

OK PLAY INDIA LTD • ANNUAL REPORT 2008



dream think create



September 3, 2008

It is my pleasure in reaching out and communicating with you for the Annual General Meeting and forwarding the Annual Report of your Company for the year ending 31<sup>st</sup> March, 2008.

During the year under review, despite very tough market conditions, your company has shown a marginal growth of 7%, achieving a turnover of Rs. 45.89 Crores. Due to these tough conditions, the company's product mix has also changed causing the profit margins to dip. However, the company's policies of innovation, expansion, diversification and qualitative production have been adhered to and in line with the same, I am happy to say, that your Company has entered into two agreements for the growth of the Company.

As you may be aware, your Company has entered into an exclusive Marketing, Technical & Manufacturing Agreement with PURFORM of New Zealand the world's largest selling plastic mannequins brand – known internationally for pioneering the concepts of mannequins. The fast increasing purchasing power & the appetite of Indian consumer for apparels & fashion products offers vast potential for PURFORM products in India and we are confident that the strong fundamentals of the PURFORM brand supported by your Company's strong distribution network across the country will replicate PURFORM's international success story here in India also.

Further, your Company has entered into an agreement with DKL & BBM Belgium Companies, the owner of Intellectual Property in relation to construction blocks known as "CLICS" products, which is a market leader in its own field of Educational Toys and whose products are sold in 46 Countries. Under the agreement, your Company will manufacture and sell CLICS products in the Indian subcontinent.

Your Company has been allotted 58500 sq. meters of Industrial land in Bawal which is proposed to be used for the expansion of the Company's production infrastructure.

I am confident that the consistent expansion & diversification policies of the management will deliver value in the near future to the stakeholders.

I acknowledge and appreciate the dedicated efforts of all employees thus enabling the company to move towards its goals.

I would like to take this opportunity to express my gratitude to the Board, customers, suppliers, bankers, employees and our shareholders for their unceasing confidence and support.

With best wishes,

Sincerely,



Justice T. R. Handa (Retd.)  
Chairman & Whole-time Director



## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

JUSTICE (RETD.) T.R.HANDA	Chairman & Wholetime Director
SH. RAJAN HANDA	Managing Director
MRS. MAMTA HANDA	Wholetime Director
SH. RAJESH SHARMA (Nominee of HSIDC)	Director
SH. SHALABH JASORIA	Director
SH. S. M. HANDA	Director
DR.RAJAN WADHERA	Director

### **COMPANY SECRETARY**

SH. DHIR SINGH BHATI

### **AUDITORS**

M/S S. P. MARWAHA & CO.  
22/44, WEST PATEL NAGAR,  
NEW DELHI-100008

### **BANKERS**

- CITI BANK N.A., GURGAON
- IDBI BANK, DELHI
- CANARA BANK, S.D.AREA, NEW DELHI

### **REGISTERED OFFICE**

PLOT NO.17-18, ROZ-KA-MEO INDL.ESTATE,  
TEHSIL NUH, DISTRICT MEWAT  
HARYANA-122103  
PHONES: 0124-2362335-36  
Websites : [www.okplay.in](http://www.okplay.in)

### **CORPORATE OFFICE**

124, NEW MANGLAPURI, MEHRAULI  
NEW DELHI-110030, INDIA  
PH. : +91 11 46190000  
FAX:+91 11 46190090  
[investor.relations@okplay.in](mailto:investor.relations@okplay.in)



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**OK PLAY INDIA LIMITED**



## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 19th Annual General Meeting of the members of OK PLAY INDIA LIMITED will be held on Tuesday, the 30th day of September, 2008 at 10.00 A.M. at Hakim Ji ki Choupal, opposite Batra Hospital, Village-Ujina, Police Station - Nuh, Dist. Mewat (Haryana) to transact the following:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Profit & Loss Account for the financial year ended 31st March, 2008 and Balance Sheet of the Company as at that date along with Directors' Report and Auditors' report therein and the Cash Flow Statement.
2. To appoint a Director in place of Sh. Surinder Mohan Handa, Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr. Rajan Wadhwa, Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint 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. M/s S. P. Marwaha & Co., Chartered Accountants, the retiring auditors are eligible for re-appointment.

### **SPECIAL BUSINESS:**

#### **5. INCREASE IN BORROWING LIMITS**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose), be and is hereby authorized, in accordance with Section 293(1)(d) of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and the Articles of Association of the Company, to borrow any sum or sums of money (including non fund based facilities) from time to time at their discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other persons, firms, bodies corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, exceed up to a sum of Rs. 100 crore (Rupees one hundred crore) over and above the aggregate of the paid up capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) and that the Board of Directors be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit.

## OK PLAY INDIA LIMITED

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

6. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

**"RESOLVED THAT** subject to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, approval be and is hereby accorded for the re-appointment of Mr. Rajan Handa as Managing Director of the Company for a period of three years from 1st March, 2009 to 29th February, 2012 and for payment of remuneration/ minimum remuneration as described below:

**I Salary**

Basic Salary: Rs.1,75,000/- (Rupees One Lac Seventy Five Thousand only) per month with effect from 1st March, 2009.

**II. Allowances & Perquisites**

Allowances & Perquisites shall be allowed in addition to Salary. However, it shall be restricted to an amount equal to Rs.1,75,000/- per month. Allowances and Perquisites are broadly classified as follows, viz., House Rent Allowance, Gas, Electricity, Water & Furnishing, Medical Reimbursement and Leave Travel concession as per rules of the Company, Personal Accident Insurance, Meal vouchers, Books & Periodicals, Use of Company's car with driver, Residential Telephones, Special Allowances etc

For the purpose of calculating the above ceiling, perquisites will be evaluated as per Income Tax rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost. However, ceilings under each of the above heads shall be fixed/re-fixed as may be mutually agreed to between the Company and the Appointee so as not to exceed the limit of Rs.1,75,000/- or to allow any other perquisite.

**III. Other Payments and Provisions which shall not be included in the computation of the ceiling on remuneration:**

- i) Contribution towards Provident Fund and Superannuation Fund:

Contribution towards Provident Fund and Superannuation fund as per Company's rules as amended from time to time. Contributions to Provident Fund, Pension / Superannuation / Annuity Fund to the extent of the limits prescribed under I.T.Rules 1962 or notification issued there under from time to time will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act / Rules / Notification.

- ii) Gratuity

Gratuity payable as per the rules of the Company.

- iii) Leave encashment

Encashment of Leave as per the rules of the Company.



**"RESOLVED FURTHER THAT** consent be and is hereby also accorded for payment of salaries, allowances etc as detailed above to Mr. Rajan Handa as minimum remuneration in the absence or inadequacy of profits in any year."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to vary, increase, modify or alter the remuneration and perquisites, in such manner as may be agreed to between the Board of Directors and Mr. Rajan Handa subject to the maximum annual remuneration not exceeding the limits prescribed under Table (B), Part II of Schedule XIII of the Companies Act, 1956."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution."

Except Mr. Rajan Handa, Justice T. R. Handa (Retd.) and Mrs. Mamta Handa, no other directors are concerned or interested.

The Board of Directors of your Company recommends to pass the resolution as a Special Resolution.

**7 To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:**

"RESOLVED THAT subject to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, approval be and is hereby accorded for the re-appointment of Justice T. R. Handa (Retd.) as Chairmen and Whole- Time Director of the Company for a period of three years from 1st March, 2009 to 29th February, 2012 and for payment of remuneration/ minimum remuneration as described below:

**I Salary**

Basic Salary: Rs.1,50,000/- (Rupees One Lac Fifty Thousand only) per month with effect from 1st March, 2009.

**II. Allowances & Perquisites**

Allowances & Perquisites shall be allowed in addition to Salary. However, it shall be restricted to an amount equal to Rs.1,50,000/- per month. Allowances and Perquisites are broadly classified as follows, viz., House Rent Allowance, Gas, Electricity, Water & Furnishing, Medical Reimbursement and Leave Travel concession as per rules of the Company, Personal Accident Insurance, Meal vouchers, Books & Periodicals, Use of Company's car with driver, Residential Telephones, Special Allowances etc.

For the purpose of calculating the above ceiling, perquisites will be evaluated as per Income Tax rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost. However, ceilings under each of the above heads shall be fixed/re-fixed as may be mutually agreed to between the Company and the Appointee so as not to exceed the limit of Rs.1,50,000/- or to allow any other perquisite.

**III. Other Payments and Provisions which shall not be included in the computation of the ceiling on remuneration:**

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i) Contribution towards Provident Fund and Superannuation Fund:

Contribution towards Provident Fund and Superannuation fund as per Company's rules as amended from time to time. Contributions to Provident Fund, Pension / Superannuation / Annuity Fund to the extent of the limits prescribed under I.T.Rules 1962 or notification issued there under from time to time will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act / Rules / Notification.

ii) Gratuity

Gratuity payable as per the rules of the Company.

iii) Leave encashment

Encashment of Leave as per the rules of the Company.

**"RESOLVED FURTHER THAT** consent be and is hereby also accorded for payment of salaries, allowances etc as detailed above to Justice T.R.Handa (Retd.) as minimum remuneration in the absence or inadequacy of profits in any year."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to vary, increase, modify or alter the remuneration and perquisites, in such manner as may be agreed to between the Board of Directors and Justice T. R. Handa (Retd.) Subject to the maximum annual remuneration not exceeding the limits prescribed under Table (B), Part II of Schedule XIII of the Companies Act, 1956."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution."

Except Mr. Rajan Handa, Justice T. R. Handa (Retd.) and Mrs. Mamta Handa, no other directors are concerned or interested.

The Board of Directors of your Company recommends to pass the resolution as a Special Resolution.

8 To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

**"RESOLVED THAT** subject to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, approval be and is hereby accorded for the appointment of Dr. Rajan Wadhwa as Whole-Time Director of the Company for a period of three years from 1st March, 2009 to 29th February, 2012 and for payment of remuneration/ minimum remuneration as described below:

### **I Salary**

Basic Salary: Rs.40,000/- (Rupees Forty Thousand only) per month with effect from 1st October, 2008.

### **II. Allowances & Perquisites**

Allowances & Perquisites shall be allowed in addition to Salary. However, it shall be restricted to an amount equal to Rs.40,000/- per month. Allowances and Perquisites are broadly classified as follows, viz., House Rent Allowance, Gas, Electricity, Water & Furnishing, Medical Reimbursement and Leave Travel concession as per rules of the

Company, Personal Accident Insurance, Meal vouchers, Books & Periodicals, Use of Company's car with driver, Residential Telephones, Special Allowances etc.

For the purpose of calculating the above ceiling, perquisites will be evaluated as per Income Tax rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost. However, ceilings under each of the above heads shall be fixed/re-fixed as may be mutually agreed to between the Company and the Appointee so as not to exceed the limit of Rs.40,000/- or to allow any other perquisite.

**III. Other Payments and Provisions which shall not be included in the computation of the ceiling on remuneration:**

i) Contribution towards Provident Fund and Superannuation Fund:

Contribution towards Provident Fund and Superannuation fund as per Company's rules as amended from time to time. Contributions to Provident Fund, Pension / Superannuation / Annuity Fund to the extent of the limits prescribed under I.T.Rules 1962 or notification issued there under from time to time will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act / Rules / Notification.

ii) Gratuity

Gratuity payable as per the rules of the Company.

iii) Leave encashment

Encashment of Leave as per the rules of the Company.

**"RESOLVED FURTHER THAT** consent be and is hereby also accorded for payment of salaries, allowances etc as detailed above to Dr. Rajan Wadhera as minimum remuneration in the absence or inadequacy of profits in any year."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to vary, increase, modify or alter the remuneration and perquisites, in such manner as may be agreed to between the Board of Directors and Dr. Rajan Wadhera subject to the maximum annual remuneration not exceeding the limits prescribed under Table (B), Part II of Schedule XIII of the Companies Act, 1956."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution."

None of the director except Dr. Rajan Wadhera is interested in the proposed resolution.

The Board of Directors of your Company recommends to pass the resolution as a Special Resolution.

9. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** Mr. Rakesh Kumar Bhatnagar, who was appointed as Additional Director by the Board to hold office up to the date of this Annual General Meeting and in respect of whom a notice under section 257 of the Companies Act, 1956 has been received from a

## **OK PLAY INDIA LIMITED**

member signifying his intention to propose Mr. Rakesh Kumar Bhatnagar as a candidate for the office of the Director, be and is hereby elected and appointed as Director of the Company, liable to retire by rotation".

10. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** Mr. Jagdish Khullar, who was appointed as Additional Director by the Board to hold office up to the date of this Annual General Meeting and in respect of whom a notice under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. Jagdish Khullar as a candidate for the office of the Director, be and is hereby elected and appointed as Director of the Company, liable to retire by rotation".

**Order of the Board of Directors  
for OK PLAY INDIA LTD.**

**Place: New Delhi  
Dated: 25th August, 2008**

**(DHIR SINGH BHATI)  
Company Secretary**

### **NOTES FOR MEMBERS' ATTENTION**

1. A member entitled to attend and vote at the Meeting may appoint a proxy to attend and vote on a poll on his/her behalf and the proxy need not be a member of the Company.
2. **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. THE PROXY FORM IS ENCLOSED.**
3. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at this Annual General Meeting is attached.
4. The Register of members and share transfer books of the Company shall remain closed from 23.09.2008 to 30.09.2008 (both days inclusive).
5. The Brief resume of the Directors proposed to be appointed/re-appointed are given under Directors' Report.
6. Members attending the meeting are requested to bring their copy of the Annual Report as extra copies will not be supplied.
7. Members / proxies should bring the attendance slip duly filled in for attending the meeting.
8. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
9. All members are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of their electronic share accounts and forward all other



correspondence including physical share certificates for transfer to Company's Share Transfer Agents MAS SERVICES LIMITED, AB-4 Safdarjung Enclave, New Delhi- 110 029.

10. Members seeking further information on the Accounts or any other matter contained in the Notice, are requested to write to the Company at least 7 days before the meeting so that relevant information can be kept ready at the meeting.
11. To avail the facility of nomination, members may write to the Company for obtaining the *Nomination Form (Form 2B)*.
12. Entry to the venue of the meeting will be strictly on Entry Slip available at the counters at the entrance and to be exchanged with Attendance Slip.
13. No Brief case or Bag will be allowed to be taken inside the venue of the meeting.

## **ANNEXURE TO THE NOTICE**

### **Explanatory Statement pursuant to Section 173(2) of the companies Act, 1956**

#### **ITEM NO. 5 OF THE NOTICE**

##### **INCREASE IN BORROWING LIMITS**

In terms of the provisions of Sections 293(1) (d) of the Companies Act, 1956, the Board of Directors of the Company, cannot, except with the consent of the Company in general meeting, borrow moneys, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of aggregate of the paid up capital and its free reserves, that is to say, reserves not set apart for any specific purpose. Keeping in view the Company's business requirements and its growth plans, it is considered desirable to increase the said borrowing limits.

The Board of Directors, accordingly, recommends the resolution set out at Item No.5 of the accompanying Notice for the approval of the Members.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

#### **ITEM NO. 6, 7 & 8 OF THE NOTICE**

The Board of Directors at their Meeting held on 25th August, 2008 re-appointed Mr. Rajan Handa as Managing Director, Justice T. R. Handa (Retd.) as Chairmen & Whole-Time Director for a further period of 3 years from 1st March, 2009 to 29th February, 2012 and appointed Dr. Rajan Wadhera as whole- Time Director for a period of three years from 1st October, 2008 to 30th September, 2012 and also authorized the Remuneration Committee to fix the remuneration subject to approval of shareholders. Subsequently, the Remuneration Committee at their meeting held on 25th August, 08, having regard to the various requirements stipulated in Schedule XIII, have fixed the remuneration payable to Mr. Rajan Handa, Justice T. R. Handa (Retd.) and Dr. Rajan Wadhera as detailed in the Resolution Nos. 6,7 and 8, subject to approval of the shareholders.

## OK PLAY INDIA LIMITED

The Notice read with the Explanatory Statement and contents therein may be treated as an abstract of the terms of re-appointment and remuneration payable to Mr. Rajan Handa, Justice T. R. Handa (Retd.) and appointment & remuneration payable to Dr. Rajan Wadhera under section 302 of the Companies Act, 1956.

Hence, the proposed special resolutions, seeking approval of shareholders.

In this regard, as required under Part II, Section II (B) (iv) of Schedule XIII to the Companies Act, 1956 the following information is furnished:

### I. GENERAL INFORMATION

(1) Nature of Industry:

The Company is in the business of plastic moulded products such as POP products, Industrial products, Automobile products and Children products.

(2) Date of commencement of commercial Production:

The Company commenced its commercial production in the year 1990.

(3) Financial Performance based on given indicators:

	2005-06	2006-07	2007-08
Sales	4062.28	4280.63	4589.92
Profit Before tax	3827.12	1454.25	615.40
Profit after tax	3781.19	1162.32	321.40

(Rs. In Lacs)

(4) Export performance, net foreign exchange earnings

	2005-06	2006-07	2007-08
Foreign Exchange Earnings	2.44	350.00	1.42

(5) Collaborations:

The Company has ongoing Marketing, Technical & Manufacturing collaboration with PURFORM of New Zealand, the world's largest selling plastic mannequin brand – known internationally for pioneering the concept of mannequin.

### II. INFORMATION ABOUT THE APPOINTEES:

(1) Background details, recognition/awards:

Mr. Rajan Handa is 48 years old. He is B. Tech and has over 27 years of industrial experience. Held various positions handling process, production, technical services, project development, market development and implementation. He is the main driving force behind Company's growth right from the time of its incorporation.

Justice T. R. Handa (Retd.) is 83 years old and has vast experience in the areas of Legal, Administration, Arbitration and Industrial Relations.

Dr. Rajan Wadhera is 49 years old. He is PHD (Human Resources) and has good experience in human resources and other management related functions.

(2) Past remuneration:

Mr. Rajan Handa

Period (In Rs.)	Salary (In Rs.)	Perquisites Benefits	Retirement (In Rs.)	Total
1.4.2006-31.03.2007	7,80,000	4,68,000	93600	1341600
1.4.2007-31.03.2008	12,00,000	7,20,000	14,4000	2064000

Justice T. R. Handa

Period	Salary (In Rs.)	Perquisites (In Rs.)	Retirement Benefits	Total (In Rs.)
1.4.2006-31.03.2007	6,00,000	3,60,000	-	960000
1.4.2007-31.03.2008	9,00,000	5,40,000	-	1440000

Dr. Rajan Wadhera

Since Dr. Rajan Wadhera is being appointed as Whole Time Director for the first time on the Board of the Company, therefore past remuneration is not applicable

(3) Job profile and suitability:

Mr. Rajan Handa as Managing Director is responsible for the overall management of the affairs of the Company subject to superintendence and guidance of the Board of Directors. With the requisite knowledge and experience as detailed in the background and considering the talents and skills acquired in the course of his career development, it is considered that the appointee is suitable for the assignment.

Justice T. R. Handa (Retd.) as Chairmen and Whole Time Director is responsible for Legal related areas. With the requisite knowledge and experience as detailed in the background and considering the talents and skills acquired in the course of his career development in handling legal and industrial relation, it is considered that the appointee is suitable for the assignment.

Dr. Rajan Wadhera as Whole Time Director is responsible for overall management related to human resources and other related areas. With the requisite knowledge and experience as detailed in the background and considering the talents and skills acquired in the course of his career development, it is considered that the appointee is suitable for the assignment.

(4) Remuneration proposed:

Details of remuneration payable to Mr. Rajan Handa, Managing Director, Justice T. R. Handa (Retd), Chairmen and Whole Time Director and Dr. Rajan Wadhera, Whole- Time Director are furnished in the resolutions under Item Nos. 6, 7 and 8 respectively of the Notice.

The Remuneration in the form of salaries, allowances, etc. has been fixed by the

## OK PLAY INDIA LIMITED

Remuneration Committee of the Board, subject to maximum annual remuneration not exceeding the limits prescribed under Schedule XIII of the Companies Act, 1956.

(5) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

Taking into consideration (a) the size of the organisation (b) The level of operation of the unit (c) the invaluable experience by the incumbents (d) adverse business scenario faced by the Company in view of ever increasing oil prices and tight market situation (e) efforts required to be put in by the incumbents to bring back the Company to be profit making from sick Company and (f) industrial norms on remuneration package to Whole-time Directors in Plastic Molding Industries, it is considered that the remuneration package is very reasonable.

(6) Pecuniary relationship, directly or indirectly with the Company / relationship with Managerial personnel, if any

Mr. Rajan Handa, Justice T. R. Handa (Retd.) and Dr. Rajan Wadhera have no pecuniary relationship with the Company, directly or indirectly (except to the extent of the remuneration received / receivable by them from the Company, advancing of unsecured loans to company and their respective holding in the Company's equity share capital).

### III. OTHER INFORMATION

1. Reason of loss or inadequate profits:

The Company's performance for the year 2007-08 was affected due to change in product mix. This year considerable sale of water tanks, a low value added product with high material costs affected the profitability adversely.

2. Steps taken or proposed to be taken for improvement

The Company continues to have a strong brand image in the market and the ongoing quality improvement efforts including improvement in process capabilities, reduction of scrap will enable the Company to meet new challenges in cost, quality and productivity.

The Company is also emphasising on development of new business in plastic molding including development of new products especially the mannequin, outdoor play ground equipment and delivery boxes which are almost complete now. The Company continues to devote increasing efforts to build export markets and expect to achieve significant improvement in the current year.

3. Expected increase in productivity and profits in measurable terms

The Company is continuously taking efforts to maintain the plant efficiency at the highest level, reduce expenditures, carry out market development activities to improve the sales, to disinvest non-core assets/investments and utilize the funds to reduce the interest burden. Action as proposed is expected to fetch good results in the years to come.

### IV DISCLOSURES

The Shareholders of the Company have been informed about the remuneration of Mr. Rajan Handa and Justice T.R. Handa (Retd.) Through the disclosures made in the





Corporate Governance Report attached to the Directors report.

#### **ITEM NO. 9 OF THE NOTICE**

Shri Rakesh Kumar Bhatnagar was appointed by the Board as an Additional Director in the category of non-executive and independent director to comply with the requirements of Clause-49 of the listing agreement of the Company w.e.f. 25th August, 2008 to hold the office of Director till the date of the ensuing 'Annual General Meeting'.

The company has received a notice under section 257 of the Companies Act 1956 from a member proposing his name for the office of Director of the company. Sh. Rakesh Kumar Bhatnagar is having wide experience of more than 29 years in business and corporate interactions.

The Board recommends the appointment of Sh. Rakesh Kumar Bhatnagar and proposes to pass the Resolution as an ordinary Resolution.

Except Shri Rakesh Kumar Bhatnagar, none of the directors of the Company are interested or concerned in the resolution.

#### **ITEM NO. 10 OF THE NOTICE**

Shri Jagdish Khullar was appointed by the Board as an Additional Director in the category of non-executive and independent director to comply with the requirements of Clause-49 of the listing agreement of the Company w.e.f. 25th August, 2008 to hold the office of Director till the date of the ensuing 'Annual General Meeting'.

The company has received a notice under section 257 of the Companies Act 1956 from a member proposing his name for the office of Director of the company. Sh. Jagdish Khullar is 70 years old. He is B. Tech (Hons.) from IIT Kharagpur & having wide experience of more than 45 years in business and corporate interactions.

The Board recommends the appointment of Sh. Jagdish Khullar and proposes to pass the Resolution as an ordinary Resolution.

Except Shri Jagdish Khullar, none of the directors of the Company are interested or concerned in the resolution.

By order of the Board of Directors  
for **OK PLAY INDIA LTD.**

Place : New Delhi.  
Dated: 25th August, 2008

**(DHIR SINGH BHATI)**  
**COMPANY SECRETARY**

# OK PLAY INDIA LIMITED

## DIRECTORS' REPORT

To.

The Members,

The Directors have great pleasure in presenting the 19th Annual Report on the operations of the Company together with the audited Financial Results of the Company for the financial year ended 31st March, 2008.

