



# **GWALIOR POLYPIPES LIMITED**



## **23<sup>rd</sup> ANNUAL REPORT 2005-2006**

## **GWALIOR POLYPIPES LIMITED**

### **BOARD OF DIRECTORS**

Anil Prakash Sahu

Managing Director

Sanil Prakash Sahu

Whole time Director

#### **Directors**

Sudhir Awasthi

Naresh K. Mangal

Amrit Kumar Sanghi

### **AUDITORS**

Rakesh K. Garg & Associates

Chartered Accountants

New Delhi

### **BANKERS**

State Bank of India

### **HEAD OFFICE**

201, Shakuntala Appartments,

59, Nehru Place,

New-Delhi - 110019

### **REGISTERED OFFICE**

Polypipe Estate,

Malanpur Industrial Area,

Malanpur - 477117,

Distt. Bhind (M.P.)

### **WORKS**

#### **Unit -I**

Sanju Estate

Malanpur Industrial Area,

Malanpur-477117

Distt.-Bhind (M.P.)

#### **Unit -II**

Sanju Estate

A-170-171, Inderprastha Industrial Area,

Kota-324005

(Rajasthan)

**GWALIOR POLYPIPER LIMITED**  
**Regd. Office - Polypipes Estate, Malanpur Industrial Area,**  
**Malanpur , Distt. Bhind (M.P.)**

**NOTICE**

Notice is hereby given that the Twenty-third Annual General Meeting of the Company will be held at 11.00 AM on Saturday, the 30th September, 2006, at the registered office of the company to transact the following business :-

**Ordinary Business**

1. To receive, consider and adopt the audited Balance-sheet of the company as at 31st March, 2006, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint M/s Rakesh K Garg & Associates, Chartered Accountants, the retiring Auditors, as Auditors of the company and fix their remuneration.
3. To appoint a director in place of Mr. Sudhir Awasthi who retires by rotation and is eligible for re-appointment.

**Special Business:**

1. To consider and, if thought fit, to pass with or without modification, the following special resolution

“Resolved that; pursuant to the provisions of Sections 198, 269, 309 and 311 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to such approval as may be required and such modifications and conditions, if any, as may be imposed and agreed to by Board of Directors, approval of the Members of the Company be and is hereby accorded to the appointment of Shri Anil Prakash Sahu as Managing Director of the company for a period of five years with effect from 27th August 2006, on payment of remuneration as set out hereunder:-

**1. Salary-Rs-50,000-1000-54000 per month**

**2. Perquisites**

<b>PART-A</b>	<b>PART-B</b>
<p>a. Housing Company leased housing will be provided with free gas, electricity and water; subject to total maximum cost not exceeding basic salary however; a deduction of 10% will be made. In lieu of the aforesaid; house Rent Allowance of Rs-5000 PM shall be payable by the company.</p> <p>b. Conveyance free use of company car with Driver for official and private purposes.</p> <p>c. Medical Reimbursement- Expenses incurred for self and Family; subject to ceiling of one months salary in a year or Three months salary over a period of three years.</p> <p>d. Leave Travel Facility- for the Managing Director and his family once in a year in accordance with the rules specified by the company.</p> <p>e. Club fee- fee for two clubs. This will not include admission and life membership fee.</p> <p>f. Bonus- As may be declared by the company from time to time.</p> <p>g. Personal Accident Insurance Premium not to exceed Rs-2500 P.A</p>	<p>(a) Provident Fund and Superannuation Fund/Annuity Fund- Company's Contribution as per Rules of the company.</p> <p>(b) Gratuity- not exceeding half a month's salary for each completed year of service.</p> <p>(c) Leave encashment Accumulated leave at the time of retirement. the amount of leave salary shall be calculated on the basis of last drawn pay.</p> <p>(d) Telephone- provision of telephone at the residence of the Managing director at the company cost provided that personal long distance calls shall be billed by the company to the Managing director provided; however; that the total remuneration; including the perquisites covered in part A as above payable to shri Anil Prakash Sahu, Managing Director shall not exceed the limits laid down in part II section II paragraph I (A) of schedule XIII of the Act.</p> <p>“Resolved further that; in the event of loss or absence /inadequacy of profit in any financial year, the aforesaid Remuneration shall be paid as minimum remuneration.</p> <p>“Resolved further that, the Board of Director be and is hereby authorized to alter; vary and revise the aforesaid terms as to remuneration (including the Perquisites) with in the ceiling limits in that behalf laid down in schedule XIII to the Act as in force from time to time.</p> <p>“Resolved further that, for the purpose of giving effect to this resolution; the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit</p>

