



Annual Report 2012-13



PRECISION PIPES AND PROFILES CO. LTD.



PRECISION PIPES AND PROFILES CO. LTD.

Automotive Sealing Systems; Interior & Exterior Products

PRODUCT RANGE	
EXTRUDED PRODUCTS	TPO / PVC PRODUCTS
	OUTER / INNER BELT MOLDING
	WINDSHIELD MOLDING
	ROOF MOLDING
	SLIDE RAIL
	DOOR OPENING TRIM
	AIR SPOILER / DAMPNER
	GLASS RUN CHANNEL
	EPDM PRODUCTS
	BACK DOOR SEAL / DOOR OPENING SEAL/ TRIM DOOR OPENING / SPECIAL PROFILES
INJECTION MOLDED PRODUCTS	GAS ASSISTED / ENGINEERING PLASTIC PRODUCTS
	DOOR TRIM / DOOR LINING ASSEMBLY
	BUMPERS / INSTRUMENT PANEL
	INTERIOR / IN CABIN PRODUCTS
	EXTERIOR / UNDER BODY PRODUCTS
	A/B/C PILLAR GARNISH
	QUARTER GLASS MOLDING
	SPECIAL PRODUCTS
	DOOR SIDE PROTECTORS

TECHNOLOGY PARTNERS

AUTOMOTIVE SEALING SYSTEM		TOKAI KOGYO CO. LTD, JAPAN (SINCE 1989)
INTERIOR AND EXTERIOR INJECTION MOLDED PRODUCTS		NISSEN CHEMITECH CORPORATION, JAPAN (SINCE 2007)

CERTIFICATIONS

		
QUALITY TS 16949	ENVIRONMENT ISO 14001	HEALTH & SAFETY OHSAS 18001
Integrated Management System		

CORPORATE INFORMATION

BOARD OF DIRECTORS

(as on July 6, 2013)

Mr. Devendra Chandra Jain	Chairman
Mr. Ajay Kumar Jain	Managing Director
Mr. Ashok Kumar Aggarwal	Non-Executive Independent Director
Mr. Manmohan Singh Kapur	Non-Executive Independent Director
Mr. Pravin Kumar Gupta	Non-Executive Independent Director
Mr. Abhishek Jain	Whole Time Director

CHIEF FINANCIAL OFFICER

Mr. Manish Dhariwal

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Sonia Bhandari

STATUTORY AUDITORS

M/s Dharam Taneja Associates
Chartered Accountants

BANKERS

ICICI Bank Ltd.
CITI Bank N.A.
State Bank of India
Allahabad Bank
HDFC Bank
YES Bank

REGISTERED OFFICE

54, Okhla Industrial Estate,
Phase-III, New Delhi-110020

CORPORATE OFFICE

B206A, Sector 81, Phase-II,
Noida-201305 (U.P.)

REGISTRAR AND SHARE TRANSFER AGENT

M/s Link Time India Pvt. Ltd.
44, Community Centre, 2nd Floor,
Naraina Industrial Area, Phase-I,
New Delhi-110028

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PRECISION PIPES AND PROFILES COMPANY LIMITED

NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the members of **PRECISION PIPES AND PROFILES COMPANY LIMITED** will be held on, **Friday, the 9th day of August 2013 at 11.00 A.M** at The Executive Club, Dolly Farms and Resorts Private Limited, 439 Village Shahoorpur, P.O. Fatehpur Beri, New Delhi – 110074 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Devendra Chandra Jain, who retires by rotation and, being eligible offers himself for re-appointment.
3. To appoint Statutory Auditors of the Company and to fix their remuneration and in this regard, if thought fit, to pass with or without modifications, the following Resolution as an **Ordinary Resolution**:-

"RESOLVED THAT pursuant to the provisions of Sections 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s. O. P. Bagla & Co., Chartered Accountants, New Delhi (Firm Registration No. 000018N), be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be fixed by the Board of Directors, in place of M/s. Dharam Taneja Associates, Chartered Accountants, New Delhi, Auditors of the Company who retire at the conclusion of this Annual General Meeting of the Company and have expressed their unwillingness for re-appointment as such."