## FINANCIAL RESULTS

	<i>Rs. in Lakhs</i>	
	<b>Current Year Ended 31st March, 2008</b>	<b>Previous Year Ended 31st March, 2007</b>
Revenue	4289.23	4125.73
Profit before Interest & Depreciation	916.58	1769.47
Interest	16.63	36.48
Depreciation	284.19	278.55
Profit for the Year	615.76	1454.44
Prior Period Adjustment	(0.36)	(0.18)
Provision for Taxation	294.01	291.94
Profit after taxation	321.39	1162.32
Profit & Loss A/C Brought Forward	1815.75	653.43
Net Profit carried to Balance Sheet	2137.14	1815.75

## OPERATIONS

Continuing the trend of the last year, the Company has again performed well in 2007-08. The sales in the year under review have increased by Rs. 309.29 Lacs from Rs. 4280.63 Lacs to Rs. 4589.92 Lacs which is a substantial increase of 7.23 %. Other income includes, interest received, Profit of sale of fixed assets, Misc receipts & balance written off.

The company is continuing with the diversification into other plastic goods like mannequin, out door playground equipment, signages Automobile parts etc. and further investing in moulds for new products which is expected to give good returns in the future also.

A detailed review of the company's performance and future prospects is included in the Management Discussion and analysis section of this Annual Report.

## DIVIDEND

To conserve the funds for the business of the Company including the funding for the expansion plans, your Directors regret their inability to recommend any dividend.



### **FIXED DEPOSITS**

During the financial year under review, your Company had neither accepted nor renewed any deposit from the public within the meaning of Section 58A of the Companies Act, 1956.

### **DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the company's Articles of Association, Sh. S.M. Handa and Dr. Rajan Wadhwa retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment as Directors.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of sub-section (2AA) of Section 217 of the Companies Act, 1956, your Directors confirm:

- (i) *That in the preparation of the Annual Accounts, the applicable standards have been followed along with proper explanation relating to material departures, if any;*
- (ii) *That the Company had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year as on 31st March, 2008 and of the profit & loss account of the Company for that period;*
- (iii) *That your Company had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and*
- (iv) *That the accounts of your Company have been prepared on a going concern basis.*

### **HUMAN RELATIONS**

Your Company continues to enjoy cordial relations amongst all its employees. In this pursuit of creating its own management cadre, your company has recruited executives and staff at various levels, including senior management positions during the year.

### **INDUSTRIAL RELATIONS**

During the year, your Company maintained harmonious and cordial industrial relations.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Statutory disclosures as required by the Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988, particulars relating to Conservation of Energy, technology absorption, foreign exchange earnings and outgo, are given in the enclosed "Annexure-A" which forms part of the report.

# **OK PLAY INDIA LIMITED**

## **CORPORATE GOVERNANCE**

It has been the endeavour of your company to follow and put into practice the code of Corporate Governance, in letter and spirit. A detailed Corporate Governance Report is attached and forms part of this report.

A certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement, forms part of this report.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

A Management Discussion and Analysis Report, highlighting the performance and prospects of the Company's energy and environment businesses is attached and forms part of this report.

## **PARTICULARS OF EMPLOYEES**

During the year under review, there was no employee who falls under the terms of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

## **DEMATERIALISATION OF SHARES**

As on 31st March, 2008, 71.58% (approx) of equity shares out of the total subscribed capital have been dematerialized.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's Equity Shares is INE870B01016.

## **AUDITORS**

M/s S. P. Marwaha & Co., Chartered Accountants, the present auditors of the company will retire as auditors at the ensuing Annual General Meeting and are eligible for re-appointment.

## **NOTES ON ACCOUNTS**

The notes to the accounts referred to by the Auditors in their report are self-explanatory and may be treated as information/explanation submitted by the Board as contemplated under section 217(3) of the Companies Act, 1956.

## **LISTING OF SECURITIES**

Presently, the Securities of the Company are listed at the Bombay Stock Exchange Ltd., The Ahmedabad Stock Exchange, and the Jaipur Stock Exchange Ltd. Hon'ble BIFR has directed Ahmedabad Stock Exchange Ltd. and Jaipur Stock Exchange Limited to waive off the arrears and allow the delisting of the company's shares from these stock exchanges.



### **ACKNOWLEDGEMENT**

The Board of Directors wish to place their appreciation of the company's clients, vendors, bankers, Haryana State Infrastructure and Industrial Development Corporation, Haryana Financial Corporation and investors for their continued support during the year.

Your Directors also wish to place on record their deep appreciation of the dedication and contribution made by employees at all levels, who through their competence, hard work and support have enabled the company to achieve better performance and look forward to their continued support in future as well.

**By order of the Board of Directors  
for OK PLAY INDIA LTD.**

Place: New Delhi  
Dated: 7th August, 2008

**Justice (Retd.) T.R.Handa  
Chairman-cum-Wholetime Director**

## OK PLAY INDIA LIMITED

### ANNEXURE "A" TO DIRECTORS' REPORT

Information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of the Director's report for the year ended 31st March, 2008 :-

#### **A. CONSERVATION OF ENERGY**

**a) Energy conservation measures taken:**

Energy conservation efforts are ongoing activities. During the year under review further efforts were made to ensure optimum utilisation of fuel and electricity.

**b) Relevant data in respect of energy consumption is as below:**

#### **POWER CONSUMPTION:**

	<b>Current Year Ending 31.03.2008</b>	<b>Previous Year Ending 31.03.2007</b>
a. Electricity Purchased		
1. Units	825369*	784454*
2. Total Amount (Rs. in Lacs)	36.46	33.37
3. Rate / unit	4.42	4.25
b. HSD Fuel Consumption		
1. Quantity (K.ltrs) (for production purpose)	250.636*	236.017*
2. Total Amount (Rs. in Lacs)	76.98	71.63

\* Allocated Figures

#### **B. TECHNOLOGY ABSORPTION**

The Company does not depend on foreign technology for manufacturing of its engineering range of products. In fact, the Company is self-reliant in the design as well as in the manufacturing process of moulds. For the new generation range of Automotive parts your company has entered into a technology transfer arrangement with M/s Solar Plastic INC a USA based company.

#### **Research and Development: -**

**a. Specified Areas in which the Company carries out R&D: -**

The focus on Research and Development activity during the current year continued on development of new products & variants thereof apart from improving the existing products and value engineering of products.



- b. Benefit derived as a result of above R&D: -**  
During the year, various types of signages besides other items have been developed and production of the same commenced successfully.
- c. Future plan of Action.**  
Further development of moulds and products based on market requirement.
- d. Expenditure on Research and Development:-**

The following Expenditure was incurred on conducting R&D.

	Rs. in Lakhs
a. Capital (Development & Manufacturing of Moulds)	437.10
b. Recurring	-----
c. Total	437.10
d. Total R&D expenditure as a percentage of total turnover	9.52%

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

- a. Earnings  
Foreign exchange earnings during the year were Rs. 1,42,327.50  
(Previous year Rs. 3,50,00,000.00)
- b. Outgo  
Foreign exchange outgo during the year was Rs. 27317166.28  
(Previous year Rs. 3299622.00)

for **OK PLAY INDIA LTD.**

Place: New Delhi  
Date: 7th August, 2008

**Justice T. R. Handa (Retd.)**  
**Chairman cum Whole Time Director**

**CERTIFICATE OF MANAGING DIRECTOR ON CODE OF CONDUCT**

To,  
The Members of OK Play India Ltd.,

It is hereby certified that:-

- (a) The Board of Directors of the Company has laid down a comprehensive Code of Conduct for its members and senior management personnel.
- (b) the affirmation of compliance of code of conduct for the year 2007-08 has been received from all the Board members and senior management personnel.

for **OK PLAY INDIA LTD.**

Place: New Delhi  
Date: 7th August, 2008

**RAJAN HANDA**  
**Managing Director**

# OK PLAY INDIA LIMITED

## REPORT OF THE DIRECTORS ON THE CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company believes that good Corporate Governance contemplates that corporate actions balance the interest of all stakeholders and satisfy the tests of accountability, transparency, empowerment and integrity for the efficient and ethical conduct of businesses. OK Play's code of Corporate Governance has been drafted in compliance with the code of corporate governance as promulgated by the SEBI.

### 2. BOARD OF DIRECTORS

The Board of Directors consists of seven Directors out of which four are Non-executive Directors. All the directors are eminent professionals with experience in Business, Industry, Finance & Law of which four are independent including one nominee director. The company has an executive chairman. The Board is responsible for the management of the business and meets regularly for discharging its role and functions.

#### BOARD MEETINGS

During the year under review 26 Board meetings were held i.e. on 21/04/07, 19/05/07, 22/05/07, 25/05/07, 28/05/07, 30/05/07, 02/06/07, 06/06/07, 11/06/07, 12/06/07, 14/06/07, 19/06/07, 25/06/07, 26/06/07, 11/07/07, 23/07/07, 27/07/07, 28/07/07, 06/08/07, 30/08/07, 15/09/07, 06/10/07, 31/10/07, 05/12/07, 31/01/08 & 26/03/08. The Company had its last Annual General Meeting of Shareholders on 29/9/2007.

The particulars of composition of the Board of Directors and attendance of Directors at Board Meetings, Annual General Meeting and also number of other directorships and committee membership/chairmanship are as follows:

Name of Director	Category of Directorship	Attendance		No. of other Directorships in Limited Co.	No. of Board Committees	
		Board Meeting	Last AGM		As Chairman	As Member
Justice T. R. Handa (Retd.)	Chairman & Whole-Time Director	25	Yes	0	1	1
Mr. Rajan Handa	Managing Director	24	Yes	0	0	2
Mrs. Mamta Handa	Whole-Time Director	25	No	0	0	1
Dr. Rajan Wadhera	Non-Executive Director	25	No	0	0	3
Mr. Rajesh Sharma (Nominee of HSIDC)	Nominee Director	0	No	9	0	0
Mr. S. M. Handa	Non Executive Director	21	Yes	0	0	2
Mr. Shalabh Jasoria	Non Executive Director	22	Yes	0	2	1

### 3. COMMITTEE OF BOARD OF DIRECTORS

The Board of Directors had constituted four Committees of the Board, which are Audit Committee, Share Transfer Committee, Shareholders Grievances Committee and Remuneration Committee.



#### 4. AUDIT COMMITTEE

The Company has a qualified and independent audit Committee comprising of three Non-executive Directors. The terms of reference of the Audit Committee are in consonance with provisions of section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreements with the Stock exchanges.

Minutes of meetings of the audit committee are circulated to members of the committee and the Board is kept apprised.

#### COMPOSITION

The Audit Committee comprises of the following Directors: -

- |                        |                             |
|------------------------|-----------------------------|
| 1. Sh. Shalabh Jasoria | Independent & Non-executive |
| 2. Sh. Rajan Wadhwa    | Independent & Non-executive |
| 3. Sh. S. M. Handa     | Independent & Non-Executive |

The Chairman of the Audit Committee is always an independent & Non-executive director and is appointed by the members in the meeting.

Members of Audit Committee have requisite financial and management expertise. The Company Secretary acts as the Secretary to the committee.

During the year under review the Committee met on 30/04/2007, 25/06/2007, 27/07/2007, 31/09/2007 & 31/1/2008

#### 5. REMUNERATION COMMITTEE

The Remuneration Committee of Directors was reconstituted on 21/04/2007. The existing remunerations of the Managing Director and the Whole Time Directors have been approved by the Central Government, Board of Directors and the shareholders of the Company.

#### COMPOSITION

The Remuneration Committee comprises of the following Directors: -

- |                        |                             |
|------------------------|-----------------------------|
| 1. Sh. Shalabh Jasoria | Independent & Non-executive |
| 2. Sh. Rajan Wadhwa    | Independent & Non-executive |
| 3. Mr. S. M. Handa     | Independent & Non-Executive |

Sh. Shalabh Jasoria is the chairman of the Remuneration Committee. Non Executive Directors were not paid anything during the financial year 2007-2008. The details of amount provided towards Director's remuneration are as follows:

(In Rs.)

Name	Salary	Sitting Fees	Total
Justice T. R. Handa (Retd.)	1440000	--	1440000
Rajan Handa	2064000	--	2064000
Mamta Handa	1032000	--	1032000

No Commission and sitting fees was paid during the year to any Executive and Non-Executive Directors.

## OK PLAY INDIA LIMITED

### 6. SHARE TRANSFER COMMITTEE

The Company's shares are compulsorily required to be traded in dematerialized form. Hence, the committee met at regular intervals considering the volume of transfers received in the physical segment. During the year the committee met 23 times.

