

**CORPORATE INFORMATION****Board of Directors**

Mr. Alok Jain Tijaria  
Mr. Vikas Jain Tijaria  
Mr. Praveen Jain Tijaria  
Mr. Vineet Jain Tijaria  
Mr. Anand Prakash Jain \*  
Mr. Vinod Patni \*  
Mr. Santosh Kumar  
Mr. Sanjeev Kumar Mishra \*  
Mr. Pawan Kumar Jain

Managing Director  
Executive Director (Marketing)  
Executive Director (Production)  
Executive Director (Project)  
Independent Director  
Independent Director  
Independent Director  
Independent Director

\* with effect from April 16, 2012

**Finance Manager & Company Secretary**

Mr. Tej Kumar Jain

**Auditors**

Lokendra Sharma & Co.  
Chartered Accountants  
Jaipur – 302 001

**Registered Office**

A-130 (E), Road No. 9 D,  
Vishwakarma Industrial Area,  
Jaipur – 302 013

**Bankers**

Bank of India

**Registrar and Share Transfer Agent**

Sharex Dynamic (India) Pvt. Ltd.  
Unit – 1, Luthra Industrial Premises  
1<sup>st</sup> Floor, 44 – E, M VasANJI Marg,  
Andheri-Kurla Road, Safed Pool,  
Andheri (E), Mumbai – 400 072

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**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the **Sixth Annual General Meeting** of the Members of **TIJARIA POLYPIPES LIMITED** will be held at SP-1-2315-2316, RIICO Industrial Area, Ramchandrapura, Sitapura Extension, Jaipur -302022, on Monday, the 17<sup>th</sup> day of September, 2012 at 11.30 A.M. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the Audited Balance Sheet as on 31<sup>st</sup> March, 2012 and Audited Statement of Profit and Loss for the financial year ended on that date, together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Alok Jain Tijaria who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Santosh Kumar who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

**SPECIAL BUSINESS:**

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED that Mr. Anand Prakash Jain, who was appointed as an Additional Director of the Company by the Board and who holds office under section 260 of the Companies Act, 1956 up to the date of this Annual General Meeting of the Company and in respect of whom the Company has received notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED that Mr. Vinod Patni, who was appointed as an Additional Director of the Company by the Board and who holds office under section 260 of the Companies Act, 1956 up to the date of this Annual General Meeting of the Company and in respect of whom the Company has received notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED that Mr. Sanjeev Kumar Mishra, who was appointed as an Additional Director of the Company by the Board and who holds office under section 260 of the Companies Act, 1956 up to the date of this Annual General Meeting of the Company and in respect of whom the Company has received notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company."
8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Special Resolution:  
**RESOLVED** that pursuant to Section 61 and other applicable provisions, if any, of the Companies Act, 1956 and other applicable rules, regulations, guidelines and other statutory provisions for the time being in force, approval of the members of the Company be and is hereby accorded by ratifying the variation in utilization of and in deployment schedule, of IPO proceeds, and all items and conditions of the documents/agreements /contracts specified in the prospects dated 12.09.2011 and the Board of Directors (hereinafter called the "Board" which term shall include any committee authorised to exercise its powers including the powers conferred by this resolution), be and is hereby authorised to vary the terms, all items and conditions of the documents/agreements /contracts specified/ referred to in the prospectus dated September 12, 2011 filed by the company with the Registrar of Companies, Rajasthan, Jaipur (the prospectus) including to vary and /or revise the utilisation of the proceeds from

the initial public offering (IPO) of equity shares made in pursuance of the said prospectus including but not limited to change in allocation, purposes, or in amount or in schedule of deployment .

**RESOLVED** further that for the purpose of giving effect to this resolution , the Board be and is hereby authorised to do all such acts , deeds, matters, and things , deal with such matters, take necessary steps in the matter as the Board may in its absolute discretion deem necessary , desirable or expedient and to settle any question that may arise in this regard and incidental thereto ,without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED** further that the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of directors or any other officer(s) / authorised representative(s) of the Company to give effect to the aforesaid resolution.

By order of the Board

**For TIJARIA POLYPIPES LIMITED**

Date : August 14, 2012

Place: Jaipur

**ALOK JAIN TIJARIA**

**Managing Director**

**Notes:**

1. **A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.** A blank form of proxy is enclosed which, if used, should be returned to the Company duly filled up not later than forty eight hours before the commencement of the meeting duly stamped and signed. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions /authority, as applicable.
2. Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of item no. 5 to 8 above, is annexed hereto. The relevant details as required by Clause 49 of the Listing Agreement entered into with the Stock Exchange(s), of persons seeking appointment/re-appointment as Directors under Item Nos. 2, 3, 5, 6, and 7 of the Notice, are also annexed.
3. The Register of Members and Transfer Books of the Company will be closed from 14th, September , 2012 to 17<sup>th</sup> September , 2012, both days inclusive.
4. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, nominations, change of address, change of name and e-mail address, etc., to their Depository Participant. This will help the Company and the Company's Registrar and Transfer Agent, M/s Sharex Dynamic (India) Pvt. Ltd. to provide efficient and prompt services. Member holding shares in physical form is requested to intimate such changes to Registrar. Non resident Indian members are requested to inform the company or its RTA or to the concerned DP's , the change in the residential status on return to India for permanent settlement & the particulars of NRE account with a bank in India, if not furnished earlier.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Ministry of Corporate Affairs (MCA) vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively has taken a 'Green Initiative in Corporate Governance' and allowed Companies to send communication to the shareholders through electronic mode. In order to save paper and the environment, ensure prompt supply of annual reports, notices etc. without loss in postal transit, we request you to please confirm your e-mail id at [investors@tijaria-pipes.com](mailto:investors@tijaria-pipes.com) for receiving annual reports, notices etc. in electronic mode. Clause 32 of the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email addresses for the said purpose. Members are requested to support this Green Initiative by registering their e-mail addresses for receiving electronic communications.

**EXPLANATORY STATEMENT PURSUANT SECTION 173(2) OF THE COMPANIES ACT, 1956**
**Item No. 5 to 7:**

The Board of Directors appointed Mr. Anand Prakash Jain, Mr. Vinod Patni and Mr. Sanjeev Kumar Mishra as Additional Directors of the Company with effect from April 16, 2012. As per the provisions of Section 260 of the Companies Act, 1956 read with Article 48 of the Articles of Association of the Company, the Additional Directors hold office only up to the date of this Annual General Meeting of the Company, and are eligible for appointment as Directors. The Company has received notices under Section 257 of the Companies Act, 1956 in respect of the candidates, proposing their appointment as Directors of the Company.

Mr. Anand Prakash Jain aged about 53 years is by qualification FCA, ACS and LLB. He is a practicing Chartered Accountant since last thirty years. He is also trustee in Bhagwan Mahaveer Cancer Hospital & Research Centre, Jaipur. Mr. Vinod Patni aged about 53 years is by qualification LLB. He is practicing as advocate in Jaipur in the area of Sales Tax since last twenty five years. Mr. Sanjeev Kumar Mishra aged about 42 years is by qualification FCA. He is a practicing Chartered Accountant in Jaipur since last fourteen years in the area of central excise and custom.

Keeping in view the experience and expertise of Mr. Anand Prakash Jain, Mr. Vinod Patni and Mr. Sanjeev Kumar Mishra, the Board considers it desirable that the Company should continue to receive the benefit of their rich experience and advice and accordingly commends the Resolutions at Item Nos. 5 to 7 respectively, for approval by the members.

Details regarding Mr. Anand Prakash Jain, Mr. Vinod Patni and Mr. Sanjeev Kumar Mishra have been given in the Annexure attached to the accompanying Notice.

Mr. Anand Prakash Jain, Mr. Vinod Patni and Mr. Sanjeev Kumar Mishra are concerned or interested in the Resolutions relating to their own appointment.

**Item No.8**

Your company had made IPO in terms of prospectus dated 12<sup>th</sup> September, 2011. IPO proceeds were planned at that point of time, to be utilised for and as per the envisaged implementation schedule mentioned in the said prospectus. However due to delay in implementation schedule, bad practical experience of service after sale in respect of imported machinery and changes in foreign exchange rates thereby buying Indian machinery instead of imported one, price escalation, necessity of changes in design of building as well as additional civil work, change in planning of miscellaneous fixed assets particularly electrical installation, utilisation varied from the planned one. Further amount was kept in temporary liquid mutual funds pending its utilisation for the project and was used for working capital requirement and repayment of borrowings. As on 31.3.2012 following was the utilisation :

Particulars	Planned as per Prospectus	Implementation upto March 31, 2012	₹ in Lacs	
			IPO proceeds utilized upto March 31, 2012	Deviation, if any
Expansion cum Diversification Project Expenses	8997.00	6131.42	2338.77	
Preliminary & Capital Issue Expenses	495.00	404.08	404.08	
Pre-operative Expenses	215.00	360.95	360.95	(145.95)*
Provision for Contingencies	285.00	134.25	134.25	
Working Capital Margin	860.00	593.77	593.77	
Balance with Bank, fixed deposit and liquid investment	-	-	375.78	
Balance out of transfer to working capital limit (Pending for utilization)	-	-	1792.64	
<b>Total</b>	<b>10852.00</b>	<b>7624.47</b>	<b>6000.24</b>	

\*Preoperative expenses increased due to delay in implementation of the project.

In prospectus also under the heading " appraisal of the project" this fact of possibility of revision of expenditure and fund requirements, changes in estimates, rescheduling or revising the planned expenditure and increasing or decreasing the expenditure for a particular purpose, changes in estimated dates of completion of the project was stated.

Considering the above facts your Board of Directors need more flexibility in the use of unutilised portion of IPO proceeds by authorising them to vary /revise the utilisation including but not limited to change in allocation, purposes, in amount or in schedule of deployment, in all items and conditions of the documents/agreements /contracts specified / referred in the prospectus dated 12.09.2011 and for the same your approval is required. Your approval is also needed by ratification of the variations incurred and actions taken, till now .

By order of the Board

For TIJARIA POLYPIPES LIMITED

Date : August 14, 2012

Place: Jaipur

**ALOK JAIN TIJARIA**

**Managing Director**

**Details of Directors Seeking Appointment/Re-appointment at the Annual General Meeting**

<b>Particulars</b>	<b>Mr. Alok Jain Tijaria</b>	<b>Mr. Santosh Kumar</b>	<b>Mr. Anand Prakash Jain</b>	<b>Mr. Vinod Patni</b>	<b>Mr. Sanjeev Kumar Mishra</b>
Date of Birth	March 4, 1968	July 1, 1960	August 15, 1959	June 26, 1959	June 6, 1970
Date of Appointment	July 20, 2006	July 21, 2010	April 16, 2012	April 16, 2012	April 16, 2012
Qualifications	B.Com.	LLB	FCA, ACS & LLB	LLB	FCA
Expertise in specific functional areas	Wide experience in Pipe and Business	Wide experience in legal matters	Accounts, Finance & Taxation	Sales Tax	Central Excise & Custom
Directorships held in other public companies (excluding foreign companies and section 25 companies)	1) Tijaria Industries Ltd. 2) Tijaria International Ltd.	Nil	Transcorp Housing Finance Ltd.	Nil	Nil
Memberships/ Chairmanships of committees of other public companies (includes only Audit Committee and Shareholders/ Investors Grievance Committee)	Nil	Nil	Nil	Nil	Nil
Number of shares held in the Company	1596513	Nil	Nil	Nil	700
Relationship with other Directors	Brother of Mr. Vikas Jain Tijaria, Mr. Praveen Jain Tijaria & Mr. Vineet Jain Tijaria	None	None	None	None

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors are pleased to present the 6<sup>th</sup> Annual Report, together with the audited financial statements of the Company for the financial year ended March 31, 2012.

**Financial Results**

(₹ in Lacs)

Particulars	Financial Year ended March 31, 2012	Financial Year ended March 31, 2011
Income from Operations	9270.30	11229.49
Other Income	75.29	36.53
Operating Expenses	8791.91	9872.73
EBITDA	553.68	1393.29
Depreciation	324.31	107.12
Finance Costs	536.15	247.55
Profit/(Loss) before Tax	(306.78)	1038.62
Taxes	(2.26)	348.31
Net profit/(loss) after Tax	(304.52)	690.31
Balance brought forward from previous year	1191.55	773.31
<b>Appropriations</b>		
Dividend	-	204.39
Tax on Dividend	-	33.16
General Reserve	-	34.52
Balance carried to Balance Sheet	887.03	1191.55

**Operations Review**

During the financial year 2011-12, the Company passed through a difficult phase not only in terms of establishing a new product line but also deriving good results in the first year of its operations. The volatility in the economic environment, increase in raw material prices, coupled with demand slowdown impacted the financial performance of the company.

During the year under review, income from operations was ₹ 9270.30 lacs as compared to ₹ 11229.49 lacs in the previous year. EBITDA also decreased to ₹ 553.68 lacs as compared to ₹ 1393.29 lacs in the previous year. The Profit/(Loss) after Tax was ₹ (304.52 lacs) as against the profit in the previous year ₹ 1038.62 lacs.

