



GWALIOR POLYPIPES LIMITED

The background of the lower half of the page is a high-contrast, black and white photograph. It shows several large, corrugated pipes and various pipe fittings, such as elbows and tees, arranged in a way that creates a sense of depth and industrial scale. The lighting is dramatic, with strong highlights and deep shadows.

30th ANNUAL REPORT 2012-2013

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 30th Annual General Meeting of the Company will be held at 11.00 AM on Friday 27th September, 2013 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, 2013, 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. Anil P. Sahu, 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.

For and on behalf of the Board of Directors

Place: New Delhi
Date: 26th July, 2013

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 Wednesday 11th September, 2013 to Wednesday the 25th September, 2013 (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. Anil P. Sahu aged 61 years, has held senior management position over a period of 40 years. In view of his rich experience board recommends the re- appointment of Mr. Anil P. Sahu, Mr. Sanil P. Sahu & Mrs. Swati S. Sahu being relative are concerned or interested in the proposed resolution in respect of Item No. 2.

GWALIOR POLYPIPES LIMITED
DIRECTOR'S REPORT

Dear Members

Your Directors hereby present the 30th Annual Report together with the audited accounts of the Company for the year ended March 31, 2013.

Financial Highlights

(Rs. in lakhs)

Year ended March 31	2013	2012
Sale	507.36	590.00
Other Income	27.06	3.13
Total Income	534.42	594.00
Profit/(Loss) before Depreciation, interest and taxes	6.67	44.50
Interest	00.68	3.26
Depreciation & Amortisation	15.43	18.51
Profit/(Loss) before tax	(9.44)	22.73
Prior year adjustment	-	-
Provision for Gratuity	-	-
Provision for tax	-	-
Provision no longer required	-	-
Profit/(Loss) after tax	(9.44)	22.73

Financial performance

Your Directors have to state that the working of your Company has been satisfactory during the year as compared to the previous year. Revenue during 2012-13 at Rs. 507.36 Lakhs the previous year revenue of Rs.590.00 Lakhs. EBITDA during the year is Rs. 6.67 Lakhs as compared to Rs. 44.50 Lakhs during the previous year. The net loss after tax for the year is Rs. 9.44 Lakhs as compared to net profit of Rs. 22.73 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 in years to come.

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. Anil P. Sahu, 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.

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

Cost Auditor:

Pursuant to Section 233 B of the companies Act, 1956 and subject to the approval of the Central Government, M/s V.K. Gupta & Co. practicing Cost Accountant (Firm Registration No. 101705), was appointed as Cost Auditor of the company to conduct audit of its product for the financial year 2012-13.

**Management Discussion & Analysis:
Company Overview**

The company is engaged in the manufacture of Rigid PVC Pipes and PVC/HDPE Corrugated pipes with manufacturing facility at 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 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 created private market sales network, but could not develop its 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 1 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

Acknowledgements

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: 26th July, 2013

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	:	Nil

For and on behalf of the Board of Directors

Place: New- Delhi
Dated: 26th July, 2013

Anil P. Sahu
Director

Sanil P. Sahu
Managing Director

GWALIOR POLYPIPER LIMITED
CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY

Gwalior Polypipes Limited 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 is as under:

A Board Level Issues

1. Composition on the Board

Board of directors of the Company is comprised of five Directors. The Board consists of a Managing Director who belongs to the promoters group and four non-executive directors two of whom are non-executives 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. 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 is given in Table 1.

2. Board of Meeting

During the financial year 2012-13, six Board meetings were held. The attendance record of all the directors at the board meeting during the Year 2012-13 and the last AGM held on September 27, 2012 is given below:

Table 1: Composition of Board and Attendance Record

Name	Category	Particulars of Attendance	
		Board Meetings	AGM
Mr. Anil P. Sahu	Director	6	Present
Mr. Sanil P. Sahu	Managing Director	6	Present
Mr. Sudhir Awasthi	Independent, Non-Executive	6	-
Mrs. Swati S Sahu	Non-Executive	4	Present
Mr. Ashok Gupta	Independent, Non-Executive	6	Present

Particulars of the retiring director seeking re-election have been given in the Notice convening the Annual General Meeting.

3. Board Procedure

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 during 2012-13 is given below in table 2:

Table2: Remuneration of Directors

(Rs.)

Particulars	Managing Director
Salary	6,16,000
Contribution to Provident & Superannuation Fund	69,600
Other benefit & allowance	2,40,000

No sitting fee was paid to any director.

5. Related Party Transactions

The details of related party transactions are given in the financial statements of the company.

6. Committees of the Board

(a) Audit Committee

Audit Committee consisting of the following independent/non-executive directors

1. Mr. Sudhir Awasthi
2. Mr. Ashok Gupta

Mr. Sanil. P. Sahu Managing Director is a permanent invitee to the meetings of the committee.

During the year under review, the committee met on 24.04.2012, 07.07.2012, 16.08.2012, 27.10.2012 & 19.01.2013. All the meetings were attended by Mr. Sudhir Awasthi and Mr. Ashok Gupta.

All recommendations of the Audit Committee during the year were accepted by the Board of Directors.

(b) Remuneration Committee

The Remuneration committee comprises of the following independent / non-executive directors

1. Mr. Sudhir Awasthi
2. Mr. Ashok Gupta