### 7. SHAREHOLDERS' GRIEVANCES COMMITTEE

#### COMPOSITION

The Shareholders Grievances Committee comprises of the following:-

1. Mr. Rajan Handa Member
2. Dr. Rajan Wadhera Member
3. Mr. Shalabh Jasoria Member

The Shareholders/Investors Grievances Committee was constituted on 22nd March, 2003 in terms of Listing Agreement. The Committee looks into the redressal of shareholders/investors complaints. The Company Secretary attends the Shareholders Grievances Committee.

No grievance of any investor was pending as on 31st March, 2008.

During the year the Company received 15 complaints from shareholders. All the complaints were attended promptly and resolved to the satisfaction of the shareholders.

None of the Directors of the Company were members in more than 5 Committees nor acted as a Chairman of more than 5 Committees including all companies in which they were Directors.

### 8. ANNUAL/ EXTRA-ORDINARY GENERAL MEETINGS

Year	AGM/ EGM	Location	Date	Time
2007	AGM	Sardar Gurmukh Singh Public School, Nuh, Mewat	29/09/2007	10.00 A.M.
2006	AGM	Sardar Gurmukh Singh Public School, Nuh, Mewat	29/09/2006	10.00 A.M.
2005	AGM	Sardar Gurmukh Singh Public School, Nuh, Mewat	30/9/2005	10.00 A.M.

No special resolution was put through postal ballot at any of the 'General Body Meeting' during the last year.

9. Notes on Directors seeking appointment/re-appointment as required under Clause 49VI (A) of the Listing agreement entered into with the Stock Exchanges.

<b>INFORMATION PURSUANT TO CLAUSE 49 IV (G) OF THE LISTING AGREEMENT</b>		
A brief resume of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting is given below:		
Name of the Director	Dr. Rajan Wadhera	Mr. S. M. Handa
Date of Birth	16.10.1958	15.09.1940
Date of appointment/re-appointment	29.09.2007	29.03.2003
Expertise in specific functional areas	He has wide experience in human resources and management related functions.	He is having more than 40 years of experience in the area of Finance, Accounts, Taxation & General Management.
Qualifications	P.H.D. (Human Resources)	B.COM
Name of the other Indian public limited companies in which directorship held	NIL	NIL
Chairman/Member of Board Committees in other Indian public limited companies	NIL	NIL
Shareholding in the company	36300	NIL

#### **10. DISCLOSURES**

- Transaction of material nature has been entered into by the Company with related parties i.e. Directors or Management, their relatives, conflicting with Company's interest.
- The Company has fulfilled all statutory compliances except the payment of listing fees to The Stock Exchange, Ahmedabad and Jaipur Stock Exchange Ltd.' Where the securities of the Company are listed. Hon'ble BIFR has directed Ahmedabad Stock Exchange Ltd. and Jaipur Stock Exchange Limited to waive off the arrears and allow the delisting of the company's shares from these stock exchanges.

#### **11. MEANS OF COMMUNICATION**

The Company published its Quarterly, Half Yearly Un-audited Financial Results and Audited Financial Results in the prescribed form. The results were forthwith sent to Stock Exchanges where the securities of the Company are listed and also published in the Newspapers namely Pioneer (English) & Veer Arjun (Hindi). The Management discussion and analysis report form part of this annual report.

#### **12. CEO/CFO CERTIFICATION**

In terms of requirements of clause 49 (V) of the Listing Agreement the CEO and CFO have submitted necessary certificate to the Board stating the particulars specified under the said clause. This certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors at their respective meetings on 30th July, 2008.

#### **13. GENERAL SHAREHOLDERS INFORMATION**

General shareholders information has been given under shareholders diary, which is attached to this Annual Report.

# OK PLAY INDIA LIMITED

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Manufacturing and sales of plastic moulded products is the core business of your Company. During the year, Sales of the Company have shown a growth of more than 7.22% over the turnover of the previous year.

### **Industry Structure and Development**

The company has divided plastic moulded products into five categories which are as under:

**1. POP Products:** The Company has now designed and developed a contemporary range of plastic moulded Points of Purchase products, replacing the conventional fabricated alternatives. These products are not only attractive, but are also rust and weather proof. The solutions, thus offered, are far more cost effective than their conventional counterparts like acrylic, metal, or wood. The versatile moulding into any shape, size, or color has given these products unlimited possibilities and made them an instant hit in the advertising world.

**2. Mannequin Products:** The fashion revolution in India has matured into a momentous upheaval necessitating the prerequisites for suitable expansion. OK Play has entered into an exclusive arrangement with PURFORM of New Zealand, one of the world's largest manufacturing plastic mannequins. Under this arrangement Ok Play will manufacture and market the PURFORM range of mannequins in the Indians subcontinent, It will also manufacture for the International requirement of PURFORM.

**3. Industrial Products:** OK Play continuously interacts with major players of the industrial sector to try and develop alternatives encompassing the various advantages of plastics and thus providing technically viable solutions while replacing the conventional high cost materials. Industrial product solutions offered cover a wide range with vending carts, bus shelters, intercepting chambers, chemical storage tanks, coolant boxes being a few.

Within this segment, the company has obtained a large order from the Haryana Government for supply of overhead water storage tanks.

**4. Automobile Products:** Continuous interactions with the automobile sector and on-going product development initiatives has enabled OK Play to successfully develop a range of other automobile products like Fuel Tanks for SAME DEUTZ, SONALIKA Tractors, and other components for RSB Trailers, ANG Trailers etc. Bumpers, Side Fenders, etc. are currently under various stages of experimentation.

**5. Children Products:** The largest manufacturer of plastic toys in India, OK Play has a diversified range of over 120 products across various categories like toys & games, ride-ons, playground equipment, children furniture, etc. OK Play toys are more than just conventional 'play with' toys and have been specially crafted and designed to be a source of enjoyment, while also imparting education in valuable ways. We have added a range of outdoor play ground equipment which is safe and non toxic bringing in new standards of safety and ease of maintenance very valuable in many ways.

### **Opportunities, Threats and Outlook**

Your Company is engaged in manufacturing of plastic moulded toys, play ground equipment, furniture and other articles of plastic. The demand for our products is expected to increase because plastic products are being considered as replacement for of Steel in various sectors. Your company, through continuous Research and Development efforts has developed new value added products. This will give an edge to your company against competitors in the domestic market besides helping to sustain sales realisation levels.

### **Segment wise Performance**

The Company is engaged only in the business of manufacturing of products made up of plastic and there are no separate reportable segments.

### **Internal Control System and their Adequacy**

The Company has an adequate and effective system of accounting and administrative controls supported by qualified outside Internal Auditors with a proper and adequate system of internal checks and controls to ensure safety and proper recording of all assets of the company and their proper and authorized utilisation.

The Audit Committee of the Board of Directors regularly reviews the effectiveness of the internal



control systems in order to ensure due and proper implementation of and due compliance with various applicable laws, accounting standards and regulatory guidelines.

#### **Human Resources/ Industrial Relations Front**

Increase in value of Human Capital through development of individual and collective skills and knowledge is essential for any company for its continuous growth. Your company implements in house programs for skill development and updating of competency of its employees on a continuous basis.

Your Company lays great emphasis on building a motivated work force, which can participate constructively in the growth of the company. The Company continues to focus on the Safety, Health, Training and Development of the employees.

The employee strength of your company currently is 175.

#### **CAUTIONARY STATEMENT**

Statement in this Management Discussion and Analysis Report containing the Company's objectives, expectations, projections, estimates about the Company's strategy for growth, product development, market share, controls may be "forward looking statement" within the meaning of applicable securities laws and regulations.

Forward Looking Statements are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied, depending upon economic conditions, demand, supply, change in government policies, price conditions, political conditions, economic scenario and various other incidental factors within or outside the country.

**By order of the Board of Directors  
for OK PLAY INDIA LTD.**

Place : New Delhi  
Dated : 30th July, 2008

**Justice (Retd.) T.R.Handa**  
Chairman-cum-Wholetime Director

### **AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of OK PLAY INDIA LIMITED,

We have reviewed the compliance of conditions of corporate governance by OK PLAY INDIA LIMITED for the year ended 31st March, 2008, as stipulated in the Clause 49 of the Listing Agreement of the said Company with Stock Exchanges, with the relevant records and documents maintained by the Company and furnished to us.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination is limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

We have been explained that no investor grievances are pending as on 31st March, 2008 for a period exceeding one month against the Company as per the records maintained by the Company.

for **S. P. MARWAHA & Co.**  
*Chartered Accountants*

Place : New Delhi  
Date : 7th August, 2007

**( A. S. BAJAJ )**  
**PARTNER**

# OK PLAY INDIA LIMITED

## SHAREHOLDER'S DIARY

### 1. DATE, TIME & VENUE OF THE ANNUAL GENERAL MEETING

30th September, 2008 at 10.00 A.M. at Hakim Ji ki Choupal, opposite Batra Hospital, Vill-Ujina, P.S. - Nuh, Dist. Mewat (Haryana).

### 2. PARTICULARS OF FINANCIAL CALENDAR

Financial Year	1st April to 31st March
First Quarter	1st April to 30th June
Second Quarter	1st July to 30th September
Third Quarter	1st October to 31st December
Fourth Quarter	1st January to 31st March

### 3. LISTING INFORMATION

Shares of your Company are listed on following Stock Exchanges:

Bombay Stock Exchange Limited  
Ahmedabad Stock exchange Limited  
Jaipur Stock Exchange Ltd.

The Hon'ble BIFR vide its order dt. 6/12/2005 has directed the Ahmedabad Stock Exchange and the Jaipur Stock Exchange to waive off arrears of Listing fees payable and allow delisting of shares from these stock exchanges.

### 4. STOCK CODE

BSE	JAIPUR	AHMEDABAD
526415	-	41770

### 5. SHARES OF OK PLAY INDIA LTD. ARE TRADED IN DEMAT FORM :

National Securities Depository Ltd. }  
Central Depository Services (I) Ltd. } ISIN Code No. of Shares INE 870B01016

### 6. BOOK CLOSURE

From: 23rd September, 2008 To: 30th September, 2008 (Both days inclusive)

### 7. INVESTOR SERVICE CELL

The Company's Investor's Service Cell is functioning at  
17-18 Roz-Ka-Meo Industrial Estate,  
Mewat (Haryana)  
E-mail : dhir.singh@okplay.in • investor.relations@okplay.in

### 8. COMPLIANCE OFFICER:

Mr. Dhir Singh Bhati, Company Secretary

### 9. ADDRESS FOR CORRESPONDENCE

OK PLAY INDIA LIMITED  
17-18 Roz-Ka-Meo Industrial Estate  
Tis. Nuh, Distt. Mewat, Haryana – 122 103

## 10. REGISTRAR AND SHARE TRANSFER AGENTS

MAS SERVICES LTD.  
 AB 4, Safdarjung Enclave  
 New Delhi- 110 029  
 Ph. 011-26104142, 26104326

## 11. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2008

CATEGORY	No. of Shares	% to Total
<b>A. PROMOTER'S HOLDING</b>		
(Including Directors, Relatives & associates)	10616402	68.57
<b>B. NON-PROMOTER'S HOLDING</b>		
Banks, FIs, Mutual Funds, Insurance Companies, (Central/State Govt. Institutions/ Non-Govt. Institutions)	8400	0.05
a. Private Corporate Bodies	1196714	7.73
b. Indian Public	3382715	21.85
c. NRIs / OCBs	263263	1.70
d. Others	14606	0.09
<b>GRAND TOTAL (A+B)</b>	<b>15482100</b>	<b>100.00</b>

## 12. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2008

Share holding of nominal value		Shareholders		Share Amount	
Rs. (1)	Rs. (2)	Number (2)	% To Total (3)	Rs. (4)	% to total (5)
Upto -- 5000		9080	91.17	14748140	9.53
5001 to 10000		459	4.61	3843000	2.48
10001 to 20000		182	1.83	2790480	1.80
20001 to 30000		61	0.61	1582960	1.02
30001 to 40000		27	0.27	986550	0.64
40001 to 50000		29	0.29	1399440	0.90
50001 to 100000		55	0.55	4023020	2.60
100001 and above		67	0.67	125447410	81.03
<b>Total</b>		<b>9960</b>	<b>100.00</b>	<b>154821000</b>	<b>100.0</b>

