

# 2012 ANNUAL REPORT

OK PLAY INDIA LTD.



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# CERTIFICATE



Quality Austria Training, Certification and Evaluation Ltd. awards this Quality Austria Certificate to the following organisation(s):

This Quality Austria Certificate confirms the application and further development of an effective



**OK PLAY INDIA LIMITED**  
17 - 18, Roz-Ka-Meo Industrial Estate,  
District - Mewat, Haryana - 122 103, India

## QUALITY MANAGEMENT SYSTEM

complying with the requirements of standard

**ISO/TS 16949:2009,**  
without product design

Quality Austria Training, Certification and Evaluation Ltd. is accredited as an independent certification body by the ISO/TS 16949 (Federal Ministry of Agriculture, Forestry, Environment and Water Management).

Quality Austria is authorised by the TCF (Association of the Automotive Industry).

For accreditation and registration details please refer to the applicable regulations and decisions published in the Federal Law Gazette or magazines.

Quality Austria is the Austrian member of CEN International Certification Network.

Doc. No. QA 2008

Manufacture of Plastic Moulded Products


The organisation have been audited in accordance with the "rules for the registration scheme for ISO/TS 16949 certification bodies, 3rd edition 1. October 2008".

Registration No.: 02495/0

IATF-Registration No.: 0121187

Date of initial issue: 11 May 2011

Valid until: 10 May 2014

 **qualityaustria**



Vienna, 11 May 2011

Quality Austria Training,  
Certification and Evaluation Ltd.

Konrad Scheiber  
General Manager

Gerald Perschler  
Specialist representative



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# LETTER BY CHAIRMAN

September 3, 2012

It gives me great pleasure in communicating with you for the Annual General Meeting and forwarding the Annual Report of your company for the year ended 31st March, 2012.

During the year under review, the Company's gross sales have increased by 9.84% over the last year. A big component of the loss during the year is due to the provisions of notional loss on exchange fluctuation on FCCB and ECB, as required by the Accounting Standards.

The Company has signed an agreement with Ashok Leyland Limited, for supply of roto moulded Plastic Fuel Tanks for LCV, ICV and HCV automotive segments plastic components requirement of Ashok Leyland Ltd and their joint venture companies will be supplied by our company. Apart from this the Company has tied up with several other OEM's which would result in quantum sales for the Company.

Also, the Company has received a Rate Contract of Rs. 60 Crores orders from the Government of Haryana for the supply of Dual Desks.

These developments will put the Company on a strong footing in the coming months.

I acknowledge and appreciate the efforts of all employees in realising the goals of the company.

I would like to express my gratitude to the Board, Customers, Suppliers, Bankers, Employees and our Shareholders for their confidence and support.

With best wishes,

Sincerely



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



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

JUSTICE (RETD.) T.R.HANDA	Chairman & Whole -Time Director
SH. RAJAN HANDA	Managing Director
MRS. MAMTA HANDA	Whole -Time Director
DR. RAJAN WADHERA	Whole -Time Director
SH. SHALABH JASORIA	Director
SH. S.M. HANDA	Director
SH. RAKESH KR. BHATNAGAR	Director
SH. VIJAYENDRA KUMAR JAIN	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
- STATE BANK OF INDIA, SOHNA
- INDIAN OVERSEAS BANK, VASANT VIHAR

### 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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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 23rd Annual General Meeting of the members of OK PLAY INDIA LIMITED will be held on Saturday, the 29th day of September, 2012 at 10.00 A.M. at Hakim Ji ki Choupal, opposite Batra Hospital, Vill-Ujina, P.S. - 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, 2012 and Balance Sheet of the Company as at that date along with Directors' Report and Auditors' report thereon and the Cash Flow Statement.
2. To appoint a Director in place of Ms. Mamta 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 Sh. Vijendra Kumar Jain, 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. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

#### RE-APPOINTMENT OF WHOLE TIME DIRECTOR

"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 Ms. Mamta Handa as Whole-Time Director of the Company for a period of three years from 20th June, 2013, to 19th June, 2016 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 20th June, 2013.

#### 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:

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



# OK PLAY INDIA LIMITED

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 / Notifications.

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 Ms. Mamta 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 Ms. Mamta 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.”

Dated: 3rd September, 2012  
Regd. Office: -  
17, Roz-Ka-Meo Industrial Estate  
Tehsil Nuh, Distt. Mewat,  
Haryana

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

**(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 22.09.2012 to 29.09.2012 (both days inclusive).
5. Relevant details, in terms of clause 49 of the Listing Agreement, in respect of the Directors proposed to be appointed/re-appointed are given in the Report on Corporate Governance.
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, T-34, IInd Floor, Okhla Industrial Area, Phase-II, New Delhi- 110 020.
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**

The Board of Directors at their Meeting held on 14th August 2012 re-appointed Ms. Mamta Handa as Whole-Time Director for a further period of 3 years from 20th June, 2013, to 19th June, 2016 and also authorize the Remuneration Committee to fix the remuneration subject to approval of shareholders. Subsequently, the Remuneration Committee at their meeting held on 14th August 12, having regard to the various requirements stipulated in Schedule XIII, have fixed the remuneration payable to Ms. Mamta Handa as detailed in the Resolution No.5, subject to approval of the shareholders.

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 Ms. Mamta Handa 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) of Schedule XIII to the Companies Act, 1956 the following information is furnished:

# OK PLAY INDIA LIMITED

## 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: (Rs. In Lacs)

	2009-10	2010-11	2011-12
Sales	5055.73	4032.95	4429.93
Profit/ (Loss) before tax	749.50	(420.07)	(1010.09)
Profit/ (Loss) after tax	470.81	(112.25)	(274.57)

### (4) Export performance, net foreign exchange earnings

(Rs. In Lacs)

	2009-10	2010-11	2011-12
Foreign Exchange Earnings	44.17	53.04	37.33

### (5) Collaborations:

The Company has ongoing **Marketing, Technical & Manufacturing collaboration with PURFORM of New Zealand, the world's largest selling plastic mannequins brand** – known internationally for pioneering the concept of mannequins and **Hofit Kibbutz Kinneret Ltd. (Hofit)** of Israel engage in manufacturing of inspection chambers for sewage, drainage, water and communication systems for domestic, public and industrial infrastructure.

## II. INFORMATION ABOUT THE APPOINTEES:

### (1) Background details, recognition/awards:

Ms. Mamta Handa is 44 years old. She is Commerce Graduate and has good experience in administration and other management related functions.

### (2) Past remuneration:

**Ms. Mamta Handa**

Period	Salary (In Rs.)	Perquisites/ Allowances (In Rs.)	Retirement Benefits (In Rs.)	Total (In Rs.)
1.4.2010-31.03.2011	15,36,666	14,83,999	2,70,938	32,91,603
1.4.2011-31.03.2012	18,00,000	18,00,000	3,02,538	39,02,538

### (3) Job profile and suitability:

Ms. Mamta Handa as Whole Time Director is responsible for overall management related to Marketing, Administration 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 Ms. Mamta Handa, Whole Time Director are furnished in the resolution under Item No.5 of the Notice.

The Remuneration in the form of salaries, allowances, etc. has been fixed by the 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 organization (b) the level of operation of the unit (c) the invaluable experience of 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 Moulding 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

Ms. Mamta Handa has no pecuniary relationship with the Company, directly or indirectly (except to the extent of the remuneration received / receivable by her from the Company, and her 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 2011-12 was affected due to lack of government order in the current year compared to last year. The Company, as in the previous years and with a long term view, lot of its effort on Research and Development to cater to its customers in the automobile sector.

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 emphasizing on development of new business in plastic molding including development of new products especially the man hole, mannequins, 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 making 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 Ms. Mamta Handa through the disclosures made in the Corporate Governance Report attached to the Directors report.

Dated: 3rd September, 2012  
Regd. Office: -  
17, Roz-Ka-Meo Industrial Estate  
Tehsil Nuh, Distt. Mewat,  
Haryana

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

**(DHIR SINGH BHATI)  
Company Secretary**

# OK PLAY INDIA LIMITED

## DIRECTORS' REPORT

To

The Members,

The Directors have great pleasure in presenting the 23rd Annual Report on the operations of the Company together with the audited Financial Results of the Company for the financial year ended 31st March, 2012.

### FINANCIAL RESULTS

Rs. In Lacs

	Current Year Ended 31st March , 2012	Previous Year Ended 31st March , 2011
Sales (Gross)	4429.93	4032.95
Other Receipt	41.77	35.62
Profit/(Loss) before exceptional and extraordinary items and Tax	(434.08)	(494.71)
Exceptional item:		
(Netgain/(Loss) on Exchange Fluctuation on FCCB/ECB	(511.71)	74.47
Profit/(Loss) before extraordinary items and Tax	(945.80)	(420.23)
Provision for tax for earlier years	65.14	(0.16)
Profit/(Loss) before Tax	(1010.94)	(420.07)
Provision for Tax for earlier years written back	274.57	112.25
Profit/(Loss ) for the year	(736.37)	(307.82)

### OPERATIONS

The sales in the year under review have increased by Rs.396.98 Lacs from Rs. 4032.95 Lacs to Rs. 4429.93 Lacs. This is an increase of 10 % (Approx) in current year compared to the last year. During the year the Rupee weakened against the dollar and consequently there was an Exchanges Fluctuation Loss of Rs. 511.71 Lacs in the current year.

The Company, as in the previous years and with a long term view, put lot of its efforts on Research and Development for introducing new products to its existing range to cater to its customers in the automobile sectors, children products sector where new products are being added to the existing diversified product range.

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, Ms. Mamta Handa and Sh. Vijendra Kumar Jain retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment as Directors. The Notice convening the Annual General Meeting includes the proposals for re-appointment of 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, 2012 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.

## **CORPORATE GOVERNANCE**

It has been the endeavor 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 report, as stipulated under clause 49 of the Listing Agreement, forms part of this report.

## **SUBSIDIARY COMPANY**

During the year under review, the company subscribed to 4, 60,000 equity shares of OK Play Auto Private Limited. The Subsidiary Company is proposing a plastic manufacturing unit for auto sector. In accordance with general circular no. 2/2011 dated February 8, 2011 issued by the Ministry of Corporate Affairs, Government of India has granted general exemption under section 218(8) of the Companies Act 1956, As required under the circular, The Board of director has, at its meeting held on 14th day of August, 2012 passed a resolution giving consent for not attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary company. The Company will make available the Annual Accounts of the subsidiary company and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary company will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary company. The Consolidated Financial statements presented by the Company include the financial results of its subsidiary company.

## **CONSOLIDATED FINANCIAL STATEMENTS**

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Clause 32 of the Listing Agreement entered into with the Stock Exchanges and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in this regard.

# OK PLAY INDIA LIMITED

## MANAGEMENT DISCUSSION AND ANALYSIS

A Management Discussion and Analysis Report, highlighting the performance and prospects of the Company's plastic manufacture 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, 2012, 94.09% (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 Ltd., 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 wishes to place their appreciation of the company's clients, vendors, bankers, 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 work efficiently 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: 14th August, 2012

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

## 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, 2012 :-

### 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 utilization of fuel and electricity.
- b) Relevant data in respect of energy consumption is as below:

## POWER CONSUMPTION:

	Current Year Ending 31.03.2012	Previous Year Ending 31.03.2011
<b>a. Electricity Purchased</b>		
1. Units	1352683	1173360*
2. Total Amount (Rs. in Lacs)	73.74	60.86
3. Rate / unit	5.45	5.18
<b>b. HSD Fuel Consumption</b>		
1. Quantity (K.ltrs) (for production purpose)	572.898	554.900*
2. Total Amount (Rs. in Lacs)	219.73	195.84

\* 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 Wooden Furniture & Pepsi Racks 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)	325.97
b. Recurring	54.38
c. Total	380.35
d. Total R&D expenditure as a percentage of total turnovers	8.59%

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

### a. Earnings

Foreign exchange earnings during the year were Rs.37,32,706.12 /-  
(Previous year Rs. 53,03,509.81 /-)

### b. Outgo

Foreign exchange outgo during the year was Rs.5,59,90,820.00 /-  
(Previous year Rs3,78,99,330.04/-)

for OK PLAY INDIA LTD.

Place: New Delhi  
Dated: 14th August, 2012

Justice T.R.Handa (Retd.)  
Chairman-cum-Whole-time 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 6 Board meetings were held i.e. on 30/05/11, 21/06/11, 10/08/11, 10/11/11, 13/02/12 & 07/03/12. The Company had its last Annual General Meeting of Shareholders on 30/9/2011.

