258
Interest	T	138,345,951	113,175,461
Loss for the year before extra-ordinary / Exceptional items and tax		(153,860,191)	(122,538,552)
Project abandoned written off account (Note 22 of schedule U)		--	10,362,397
Prior year adjustment		(1,348,415)	24,441
Loss before taxes		(152,511,776)	(132,925,390)
Add : Provision for taxation		--	--
Loss after taxes		(152,511,776)	(132,925,390)
Add : Balance B/F		(420,096,312)	(289,855,123)
Amount available for appropriation		(572,608,088)	(422,780,513)
Less : Transferred From general reserve		--	2,684,201
Balance Carried to balance sheet		(572,608,088)	(420,096,312)

Earning per share (Note 21 of Schedule U)

Basic and Diluted

U

(19.15)

(16.69)

Notes on Accounts

As per our attached report of even date

For M. G. DHANKOT & CO.

Chartered Accountants

For and on behalf of the Board of Directors

H. C. Parekh

Chairman &
Managing Director

M. G. DHANKOT

Proprietor

B. C. Parekh

Executive Director

Mumbai, dated 20th August, 2003

Mumbai, dated 20th August, 2003

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2003

	2002-03		2001-02	
	Rs.	Rs.	Rs.	Rs.
(Figures in bracket indicates outflows)				
Cash Flow from Operating Activities				
Net (Loss) after tax and extraordinary items Adjusted for		(1,525.12)		(1,329.25)
Depreciation	117.84		119.81	
Interest / Other Income	(5.74)		(7.11)	
Dividend Income	(0.49)		(0.51)	
Miscellaneous Exp w/off	58.10		58.33	
Profit on sale of Investments	(5.45)		0.00	
Interest Expenses	1,383.46		1,131.75	
Bad debts w/o	4.89			
Loss on sale of fixed assets	0.70			
Project abandoned written off	--	1553.31	103.62	1405.91
Operating Profit before working Capital Changes		28.19		76.66
Adjusted for				
Trade & Other receivable	254.25		62.97	
Inventories	4.53		56.54	
Trade Payables	(74.94)	183.84	(80.41)	39.10
Cash generated from operations		212.03		115.76
Income Tax Paid		(2.69)		(2.64)
Employees Voluntary Retirement Compensation paid]		--		(34.22)
Sales Tax deferred		27.71		
prior period adjustment		(1.71)		
Net Cash from Operating Activities (A)		235.34		78.90
Cash Flow from Investing Activities				
Purchase of Fixed Assets		(3.13)		(0.49)
Disinvestment of Fixed Assets		2.26		0.00
Sale of Investment		11.88		0.00
Dividend Income		0.49		0.51
Net Cash used in investing Activities (B)		11.50		(0.49)
Cash Flow from Financing Activities				
Proceeds from Long Term Borrowings		--		609.39
Repayment of long Term Borrowings		--		(33.10)
Short term loans		(106.51)		412.31
Interest Paid		(152.85)		(1,131.75)
Interest Income		5.74		7.11
Dividend Paid		--		(0.08)
Net Cash used in Financing Activities (C)		(253.62)		(135.62)
Net increase in Cash and Cash Equipments (A+B+C)		(6.78)		(57.21)
Opening Balance of Cash and Cash Equivalants		70.27		127.49
Closing Balance of Cash and Cash Equivalants		63.49		70.27