# OK PLAY INDIA LIMITED

## REPORT OF THE AUDITORS

### TO THE MEMBERS OF OK PLAY INDIA LIMITED

We have audited the attached Balance Sheet of M/s. OK PLAY INDIA LIMITED as at 31st March, 2008 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 misstatement. 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order, to the extent applicable.
2. Further to our comments in the Annexure referred to in the 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 those books.
  - (c) The Balance Sheet, Profit and Loss Account, Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, Profit and Loss Account, Cash Flow Statement dealt with by this report comply with Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, as they apply to the Company.
  - (e) On the basis of written representations received from the directors as at 31st March, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of the section 274 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 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, 2008;
    - ii) in the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
    - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For S. P. MARWAHA & CO.**  
Chartered Accountants

Place: New Delhi  
Date: 30th July, 2008

**A. S. BAJAJ**  
Partner



**Annexure referred to in paragraph 1 of the report of even date**

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) These assets have been physically verified by the management at the end of the financial year, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) As per the records and as explained to us, the Company has not disposed off any substantial or major portion of fixed assets during the year.
- ii) a) As explained to us, the inventories held by the Company were physically verified during the year by the management at reasonable intervals.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii) a) According to the information and explanations given to us, the Company has not granted during the year secured or unsecured loans to Companies, firms or other parties covered in the register maintained under section 301 of Companies Act, 1956. Accordingly, para (iii) (b),(c) and (d) of the order are not applicable.
  - e) According to the information and explanations given to us, the company has taken unsecured loan during the year from directors. The maximum amount involved during the year was Rs.87,46,640/- and there is no amount outstanding at the year end.
  - f) According to the information and explanations given to us, in our opinion, the terms and conditions of unsecured loans taken by the company, are not, prima-facie, prejudicial to the interest of the Company.
  - g) The Company has been regular in payment of principal amount as stipulated. Further, there are no dues outstanding as at the year end.
- iv) a) 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 for the purchase of inventories, fixed assets and for the sale of goods.
  - b) In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control.
- v) a) On the basis of the audit procedures performed by us, and according to the information and explanations and representations given to us, we are of the opinion that particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under that section.
  - b) In our opinion and according to the information and explanations given to us, the

## OK PLAY INDIA LIMITED

transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act have been made at prices which are reasonable having regard to the prevailing market prices at that relevant time.

- vi) The Company has not accepted any deposits from the public during the year to which the directives issued by the Reserve Bank of India and the provisions of sections 58 A and 58 AA of the Companies Act, 1956 and the rules framed thereunder are applicable.
- vii) In our opinion, the company has an internal audit system commensurate with its size and the nature of its business.
- viii) The Central Government has not prescribed the maintenance of cost records by this company under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
- ix) (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, wealth tax, custom duty, service tax, excise duty, cess and any other material statutory dues applicable to it except sales tax of Rs. 67,06,596.84 which is outstanding for more than six months from the date it became payable.  
  
(b) According to the information and explanations given to us, there are no dues of income tax, wealth tax, service tax, custom duty and cess which have not been deposited with the appropriate authorities on account of any dispute except:
  - (i) disputed Sales Tax of Rs. 11,200/- pending before the Sales Tax Officer;
  - (ii) disputed Sales Tax of Rs. 23,624/- pending before the Assistant Commissioner, Sales Tax;
  - (iii) disputed penalty of Rs. 29,37,276/- under the Central Excise Act pending before the Central Excise & Service Tax Appellate Tribunal.
- x) The Company does not have accumulated losses at the end of the financial year March 31, 2008. Further, the Company has not incurred any cash losses during the financial year ended March 31, 2008 and in the immediately preceding financial year ended March 31, 2007.
- xi) In our opinion and according to information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions & banks.
- xii) As per records maintained by the Company, no loans or advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefits fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to this Company.
- xiv) As per the records maintained, the Company does not deal or trade in shares, securities, debentures and other investments.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.



- xvi) The term loan raised during the year has been applied for the purpose for which the loan was obtained.
- xvii) According to the information and explanations given to us and on overall examination of the balance sheet of the company, we are of the opinion that funds raised on short term basis have not been used for long term investment.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix) The Company has not issued any debenture during the year.
- xx) The Company has not raised any money by public issues during the year.
- xxi) On the basis of the audit procedures carried out by us and information and explanation given by the management, we state that no fraud on or by the Company has been noticed or reported during the course of our audit.

**For S. P. MARWAHA & CO.**  
Chartered Accountants

Place: New Delhi  
Date: 30th July, 2008

**A. S. BAJAJ**  
Partner

**OK PLAY INDIA LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2008**

<u>SCHEDULE</u>		<u>31.03.2008</u> (Rs)	<u>31.03.2007</u> (Rs)
<b>SOURCES OF FUNDS</b>			
<b>SHARE HOLDERS' FUNDS</b>			
Share Capital	<b>A</b>	154680277.00	154680277.00
Reserves & Surplus	<b>B</b>	<u>218380077.17</u>	<u>186240767.27</u>
Share Application Money Received		64845000.00	0.00
<b>LOAN FUNDS</b>			
Secured	<b>C</b>	4121320.48	8117667.60
Unsecured		<u>399000000.00</u>	<u>5855363.79</u>
DEFERRED TAX LIABILITY		21475000.00	15712000.00
<b>TOTAL</b>		<b><u>862501674.65</u></b>	<b><u>370606075.66</u></b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	<b>D</b>	545750008.29	306669117.90
Less : Depreciation		<u>177895636.40</u>	<u>149871209.13</u>
Net Block		367854371.89	156797908.77
<b>CURRENT ASSETS.</b>			
<b>LOANS &amp; ADVANCES</b>			
Inventories	<b>E</b>	69973716.14	29430460.69
Sundry Debtors	<b>F</b>	178599789.47	126190542.19
Cash & Bank Balances	<b>G</b>	105202082.37	43546816.33
Loans & Advances	<b>H</b>	<u>297093384.08</u>	<u>72763692.16</u>
Less : Current Liabilities & Provisions	<b>I</b>	<u>650868972.06</u>	<u>271931511.37</u>
<b>NET CURRENT ASSETS</b>		481713830.76	58123344.48
MISCELLANEOUS EXPENDITURE <b>J</b> ( To the extent not written off or adjusted )		12933472.00	0.00
<b>TOTAL</b>		<b><u>862501674.65</u></b>	<b><u>370606075.66</u></b>
<b>NOTES TO ACCOUNTS</b>			
<b>Q</b>			

For and on behalf of the Board

Justice (Retd.) T.R.Handa  
CHAIRMAN CUM WHOLETIME DIRECTOR

Rajan Handa  
MANAGING DIRECTOR

Dhir Singh Bhati  
COMPANY SECRETARY

AUDITORS' REPORT  
As per our separate report of even date attached  
for **S.P.MARWAHA & CO.**  
Chartered Accountants

Place : New Delhi  
Dated : 30th July, 2008

( **A.S. BAJAJ** )  
Partner



## **PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008**

	<b><u>SCHEDULE</u></b>	<b><u>CURRENT YEAR</u></b> (Rs)	<b><u>PREVIOUS YEAR</u></b> (Rs)
<b><u>INCOME</u></b>			
Sales ( Gross )		458991743.24	428062612.21
Less: Excise Duty		<u>35597622.08</u>	<u>16339246.56</u>
Sales ( Net )		423394121.16	411723365.65
Other receipts	K	<u>5529104.96</u>	<u>849273.66</u>
		<b><u>428923226.12</u></b>	<b><u>412572639.31</u></b>
<b><u>EXPENDITURE</u></b>			
Manufacturing Expenses	L	256918493.21	164377401.55
Employees Remuneration and Benefits	M	26927537.67	31813983.87
Administrative & Other Expenses	N	28458163.71	13555344.48
Selling & Distribution Expenses	O	24961742.87	25879710.18
Interest & Finance Expenses	P	<u>1662798.02</u>	<u>3647876.85</u>
		<b><u>338928735.48</u></b>	<b><u>239274316.93</u></b>
Profit before Depreciation		89994490.64	173298322.38
Less : Depreciation	D	<u>28418082.74</u>	<u>27854716.24</u>
		<b><u>61576407.90</u></b>	<b><u>145443606.14</u></b>
Add : Excess Provision for tax of earlier years written back		0.00	69082.00
Less : Prior period expenses		<u>36098.00</u>	<u>86794.40</u>
Profit before Tax		61540309.90	145425893.74
Provison for Tax			
- Current Tax		18800000.00	28100000.00
- For Earlier Years		4138000.00	0.00
- Fringe Benefit Tax		700000.00	700000.00
- Deferred Tax		<u>5763000.00</u>	<u>394000.00</u>
Profit after Tax		32139309.90	116231893.74
Profit & Loss A/C brought forward from last year		<u>181574617.27</u>	<u>65342723.53</u>
Profit carried to Balance Sheet		<b><u>213713927.17</u></b>	<b><u>181574617.27</u></b>

### **NOTES TO ACCOUNTS** Q

For and on behalf of the Board

Justice (Retd.) T.R.Handa  
CHAIRMAN CUM WHOLETIME DIRECTOR

Rajan Handa  
MANAGING DIRECTOR

Dhir Singh Bhati  
COMPANY SECRETARY

AUDITORS' REPORT  
As per our separate report of even date attached  
for S.P.MARWAHA & CO.  
Chartered Accountants

Place : New Delhi  
Dated : 30th July, 2008

( A.S. BAJAJ )  
Partner

# OK PLAY INDIA LIMITED

## SCHEDULE 'A' SHARE CAPITAL

	<u>31.03.2008</u> (RS)	<u>31.03.2007</u> (RS)
<b><u>AUTHORISED CAPITAL</u></b>		
3,00,00,000 ( Previous year 2,00,00,000 )	300000000.00	200000000.00
Equity shares of Rs.10/- each		
	<u>300000000.00</u>	<u>200000000.00</u>
<b><u>ISSUED</u></b>		
1,55,38,000 ( Previous year 1,55,38,000 )	155380000.00	155380000.00
Equity shares of Rs.10/- each		
	<u>155380000.00</u>	<u>155380000.00</u>
<b><u>SUBSCRIBED AND PAID UP</u></b>		
1,54,82,100 ( Previous year 1,54,82,100 )	154821000.00	154821000.00
Equity shares of Rs.10/- each		
Less : Allotment Money unpaid	140723.00	140723.00
	<u>154680277.00</u>	<u>154680277.00</u>

## SCHEDULE 'B' RESERVES & SURPLUS

	<u>31.03.2008</u> (RS)	<u>31.03.2007</u> (RS)
<b><u>CAPITAL RESERVE</u></b>		
Capital Subsidy Received	2500000.00	2500000.00
Capital Reserve	642150.00	642150.00
Investment Allowance Reserve	1524000.00	1524000.00
Profit & Loss Account	213713927.17	181574617.27
	<u>218380077.17</u>	<u>186240767.27</u>

## SCHEDULE 'C' LOAN FUNDS

	<u>31.03.2008</u> (RS)	<u>31.03.2007</u> (RS)
<b><u>SECURED</u></b>		
<b><u>TERM LOANS</u></b>		
Others ( Secured against Vehicles )	4121320.48	8117667.60
	<u>4121320.48</u>	<u>8117667.60</u>
<b><u>UNSECURED</u></b>		
From Others	0.00	5855363.79
Foreign Currency Convertible Bonds	399000000.00	0.00
	<u>399000000.00</u>	<u>5855363.79</u>

**SCHEDULE ' D ' FIXED ASSETS**

DESCRIPTION	*GROSS BLOCK			*DEPRECIATION				* NET BLOCK	
	AS ON 01.04.2007	ADDITIONS / (DISPOSALS)	AS ON 31.03.2008	AS AT 01.04.2007	1.4.2007 to 31.03.2008	ADJUSTED	TOTAL UPTO 31.03.2008	AS ON 31.03.2008	AS ON 31.03.2007
LAND ( FREEHOLD )	2786128.60	122573834.00	125359962.60	-	-	-	-	125359962.60	2786128.60
BUILDINGS	31657424.58	15054080.76	46711505.34	8234563.24	1014536.91	-	9249100.15	37462405.19	23422861.34
PLANT & MACHINERY	239835403.83	91495906.15	331331309.98	130879976.83	24410036.74	-	155290013.57	176041296.41	108955427.00
FURNITURE & FITTINGS	4501791.93	1987722.45	6489514.38	2055530.81	296334.22	-	2351865.03	4137649.35	2446261.12
OFFICE EQUIPMENTS	10436809.89	1059600.00 (39000.00)	11457409.89	6098947.10	1035391.21	(7950.01)	7126388.30	4331021.59	4337862.79
MOTOR LORRY	655832.67	-	655832.67	168057.03	74174.67	-	242231.70	413600.97	487775.64
MOTOR CAR	16795726.40	1611677.00 (1474329.00)	16933074.40	2434134.12	1585747.95	(385705.46)	3634176.61	13298897.79	14361592.28
INTANGIBLE ASSETS	-	6811399.03	6811399.03	-	1861.04	-	1861.04	6809537.99	-
<b>TOTAL</b>	<b>306669117.90</b>	<b>239080890.39</b>	<b>545750008.29</b>	<b>149871209.13</b>	<b>28418082.74</b>	<b>(393655.47)</b>	<b>177895636.40</b>	<b>367854371.89</b>	<b>156797908.77</b>
PREVIOUS YEAR	289231341.70	17437776.20	306669117.90	122036639.58	27854716.24	(20146.69)	149871209.13	156797908.77	

\* in Rs.

