



GWALIOR POLYPIPES LIMITED



29th ANNUAL REPORT 2011-2012

GWALIOR POLYPIPES LIMITED

BOARD OF DIRECTORS

Sanil Prakash Sahu

Managing Director

Directors

Anil Prakash Sahu

Sudhir Awasthi

Swati S. Sahu

Ashok Gupta

AUDITORS

SNMG & Co.

Chartered Accountants

New Delhi

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 29th Annual General Meeting of the Company will be held at 11.00A.M. on Thursday 27th September, 2012 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, 2012, the Profit and Loss Account for the year ended on that date and the reports of the Directors and Auditor thereon.
2. To appoint a director in place of Mr. Ashok Gupta, 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 thought fit, to pass with or without modification, the following special resolution
"Resolved that, pursuant to the provisions of Section 198,269,309 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and, subject to such approvals as may be required and such modifications of conditions, if any, as may be imposed and agreed to by the Board of Directors, approval of the Members of the company be and is hereby accorded to the appointment of Shri Sanil Prakash Sahu as Managing Director, of the company for a period of five years with effect from 1st June, 2012 on payment of remuneration and perquisites as set out hereunder:-

Salary – Rs. 1,00,000/--10,000/--1,40,000 - per month

Perquisites

PART 'A'

- (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.32,500/- p.m. shall be payable by the company.
- (b) Conveyance – Free use of Company's car with driver.
- (c) Medical Reimbursement –Expenses incurred for self and family, subject to ceiling of one month's salary in a year or three month's salary over a period of three years.
- (d) Leave Travel Facility – For the Managing Director and his family in accordance with the Rules of the Company.

- (e) Club Fee—Fee for two clubs. This will not include admission and life membership fee.
- (f) Bonus—As may be declared by the Company from time to time or as per Payment of Minimum Bonus Act.
- (g) Personal Accident Insurance – Premium not to exceed Rs.10,000 p.a.
- (h) Travel Allowance- Rs. 800/- Per Month

PART 'B'

- (a) Provident Fund and Superannuation Fund/Annuity Fund—Company's contribution as per Rules of the company on Rs 67,500/- Basic Salary.
- (b) Gratuity—Net exceeding half a month's salary for each completed year of service or fraction there-of.
- (c) Leave encashment – Accumulated leave at the time of retirement on attaining the age of 70 years and/or on resigning and /or removal from the directorship. The amount of leave salary shall be calculated on the basis of last drawn pay.
- (d) Telephone – Provision of telephone at the residence of the Whole-time director at the company's cost.

Provided that the total remuneration, including the perquisites covered in Part 'A' as above payable to Shri Sanil Prakash Sahu , Managing Director, shall not exceed the limits laid down in Part II, section II, paragraph 1 (A) of Schedule XIII to the Act, depending upon the effective capital of the company at any one time”.

“Resolved, further that, in the event of loss or absence / inadequacy of profit in any financial year, the remuneration shall be paid as minimum remuneration”.

“Resolved further that the Board of Directors be and is hereby authorized to alter, vary and revise the aforesaid terms as to remuneration (including the perquisites) within the ceiling limits in that behalf laid down in Schedule XIII of the Act as in from time to time”.

“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”.

For and on behalf of the Board of Directors

Place: New Delhi

Date: 16th August, 2012

Sanil P. Sahu
Managing Director

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 Tuesday 11th September, 2012 to Tuesday the 25th September, 2012 (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 10th days before the meeting.
7. Particulars of the retiring director eligible for re- election as required under clause 49 of the listing agreement: Mr. Ashok Gupta aged 56 years, has held senior management position over a period of 30 years. In view of his rich experience board recommends the re- appointment of Mr. Ashok Gupta, none of the directors is concerned or interested in the proposed resolution in respect of Item No. 2.
8. 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.

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 18.05.2012 approved the appointment of Mr. Sanil P. Sahu as the Managing Director of the Company for a period of five years beginning 1st June, 2012 on terms & conditions mentioned in the resolution. Mr. Sanil P. Sahu is a qualified Chartered Accountant and has over 30 years experience in business.

Your Directors recommend the resolution for your approval.

Mr. Anil P. Sahu and Mrs. Swati S. Sahu may be deemed to be treated as concerned or interested in this resolution being relative of Mr. Sanil P. Sahu

GWALIOR POLYPIPES LIMITED

DIRECTOR'S REPORT

Dear Members

Your Directors hereby present the 29th Annual Report together with the audited accounts of the Company for the year ended March 31, 2012.

