



GWALIOR POLYPIPER LIMITED



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26th ANNUAL REPORT 2008-2009

GWALIOR POLYPIPES LIMITED

BOARD OF DIRECTORS

Anil Prakash Sahu

Managing Director

Sanil Prakash Sahu

Whole time Director

Directors

Sudhir Awasthi

Naresh K. Mangal

Swati S. Sahu

AUDITORS

SNMG & Co.

(Formerly Rakesh K. Garg & Associates)

Chartered Accountants

New Delhi

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 POLYPIPES LIMITED

Regd. Office:- Polypipes Estate, Malanpur Industrial Area,
Malanpur, Dist. Bhind (M.P.)

Notice

Notice is hereby given that the 26th Annual General Meeting of the Company will held at 11.00 AM on Saturday the 26th September, 2009 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, 2009, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Naresh Mangal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/S SNMG & Co. Chartered Accountants, the retiring Auditors, as Auditors of the company and fix their remuneration.

Special Business :

4. To consider and, if though fit, to pass, with or without modification, the following resolution as an ordinary Resolution:-
"Resolve that Mrs. Swati S. Sahu in respect of whom the company has received a notice u/s 257 of the companies act, 1956 from a shareholder proposing her candidature for the office of the director, be and is here by appointed a director of the company, liable to retirement by rotation".

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member. The proxy form in order to be effective must be received by the company not less than 48 hours before Commencement of the meeting.
2. 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.
3. The Register of Members and Share Transfer Books for equity shares of the company will remain closed from Saturday the 12th Sep.2009 to Friday the 25th September, 2009 (both days inclusive).
4. Members/proxies should bring the attendance slips duly filled in for attending the meeting.
5. Members are requested to notify change in their address if any, to the Company's registered office.
6. Members are requested to send their queries regarding the accounts to reach the company 10 days before the meeting.

7. Particulars of the retiring director eligible for re-election as required under clause 49 of the listing agreement: Mr. Naresh Mangal aged 57 years, has held senior management position over a period of 30 years. In view of his rich experience Board recommends the appointment of Mr. Naresh Mangal. None of the directors except Mr. Mangal himself, is concerned or interested in the proposed resolution in respect of Item No. 2.
8. The Explanatory Statement pursuant to the provisions of section 173(2) of the Companies Act, 1956, setting out the material facts in respect of the special business under item is set out above is annexed here to.

For and on behalf of the Board of Directors

Place : New-Delhi

Dated : 3rd Aug., 2009

Anil P. Sahu
Managing Director

Explanatory Statement and Information under clause 49 of the Listing Agreement Item No.-4

Mrs. Swati S. Sahu was appointed as additional director of your company w.e.f. 3rd August, 2009, who shall cease to be so at the ensuing Annual General Meeting, pursuant to section 260 of the Act. A notice u/s 257 of the act has been received from a shareholder along with the requisite fee intending to propose the candidature of Mrs. Swati S. Sahu for the office of the director of the company. Mrs Swati S. Sahu, 51 years, is postgraduate. She has wide and varied experience in administration and management position for the past 15 years.

in view of her rich experience in the field of corporate management her appointment on the board is considered in the interest of the company. The resolution at item no-4 is, therefore, commended for your approval.

The following directors may be concerned or interested in This resolution:-

Mrs. Sanil P. Sahu (as husband) and Mrs. Anil P. Sahu (husband's brothers) This may also be treated as disclosure u/s 203-A the Companies Act, 1956.

GWALIOR POLYPIPER LIMITED

DIRECTOR'S REPORT

Dear Members

Your Directors hereby present the 26th Annual Report together with the audited accounts of the Company for the year ended March 31, 2009.