**Initial Public Offer and Listing of Equity Shares**

During the year under review, your Company issued and allotted 1,00,00,407 Equity Shares of ₹ 10/- each, fully paid-up, at a premium of ₹ 50/- each in terms of the Prospectus dated September 12, 2011 filed and registered with Registrar of Companies, Rajasthan, Jaipur. The Equity Shares of the Company got listed and admitted to dealings on the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. with effect from October 14, 2011.

Consequently, the issued, subscribed and paid-up equity share capital of your Company as on March 31, 2012 stood at ₹ 23,62,65,790/-, comprising of 2,36,26,579 Equity Shares of ₹ 10/- each.

### **Capital Expenditures / Status of Project**

The Expansion cum Diversification Project envisaged by the Company was under implementation during the year under review. The Company commenced the commercial production of polyester filament yarn—POY & DTY and Pet Sheet in the textile division and DWC Pipe in the pipe division. The total capital expenditures incurred on the project were ₹ 7624.47 lacs (including advances) till the end of the financial year under review. The Company is progressing towards implementation of Mink Blanket Plant which is expected to be commenced by the end of September, 2012. There is delay in implementation of the project. However, the Company is taking adequate steps to implement the same at the earliest.

The Company has deployed ₹ 3831.82 lacs out of the proceeds received from the initial public offer in the financial year under review. The balance proceeds from the initial public offer ₹ 2168.42 lacs has temporarily been utilized in liquid funds, bank/deposit balance and cash credit account.

Due to delay in implementation of project, change in global scenario and for cost and work efficiency, your directors have proposed a resolution to ratify and approve the variation in utilization of and in deployment schedule of issue proceeds which will form part of the notice of Annual General meeting.

### **Human Resources**

Your company has emphasis on building and sustaining an excellent organization climate based on human performance. Your company firmly believes that a dedicated work force constitutes the primary source of sustainable competitive advantage. Performance management is the key word for the company. The company has developed an environment of harmonious and cordial relations with employees. The relationship with the employees / workers of the company generally remained cordial during the year under review.

### **Corporate Governance**

Your Company is committed to maintain and adhere to standards of Corporate Governance. Requirements of Clause 49 of the Listing Agreement which relates to Corporate Governance are being complied. A Report on Corporate Governance as stipulated under clause 49 of the Listing Agreement forms part of the Annual Report. A certificate from practicing company secretary, confirming compliance with the conditions of Corporate Governance, as stipulated under Clause 49 forms part of this Report. Disclosure about Composition of audit committee as required by section 292A of Companies Act, 1956 is duly made in the corporate governance report forming part of the annual report.

### **Management Discussion and Analysis**

The Management Discussion and Analysis Report for the year under review, as stipulated under clause 49 of the Listing Agreement is presented in a separate section forming part of the Annual Report.

### **Directors**

During the year under review, Mr. Pana Chand Jain and Mr. Padam Prakash Som Prakash Bhatnagar, Independent Directors of the Company resigned with effect from dated December 30, 2011 and dated January 06, 2012 respectively. In order to fill the vacancy caused by the resignation, Mr. Anand Prakash Jain, Mr. Vinod Patni and Mr. Sanjeev Kumar Mishra were appointed as Additional Independent Directors on the Board of your Company with effect from April 16,

2012. As per provisions of Section 260 of the Companies Act, 1956, the additional directors hold office upto the date of the ensuing Annual General Meeting of the Company.

Your Company has received notices under Section 257 of the Companies Act, 1956, together with the requisite deposit, from members proposing the appointment of Mr. Anand Prakash Jain, Mr. Vinod Patni and Mr. Sanjeev Kumar Mishra as a Director of the Company liable to retire by rotation..

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Alok Jain Tijaria, Managing Director and Mr. Santosh Kumar, Director retire from office by rotation, and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting of the Company.

Brief profile of the Directors proposed to be appointed / reappointed as required under clause 49 of the Listing Agreement are annexed to the Notice convening the 6<sup>th</sup> Annual General Meeting forming part of this Annual Report.

#### **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo**

In terms of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the required information are given in the Annexure 'A' forming part of this Report.

#### **Particulars of Employees**

Information pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, is not applicable to the Company as none of the employees is covered under the provisions of the said section.

#### **Auditors**

The Retiring auditors of the Company, M/s Lokendra Sharma & Co., Chartered Accountants, Jaipur, retire at the conclusion of the ensuing Annual General Meeting. The Statutory Auditors have expressed their unwillingness for reappointment.

Company has received a letter from M/s Agarwal Jain & Gupta, Chartered Accountants, Jaipur Confirming their eligibility under section 224(1B) and 226 of the Companies Act, 1956, and willingness to accept the office. The Board recommends their appointment to hold office from the ensuing general meeting to the conclusion of next annual general meeting.

#### **Auditors' Report**

The Board has duly reviewed the Statutory Auditors' Report on the Accounts. The Auditors' Report and Notes to Accounts are self explanatory and do not call for any further explanation/clarification by the Board of Directors under Section 217(3) of the Companies Act, 1956.

However as regards auditors observation of interest free loan of ₹25 lacs to group concern, your directors submit that company had been taking interest free loans from them and repaying the same from time to time. Inadvertently the above amount was paid to them under bonafide belief that loan is being repaid. Immediately on coming to the notice, the amount was recovered during the quarter itself. If interest on the amounts taken and repaid including the above amount paid and recovered is considered, interest would have been payable instead of receivable from that group concern.

#### **Compliance Report**

During the year under review, the Ministry of Corporate Affairs (MCA) has issued Notification dated June 3, 2011, making mandatory to file Compliance Report in Form A and Form B as required under Companies (Cost Accounting Records) Rules, 2011.



Accordingly, in terms of the above order and pursuant to the provisions of Section 233B of the Companies Act, 1956, your Directors have appointed M/s Pavan Gupta & Associates, as the Cost Accountant of the Company to certify the Compliance Report for the financial year ending March 31, 2012. The Compliance Report for the financial year 2011-12 is yet to be placed before the Board.

**Directors' Responsibility Statement**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, with respect to the Director's Responsibilities Statement, the Directors confirm that:

- a) In the preparation of Annual Accounts for the Financial Year ended March 31, 2012, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b) the accounting policies have been applied consistently and judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the loss of the Company for the year under review;
- c) proper and sufficient care has been 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 for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis.

**Acknowledgements**

Your Directors wish to express sincere appreciation for the co-operation, guidance and support received from various Ministries and Departments of the Government of India, the State Government of Rajasthan, Bankers, Local Authorities and the business associates. Your Directors would also like to thank the shareholders and the investors for their continued support.

Your Directors are also pleased to place on record their appreciation for the dedicated and sincere services rendered by the officers, staff and workers at all levels of the Company.

For and on behalf of the Board

Place: Jaipur  
Date : May 30, 2012

**ALOK JAIN TIJARIA**  
Managing Director & Chairman

### Annexure – “A” to the Directors’ Report

Particulars pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are furnished hereunder:

#### Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo

##### A. Conservation Of Energy:

###### a) Energy Conservation Measures taken:

The Company is very conscious about conserving the energy resources and takes adequate steps to rationalize the consumption of energy.

###### b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

The company is conscious about taking various measures for conservation of energy.

###### c) Impact of the measures at (a) and (b) above:

The measures taken above have resulted in optimizing the energy consumption and saving in cost.

#### Form - A

##### Form for Disclosure of particulars with respect to Conservation of energy:

A) Power And Fuel Consumption			
		2011-12	2010-11
1.	Electricity :		
(A)	Purchased Units (Kwh)	7622811	3254240
	Total Amount (₹ In Lacs)	422.08	156.19
	Rate Per Unit (Rs.)	5.54	4.80
(B)	Own Generation :		
	I) Through Diesel Generator :		
	Unit (Kwh)	392220	84003
	Units Per Ltr. of Diesel Oil	2.57	2.87
	Total Amount (₹ In Lacs)	64.20	11.61
	Cost Per Unit (Rs.)	16.37	13.82
	II) Through Steam/Turbine Generator :		
	Unit (Kwh)	--	--
	Units Per Ltr. Of Fuel Oil/Gas	--	--
	Cost Per Unit (Rs.)	--	--

2.	Coal (Charcoal) :		
	Quantity (Tones)	--	--
	Total Cost (₹ In Lacs)	--	--
	Average Rate (₹ Per Kg.)	--	--
3.	Furnace Oil :		
	Quantity (K. Ltrs.)	--	--
	Total Cost (₹ In Lacs)	--	--
	Average Rate (₹ Per Ltr.)	--	--
4.	Others/ Internal Generation (Lpg And Other Gases) :		
	Quantity (Kgs.)	--	--
	Total Cost (₹ In Lacs)	--	--
	Rate Per Unit (Rs.)	--	--

B) Consumption Per Unit Of Production			
	Standards (If any)	2011-12	2010-11
I) Electricity			
- Pipe	-	0.42	0.46
- Yarn & other products	-	0.45	-
ii) Furnace Oil	-	--	--
iii) Coal	-	--	--
iv) Others – LPG & Other Gases	-	--	--

**Form - B**
**Research & Development (R&D)**

1. Specific areas in which R & D carried out by the Company : Nil
2. Benefits derived as a result of the above R&D : Nil
3. Future Plan of Action : The Company will explore various options to adopt latest technology in manufacturing process.
4. Expenditures on R&D : Nil

**Technology Absorption, Adaption and Innovation**

1. Efforts in brief made towards technology absorption, adaptation and innovation:

- We have adopted a technology which encourages pollution free environment. We have installed a line where we are using waste bottles (which are highly being used in India for drinking water and cold drinks) and after recycling, are converting them into pet flakes which serves as raw material for yarn.

2. Benefits derived as a result of the above efforts :

Converting a waste material into productive uses.

3. In case of imported technology (imported during the last five years reckoned from the beginning of the financial years) following information may be furnished:

Technology imported	:	NA
Year of import	:	NA
Has technology been fully absorbed	:	NA
If not fully absorbed area where this has not taken	:	NA
Place reasons thereof and future plan of action	:	NA

#### Foreign exchange earnings and outgo

1. Activity relating to export, initiatives taken to increase exports, development of new export market for products and services and export plans:

The Company regularly explores the opportunity to export its products.

2. Foreign Exchange Earnings and Outgo

	<u>2011-12</u>	<u>2010-11</u>	(₹ In lacs)
Earnings	39.97	211.82	
Outgo			
- on recurring account	16.61	140.03	
- on capital account	668.62	311.55	

By order of the Board

Date : May 30, 2012

Place: Jaipur

**ALOK JAIN TIJARIA**

**Managing Director & Chairman**

**CORPORATE GOVERNANCE REPORT**
**1. Company's Philosophy on Corporate Governance**

The Company believes and is committed to the prudent business practices, policies and compliance with the laws and regulations which form part of effective management of the Company and result into creation of intrinsic values of the stakeholders of the Company.

**2. Composition of Board of Directors**

The Board has an optimum combination of Executive and Non-Executive Directors, and is in conformity with the requirement of the Clause 49 of the Listing Agreement entered into with the stock exchanges in which the Company's Equity Shares are listed. However, due to the resignation of two independent directors during the year under review in Dec.2011 & Jan., 2012, the composition of Executive and Non-Executive Directors disturbed which was made in order on dated April 16, 2012 by appointment of three additional independent non executive directors in terms of Clause 49(C)(iv) of the Listing Agreement.

The Board of Directors as on March 31, 2012 comprised of six members – four Executive Directors and two Non-Executive Directors. Mr. Alok Jain Tijaria, Mr. Vikas Jain Tijaria, Mr. Praveen Jain Tijaria and Mr. Vineet Jain Tijaria are Executive Directors. The Executive and Non-Executive Directors are competent and experienced personalities in their respective fields. All the Non-Executive Directors are independent Directors. The Independent Directors take part in the proceedings of the Board and Committee meeting.

During the financial year 2011-12, 18 meetings of the Board of Directors were held on April 2, 2011, April 21, 2011, April 23, 2011, May 2, 2011, June 11, 2011, June 22, 2011, June 29, 2011, July 21, 2011, July 28, 2011, September 2, 2011, September 10, 2011, September 12, 2011, October 10, 2011, October 24, 2011, November 24, 2011, December 31, 2011, January 12, 2012, February 14, 2012. The maximum gap between any two meetings was less than four months. The Board was presented with all relevant information at its meetings including information as required under the listing agreement. Details of New Directors and Directors seeking re-appointment in 6<sup>th</sup> Annual General Meeting are given with the Notice.