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 Directorship	No. of Board Committees	
		Board Meeting	Last AGM		As Chairman	As Member
Justice T. R. Handa (Retd.)	Chairman & Whole-Time Director	06	No	0	1	1
Mr. Rajan Handa	Managing Director	06	Yes	4	0	2
Mrs. Mamta Handa	Whole-Time Director	06	No	4	0	1
Dr. Rajan Wadhera	Whole-Time Director	06	Yes	1	0	2
Mr. S. M. Handa	Non Executive Director	06	No	0	0	2
Mr. Shalabh Jasoria	Non Executive Director	06	Yes	6	3	0
Mr. Rakesh Kumar Bhatnagar	Non Executive Director	03	No	0	0	0
Mr. Vijayendra Kumar Jain	Non Executive Director	03	No	0	0	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 two 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: -

		No. of Meeting attend
1. Sh. Shalabh Jasoria	Independent & Non-executive	5
2. Dr. Rajan Wadhera	Whole-Time-Director	5
3. Sh. S. M. Handa	Independent & Non-Executive	5

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 30/05/2011, 21/06/2011, 10/08/2011, 10/11/2011 & 13/02/2012.

## 5. REMUNERATION COMMITTEE

The Remuneration Committee of Directors was reconstituted on 10/08/2011. The remunerations committee, a constitution of which is a non – mandatory requirement, was constituted by the Board of Directors to recommend/review the remuneration package of Whole-Time-Directors. The Remuneration of the Managing Director and the Whole Time Directors were approved by the Remuneration Committee, Board of Directors and the shareholders of the Company on his re-appointment.

## COMPOSITION

The Remuneration Committee comprises of the following Directors: -

1. Sh. Shalabh Jasoria Independent & Non-executive
2. Sh. Vijayendra Kumar Jain 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 2011-2012. The details of amount provided towards Director's remuneration are as follows:

(In Rs.)

Name	Salary	Sitting Fees	Total
Justice T. R. Handa (Retd.)	3600000	--	3600000
Rajan Handa	4200000	--	4200000
Mamta Handa	3600000	--	3600000
Rajan Wadhera	1057506	--	1057506

The Company has not provided for any performance linked incentive or Stock Option or Convertible instruments to the Director of the Company.

The Directors of the Company are appointed by the Shareholders upon recommendation of the Board of Directors within the framework of the Companies Act, 1956 as well as the Articles of the Association of the Company. The resolution passed by these two governing bodies together with the service rules of the company covers the terms, conditions and remuneration of such appointment. There is no service contract separately entered into by the Company with the Directors. Further, the resolutions appointing these Directors, do not prescribe for the payment of any separate Severance Fees to them. However, the requirement of notice period is as per the service rules of the Company.

# 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 13 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, 2012.

During the year the Company received 4 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
2011	AGM	Hakim Ji Ki Choupal, opposite Batra Hospital, Village-Ujina, Police Station – Nuh, Disst. Mewat, Haryana	30/09/2011	10.00 A.M.
2010	AGM	Hakim Ji Ki Choupal, opposite Batra Hospital, Village-Ujina, Police Station – Nuh, Disst. Mewat, Haryana	30/09/2010	10.00 A.M.
2009	AGM	Hakim Ji Ki Choupal, opposite Batra Hospital, Village-Ujina, Police Station – Nuh, Disst. Mewat, Haryana	30/09/2009	10.00 A.M.

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

### Details of Special resolution(S) passed in previous Three Annual General Meeting.

#### (A) Year 2011

1. To approve the re-appointment of Mr. Rajan Handa as Managing Director and remuneration payable to him.
2. To approve the re-appointment of Justice T.R. Handa (Retd.) as Chairmen and Whole Time Director and remuneration payable to him.
3. To approve the re-appointment of Dr. Rajan Wadhera as Whole Time Director and remuneration payable to him.

#### (B) Year 2010

No Special Resolution was passed in the Annual General Meeting held in 2010

### (C) Year 2009

To approve the re-appointment of Ms. Mamta Handa as Whole Time Director and remuneration payable to her.

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

Information Pursuant to Clause 49 IV (G) of the Listing Agreement

A brief resume of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting is given below:

Information Pursuant to Clause 49 IV (G) of the Listing Agreement		
A brief resume of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting is given below:		
Name of the Director	Mrs. Mamta Handa	Mr. Vijayendra Kumar Jain
Date of Birth	03.01.1968	20.10.1948
Date of appointment/re-appointment	20.06.2000	27.01.2010
Expertise in specific functional areas	She has wide experience in publicity and marketing related functions.	He has wide experience of more than 29 years in business and corporate interactions.
Qualifications	B. COM	B.A.
Name of the other Indian public limited companies in which directorship held	1.OK PLAY INFRASTRUCTURE LIMITED	NIL
Chairman/Member of Board Committees in other Indian public limited companies	NIL	NIL
Shareholding in the company	211102	NIL

### 10. DISCLOSURES

- No 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 7th June, 2012.

# OK PLAY INDIA LIMITED

## 13. GENERAL SHAREHOLDERS INFORMATION

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

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The importance given by the Company to products made of metal, besides plastic moulded products, has yielded good results for the company as it has received large orders from the Government of Haryana for supply of Dual Desks made of metal & wood. The Company has achieved its goal of product diversification & reach and is now aiming to put in to place the infrastructure to deliver the expected surge in sales in the coming months. The operations of the company are proposed to be segregated into various separate production centers to cater to enhance production numbers and to bring in production efficiency.

Of course, the production of plastic moulded products would also increase substantially with the signing of the exclusivity agreement with Ashok Leyland Limited whereby their and their joint ventures entire plastic moulded components will be produced by our company.

A direct result of these Capabilities is that the company has expanded its production capacity by putting up, through OK Play Auto private limited a subsidiary, a new manufacturing plant at Ranipet in south India, mainly for automotive products.

### SEGMENT WISE PERFORMANCE

All the operations of the company are considered as a single business segment.

### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The company has an adequate and effective system of internal checks and controls to ensure proper accounting and utilization of all assets.

The Audit Committee of the Board of Directors regularly reviews the effectiveness of the internal control systems to ensure due compliances with various applicable laws, accounting standards and regulatory guidelines.

### HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT

Human resources in OK Play is the name of the function within an organization charged with the overall responsibility for implementing strategies and policies relating to the management of individuals. In OK Play, an organization's human resource management strategy maximizes return on investment in the organization's human capital and minimizes financial risk. HR Department achieves this by aligning the supply of skilled and qualified individuals and the capabilities of the current workforce, with the organization's ongoing and future business plans and requirements to maximize return on investment and secure future survival and success.

#### Key functions

Human Resources may set strategies and develop policies, standards, systems, and processes that implement these strategies in a whole range of areas. The following are typical of a wide range of organizations:

Recruitment, selection, and on-boarding (resourcing)

Organizational design and development

Business transformation and change management

Performance, conduct and behaviour management

Industrial and employee relations

Safety and health management

Human resources (workforce) analysis and workforce personnel data management

Compensation, rewards, and benefits management

Training and development (learning management) Implementation of such policies, processes or standards may be directly managed by the HR function itself, or the function may indirectly supervise the implementation of such activities by managers, other business functions or via third-party external partner organizations.

## HRM strategy

An HRM strategy pertains to the means as to how to implement the specific functions of HRM. An organization's HR function may possess recruitment and selection policies, disciplinary procedures, reward/recognition policies, an HR plan, or learning and development policies; however all of these functional areas of HRM need to be aligned and correlated, in order to correspond with the overall business strategy. An HRM strategy thus is an overall plan, concerning the implementation of specific HRM functional areas. An HRM strategy typically consists of the following factors:

"Best fit" and "best practice" - meaning that there is correlation between the HRM strategy and the overall corporate strategy. As HRM in OK Play as a field seeks to manage human resources in order to achieve properly organizational goals, an organization's HRM strategy seeks to accomplish such management by applying a firm's personnel needs with the goals/objectives of the organization. As an example, a firm selling toys and plastic components could have a corporate strategy of increasing the sales by 10% over a one year period. Accordingly, the HRM strategy would seek to facilitate how exactly to manage personnel in order to achieve the 10% figure. Specific HRM functions, such as recruitment and selection, reward/recognition, an HR plan, or learning and development policies, would be tailored to achieve the corporate objectives.

Close co-operation is always there between HR and the top/senior management, in the development of the corporate strategy. Theoretically, a senior HR representative always present when an organization's corporate objectives are devised. The personnel's proper management is vital in the firm being successful, or even existing as a going concern. Thus, HR can be seen as one of the critical departments within the functional area of OK play.

Continual monitoring of the strategy, via employee feedback, surveys, etc. The implementation of an HR strategy is not always required, and may depend on a number of factors, namely the size of the firm, the organizational culture within the firm or the industry that the firm operates in and also the people in the firm. An HRM strategy is divided, in general, into two facets - the people strategy and the HR functional strategy. The people strategy pertains to the point listed in the first paragraph, namely the careful correlation of HRM policies/actions to attain the goals laid down in the corporate strategy. The HR functional strategy relates to the policies employed within the HR functional area itself, regarding the management of persons internal to it, to ensure its own departmental goals are met.

Human resource management in OK Play involves in several processes. These processes can be performed in an HR department, but some tasks can also be outsourced or performed by line-managers or other departments. When effectively integrated they provide significant economic benefit to the company.

The Employee Strength of the company is 151.

## 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.

for **OK PLAY INDIA LTD.**

Place: New Delhi  
Dated: 14th August, 2012

**Justice T.R.Handa (Retd.)**  
Chairman-cum-Whole-time 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, 2012, 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 abovementioned 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, 2012 for a period exceeding one month against the Company as per the records maintained by the Company.

Place : New Delhi  
Date : 14th August, 2012

For **S. P. MARWAHA & Co.**  
Chartered Accountants  
**A. S. BAJAJ**  
Partner



## SHAREHOLDER'S DIARY

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

29th September, 2012 at 10.00 A.M. at Hakim Ji Ki Choupal, Opposite Batra Hospital, Village – 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 526415	JAIPUR -	AHMEDABAD 41770
---------------	-------------	--------------------

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

National Securities Depository Ltd.

ISIN Code No. of Shares INE 870B01016

Central Depository Services (I) Ltd.

### 6. BOOK CLOSURE

From: 22nd September, 2012 To: 29th September, 2012 (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

### 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 PVT. LTD.

T-34, IInd Floor, Okhla Industrial Area,

Phase-II, New Delhi- 110 020

# OK PLAY INDIA LIMITED

Ph. 011-26387281/82/83.

## 11. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2012

CATEGORY	No. of Shares	% to Total
<b>A. PROMOTER'S HOLDING</b> (Including Directors, Relatives & associates)	10619002	66.44
<b>B. NON-PROMOTER'S HOLDING</b>		
Banks, FIs, Mutual Funds, Insurance Companies, (Central/State Govt. Institutions/ Non-Govt. Institutions)	5600	0.04
a. Private Corporate Bodies	1319469	8.26
b. Indian Public	3670261	22.97
c. NRIs / OCBs	352837	2.21
d. Others	14931	0.09
<b>GRAND TOTAL</b>	<b>15982100</b>	<b>100.00</b>

## 12. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2012

Share holding of nominal value		Shareholders		ShareAmount	
Rs. (1)	Rs. (2)	Number (3)	% To Total (4)	Rs. (5)	% to total (6)
Upto -- 5000		8200	90.37	1337310	8.37
5001 to 10000		446	4.92	370090	2.32
10001 to 20000		187	2.06	283764	1.77
20001 to 30000		70	0.77	182326	1.14
30001 to 40000		30	0.33	106071	0.66
40001 to 50000		25	0.27	119624	0.75
50001 to 100000		49	0.54	351951	2.21
100001 and above		67	0.74	13230964	82.78
<b>Total</b>		<b>9074</b>	<b>100.00</b>	<b>15982100</b>	<b>100.00</b>

## 13. DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Shares of the Company are in compulsory demat segment and are available for trading in the depository system of both NSDL and CDSL. As on March 31, 2012 94.89% of the Shares Capital of the Company had been dematerialized.

