



GWALIOR POLYPIPER LIMITED

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20th
ANNUAL REPORT
2002-2003

BOARD OF DIRECTORS	<div> <div>Anil Prakash Sahu</div> <div>Managing Director</div> </div> <div> <div>Sanil Prakash Sahu</div> <div>Whole-time Director</div> </div> <div> <div>Amrit Kumar Sanghi</div> <div>Director</div> </div> <div> <div>Sudhir Awasthi</div> <div>Director</div> </div> <div> <div>Naresh K. Mangal</div> <div>Director</div> </div> <div> <div>N.V.S.Srinivasamurthy</div> <div>Director</div> </div>
COMPANY SECRETARY	Anupam Mathur
AUDITORS	Rakesh K. Garg & Associates Chartered Accountants New Delhi
BANKERS	State Bank of India
REGISTERED OFFICE	Polypipe Estate, Malanpur Industrial Area, Malanpur – 477117, Distt. Bhind (M.P.)
WORKS	<div> <div><u>Unit – I</u></div> <div>Polypipes Estate</div> <div>Malanpur Industrial Area</div> <div>Malanpur – 477117</div> <div>Distt. Bhind (M.P.)</div> </div> <div> <div><u>Unit - II</u></div> <div>Sanju Estate</div> <div>A-170-171, Indraprastha Industrial Area,</div> <div>Kota - 324005</div> <div>Rajasthan</div> </div>

GWALIOR POLYPIPES LIMITED

Notice for convening Adjourned Annual General Meeting

Notice is hereby given that the Twentieth Annual General meeting of the company held on 30th September, 2003, but adjourned without transacting the following business as mentioned at sr. no. 1 of the Notice convening the said meeting, will now be held at 11 A.M. on Friday, the 12th December, 2003 at the Registered Office of the Company to transact the following business :-

Ordinary Business:-

To receive, consider and adopt the audited Balance-sheet of the company as at 31st march, 2003 , the Profit and Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.'

Directors

For and on behalf of the Board of

Place: New Delhi

Sanil P Sahu

Dated: 12th November, 2003

Whole-time director

Notes:

1. Members are requested to send their queries regarding the accounts to reach the company 10 days before the date of the meeting.
2. Audited Annual Accounts and the Reports of the Auditors and Directors thereon are being sent to the members alongwith this notice. Members attending the meeting should carry their own copy as providing extra copy may not be possible at the meeting.

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GWALIOR POLYPIPER LIMITED**Directors' Report**

To,

The Members

Your Directors hereby present the Company's twentieth audited Statement of Account for the year ended 31st March, 2003 :

Financial results

	Rs. in lakhs	
	This year	Previous year
Profit/(loss) before Depreciation, Interest & Taxes	(63.58)	16.56
Depreciation	(47.00)	(54.41)
Interest	(29.66)	(38.71)
Profit/(loss) before tax	(140.24)	(76.56)
Provision for Gratuity	(0.50)	(0.50)
MAT for 1998-99 w/o.	(4.43)	----
Profit / (Loss) brought forward	(141.02)	(63.96)
Balance carried to Balance sheet	(286.19)	(141.02)

Operations

During the year under review, your company could not perform well due to adverse market conditions and lack of government orders in North-Eastern States due to political instability. Your company has, however, developed a new product, i.e. HDPE Corrugated Pipes at its Kota Factory for use in bridge / flyover constructions, foundation drainage, etc., which are very well accepted and orders have started coming in from MNCs, like Larsen & Toubro. Your company has assurance from various agencies about placing large orders in near future. It is heartening to note that your company's product is being regularly used in **Delhi Metro** project.

As the company was passing through financial constraints, there has been default in payment of dues to State Bank of India and Sales-tax Department. Matter is being sorted out with Sales-tax Department. SBI, however, issued a notice under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. Your company challenged the said notice in the Madhya Pradesh High Court at Jabalpur and obtained stay against any further proceedings in the matter.