Details of Board meetings attended by Directors, attendance at the last AGM, maximum number of other Directorships/Committee membership held by them during the year 2011-12 are tabulated below:

S. No.	Directors	Category of Directorship	Whether attended last AGM held on May 26, 2011	No. of Board Meetings attended during the year 2011-12	No. of Directorship in other Public Companies	No. of Committee position in other Public Companies *
						Member Chairman
1	Mr. Alok Jain Tijaria	Promoter and executive	Yes	18	2	- -
2	Mr. Vikas Jain Tijaria	Promoter and executive	Yes	18	2	- -
3	Mr. Praveen Jain Tijaria	Promoter and executive	Yes	18	2	- -
4	Mr. Vineet Jain Tijaria	Promoter and executive	Yes	18	2	- -

5	Mr. Santosh Kumar	Independent Non-executive	No	18	-	-	-
6	Mr. Pawan Kumar Jain	Independent Non-executive	NO	2	-	-	-
7	Mr. Pana Chand Jain **	Independent Non-executive	NO	1	1	-	-
8	Mr. Padam Prakash Som Prakash Bhatnagar ***	Independent Non-executive	NO	7	-	-	-

\* represent chairmanships/memberships of Audit Committee and Investors' Grievance Committee.

\*\* Resigned with effect from December 30, 2011. \*\*\* Resigned with effect from January 06, 2012.

None of the directors on the Board is a member of more than 10 committees and chairman of more than 5 committees (as per Clause 49 of the Listing Agreement), across all the Companies in which he is a director. Independent Non-Executive Director did not hold any shares in the Company. All the directors have made the requisite annual disclosure regarding committee positions held by them in other companies. Pursuant to good corporate governance the independent directors on board - apart from receiving sitting fees, do not have any material pecuniary relationship or transactions with the company, its promoters, directors, senior management and associates which may affect their independence; are not related to promoters or persons occupying management positions at the board level or at one level below the board; have not been an executive of the company in the immediately preceding three years of the statutory audit firm or the internal audit firm that is associated with the company or of legal firm(s) and consulting firm(s) that have a material association with the company; are not material suppliers, service providers or customers or lessors or lessees of the company which may affect their independence; are not substantial shareholders of the company i.e. do not own two percent or more of the block of voting shares.

### 3. Audit Committee

The Audit Committee was constituted on July 21, 2010 with the following Directors as members of the Committee:

Mr. Santosh Kumar (appointed Chairman by the Committee)  
 Mr. Padam Prakash Som Prakash Bhatnagar  
 Mr. Pawan Kumar Jain

The Committee was again reconstituted on April 16, 2012 due to the resignation of Mr. Padam Prakash Som Prakash Bhatnagar from the Board of Directors of the Company. The Committee at present comprises of the following Independent Non-Executive Directors:

Mr. Anand Prakash Jain (appointed Chairman by the Committee)  
 Mr. Vinod Patni  
 Mr. Santosh Kumar

The Audit Committee met six times during the financial year on May 2, 2011, June 29, 2011, September 12, 2011, October 24, 2011, November 24, 2011 and February 14, 2012. Mr. Santosh Kumar, Mr. Padam Prakash Som Prakash Bhatnagar and Mr. Pawan Kumar Jain attended 6, 5 and 2 meetings respectively. Company Secretary acts as a Secretary to the committee.

All the members of Audit Committee are financially literate. The minutes of the Audit Committee are placed before the meeting of the Board of Directors.

The broad terms of reference of the Audit Committee, inter alia, cover reviewing of the following:

1. Company's financial reporting process and the disclosure of financial information to ensure that the financial statement is correct, sufficient and credible.
2. Quarterly/Annual Financial Statements before submission to the Board of Directors for approval.
3. Internal audit and adequacy of the internal control systems.
4. Financial and risk management policies.
5. Statement of significant related party transactions in the ordinary course of business, not in the normal course of business and which are not an arm's length basis.
6. Recommending the appointment/re-appointment of statutory, cost auditors and fixing their remuneration.
7. The appointment, removal and terms of remuneration of internal auditor.
8. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post discussion to ascertain any area of concern including draft audit report.
9. Management letters /letters of internal control weakness issued by statutory auditors, if any.
10. Major accounting policies and practices and compliance of applicable accounting standards.

#### **4. Remuneration Committee**

The Remuneration Committee was constituted on July 21, 2010 with the following Directors as members of the Committee:

Mr. Pana Chand Jain (appointed Chairman by the Committee)  
Mr. Padam Prakash Som Prakash Bhatnagar  
Mr. Santosh Kumar

The Committee was again reconstituted on April 16, 2012 due to the resignation of Mr. Pana Chand Jain from the Board of Directors of the Company. The Committee at present comprises of the following Independent Non-Executive Directors:

Mr. Vinod Patni (appointed Chairman by the Committee)  
Mr. Santosh Kumar  
Mr. Sanjeev Kumar Mishra

During the year under review, no meeting of the Remuneration Committee was held.

The broad terms of reference of Remuneration Committee includes the following:

1. Determine Company policy on remuneration package payable to the Directors of the Company;
2. Define and implement the performance linked incentive scheme (including ESOP) and evaluate the performance and determine the amount of incentive payable to the Directors of the company;
3. Formulate and administer the Employee Stock Option Scheme;
4. Such other matters as may be decided by the Board from time to time.

#### **Details of Remuneration**

The remuneration to the Whole-time Director(s) is determined by the Remuneration Committee. The recommendations of the Remuneration Committee are considered and approved by the Board, subject to the

approval of the members of the Company. The current tenure of the Whole-time Director(s) is for a period of three years with effect from October 1, 2010 which can be further extended by re-appointing them. The remuneration package of the Whole-time director(s) comprises of a fixed salary component. The Non-Executive Directors are not paid any remuneration except sitting fees for attending the Board Meetings and Committee Meetings.

Details of remuneration/sitting fees paid to the Directors during the year together with their shareholding are as under:

Name	Salary (Rs. in lacs)	Sitting Fees (Rs. in lacs)	Total (Rs. in lacs)	Shareholding	
				No. of Shares	%
Mr. Alok Jain Tijaria, Managing Director	24.00		24.00	1596513	6.76
Mr. Vikas Jain Tijaria, Executive Director (Marketing)	24.00		24.00	1522425	6.44
Mr. Praveen Jain Tijaria, Executive Director (Production)	24.00		24.00	1395246	5.91
Mr. Vineet Jain Tijaria, Executive Director (Projects)	24.00		24.00	1295988	5.49
Mr. Santosh Kumar, Non-Executive Independent Director		0.08	0.08	-	-
Mr. Padam Prakash Som Prakash Bhatnagar, Non-Executive Independent Director		0.04	0.04	-	-
Mr. Pawan Kumar Jain, Non-Executive Independent Director		0.04	0.04	-	-

There were no other pecuniary relationships or transactions of Non-Executive Directors vis-a-vis Company.

Presently, the Company does not have scheme for grant of stock options either to the Director(s) or employees of the company. No severance fee is payable to the Directors on termination of employment.

#### 5. Investors' Grievance Committee

The Investors' Grievance Committee was constituted on July 21, 2010 with the following Directors as members of the Committee:

Mr. Padam Prakash Som Prakash Bhatnagar (appointed Chairman by the Committee)

Mr. Santosh Kumar

Mr. Pawan Kumar Jain

The Committee was again reconstituted on April 16, 2012 due to the resignation of Mr. Padam Prakash Som Prakash Bhatnagar from the Board of Directors of the Company. The Committee at present comprises of the following Independent Non-Executive Directors:

Mr. Santosh Kumar (appointed Chairman by the Committee)

Mr. Anand Prakash Jain

Mr. Sanjeev Kumar Mishra



The Company Secretary acts as a Secretary to the committee. The terms of reference, role and powers of the Investors' Grievance Committee are in line with the regulatory requirements mandated by SEBI and the Listing Agreement. During the year, no meeting was held. Grievances requiring specific guidance are communicated to the Chairman and redressed as per his advice. The Company has received five complaints during the year and all were resolved/replied within reasonable time.

To redress investor grievances, the Company has a dedicated e-mail id [investors@tijaria-pipes.com](mailto:investors@tijaria-pipes.com) to which investors may send complaints.

## 6. Share Transfer Committee

The Share Transfer Committee was constituted on July 21, 2010 with the following Directors as members of the Committee:

Mr. Alok Jain Tijaria (appointed Chairman by the Committee)

Mr. Vikas Jain Tijaria

Mr. Vineet Jain Tijaria

The Company Secretary acts as a Secretary to the committee. The Committee was constituted to oversee the matters relating to the transfer/transmission of shares, split/consolidation of share certificates, demat/remat request or any other such matter requested by the Investor. During the financial year 2011-12, one meeting was held on December 15, 2011 and was attended by all the members of the Committee.

## 7. Code of Conduct

The Board of Directors have laid down the Code of Conduct for all Directors/Senior Officers of the Company. The Code ensures the prevention of dealing in Company's shares by persons having access to unpublished price sensitive information. The Board Members and the Senior Officers have affirmed their compliance with the Code of Conduct for the year ended March 31, 2012 and a declaration signed by the Managing Director to this effect is attached and forms part of this Report.

## 8. General Body Meetings

### a) Annual General Meetings:

The details of previous three Annual General Meetings are as follows:

AGM	Date	Venue	Time	Particulars of Special Resolution(s)
5 <sup>th</sup>	26.05.2011	A-130(E), Road No. 9 D, Vishwakarma Industrial Area, Jaipur – 302 013	11.30 a.m.	Alteration in Articles of Association
4 <sup>th</sup>	12.07.2010	-do-	4.00 p.m.	Issue of Equity Shares on preferential basis
3 <sup>rd</sup>	25.09.2009	-do-	11.30 a.m.	None

**b) Extra Ordinary General Meeting:**

The detail of Extra-ordinary General Meeting held during the financial year 2011-12 is as under:

Date	Venue	Time	Particulars of Special Resolution(s)
28.12.2011	A-130(E), Road No. 9 D, Vishwakarma Industrial Area, Jaipur – 302 013	11.00 a.m.	None

**c) Postal Ballot:**

There was no Special Resolution passed through Postal Ballot during the financial year 2011-12. None of the resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.

**10. Disclosures**
**a) Related party transactions**

During the financial year 2011-12, there were no transactions of material nature entered into with the related parties that may have potential conflict with the interest of the Company at large. The particulars of the related party transactions in normal course of business have been disclosed in the Notes forming part of Accounts.

**b) Compliance**

While preparing the financial statements, the Company has followed all the relevant/applicable Accounting Standards issued by the ICAI.

The Company has complied with all the requirements of the Stock Exchanges as well as the regulations and guidelines prescribed by the SEBI. There was no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years. . However, SEBI vide ex-parte interim order dated December 28, 2011 has issued directions pursuant to Section 11(1), 11(4) and 11(B) and regulation 11 of SEBI (Prohibition of Fraudulent & Unfair Trade Practices relating to Securities Market) Regulations, 2003 in the matter of initial public offering of the Company. The matter is pending for final order till now.

**c) Whistle Blower Policy**

The Company does not have a whistle blower policy. However, no personnel has been denied access to the Audit Committee and/or Director in respect of his/her grievances.

d) The details of Compliance with mandatory requirements and adoption of non-mandatory requirements are as under:

**i) Compliance with Mandatory Requirements:**

S.No.	Particulars	Compliance Status / Remarks
1	Board of Directors	Complied with
2	Audit Committee	Complied with
3	Subsidiary Companies	Not Applicable
4	Disclosures	Complied with
5	CEO/CFO Certification	Complied with
6	Report on Corporate Governance	Complied with
7	Compliance of conditions of Corporate Governance	Complied with

## ii) Adoption of Non-Mandatory Requirements

S.No.	Particulars	Compliance Status / Remarks
1	Remuneration Committee	The Remuneration Committee is already in existence, comprising of only non-executive directors.
2	Audit Qualification	The financial statements are already unqualified.

**11. Management Discussion and Analysis**

A report on Management Discussion and analysis forms part of the Director's Report.

**12. Means of Communication**

Since listing of the Company's equity shares on Stock Exchange(s) from October 14, 2011, the quarterly and annual results of the Company are normally published in the "The Business Standard", and "Nafa Nuksan" and also furnished to the concerned Stock Exchanges in prescribed format to enable them to display at their respective websites. Address of the company's official website is [www.tijaria-pipes.com](http://www.tijaria-pipes.com), where the information of the company is displayed.

**13. Proceeds from Public Issues**

The Company raised ₹ 6000.24 lacs through an initial public offer (IPO) in the month of October, 2011 and allotted 1,00,00,407 Equity Shares of ₹ 10/- each at a premium of ₹ 50/- each. During the year under review, the proceeds from IPO were utilized as under:

(₹ in Lacs)

Particulars	Planned as per Prospectus	Implementation upto March 31, 2012	IPO proceeds utilized upto March 31, 2012	Deviation, if any
Expansion cum Diversification Project Expenses	8997.00	6131.42	2338.77	
Preliminary & Capital Issue Expenses	495.00	404.08	404.08	
Pre-operative Expenses	215.00	360.95	360.95	(145.95)*
Provision for Contingencies	285.00	134.25	134.25	
Working Capital Margin	860.00	593.77	593.77	
Balance with Bank, fixed deposit and liquid investment	-	-	375.78	
Balance out of transfer to working capital limit (Pending for utilization)	-	-	1792.64	
<b>Total</b>	<b>10852.00</b>	<b>7624.47</b>	<b>6000.24</b>	

\*Preoperative expenses increased due to delay in implementation of the project.