Note : 1 Previous year figures have been regrouped/recast wherever necessary

2 Cash and Cash equivalent includes Cash & Bank balance and balance in margin account.

As per our attached report of even date

For M. G. DHANKOT & CO.
Chartered Accountants

M. G. DHANKOT
Proprietor

Mumbai, dated 20th August, 2003

For and on behalf of the Board of Directors

H. C. Parekh

Chairman &
Managing Director

B. C. Parekh

Executive Director

Mumbai, dated 20th August, 2003

Schedule Forming Part of the Balance Sheet As On 31st March, 2003

Schedule A	CURRENT YEAR		PREVIOUS YEAR	
	Rs.	Rs.	Rs.	Rs.
SHARE CAPITAL				
AUTHORISED				
10,000,000	Equity Shares of Rs. 10 each (Previous year 10,000,000 Equity Shares of Rs. 10 each)	100,000,000		100,000,000
500,000	Preference Shares of Rs. 100 each (Previous year 500,000 Preference Shares of Rs. 100 each)	50,000,000		50,000,000
		<u>150,000,000</u>		<u>150,000,000</u>
ISSUED SUBSCRIBED AND PAID UP EQUITY				
7,963,470	Equity Shares of Rs. 10 each (Previous year 7,963,470 Equity Shares of Rs. 10 each)	79,634,700	79,634,700	
	Less : Calls in Arrears	<u>19,000</u>	<u>19,000</u>	<u>79,615,700</u>
		79,615,700	79,615,700	79,615,700
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 for acquisition of firm as per agreement dated July 31, 1982.				
2) Paid up Share Capital Includes : 2,418,120 Bonus Equity Shares of Rs. 10 each issued on 22.5.96				
SCHEDULE B				
RESERVE & SURPLUS				
Capital Reserve :				
	Subsidy received from Maharashtra Government	5,000,000		5,000,000
	Investment Allowance Reserve	--		--
	Balance Brought Forward	--	2,684,201	--
	Less Transferred to General Reserve	--	<u>2,684,201</u>	--
GENERAL RESERVE :				
	Balance Brought Forward	--	--	--
	Add : Transferred from Investment allow	--	2,684,201	--
	Less : Balance in profit and loss account Transferred	--	<u>2,684,201</u>	--
	Share Premium Account	<u>19,924,000</u>		<u>19,924,000</u>
		<u>24,924,000</u>		<u>24,924,000</u>

Note :

The Share Premium Account denotes :

- A) Premium received on issued of 671,700 Equity Shares of Rs. 10 each at a Premium of Rs. 15 per share.
B) Premium received on issued of 1,515,150 Equity Shares of Rs. 10 each at a Premium of Rs. 6.50 per share.

SCHEDULE FORMING PART OF THE BALANCE SHEET AS ON 31ST MARCH, 2003

Schedule C		CURRENT YEAR	PREVIOUS YEAR
SECURED LOANS		Rs.	Rs.
Indian Overseas Bank	Cash Credit (Stock/Book Debts)	134,088,811	120,190,488
Bank of Baroda	Cash Credit (Stock/Book Debts)	33,781,366	29,376,951
The federal Bank Ltd.	Cash Credit (Stock/Book Debts)	85,373,695	73,629,603
The South Indian Bank Ltd.	Cash Credit (Stock/Book Debts)	100,525,943	80,546,380
Indian Overseas Bank	Term Loan	26,007,991	22,055,200
The Federal Bank Ltd.	Term Loan	20,777,499	19,718,757
The South Indian Bank Ltd.	Term Loan	54,657,894	46,001,409
Maharashtra State Finance Corporation Ltd.		15,133,071	12,332,146
Industrial Development Bank of India		195,812,552	158,217,841
17% Non-Convertible Debenture (IDBI)		114,980,954	96,010,049
(17% Non-Convertible Debenture include interest accrued and due) (Rs. 55444887/-)			
(Previous Year Rs. 36,473,982)			
		<u>781,139,776</u>	<u>658,078,824</u>

Notes :

1. 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 Ltd. are secured by :
 - A) Hypothecation of raw materials, work in progress, finished goods and book debts of the company are further secured by personal guarantees the Ex-whole time Director, Executive Director and the Managing Director. The cash credit loans are further secured by collateral security of gross block of assets of the company. The charges are ranking pari passu interest between Indian Overseas Bank, Bank of Baroda, The Federal Bank Ltd. and The South Indian Bank Ltd.
 - B) 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 Dastan, Taluka Palsana, Dist. Surat.
2. Term Loan and 17% Non-convertible debentures from IDBI are secured by :
 - A) The term Loan from the 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.
 - B) Legal mortgage of all immovable properties at Plot No. J-61, MIDC, Murbad, except machineries purchase under DPG from Indian Overseas Bank.
 - C) First charge by way of hypothecation of plant and machinery, machinery spares, tools and accessories both present and future, electrical installation, furniture and fixture, vehicles and other movable assets of the company except's 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.