## 14. OUTSTANDING GDRS/ADRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY FCCB(s) AND CONVERSION THEREOF

The Company has issued Foreign Currency Convertible Bonds during the year 2007-08. The details of FCCBs issued by the Company as on March 31, 2012 are as under:

Sl. No.	Particulars	FCCB
1	Aggregate Value	USD 10 Million
2	Date of Issue	23.07.2007
3	Due on	24.07.2012
4	Applicable Interest Rate	NIL
5	Latest Conversion – Price per share of Rs. 10 each	Rs. 98.15 per share
6	Pre-agreed Conversion Exchange Rate	Rs. 40.34 per USD
7	Bought Back	USD 9.76 Million
8	Percentage Bought Back	97.6%
9	FCCBs Outstanding as on March 31, 2012	0.24 Million
10	Percentage Outstanding	2.4%
11	No. of shares (of Rs. 10 each) to be issued upon conversion of outstanding FCCBs, If opted by holders thereof	98,640

## 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, 2012, the Statement of Profit and Loss 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 the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and 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 on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 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, 2012;
    - ii) in the case of Statement of Profit and Loss, of the Loss 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  
(FRN 000229-N)

Place : New Delhi  
Date : 7th June, 2012

**A. S. BAJAJ**  
Partner  
M.No. 086120

## 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. 194,37,000/-.
- 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.
- 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 and services.
- 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 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 prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 in respect of certain manufacturing activities of the company. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion that, prima facie, the prescribed accounts and records have been made and

maintained. We have not, however, carried out a detailed examination of the same.

- 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, sales tax, wealth tax, custom duty, service tax, excise duty, cess and any other material statutory dues applicable to it.
- (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, 2012. Further, the Company has not incurred any cash losses during the financial year ended March 31, 2012 and in the immediately preceding financial year ended March 31, 2011.
- 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) The Company has given guarantees for loans taken by others from banks and financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prime facie prejudicial to the interest of the company.
- xvi) The term loans raised during the year have been applied for the purpose for which the loans were 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  
(FRN 000229-N)

Place : New Delhi  
Date : 7th June, 2012

**A. S. BAJAJ**  
Partner  
M.No. 086120

# OK PLAY INDIA LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	AS AT 31.03.2012 (Rs)	AS AT 31.03.2011 (Rs)
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>Shareholders' Funds</u></b>			
Share Capital	2	159,691,000.00	159,680,277.00
Reserves and Surplus	3	211,997,377.80	285,634,555.53
<b><u>Non-Current Liabilities</u></b>			
Long-Term Borrowings	4	417,499,826.53	415,130,952.62
Long Term Provisions	5	5,573,668.00	6,121,308.00
<b><u>Current Liabilities</u></b>			
Short-Term Borrowings	6	219,295,442.11	183,817,796.68
Trade Payables		32,277,849.69	17,745,276.54
Other Current Liabilities	7	208,460,055.34	187,513,564.48
Short-Term Provisions	8	6,514,036.00	-
<b>Total</b>		<b>1,261,309,255.47</b>	<b>1,255,643,730.85</b>
<b><u>ASSETS</u></b>			
<b><u>Non-Current Assets</u></b>			
Fixed Assets	9		
Tangible assets		427,123,403.11	439,466,114.25
Intangible assets		9,889,984.42	11,488,867.85
Capital work-in-progress		280,000.00	280,000.00
Non-current investments	10	42,600,000.00	39,000,000.00
Deferred tax assets (net)	11	44,085,000.00	16,628,000.00
Long term loans and advances	12	1,319,237.00	1,178,069.00
Other non-current assets	13	61,588,803.15	59,384,826.00
<b><u>Current Assets</u></b>			
Current investments	14	-	36,338,740.00
Inventories	15	136,783,241.27	122,399,744.79
Trade receivables	16	191,173,007.88	161,066,075.76
Cash and cash equivalents	17	79,393,681.60	97,415,892.99
Short-term loans and advances	18	267,072,897.04	270,997,400.21
<b>Total</b>		<b>1,261,309,255.47</b>	<b>1,255,643,730.85</b>
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 28		

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

For and on behalf of the Board  
(Rajan Handa)  
Managing Director

(Dhir Singh Bhati)  
Company Secretary

Place: New Delhi  
Date : 7th June, 2012

AUDITORS' REPORT  
As per our separate report of even date attached  
for **S.P.MARWAHA & CO.**  
Chartered Accountants (FRN 000229-N)  
(A.S.BAJAJ)  
Partner  
M.No. 086120



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Note No.	FOR THE YEAR ENDED 31.03.2012 (Rs)	FOR THE YEAR ENDED 31.03.2011 (Rs)
Revenue from operations	19	415,859,524.59	382,372,198.82
Other Income	20	4,177,255.28	3,562,444.04
<b>Total Revenue</b>		<b>420,036,779.87</b>	<b>385,934,642.86</b>
<b>Expenses:</b>			
Cost of materials consumed	21	238,831,353.06	221,735,128.89
Purchase of Stock-in-Trade		1,032,928.00	8,814,651.36
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	277,581.84	(14,310,175.95)
Employee benefits expense	23	62,024,414.18	65,897,913.62
Financial costs	24	57,605,968.13	38,225,504.88
Depreciation and amortization expense	25	58,271,375.18	60,326,545.59
Other expenses	26	45,401,390.21	54,716,157.46
<b>Total Expenses</b>		<b>463,445,010.60</b>	<b>435,405,725.85</b>
Profit/(Loss) before exceptional and extraordinary items and tax		<b>(43,408,230.73)</b>	<b>(49,471,082.99)</b>
Exceptional items (Net (gain)/loss on Exchange Fluctuation on FCCB/ECB)		51,171,911.00	(7,447,791.00)
Profit/(Loss) before extraordinary items and tax		<b>(94,580,141.73)</b>	<b>(42,023,291.99)</b>
Provision of Tax for earlier years/ (Excess Provision of Tax written back)		6,514,036.00	(15,880.00)
Profit/(Loss) before tax		<b>(101,094,177.73)</b>	<b>(42,007,411.99)</b>
<b>Tax expense:</b>			
(1) Current tax		-	-
(2) Deferred tax charge/(credit)		(27,457,000.00)	(11,225,000.00)
Profit/(Loss) for the year		<b>(73,637,177.73)</b>	<b>(30,782,411.99)</b>
Earnings per equity share of face value of Rs 10 each: 27			
Basic and Diluted (in Rupees)		(4.61)	(1.93)
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 28		

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

For and on behalf of the Board  
**(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 (FRN 000229-N)  
**(A.S.BAJAJ)**  
Partner  
M.No. 086120

Place: New Delhi  
Date : 7th June, 2012

# OK PLAY INDIA LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	Year ended 31st March,2012 Rs	Year ended 31st March,2011 Rs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit/(Loss) before Tax and extraordinary items	(94,580,141.73)	(41,990,985.99)
Adjustments for :		
Depreciation	55,038,007.18	57,093,177.59
Loss/( Profit ) on sale of Assets	299,841.41	(316,358.04)
Interest Received	(3,178,905.00)	(2,780,536.00)
Interest Payments	57,605,968.13	38,225,504.88
Deferred Revenue Expenditure written off	3,233,368.00	3,233,368.00
Exchange Fluctuation Loss/(Gain)	51,171,911.00	(7,447,791.00)
Operating Profit before Working Capital changes	69,590,048.99	46,016,379.44
Adjustments for :		
Trade and Other Receivables	(30,106,932.12)	(21,855,462.80)
Inventories	(14,383,496.48)	(29,500,733.77)
Trade and Other Payables	33,327,624.01	58,735,944.66
Cash generated from operations	58,427,244.40	53,396,127.53
Interest paid	(57,605,968.13)	(38,225,504.88)
Cash flow before extraordinary items	821,276.27	15,170,622.65
Direct taxes paid	-	(349,343.00)
Extraordinary items	-	(32,306.00)
<b>Net Cash from Operating Activities</b>	<b>821,276.27</b>	<b>14,788,973.65</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(41,456,254.02)	(56,101,263.07)
Sale of Fixed Assets	60,000.00	4,823,204.00
Interest Received	3,178,905.00	2,780,536.00
<b>Net Cash used in Investing Activities</b>	<b>(38,217,349.02)</b>	<b>(48,497,523.07)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Allotment money received	10,723.00	-
Investments made	(3,600,000.00)	(39,000,000.00)
Loans & Advances paid	40,122,075.17	(60,952,221.35)
Deferred Revenue Expenses	(5,437,345.15)	(6,006,153.79)
Proceeds from Long Term Borrowings	(47,199,237.09)	131,752,600.63
Proceeds from Short Term Borrowings	35,477,645.43	-
<b>Net Cash used in Financing Activities</b>	<b>19,373,861.36</b>	<b>25,794,225.49</b>
<b>Net increase in Cash and Cash Equivalents</b>	<b>(18,022,211.39)</b>	<b>(7,914,323.93)</b>
<b>Cash and Cash Equivalents as at 1st April,2011</b>	<b>97,415,892.99</b>	<b>105,330,216.92</b>
<b>Cash and Cash Equivalents as at 31st March,2012</b>	<b>79,393,681.60</b>	<b>97,415,892.99</b>

(Justice T.R.Handa)(Retd.)  
Chairman cum Wholtime Director

For and on behalf of the Board  
(Rajan Handa)  
Managing Director

(Dhir Singh Bhati)  
Company Secretary

Place: New Delhi  
Date : 7th June, 2012

AUDITORS' REPORT  
As per our separate report of even date attached  
for **S.P.MARWAHA & CO.**  
Chartered Accountants (FRN 000229-N)  
**(A.S.BAJAJ)**  
Partner  
M.No. 086120

## Note : 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) including computer software 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.

### iii. Investments

Long Term Investments are stated at cost. Provision for diminution in the value is made only if such a decline is other than temporary.

### iv. 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 net realisable value. These goods have been taken as per inventory taken, valued and certified by the management.

### v. 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.

### vi. 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.

### vii. 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.

### viii. Research & Development

Expenditure on research & development which results in creation of capital assets is treated in the same way as expenditure on fixed assets. Other research & development expenditure is treated as deferred revenue expenditure for writing it off over the years when the benefit would be received.

### ix. 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.

### x. 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.

# OK PLAY INDIA LIMITED

## Notes on Financial Statements for the Year ended 31st March, 2012

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

### Note : 2 Share Capital

Particulars	AS AT 31.03.2012 (Rs)	AS AT 31.03.2011 (Rs)
<b><u>AUTHORIZED CAPITAL</u></b>		
3,00,00,000 (Previous year 3,00,00,000) Equity Shares of Rs. 10/- each	300,000,000.00	300,000,000.00
	<u>300,000,000.00</u>	<u>300,000,000.00</u>
<b><u>ISSUED CAPITAL</u></b>		
1,60,38,000 (Previous year 1,60,38,000) Equity Shares of Rs. 10/- each	160,380,000.00	160,380,000.00
	<u>160,380,000.00</u>	<u>160,380,000.00</u>
<b><u>SUBSCRIBED AND PAID UP CAPITAL</u></b>		
1,59,82,100 (Previous year 1,59,82,100) Equity Shares of Rs. 10/- each	159,821,000.00	159,821,000.00
Less: Allotment Money unpaid	130,000.00	140,723.00
26,000 (Previous year 28,145) Equity Shares		
<b>Total</b>	<b><u>159,691,000.00</u></b>	<b><u>159,680,277.00</u></b>

Details of Shareholders holding more than 5% shares:

Name and Particulars	AS AT 31.03.2012	AS AT 31.03.2011
Number of Equity Shares held by Mr Rajan Handa	9,017,600	9,017,600
Percentage of Shares held	56.42%	56.42%

### Note : 3 Reserves & Surplus

Particulars	AS AT 31.03.2012 (Rs)	AS AT 31.03.2011 (Rs)
Capital Reserve	97,815,165.00	97,815,165.00
Share Premium Account	59,845,000.00	59,845,000.00
General Reserve	1,524,000.00	1,524,000.00
Surplus (Profit & Loss Account)	<u>52,813,212.80</u>	<u>126,450,390.53</u>
Balance brought forward from previous year	126,450,390.53	157,232,802.52
Add/(less): Profit/(Loss) for the year	<u>(73,637,177.73)</u>	<u>(30,782,411.99)</u>
<b>Total</b>	<b><u>211,997,377.80</u></b>	<b><u>285,634,555.53</u></b>

## Note : 4 Long Term Borrowings

Particulars	AS AT 31.03.2012 (Rs)	AS AT 31.03.2011 (Rs)
<b><u>Term Loans, Secured</u></b>		
- From Bank	26,511,315.00	33,386,425.00
- Against Vehicles	3,839,119.60	6,094,004.69
- External Commercial Borrowing from Bank	353,760,645.00	336,742,722.00
<b><u>Term Loans, Unsecured</u></b>		
- Foreign Currency Convertible Bonds	-	10,895,472.00
- From Other Parties	33,388,746.93	28,012,328.93
<b>Total</b>	<b>417,499,826.53</b>	<b>415,130,952.62</b>

### 4.1 Secured Term Loans are secured as below:

From Banks : Secured against hypothecation of assets created from Term Loan.  
Against Vehicles : Secured against hypothecation of respective vehicles.