**14. General Shareholders Information**
**a) 6<sup>th</sup> Annual General Meeting Date, Time & Venue**

Day & Date	Time	Venue
Monday, the 17 <sup>th</sup> Day of September, 2012	11.30 a.m.	SP-1-2315-2316, RIICO Industrial Area, Ramchandrapura, Sitapura Extension, Jaipur -302022

**b) Financial Year :** April 01 to March 31.

**c) Date of Book Closure**

Our register of members and share transfer books will remain closed from September 14, 2012 to September 17, 2012 (both days inclusive) for the purpose of ensuing Annual General Meeting.

**d) Listing Details**

The Equity Shares of the Company are listed on the following Stock Exchanges:

S.No.	Name of Stock Exchange	Scrip Code
1	Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	533629
2	National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	TIJARIA

The Company's payment of Listing Fees is up-to-date.

**e) Demat ISIN :** Demat ISIN number is INE440L01017 in NSDL & CDSL.

**f) Market Price Data**

The monthly high and low prices of equity shares of the Company at the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) from October, 11 to March, 12 are as under:

Month	Bombay Stock Exchange Limited			National Stock Exchange of India Limited		
	High (in ₹)	Low (in ₹)	Close (in ₹)	High (in ₹)	Low (in ₹)	Close (in ₹)
October, 2011	67.80	13.00	13.25	67.75	12.90	13.25
November, 2011	16.74	10.61	12.25	17.20	10.50	12.30
December, 2011	12.76	9.16	9.29	12.80	9.30	9.30
January, 2012	10.35	8.00	8.94	10.40	8.10	8.95
February, 2012	10.51	8.36	8.85	10.40	8.25	8.65
March, 2012	8.95	6.41	6.79	8.95	6.00	6.85

**g) Stock Performance**

The performance of the company's share price vis-a-vis the broad based BSE and NSE indices has been compared on the basis of issue price of Rs. 60/- each as the shares has been got listed and traded from October 14, 2011:

Particulars	As on October 13, 2011	As on March 31, 2012	Increase/(Decrease) %
BSE Sensex	16883.92	17404.20	3.08
Stock Price in BSE (in Rs.)	60.00	6.79	(88.68)
Nifty	5077.85	5295.55	4.29
Stock Price in NSE (in Rs.)	60.00	6.85	(88.58)

**h) Share Transfer System**

Transfer of equity shares in dematerialized form is done through the depositories without any involvement of the Company. Transfer of equity shares in physical form is normally processed within a period of 15 days from the date of lodgement, subject to documents being valid and complete in all respects. All transfers are first processed by the Registrar and Share Transfer Agent and are submitted to the Company for approval thereafter.

**i) Distribution of Shareholding**

The distribution of shareholding of the Company as on March 31, 2012 is as follows:

Number of Equity Shares held	Number of Shareholders	% to total Shareholders	Number of shares held	% to total Shareholding
Upto 5000	7007	96.58	3382774	14.32
5001 – 10000	115	1.59	874898	3.70
10001 – 20000	67	0.92	921533	3.90
20001 – 30000	20	0.27	504807	2.14
30001 – 40000	16	0.22	562296	2.38
40001 – 50000	2	0.03	90121	0.38
50001 – 100000	10	0.14	682580	2.89
100001 & above	18	0.25	16607570	70.29
<b>Total</b>	<b>7255</b>	<b>100.00</b>	<b>23626579</b>	<b>100.00</b>

**j) Shareholding Pattern**

The shareholding pattern of the Company as on March 31, 2012 is as follows:

Category	Number of Shares	% of Shareholding
Promoter & Promoter Group	13626172	57.67
Non-Resident Indians	78313	0.33
Domestic Bodies Corporate	1891455	8.01
Resident Indians and Others	8030639	33.99
<b>Total</b>	<b>23626579</b>	<b>100.00</b>

**k) Dematerialisation of Shares and Liquidity**

The Shares of the Company are compulsorily tradable in dematerialized form through both the Depository Systems viz. NSDL and CDSL under ISIN: INE440L01017. A total number of 2,36,26,559 Equity Shares of the Company constituting over 99.99% of the issued, subscribed and paid-up share capital are held in dematerialised form as on March 31, 2012.

**l) Outstanding GDRs/ADRs, Warrants or : Nil  
any other Convertible Instruments**

**m) Plant Locations : a) A-130 (E) & (H), Road No. 9 D, Vishwakarma Industrial Area,  
Jaipur – 302 013**

b) SP-1-2316, RIICO Industrial Area, Ramchandrapura, Sitapura  
(Extn.), Jaipur – 302 022.

**n) Registered Office : A-130 (E), Road No. 9 D, Vishwakarma Industrial Area, Jaipur –  
302 013**

**o) Registrar & Share Transfer Agent : M/s. Sharex Dynamic (India) Pvt. Ltd.  
Unit-1, Luthra Industrial Premises, 1st Floor, 44-E, VasANJI Marg,  
Andheri-Kurla Road, safed Pool, Andheri (E), Mumbai – 400 072.  
Tel: +91-22-2851 5606 / 2851 6338  
Fax: +91-22-2851 2885**

**p) Investor Correspondence**

In order to facilitate quick redressal of the grievances, the Investors and Shareholders may contact the Company Secretary at the under mentioned address for any assistance:

Mr. Tej Kumar Jain, Finance Manager & Company Secretary  
Tijaria Polypipes Limited  
A-130(E), Road No. 9 D, Vishwakarma Industrial Area, Jaipur – 302 013  
Tel: +91-141-3218100 / 4010800  
Fax: +91-141-2332342  
E-mail: [investor@tijaria-pipes.com](mailto:investor@tijaria-pipes.com)

**Declaration**

As required under Clause 49 of the Listing Agreement with the Stock Exchange(s), it is hereby declared that all the Board Members and Senior Officers of Tijaria Polypipes Limited have affirmed compliance with the Code of Conduct for the year ended March 31, 2012.

Place : Jaipur  
Date : May 30, 2012

ALOK JAIN TIJARIA  
Managing Director

**CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of  
Tijaria Polypipes Limited

We have examined the compliance of conditions of Corporate Governance by Tijaria Polypipes Limited, for the year ended on March 31, 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

SANJAY KUMAR JAIN  
Company Secretary in Practice  
M.No. 4491, CP-7287

Place: Jaipur

Date : May 30, 2012

**MANAGEMENT DISCUSSION AND ANALYSIS**

Tijaria Polypipes Ltd. manufacturer of high grade HDPE Pipes, MDPE, LDPE, LLDPE, uPVC and PP-R pipes, under the registered brand name of 'Tijaria' and 'Vikas'. The company produces a stupendous product range in the field of plastic, HDPE Pipes, Sprinkler system, drip-irrigation, micro irrigation, PVC Pipes, SWR pipes, telecommunications etc.

The Indian plastic industry has taken great strides. In the last few decades, the industry has grown to the status of a leading sector in the country with a sizable base. The material is gaining notable importance in different spheres of activity and the per capita consumption is increasing at a fast pace. Continuous advancements and developments in polymer technology, processing machineries, expertise, and cost effective manufacturing is fast replacing the typical materials in different segments with plastics.

The country has an estimated production capacity of 4500 thousand metric tons annually. Of this, 60-70% accounts for the production of polyethylene (PE) and polypropylene (PP). India with 4 Kg per capita consumption per year ranks eighth in the world against world average of 20 Kgs & developed nations above 100 Kgs. The industry demand is expected to touch 12.4 million tons by 2010-11, becoming third largest consumer after US and China. The polymer industry is growing at about 12-15% annually. (Sources : *India-exports.com*, *Global demand – Report from Freedonia Group*)

Company's main operation is Manufacturing and selling of Plastic Extruded pipes. Recently the company has started the production of POY and DTY yarns which are the key products of its diversification Project. Soon the Company is going to start the production of Mink Blankets. These products are part of Textile Industry and Indian Textile Industry is one the leading textile industries of the world. India earns about 27% of its total foreign exchange through textile exports. The Indian textile Industry contributes about 14% to Industrial production and 4% to the country's Gross Domestic Products. (GDP). The Industry provides direct employment to over 35 million people and is the second largest provider of employment after agriculture.

Export of textile grew to US\$ 26.8 billion in FY 2010 from US\$ 17.6 billion in FY 06.

Man-made textiles (POY and DTY are part of it.) cover 18% of total textile Industry of India. The potential size of the Indian textile Industry is expected to reach US\$ 220 billion by 2020. (Sources: *Corporate Catalyst India*, [www.cci.in](http://www.cci.in) )

Various products being offered by the company are as follows:

**EXISTING PRODUCT RANGE**

The company offers an array of plastic and plastic based High Density, Medium Density and low density pipes, ducts, coils, electric conduit pipes etc.

- HDPE PIPES (HIGH DENSITY POLYETHYLENE PIPES)
- PVC PIPES (POLY VINYL CHLORIDE PIPES)
- LLDPE PIPES (LINEAR LOW DENSITY POLYETHYLENE PIPES)
- HDPE DWC PIPES (DOUBLE WALLED CORRUGATED PIPES)
- PLB HDPE DUCTS (PERMANENTLY LUBRICATED HDPE DUCTS)
- MDPE PIPES (MEDIUM DENSITY POLY ETHYLENE PIPES)
- PET (POLYETHYLENE TEREPHTHALATE) GRANULES
- MICRO / DRIP IRRIGATION SYSTEM
- SWR PIPES & FITTINGS



- PPR (POLY PROPYLENE RANDOM) PIPES & FITTINGS
- HDPE SPRINKLER SYSTEM

### **PRODUCTS OF DIVERSIFICATION PROJECT**

The Company has launched various new products which are as follows:-

PARTIALLY ORIENTED YARN (POY)

DRAW TEXTURISED YARN(DTY)

MINK BLANKETS

The production for POY and DTY yarn has already been started in full fledged. The machinery for Mink Blanket is also under installation. The commercial production of Mink Blankets is proposed to be started by September 2012.

### **SWOT ANALYSIS & CONCLUSION**

#### **STRENGTHS**

- The company is a profit making unit having sound financials over the past years and an established marketing network.
- Promoters are experienced and have been in this line for last 18-19 years.
- The fine quality of the products has been acknowledged and acclaimed by the Ministry of Micro, Small & Medium Enterprises, Govt. of India;
- The company is a proud winner of National Award – 2008 for Quality Production and National Award-2010 for Outstanding entrepreneurship.
- The products manufactured by the company conform to various Indian as well as International Standards and are well acceptable in the market. Majorly all its products are BIS certified.
- Diversification of activity is being under taken viewing good demand of the products, potential market of the same overseas and wide applicability and uses of the products;
- The company is an ISO-9001:2008 & ISO 14001:2004 certified company.
- The market is well represented by the company in all segments. The company is participating in tenders and supplying the products to government enterprises like BSNL, MTNL and other infrastructure companies. and in private sector to Reliance Communication, Aircel etc. in bulk and selling the products in the retail segment through 250 dealers spread in 7 states in the country. The company shall be able to reap benefits of the marketing network in the diversification plans also.
- Easy availability of raw material
- The raw material of diversified products is being manufactured in-house.
- With the implementation of the proposed project, the Company will reap the benefits of economies of scale due to optimum utilization of the existing facilities;
- Satisfactory organizational set-up with experienced and well qualified employees;
- Strong marketing network with low selling and distribution costs.

#### **WEAKNESSES**

- The company is new to the Industry in which the diversification is being processed;
- Due to initial stage of diversification project, the company could not manage to make profit this financial year. Rather the company had to suffer loss in the FY of 2011-12.
- The prices of raw material and finished goods move in tandem with international prices which in turn have positive co-relation with the prices of petro-chemical products.

**OPPORTUNITIES**

- With tariffs proposed to come down in India over a period of time, it is expected that raw material costs will be comparable to those prevailing in the international market;
- The various products being manufactured like POY and DTY find wide applicability, hence may open new avenues for the company;
- The largest supplier of the diversification products, China has more consumption in the domestic market, hence the demand supply gap can be met by the companies like ours, which shall have spare production eligible for exports;
- Mink Blankets are majorly being imported from Korea and china as of now. Hence our production of Mink Blankets would be providing Blankets in domestic markets on the most competitive prices.
- With the changed Govt. policies of countries like Turkey & Brazil, the exports being made by China shall get shifted to other countries;

**THREATS**

- With the growing demand in the world market, more and more players are likely to come into this line which may result in diluting the anticipated market share of the company;
- The overall negative impact of the global economies / slowdown in economic growth in India at anytime may hamper the plans and performance of the company;
- Exchange Rate Fluctuations may have impact on the performance of the company;
- A significant change in the Govt. of India's economic liberalization and de-regulation policies or key industries regulations, the risk could disrupt the business of the Company;
- Fluctuations in prices of Raw material may affect the profit margins.
- Fluctuations in prices and availability of energy, freight and other operating inputs may affect the margins of the Company;

**CONCLUSION**

Having regard to the contents, the company has been doing fairly well in last financial years. Only the FY 2011-12 was not profitable and that too was because of the fact that the diversified project was under process. The machines were being installed and trial runs were being taken. The project was in its initial stage.