SCHEDULE FORMING PART OF THE BALANCE SHEET AS ON 31ST MARCH, 2003

- D) Joint and several personal guarantees of Ex-whole time director, the Executive Director and the Managing Director of the Company.
3. Term Loan from MSFC is secured by :
- A) First charge on the entire fixed assets of Unit A-1/2 G.D.D.I.D.C., Daman Estate, Somnath, Daman which is taken over by MSFC and sold to Party for Rs. 25.11 lakhs. Rest of the machineries are also taken over by MSFC towards dues.
- B) Joint and several personal guarantees of the Ex-whole time Director, Executive and the Managing Director of the company.
4. Medium Term Loan from Indian Overseas Bank, The Federal Bank Ltd. and The South Indian Bank Ltd. are secured by :
- A) First Paripassu charge over properties of the company situated at Plot No. G-1/2, MIDC, Tarapur, F-4 & F-54, MIDC, Murbad and unit at village Gangadhara, Taluka Palsana, Surat.
- B) First charge by way of hypothecation of plant and machinery, spares, tools and accessories electrical installation, furniture and fixture, vehicles and other movable assets 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 Dastan, Taluka Palsana, Dist. Surat.
- C) Joint and several personal guarantees of the Ex-whole time Director, Executive Director and the Managing Director of the company.

SCHEDULE D

Current Year

Previous Year

Rs.

Rs.

UNSECURED LOAN

Development Corporation of Konkan Ltd.	519,302	428,100
Deferred Sales Tax Loan	21,359,915	18,589,329
Deferred Payment Guarantee-IOB	674,250	1,213,650
Inter Corporate Deposits	5,528,320	7,803,500
Other Deposits	23,831,942	31,759,866
	<u>51,913,729</u>	<u>59,794,445</u>

SCHEDULE FORMING PART OF THE BALANCE SHEET AS ON 31ST MARCH, 2003

**SCHEDULE E
FIXED ASSETS**

TPI

	GROSS BLOCK (AT COST)			DEPRECIATION				NET BLOCK		
	As at 31-3-02 Rs.	Addition Rs.	Deduction Rs.	As at 31-3-03 Rs.	Upto 31-03-2002	Deduction Rs.	For the Year Rs.	Total Rs.	As at 31-03-03 Rs.	As at 31-03-02 Rs.
Land (Leaschold)	2,966,104	0		2,966,104	47,370		82,021	129,391	2,836,713	2,918,734
Buildings	69,196,507	0		69,196,507	16,252,117		2,299,440	18,551,557	50,644,950	52,944,390
Flat at Boisar	103,144	0		103,144	26,172		1,681	27,853	75,291	76,972
Plant & Machinery	165,173,831	313,000		165,486,831	61,240,632		7,726,609	68,967,241	9,6519,590	103,933,199
Electrical Installations	15,818,752	0		15,818,752	6,046,382		738,684	6,785,066	9,033,686	9,772,370
Furniture & Fixtures	5,972,943	0		5,972,943	2,612,872		375,772	2,988,644	2,984,299	3,360,071
Office Equipments	1,123,138	0		1,123,138	466,505		52,807	519,312	603,826	656,633
Vehicles	2,808,540	0	1504449	1,304,091	1,885,981	1,222,547	188,853	852,287	451,804	922,559
Factory Equipments	2,209,554	0		2,209,554	819,603		103,839	923,442	1,286,112	1,389,951
Computers	2,601,989	0		2,601,989	2,123,396		175,264	2,298,660	303,329	478,593
Laboratory Equipments	945,870	0		945,870	187,700		38,623	226,323	719,547	758,170
Total	268,920,372	313000	1504449	267,728,923	91,708,730	1,222,547	11,783,593	102,269,776	165,459,147	177,211,642
Previous Year	268,871,308	49,064	0	268,920,372	79,727,472	0	11,981,258	91,708,730	177,211,642	189,143,836

	Upto 31-03-02	Addition 02-03	Deduction 02-03	Net Bal. 31-3-03
Capital Work-in-progress	102,784,900		14,155	102,770,745
Previous Year	115,658,297	0	12,873,397	102,784,900

Notes :

1. The Company has decided to write off lease in respect of value of leaschold 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 FORMING PART OF THE BALANCE SHEET AS ON 31ST MARCH, 2003