### 4.2 Term Loans from banks are collaterally secured by:

- Equitable Mortgage on the Company's property at 124, New Manglapuri, Mehrauli, New Delhi.
- Equitable mortgage of land and building at plot no.17-18, Rojka Meo Industrial Estate, Tehsil Nuh, District Mewat, Haryana.
- Hypothecation of all the Current Assets of the company.
- First charge on other net block assets of the company.
- Negative lien on the property of land at Bawal Industrial Estate, Phase II, Haryana
- Personal guarantees of two of the directors of the company.
- Pledge of Equity Shares of the company of the value of Rs. 10 crores by one of the directors.

### 4.3 Term Loans, Unsecured from other parties have been secured by third party property and by pledge of equity shares by a director.

### 4.4 Term Loans are repayable as follows:

From Bank: Payable in monthly instalments upto year 2016-17  
Against Vehicles: Payable in monthly instalments extending to year 2014-15  
External Commercial Borrowing: Payable in half-yearly instalments upto year 2018-19  
Unsecured From Other Parties: Payable in monthly instalments extending to year 2022-23

## Note : 5 Long Term Provisions

Particulars	AS AT 31.03.2012 (Rs)	AS AT 31.03.2011 (Rs)
Provision for Gratuity/Leave Encashment	5,573,668.00	6,121,308.00
<b>Total</b>	<b>5,573,668.00</b>	<b>6,121,308.00</b>

# OK PLAY INDIA LIMITED

## Note : 6 Short Term Borrowings

Particulars	AS AT 31.03.2012 (Rs)	AS AT 31.03.2011 (Rs)
<b><u>Loan Repayable on Demand, Secured</u></b>		
- Working Capital Loan from Bank	207,558,442.11	183,817,796.68
Unsecured Loans From Directors	11,737,000.00	-
<b>Total</b>	<b>219,295,442.11</b>	<b>183,817,796.68</b>

### 6.1 Working Capital Loan from Bank is secured by:

Secured against hypothecation of stocks of Raw Material, Work-in-process, Finished Goods & Other Stocks and book debts.

### 6.2 Working Capital Loan from bank is collaterally secured by:

- Equitable Mortgage on the Company's property at 124, New Manglapuri, Mehrauli, New Delhi.
- Equitable mortgage of land and building at plot no.17-18, Rojka Meo Industrial Estate, Tehsil Nuh, District Mewat, Haryana.
- Hypothecation of all the Current Assets of the company.
- First charge on other net block assets of the company.
- Negative lien on the property of land at Bawal Industrial Estate, Phase II, Haryana
- Personal guarantees of two of the directors of the company.
- Pledge of Equity Shares of the company of the value of Rs. 10 crores by one of the directors.

## Note : 7 Other Current Liabilities

Particulars	AS AT 31.03.2012 (Rs)	AS AT 31.03.2011 (Rs)
Current maturities of long term debt		
- Foreign Currency Convertible Bonds	12,499,272.00	-
- Others	51,327,080.59	18,423,075.00
Interest accrued but not due on borrowings	2,412,666.00	1,582,917.00
Sundry Creditors (Others)	114,292,700.35	107,005,226.24
Due to Directors	5,039,629.97	2,081,105.42
Customer Advances & Deposits	6,151,508.87	42,434,333.58
Direct/Indirect Taxes payable	10,381,772.32	9,069,094.27
Other Liabilities	6,355,425.24	6,917,812.97
<b>Total</b>	<b>208,460,055.34</b>	<b>187,513,564.48</b>

### 7.1 The Board of Directors of the Company at its meeting held on 23rd 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 24th July, 2012. As at 31st March, 2012 none of the 'FCCB' have been converted into equity shares but 'FCCB' of the face value of USD 9,760,000 had been bought back by the company at a discount of 24% to the face value of the 'FCCB' and the balance of 'FCCB' outstanding as on 31st March, 2012 have been included in Other Current Liabilities.

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.57,80,913/-.

### Note : 8 Short Term Provisions

Particulars	AS AT 31.03.2012 (Rs)	AS AT 31.03.2011 (Rs)
Provision for Taxation	6,514,036.00	-
<b>Total</b>	<b>6,514,036.00</b>	<b>-</b>



## Notes on Financial Statements for the Year ended 31st March, 2012

### Note : 9 Fixed Assets

Particulars	Gross Block (Rs)			Depreciation (Rs)			Net Block (Rs)	
	As on 01.04.2011	Additions during the year	Deductions during the year	As on 01.04.2011	Additions during the year	Deductions during the year	As on 31.03.2012	As on 31.03.2011
<b>Tangible Assets</b>								
Land (Freehold)	131,287,662.60	-	-	-	-	-	131,287,662.60	131,287,662.60
Buildings	57,745,104.35	348,539.34	-	13,812,402.16	1,633,427.70	-	42,647,813.83	43,932,702.19
Plant and Equipment	508,421,888.44	34,968,168.83	-	278,680,848.08	47,094,647.45	-	217,614,561.74	229,741,040.36
Furniture & Fixtures	11,995,901.05	3,883,587.72	-	3,959,733.74	795,413.29	-	11,124,341.74	8,036,167.31
Vehicles	28,579,630.22	1,882,774.00	717,991.22	6,472,883.66	2,805,780.03	358,149.81	20,823,889.12	22,106,746.56
Office Equipment	11,923,828.66	364,679.13	-	7,562,033.43	1,101,350.28	-	3,625,124.08	4,361,795.23
<b>SUB TOTAL (A)</b>	<b>749,954,015.32</b>	<b>41,447,749.02</b>	<b>717,991.22</b>	<b>310,487,901.07</b>	<b>53,430,618.75</b>	<b>358,149.81</b>	<b>427,123,403.11</b>	<b>439,466,114.25</b>
<b>Intangible Assets</b>								
Other Intangible Assets	13,945,814.93	-	-	2,933,171.72	1,394,581.49	-	9,618,061.72	11,012,643.21
Computer Software	4,865,192.64	8,505.00	-	4,188,988.00	212,806.94	-	271,922.70	476,224.64
<b>SUB TOTAL (B)</b>	<b>18,811,007.57</b>	<b>8,505.00</b>	<b>-</b>	<b>7,122,139.72</b>	<b>1,607,388.43</b>	<b>-</b>	<b>9,899,984.42</b>	<b>11,488,867.85</b>
<b>Capital Work-in-progress</b>	<b>280,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>280,000.00</b>	<b>280,000.00</b>
<b>SUB TOTAL (C)</b>	<b>280,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>280,000.00</b>	<b>280,000.00</b>
<b>Intangible Assets Under Development</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>SUB TOTAL (D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total [A + B + C + D]</b>								
(Current Year)	768,845,022.89	41,456,254.02	717,991.22	317,610,040.79	55,038,007.18	358,149.81	437,293,387.53	451,234,982.10
(Previous Year)	721,279,991.43	56,101,263.07	8,536,231.61	264,546,248.85	57,093,177.59	4,029,385.65	451,234,982.10	

## Notes on Financial Statements for the Year ended 31st March, 2012

### Note : 10 Non Current Investments

Particulars	AS AT 31.03.2012 (Rs)	AS AT 31.03.2011 (Rs)
<b><u>Trade -Unquoted, at cost</u></b>		
Investment in Equity of Subsidiary	42,600,000.00	39,000,000.00
42,60,000 (Previous year 39,00,000)		
Equity Shares of Rs 10/- each		
fully paid of subsidiary company OK Play Auto Private Limited		
<b>Total</b>	<b>42,600,000.00</b>	<b>39,000,000.00</b>

### Note : 11 Deferred Tax Assets (Net)

Particulars	AS AT 31.03.2012 (Rs)	AS AT 31.03.2011 (Rs)
<b><u>Deferred Tax Liabilities</u></b>		
(i) Related to Fixed Assets	33,094,000.00	33,139,000.00
(ii) Deferred Revenue Expenditure allowed under the Income Tax Act, 1961	-	-
	33,094,000.00	33,139,000.00
<b><u>Deferred Tax Assets</u></b>		
(i) Disallowance under the Income Tax Act, 1961	16,946,000.00	2,917,000.00
(ii) Unabsorbed depreciation/carried forward of losses under the Income Tax Act, 1961	60,233,000.00	46,850,000.00
	77,179,000.00	49,767,000.00
<b><u>Deferred Tax Assets (Net)</u></b>	<b>(44,085,000.00)</b>	<b>(16,628,000.00)</b>

### Note : 12 Long Term Loans and Advances

Particulars	AS AT 31.03.2012 (Rs)	AS AT 31.03.2011 (Rs)
<b><u>Unsecured, Considered Good :</u></b>		
Earnest Money Deposit	334,740.00	156,740.00
Other Deposit	984,497.00	1,021,329.00
<b>Total</b>	<b>1,319,237.00</b>	<b>1,178,069.00</b>

# OK PLAY INDIA LIMITED

## Note : 13 Other Non Current Assets

Particulars	AS AT 31.03.2012 (Rs)	AS AT 31.03.2011 (Rs)
<b><u>Deferred Revenue Expenditure</u></b>		
- FCCB Issue Expenses	-	3,233,368.00
- Advertisement Expenses	39,213,964.00	39,213,964.00
- Research & Development	22,374,839.15	16,937,494.00
<b>Total</b>	<b>61,588,803.15</b>	<b>59,384,826.00</b>

## Note : 14 Current Investments

Particulars	AS AT 31.03.2012 (Rs)	AS AT 31.03.2011 (Rs)
<b><u>Unquoted, at cost</u></b>		
Share Application in Subsidiary - OK Play Auto Private Limited	-	36,338,740.00
<b>Total</b>	<b>-</b>	<b>36,338,740.00</b>

## Note : 15 Inventories

Particulars	AS AT 31.03.2012 (Rs)	AS AT 31.03.2011 (Rs)
<b><u>At cost</u></b>		
Raw Materials	29,169,774.24	19,638,745.48
Work-in-Progress	36,729,062.29	33,356,260.38
Finished Goods	18,975,472.76	22,511,304.92
Stock-in-Trade	4,577,424.98	4,691,976.57
Stores & Spares	4,323,904.49	3,973,258.34
Packing Materials & Accessories	28,925,814.94	27,365,770.10
Others With Job Workers	14,081,787.57	10,862,429.00
<b>Total</b>	<b>136,783,241.27</b>	<b>122,399,744.79</b>

**Note : 16 Trade Receivables**

Particulars	AS AT 31.03.2012 (Rs)	AS AT 31.03.2011 (Rs)
<b><u>Due for more than six months</u></b>		
Unsecured, Considered Good	85,941,664.07	67,388,911.07
<b><u>Others</u></b>		
Unsecured, Considered Good	105,231,343.81	93,677,164.69
<b>Total</b>	<b>191,173,007.88</b>	<b>161,066,075.76</b>

**Note : 17 Cash & Cash Equivalents**

Particulars	AS AT 31.03.2012 (Rs)	AS AT 31.03.2011 (Rs)
<b><u>Cash-in-Hand including imprest</u></b>	542,424.00	973,797.28
Sub Total (A)	542,424.00	973,797.28
<b><u>Balances with banks</u></b>		
- in current accounts	467,890.41	19,127,008.71
- in Fixed Deposits as margin money (maturity exceeding 12 months)	19,282,662.00	20,458,740.00
Sub Total (B)	19,750,552.41	39,585,748.71
<b><u>Cheques in Hand (C)</u></b>	59,100,705.19	56,856,347.00
<b>Total [ A + B + C]</b>	<b>79,393,681.60</b>	<b>97,415,892.99</b>