SPECIAL BUSINESS

4. **Appointment of Mr. Pravin Kumar Gupta as a Director, liable to retire by rotation:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT Mr. Pravin Kumar Gupta, who was appointed as an Additional Director of the Company with effect from May 8, 2013 pursuant to Section 260 and other relevant provisions of the Companies Act, 1956 and Article 134 of the Articles of Association of the Company, holds office up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing pursuant to Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

5. **Re-appointment of Mr. Ajay Kumar Jain, as a Managing Director of the Company**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and all guidelines for managerial remuneration issued by the Central Government from time to time, and such other consents and approvals as may be required, consent of the shareholders be and is hereby accorded for the re-appointment of Mr. Ajay Kumar Jain, as Managing Director of the Company, for a period of 3 (three) years with effect from November 1, 2012 till October 31, 2015, including payment of remuneration, on the terms and conditions as set out herein below:

A Salary :

Rs. 2.00 Lac per month with the authority to the Board of Directors (hereinafter referred to as the 'Board' which term shall include a duly constituted Committee of Directors) to determine the salary and grant increases from time to time taking into account the performance of the Company, subject however to a ceiling of Rs. 10.00 Lac per month. Salary to include basic salary and estimated variable pay.

B Perquisites :

Mr. Ajay Kumar Jain will be entitled to perquisites, allowances, benefits, facilities and amenities (collectively "allowances & perquisites") including furnished residential accommodation or house rent allowance in lieu thereof, utility allowance, medical reimbursement, holiday travel/leave travel reimbursement/allowance, membership fees for clubs (including admission & membership fee), Personal Accident Insurance and Group Term Assurance and medical benefits for self and family, group and any other "allowances & perquisites" as per the policy/rules of the Company in force and/or as may be approved by the Board from time to time provided that aggregate value of such allowances & perquisites shall not exceed Rs. 60 Lac (Rs. Sixty Lacs only) per annum. Allowances & Perquisites to be valued as per the Income-tax rules, wherever provided and/or applicable and at actual cost to the Company in other cases.

In addition to the above, he will also be entitled to the following benefits as per policy/rules of the Company in force or as may be approved by the Board from time to time:

(i) Company maintained car with driver; (ii) Telephone at residence; (iii) Company's contribution to Provident Fund and Superannuation Fund; (iv) Payment of gratuity and other retiral benefits and (v) Leave encashment.

The Board is authorized to fix actual remuneration and revise it from time to time within the aforesaid ceilings and in accordance with the provisions of the Companies Act, 1956.

RESOLVED FURTHER THAT so long as Mr. Ajay Kumar Jain functions as the Managing Director of the Company, he will not be paid any fees for attending the meetings of the Board of Directors or any Committee thereof.

RESOLVED FURTHER THAT where in any financial year the Company has no profits or inadequate profits, the remuneration as decided by the Board from time to time, within the limits specified under para 2 of Section II, Part II of Schedule XIII to the Companies Act, 1956, shall be paid to Mr. Ajay Kumar Jain as minimum remuneration with the approval of the Central Government, if required.

RESOLVED FURTHER THAT Mr. Ajay Kumar Jain will also be allowed remuneration by way of Commission in addition to Basic Salary, Perquisites and any other allowances, benefits or amenities as mentioned hereinabove subject to the condition that the amount of commission shall not exceed 1% of the net profit of the Company in a particular financial year as computed

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in the manner referred to in Section 198 of the Companies Act, 1956, taking into account the performance of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable for purpose of giving effect to the foregoing resolution, and to settle any question, difficulty or doubt that may arise in the said regard."