For and on behalf of the Board of directors

Place : NEW DELHI  
Date : 3rd July, 2006

Sanil P. Sahu  
Whole-time Director

## Notes

1. The relevant explanatory statement pursuant to Sec 173 of the Companies Act 1956 in respect of the item No. 4 set out above is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a member. Proxy, in order to be effective, must be received by the company not less than 48 hours before commencement of the meeting.
3. All documents referred to in the Notice shall be open for inspection at the registered office of the company on all working days during business hours up to the date of the Annual General Meeting.
4. The Register of members and Share Transfer Books for equity shares of the company will remain closed from Friday, the 15th September, to Friday, the 29th September, 2006 (both days inclusive).
5. Members / Proxies should bring the attendance slips duly filled in for attending the meeting.
6. Members are requested to notify change in their address, if any, to the Company's registered office.
7. Members are requested to send their queries regarding the accounts to reach the company 10 days before the date of the meeting.
8. Particulars of the retiring director eligible for re-election as required under clause 49 of the listing agreement :- Mr. Sudhir Awasthi, aged 53 years, he has held several senior management position over a period of 30 years, including as Managing Director of a Godrej Group Company. He has been member of various professional bodies also. He is also recipient of Udyog Rattan Award. Presently, he is working as a business consultant. In view of his rich experience it is recommended for your approval. None of the directors, except Shri. Awasthi himself, is concerned or interested in the proposed resolution in respect of Item No.3.

### EXPLANATORY STATEMENT

Explanatory statement under section 173(2) of the Companies Act, 1956 for item No. 4 of the notice.

The Board of Directors at their meeting held on 19.05.2006 approved the re-appointment of Mr. Anil P. Sahu as the Managing Director of the Company for a period of five years beginning 27th August, 2006 on terms and conditions mentioned in the resolution. Mr. Anil P. Sahu is a qualified Chartered Accountant and has over 25 years experience in business.

Your Directors recommend the resolution for your approval.

Mr. Sanil P. Sahu Whole-time Director and Mr. A.K. Sanghi, Director may be deemed to be treated as concerned or interested in this resolution being relative of Mr. Anil P. Sahu.

## GWALIOR POLYPIPER LIMITED

### DIRECTOR'S REPORT

To,  
The Members

Your Directors hereby present the Company's Twenty-third Annual Report of the Company together with the audited Statements of Account for the year ended 31st March, 2006 :

Financial results :

	Rs.in Lakhs	
	This year	Previous year
Income from Operations	101.65	87.65
Other Income	16.32	3.75
Total Income	117.97	91.40
Profit/(Loss) before Depreciation, Interest & Taxes	(17.70)	(52.26)
Depreciation	(30.07)	(35.61)
Interest	(25.37)	(25.53)
Profit/(Loss) before tax	(73.14)	(113.40)

#### WORKING

Your Directors are happy to state that the working of your company has been better during the year under review as compared to the previous year. Both the turnover and profitability improved during this period. Your Company's new product, i.e. HDPE Corrugated Pipes developed at its Kota Factory for use in bridge/flyover constructions, foundation drainage etc., were well accepted in the market and orders are being received from various MNC. Your Company was during the year under review able to develop double walled corrugated pipes and the response to the product was good. Your Directors are hopeful to receive good orders of this new product of the Company.

Your Directors are happy to state that due to the endless efforts of the staff and the management of the Company, the Company could recover an amount of 8.21 lacs from the debtors / receivables which were written off earlier. The efforts are on to recover the written off amount where ever possible.

Legal proceedings

During the year, there has been no reprieve In legal and similar proceedings continuing before Courts, Debt Recovery Tribunal, Sales Tax department etc.