**Note :18 Short Terms Loans and Advances**

Particulars	AS AT 31.03.2012 (Rs)	AS AT 31.03.2011 (Rs)
<b><u>Unsecured, Considered Good :</u></b>		
-Advance to Subsidiary Company	28,290.75	-
<b><u>Other Loans &amp; Advances</u></b>		
<b><u>Unsecured, Considered good</u></b>		
Advances to Creditors	261,681,631.32	262,415,128.37
Staff Advances	1,128,174.88	1,449,608.44
Advance Income Tax/TDS/Direct Taxes	2,276,973.00	2,465,179.00
Balance With Revenue Authorities (Indirect Taxes)	698,553.39	3,541,494.40
Earnest Money Deposit	400,000.00	400,000.00
Prepaid Expenses	859,273.70	725,990.00
<b>Total</b>	<b>267,072,897.04</b>	<b>270,997,400.21</b>

# OK PLAY INDIA LIMITED

## Notes on Financial Statements for the Year ended 31st March, 2012

### Note : 19 Revenue from Operations

Particulars	FOR THE YEAR ENDED 31.03.2012 (Rs)	FOR THE YEAR ENDED 31.03.2011 (Rs)
Sale of products	442,993,472.83	403,295,127.77
Less: Excise duty	27,133,948.24	20,922,928.95
<b>Total</b>	<b>415,859,524.59</b>	<b>382,372,198.82</b>

### Note : 20 Other Income

Particulars	FOR THE YEAR ENDED 31.03.2012 (Rs)	FOR THE YEAR ENDED 31.03.2011 (Rs)
Interest income	3,178,905.00	2,780,536.00
Net gain on sale of Fixed Assets	-	316,358.04
Miscellaneous Receipts	402,674.28	465,550.00
Net gain on Foreign Currency Transactions	545,677.46	-
Other non-operating income	49,998.54	-
<b>Total</b>	<b>4,177,255.28</b>	<b>3,562,444.04</b>

### Note : 21 Cost of Materials Consumed

Particulars	FOR THE YEAR ENDED 31.03.2012 (Rs)	FOR THE YEAR ENDED 31.03.2011 (Rs)
<b><u>PURCHASES OF RAW MATERIALS</u></b>		
Purchases of Plastics Raw Material	122,475,978.16	99,721,722.24
Add: Opening Stock of Raw Material	19,638,745.48	17,962,076.93
	142,114,723.64	117,683,799.17
Less: Closing Stock of Raw Material	29,169,774.24	19,638,745.48
<b>Sub-total (a)</b>	<b>112,944,949.40</b>	<b>98,045,053.69</b>
<b><u>CONSUMPTION OF OTHER CONSUMABLES</u></b>		
Accessories Consumption	53,760,593.34	54,600,130.04
Packing Material Consumption	11,964,769.30	14,550,951.16
Stores & Spares Consumption	7,315,222.33	6,861,108.72
<b>Sub-total (b)</b>	<b>73,040,584.97</b>	<b>76,012,189.92</b>
<b><u>DIRECT/PRODUCTION EXPENSES</u></b>		
Power & Fuel	29,346,601.14	25,670,192.72
Repair & Maintenance		
- Plant & Machinery	875,331.27	660,538.43
- Buildings	579,750.67	734,202.36
Other Expenses	19,792,024.65	18,756,620.78
Excise Duty Pulverised Material	2,252,110.96	1,856,330.99
<b>Sub-total (c)</b>	<b>52,845,818.69</b>	<b>47,677,885.28</b>
<b>Total (a+b+c)</b>	<b>238,831,353.06</b>	<b>221,735,128.89</b>

**Note : 22 Changes in Inventories of Finished Goods and Work-in-Progress**

Particulars	FOR THE YEAR ENDED 31.03.2012 (Rs)	FOR THE YEAR ENDED 31.03.2011 (Rs)
Opening Stock		
- Work-in-Progress	33,356,260.38	34,128,050.17
- Finished Goods	27,203,281.49	12,121,315.75
<b>Sub-total (A)</b>	<b>60,559,541.87</b>	<b>46,249,365.92</b>
Closing Stock		
- Work-in-Progress	36,729,062.29	33,356,260.38
- Finished Goods	23,552,897.74	27,203,281.49
<b>Sub-total (B)</b>	<b>60,281,960.03</b>	<b>60,559,541.87</b>
<b>Total (A-B)</b>	<b>277,581.84</b>	<b>(14,310,175.95)</b>

**Note : 23 Employee Benefits Expense**

Particulars	FOR THE YEAR ENDED 31.03.2012 (Rs)	FOR THE YEAR ENDED 31.03.2011 (Rs)
Salaries, Wages & Bonus	57,768,896.36	61,866,606.00
Contribution to Provident & other funds	3,002,811.00	2,818,824.00
Staff welfare expenses	1,252,706.82	1,212,483.62
<b>Total</b>	<b>62,024,414.18</b>	<b>65,897,913.62</b>

**23.1 Defined Benefit Plan**
**Reconciliation of opening and closing balances of Defined Benefit obligation**

	GRATUITY (FUNDED) 2011- 12 (Rs.)	GRATUITY (FUNDED) 2010- 11 (Rs.)
Present value of obligation at beginning of the year	34,87,314	24,64,442
Interest Cost	2,78,985	1,97,155
Current Service cost	5,21,262	4,20,498
Benefits paid	(5,04,755)	(80,826)
Actuarial (gain) / loss on obligation	(4,70,711)	4,86,045
Present value of obligation at year end	33,12,095	34,87,314

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

Fair value of plan assets at beginning of year	24,11,304	18,08,092
Expected return on plan assets	1,99,224	1,59,696
Employer Contributions	4,46,591	5,24,342
Benefits paid	(5,04,755)	(80,826)
Actuarial gain / (loss) on plan assets	-	-
Fair value of plan assets at year end	25,52,364	24,11,304

# OK PLAY INDIA LIMITED

	GRATUITY (FUNDED) 2011- 12 (Rs.)	GRATUITY (FUNDED) 2010- 11 (Rs.)
<b>Reconciliation of fair value of assets and obligations</b>		
Present value of obligation at year end	33,12,095	34,87,314
Fair value of plan assets at year end	(2,552,364)	(2,411,304)
Net liability recognized in balance sheet	7,59,731	10,76,010
<b>Expense recognized during the year</b>		
Current Service cost	5,21,262	4,20,498
Interest Cost	2,78,985	1,97,155
Expected return on plan assets	(199,224)	(159,696)
Net actuarial (gain)/ loss recognized in the year	(470,711)	4,86,045
Net cost recognized in the year	1,30,312	9,44,002
<b>Reconciliation showing movements during the year in the Net Liability</b>		
Net liability at beginning of year	10,76,010	6,56,350
Cost recognized in the year	1,30,312	9,44,002
Employer Contributions	(4,46,591)	(5,24,342)
Net liability at year end	7,59,731	10,76,010
<b>Actual return on plan assets</b>		
Expected return on plan assets	1,99,224	1,59,696
Actuarial gain/ (loss) on plan assets	-	-
Actual return on plan assets	1,99,224	1,59,696
<b>Actuarial assumptions</b>		
Mortality Rate (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)
Withdrawal Rate	1% to 3%	1% to 3%
	Depending on Age	Depending on Age
Discount rate (per annum)	8%	8%
Salary Escalation	6%	6%

## Note : 24 Financial Costs

Particulars	FOR THE YEAR ENDED 31.03.2012 (Rs)	FOR THE YEAR ENDED 31.03.2011 (Rs)
Bank Interest	47,288,819.90	25,524,883.00
Other Interest	6,689,823.00	7,268,713.32
Discounting Charges	1,555,817.41	124,885.00
Finance Charges	416,029.00	4,290,370.00
Bank Charges	1,655,478.82	981,299.76
Net loss on Foreign Currency Transactions	-	35,353.80
<b>Total</b>	<b>57,605,968.13</b>	<b>38,225,504.88</b>



**Note : 25 Depreciation & Amortization expense**

Particulars	FOR THE YEAR ENDED 31.03.2012 (Rs)	FOR THE YEAR ENDED 31.03.2011 (Rs)
Depreciation	55,038,007.18	57,093,177.59
FCCB issue expenses written off	3,233,368.00	3,233,368.00
<b>Total</b>	<b>58,271,375.18</b>	<b>60,326,545.59</b>

**Note : 26 Other Expenses**

Particulars	FOR THE YEAR ENDED 31.03.2012 (Rs)	FOR THE YEAR ENDED 31.03.2011 (Rs)
Fee & Registration	284,596.20	563,869.39
Balances written off	477,909.38	72,139.84
Donation	20,902.00	17,100.00
Rent	59,535.00	939,950.00
Insurance	657,140.96	690,755.92
Travelling & Conveyance Expenses	8,627,624.36	10,007,405.67
Postage & Telephones	2,272,877.21	2,550,188.37
Printing & Stationery	789,642.97	839,241.11
Legal & Professional charges	541,704.50	1,030,411.94
Electricity & Water Expenses	880,567.21	938,854.34
Auditors' remuneration	150,000.00	120,000.00
Wealth Tax	72,197.00	80,126.00
Rates & Taxes	2,974,076.21	3,785,155.42
Miscellaneous expenses	1,354,077.94	1,956,753.36
Repair & Maintenance -Others	2,185,627.66	1,873,963.47
Loss on sale of Fixed Assets	299,841.41	-
Advertisement others	98,184.00	51,892.00
Prior period items	21,625.72	32,306.00
Royalty paid	135,795.53	-
Advertisement	1,956,882.00	765,780.00
Business Promotion Expenses	491,694.76	520,077.78
Freight & Octroi	10,497,043.85	14,973,554.25
Discounts	8,582,775.70	11,823,231.51
Damaged Goods	1,969,068.64	1,083,401.09
<b>Total</b>	<b>45,401,390.21</b>	<b>54,716,157.46</b>

# OK PLAY INDIA LIMITED

## 26.1 Break up of the remuneration paid to the statutory auditors of the Company:

	31.03.2012 (Rs.)	31.03.2011 (Rs)
For Audit Fee	100,000	80,000
For Tax Audit	50,000	40,000
In Other Capacity	NIL	NIL

## Note : 27 Earnings Per Share(EPS)

Particulars	FOR THE YEAR ENDED 31.03.2012 (Rs)	FOR THE YEAR ENDED 31.03.2011 (Rs)
Net Profit available for equity share holders (Rs.)	(73,637,177.73)	(30,782,411.99)
Weighted average number of Equity Shares of Rs.10/- each outstanding during the year (No. of Shares)	15,982,100.00	15,982,100.00
Basic / Diluted Earnings per shares (Rs.)	(4.61)	(1.93)

27.1 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.

## Note : 28 Notes on Financial Statements

1. Contingent Liabilities and Commitments, not provided for :

### (I) Contingent Liabilities

a) Claims against the company not acknowledged as debt:

(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.

b) Guarantees:

(i) Guarantees given to banks as counter guarantees for performance of contracts Rs.163,63,000 /- (Previous Year Rs. 146,23,000/-).

(ii) Letter of credit issued by banks Rs.199,60,878 /- (Previous year Rs. 201,70,159/-)

(iii) Corporate Guarantee, restricted to Rs. 19.48 crores, given as security for the credit limits sanctioned by a bank to the subsidiary company, OK Play Auto Private Limited.

c) Other money for which the company is contingently liable:

(i) Security, in the form of charge on the properties and Residual value of Block assets, present and future, after netting the prime security for term loans, provided to a bank for the credit limits sanctioned by it to the subsidiary company, OK Play Auto Private Limited.

### (II) Commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for amount to Rs. Nil (Previous Year Rs. Nil).

2. 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.