Auditors

M/s Aditya & Associates, Chartered Accountants, New Delhi, the Statutory Auditors, appointed at the Annual General Meeting held on 30th September, 2002, resigned on account of their personal reasons. Members at their Annual General Meeting on 30th September, 2003 have appointed M/s Rakesh K Garg & Associates, Chartered Accountants, New Delhi, as auditors who have completed the audit for the year under review and shall hold the office of Auditors up-to the conclusion of the next Annual General Meeting.

The observations made in Auditors' Report are self-explanatory and covered by the Notes to the Accounts and, therefore, do not call for any further comments.

Directors

Shri A K Sanghi, who retired by rotation, has since been re-appointed at the Annual General Meeting. He has, however, ceased to be the Chairman. Shri Harish K Sahu and Dr. (Mrs.) Devila H Sahu vacated their offices and ceased to be directors, pursuant to section 283 (1) (f) of the Companies Act, 1956, on account of non-payment of calls on the shares held by them in the company. As a consequence, Shri Harish K Sahu also ceased to be managing director. Shri Anil P Sahu, a director of your company since incorporation, has been appointed as Managing Director w.e.f. 27th August, 2003. Shri Naresh K Mangal and Shri Sudhir Awasthi were appointed Additional Directors w.e.f. 27th August, 2003, who have since been appointed Directors u/s 257 of the Act by the Members of the company at their Annual General Meeting on 30th September, 2003.

Corporate Governance

Clause 49 of the Stock Exchange Listing Agreement laying down Corporate Governance Code became applicable to your company during the year under review. Beside the Audit Committee and Shareholders / Investors Grievance Committee, which were already in place and re-constituted on account of aforesaid changes in directorate, your Directors also constituted the Remuneration Committee on 27th August, 2003. A detailed status report on Corporate Governance is furnished in a separate Corporate Governance Section.

Public Deposits

Your company has not accepted any deposits from the public.

Subsidiary

Your company had co-promoted in May, 2000 a company, namely Flora Infotech Private Limited for starting the business of computer education etc. and had franchisee facility from Zap Infotech. During the year, your company was allotted 6500 shares of Rs. 65,000 (out of the total capital of Rs. 1,00,000) and thus Flora Infotech Private Company became your company's subsidiary.

A statement of the holding company's interest in the subsidiary company alongwith a copy of its annual report is enclosed hereto in accordance with section 212 (2) of the Companies Act, 1956.

Statutory Disclosures

Disclosures in terms of Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 in respect of Conservation of Energy, Technology Absorption, Earnings and Outgo of Foreign Exchange are attached and form part of this Report. There is no employee in the company requiring disclosure in terms of Companies (Particulars of Employees) Rules, 1975.

Directors' Responsibility Statement

In terms of section 217 (2AA) of the Act, your directors state that: -

- A. In the preparation of annual accounts under review, the applicable accounting standards had been followed alongwith proper explanation relating to material departures, if any.
- B. Appropriate accounting policies were selected and applied consistently and reasonable and prudent judgment and estimates were made so as to give true and fair view of the state of affairs of the company at the end of the financial year under review and the profit and loss of the company for the year ended on that date.
- C. Proper and sufficient care was taken for the maintenance of adequate accounting standards in accordance with the provisions of the Act for safeguarding the assets of the company and from preventing and detecting fraud and other irregularities.
- D. The annual accounts are prepared on a going concern basis.

Acknowledgment

Your directors place on record their appreciation of the continued assistance and cooperation extended to your company by various departments of the Government of Madhya Pradesh and the Government of Rajasthan, State Bank of India and the large family of your company's shareholders, employees, vendors, customers, suppliers and other stakeholders.

For and On behalf of the Board of Directors

New Delhi
12th November, 2003

Anil P Sahu
Managing Director

Sanil P Sahu
Whole-time director

Annexure to the Directors' Report

STATEMENT CONTAINING PARTICULARS PURSUANT TO COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

A. Conservation of Energy

(a) Energy conservation of measures taken

The company is conscious of the need to conserve energy and therefore, conservation of energy measures were taken into reckoning at the planning stage itself in plant design and equipped with capacitors. A strict vigil over the use of utilities such as water-cooling, compressed air, lighting etc. is kept.

(b) Additional proposals, if any, being implemented for reduction of consumption of energy:

The arrangements are considered satisfactory. However, the company will continue to make efforts for further conservation of energy.