Financial Highlights

(Rs. in lakhs)

Year ended March 31	2008-09	2007-08
Sale	604.45	347.8
Other Income	6.08	2.2
Total Income	610.53	350.0
Profit/(Loss) before Depreciation, interest and taxes	77.99	21.5
Interest	1.53	0.7
Depreciation & Amortisation	21.76	24.5
Profit/(Loss) before tax	34.70	(3.7)
Prior year adjustment	-	10.7
Provision for Gratuity	(0.50)	(0.5)
Provision for tax	-	1.0
Profit/(Loss) after tax	34.20	5.5

Operations

Your Directors are happy to state that the working of your Company has been better during the year as compared to the previous year. Revenue during 2008-09 at Rs. 610.53 Lakhs registered an increase of 174% over the previous year sales of Rs. 350.0 Lakhs. EBITDA during the year increased to Rs. 58.06 Lakhs as compared to Rs. 21.5 Lakhs during the previous year. The net profit after tax for the year is Rs. 34.70 Lakhs as compared to net loss of Rs. 3.7 Lakhs during the previous year.

Your Company's product, i.e. HDPE Corrugated pipes for use in bridges/flyover constructions, foundation drainage etc, are well accepted in the market and orders are being received from various MNC. Company's double walled corrugated pipes have been well accepted. Company has received ISI certification for this product. Your Directors are hopeful to receive good orders of the new products.

Dividend

In view of the accumulated losses, your Directors have not recommended any dividend for the year under review.

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. The company has been declared as a sick industrial undertaking by BIFR.

Corporate Governance & Management Discussion and Analysis

Report on Corporate Governance as stipulated in Clause 49 of the listing Agreement with the Auditor's certificate and Management Discussion and Analysis are attached as a part of the annual report.

Director

Mr. Naresh K Mangal, Director of the company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The board of Directors have also recommended his reappointment for consideration of the shareholders.

Mrs Swati S Sahu appointed Additional Director w.e.f.3 rd August, 2009 till the ensuing Annual General Meeting and being eligible, offer herself for re-appointment. The board of directors recommend her appointment for consideration of the shareholders.

Directors responsibility statement

In terms of section 217 (2AA) of the Companies Act, 1956 your Directors state that:

- a. In the preparation of the annual accounts under review, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- b. Appropriate accounting policies were selected and applied consistently and reasonable and prudent judgement and estimate were made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and the loss of the Company for the year ended on that date.
- c. Proper and sufficient care was taken 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 from preventing and detecting fraud and other irregularities;
- d. The annual accounts have been prepared on a going concern basis.

Auditors

The existing statutory auditors, M/s SNMG & Co. Chartered Accountants, New Delhi, hold office till the conclusion of the 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 for reappointment.

Auditor's Report

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

Conservation of energy, technology, observation and foreign exchange earnings and outgo

Particular required under section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are set out in the Annexure 1 to this Report.

Particular of employees

None of the employees are covered under Section 217 (2A) of the Companies Act 1956, read with Companies (Particular of Employees) Rules, 1975

Acknowledgements

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

For and on behalf of the Board of Directors

Place : New-Delhi
Dated : 3rd Aug., 2009

Anil P. Sahu
Managing Director

Sanil P. Sahu
Whole Time Director

Annexure 1 to the Director's Reports

STATEMENT CONTAINING PARTICULARS PURSUANT TO COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1998.

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 investment 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. The Company was, however, benefited with the development of new products to cater the needs of different and 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, Adoption and Innovation:

The Company has not entered into any technical foreign collaboration agreement. The technical know-how received along with 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

Place : New-Delhi
Dated : 3rd Aug., 2009

Anil P. Sahu
Managing Director

Sanil P. Sahu
Whole Time Director

GWALIOR POLYPIPES LIMITED

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY

Gwalior Polypipes Limited (GPL) is of the belief that implementation of code on corporate governance would go a long way in attainment of the highest level of transparency, accountability and equity in all facets of its operations and interactions with all its stakeholders including shareholders, employees, customers and lenders as well as enhancing long term shareholder value.

In India, corporate governance standards for listed companies are governed by the Securities and Exchange Board of India (SEBI) through Clause 49 of the listing agreement of the Stock exchange with whom the company's equity shares are listed. A Report on the implementation of the corporate governance standards during the year 2008-09 is as under:

A. Board Level Issues

1. Composition of the Board

As on March-31, 2009, the Board of directors of the Company comprised five Directors. The Board consists of a Managing Director and a Whole time Director, both of whom belong to the promoters group and three non-executive directors. The two non-executive are independent directors. The independent/non-executive directors have rich experience in corporate management and marketing. None of the directors of the company is a director on the board of any other listed public limited company. During the year Mr. A.K. Sanghi, the fifth director on Board expired on 11.10.2008. None of the director is a member, chairman of any committee of the board of directors of any other company. The composition of the board as on March 31, 2009 is given in Table 1.