# OK PLAY INDIA LIMITED

## SCHEDULE ' E ' INVENTORIES

	<u>31.03.2008</u> (RS)	<u>31.03.2007</u> (RS)
Packing Materials & Accessories	12557588.14	9587757.90
Raw Materials	16122925.27	6467189.01
Work - In - Process	18773182.05	7202348.97
Stores & Spares	4030714.68	1198243.64
Goods in Transit	0.00	93990.00
Finished Goods	18489306.00	4880931.17
	<u>69973716.14</u>	<u>29430460.69</u>

## SCHEDULE ' F ' SUNDRY DEBTORS

	<u>31.03.2008</u> (RS)	<u>31.03.2007</u> (RS)
Unsecured ( Considered Good )		
More than Six Months	101734013.07	7383286.22
Others	76865776.40	118807255.97
	<u>178599789.47</u>	<u>126190542.19</u>

## SCHEDULE ' G ' CASH AND BANK BALANCES

	<u>31.03.2008</u> (RS)	<u>31.03.2007</u> (RS)
Cash in Hand including imprest	664046.68	1111796.35
Balances in Scheduled Banks :		
In Current Account	101594309.69	42333769.98
In Fixed Deposit	2943726.00	101250.00
	<u>105202082.37</u>	<u>43546816.33</u>

## SCHEDULE ' H ' LOANS & ADVANCES

(Unsecured, Considered Good )	<u>31.03.2008</u> (RS)	<u>31.03.2007</u> (RS)
Advances recoverable in Cash or in kind or for value to be received	256068635.43	66641231.02
Staff Advances	202518.48	180178.34
Security and Other Deposits	1224458.00	3635892.00
Advance Income Tax / TDS	39597772.17	2306390.80
	<u>297093384.08</u>	<u>72763692.16</u>





### SCHEDULE ' I ' CURRENT LIABILITIES & PROVISIONS

	<u>31.03.2008</u> (RS)	<u>31.03.2007</u> (RS)
<b>A) CURRENT LIABILITIES</b>		
Sundry Creditors ( Trade )	15355246.32	6192896.11
Sundry Creditors ( Others )	82469739.59	5920724.95
Due to Directors	2025811.43	975247.58
Other Liabilities	15185561.96	14042913.84
<b>B) PROVISIONS</b>		
Provision for Taxation	51079156.00	28141156.00
Provision for Fringe Benefit Tax	764000.00	700000.00
Provision for Gratuity	<u>2275626.00</u>	<u>2150406.00</u>
	<u>169155141.30</u>	<u>58123344.48</u>

### SCHEDULE ' J ' MISCELLANEOUS EXPENDITURE

	<u>31.03.2008</u> (RS)	<u>31.03.2007</u> (RS)
<b>Deferred Revenue Expenditure</b>		
FCCB Issue Expenses	16166840.00	0.00
Less: Written off during the year	<u>3233368.00</u>	<u>0.00</u>
	<u>12933472.00</u>	<u>0.00</u>

### SCHEDULE ' K ' OTHER RECEIPTS

	<u>CURRENT YEAR</u> (RS)	<u>PREVIOUS YEAR</u> (RS)
Interest Received	225603.00	46694.00
Exchange Fluctuation	5171000.00	0.00
Profit on sale of fixed assets	3950.01	14433.90
Miscellaneous Receipts	128551.95	153693.00
Balances Written off	0.00	634452.76
	<u>5529104.96</u>	<u>849273.66</u>

# OK PLAY INDIA LIMITED

## SCHEDULE 'L' MANUFACTURING EXPENSES

	<b>CURRENT YEAR</b>		<b>PREVIOUS YEAR</b>	
	<b>(RS)</b>		<b>(RS)</b>	
Cost of goods/materials :				
Purchases	258962537.56		102697960.24	
Add : Decrease (Less increase) in stocks	(34834944.17)	224127593.39	9666330.34	112364290.58
Power and Fuel		11343930.68		10499100.90
Stores and Spares consumed		2194239.21		2869207.69
Repairs and Maintenance :				
Plant & Machinery	810349.44		996775.22	
Buildings	126738.00	937087.44	718694.74	1715469.96
Accessories		13771257.90		22857864.18
Packing Charges		1963332.40		6843448.93
Other Expenses		1250891.91		6356837.66
Excise Duty Pulverised Material		1330160.28		871181.65
		<b>256918493.21</b>		<b>164377401.55</b>

## SCHEDULE 'M' EMPLOYEES REMUNERATION & BENEFITS

	<b>CURRENT YEAR</b>		<b>PREVIOUS YEAR</b>	
	<b>(RS)</b>		<b>(RS)</b>	
Salaries, Wages and Bonus		25159374.97		30449021.42
Contribution to Provident & other funds		1768162.70		1364962.45
		<b>26927537.67</b>		<b>31813983.87</b>

## SCHEDULE 'N' ADMINISTRATIVE & OTHER EXPENSES

	<b>CURRENT YEAR</b>		<b>PREVIOUS YEAR</b>	
	<b>(RS)</b>		<b>(RS)</b>	
FCCB issue expenses written off		3233368.00		0.00
Balances Written Off		1257252.39		0.00
Donation		500.00		3803.00
Rent		1402300.00		1311750.00
Insurance		358471.10		536642.57
Travelling & Conveyance Expenses		8453321.96		5457110.29
Postage, Telegrams and Telephones		1753559.44		1378812.91
Printing & Stationery		422492.83		654575.43
Welfare Expenses		1307916.64		973567.05
Legal & Professional charges		2492752.00		388009.00
Electricity & Water Expenses		172867.76		135118.85
Audit Fee		90000.00		70000.00
Wealth Tax		47039.00		7990.00
Miscellaneous Expenses		1914440.65		1614668.11
Repair & Maint. (Others)		937625.40		806005.27
Additional Sales Tax Demand		3996493.00		193764.00
Loss on Sale of Assets		419623.54		0.00
Advertisement others		198140.00		23528.00
		<b>28458163.71</b>		<b>13555344.48</b>



## **SCHEDULE 'O' SELLING AND DISTRIBUTION EXPENSES**

	<b><u>CURRENT YEAR</u></b> <b>(RS)</b>	<b><u>PREVIOUS YEAR</u></b> <b>(RS)</b>
Advertisement	64659.00	1568759.00
Business Promotion Expenses	282749.16	297411.39
Freight & Octroi	3057253.47	5348661.08
Discounts	14307879.71	15349662.94
Additional Excise Duty	0.00	3092176.00
Commission Paid	5169111.00	0.00
Damaged Goods	2080090.53	223039.77
	<b><u>24961742.87</u></b>	<b><u>25879710.18</u></b>

## **SCHEDULE 'P' INTEREST & FINANCE EXPENSES**

	<b><u>CURRENT YEAR</u></b> <b>(RS)</b>	<b><u>PREVIOUS YEAR</u></b> <b>(RS)</b>
Interest on Term/Demand loans	0.00	777327.00
Bank Interest	0.00	2708.55
Other Interest	909905.91	2777275.23
Bank Charges and Commission	752892.11	90566.07
	<b><u>1662798.02</u></b>	<b><u>3647876.85</u></b>

## **SCHEDULE 'Q'**

### **SCHEDULE OF NOTES TO THE ACCOUNTS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008 AND THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

#### 1. Significant Accounting Policies

##### i. General

These Accounts have been prepared on historical cost basis. All expenses and income to the extent considered payable and receivable, unless stated otherwise, have been accounted for on Mercantile basis.

##### ii. Fixed Assets including Intangible assets and Depreciation

Fixed Assets are stated on cost basis including the cost of installation where incurred. Depreciation on fixed assets (other than intangible assets) has been provided according to Straight Line Method on prorata basis at rates specified in schedule XIV of the Companies Act, 1956.

Intangible assets comprising of product designs, technical know-how etc. are amortized over a period of ten years, the estimated minimum useful life of the related products.

## OK PLAY INDIA LIMITED

### iii. Inventories

The closing stock of Raw Materials, Packing Material & Accessories, Stores & Spares and Work in Process have been valued at cost while the Finished Goods have been taken at lower of cost or realisable value. These goods have been taken as per inventory taken, valued and certified by the management.

### iv. Provision for Current and Deferred Tax.

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be realised in future.

### v. Provisions and Contingent Liabilities/Assets

Provision in respect of present obligations arising out of past events are made in the accounts when reliable estimate can be made of the amount of the obligations. Contingent Liabilities, if material, are disclosed by way of notes to accounts. Contingent assets are not recognised or disclosed in the financial statements.

### vi. Employee benefits

Company's contribution to Government Administered Provident Fund and Employees' State Insurance Corporation are charged to Profit & Loss Account.

Defined benefit contributions in respect of gratuity are provided on the basis of actuarial valuation made at the end of the financial year. Actuarial gains or loss arising from such valuation are charged to revenue in the year in which they arise.

### vii. Research & Development

Expenditure on research & development which results in creation of capital assets is treated in the same way as expenditure on fixed assets.

### viii. Revenue Recognition

Sales (net of returns) are recognised at the point of dispatch of goods to customers and include excise duty but exclude sales taxes.

### ix. Foreign Currency transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transactions. Monetary items (assets and liabilities) denominated in foreign currency are translated into rupee at the exchange rates prevailing on the balance sheet date.

2. Estimated amount of contracts remaining to be executed on capital account and not provided for amount to Rs. 90,50,000/- (Previous Year Rs. 85,00,000/- ).

3. Contingent Liabilities not provided for :

(i) Demand of penalty of Rs. 29,37,276/- (Previous Year Rs. 29,37,276/-) under the Central Excise Act is in dispute and pending before the Central Excise & Service Tax Appellate Tribunal.

- (ii) The sales tax authorities, on the basis of sales tax assessments, have imposed Rs. 6,89,142/- (Previous Year Rs. 45,30,686/-) as interest and penalty.

However, the Hon'ble Board for Industrial & Financial Reconstruction vide its sanctioned rehabilitation scheme dated 6<sup>th</sup> December, 2005 has directed the state government to consider the waiver of the interest and penalty imposed on sales tax and accordingly the company has appealed to the higher authorities for the same.

- (iii) Guarantees given to banks as counter guarantees for performance of contracts Rs. 29,36,983/-.