SCHEDULE F INVESTMENT	Current Year Rs.	Previous Year Rs.
Long Term Investment:		
UNQUOTED: (other than trade investment)		
800 (800) Equity Shares of Janaseva Sahakari Bank Ltd. of Rs. 25 each	20,000 ⁰	20,000
Nil (25) deep discount bonds of Sardar Sarovar Narmada Nigam Ltd. (Secured redeemable non-tax exempt) of Rs. 3600 each.	--	90,000
QUOTED: (TRADE INVESTMENT)		
640 (640) Equity Shares of Industrial Development Bank of India of Rs. 10 each at a Premium of Rs. 120 each Market value Rs. 10,752/- (Rs. 10,464)	56,647 ⁰	56,647
Nil (10,000) Equity Shares of the South Indian Bank Ltd. of Rs. 10 each at a premium of Rs. 20 each Market Value Rs. Nil (Rs. 439,500)	--	300,000
Nil (7900) Equity Shares of the South Indian Bank Ltd. of Rs. 10 each at a premium of Rs. 22 each. Market Value Rs. Nil (Rs. 347,205) Includes 240 Equity Shares received as Bonus Shares	--	253,540
	<u>76,647</u>	<u>720,187</u>
SCHEDULE G		
INVENTORIES		
PHYSICALLY VERIFIED, VALUED AND CERTIFIED BY THE MANAGEMENT:		
A) Stores & Spares Parts	2,768,480	2,679,641
B) Loose Tools	20,333	17,600
C) Stock in trade		
1) Raw Material	1,076,161	1,578,675
2) Finished Goods	1,499,142	2,159,904
3) Wastage	14,304	8,715
4) Work-in-progress	1,463,373	849,939
	<u>6,841,793</u>	<u>7,294,474</u>

SCHEDULE FORMING PART OF THE BALANCE SHEET AS ON 31ST MARCH, 2003

	Current Year		Previous Year	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE K				
CURRENT LIABILITIES & PROVISION				
A) CURRENT LIABILITIES				
Sundry Creditors				
Outstanding Dues of small scale Industries (See Note No. 15 of schedule U)	824,914		573,025	
Outstanding Dues of other Creditors	45,762,051	46,586,965	46,204,838	46,777,863
Sundry Creditors for expenses		25,417,874		32,950,439
Creditors for Capital Goods		10,031,955		10,031,955
Other Liabilities		1,680,213		1,362,934
Refund orders payable account		6,187		6,187
Advances from parties		2,700		78,062
Interest Accrued but not due		42,956		54,940
Dividend Payable Account		317,429		317,429
		<u>84,086,279</u>		<u>91,579,809</u>
B) PROVISION				
Provision for taxation		4,207,300		4,434,828
		<u>88,293,579</u>		<u>96,014,637</u>

There are no amounts due and outstanding to be credited to investors education and protection fund

SCHEDULE L

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Right Issue Expenses	50,615		124,229	
Less : Written off during the year	50,615	Nil	73,614	50,615
Deferred Revenue Expenditure	20,697,494		26,457,260	
Less : Written off during the year	5,759,767	14,937,727	5,759,766	20,697,494
		<u>14,937,727</u>		<u>20,748,109</u>

SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2003

SCHEDULE M		Current Year	Previous Year
SALES		Rs.	Rs.
Sales - Manufacturing		105,536,109	120,941,741
Sales - Traded		413,920	
Job Work		238,993	2,039,003
		<u>106,189,022</u>	<u>122,980,744</u>
SCHEDULE N			
OTHER INCOME			
Interest Income-Gross		574,468	710,606
Dividend		48,609	50,630
Income from sale of shares		544,656	
Other		9,029	493,300
		<u>1,176,762</u>	<u>1,254,536</u>
SCHEDULE O			
MATERIAL INPUT			
Opening stock of Raw Materials		1,578,675	1,340,275
Add : Purchases of Raw Material		55,399,270	50,301,395
Add : Purchase of Traded Goods		433,024	--
Freight Inward		494,036	369,788
		<u>57,905,005</u>	<u>52,011,458</u>
Less : Closing Stock of Raw Materials		1,076,161	1,578,675
Raw Material Consumed		<u>56,828,844</u>	<u>50,432,783</u>
SCHEDULE P			
ACCRETION/DECRETION TO STOCK			
Opening Stock	Finished Goods	2,159,904	2,939,362
	Wastage	8,715	5,088
	Work-in-progress	849,939	4,712,904
		<u>3,018,558</u>	<u>7,657,354</u>
Closing Stock	Finished Goods	1,499,142	2,159,904
	Wastage	14,304	8,715
	Work-in-progress	1,463,373	849,939
		<u>2,976,819</u>	<u>3,018,558</u>
(DECRETION) TO STOCK		41,739	4,638,796
SCHEDULE Q			
MANUFACTURING EXPENSES			
Processing Charges		7,994,074	9,086,123
Consumption of Stores		2,111,322	4,415,695
Power & Fuel		6,245,576	7,909,521
Water Charges		154,177	225,027
Insurance		524,511	876,289
Repairs and Maintenance			
(A) Building		41,300	2,000
(B) Plant and Machinery		272,417	282,449
Factory Maintenance Charges		19,169	128,600
		<u>17,362,546</u>	<u>22,925,704</u>

SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2003

SCHEDULE R	Current Year	Previous Year
SALARIES, WAGES & BENEFITS TO EMPLOYEES	Rs.	Rs.
Salaries & Wages Including Bonus	4,517,617	8,052,252
Workmen & Staff Welfare Expenses	510,558	725,797
Remuneration & Allowances including provident fund	746,714	682,910
Etc. to Directors and Managing Director		
Contribution to Provision Fund and Other Funds	493,263	728,773
	<u>6,268,152</u>	<u>10,189,732</u>
SCHEDULE S		
ADMINISTRATION & SELLING EXPENSES		
Printing and Stationery	212,183	203,273
Postage, Telegram and Telephone	561,994	954,446
Repairs and Maintenance of Vehicles	688,902	698,269
Repairs and Maintenance of Others	281,808	245,546
Rent	2,600	28,600
Rates & Taxes	10,030	1,530
Packaging, Forwarding & Transport Charges	2,923,655	2,406,315
Legal and Professional Fees	654,211	886,667
Bank Charges and Bank Commission incl. Guarantee Com.	1,553,154	1,094,780
Travelling Expenses	470,175	1,339,455
Conveyance	737,479	1,130,929
Donation	13,160	9,706
Brokerage & Commission	154,678	132,470
Advertisement, Sales Promotion & Presentations	305,193	225,637
Sundry Expenses	1,564,071	1,053,548
Sales Tax	2,770,586	2,764,998
Exchange Rate Fluctuation Expenses	41,889	--
Auditor's Remuneration	87,857	83,186
Bad Debts Written off	488,928	40,650
Loss against sales of fixed assets	69,648	--
	<u>13,592,201</u>	<u>13,300,005</u>
SCHEDULE T		
INTEREST CHARGES		
To Banks and Financial Institutions		
On Working Capital	60,847,218	49,440,659
On Term Loan	56,899,966	45,557,932
On Debenture	18,970,905	15,241,032
To others	1,627,862	2,935,838
	<u>138,345,951</u>	<u>113,175,461</u>

NOTES FORMING PART OF THE ACCOUNTS AS ON 31ST MARCH, 2003

SCHEDULE U

NOTES ACCOUNTS

	Current Year Rs.	Previous Year Rs.
1. CONTINGENT LIABILITIES		
I. Estimated amount of contracts remaining to be executed on capital account and not provided for	NIL	NIL
II. Disputed Amount in Respect of Excise Duty for which appeals are pending.	12,468,242	12,468,242
III. Letters of Credit established by bankers	NIL	NIL
IV. The Company has given counter guarantees for to Banks in respect of guarantees given by the Banks to Third parties for supply of Machineries & Excise Bonds	12,712,832	12,712,832
V. A) Other disputed Income Tax Liability	11,688,858	11,688,858
B) Sales Tax Liability disputed	103,680	103,680
VI. Deferred Payment Guarantee	73,830	221,490
VII. Contingent liabilities in respect of several other suits including the winding up petitions pending against the company	Not Ascertainable	Not Ascertainable
2. In the opinion of the company the Current Assets, Loans and Advances are approximately of value stated, if realised in the ordinary course of business. Provision for known Liabilities is adequate and not in excess of amount reasonable necessary except as stated in note no. 16 herein after referred to.		
3. Sundry Debtors, Sundry Creditors, Loans & Advances are subject to their confirmation and adjustments if any. IDBI Loan Outstanding is Subject to reconciliation.		
4. No Provision for taxation is made since there will be no taxable income in the current year.		
5. Payments to Auditors :		
Audit Fees	75,000	75,000
Service Tax	6,000	3,750
Out of pocket expenses	6,857	4,436
	<u>87,857</u>	<u>83,186</u>
6. Managerial Remuneration under section 198 of the Companies Act, 1956		
Remuneration	714,984	601,593
Contribution towards Provident Fund and Gratuity Fund	31,730	79,200
Accident Insurance Premium	0	2,117
	<u>746,714</u>	<u>682,910</u>
7. Deposits include Rs. NIL (Previous Year Rs. 19,450,000/-) for Premises given to Individual & Firm etc. Wherein some of the Directors are interested.		