The new project of Tijaria Polypipes Ltd. is Technically Feasible and Economically Viable. The activity is, however, observed sensitive to variations in raw material and selling prices.

The main facet which makes the project socially viable also is its uniqueness and interesting concept. The project entails manufacturing of polyester yarn-POY, polyester texturized yarn and sheets are directly being manufactured by using recycled PET material, which are manufactured by PET flakes from PET bottles which are generally neglected and thrown restlessly in our society. This renders the project socially responsible and eco-friendly.

Further, other types of value added products like Mink blankets will also be produced. For this the machines are being installed and production is proposed to be started by Sep. 2012. Another important feature is the cost of raw material. The raw material which is being used is less expensive compared to virgin raw material and government also supports use of recycled eco friendly material by way of bestowing various duty exemptions. This will in turn have positive effect on viability and profitability of the project beyond any doubts. In conclusion, the company shall be to contributing towards country's green revolution as well.

**AUDITOR'S REPORT****TO THE MEMBERS OF TIJARIA POLYPIPES LIMITED, JAIPUR**

We have audited the attached Balance Sheet of TIJARIA POLYPIPES LIMITED, JAIPUR, as at 31<sup>st</sup> March, 2012, the Statement of Profit and Loss and also the Cash flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) order, 2003 issued by the Central Government of India, in terms of Sub-Section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion, proper books of accounts, as required by law, have been kept by the Company, so far as appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss and Cash flow statement dealt with by this report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash flow statement dealt with by this report comply with the Accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- e. On the basis of the written representations received from the Directors of the Company as on 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that no Director is prima-facie, disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
- i. In the case of the Balance Sheet, of the state of affairs of the Company as of 31<sup>st</sup> March, 2012;
  - ii. In the case of the Statement of Profit and Loss of the loss of the Company for the year ended on that date;  
and
  - iii. In case of the Cash Flow Statement, of the Cash flow of the company for the year ended on that date.

For **LOKENDRA SHARMA & CO.**  
Chartered Accountants  
Firm Registration No. 006684C

**Lokendra Sharma**  
Partner  
Membership No. 75502

**Place:** Jaipur

**Dated:** May 30, 2012

**ANNEXURE TO THE AUDITOR'S REPORT****REFERRED TO OUR REPORT OF EVEN DATE:**

1. In respect of its fixed assets
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
  - (c) In our opinion the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2.
  - (a) As explained to us, the Inventories has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of Inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its Business.
  - (c) In our opinion and according to the information and explanation given to us, the Company has maintained records of its Inventories in accordance with the Central Excise Law.
3. (a) According to information and explanations given to us, the company has granted unsecured loans payable on demand to one party covered in the register maintained under section 301 of the Companies Act, 1956. Particulars as under:-

No. of Parties	1
Granted During the year	25,00,000/-
Repayment Received in Year	25,00,000/-
Closing Balance	Nil

- (b) The company has not received any interest on such loan mentioned above and in our opinion, the term & conditions of the loan are not prejudicial to the interest of the company as during the year company has taken unsecured loan of ` 5.74 Crores from the person who are covered in the register maintained under section 301 of the Act on which no interest has been paid by the company.
- (c) The amount given as mentioned above has been received.
- (d) In respect of the above said loan and interest thereon there are no overdue amounts.
- (e) According to information and explanations given to us, the Company had taken loans from nine parties covered in the register maintained under section 301 of the Companies Act, 1956, particulars of which are as under :-

No. of Parties	9
Opening Balance	2,69,57,507.09
Taken or Accepted in year	5,74,00,000.00
Repaid during the year	6,72,08,569.59
Closing Balance	1,44,00,000.00

- (f) The company has not paid any interest on such loan mentioned above hence the question of prejudicial to the interest of the company does not arise.
- (g) The amount taken as mentioned above has been repaid by the company except in case of one concern whose balance outstanding at the end of the year was of ` 1.44 Crores.
4. In our opinion and according to the information and explanations given to us the company has its own internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and for the sale of goods.
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956;
- a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956, have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts / arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ` 5,00,000/- in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company
6. According to the information and explanations given to us, the Company has not accepted / invited deposits from the public falling within the preview of Section 58A / 58AA of the Companies Act, 1956 during the financial year.
7. In our opinion, the Company have an Internal Audit system commensurate with the size and nature of its Business.
8. In our opinion and according to the information and explanation given to us, the company is not required for maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956; however the company has maintained the stock details necessary for the excise department.
9. (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed Statutory dues including Provident Fund, Investor Education Protection

Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise duty, Cess and other material statutory dues applicable to it.

- (b) According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty and Cess were in arrears, as of 31<sup>st</sup> March, 2012 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are dues of Income Tax which have not been deposited on Account of dispute, details of which are as under:

S. No.	Assessment Year	Demand raised by the AO	Amount deposited against the disputed demand	Appeal Pending before
1.	2009-10	5,07,730.00	2,00,000.00	CIT (A) II, Jaipur

10. The Company does not have any accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
11. Based on our audit procedure and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks.
12. In our opinion and according to the explanations given to us and based on the informations available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in Shares, Securities, Debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not given guarantees for loans taken by others from Bank or financial institutions.
16. The Company has raised new term loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short term basis that have been used for long term investment.

18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The company has not issued any debentures during the year and therefore the question of creating security in respect thereof does not arise.
20. The Company has made Public Issue during the year which was open for subscription from 27.09.2011 to 29.09.2011 and an amount of ` 10.00 Crores was received on account of equity share capital and ` 50.00 Crores was received on account of securities premium account. However, as regard to the disclosure of the end use of money it is submitted that an enquiry is pending before the Securities and Exchange Board of India, which was also mentioned by us in the limited review report filed for the quarter ended 31.12.2011 and report of year ended on 31.03.2012. The end use of the funds raised is under scrutiny before the appropriate authorities and due mention has been made in the notes to the financial statements and hence we have not commented upon the utilization of IPO Proceeds.
21. According to the information and explanations given to us, based upon the audit procedures performed and representations made by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our Audit nor have we been informed of such case by the management.

For **LOKENDRA SHARMA & CO.**  
Chartered Accountants  
Firm Registration No. 006684C

**Lokendra Sharma**  
Partner  
Membership No. 75502

**Place:** Jaipur  
**Dated:** May 30, 2012



**BALANCE SHEET AS AT MARCH 31, 2012**

(in ₹)

Particulars	Note	As at March 31, 2012	As at March 31, 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	236,265,790	136,261,720
Reserves & Surplus	2	654,321,392	225,172,947
<b>Non-current Liabilities</b>			
Long-term borrowings	3	272,479,355	96,160,236
Deferred tax liabilities			225,883
<b>Current Liabilities</b>			
Short-term borrowings	4	115,870,120	181,463,456
Trade payables	5	106,357,800	104,287,768
Other current liabilities	6	85,219,155	79,533,858
Short-term provisions	7	603,079	34,662,926
		<b>1,471,116,691</b>	<b>857,768,794</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
Fixed Assets	8		
- Tangible assets		597,424,825	201,689,556
- Intangible assets			
- Capital work-in-progress		76,154,037	112,371,561
- Intangible assets under dev.		409,855	
Long-term loans and advances	9	106,552,088	23,948,246
Other Non-Current Assests	10	52,901,957	45,503,380
<b>Current assets</b>			
Current Investments	11	23,454,607	-
Inventories	12	162,822,856	85,753,533
Trade receivables	13	385,945,031	324,538,933
Cash & cash equivalents	14	12,808,165	3,897,821
Short-term loans and advances	15	15,216,446	41,410,240
Other current assets	16	37,426,824	18,655,524
<b>Total</b>		<b>1,471,116,691</b>	<b>857,768,794</b>

Significant Accounting Policies &amp; Notes on Financial Statements

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As per our audit report of even date

**For LOKENDRA SHARMA & CO.**

Chartered Accountants

**FRN : 006684C**
**Lokendra Sharma**

Partner

M. No. 75502

**Place : Jaipur**
**Date : May 30, 2012**

For and on behalf of the Board

**Tej Kumar Jain**

 Finance Manager &  
Company Secretary

**Alok Jain Tijaria**

Managing Director

**Vikas Jain Tijaria**

Executive Director

**Vineet Jain Tijaria**

Executive Director

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012**

(in ₹)

Particulars	Note	For the year ended 31st March, 2012	For the year ended 31st March, 2011
<b>INCOME :</b>			
Revenue from Operations	17	971,758,321	1,189,217,765
Less :- Excise Duty		(44,728,070)	(66,268,339)
Sub Total		927,030,251	1,122,949,426
Other Income	18	7,528,896	3,653,317
<b>Total</b>		<b>934,559,147</b>	<b>1,126,602,743</b>
<b>EXPENDITURE :</b>			
Cost of materials consumed	19	766,337,004	834,156,959
Purchases of Stock-in-Trade		25,693,407	34,749,554
Changes in inventories	20	(52,235,847)	21,170,773
Employee Benefits Expense	21	40,712,361	17,573,210
Finance Costs	22	53,615,129	24,754,928
Depreciation		32,430,699	10,712,154
Other expenses	23	98,683,982	79,623,577
<b>Total</b>		<b>965,236,735</b>	<b>1,022,741,155</b>
Profit before tax		<b>(30,677,588)</b>	<b>103,861,588</b>
Provision for Taxation			34,906,000
- Current tax		-	(75,175)
- Deferred tax		(225,883)	
<b>Profit (Loss) for the period</b>		<b>(30,451,705)</b>	<b>69,030,763</b>
Earnings Per Share of Rs. 10/- each fully paid up (in Rs.)			
- Basic		(1.65)	5.26
- Diluted		(1.65)	5.26

Significant Accounting Policies &amp; Notes on Financial Statements 24

As per our audit report of even date

**For LOKENDRA SHARMA & CO.**

Chartered Accountants

**FRN : 006684C**
**Lokendra Sharma**

Partner

M. No. 75502

**Place :** Jaipur

**Date :** May 30, 2012

For and on behalf of the Board

**Tej Kumar Jain**

 Finance Manager &  
Company Secretary

**Alok Jain Tijaria**

Managing Director

**Vikas Jain Tijaria**

Executive Director

**Vineet Jain Tijaria**

Executive Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012**

(in ₹)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
<b>A) Cash Flow from Operating Activities</b>		
Net Profit/(Loss) before tax and extraordinary items	(30,677,586)	103,861,588
Adjustments for :		
Depreciation	32,430,699	10,712,154
(Profit)/Loss on sale of Fixed Assets	(182,269)	(424,467)
Dividend Income	(1,730,112)	-
Interest Income	(336,474)	(2,225,309)
Provision for employee benefits	603,079	360,693
Interest and borrowing costs	52,841,013	24,754,928
<b>Operating Profit before Working Capital Changes</b>	<b>52,948,350</b>	<b>137,039,587</b>
Adjustments for :		
(Increase)/Decrease in Trade Receivables	(61,406,098)	(37,464,213)
(Increase)/Decrease in Inventories	(77,069,323)	22,613,357
(Increase)/Decrease in Other Current and Non Current Assets	(10,150,505)	(18,684,525)
(Increase)/Decrease in Long Term and Short Term Loans and advances	(56,410,048)	(34,537,671)
Increase/(Decrease) in Trade Payables, Other Current and Non Current Liabilities and Provisions	1,407,458	44,970,397
<b>Cash generated from Operations</b>	<b>(150,680,166)</b>	<b>113,936,932</b>
Tax paid (including TDS)	(26,566,588)	(24,358,784)
<b>Net Cash from/(used in) Operating Activities</b>	<b>(177,246,754)</b>	<b>89,578,148</b>
<b>B) Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets & Intangible Assets including WIP	(393,387,556)	(245,786,024)
Investment in Mutual Fund Liquid Scheme	(122,310,000)	-
Proceeds from sale of Fixed Assets	1,211,524	2,601,116
Proceeds from redemption of Mutual Fund Liquid Scheme	100,585,506	-
Interest Received	336,474	2,225,309
<b>Net Cash from/(used in) Investing Activities</b>	<b>(413,564,052)</b>	<b>(240,959,599)</b>

<b>III Cash Flow from Financing Activities</b>		
Proceeds from issue of Equity Share Capital	100,004,070	54,159,040
Increase in Share Premium (net)	459,600,150	31,041,010
Proceeds from Long Term Borrowings	243,221,771	52,225,498
Proceeds from Deferred Development Charges	-	91,391,927
Proceeds from short term borrowings	24,000,000	69,744,222
Repayment of Long Term Borrowings	(9,181,817)	(14,165,300)
Repayment of short term borrowings	(89,593,336)	-
Repayment of Deferred Development Charges	(51,733,658)	(7,549,947)
Decrease in Share Application Money	-	(75,000,000)
Interest & borrowing costs	(52,841,013)	(24,754,928)
Dividend paid, including dividend tax	(23,755,017)	(23,755,017)
<b>Net Cash from/(used in) Financing Activities</b>	<b>599,721,150</b>	<b>153,336,505</b>
<b>Net Increase /(Decrease)in Cash and Cash Equivalents</b>	<b>8,910,344</b>	<b>1,955,054</b>
Cash and Cash Equivalents at the beginning	3,897,821	1,942,767
Cash and Cash Equivalents at the end	<b>12,808,165</b>	<b>3,897,821</b>

**Notes to Cash Flow Statement for the year ended March 31, 2012**
**a) Cash and Cash Equivalents include the following Balance Sheet items:**

Cash in hand	944,897	1,394,734
<b>Balances with banks</b>		
- In Current Accounts	11,854,328	2,503,087
- In Refund Account	8,940	-
	<b>12,808,165</b>	<b>3,897,821</b>

b) The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard - 3 on Cash Flow Statement.