3. Advertisement expenses in the nature of deferred revenue expenditure would be written off over the years when the benefit would be received.
4. Expenses on issue of Foreign Currency Convertible Bonds are being written off over five financial years.
5. 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.
6. 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.
7. Related Party Disclosures:
  - (I) Relationships
    - Key Management Personnel
      - Justice T.R. Handa (Retd.)
      - Mr. Rajan Handa
      - Mrs. Mamta Handa
      - Dr. Rajan Wadhwa
    - 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. 130,38,383/-
Sale of Products	Rs. 15,214/-
Loan from directors	Max. Amount Rs.194,37,000/-
	Bal.on 31.03.2012 - Rs.117,37,000/-

# OK PLAY INDIA LIMITED

## 8. Consumption of imported and indigenous material and percentage thereof.

	<b>31.03.2012</b>		<b>31.03.2011</b>	
	<b>Value (Rs.)</b>	<b>Percentage</b>	<b>Value (Rs.)</b>	<b>Percentage</b>
<b>RAW MATERIAL</b>				
Imported	258,56,924.13	22.89	247,53,808.79	25.25
Indigenous	870,88,025.27	77.11	732,91,244.90	74.75
	<b>1129,44,949.40</b>	<b>100.00</b>	<b>980,45,053.69</b>	<b>100.00</b>
<b>ACCESSORIES &amp; COMPONENTS</b>				
Imported	26,28,027.99	4.89	9,33,259.19	1.71
Indigenous	5,11,32,565.35	95.11	5,36,66,870.85	98.29
	<b>5,37,60,593.34</b>	<b>100.00</b>	<b>5,46,00,130.04</b>	<b>100.00</b>

## 9. Expenditure incurred in Foreign Currency

	<b>31.03.2012 (Rs.)</b>	<b>31.03.2011 (Rs.)</b>
a) Travelling	5,91,563.18	6,15,859.74
b) Telephone	65,427.08	56,910.92
c) Fees	35,625.20	1,98,723.73
d) Technical Knowhow	Nil	15,87,494.90
e) Interest	2,00,53,337.90	Nil
f) Royalty	1,35,795.53	Nil

## 10. Earning in Foreign Exchange

	<b>31.03.2012 (Rs.)</b>	<b>31.03.2011 (Rs.)</b>
FOB Value of Exports (Rs.)	37,32,706.12	53,03,509.81

## 11. CIF Value of Imports

	<b>31.03.2012 (Rs.)</b>	<b>31.03.2011 (Rs.)</b>
a) Capital Assets	Nil	45,54,979.00
b) Raw Material	321,32,873.11	268,68,530.54
c) Accessories	21,08,832.00	5,34,487.25
d) Finished Goods	8,67,366.00	33,69,069.96
e) Maintenance	Nil	1,13,274.00

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

For and on behalf of the Board  
(Rajan Handa)  
Managing Director

(Dhir Singh Bhati)  
Company Secretary

Place: New Delhi  
Date : 7th June, 2012

AUDITORS' REPORT  
As per our separate report of even date attached  
for **S.P.MARWAHA & CO.**  
Chartered Accountants (FRN 000229-N)  
(A.S.BAJAJ)  
Partner  
M.No. 086120

## **AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF OK PLAY INDIA LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF OK PLAY INDIA LIMITED AND ITS SUBSIDIARIES**

1. We have audited the attached Consolidated Balance Sheet of OK PLAY INDIA LIMITED ("the Company") and its subsidiary (the Company and its subsidiary constitute "the Group") as at March 31, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21 (Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.
4. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company and its subsidiary, and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at March 31, 2012;
  - (ii) in the case of the Consolidated Statement of Profit and Loss, of the Loss of the Group for the year ended on that date and
  - (iii) in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

**For S. P. MARWAHA & Co.**  
Chartered Accountants  
(FRN 000229-N)

Place : New Delhi  
Date : 7th June, 2012

**A. S. BAJAJ**  
Partner  
M.No. 086120

# OK PLAY INDIA LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	AS AT 31.03.2012 (Rs)	AS AT 31.03.2011 (Rs)
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>Shareholders' Funds</u></b>			
Share Capital	2	159,691,000.00	159,680,277.00
Reserves and Surplus	3	211,997,377.80	285,634,555.53
<b><u>Minority Interest</u></b>		1,099,894.00	99,894.00
<b><u>Non-Current Liabilities</u></b>			
Long-Term Borrowings	4	511,231,326.53	469,650,952.62
Long Term Provisions	5	5,573,668.00	6,121,308.00
<b><u>Current Liabilities</u></b>			
Short-Term Borrowings	6	219,295,442.11	183,817,796.68
Trade Payables		32,277,849.69	17,745,276.54
Other Current Liabilities	7	224,910,700.37	187,710,455.48
Short-Term Provisions	8	6,514,036.00	-
<b>Total</b>		<b>1,372,591,294.50</b>	<b>1,310,460,515.85</b>
<b><u>ASSETS</u></b>			
<b><u>Non-Current Assets</u></b>			
Fixed Assets	9		
Tangible assets		452,204,675.71	463,877,612.51
Intangible assets		9,931,145.42	11,530,028.85
Capital work-in-progress		15,489,785.56	1,090,612.74
Deferred tax assets (net)	10	44,085,000.00	16,628,000.00
Long term loans and advances	11	1,319,237.00	1,178,069.00
Other non-current assets	12	62,201,661.15	59,997,684.00
<b><u>Current Assets</u></b>			
Inventories	13	136,783,241.27	122,399,744.79
Trade receivables	14	191,173,007.88	161,066,075.76
Cash and cash equivalents	15	80,982,033.22	147,679,931.99
Short-term loans and advances	16	378,421,507.29	325,012,756.21
<b>Total</b>		<b>1,372,591,294.50</b>	<b>1,310,460,515.85</b>
<b>Significant Accounting Policies</b>	<b>1</b>		
<b>Notes on Financial Statements</b>	<b>2 to 26</b>		

(Justice T.R.Handa)(Retd.)  
Chairman cum Wholtime Director

For and on behalf of the Board  
(Rajan Handa)  
Managing Director

(Dhir Singh Bhati)  
Company Secretary

Place: New Delhi  
Date : 7th June, 2012

AUDITORS' REPORT  
As per our separate report of even date attached  
for **S.P.MARWAHA & CO.**  
Chartered Accountants (FRN 000229-N)  
(A.S.BAJAJ)  
Partner  
M.No. 086120

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Note No.	FOR THE YEAR ENDED 31.03.2012 (Rs)	FOR THE YEAR ENDED 31.03.2011 (Rs.)
Revenue from operations	17	415,859,524.59	382,372,198.82
Other Income	18	4,177,255.28	3,562,444.04
<b>Total Revenue</b>		<b>420,036,779.87</b>	<b>385,934,642.86</b>
<b>Expenses:</b>			
Cost of materials consumed	19	238,831,353.06	221,735,128.89
Purchase of Stock-in-Trade		1,032,928.00	8,814,651.36
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	277,581.84	(14,310,175.95)
Employee benefits expense	21	62,024,414.18	65,897,913.62
Financial costs	22	57,605,968.13	38,225,504.88
Depreciation and amortization expense	23	58,271,375.18	60,326,545.59
Other expenses	24	45,401,390.21	54,716,157.46
<b>Total Expenses</b>		<b>463,445,010.60</b>	<b>435,405,725.85</b>
Profit/(Loss) before exceptional and extraordinary items and tax		<b>(43,408,230.73)</b>	<b>(49,471,082.99)</b>
Exceptional items		51,171,911.00	(7,447,791.00)
(Net gain)/loss on Exchange Fluctuation on FCCB/ECB			
Profit/(Loss) before extraordinary items and tax		<b>(94,580,141.73)</b>	<b>(42,023,291.99)</b>
Provision of Tax for earlier years/ (Excess Provision of Tax written back)		6,514,036.00	(15,880.00)
Profit/(Loss) before tax		<b>(101,094,177.73)</b>	<b>(42,007,411.99)</b>
<b>Tax expense:</b>			
(1) Current tax		-	-
(2) Deferred tax charge/(credit)		(27,457,000.00)	(11,225,000.00)
Profit/(Loss) for the year		<b>(73,637,177.73)</b>	<b>(30,782,411.99)</b>
Earnings per equity share of face value of Rs 10 each: 25			
Basic and Diluted (in Rupees)		(4.61)	(1.93)
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 26		

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

For and on behalf of the Board  
(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 (FRN 000229-N)  
(A.S.BAJAJ)  
Partner  
M.No. 086120

Place: New Delhi  
Date : 7th June, 2012



# OK PLAY INDIA LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	FOR THE YEAR ENDED 31.03.2012 (Rs)	FOR THE YEAR ENDED 31.03.2011 (Rs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit/(Loss) before Tax and extraordinary items	(94,580,141.73)	(41,990,985.99)
Adjustments for :		
Depreciation	55,112,194.84	57,093,177.59
Loss/( Profit ) on sale of Assets	299,841.41	(316,358.04)
Interest Received	(3,178,905.00)	2,780,536.00
Interest Payments	57,605,968.13	38,225,504.88
Deferred Revenue Expenditure written off	3,233,368.00	3,233,368.00
Exchange Fluctuation Loss/(Gain)	51,171,911.00	(7,447,791.00)
Operating Profit before Working Capital changes	69,664,236.65	51,577,451.44
Adjustments for :		
Trade and Other Receivables	(30,106,932.12)	(21,855,462.80)
Inventories	(14,383,496.48)	(29,500,733.77)
Trade and Other Payables	13,242,638.04	58,672,560.66
Cash generated from operations	38,416,446.09	58,893,815.53
Interest paid	(57,605,968.13)	(38,225,504.88)
Cash flow before extraordinary items	(19,189,522.04)	20,668,310.65
Direct taxes paid	-	(349,343.00)
Extraordinary items	-	(32,306.00)
<b>Net Cash from Operating Activities</b>	<b>(19,189,522.04)</b>	<b>20,286,661.65</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(56,599,388.84)	(81,323,374.07)
Sale of Fixed Assets	60,000.00	4,823,204.00
Interest Received	3,178,905.00	(2,780,536.00)
<b>Net Cash used in Investing Activities</b>	<b>(53,360,483.84)</b>	<b>(79,280,706.07)</b>

	FOR THE YEAR ENDED 31.03.2012 (Rs)	FOR THE YEAR ENDED 31.03.2011 (Rs)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Issue of Share Capital	1,000,000.00	-
Allotment money received	10,723.00	-
Loans & Advances paid	(17,211,179.08)	(78,552,837.35)
Deferred Revenue Expenses	(5,437,345.15)	(6,476,003.79)
Proceeds from Long Term Borrowings	(7,987,737.09)	186,272,600.63
Proceeds from Short Term Borrowings	35,477,645.43	-
<b>Net Cash used in Financing Activities</b>	<b>5,852,107.11</b>	<b>101,243,759.49</b>
<b>Net increase in Cash and Cash Equivalents</b>	<b>(66,697,898.77)</b>	<b>42,249,715.07</b>
<b>Cash and Cash Equivalents as at 1st April,2011</b>	<b>147,679,931.99</b>	<b>105,430,216.92</b>
<b>Cash and Cash Equivalents as at 31st March,2012</b>	<b>80,982,033.22</b>	<b>147,679,931.99</b>

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

For and on behalf of the Board  
**(Rajan Handa)**  
Managing Director

**(Dhir Singh Bhati)**  
Company Secretary

Place: New Delhi  
Date : 7th June, 2012

AUDITORS' REPORT  
As per our separate report of even date attached  
for **S.P.MARWAHA & CO.**  
Chartered Accountants (FRN 000229-N)  
**(A.S.BAJAJ)**  
Partner  
M.No. 086120

## **Note : 1 Significant Accounting Policies on Consolidated Accounts**

### **(1) Principles of consolidation**

The consolidated financial statements relate to OK Play India Limited ('the Company') and its subsidiary company. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 – "Consolidated Financial Statements".
- b) The difference between the cost of investment in the subsidiary, over the net assets at the time of acquisition of shares in the subsidiary is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- c) Minority Interest's share of net profit of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- d) Minority Interest's share of net assets of consolidated subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- e) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

### **(2) Other significant accounting policies**

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

## Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

### Note : 2 Share Capital

Particulars	AS AT 31.03.2012 (Rs)	AS AT 31.03.2011 (Rs)
<b><u>AUTHORIZED CAPITAL</u></b>		
3,00,00,000 (Previous year 3,00,00,000) Equity Shares of Rs. 10/- each	300,000,000.00	300,000,000.00
	<u>300,000,000.00</u>	<u>300,000,000.00</u>
<b><u>ISSUED CAPITAL</u></b>		
1,60,38,000 (Previous year 1,60,38,000) Equity Shares of Rs. 10/- each	160,380,000.00	160,380,000.00
	<u>160,380,000.00</u>	<u>160,380,000.00</u>
<b><u>SUBSCRIBED AND PAID UP CAPITAL</u></b>		
1,59,82,100 (Previous year 1,59,82,100) Equity Shares of Rs. 10/- each	159,821,000.00	159,821,000.00
Less: Allotment Money unpaid	130,000.00	140,723.00
26,000 (Previous year 28,145) Equity Shares		
<b>Total</b>	<b><u>159,691,000.00</u></b>	<b><u>159,680,277.00</u></b>

### Note : 3 Reserves & Surplus

Particulars	AS AT 31.03.2012 (Rs)	AS AT 31.03.2011 (Rs)
Capital Reserve	97,815,165.00	97,815,165.00
Share Premium Account	59,845,000.00	59,845,000.00
General Reserve	1,524,000.00	1,524,000.00
Surplus (Profit & Loss Account)	<u>52,813,212.80</u>	<u>126,450,390.53</u>
Balance brought forward from previous year	126,450,390.53	157,232,802.52
Add/(less): Profit/(Loss) for the year	<u>(73,637,177.73)</u>	<u>(30,782,411.99)</u>
<b>Total</b>	<b><u>211,997,377.80</u></b>	<b><u>285,634,555.53</u></b>

### Note : 4 Long Term Borrowings

Particulars	AS AT 31.03.2012 (Rs)	AS AT 31.03.2011 (Rs)
<b><u>Term Loans. Secured</u></b>		
- From Bank	120,242,815.00	87,906,425.00
- Against Vehicles	3,839,119.60	6,094,004.69
- External Commercial Borrowing from Bank	353,760,645.00	336,742,722.00
<b><u>Term Loans. Unsecured</u></b>		
- Foreign Currency Convertible Bonds	-	10,895,472.00
- From Other Parties	33,388,746.93	28,012,328.93
<b>Total</b>	<b><u>511,231,326.53</u></b>	<b><u>469,650,952.62</u></b>

# OK PLAY INDIA LIMITED

4.1 Secured Term Loans are secured as below:

From Banks : Secured against hypothecation of assets created from Term Loan.