4. In the opinion of the Management, the Current Assets, Loans and Advances shown in the Balance Sheet have a value on realisation in the ordinary course of business atleast equal to the amount stated therein. The provision for all known liabilities have been made and are adequate. However, the balances of parties are subject to confirmation.
5. An amount of Rs.75,000/- appropriated by the Merchant Banking Division of Syndicate Bank without consent of the Company is being contested for recovery.
6. An amount of Rs. 6,48,45,000/- has been received from Bennett, Coleman & Co. Limited (BCCL) towards share application money, pursuant to grant of consent of the members of the company to offer and allot 5,00,000 equity shares on preferential basis to BCCL at the rate of Rs. 129.69 per share or price computed as per SEBI guidelines, which ever is higher.
7. Amounts shown under the head 'Secured Loans' are secured against hypothecation of respective vehicles.
8. A vehicle had been imported in the preceding year from Volkswagen AG through the managing director as per agreement between him and the company. As the vehicle is hypothecated to a bank, it will be registered in the name of the company after satisfaction of the loan.
9. The Board of Directors of the Company at its meeting held on 23<sup>rd</sup> July, 2007 issued zero coupon unsecured Foreign Currency Convertible Bonds ('FCCB') aggregating to US \$ 10 million, at par. The bondholders have an option to convert these bonds into equity shares at an initial conversion price of Rs. 140/- per share at a fixed exchange rate ( Rs. 40.34 = US \$ 1). The conversion price may be reset on the first, second and third anniversaries of the Bonds. The reset conversion price cannot be lower than Rs. 98.15 or the applicable reset floor price as prescribed by SEBI from time to time. The conversion price will be subject to certain adjustments as detailed in the offering circular such as dilution, bonus, dividends, right issue etc. Unless previously redeemed, repurchased or converted, the company will redeem these bonds at 146.25 percent of the principal amount on 24<sup>th</sup> July, 2012. As at 31<sup>st</sup> March, 2008 none of the 'FCCB' have been converted into equity shares and the balance of 'FCCB' outstanding as on 31<sup>st</sup> March, 2008 have been included and disclosed in Schedule 'C'- Loan Funds under the sub-heading 'Unsecured'.

The company expects that the bond holders would opt for conversion rather than redemption and hence, in that case no premium would be payable and on that basis the same is not provided for. Maximum premium amount payable at current exchange rates is Rs. 18,45,37,500/-.

10. Expenses on issue of Foreign Currency Convertible Bonds are being written off over five financial years.

## OK PLAY INDIA LIMITED

11. Research & Development expenses of Rs. 27,80,549/- have been treated as fixed assets as they have resulted in the creation of capital assets.
12. The Hon'ble Board for Industrial and Financial Reconstruction in its hearing held on 5<sup>th</sup> December, 2006 had discharged the company from the purview of SICA / BIFR and had given further directions that the un-implemented provisions of the sanctioned rehabilitation scheme of 2005 would continue to remain in full force and these would be implemented by the concerned agencies.

Accordingly, the relief and concessions granted by the Hon'ble Board for Industrial & Financial Reconstruction in respect of sections 41 (1) and 115JB of the Income Tax Act, 1961 and availed by the company in the preceding years are under consideration of the Income Tax Authorities and have yet to be regularized by way of an order.

13. Defined Benefit Plan

### Reconciliation of opening and closing balances of Defined Benefit obligation

<b>GRATUITY (FUNDED)</b>	
<b>2007- 08</b>	
<b>(Rs.)</b>	
Present value of obligation at beginning of the year	14,22,972
Interest Cost	1,06,723
Current Service cost	3,31,880
Benefits paid	0
Actuarial (gain) / loss on obligation	79,137
Present value of obligation at year end	<u>19,40,712</u>

### Reconciliation of opening and closing balances of fair value of plan assets

<b>GRATUITY (FUNDED)</b>	
<b>2007- 08</b>	
<b>(Rs.)</b>	
Fair value of plan assets at beginning of year	2,42,966
Expected return on plan assets	20,869
Employer Contributions	3,98,447
Benefits paid	0
Actuarial gain / (loss) on plan assets	2,050
Fair value of plan assets at year end	<u>6,64,332</u>

### Reconciliation of fair value of assets and obligations

<b>GRATUITY (FUNDED)</b>	
<b>2007- 08</b>	
<b>(Rs.)</b>	
Present value of obligation at year end	19,40,712
Fair value of plan assets at year end	<u>(6,64,332)</u>
Net liability recognized in balance sheet	<u>12,76,380</u>



**Expense recognized during the year** (Under the head "Employees Remuneration and Benefits" - Refer Schedule 'M')

	<b>GRATUITY (FUNDED)</b>
	<b><u>2007- 08</u></b>
	<b>(Rs.)</b>
Current Service cost	3,31,880
Interest Cost	1,06,723
Expected return on plan assets	(20,869)
Net actuarial (gain)/ loss recognized in the year	<u>77,087</u>
Net cost recognized in the year	<u>4,94,821</u>

**Reconciliation showing movements during the year in the Net Liability**

	<b>GRATUITY (FUNDED)</b>
	<b><u>2007- 08</u></b>
	<b>(Rs.)</b>
Net liability at beginning of year	11,80,006
Cost recognized in the year	4,94,821
Employer Contributions	<u>(3,98,447)</u>
Net liability at year end	<u>12,76,380</u>

**Actual return on plan assets**

	<b>GRATUITY (FUNDED)</b>
	<b><u>2007- 08</u></b>
	<b>(Rs.)</b>
Expected return on plan assets	20,869
Actuarial gain/ (loss) on plan assets	<u>2,050</u>
Actual return on plan assets	<u>22,919</u>

**Actuarial assumptions**

	<b>GRATUITY (FUNDED)</b>
	<b><u>2007- 08</u></b>
	<b>(Rs.)</b>
Mortality Rate (LIC)	1994-96 (Ultimate)
Withdrawal Rate	1% to 3%
	Depending on age
Discount rate (per annum)	8%
Salary Escalation	5%

14 The deferred tax liability comprise of the following:

	<b>As at 31<sup>st</sup> March, 2008</b>	<b>As at 31<sup>st</sup> March, 2007</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>
(a) Deferred Tax Liability Related to Fixed Assets	2,40,65,000	1,70,12,000
(b) Deferred Tax Assets Disallowance under the Income Tax Act, 1961	25,90,000	13,00,000
(c) Provision for Deferred Tax (Net)	<u>2,14,75,000</u>	<u>1,57,12,000</u>

## OK PLAY INDIA LIMITED

15. The Company has not received any intimation from suppliers regarding their status under the Micro, Small & Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been furnished.
16. All the operations of the company are considered as a single business segment for the purpose of Accounting Standard 17, 'Segment Reporting'(AS17), issued by the Institute of Chartered Accountants of India.
17. Related Party Disclosures:
- (I) Relationships  
 Key Management Personnel  
     Justice T.R. Handa (Retd.)  
     Mr. Rajan Handa  
     Mrs. Mamta Handa  
 Relatives  
     Mrs. Usha Handa  
 Note: Related party relationship is as identified by the company and relied upon by the Auditors.
- (II) Transactions carried out with related parties referred in (I) above, in ordinary course of business:

Nature of Transactions	Related Parties (Referred in (I))
Remuneration Paid	Rs. 45,64,846/-
Rent Paid	Rs. 24,000/-
Sale of Products	Rs 7923.80
Loan from directors	Max. Amount Rs. 87,46,640/- Bal. on 31.03.2008 - NIL

18. Earnings Per Share (EPS):

	<u>31.03.2008</u>	<u>31.03.2007</u>
(a) Net Profit available for equity share holders (Rs.)	3,21,39,309.90	11,62,31,893.74
(b) Weighted average number of Equity Shares of Rs.10/- each outstanding during the year (No. of Shares)	1,54,82,100	1,04,95,403
(c) Basic / Diluted Earnings per shares (Rs.) (a/b)	2.08	11.07

Potential equity shares on conversion of the Foreign Currency Convertible Bonds into equity shares, at the option of the bond holders, are having an anti-dilutive effect and are therefore ignored in calculating diluted earnings per share.

19. Details of Managerial Remuneration:

	<u>31.03.2008</u> (Rs.)	<u>31.03.2007</u> (Rs.)
Salary	27,00,000.00	18,00,000.00
H.R.A.	16,20,000.00	10,80,000.00
P.F.	216,000.00	1,44,000.00
Gratuity Provision	28,846.00	3,39,423.00
	<u>45,64,846.00</u>	<u>33,63,423.00</u>



20. Break up of the remuneration paid to the statutory auditors of the Company:

	<b>31.03.2008</b>	<b>31.03.2007</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>
For Audit Fee	60,000.00	45,000.00
For Tax Audit	30,000.00	25,000.00
In Other Capacity	NIL	2,235.00

21. Consumption of Raw Material

	<b>31.03.2008</b>		<b>31.03.2007</b>	
	<b>Qty.(M.T.)</b>	<b>Value(Rs.)</b>	<b>Qty.(M.T.)</b>	<b>Value(Rs.)</b>
Plastics *	2,678.112	16,89,72,318.90	982.502	6,06,09,920.44

\*Since all our basic raw material is plastic in nature and are consumed in different proportions in different products, the above information is given under one head.

22. Particulars of Stocks of Finished Goods and Sales

	<b>Qty (Nos.)</b>		<b>Value (Rs.)</b>	
	<b>31.03.2008</b>	<b>31.03.2007</b>	<b>31.03.2008</b>	<b>31.03.2007</b>
<b>(i) Opening Stock</b>				
Tanks & other Products	5,522	1,380	17,73,810.87	20,90,768.34
Toys & Furniture	13,830	46,929	31,07,120.30	1,48,76,583.75
	<b>19,352</b>	<b>48,309</b>	<b>48,80,931.17</b>	<b>1,69,67,352.09</b>
<b>(ii) Closing Stock</b>				
Tanks & other Products	3,532	5,522	22,79,667.89	17,73,810.87
Toys & Furniture	12,159	13,830	59,52,534.06	31,07,120.30
	<b>15,691</b>	<b>19,352</b>	<b>82,32,201.95</b>	<b>48,80,931.17</b>
<b>(iii) Sales/Adjustment</b>				
Tanks & other Products	3,20,314	1,83,272	24,00,25,882.50	10,57,34,512.90
Toys & Furniture	4,36,811	2,82,917	13,12,41,280.69	24,84,54,826.81
	<b>7,57,125</b>	<b>4,66,189</b>	<b>37,12,67,163.19</b>	<b>35,41,89,339.71</b>

23. Particulars of Capacity and Production

<b>Description</b>	<b>Unit</b>	<b>Licensed Capacity</b>		<b>Installed Capacity</b>		<b>Production</b>	
		<b>31.03.2008</b>	<b>31.03.2007</b>	<b>31.03.2008</b>	<b>31.03.2007</b>	<b>31.03.2008</b>	<b>31.03.2007</b>
Tanks & other Products	Nos.	Not Applicable as per Note below		3,53,300	3,53,300	3,18,324	1,87,414
Toys & Furniture	Nos.			5,13,600	5,13,600	4,35,140	2,49,818

Note: In 1990 the Licensed Capacity of 1500 M.T. was issued to the unit but subsequently license requirement was abolished for this industry.

24. (i) Stock, Purchases & Sales of Plastic Raw Materials (Trading)

	<b>Qty (Kgs.)</b>		<b>Value (Rs.)</b>	
	<b>31.03.2008</b>	<b>31.03.2007</b>	<b>31.03.2008</b>	<b>31.03.2007</b>
Opening Stock	NIL	NIL	NIL	NIL
Closing Stock	NIL	NIL	NIL	NIL
Purchase	9,53,675	4,94,050	6,49,25,127.00	3,77,76,935.00
Sale	9,53,675	4,94,050	7,48,96,200.00	3,88,73,272.50

# OK PLAY INDIA LIMITED

(ii) Stocks, Purchases & Sales of Finished Goods (Trading)

	Qty (Nos.)		Value (Rs.)	
	31.03.2008	31.03.2007	31.03.2008	31.03.2007
Opening Stock	NIL	NIL	NIL	NIL
Closing Stock	6,300	NIL	1,02,57,104.05	NIL
Purchase	11,985	NIL	1,54,09,355.40	NIL
Sale	5,685	NIL	1,28,28,380.05	NIL

25. Consumption of imported and indigenous material and percentage thereof.

	31.03.2008		31.03.2007	
	Value(Rs.)	Percentage	Value(Rs.)	Percentage
<b>RAW MATERIAL</b>				
Imported				
Indigenous	16,89,72,318.90	100.00	6,06,09,920.44	100.00
	<b>16,89,72,318.90</b>	<b>100.00</b>	<b>6,06,09,920.44</b>	<b>100.00</b>
<b>ACCESSORIES &amp; COMPONENTS</b>				
Imported				
Indigenous	1,37,71,257.90	100.00	2,28,57,864.18	100.00
	<b>1,37,71,257.90</b>	<b>100.00</b>	<b>2,28,57,864.18</b>	<b>100.00</b>

26. Expenditure incurred in Foreign Currency

	31.03.2008 (Rs.)	31.03.2007 (Rs.)
a) Travelling	13,69,770.26	5,63,834.86
b) Membership & Subscription	82,064.06	2,40,375.46
c) Telephone	41,670.48	5,136.87
d) Fees	1,38,61,090.86	21,57,500.00
e) Advance for import of goods		3,32,775.00
f) Technical Knowhow	68,11,399.03	

27. Earning in Foreign Exchange

	31.03.2008 (Rs.)	31.03.2007 (Rs.)
- FOB Value of Exports (Rs.)	1,42,327.50	-----
- Technology Transfer fees (Rs.)	-----	3,50,00,000.00

28. CIF Value of Imports

	31.03.2008 (Rs.)	31.03.2007 (Rs.)
a) Toys & Furniture	1,13,15,918.65	-
b) Capital Assets	1,47,33,787.48	-
c) Raw Material	12,67,460.15	-

29. Previous year's figures have been regrouped wherever necessary to make them comparable with the current year.

For and on behalf of the Board

Justice T.R. Handa (Retd.)  
CHAIRMAN CUM  
WHOLE TIME DIRECTOR

Rajan Handa  
MANAGING DIRECTOR

Dhir Singh Bhati  
COMPANY SECRETARY

AUDITORS' REPORT

As per our separate report of even date attached.

for S.P. MARWAHA & CO.