As per our audit report of even date

**For LOKENDRA SHARMA & CO.**

Chartered Accountants

**FRN : 006684C**
**Lokendra Sharma**

Partner

M. No. 75502

**Place :** Jaipur

**Date :** May 30, 2012

For and on behalf of the Board

**Tej Kumar Jain**  
Finance Manager &  
Company Secretary

**Alok Jain Tijaria**  
Managing Director

**Vikas Jain Tijaria**  
Executive Director

**Vineet Jain Tijaria**  
Executive Director



**a. Secured Loans are covered by :**
**Term Loans from bank of India including current maturities are secured by way of first charge as under:**

First charge on all movable and immovable properties of the Company and secured by deposit of title deeds by way of creation of equitable mortgage in respect of land situated at various locations in the name of the Company.

Hypothecation of all fixed assets namely land, building, plant & machineries, miscellaneous fixed assets, furnitures & fixtures and entire current assets of the Company.

First charge on residential property of promoter directors of the Company and secured by deposit of title deeds by way of creation of equitable mortgage on the said property.

Corporate Guarantee, jointly & severally, of two group companies, namely Tijaria Vinyl Pvt. Ltd. and Tijaria Industries Ltd. Further, loan is secured by deposit of title deeds by way of creation of equitable mortgage in respect of land in the name of the said companies.

Personal guarantee, jointly and severally, of all the four promoter directors of the Company and their relatives.

Deferred development charges from RIICO Ltd. Including current maturities is secured by hypothecation of land against which the deferred development charges is due for payment.

Vehicle Loans including current maturities is secured by hypothecation of Vehicles against which the loans have been taken.

**b. Repayment Terms of outstanding long term borrowings (excluding current maturities) as on March 31, 2012**
**Repayment Terms for Secured Rupee Term Loans:**

Facility 1 (₹ 2132193) - Balance amount is repayable in 9 equal monthly installments, with interest @ 12.75%, starting from April, 2013.

Facility 2 (₹ 4661558) - Balance amount is repayable in 22 equal monthly installments with interest @ 12.75%, starting from April, 2013.

Facility 3 (₹ 168546548) - Balance amount is repayable in 60 equal monthly installments with interest @ 12.75%, starting from April, 2013.

**Repayment Terms for Secured Buyer Credit Loan In Foreign Currency :**

Buyer Credit Loan In Foreign Currency has been granted for a period of six months subject to roll over maximum upto three years. Upon expiry of three years or not opting to roll over after expiry of six months, whichever is earlier, the said loan will be converted into rupee term loan at the exchange rate prevailing at that point of time and shall be merged into facility 3. Repayment shall be made as per terms stated in facility 3 above. The interest rate is varying between 2.60% to 4.25%.

**c. Deferred Development Charges (excluding current maturities) are repayable in 10 equal quarterly installments with interest @ 12%, the first being due on June 30, 2013.**
**d. Repayment Terms for Secured Vehicle Loans (excluding current maturities) :**

Facility 1 (₹ 159273) - Balance amount is repayable in 9 equal monthly installments with interest @ 14%, starting from April, 2013.

Facility 2 (₹ 143410) - Balance amount is repayable in 8 equal monthly installments, with interest @ 13.50%, starting from April, 2013.

Facility 3 (₹ 256134) - Balance amount is repayable in 13 equal monthly installments with interest @ 14%, starting from April, 2013.

(in ₹)

	As at March 31, 2012	As at March 31, 2011
<b>NOTE 4 : SHORT TERM BORROWINGS</b>		
<b>Secured Loan</b>		
Working Capital Loan from Bank of India (Secured by way of first charge on current and movable assets namely inventories, stores & spares, book debts. Further, it is additionally secured as applicable in case of long term borrowings as stated above. It is repayable on demand and bearing interest rate at 12.75%p.a.)	86,888,233	150,010,120
<b>Unsecured Loans</b>		
- From Bank(s)	4,930,527	
- From Others (Unsecured loans are secured by personal guarantee of promoter director of the Company)	9,651,360	
Loans & Advances from Related Parties	14,400,000	31,453,336
<b>Total</b>	<b>115,870,120</b>	<b>181,463,456</b>
<b>NOTE 5 : TRADE PAYABLES</b>		
Trade Payables		
- Dues to Micro, Small and Medium Enterprises		
- Dues to Others	106,357,800	104,287,768
<b>Total</b>	<b>106,357,800</b>	<b>104,287,768</b>
<b>NOTE 6 : OTHER CURRENT LIABILITIES</b>		
Interest accrued but not due on borrowings	1,120,797	84,657
Current maturities of long term debt (Securities as stated in Note No.3)	66,569,584	60,582,407
Application money pending for refund	8,940	
Advance from Customers & Others	6,808,142	10,405,908
Statutory Obligations	2,619,716	1,792,673
Other Payables	8,091,976	6,668,213
<b>Total</b>	<b>85,219,155</b>	<b>79,533,858</b>
<b>NOTE 7 : SHORT TERM PROVISIONS</b>		
Provision for employee benefit	603,079	360,693
Provision For Taxation (net of prepaid taxes)	-	10,547,216
Proposed Dividend	-	20,439,258
Provision for Corporate Dividend Tax	-	3,315,759
<b>Total</b>	<b>603,079</b>	<b>34,662,926</b>
<b>Note 9 : Long Term Loans &amp; Advances</b>		
<b>Unsecured, considered as good</b>		
Capital Advances	106,552,088	23,948,246
<b>Total</b>	<b>106,552,088</b>	<b>23,948,246</b>

Particulars	Gross Block			Depreciation			Net Block		
	As at April 01, 2011	Additions for the year ended March 31, 2012	Deductions for the year ended March 31, 2012	As at March 31, 2012	As at April 01, 2011	Depreciation for the year ended March 31, 2012	Deductions for the year ended March 31, 2012	As at March 31, 2012	As at March 31, 2011
Land	133,439,456	-	-	133,439,456	-	-	-	133,439,456	133,439,456
Building	10,845,794	104,204,127	-	115,049,921	3,578,281	7,009,901	-	108,040,020	7,267,513
Plant & Machinery	81,144,331	290,386,992	235,186	371,296,137	28,908,036	53,136,611	29,453	318,159,526	52,236,295
Electrical Installation	513,511	31,694,235	-	32,207,746	179,090	2,685,996	-	29,521,750	334,421
Office Equipments	2,245,741	805,842	-	3,051,583	710,966	968,732	-	2,082,851	1,534,775
Furniture & Fixtures	1,265,519	829,485	-	2,095,004	410,891	638,329	-	1,456,675	854,628
Computers	1,843,201	1,274,544	-	3,117,745	1,186,231	1,738,890	-	1,378,855	656,970
Vehicles	7,543,496	-	1,541,239	6,002,257	2,178,000	2,656,565	717,717	3,345,692	5,365,488
<b>Sub-Total</b>	<b>238,841,049</b>	<b>429,195,225</b>	<b>1,776,425</b>	<b>666,259,849</b>	<b>37,151,495</b>	<b>68,835,024</b>	<b>747,170</b>	<b>597,424,825</b>	<b>201,689,556</b>
Previous Year	<b>105,675,871</b>	<b>137,619,452</b>	<b>4,454,275</b>	<b>238,841,048</b>	<b>28,716,964</b>	<b>37,151,492</b>	<b>2,277,626</b>	<b>201,689,556</b>	<b>76,558,907</b>
Capital Work in Progress									
- Building									
- Plant & Machinery								75,938,466	53,210,085
- Electric Installations								100,614	35,254,941
- Lab Equipments								114,957	2,795,056
- Furniture & Fixtures								-	133,934
- Preoperative Expenses								-	79,395
<b>Total (A)</b>								<b>76,154,037</b>	<b>112,371,561</b>

\* Rounding off difference to Rs. 2

#### B. INTANGIBLE ASSETS

Particulars	Gross Block			Depreciation			Net Block		
	As at April 01, 2011	Additions for the year ended March 31, 2012	Deductions for the year ended March 31, 2012	As at March 31, 2012	As at April 01, 2011	Depreciation for the year ended March 31, 2012	Deductions for the year ended March 31, 2012	As at March 31, 2012	As at March 31, 2011
Capital Work in Progress									
- Computer Software under development								409,855	
<b>Total (B)</b>								<b>409,855</b>	
Previous Year								-	

(in ₹)

	As at March 31, 2012	As at March 31, 2011
<b>NOTE 10 : OTHER NON CURRENT ASSETS</b>		
Fixed Deposits with Bank (includes interest accrued thereon Rs. 1690119/- previous year Rs. 4508397/-)	36,760,416	26,865,206
Unamortized Expenses	-	3,772,597
Security Deposit & Others	16,141,541	14,865,577
<b>Total</b>	<b>52,901,957</b>	<b>45,503,380</b>
<b>NOTE 11 : CURRENT INVESTMENTS</b>		
Investment in units of Liquid Mutual Fund	23,454,607	-
<b>Total</b>	<b>23,454,607</b>	<b>-</b>
<b>NOTE 12 : INVENTORIES</b>		
Raw Material	41,512,778	24,059,185
Finished Goods	100,810,886	58,598,552
Stock in Trade	10,903,147	815,473
Stores & Spares	9,596,045	2,280,323
<b>Total</b>	<b>162,822,856</b>	<b>85,753,533</b>
<b>Note 13 : Trade Receivables</b>		
<b>Unsecured, considered good</b>		
Outstanding for a period more than Six months	142,709,851	56,640,710
Others	243,235,180	267,898,223
<b>Total</b>	<b>385,945,031</b>	<b>324,538,933</b>
<b>NOTE 14 : CASH &amp; CASH EQUIVALENTS</b>		
Cash-in-hand	944,897	1,394,734
Balances with Bank(s)		
- In Current Account	11,854,328	2,503,087
- Axis Bank Ltd. - Refund Account	8,940	
(Note: Balance in the Axis Bank A/c represents the oversubscription amount received in IPO and is not free for utilization by the company)		
<b>Total</b>	<b>12,808,165</b>	<b>3,897,821</b>
<b>NOTE 15 : SHORT TERM LOANS AND ADVANCES</b>		
<b>Unsecured, Considered good</b>		
Advances recoverable in cash or in kind or for value to be received	15,216,446	41,410,240
<b>Total</b>	<b>15,216,446</b>	<b>41,410,240</b>
<b>NOTE 16 : OTHER CURRENT ASSETS</b>		
Balances with Govt. Authority	32,968,024	15,006,997
Prepaid Expenses	1,440,900	1,472,483
Others Loans & Advances		
- Unsecured, considered good	3,017,900	2,176,044
<b>Total</b>	<b>37,426,824</b>	<b>18,655,524</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(in ₹)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
<b>Note 17 : Revenue from Operations</b>		
Sale of Products	970,639,898	1,185,984,567
Other Operating Revenue		
- Job Work Income	1,118,423	3,233,198
	971,758,321	1,189,217,765
Less: Excise Duty	(44,728,070)	(66,268,339)
<b>Total</b>	<b>927,030,251</b>	<b>1,122,949,426</b>
<b>Note 18 : Other Income</b>		
Interest on Deposits	2,828,503	2,225,309
Interest from Customers	47,596	-
Dividend Income	1,730,112	-
Subsidy	2,585,985	475,000
Profit on sale of fixed assets	182,269	424,468
Miscellaneous Income	154,431	528,540
<b>Total</b>	<b>7,528,896</b>	<b>3,653,317</b>
<b>Note 19 : Cost of Material Consumed</b>		
Opening Stock	24,059,185	27,083,461
Add: Purchases	783,790,597	831,132,683
<b>Sub-Total</b>	<b>807,849,782</b>	<b>858,216,144</b>
Less: Closing Stock	41,512,778	24,059,185
<b>Total</b>	<b>766,337,004</b>	<b>834,156,959</b>
<b>Note 20 : Changes in Inventories</b>		
<b>Opening Stock:</b>		
- Finished Goods	58,662,713	79,327,447
- Stock-in-trade	815,473	1,321,512
<b>Sub-Total</b>	<b>59,478,186</b>	<b>80,648,959</b>
<b>Closing Stock:</b>		
- Finished Goods	100,810,886	58,662,713
- Stock-in-trade	10,903,147	815,473
<b>Sub-Total</b>	<b>111,714,033</b>	<b>59,478,186</b>
<b>Total</b>	<b>(52,235,847)</b>	<b>21,170,773</b>
<b>Note No. 21 : Employee Benefits Expense</b>		
Salary and Wages	38,294,865	15,568,578
Contribution to Provident & other funds	2,261,155	1,811,244
Staff & labour welfare expenses	156,341	193,388
<b>Total</b>	<b>40,712,361</b>	<b>17,573,210</b>
<b>Note 22 : Finance Costs</b>		
Interest Expenses	45,979,153	22,802,887
Other borrowing costs	7,635,976	1,952,041
<b>Total</b>	<b>53,615,129</b>	<b>24,754,928</b>