NOTES FORMING PART OF THE ACCOUNTS AS ON 31ST MARCH, 2003

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

8 QUANTITATIVE AND TURNOVER INFORMATION
(as Certified By The Directors)

A) CAPACITY AND PRODUCTION

I. CAPACITY	UNIT	02-03		01-02	
		Licensed Capacity	Installed Capacity	Licensed Capacity	Installed Capacity
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 :

PP/LDPE. Laminated to kraft paper/
Poster paper / Glassine paper / OLB paper /
Polycoated paper

Tons

PP/HDPE/PE/woven fabrics/rolls/
sheets/bags/sacks/FIBC Laminated/
Unlaminated/lined with kraft
paper on circular looms

a: PE sheets/tarpaulin

Tons

Nil

Nil

b: PE Rolls

Tons

62

34

c : HDPE / PP/ kraft lined / FIBC bags

Bags

1,123,211

1,511,409

B) TURNOVER

	Unit	02-03		01-02	
		Quantity	Value	Quantity	Value
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	Tons	Nil	Nil	Nil	Nil
a: PE sheets/tarpaulin	Tons	Nil	Nil	Nil	Nil
b: PE Rolls	Tons	62	3,873,753	38	1,644,923
c: HDPE/PP/Kraft lined/FIBC bags	Bags	1,123,017	100,507,321	1,532,771	118,418,049
Traded Item - (Merchant Export/Others)	Rs.		413,920		Nil
Job Work			238,993		2,039,003
Miscellaneous			1,155,035		878,769
			<u>106,189,022</u>		<u>122,980,744</u>

NOTES FORMING PART OF THE ACCOUNTS AS ON 31ST MARCH, 2003

C) STOCK CLOSING STOCK	Unit	2002-2003		2001-2002	
		QTY.	VALUE Rs.	QTY.	VALUE Rs.
PP/LDPE Laminated to kraft paper/ Poster paper/Glassine paper/OLB paper/ Polycoated paper	Tons	Nil	Nil	Nil	Nil
PP/HDPE/PE/woven fabric/rolls/ Sheets/bags/sacks/FIBC laminated/ Unlaminated/lined with kraft paper on circular looms					
a: PE Sheets/tarpaulin	Tons	Nil	Nil	Nil	Nil
b: PE Rolls	Tons	Nil	Nil	Nil	Nil
c: HDPE/PP/Kraft lined/FIBC bags	Bags	8,706	1,499,142	8,512	2,159,904
			<u>1,499,142</u>		<u>2,159,904</u>
OPENING STOCK					
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	Nil	Nil	Nil	Nil
b: PE Rolls	Tons	Nil	Nil	4	212,735
c: HDPE/PP/Kraftlined/FIBC Bags	Bags	8,512	2,159,904	29,874	2,726,627
			<u>2,159,904</u>		<u>2,939,362</u>
D) CONSUMPTION OF RAW MATERIALS					
i) Paper	Kgs.	83,419	1,673,196	84,208	1,857,655
ii) Polythene/Fabrics	Kgs.	1,202,832	54,176,754	1,156,147	45,209,311
iii) Other Miscellaneous	Rs.		978,894		3,365,817
			<u>56,828,844</u>		<u>50,432,783</u>
E) Value of imported and Indigenous Raw Material and Stores and Spares Parts (Including Components) consumed,					
i) Raw Materials					
i) Imported		Nil	Nil	Nil	Nil
ii) Indigenous		56,828,844	100	50,432,783	100
		<u>56,828,844</u>	<u>100</u>	<u>50,432,783</u>	<u>100</u>
ii) Stores & Spares Parts (Including Components)					
i) Imported		Nil	Nil	Nil	Nil
ii) Indigenous		2,111,322	100	4,415,695	100
		<u>2,111,322</u>	<u>100</u>	<u>4,415,695</u>	<u>100</u>

	2002-2003	2001-2002
9. Expenditure in Foreign Currency during		
The year on account of other matter	Nil	439,380
Inspection/service charges	174,002	Nil
10. Earning in Foreign Exchange	9,487,353	9,356,363
Export (Fob Basis)		

11. Prior year's adjustments includes interest paid Rs. Nil (Rs. 3.91 lacs) Service charges Rs. Nil (Rs. 4.18 lacs), discount & Rebate Rs. Nil (Rs. 6.59 lacs credit) interest income of Rs. 15.77 lacs credit (Rs. Nil) and Income Tax Provision written back Rs. 1.71 lacs credit (Rs. Nil)

12. 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 Cost including Financing Cost till commencement of Commercial Production, Net Charges of Foreign Exchange Contracts and Adjustment 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) Investment are stated at cost :

D) Inventories :

Raw Material are stated at lower of cost or realisable value. Work-in-progress is valued at material cost and conversion cost appropriate to their location finished goods are stated at cost or realisable value whichever is lower. Cost includes Material Cost, Conversion and other cost incurred in bringing the Inventory at their present location and condition. Stores & Spares are stated at cost or realisable value whichever is less. Scrapes are stated at realisable value.