(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of produc goods.

The above measures have resulted in keeping the power cost low at a reasonable level

B. Research & Development (R&D)

(a) Specific areas in which R & D carried out by the company:

Research & Development has continuously been carried out primarily in the field of composition of raw material and development of new products.

(b) Benefits derived as a result of above R & D:

As a result of above efforts, the company was able to reduce process loss and improve the quality of existing products and development of new products to cater the needs of different end users.

(c) Future plan of action:

Improvement in the quality of existing products and development of new products to cater the needs of different end users

(d) Expenditure on R & D:

Charged under primary heads of accounts.

C. Technology Absorption, Adaptation and Innovation:

The company has not entered into any technical foreign collaboration agreement. The technical know-how received alongwith the imported equipment has been fully absorbed and improved.

D. Foreign Exchange Earned and Used :

Foreign Exchange Earned	: Nil
Foreign Exchange Outgo	: Nil

For and on behalf of the Board of Directors

New Delhi
12* November, 2003

Anil P Sahu
Managing Director

Sanil P Sahu
Whole-time Director

GWALIOR POLYPIPER LIMITED**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956**
RELATING TO SUBSIDIARY COMPANIES

1	NAME OF THE SUBSIDIARY	FLORA INFOTECH PVT. LTD.
2	NUMBER OF SHARES HELD IN THE SUBSIDIARY COMPANY	6500 EQUITY SHARES OF RS 10/- EACH FULLY PAID
3	PERCENTAGE OF HOLDING IN THE SUBSIDIARY COMPANY	65%
4	FINANCIAL YEAR ENDED	31 ST MARCH 2003
5	PROFITS/(LOSSES) OF THE SUBSIDIARY COMPANY FOR ITS FINANCIAL YEAR SO FAR AS IT CONCERNS THE MEMBERS OF GWALIOR POLYPIPER LIMITED WHICH HAVE NOT BEEN DEALT WITH IN THE ACCOUNTS OF GWALIOR POLYPIPER LIMITED FOR THE YEAR ENDED 31 ST MARCH 2003 FOR THE YEAR FOR THE PREVIOUS F.Y.	RS. 2,884/- RS. 16,93,651/-
6	TOTAL ACCUMULATED UPTO THE YEAR THE NET AGGREGATE OF PROFITS / (LOSSES) OF THE SUBSIDIARY COMPANY WHICH HAVE BEEN DEALT WITH IN THE ACCOUNTS OF GWALIOR POLYPIPER LIMITED FOR THE YEAR ENDED 31 ST MARCH , 2003 FOR THE YEAR FOR THE PREVIOUS F.Y. TOTAL ACCUMULATED UPTO THE YEAR	RS. 16,96,535/- NIL NIL NIL

for RAKESH K. GARG & ASSOCIATES
Chartered Accountants(RAKESH KUMAR)
PartnerNew Delhi
12th Nov., 2003

For and on behalf of the Board

Anil P. Sahu Managing-Director

Sanil P. Sahu Whole time Director

Sudhir Awasthi Director

Naresh K. Mangal Director

GWALIOR POLYPIPER LIMITED**Corporate Governance Section****Directors' Report**

Clause 49 of the listing agreement with the stock exchanges has become applicable to the company during the accounting year ended 31st March, 2003. A Management Discussion and Analysis and compliance certificate as to the conditions of the Corporate governance form part of the Annual Report.

Corporate Governance Report**1. Company's Philosophy on code of governance**

The Company firmly believes that implementation of code on corporate governance would go a long way in attainment of the highest levels of transparency, accountability and equity in all facets of operations and interactions with all its stakeholders including shareholders, employees, customers and lenders as well as enhancing shareholders' wealth and customers' satisfaction. Para given below is a report on the practices followed by the Company to strive towards good corporate governance.

2. Board of Directors

The Board of directors of the Company comprises 6 directors, out of whom two are executive and four non-executive directors. Out of four non-executive directors, one belongs to promoter group and three are independent. All independent directors are professionals, who have been proficient in their respective fields and have had high business acumen and long experience in setting up / running business undertakings, marketing and general business management. None of the directors of the Company is a director on the board of directors of any other listed public limited company, except Shri A K Sanghi in Sanghi Hire-Purchase Limited. No director is a member/chairman of any committee of the board of directors of any such company.