(in ₹)

<b>Note 23 : Other Expenses</b>		
Consumption of stores & spares parts	6,043,592	2,608,724
Rates & Taxes	188,958	1,032,860
Power & fuel	48,638,699	17,493,955
Legal & Professional Expenses	2,654,694	1,194,254
Rent	2,616,794	4,531,707
Travelling Expenses	2,175,628	2,043,566
Repair to Building	241,719	100,565
Repairs & Maintenance - Vehicles	907,208	522,949
Repairs to Machinery	546,555	389,886
Telephone Expenses	920,511	495,446
Insurance	614,257	336,939
Testing / Inspection Expenses	1,428,911	877,470
Conveyance Expenses	345,814	174,386
Licence & Registration Fee	818,663	-
Commission & Discount Expenses	7,331,880	7,082,797
Audit Fee	280,900	193,025
Freight, Loading & Unloading Expenses	15,246,744	25,456,706
Export Consignment Expenses	-	7,235,876
Advertisement & Sales Promotion	1,674,264	1,229,905
Miscellaneous Expenses	6,008,191	6,622,561
<b>Total</b>	<b>98,683,982</b>	<b>79,623,577</b>

**NOTE 24 - SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS**

Notes attached to and forming part of the Financial Statement as on and for the year ending 31<sup>st</sup> March, 2012:

**I. SIGNIFICANT ACCOUNTING POLICIES:****1. Basis of Preparation of Financial Statements:**

The Financial Statements have been prepared under the historical cost convention using accrual method of accounting in accordance with Generally Accepted Accounting Principles and Provisions of the Companies Act, 1956 as adopted consistently by the Company following going concern concept.

Accounting policies not specifically referred to otherwise are consistent and in accordance with the accounting principles generally accepted and as recommended by the Institute of Chartered Accountants of India.

All assets and liabilities have been classified as current or non-current as per revised Schedule VI to the Companies Act, 1956.

**2. Revenue Recognition:**

Sales are net of returns, discounts and sales tax. However, Turnover Discount and other non-recurring discounts have not been netted from Sales. Incomes and expenditures are recognised on accrual basis. However, customers' claims are accounted for as and when arise/settled on the basis of final settlement.

**3. Fixed Assets and Depreciation:**

Fixed Assets are stated at cost less accumulated depreciation. The cost includes taxes, duties, freight, installation and other directly attributable costs of bringing the assets in its working condition for its intended use. Long term lease hold land is stated at cost. Intangible asset is stated at the cost of acquisition less accumulated amortization and impairment loss.

Depreciation on Plant & Machinery and other assets are provided at the rates prescribed under the Schedule XIV under Written down Value Method in accordance with the provisions of the Companies Act, 1956 at the rates and in the manner specified in Schedule XIV of the said Act.

Capital Work-in-progress and Pre-Operative Expenses towards Expansion cum Diversification Project is disclosed separately below the Gross Block of Assets. Such expenditures are allocated on the respective assets in the year of installation.

Software, which is not an integral part of hardware, is treated as an intangible asset and is amortized over its useful economic life as estimated by the management between 3 to 5 years.

**4. Inventories:**

Raw Materials and Stores, Spares, Packing Materials & Stock in Trade are valued at cost computed on FIFO basis. Scrap is valued at estimated realisable value.

Work in Progress is valued at material cost plus conversion cost and finished goods are valued at lower of cost or net realisable value. Cost for this purpose includes direct cost and appropriate administrative and other overheads.

**5. Borrowing Cost:**

Borrowing costs that are attributable to the acquisition of qualifying assets are capitalised as a part of cost of such assets. All other borrowing costs are charged to revenue.

**6. Preliminary Expenses:**

Preliminary expenses incurred by the company are subject to amortization over a period of 5 years equally.

**7. Taxation:**

Provision for current tax is made in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961.

Deferred tax effect of timing differences between tax profit and book profit is accounted for using the tax rates and laws that have been enacted or subsequently enacted as on the Balance Sheet date. Deferred tax assets are recognised to the extent there is virtual certainty that these assets can be realised in future.

**8. Employees' Benefits:**

Employees' benefits in the form of contribution towards Provident Fund, ESI are considered as defined contribution plan and the contributions to recognised funds are charged to the Profit and Loss Account of the year when the contributions are due, as per the provisions of respective statutes.

Leaves lying in credit of the employees are not paid as the Company follows practice of granting leaves as and when demanded by the employees. These leaves are non-accumulating and the un-availed leaves automatically lapse at the year-end. Hence, no provision for the same is required to be made.

Gratuity is a post employment benefit and is in the nature of defined benefit plan. The defined benefit/obligation is calculated by Life Insurance Corporation of India, an independent Actuary using the projected unit credit method.

**9. Foreign Currency Transactions:**

Exchange rate difference arising from foreign currency transactions relating to import/export of goods are dealt with in the Profit & Loss Account. Further, as per the notification issued by the Ministry of Corporate Affairs, the company has opted to capitalize the exchange difference on the foreign currency loans against purchase of fixed assets after the same has been put to use and depreciated over the balance useful life of the assets.

**10. Cash Flow Statement :**

The cash flow statement is prepared under the indirect method as set out in the Accounting Standards 3. Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**11. Accounting for Investments:**

Investments which are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

**12. Segment Reporting :**

The accounting policies applicable to the reportable segments are same as those used in the preparation of the financial statements. However, items of income and expenditures, assets and liabilities which are not directly attributable / identifiable / allocable on a reasonable basis to a business segment are shown as unallocated.

**13. Earnings Per Share :**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**14. Impairment of Assets :**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The same is charged to the Profit and Loss Account. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**15. Accounting for the Government Grant**

The company recognizes the Government grant only when there is reasonable assurance that:

- The enterprise will comply with the conditions attached to them and
- The grant will be received.

**16 Provisions, Contingent Liability and Contingent Assets:**

A provision is recognised when there is a present obligation as a result of past event that there is possibility of an outflow of resources to settle the obligation and in respect of which reliable estimate can be made. Provision is determined based on the best estimate required to settle the obligation at the end of the year. These are reviewed at each year end and adjusted to reflect the best current estimates.

Contingent liabilities are not provided for in the accounts and are separately shown in the Notes on Accounts. Contingent Assets are neither recognised nor provided or disclosed in the financial statements.

**NOTES TO ACCOUNTS:**
**1. Contingent Liabilities:**

The following contingent Liabilities have not been provided for in respect of:

- a. Letter of Credit for ₹ 2,97,05,559/- (Previous Year ₹ 9,13,59,194/-).
- b. Bank Guarantees for ₹ 2,31,82,821/- (Previous Year ₹ 5,86,87,179/-).
- c. The Company has imported various machineries under EPCG concessional duty scheme and the aggregate duty saved amount is ₹ 2,55,62,950/- (previous year ₹ 2,40,66,507/-). The Company is to fulfil export obligations within the stipulated time.
- d. The following litigations against the company are pending as on date:

S. No.	Name of Party / Department	Nature	Amount involved (in ₹)	Pending before
1.	M/s Gateway Carrying Corporation, Delhi	Petition pending for hearing before the Hon'ble High Court, Jaipur under Section 433(e), 434 & 439(1) of the Companies Act, 1956.	37,14,200/-	Rajasthan High Court, Jaipur Bench, Jaipur
2.	Mr. Badri Kesarvilas, Mr. Nand Lal Gurjar, Mr. Ram Prasad Mal and Mr. Suja	Claim against supply of alleged inferior quality of goods	3,05,000/-	District Consumers' Redressal Forum, Tonk, Rajasthan
3	Income Tax Department, Jaipur	Appeal filed against certain additions and disallowances made in respect of the assessment year 2009-10	5,07,730/-	CIT Appeal - II, Jaipur, Rajasthan
4	Securities & Exchange Board of India, Mumbai.	SEBI Ex parte interim order dated December 28, 2011 pursuant to section 11(1), 11(4) and 11(B) and regulation 11 of SEBI (Prohibition of Fraudulent & Unfair Trade Practices relating to Securities Market) Regulations, 2003 in the matter of initial public offering of the Company.		SEBI, Mumbai

2. The company has not received any intimation from its suppliers being registered under Micro, Small and Medium Enterprises Development Act, 2006. Hence, the disclosure relating to amount unpaid as at the end of the year together with interest paid/payable under this Act have not been disclosed separately.
3. Closing Stock of finished goods includes excise duty of ₹ 36,87,471/- (previous year ₹ 9,28,501/-).
4. The revised Schedule VI as notified under the Companies Act, 1956, has become applicable to the Company for presentation of its financial statements for the year ending March 31, 2012. The adoption of the revised Schedule VI requirements has significantly modified the presentation and disclosures which have been complied with in these financial statements. Accordingly, previous year figures have been reclassified in accordance with current year requirements.
5. In the opinion of the Board, Loans & Advances, Sundry Debtors and other Current Assets, if realised in the ordinary course of business, have the value at which they are stated in the Balance Sheet.
6. Balance of Sundry creditors, sundry debtors and loans and advances are subject to verification.
7. The company has charged to the P&L Account final balance lying in preliminary expenses ₹ 1,00,001/- (Previous Year ₹ 1,37,352/-) during the year. The share issue expenses amounting to ₹ 4,04,20,200/- (previous year – nil) has been fully charged from the securities premium account.
8. The Company is having balance of ₹ 8,940/- in its IPO – Refund Account which is pending for refund due to non-presentation of refund order by the investor.
9. The buyer credit loan taken in foreign currency for the purchase of fixed assets has been re-stated at the exchange rate prevailing as on Balance Sheet date. In view of MCA notification dated December 29, 2011 under AS 11, the Company has capitalized the exchange loss arising due to such re-statement amounting to ₹ 92,89,559/- (previous year – nil) after the same has been put to use and will be depreciated over the balance life of the assets. This has resulted into the increase in gross block of assets. Had this not been capitalized, the loss would have been higher by ₹ 92,89,559/-.
10. The company has been awarded a work order under Narmada Canal Project. The sales under this project have been recorded on the basis of invoice issued from time to time instead of running bills made by concerned authorities. The expenses incurred on this work side at Sanchor and the payments received in accordance with running bills is directly accounted for in the project account which is not forming part of Revenue Accounts.
11. The Company has a defined benefit gratuity plan. Every employee who has completed five years of more of service gets a gratuity on departure at 15 days last drawn salary for each completed year of service. The scheme is funded with LIC in the form of a qualifying insurance policy. Gratuity expense has been provided as per actuarial valuation made by the LIC under projected unit credit method.

The information in respect of employee benefits for gratuity as per As 15 managed by LIC is as under:

Particulars	For the year ended March 31, 2012
<b>1. Assumptions</b>	
Discount Rate	8.00%
Salary Escalation	7.00%
<b>2. Table showing changes in present value of Obligations</b>	
Present value of obligations as at beginning of year	534285
Interest Cost	42743
Current Service Cost	284877
Benefits Paid	--
Actuarial Gain/(Loss) on Obligations	13396
Present value of Obligations as at end of year	848509
<b>3. Table showing changes in the fair value of Plan Assets</b>	
Fair value of Plan Assets as at beginning of year	845016
Expected return on Plan Assets	97892
Contributions	688498
Fair value of Plan Assets as at end of year	1631406
Funded Status	782897
Actual return on Plan Assets	97892
<b>4. Actuarial Gain/Loss recognized</b>	
Actuarial Gain/(Loss) for the year - Obligations	13396
Actuarial Gain/(Loss) for the year - Plan Assets	--
Total Gain/(Loss) for the year	13396
Actuarial Gain/(Loss) recognized in the year	13396
<b>5. Amounts to be recognized in the Balance Sheet</b>	
Present value of obligations as at the end of year	848509
Fair value of Plan Assets as at the end of year	1631406
Funded Status	782897
Net Asset/(Liability) recognized in Balance Sheet	(782897)
<b>6. Expenses Recognized in Statement of Profit &amp; Loss</b>	
Current Service Cost	284877
Interest Cost	42743
Expected return on Plan Assets	(97892)
Net Actuarial Gain/(Loss) recognized in the year	13396
Expenses recognized in Statement of Profit & Loss	216332

The previous year figures are not available as the same has not been provided by the LIC.