#### AUDITORS

The Auditors, M/s Rakesh K.Garg & Associates, Chartered Accountants, New Delhi, holds office till the conclusion of ensuing Annual General Meeting and are eligible for reappointment. The requisite certificate under section 224(1B) of the Companies Act, 1956 has been received from them expressing their willingness to continue, if reappointed. The observations made in Auditor's Report are self-explanatory and covered by the Notes to the Accounts and, therefore, do not call for any further comments.

#### DIRECTORS

Mr.Sudhir Awasthi, Director, is retiring by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

#### CORPORATE GOVERNANCE

Comprehensive report on corporate governance as stipulated in Clause 49 of the Listing Agreement with the Auditor's certificate regarding compliance of the conditions of the Corporate Governance is attached to this report

**SUBSIDIARY COMPANY** Your Company has sold entire share holding of its only subsidiary Company Flora Infotech Private Limited during the year under review and as such the said Company is no longer is subsidiary Company. The section 212(2) does not apply to the Company

#### PUBLIC DEPOSITS

Your company has not accepted any deposits from the public.]

#### 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.

**ACKNOWLEDGEMENT**

Your directors place on record their appreciation of the continued assistance and co-operation to your company by various Government Departments, and the large family of the company's shareholders, employees, vendors, customers, suppliers and other stakeholders.

On behalf of the Board of Directors

New Delhi  
3rd July, 2006

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**

Conservation of energy measures were taken into reckoning at the planning stage itself in plant design and equipped with capacitors. The company is further conscious of the need to conserve energy and keep a strict vigil over the use of utilities such as water-cooling, compressed air, lighting etc. Though, during the year under review, there were no additional investments and proposals, the Company will continue to make efforts for reduction of consumption of energy.

**B. Research & Development (R&D)**

Due to lower volume and loss during the year under review, there have not been new research and development activities as such. The Company was, however, benefitted with the development of new products to cater the needs of different end users, which is proposed to be continued in future as well. Expenditure on R&D has been 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	:	USD 2000, Rs. 87,800/-

On behalf of the Board of Directors

New Delhi  
3rd July, 2006

Anil P. Sahu  
Managing Director

Sanil P. Sahu  
Whole-time Director

**GWALIOR POLYPIPER LIMITED**

## Corporate Governance Section

**Directors Report**

In terms of Clause 49 of the listing agreement laying down the Corporate Governance Code, Your Directors are giving herein below their Report. A Management Discussion and Analysis and compliance certificate as to the conditions of the Corporate Governance also form part of this Annual Report.

**CORPORATE GOVERNANCE REPORT****1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The company is of the belief 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.

**2. BOARD OF DIRECTORS**

The Board of directors of the Company comprises five directors, out of whom two are executive and three non-executive directors. Out of non-executive directors, one is related to the promoter executives and other two 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, nor is any director a member/chairman of any committee of the board of directors of any other company.

**COMPOSITION**

Name	Category	Attendance particulars		
		Board Meetings*		AGM
		No. of meetings during		On
		2005-06		29.09.2005
		Held	Attended	Attended
1. Mr. Anil Prakash Sahu Managing Director	Promoter Executive	Eight	Eight	Yes
2. Mr. Sanil Prakash Sahu Whole-time Director	Promoter Executive	Eight	Eight	Yes
3. Mr. Sudhir Awasthi	Independent Non-Executive	Eight	Eight	No
4. Mr. Naresh K. Mangal	Independent Non-Executive	Eight	Eight	Yes
5. Mr. Amrit Kumar Sanghi	Promoter Non-Executive	Eight	None	No

**3. AUDIT COMMITTEE**

The Audit Committee comprises three independent directors, namely, Mr. Amrit Kumar Sanghi, Mr. Sudhir Awasthi and Mr. Naresh K. Mangal. Managing Director and Whole-time Directors are permanent invitees to the meetings of the Committee. During the year under review, Committee met on 26.4.05, 08.06.05, 21.07.05, 16.01.06. All the meetings were attended by Mr. Awasthi and Mr. Mangal and none by Mr. Sanghi.

**4. REMUNERATION COMMITTEE**

The Remuneration Committee comprising Mr. Amrit Kumar Sanghi, Mr. Sudhir Awasthi and Mr. Naresh K. Mangal with the terms of reference to appraise, determine, approve and recommend the remuneration packages of working directors when ever required. There was no meeting during the year.