Composition

	Name	Category	Attendance during the year at Board meeting	AGM
1.	Mr. Anil Prakash Sahu Managing Director w.e.f. 27.8.2003	Promoter Executive	*	Yes
2.	Mr. Sanil Prakash Sahu Whole-time director	Promoter Executive	*	Yes
3.	Mr. Amrit Kumar Sanghi	Promoter Non-executive	*	No
4.	Mr. N.V.S. Srinivasamurthy	Independent Non-executive	*	No
5.	Mr. Sudhir Awasthi w.e.f. 27.8.2003	Independent Non-executive	NA	NA
6.	Mr. Naresh K. Mangal w.e.f. 27.8.2003	Independent Non-executive	NA	NA

Mr. Harish Kumar Sahu and Mrs. Devila H Sahu, who were Director/Managing Director and Director (of the Promoter group) respectively vacated their offices and ceased to be so w.e.f. 6.8.2003, pursuant to section 283 (1) (f) of the Companies Act, 1956 on account of non-payment of calls on the shares held by them in the company.

** Information could not be given due to non availability of the minute books and other records for the relevant period.*

GWALIOR POLYPIPER LIMITED**3. Audit Committee**

The Audit Committee comprising Mr. Amrit Kumar Sanghi, Mr. Sudhir Awasthi and Mr. Naresh K. Mangal has been re-constituted on 27.8.2003. Thereafter, it met on 28.8.2003, 30.9.2003 and 12.11.2003. Each of the members of the Audit Committee has financial and

4. Remuneration Committee

The Remuneration Committee comprising of Mr. Amrit Kumar Sanghi, Mr. Sudhir Awasthi and Mr. Naresh K. Mangal has been constituted on 27.8.2003. Thereafter, it met on 28.8.2003. The Board's terms of reference are to approve remuneration payable to managerial personnel.

The policy of the Committee is to devise remuneration package on the basis of the broad parameters like review of performance on periodical basis, existing industrial practices and legal limitations.

Details of remuneration paid / provided during the year 2002-03 :-

	Mr. Sanil P Sahu (Whole- time Director)	Mr. Harish K Sahu (Managing Director upto 6.8.2003)
	Rs.	Rs.
- Salary	336,000	366,000
-Contribution to Provident & Superannuation Fund	9,360	9,360
-Other benefits & allowances	80,000	256,200
No sitting fee was paid to any director during the year 2002-2003.		

5. Share Transfer and Shareholders' Grievance Committee

The Share Transfer and Shareholders' Grievance Committee comprising Mr. Sanil P Sahu, Mr. Sudhir Awasthi and Mr. Naresh K. Mangal has been re-constituted on 27.8.2003. Company had not received any shareholders' complaints during the year.

6. Annual General Meeting (AGM)

During the last three years, the annual general meetings were held as under:-

Year ended	Date	Time	Venue
31st March 2000	29. 9. 2000	11.00AM	Registered office at Malanpur, Bhind
31st March 2001	11.10.2001	11.00 AM	-do
31st March 2002	30. 9.2002	11.00AM	-do-

Special resolutions were passed at the above annual general meetings for:-

- Change of name of the company in AGMs on 29. 9.2000 and 11.10.2001
 - Alteration of Objects clause in Memorandum of Association in AGM on 29.9.2000
 - Delisting of Equity Shares from Indore and Delhi Stock Exchanges in AGM on 30.9.2002
- No resolution was required to be passed through postal ballot last year.

7. Disclosures

- (i) There was no materially significant related party transaction having potential conflict with the interest of the Company at large during the financial year 2002-03.
- (ii) There was no deviation in accounting treatment as prescribed in the accounting standards and as disclosed in the audited annual accounts for the year ended 31st March, 2003.
- (iii) No penalty or stricture was imposed on the Company by the Stock Exchanges or the SEBI or any other statutory authority relating to the matters of the Capital Market during the last three years.
- (iv) All personnel of the Company have had free access to report unethical activity, if any, in the Company to the audit committee without informing to their superiors.