- 12.** Raw Material & stores are valued at cost and finished goods are valued at lower of cost and net realizable value ascertained on first in first out basis.

Cost of Inventories comprise of all cost of purchase, cost of conversion and other cost incurred in bringing them to there present location and condition.

Net realizable value is calculated on the basis of estimated sales price in the ordinary course of business less estimated gross profit margin.

The inventories have been physically verified by the management and day to day stock register has been maintained by the company as per Central Excise Rules only. The quantity and value of the same has been certified by the management. The Closing stock of finished goods has been valued including Excise Duty.

13. Deferred Tax liability/Asset in view of Accounting Standard – 22: "Accounting for Taxes on Income" as at the end of the current year is as under:

(in ₹)

Particulars	As at March 31, 2011	Credit/ (Charges) for the current year	As at March 31, 2012
<b>Timing Differences on account of:</b>			
<b>Deferred Tax:</b>			
DTL on Depreciation on Assets	2,25,883	89,77,907	92,03,790
DTA on current year loss	Nil	(92,03,790)	(92,03,790)
<b>Deferred Tax Liability (Net)</b>	<b>2,25,883</b>	<b>(2,25,883)</b>	<b>-</b>
Previous Year	3,01,058	(75,175)	2,25,883

Deferred tax assets are recognized and carried forward only to the extent that there is a virtual certainty of realization of such assets. In view of unabsorbed losses and depreciation for the year, deferred tax asset has been recognized to the extent of balance of deferred tax liability as at the year end. Accordingly, deferred tax liability existing at the beginning of the year has also been written back.

14. **Prior period items:**

All material items of Income / Expenditure pertaining to prior period are accounted separately. However Miscellaneous expenses includes prior period expenses of ₹ 2,95,603/-. Other operating revenue includes prior period income of ₹ 8,83,423/-.

15. Auditors' Remuneration:

(in ₹)

Particulars		For the year ended March 31, 2012	For the year ended March 31, 2011
a.	Statutory Audit Fees	2,24,720	1,26,845
b.	Tax Audit Fees	56,180	44,120
c.	In Other Capacity	-	22,060
d.	Reimbursement of Expenses	6,715	-
<b>Total</b>		<b>2,87,615</b>	<b>1,93,025</b>

16. Details of Foreign Currency Exposure not hedged :

(in ₹)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Foreign Currency Loan</b>		
Buyer Credit Loan (in USD)	14,30,214	2,52,200
Equivalent INR of Buyer Credit Loan	7,36,45,721	1,16,46,596
<b>Trade Payables &amp; Other Current Liabilities</b>		
Trade Payable (in USD)	38,800	38,800
Interest accrued but not due (in USD)	17,976	1,833
Equivalent INR of Trade Payables & Other Current Liabilities	29 23,914	18,17,077



**17. Earnings Per Share :**

Earnings per Share have been calculated as under:

(in ₹)

Sl. No.	Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
A	Number of Shares at the beginning of the year	1,36,26,172	82,10,268
B	Shares issued during the year		
	– Bonus Issue	--	41,05,134
	– Allotment	1,00,00,407	13,10,770
C	Total Number of equity shares outstanding at the end of the year	2,36,26,579	1,36,26,172
D	Weighted average number of equity shares outstanding during the year	1,83,80,464	1,31,30,349
E	Net profit after tax available for equity shareholders (in ₹)	(3,04,51,703)	6,90,30,763
F	Basic earnings per share (₹)	(-) 1.65	5.26
G	Diluted earnings per share (₹)	(-) 1.65	5.26

**18. Details regarding imported and indigenous materials consumed during the year:**

(in ₹)

Particulars	Imported		Indigenous	
	% to total consumption	Value	% to total consumption	Value
Raw Material				
- Current Year	2.13	1,63,46,102	97.87	74,99,90,902
- Previous Year	40.56	33,83,64,495	59.44	49,57,92,464
Stores & Spare parts				
- Current Year	46.85	14,38,534	53.15	16,32,215
- Previous Year	--	--	100%	25,44,564

**19. C.I.F. Value of Imports:**

(in ₹)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Raw Material	1,61,00,617	33,83,64,495
Stores & consumables	48,17,929	
Capital Goods	8,49,32,833	3,11,55,228
<b>Total</b>	<b>10,58,51,379</b>	<b>36,95,19,723</b>

**20. Earnings in Foreign Exchange:**

(in ₹)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Export of Goods on FOB basis	39,97,180	2,11,82,114

**21. Expenditure in Foreign Currency:**

(in ₹)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest on Buyer Credit Loan	16,61,320	84,657
Overseas Consignee Expenses	-	1,39,18,629

**22. Segment Reporting :**

The Company has considered business segment for reporting purpose, primarily based on customer category. The product considered for each business segment is 1) Pipes includes HDPE/PVC Pipe, irrigation system; 2) Textile includes Yarn.

(in ₹)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
<b>Segment Revenue (Net Sales / Income)</b>		
- Pipes	78,66,31,365	1,12,29,49,426
- Textiles	13,43,24,980	-
- Unallocated	60,73,906	-
<b>Total</b>	<b>92,70,30,251</b>	<b>1,12,29,49,426</b>
Less: Inter Segment Revenue	-	-
<b>Net Sales / Income from Operations</b>	<b>92,70,30,251</b>	<b>1,12,29,49,426</b>
Segment Results (Profit before interest & tax)		
- Pipes		
- Textiles	5,49,63,185	12,66,64,475
- Unallocated	(2,95,69,030)	-
	-	-
<b>Total</b>	<b>2,53,94,155</b>	<b>12,66,64,475</b>
Interest Expenses	4,59,79,153	2,28,02,887
Less : Un-allocable expenditures out of un-allocable income	1,00,92,588	-
<b>Profit before tax</b>	<b>(3,06,77,586)</b>	<b>10,38,61,588</b>
Tax provision current & deferred	2,25,883	(3,48,30,825)
<b>Profit after tax</b>	<b>(3,04,51,703)</b>	<b>6,90,30,763</b>
<b>Other Information</b>		
Segment Assets		
- Pipes	60,71,29,460	54,13,34,966
- Textiles	59,17,06,522	15,41,73,845
Capital Expenditures	18,31,15,980	12,77,24,360
Other Assets	8,91,64,729	3,07,63,027
Segment Liability		
- Pipes	11,25,87,184	19,28,06,358
- Textiles	13,22,53,063	9,46,02,066
Other Liability	33,56,89,262	20,89,25,704

**23. Related Party Transactions :**

As per Accounting Standard-18 on "Related Party Disclosures", the transactions entered into with the related parties are disclosed below which were entered in the ordinary course of business:

(a) Names of the related parties with whom transactions were entered into during the year:

**1. Companies under the same Management:**

- a) Tijaria Industries Limited
- b) Tijaria International Limited
- c) Tijaria Vinyl Private Limited

**2. Key Management Personnel:**

- Mr. Alok Jain Tijaria - Managing Director
- Mr. Vikas Jain Tijaria - Whole Time Director
- Mr. Praveen Jain Tijaria - Whole Time Director
- Mr. Vineet Jain Tijaria - Whole Time Director

**3. Relatives to Key Management Personnel:**

- a) Mrs. Anu Jain Tijaria
- b) Mrs. Purnima Jain Tijaria
- c) Mrs. Reema Jain Tijaria
- d) Mrs. Sonal Jain Tijaria
- e) Mr. Ramesh Jain Tijaria
- f) Mrs. Maya Jain
- g) Mrs. Kunti Jain

Transaction with Related Party						
Description	Key Management Personnel		Companies under the same Management		Relatives of Key Management Personnel	
	For the year ended		For the year ended		For the year ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Remuneration	9600000	6000000	-	-	-	-
Rent Expenses	360000	360000	120000	120000	-	-
Issue of Bonus Shares		19367240		21680100		4000
Loans & Advances Received	-	-	44100384	11500000	-	800000
Loans & Advances paid	-	-	46208161	5371061	-	671000
Allotment of Equity Shares at Premium	-	-		85200050	-	-
Share Application Money Received	-	-		10200050	-	-
Unsecured Loan Received	15500000	19152915	-	-	300000	8550000
Unsecured Loan paid	23999809	10653106	-	-	6745752	2104000
Dividend Paid	8715259	5810172	11722200	6504030	1800	1200
<b>Outstanding Balance at the year end - (Dr)/Cr</b>	-	-	-	-	-	-
Loans & Advances	-	-	14400000	16507777	-	-
Unsecured Loan		8499809				6445750
Rent Payable	27000	324000	10000	-		
Remuneration Payable	57026	540000				

24. The company has raised an amount of ₹ 60,00,24,420/- through IPO which was subscribed by the public between 27.09.2011 to 29.09.2011 .

On receipt of such IPO proceeds company was under an obligation to utilize the proceeds as per prospectus filed before the SEBI. However, an enquiry is pending before the SEBI with regard to the utilization of funds which is still subjudice hence we have not commented upon the utilization of IPO proceeds.

Vide letter No. WTM/PS/ID2/146/Dec/2011 dated 28<sup>th</sup> December, 2011, SEBI has directed the company to (Deposit) the IPO proceeds to the tune of ₹ 45.40 Crores in a Escrow Account within a specified time limit within 7 (seven) days, which has not been done and as informed by the Management, the company is taking appropriate action on the matter.

25. The company has adopted the rate of Indian Rupees as 51.50 per Dollar as conversion rate which has been prescribed by the customs department vide Notification No. 26/2012 dated 28.03.2012 for the month of April, 2012, which in the opinion of the management was more appropriate to give a true and fair view. Further the rate prescribed by the customs department for the month of March, 2012, would have adverse effect as the 31.03.2012 is the last effective day of such rate and hence rate as on 01.04.2012 has been considered.
26. The company has received subsidy of ₹ 24,18,785/- (Previous Year Nil) from Sales Tax Department and sum of ₹ 1,67,200/- (Previous Year ₹ 4,75,000/-) received from Agriculture & Processed Food Products Export Development Authority.
27. All the figures are rounded off to the nearest rupee.

Signature to Note 1 to 27 annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2012 and the Statement of Profit and Loss for the year ended on that date.

As per our audit report of even date

**For LOKENDRA SHARMA & CO.**

Chartered Accountants

FRN : 006684C

**Lokendra Sharma**

Partner

M. No. 75502

Place : Jaipur

Date : May 30, 2012

For and on behalf of the Board

**Tej Kumar Jain**  
Finance Manager &  
Company Secretary

**Alok Jain Tijaria**  
Managing Director

**Vikas Jain Tijaria**  
Executive Director

**Vineet Jain Tijaria**  
Executive Director



# Tijaria Polypipes Ltd.

Registered Office : A-130 (E), Road No. 9-D  
 Vishwakarma Industrial Area, Jaipur-302013, India  
 e-mail : info@tijaria-pipes.com • Web : www.tijaria-pipes.com

## ATTENDANCE SLIP

<b>Folio No.</b>	
<b>DP Id</b>	
<b>Client Id No.</b>	

I certify that I am Registered Shareholder/Proxy for Registered Shareholder of Company holding \_\_\_\_\_ shares. I hereby record my presence at the 6th Annual General Meeting of the Company at SP-1-2315-2316, RIICO Industrial Area, Ramchandrapura, Sitapura Extension, Jaipur-302022 on Monday, the 17th day of Sep., 2012 at 11.30 A.M.

<b>Member's / Proxy's name in block letters</b>	<b>Member's / Proxy's Signature</b>
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- NOTES :**
1. Shareholder/Proxy wishing to attend the meeting must bring the Attendance Slip to the meeting and handover the same duly signed, at the entrance of the meeting hall.
  2. Shareholders/Proxy desiring to attend the meeting are advised to bring copy of the Annual Report for reference at the meeting.

# Tijaria Polypipes Ltd.

Registered Office : A-130 (E), Road No. 9-D  
 Vishwakarma Industrial Area, Jaipur-302013, India  
 e-mail : info@tijaria-pipes.com • Web : www.tijaria-pipes.com

## PROXY FORM

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a Member/Members of the above named company, hereby appoint to \_\_\_\_\_ as my/our proxy to vote for me/us and on my/our behalf at the 6th Annual General Meeting of the company, to be held at SP-1-2315-2316, RIICO Industrial Area, Ramchandrapura, Sitapura Extension, Jaipur-302022, on Monday, the 17th day of September, 2012 at 11.30 A.M. or any adjournment thereof.  
 Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

Folio No./Client No. \_\_\_\_\_

Number of Share held: \_\_\_\_\_

Signature \_\_\_\_\_

Affix  
1 Rupee  
Revenue  
Stamp

Note: The Proxy must be received so as to reach at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