E) Liabilities/Assets in Foreign Currencies are recorded 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) 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.
- d) 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.
- F) 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.
- G) The provision for tax is based on the assessable profits of the company computed in accordance with the Income Tax Act, 1961.
- H) Pre-Operative expenditure is carried forward to be capitalised and apportioned to various assets on commissioning the project.
- I) Leave encashment is accounted for on payment basis.

- J) Sales are inclusive of Sales Tax and Excise Duty.
- K) Gratuity is provided on the basis of working done as per the payment of Gratuity Act.
- L) Capital issue and preliminary expenses are amortised as per section 35 D of the Income Tax Act, 1961.
- M) Compensation to employees who have opted for retirement under voluntary retirement scheme and heavy revenue expenditure on account of foreign travelling, advertisement incurred are debited to deferred revenue expenditure and the said expenditure is being written off over a period of five years.
- N) Capital subsidy received from Maharashtra Government is credited to Capital Reserve Account.
- O) Deferred tax is recognised subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognised on unabsorbed depreciation and carry forward of losses unless there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.
13. Dividend payable accounts and refund order payable accounts are under reconciliation pending receipt of details from banks.
14. Capital work in progress of Rs. 1027.71 Lacs (Rs. 1027.85 Lacs) pertains to Surat Project and includes revenue expenditure of Rs. 613.56 Lacs (Rs. 613.56 Lacs) incurred in earlier years. Projects abandoned, however, realisable value of the abandoned project has not been ascertained and accordingly loss if any on the same has not been provided for.
15. The amount due to small Scale Industrial Undertakings is furnished under the relevant head, on the basis of information available with the Company regarding the status of Small Scale Industry of the suppliers. Such undertakings to which the Company owes a sum exceeding Rupees One Lac for more than 30 days are M/s. German Inks Rs. 302,191/- (Rs. 255,400/-), M/s. Rang Rasayan Limited Rs. 317,625/- (Rs. 317,625/-) and M/s. A.K. Industries Rs. 205,098/- (Rs. Nil)
16. Doubtful debts already provided for of Rs. 15.43 Lacs has been adjusted considering the same as bad debts. At the end of the year total unsecured considered doubtful debts are Rs. 1234.17 Lacs (Rs. 1254.43 Lacs) on which the Company has not made any provisions. Considering the conservative accounting policy if provisions for all the doubtful are made, loss would have been higher by Rs. 1234.17 Lacs and sundry debtors would have been reduced by Rs. 1234.17 Lacs.
17. The accounts are prepared on the basis of "Going Concern". The continuation of the company as a going concern is dependent upon the availability of adequate finance and future profitability of the company.
18. On concept of prudence "Deferred Tax Asset" has not been recognised as there is reasonable uncertainty of sufficient future taxable income since the Corporate Debt Restructuring (CDR) is pending before the banks and Financial institution and the company has applied to BIFR due to negative networth and the company's application has been registered as a case no. 277/2001 with BIFR and the same is pending in appeal with Appellate Authority of Industrial and Financial Reconstruction as appeal No. 240/03.
19. As the company's business activities fall within single segment viz; flexible packaging goods, the disclosure requirements of Accounting Standard 17 segment reporting issued by Institute of Chartered Accountants of India is not applicable.