Against Vehicles : Secured against hypothecation of respective vehicles.

4.2 Term Loans from banks are collaterally secured by:

- a) Equitable Mortgage on the Company's property at 124, New Manglapuri, Mehrauli, New Delhi.
- b) Equitable mortgage of land and building at plot no.17-18, Rojka Meo Industrial Estate, Tehsil Nuh, District Mewat, Haryana.
- c) Hypothecation of all the Current Assets of the company.
- d) First charge on other net block assets of the company.
- e) Negative lien on the property of land at Bawal Industrial Estate, Phase II, Haryana
- f) Personal guarantees of two of the directors of the company.
- g) Pledge of Equity Shares of the company of the value of Rs. 10 crores by one of the directors.

4.3 Term Loans, Unsecured from other parties have been secured by third party property and by pledge of equity shares by a director.

4.4 Term Loans are repayable as follows:

From Bank: Payable in monthly instalments upto year 2016-17

Against Vehicles: Payable in monthly instalments extending to year 2014-15

External Commercial Borrowing: Payable in half-yearly instalments upto year 2018-19

Unsecured From Other Parties: Payable in monthly instalments extending to year 2022-23

## Note : 5 Long Term Provisions

Particulars	AS AT 31.03.2012 (Rs)	AS AT 31.03.2011 (Rs)
Provision for Gratuity/Leave Encashment	5,573,668.00	6,121,308.00
<b>Total</b>	<b>5,573,668.00</b>	<b>6,121,308.00</b>

## Note : 6 Short Term Borrowings

Particulars	AS AT 31.03.2012 (Rs)	AS AT 31.03.2011 (Rs)
<b>Loan Repayable on Demand, Secured</b>		
- Working Capital Loan from Bank	207,558,442.11	183,817,796.68
Unsecured Loans From Directors	11,737,000.00	-
<b>Total</b>	<b>219,295,442.11</b>	<b>183,817,796.68</b>

6.1 Working Capital Loan from Bank is secured by:

Secured against hypothecation of stocks of Raw Material, Work-in-process, Finished Goods & Other Stocks and book debts.

6.2 Working Capital Loan from bank is collaterally secured by:

- a) Equitable Mortgage on the Company's property at 124, New Manglapuri, Mehrauli, New Delhi.
- b) Equitable mortgage of land and building at plot no.17-18, Rojka Meo Industrial Estate, Tehsil Nuh, District Mewat, Haryana.

- c) Hypothecation of all the Current Assets of the company.
- d) First charge on other net block assets of the company.
- e) Negative lien on the property of land at Bawal Industrial Estate, Phase II, Haryana
- f) Personal guarantees of two of the directors of the company.
- g) Pledge of Equity Shares of the company of the value of Rs. 10 crores by one of the directors.

#### Note : 7 Other Current Liabilities

Particulars	AS AT 31.03.2012 (Rs)	AS AT 31.03.2011 (Rs)
Current maturities of long term debt		
- Foreign Currency Convertible Bonds	12,499,272.00	-
- Others	66,327,080.59	18,423,075.00
Interest accrued but not due on borrowings	3,752,541.00	1,582,917.00
Sundry Creditors (Others)	114,297,417.35	107,100,533.24
Due to Directors	5,039,629.97	2,081,105.42
Customer Advances & Deposits	6,151,508.87	42,434,333.58
Direct/Indirect Taxes payable	10,394,672.32	9,072,955.27
Other Liabilities	6,448,578.27	7,015,535.97
<b>Total</b>	<b>224,910,700.37</b>	<b>187,710,455.48</b>

7.1 The Board of Directors of the Company at its meeting held on 23rd 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 24th July, 2012. As at 31st March, 2012 none of the 'FCCB' have been converted into equity shares but 'FCCB' of the face value of USD 9,760,000 had been bought back by the company at a discount of 24% to the face value of the 'FCCB' and the balance of 'FCCB' outstanding as on 31st March, 2012 have been included in Other Current Liabilities.

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.57,80,913/-.

#### Note : 8 Short Term Provisions

Particulars	AS AT 31.03.2012 (Rs)	AS AT 31.03.2011 (Rs)
Provision for Taxation	6,514,036.00	-
<b>Total</b>	<b>6,514,036.00</b>	<b>-</b>

## Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

### Note : 9 Fixed Assets

Particulars	Gross Block (Rs)			Depreciation (Rs)			Net Block (Rs)	
	As on 01.04.2011	Additions during the year	Deductions during the year	As on 01.04.2012	Additions during the year	Deductions during the year	As on 31.03.2012	As on 31.03.2011
<b>Tangible Assets</b>								
Land (Freehold)	131,287,662.60	-	-	131,287,662.60	-	-	131,287,662.60	131,287,662.60
Land (Leasehold)	24,382,724.00	-	-	24,382,724.00	-	-	24,382,724.00	24,382,724.00
Buildings	57,745,104.35	348,539.34	-	58,093,643.69	1,633,427.70	-	42,647,813.83	43,932,702.19
Plant and Equipment	508,421,888.44	34,968,168.83	-	543,390,057.27	47,094,647.45	-	217,614,561.74	229,741,040.36
Furnitures & Fixtures	11,995,901.05	3,883,587.72	-	15,879,488.77	795,413.29	-	11,124,341.74	8,036,167.31
Vehicles	28,579,630.22	2,626,736.00	717,991.22	30,488,375.00	2,875,104.69	358,149.81	21,498,536.46	22,106,746.56
Office Equipment	11,953,828.66	364,679.13	-	12,318,507.79	1,106,213.28	-	3,649,035.34	4,390,569.49
<b>SUB TOTAL (A)</b>	<b>774,366,739.32</b>	<b>42,191,711.02</b>	<b>717,991.22</b>	<b>815,840,459.12</b>	<b>53,504,806.41</b>	<b>358,149.81</b>	<b>452,204,675.71</b>	<b>463,877,612.51</b>
<b>Intangible Assets</b>								
Other Intangible Assets	13,945,814.93	-	-	13,945,814.93	1,394,581.49	-	9,618,061.72	11,012,643.21
Goodwill	41,161.00	-	-	41,161.00	-	-	41,161.00	41,161.00
Computer software	4,665,192.64	8,505.00	-	4,673,697.64	212,806.94	-	271,922.70	476,224.64
<b>SUB TOTAL (B)</b>	<b>18,652,168.57</b>	<b>8,505.00</b>	<b>-</b>	<b>18,660,673.57</b>	<b>1,607,388.43</b>	<b>-</b>	<b>9,931,145.42</b>	<b>11,530,028.85</b>
<b>Capital Work-in-progress</b>	<b>1,090,612.74</b>	<b>14,399,172.82</b>	<b>-</b>	<b>15,489,785.56</b>	<b>-</b>	<b>-</b>	<b>15,489,785.56</b>	<b>1,090,612.74</b>
<b>SUB TOTAL (C)</b>	<b>1,090,612.74</b>	<b>14,399,172.82</b>	<b>-</b>	<b>15,489,785.56</b>	<b>-</b>	<b>-</b>	<b>15,489,785.56</b>	<b>1,090,612.74</b>
Intangible Assets Under Development	-	-	-	-	-	-	-	-
<b>SUB TOTAL (D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total [A + B + C + D] (Current Year)</b>	<b>794,109,520.63</b>	<b>56,599,388.84</b>	<b>717,991.22</b>	<b>849,990,918.25</b>	<b>55,112,194.84</b>	<b>358,149.81</b>	<b>477,625,606.69</b>	<b>476,498,254.10</b>
<b>(Previous Year)</b>	<b>721,279,991.43</b>	<b>81,365,760.81</b>	<b>8,536,231.61</b>	<b>794,109,520.83</b>	<b>264,546,248.85</b>	<b>4,029,385.85</b>	<b>476,498,254.10</b>	



# Notes on Consolidated Financial Statements for the Year ended 31st March, 2012

## Note : 10 Deferred Tax Assets (Net)

Particulars	AS AT 31.03.2012 (Rs)	AS AT 31.03.2011 (Rs)
<b><u>Deferred Tax Liabilities</u></b>		
(i) Related to Fixed Assets	33,094,000.00	33,139,000.00
(ii) Deferred Revenue Expenditure allowed under the Income Tax Act, 1961	-	-
	<u>33,094,000.00</u>	<u>33,139,000.00</u>
<b><u>Deferred Tax Assets</u></b>		
(i) Disallowance under the Income Tax Act, 1961	16,946,000.00	2,917,000.00
(ii) Unabsorbed depreciation/carried forward of losses under the Income Tax Act, 1961	60,233,000.00	46,850,000.00
	<u>77,179,000.00</u>	<u>49,767,000.00</u>
<b>Deferred Tax Assets (Net)</b>	<b>(44,085,000.00)</b>	<b>(16,628,000.00)</b>

## Note : 11 Long Term Loans and Advances

Particulars	AS AT 31.03.2012 (Rs)	AS AT 31.03.2011 (Rs)
<b><u>Unsecured, Considered Good :</u></b>		
Earnest Money Deposit	334,740.00	156,740.00
Other Deposit	984,497.00	1,021,329.00
<b>Total</b>	<b><u>1,319,237.00</u></b>	<b><u>1,178,069.00</u></b>

## Note : 12 Other Non Current Assets

Particulars	AS AT 31.03.2012 (Rs)	AS AT 31.03.2011 (Rs)
<b><u>Deferred Revenue Expenditure</u></b>		
- Preliminary Expenses	612,858.00	612,858.00
- FCCB Issue Expenses	-	3,233,368.00
- Advertisement Expenses	39,213,964.00	39,213,964.00
- Research & Development	22,374,839.15	16,937,494.00
<b>Total</b>	<b><u>62,201,661.15</u></b>	<b><u>59,997,684.00</u></b>

# OK PLAY INDIA LIMITED

## Note : 13 Inventories

Particulars	AS AT 31.03.2012 (Rs)	AS AT 31.03.2011 (Rs)
<u>At cost</u>		
Raw Materials	29,169,774.24	19,638,745.48
Work-in-Progress	36,729,062.29	33,356,260.38
Finished Goods	18,975,472.76	22,511,304.92
Stock-in-Trade	4,577,424.98	4,691,976.57
Stores & Spares	4,323,904.49	3,973,258.34
Packing Materials & Accessories	28,925,814.94	27,365,770.10
Others With Job Workers	14,081,787.57	10,862,429.00
<b>Total</b>	<b>136,783,241.27</b>	<b>122,399,744.79</b>

## Note : 14 Trade Receivables

Particulars	AS AT 31.03.2012 (Rs)	AS AT 31.03.2011 (Rs)
<u>Due for more than six months</u>		
Unsecured, Considered Good	85,941,664.07	67,388,911.07
<u>Others</u>		
Unsecured, Considered Good	105,231,343.81	93,677,164.69
<b>Total</b>	<b>191,173,007.88</b>	<b>161,066,075.76</b>