2. Board of Meeting

During the financial year 2008-09, six Board meeting were held. The attendance record of all the director at the board meeting during the Year 2008-09 and the last AGM held on September 29, 2008 is given below:

Table 1: Composition of Board and Attendance Record

Name	Category	Particulars of Attendance	
		Board Meetings	AGM
Mr. Anil P. Sahu	Managing Director	6	Present
Mr. Sanil P. Sahu	Whole Time Director	6	Present
Mr. Sudhir Awasthi	Independent, Non-Executive	6	Absent
Mr. Naresh K. Mangal	Independent, Non-Executive	6	Absent
Mr. Amrit Kumar Sanghi	Non-Executive	None	Absent

3. Information supplied to the Board

Agenda papers are circulated in advance for each meeting of the Board of Directors. The company has the practice of placing before the board, information as suggested in Annexure 1 A of clause 49 of the Listing agreement.

4. Remuneration of Directors

Details of remuneration paid/provided to the Managing Director and Whole time director during 2008-09 is given below in table 2:

Table 2: Remuneration of Directors

Particulars	Managing Director	Whole Time Director
Salary	6,19,000	6,20,000
Contribution to Provident & Superannuation Fund	14,400	49,560
Other benefit & allowance	60,000	90,000

No sitting fee was paid to any directors.

5. Related Party Transactions

The details of related party transactions are given in Note 13 of Schedule 15 to the financial statement of the company.

6. Committees of the Board

(a) Audit Committee

Audit Committee consisting of the following three independent/non-executive directors as on March 31, 2009

1. Mr. Sudhir Awasthi
2. Mr. Naresh K. Mangal

Mr. A.P. Sahu Managing Director and **Mr. S.P. Sahu**, Whole Time Directors are permanent invitees to the meetings of the committee.

During the year under review, the committee met on 11.05.2008, 04.08.2008, 15.10.2008 & 12.01.2009. All the meetings were attended by Mr. Sudhir Awasthi and Mr. Naresh Mangal. Mr. Amrit Kumar Sanghi remained absent during all the meetings till his death.

(b) Remuneration Committee

The Remuneration committee comprises of the following 3 members as on March 31, 2009.

1. Mr. Sudhir Awasthi
2. Mr. Naresh K. Mangal

There was no meeting during the year

(c) Share Transfer and Share holders Grievance Committee

Share transfer and Shareholders Grievance Committee comprises of Mr. Sanil P. Sahu, Mr. Sudhir Awasthi and Mr. A.K. Sanghi / Mr. Naresh K Mangal. During the year, committee had four meeting on 11.05.2008, 04.08.2008, 15.10.2008 & 12.01.2009 attended by two directors each. Transfer of shares was given effect immediately and shareholders complaints were timely redressed.

B. Management**1. Management discussion and analysis**

This is given as a separate chapter forming part of the Annual Report.

C. Information to Shareholders**1 Annual General Meeting**

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

Year Ended	Date	Time	Venue
31.03.2006	30.09.2006	11.00 AM	Registered office at Malanpur, Bhind
31.03.2007	12.09.2007	11.00 AM	Registered office at Malanpur, Bhind
31.03.2008	29.09.2008	11.00 AM	Registered office at Malanpur, Bhind

- No resolution was required to be passed through postal ballot in last three years.

1. Means of Communication

The Company has no website. The annual report is sent to the individual shareholders of the Company by post.

2. Others

- There was no materially significant related party transaction having potential conflict with the interest of the Company at large during the financial year 2008-09.
- There was no deviation in accounting treatment as prescribed in the accounting and as disclosed in the audited annual accounts for the year ended 31st March 2009.
- No penalty or stricture was imposed on the company by Stock Exchange or SEBI or any statutory authority relating to the matters of the Capital Market during the last three years, except suspension of trading of shares of the Company on the Bombay Stock Exchange.
- All personnel of the Company have free access to report unethical activity, if any, in the Company to the audit committee without information to their superiors.