20. In terms of AS 18 "Related Party Disclosures" issued by the ICAI, related party transactions are as follows :

- a. Parties where control exists :
 - Shreeji Sales Corporation
 - Sanjay Enterprises
- b. Other related parties with whom transactions have taken place during the year :
 - Key Management personnel & Relatives
 - H.C Parekh - Managing director
 - Asha H. Parekh - wife
 - B. C. Parekh - Executive director
- c. Nature of Transaction
 - i. Remuneration

key Management personal	746,714	682,910
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 - ii Interest paid

Parties where control exists (including prior period interest of Rs. NIL Rs. 391,703)	3,570,074	4,739,584
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 - iii. Outstanding Balance as at 31 st March 2003

Unsecured Loan		
Key Management personnel & Relatives & controlling firm	18,866,943	26,834,867
Loans and advances :		
Office Deposit	Nil	19,450,000

21. Earnings per share :	2002-2003	2001-2002
(a) [Loss] after tax	Rs. in Lakhs (1,525.12)	(1,329.25)
(b) The weighed average number of ordinary share	Nos. 79,63470	79,63470
(c) The nominal value per Ordinary Share	Rupees 10	10
(d) Earnings per share [Basic and diluted]	Rupees (19.15)	(16.69)

22. In the Financial year 2001-02 the company has adjusted Rs. 25.11 lacs in respect of auction value of Daman unit realised by Maharashtra State Financial Corporation Ltd. (MSFC), from outstanding loan balance of MSFC as management of the company failed to discharge its liability of repayment of loan.

MSFC has taken possession of entire unit of Daman hypothecated to them and credited sale value of Rs. 25.11 lacs against the outstanding dues, The Company had written off entire balance of Rs. 103.62 lacs under the head "Project Abonded written off account" in the year 2001-02. The company will adjust sale proceeds amount realised by MSFC in the future period from the loan amount payable to them and credit the amount so received as income of the respective year of receipt. Interest on the outstanding balance due to MSFC is calculated as per terms and conditions of sanctioned deed.

The balance amount with MSFC payable by the company is subject to confirmation and adjustment if any.

23. Previous year's figures have been rearranged and/or regroup wherever necessary to make them comparable with those o the current year.

24. Additional information pursuant to the provisions of part IV of schedule VI to the Company Act, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**I. Registration details**

Registration No.	State Code	Balance Sheet date
26917	11	31-03-2003

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

Public Issue	Right Issue	Bonus Issue	Private Placement
Nil	Nil	Nil	Nil

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

Total Liabilities	937593	Total Assets	937593
Sources of Funds		Application of Funds	
Paid up Capital	79616	Net Fixed Assets	268230
Reserves & Surplus	24924	Investments	77
Secured Loans	781140	Net Current Assets	81740
Unsecured Loans	51913	Misc. Expenditure	14938
Share Application Money	Nil	Accumulated Losses	572608

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

Turnover	106189	Total Expenditure	255416
Loss before Tax	-152512	Loss after Tax	-152512
Earning per Share (Rs.)	-19.15	Dividend Rate %	Nil

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

Item Code No.	39239000	39269000	48190000
Product Description	Kraftlined HDPE Bags/FIBC-	HDPE	Multiwall
	Bulk Bags/PP/HDPE/PE Bags	Tarpauline	Paper Bags

Note: All Schedules From schedule "A" to schedule "U" have been signed by the following :

For and on behalf of the Board of Directors

For **M. G. DHANKOT & CO.**
Chartered Accountants

H. C. Parekh Chairman &
Managing Director

B. C. Parekh Executive Director

M. G. DHANKOT
Proprietor

Mumbai, dated 20th August, 2003

Mumbai, dated 20th August, 2003



ATTENDANCE SLIP
TPI INDIA LIMITED

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

PLEASE COMPLETE THIS ATTENDENCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL

Joint Shareholders may obtain additional attendance slips at the entrance.

Regd. Folio No. _____

Name of the attending Member/Proxy _____

No. of Shares held _____

I hereby record my presence at the 21st ANNUAL GENERAL MEETING AT Plot No. G-1/2, MIDC, Area, Boisar, Dist. Thane on Saturday the 20th September, 2003.

SIGNATURE OF THE SHAREHOLDER OR PROXY



PROXY FORM
TPI INDIA LIMITED

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

I/We.....of.....being a member/members of TPI INDIA LIMITED hereby appoint of of failing him of as my/our proxy to attend and vote for me/us and on my/our behalf at the 21st Annual General Meeting of the Company to be held on Saturday the 20th September, 2003 and at any adjournment thereof.

Signed this day of....., 2003.

Regd. Folio.....

Signature by the said.....

Note : The Proxy must be deposited at the Head Office of the Company at 102 Atlanta, Nariman Point, Mumbai-400 021. not less than 48 hours before the time for holding the meeting.

Re. 1
Revenue
Stamp

Book-Post

If undelivered, please return to :



TPI INDIA LIMITED

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