## Note : 15 Cash & Cash Equivalents

Particulars	AS AT 31.03.2012 (Rs)	AS AT 31.03.2011 (Rs)
<u>Cash-in-Hand including imprest</u>	1,664,570.00	1,072,443.28
<b>Sub Total (A)</b>	<b>1,664,570.00</b>	<b>1,072,443.28</b>
<u>Balances with banks</u>		
- in current accounts	627,083.03	69,292,401.71
- in Fixed Deposits as margin money (maturity exceeding 12 months)	19,389,675.00	20,458,740.00
<b>Sub Total (B)</b>	<b>20,016,758.03</b>	<b>89,751,141.71</b>
<u>Cheques in Hand (C)</u>	59,300,705.19	56,856,347.00
<b>Total [ A + B + C ]</b>	<b>80,982,033.22</b>	<b>147,679,931.99</b>

**Note : 16 Short Terms Loans and Advances**

Particulars	AS AT 31.03.2012 (Rs)	AS AT 31.03.2011 (Rs)
<b><u>Other Loans &amp; Advances</u></b>		
<b><u>Unsecured, Considered good</u></b>		
Advances to Creditors	373,058,100.32	316,430,484.37
Staff Advances	1,128,174.88	1,449,608.44
Advance Income Tax/TDS/Direct Taxes	2,276,973.00	2,465,179.00
Balance With Revenue Authorities (Indirect Taxes)	698,553.39	3,541,494.40
Earnest Money Deposit	400,000.00	400,000.00
Prepaid Expenses	859,705.70	725,990.00
<b>Total</b>	<b>378,421,507.29</b>	<b>325,012,756.21</b>

**Note : 17 Revenue from Operations**

Particulars	FOR THE YEAR ENDED 31.03.2012 (Rs)	FOR THE YEAR ENDED 31.03.2011 (Rs)
Sale of products	442,993,472.83	403,295,127.77
Less: Excise duty	27,133,948.24	20,922,928.95
<b>Total</b>	<b>415,859,524.59</b>	<b>382,372,198.82</b>

**Note : 18 Other Income**

Particulars	FOR THE YEAR ENDED 31.03.2012 (Rs)	FOR THE YEAR ENDED 31.03.2011 (Rs)
Interest income	3,178,905.00	2,780,536.00
Net gain on sale of Fixed Assets	-	316,358.04
Miscellaneous Receipts	402,674.28	465,550.00
Net gain on Foreign Currency Transactions	545,677.46	-
Other non-operating income	49,998.54	-
<b>Total</b>	<b>4,177,255.28</b>	<b>3,562,444.04</b>

# OK PLAY INDIA LIMITED

## Note : 19 Cost of Materials Consumed

Particulars	FOR THE YEAR ENDED 31.03.2012 (Rs)	FOR THE YEAR ENDED 31.03.2011 (Rs)
<b><u>PURCHASES OF RAW MATERIALS</u></b>		
Purchases of Plastics Raw Material	122,475,978.16	99,721,722.24
Add: Opening Stock of Raw Material	19,638,745.48	17,962,076.93
	142,114,723.64	117,683,799.17
Less: Closing Stock of Raw Material	29,169,774.24	19,638,745.48
<b>Sub-total (a)</b>	<b>112,944,949.40</b>	<b>98,045,053.69</b>
<b><u>CONSUMPTION OF OTHER CONSUMABLES</u></b>		
Accessories Consumption	53,760,593.34	54,600,130.04
Packing Material Consumption	11,964,769.30	14,550,951.16
Stores & Spares Consumption	7,315,222.33	6,861,108.72
<b>Sub-total (b)</b>	<b>73,040,584.97</b>	<b>76,012,189.92</b>
<b><u>DIRECT/PRODUCTION EXPENSES</u></b>		
Power & Fuel	29,346,601.14	25,670,192.72
Repair & Maintenance		
- Plant & Machinery	875,331.27	660,538.43
- Buildings	579,750.67	734,202.36
Other Expenses	19,792,024.65	18,756,620.78
Excise Duty Pulverised Material	2,252,110.96	1,856,330.99
<b>Sub-total (C)</b>	<b>52,845,818.69</b>	<b>47,677,885.28</b>
<b>Total (a+b+C)</b>	<b>238,831,353.06</b>	<b>221,735,128.89</b>

## Note : 20 Changes in Inventories of Finished Goods and Work-in-Progress

Particulars	FOR THE YEAR ENDED 31.03.2012 (Rs)	FOR THE YEAR ENDED 31.03.2011 (Rs)
Opening Stock		
- Work-in-Progress	33,356,260.38	34,128,050.17
- Finished Goods	27,203,281.49	12,121,315.75
<b>Sub-total (A)</b>	<b>60,559,541.87</b>	<b>46,249,365.92</b>
Closing Stock		
- Work-in-Progress	36,729,062.29	33,356,260.38
- Finished Goods	23,552,897.74	27,203,281.49
<b>Sub-total (B)</b>	<b>60,281,960.03</b>	<b>60,559,541.87</b>
<b>Total (A-B)</b>	<b>277,581.84</b>	<b>(14,310,175.95)</b>

**Note : 21 Employee Benefits Expense**

Particulars	FOR THE YEAR ENDED 31.03.2012 (Rs)	FOR THE YEAR ENDED 31.03.2011 (Rs)
Salaries, Wages & Bonus	57,768,896.36	61,866,606.00
Contribution to Provident & other funds	3,002,811.00	2,818,824.00
Staff welfare expenses	1,252,706.82	1,212,483.62
<b>Total</b>	<b>62,024,414.18</b>	<b>65,897,913.62</b>

**Note : 22 Financial Costs**

Particulars	FOR THE YEAR ENDED 31.03.2012 (Rs)	FOR THE YEAR ENDED 31.03.2011 (Rs)
Bank Interest	47,288,819.90	25,524,883.00
Other Interest	6,689,823.00	7,268,713.32
Discounting Charges	1,555,817.41	124,885.00
Finance Charges	416,029.00	4,290,370.00
Bank Charges	1,655,478.82	981,299.76
Net loss on Foreign Currency Transactions	-	35,353.80
<b>Total</b>	<b>57,605,968.13</b>	<b>38,225,504.88</b>

**Note : 23 Depreciation & Amortization expense**

Particulars	FOR THE YEAR ENDED 31.03.2012 (Rs)	FOR THE YEAR ENDED 31.03.2011 (Rs)
Depreciation	55,038,007.18	57,093,177.59
FCCB issue expenses written off	3,233,368.00	3,233,368.00
<b>Total</b>	<b>58,271,375.18</b>	<b>60,326,545.59</b>

# OK PLAY INDIA LIMITED

## Note : 24 Other Expenses

Particulars	FOR THE YEAR ENDED 31.03.2012 (Rs)	FOR THE YEAR ENDED 31.03.2011 (Rs)
Fee & Registration	284,596.20	563,869.39
Balances written off	477,909.38	72,139.84
Donation	20,902.00	17,100.00
Rent	59,535.00	939,950.00
Insurance	657,140.96	690,755.92
Travelling & Conveyance Expenses	8,627,624.36	10,007,405.67
Postage & Telephones	2,272,877.21	2,550,188.37
Printing & Stationery	789,642.97	839,241.11
Legal & Professional charges	541,704.50	1,030,411.94
Electricity & Water Expenses	880,567.21	938,854.34
Auditors' remuneration	150,000.00	120,000.00
Wealth Tax	72,197.00	80,126.00
Rates & Taxes	2,974,076.21	3,785,155.42
Miscellaneous expenses	1,354,077.94	1,956,753.36
Repair & Maintenance -Others	2,185,627.66	1,873,963.47
Loss on sale of Fixed Assets	299,841.41	-
Advertisement others	98,184.00	51,892.00
Prior period items	21,625.72	32,306.00
Royalty paid	135,795.53	-
Advertisement	1,956,882.00	765,780.00
Business Promotion Expenses	491,694.76	520,077.78
Freight & Octroi	10,497,043.85	14,973,554.25
Discounts	8,582,775.70	11,823,231.51
Damaged Goods	1,969,068.64	1,083,401.09
<b>Total</b>	<b>45,401,390.21</b>	<b>54,716,157.46</b>

## Note : 25 Earnings Per Share(EPS)

Particulars	FOR THE YEAR ENDED 31.03.2012 (Rs)	FOR THE YEAR ENDED 31.03.2011 (Rs)
Net Profit available for equity share holders (Rs.)	(73,637,177.73)	(30,782,411.99)
Weighted average number of Equity Shares of Rs.10/- each outstanding during the year (No. of Shares)	15,982,100.00	15,982,100.00
Basic / Diluted Earnings per shares (Rs.)	(4.61)	(1.93)

25.1 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.

## Note : 26 Notes on Consolidated Financial Statements for the year ended 31st March, 2012

1. The subsidiary company considered in the consolidated financial statements is:

<u>Name of the subsidiary</u>	<u>Country of Incorporation</u>	<u>Proportion of ownership interest</u>
OK Play Auto Private Limited	India	97.48%

2. Financial Information of Subsidiary Company

Rs in Lacs

Name of Subsidiary Company	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
OK Play Auto Private Limited	437.00	(0.41)	1538.69	1538.69	Nil	0.07	Nil	Nil	Nil	Nil

3. Contingent Liabilities and Commitments, not provided for :

(I) Contingent Liabilities

a) Claims against the company not acknowledged as debt:

(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.

b) Guarantees:

(i) Guarantees given to banks as counter guarantees for performance of contracts Rs.163,63,000 /- (Previous Year Rs. 146,23,000/-).

(ii) Letter of credit issued by banks Rs.199,60,878 /- (Previous year Rs. 201,70,159/-)

(iii) Corporate Guarantee, restricted to Rs. 19.48 crores, given as security for the credit limits sanctioned by a bank to the subsidiary company, OK Play Auto Private Limited.

c) Other money for which the company is contingently liable:

(i) Security, in the form of charge on the properties and Residual value of Block assets, present and future, after netting the prime security for term loans, provided to a bank for the credit limits sanctioned by it to the subsidiary company, OK Play Auto Private Limited.

(II) Commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for amount to Rs. Nil (Previous Year Rs. Nil).

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. Advertisement expenses in the nature of deferred revenue expenditure would be written off over the years when the benefit would be received.

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

# OK PLAY INDIA LIMITED

## 7. Related Party Disclosures:

### (I) Relationships

Key Management Personnel

Justice T.R. Handa (Retd.)

Mr. Rajan Handa

Mrs. Mamta Handa

Dr. Rajan Wadhwa

### 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. 130,38,383/-
Sale of Products	Rs 15,214/-
Loan from directors	Max. Amount Rs.194,37,000/-
	Bal. on 31.03.2012 - Rs. 117,37,000/-

## 8. Capital Work in Progress

	31.03.2012 (Rs.)	31.03.2011 (Rs.)
Opening Balance	10,90,612.74	2,80,000.00
Add: Expenses on Project under Construction	143,99,172.82	8,10,612.74
Closing Balance	154,89,785.56	10,90,612.74

## 9. 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.

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

For and on behalf of the Board  
(Rajan Handa)  
Managing Director

(Dhir Singh Bhati)  
Company Secretary

Place: New Delhi  
Date : 7th June, 2012

AUDITORS' REPORT  
As per our separate report of even date attached  
for **S.P.MARWAHA & CO.**  
Chartered Accountants (FRN 000229-N)  
**(A.S.BAJAJ)**  
Partner  
M.No. 086120



**OK PLAY INDIA LTD.**

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

**PROXY FORM**

Folio No : \_\_\_\_\_ DP\_ID : \* \_\_\_\_\_

No. of shares held : \_\_\_\_\_ 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 23rd Annual General Meeting of Company to be held on Saturday, the 29th September, 2012 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

\* Applicable for investors holding Shares in Electronic form

Affix  
Re. 1/-  
Revenue  
Stamp

**NOTE:**

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)

**ATTENDANCE SLIP**

Folio No. : \_\_\_\_\_ DP\_ID : \* \_\_\_\_\_

No. of Shares Held : \_\_\_\_\_ 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 TWENTY THIRD ANNUAL GENERAL MEETING OF OK PLAY INDIA LTD. on Saturday, the 29th September, 2012.

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

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

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

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







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[www.okplay.in](http://www.okplay.in)

[investor.relations@okplay.in](mailto:investor.relations@okplay.in)

[info@okplay.in](mailto:info@okplay.in)



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New Delhi-110030, India.

ph: +91 11 46190000.

Fax: +91 11 46190090

## Registered Office & Works:

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