Chartered Accountants

(A.S. BAJAJ)

Partner

Place: New Delhi  
Dated: 30<sup>th</sup> July, 2008



## Balance Sheet Abstract and Company's General Business Profile

### I. Registration Details

Registration No.  State Code  (Refer Code List 1)

Balance Sheet Date   
Date Month Year

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

Public Issue

Rights Issue

Bonus Issue

Private Placement

### III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

Total Assets

Source of Funds

Reserves & Surplus

Share Application Money

Paid-Up Capital

Secured Loans

Unsecured Loans

3

Deferred Tax Liability

Application of Funds

Investments

Net Fixed Assets

Net Current Assets

Misc. Expenditure

# OK PLAY INDIA LIMITED

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

Turnover

4 5 8 9 9 2

Total Expenditure

3 9 7 4 5 2

+ - Profit/Loss Before Tax

+ 6 1 5 4 0

+ - Profit/Loss After Tax

+ 3 2 1 3 9

(Please tick Appropriate box + for Profit, - for Loss)

Earning Per Share in Rs.

2 . 0 8

Dividend Rate %

N I L

## V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No.

(ITC Code)

3 9 2 6 9 0 8 0

Product

Description

P L A S T I C W A T E R T A N K S

Item Code No.

(ITC Code)

9 5 0 1 0 0 1 0

Product

Description

P L A S T I C W H E E L E D T O Y S

Item Code No.

(ITC Code)

9 5 0 3 4 9 3 0

Product

Description

P L A S T I C T O Y S O T H E R S

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

	<u>Year Ended</u> <u>31st March, 2008</u> (Rs)	<u>Year Ended</u> <u>31st March, 2007</u> (Rs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before Tax and extraordinary items	61,576,407.90	145,443,606.14
Adjustments for :		
Depreciation	28,418,082.74	27,854,716.24
Loss/( Profit ) on sale of Assets	415,673.53	(14,433.90)
Interest Received	(225,603.00)	(46,694.00)
Interest Payments	1,662,798.02	3,647,876.85
Deferred Revenue Expenditure written off	3,233,368.00	-
Operating Profit before Working Capital changes	95,080,727.19	176,885,071.33
Adjustments for :		
Trade and Other Receivables	(52,409,247.28)	(91,536,371.99)
Inventories	(40,543,255.45)	7,297,898.90
Trade Payables	88,029,796.82	(30,333,192.87)
Cash generated from operations	90,158,021.28	62,313,405.37
Interest paid	1,662,798.02)	(3,647,876.85)
Cash flow before extraordinary items	88,495,223.26	58,665,528.52
Direct taxes paid	(37,927,381.37)	(1,693,905.40)
Extraordinary items	(36,098.00)	(17,712.40)
Net Cash from Operating Activities	<b>50,531,743.89</b>	<b>56,953,910.72</b>

# OK PLAY INDIA LIMITED

	<b>Year Ended 31st March, 2008 (Rs)</b>	<b>Year Ended 31st March, 2007 (Rs)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(240,594,219.39)	(17,510,960.99)
Sale of Fixed Assets	704,000.00	67,472.00
Interest Received	225,603.00	46,694.00
Net Cash used in Investing Activities	<b>(239,664,616.39)</b>	<b>(17,396,794.99)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital	-	47,169,000.00
Share Application Money Received	64,845,000.00	-
Loans & Advances paid	(187,038,310.55)	(48,406,394.90)
FCCB Issue Expenses	(16,166,840.00)	-
Proceeds from Long Term Borrowings	(3,996,347.12)	2,751,784.61
Proceeds from Unsecured Loans	393,144,636.21	717,313.00
Net Cash used in Financing Activities	250,788,138.54	2,231,702.71
Net increase in Cash and Cash Equivalents	61,655,266.04	41,788,818.44
Cash and Cash Equivalents as at 1st April,2007	43,546,816.33	1,757,997.89
Cash and Cash Equivalents as at 31st March,2008	<b>105,202,082.37</b>	<b>43,546,816.33</b>

For and on behalf of the Board

**Justice ( Retd.) T.R.Handa**  
**CHAIRMAN CUM WHOLETIME DIRECTOR**

**Rajan Handa**  
**MANAGING DIRECTOR**

**Dhir Singh Bhati**  
**COMPANY SECRETARY**

AUDITORS' REPORT  
As per our separate report of even date attached  
for **S.P.MARWAHA & CO.**  
Chartered Accountants

Place : New Delhi  
Dated : 30th July, 2008

**( A.S. BAJAJ )**  
**Partner**



## OK PLAY INDIA LTD.

Regd. Office : 17, Roz-Ka-Meo Industrial Estate, Tehsil Nuh, District Mewat, Haryana-122103

### PROXY FORM

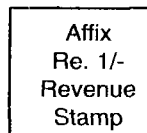
Folio No. \_\_\_\_\_  
No. of shares held: \_\_\_\_\_

DP\_ID : \* \_\_\_\_\_  
Client\_ID: \* \_\_\_\_\_

I/WE \_\_\_\_\_  
of \_\_\_\_\_ being a member of OK PLAY INDIA LIMITED,  
hereby appoint \_\_\_\_\_ of \_\_\_\_\_  
or failing him \_\_\_\_\_ of \_\_\_\_\_  
as my / our Proxy to attend and vote for me / us on my / our behalf at the 19th Annual General Meeting of  
Company to be held on Tuesday, the 30th September, 2008 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2008

\* Applicable for investors holding Shares in Electronic form



#### NOTE :

1. The proxy must be returned so as to reach the registered office of the company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.
2. Proxy cannot speak at the meeting or vote on a show of hands.

-----TEAR HERE-----

## OK PLAY INDIA LTD.

Regd. Office : 17, Roz-Ka-Meo Industrial Estate, Tehsil Nuh, District Mewat, Haryana-122103

### ATTENDANCE SLIP

Folio No. : \_\_\_\_\_  
No. of Shares Held : \_\_\_\_\_

DP\_ID : \* \_\_\_\_\_  
Client\_ID: \* \_\_\_\_\_

Member's Name and Address : \_\_\_\_\_

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the NINETEEN ANNUAL GENERAL MEETING OF OK PLAY INDIA LTD.  
on Tuesday, the 30th September, 2008.

Members/Proxy's Name (In Block Letters): \_\_\_\_\_

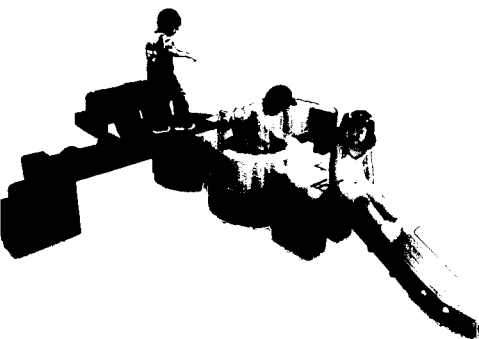
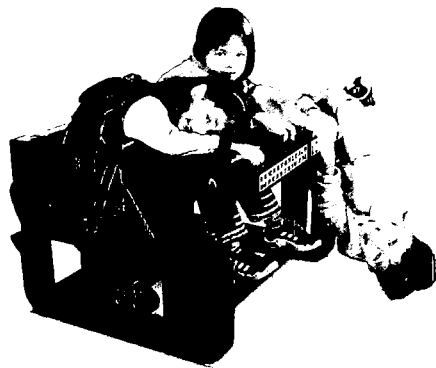
Members/Proxy's Signature \_\_\_\_\_

NOTE : \*Applicable for investors holding Shares in Electronic form

1. Members / Proxies are requested to bring the duly signed attendance slip to the Meeting and hand it over at the entrance.
2. This attendance slip is valid in case shares are held on the date of meeting.

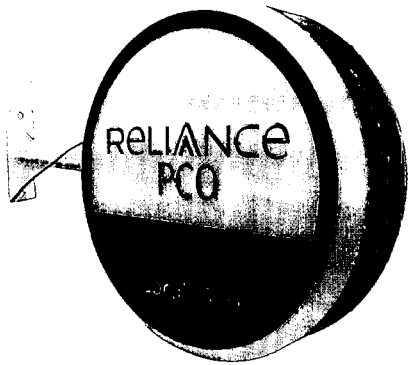
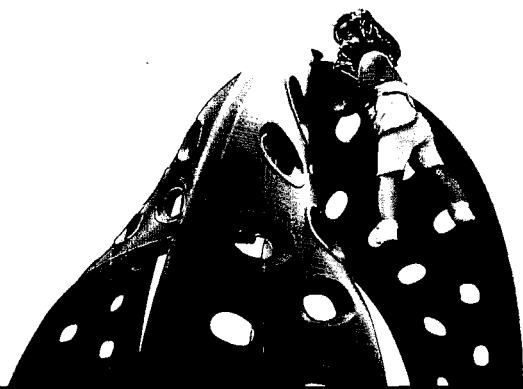
**OK PLAY INDIA LIMITED**





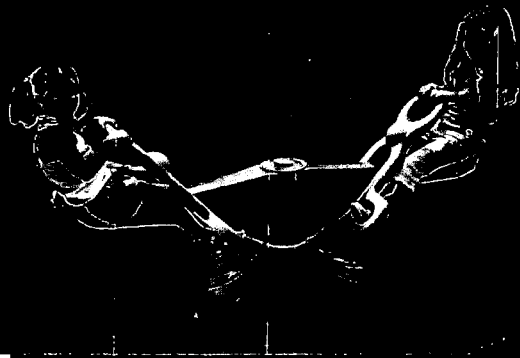
**OK  
PLAY**

dream think create



**OK  
PLAY**

dream think create



*Dream  
Think  
Create*



POP Products

Mannequins

Automotive Parts

Bus Seat Shells

POP Products

Signage

Signage

Signage

POP Products

Bus Seat Shells

Mannequins

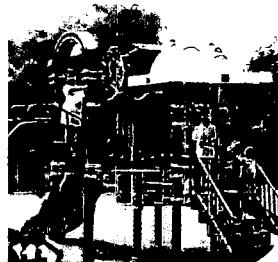
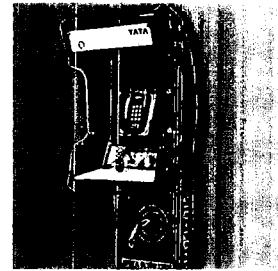
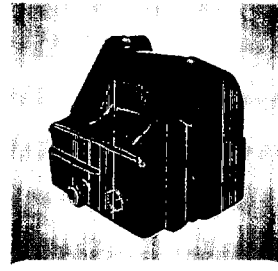
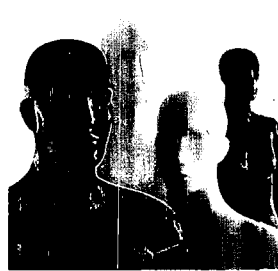
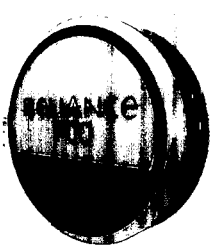
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