Financial Highlights

(Rs. in lakhs)

Year ended March 31	2012	2011
Sale	590.00	611.71
Other Income	3.13	000.76
Total Income	594.00	612.47
Profit/(Loss) before Depreciation, interest and taxes	44.50	54.58
Interest	3.26	00.86
Depreciation & Amortisation	18.51	21.00
Profit/(Loss) before tax	22.73	32.72
Prior year adjustment	-	(00.13)
Provision for Gratuity	-	-
Provision for tax	-	-
Provision no longer required	-	4.86
Profit/(Loss) after tax	22.73	37.45

Financial performance

Your Directors are happy to state that the working of your Company has been satisfactory during the year as compared to the previous year. Revenue during 2011-12 at Rs. 590.00 Lakhs the previous year revenue of Rs.611.71 Lakhs. EBITDA during the year is Rs. 44.50 Lakhs as compared to Rs. 54.58 Lakhs during the previous year. The net profit after tax for the year is Rs. 22.73 Lakhs as compared to net profit of Rs. 32.72 Lakhs during the previous year.

The Company's financial statements have been prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) and Companies Act, 1956.

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. Your Directors are hopeful to receive good orders of the new products in years to come. The company during the year has completed major part of work contracts of SSD projects in Karnataka State.

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, BIFR / AAIFR (under SICA) etc.

Directors

Mr. Ashok Gupta, 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 has recommended his reappointment for consideration of the shareholders.

Mr. Anil P Sahu has ceased to be Managing Director and continues as a Director of the Company w.e.f. 26th August, 2011. Mr. Sanil P Sahu, Whole-time Director has been appointed by the Board, subject to approval of the ensuing Annual General Meeting, as Managing Director w.e.f. 1st June, 2012.

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 judgment 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 profit 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.

Auditor

The existing statutory auditor, M/s SNMG & Co. Chartered Accountant, 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.

Corporate Governance & Management Discussion & Analysis

A Report on Corporate Governance as stipulated in Clause 49 of the Listing Agreement along with

the Auditor's certificate is enclosed in terms of Clause 49 of the said Agreement and forms, part of the annual report.

Management Discussion & Analysis:

Company Overview

The company is engaged in the manufacture of Rigid PVC Pipes and PVC/HDPE Corrugated pipes with manufacturing facilities at Malanpur (Madhya Pradesh) and Kota (Rajasthan). These pipes are fast substituting the conventional pipes and have better outlook.

The company had, since beginning, adopted the policy of institutional sales, as the Govt. departments were the buyers for large diameter pipes for irrigation and water supply schemes. As such, a majority of the sale was made to Govt. and semi-Govt. departments after participating in the tenders floated by them. The recession during the late nineties led to the poor development work by the Govt. resulting in low procurement of material by them, which in turn adversely affected the revenues and profitability of the Company. The company has now create private market sales network, but could not develop it's brand and market the products in open market, in view of paucity of working capital.

Revival Plan

The company has already taken steps to improve the capacity utilisation, achieve higher sales by targeting new clients with a focus on margins, nurturing existing relationships, geographic expansion and other initiatives. The company has appointed an external consulting group to formulate a comprehensive revival plan for the company, which principally focuses on:

- Business Restructuring
- Management Restructuring
- Financial Restructuring

The benefits of the revival plan will be clearly visible on its implementation in subsequent years.

Internal Controls and Adequacy

The company has in place adequate systems of internal controls, designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets and interest of the Company and ensuring that transactions are properly authorized, recorded and reported correctly. The internal control systems are supplemented by review by the Audit Committee.

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

Particulars 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 I to this Report.

Particulars of employees

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

Acknowledgments

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

For and on behalf of the Board of Directors

Place: New- Delhi
Dated: 16th Aug, 2012

Anil P. Sahu
Director

Sanil P. Sahu
Managing Director

Annexure 1 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 investment and proposals, the company will continue to make efforts for reduction of consumption of energy.

Particulars of total energy consumption and energy consumption per unit of production in Form A are not applicable.

B. Research & Development (R&D)

Due to lower volume 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	:	Rs. 5,01,733.00

For and on behalf of the Board of Directors

Place : New- Delhi
Dated : 16th August, 2012

Anil P. Sahu
Director

Sanil P. Sahu
Managing Director