6. Modification in the terms of Appointment of Mr. Abhishek Jain, Whole Time Director of the Company

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and all guidelines for managerial remuneration issued by the Central Government from time to time, and such other consents and approvals as may be required, consent of the shareholders be and is hereby accorded for the modification in the terms of appointment of Mr. Abhishek Jain, Whole Time Director of the Company, for the remaining period of his office to be effective from August 1, 2013 till June 2, 2015, including payment of remuneration, on the terms and conditions set out herein below:

A Salary :

Rs. 1.25 Lac per month with the authority to the Board of Directors (hereinafter referred to as the 'Board' which term shall include a duly constituted Committee of Directors) to determine the salary and grant increases from time to time taking into account the performance of the Company, subject however to a ceiling of Rs. 7.5 Lac per month. Salary to include basic salary and estimated variable pay.

B Perquisites :

Mr. Abhishek Jain will be entitled to perquisites, allowances, benefits, facilities and amenities (collectively "allowances & perquisites") including furnished residential accommodation or house rent allowance in lieu thereof, education allowance, utility allowance, medical reimbursement, holiday travel/leave travel reimbursement/allowance, membership fees for clubs (including admission & membership fee), Personal Accident Insurance and Group Term Assurance and medical benefits for self and family, group and any other "allowances & perquisites" as per the policy/rules of the Company in force and/or as may be approved by the Board from time to time provided that aggregate value of such allowances & perquisites shall not exceed Rs. 45 Lacs (Rs. Forty five lacs) per annum. Allowances & Perquisites to be valued as per the Income-tax rules, wherever provided and/or applicable and at actual cost to the Company in other cases.

In addition to the above, he will also be entitled to the following benefits as per policy/rules of the Company in force or as may be approved by the Board from time to time:

- (i) Company maintained car with driver; (ii) Telephone at residence; (iii) Company's contribution to Provident Fund and Superannuation Fund; (iv) Payment of gratuity and other retiral benefits and (v) Leave encashment.

The Board is authorized to fix actual remuneration and revise it from time to time within the aforesaid ceilings and in accordance with the provisions of the Companies Act, 1956.

RESOLVED FURTHER THAT so long as Mr. Abhishek Jain functions as the Whole Time Director of the Company, he will not be paid any fees for attending the meetings of the Board of Directors or any Committee thereof.

RESOLVED FURTHER THAT where in any financial year the Company has no profits or inadequate profits, the remuneration as decided by the Board from time to time, within the limits specified under para 2 of Section II, Part II of Schedule XIII to the Companies Act, 1956, shall be paid to Mr. Abhishek Jain as minimum remuneration with the approval of the Central Government, if required.

RESOLVED FURTHER THAT Mr. Abhishek Jain will also be allowed remuneration by way of Commission in addition to Basic Salary, Perquisites and any other allowances, benefits or amenities as mentioned hereinabove subject to the condition that the amount of commission shall not exceed 1% of the net profit of the Company in a particular financial year as computed in the manner referred to in Section 198 of the Companies Act, 1956, taking into account the performance of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable for purpose of giving effect to the foregoing resolution, and to settle any question, difficulty or doubt that may arise in the said regard."

By the order of the Board
For **Precision Pipes and Profiles Company Limited**

Sonia Bhandari
Company Secretary

Place: Noida
Date: July 6, 2013

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (the "MEETING") IS ALSO ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. A blank Proxy Form is enclosed with this notice and if intended to be used, the Proxy Form duly stamped and completed must be deposited at the Registered/Corporate Office of the company not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of Companies, societies etc. must be supported by appropriate resolution/ authority as applicable.
3. Members/Proxies are requested to bring a copy of this notice as no copies will be made available at the Meeting. Under no circumstances, photocopies of the admission slip will be allowed for admission to the Meeting place.
4. As an austerity measure, copies of Annual Report will not be distributed at the Meeting place. The members are, therefore requested to bring their Annual Report. Those members who have not received the copies of Annual Report can collect their copies from the Registered/Corporate Office of the Company.

PRECISION PIPES AND PROFILES COMPANY LIMITED

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5. Members/proxies should bring their attendance slips duly filled in for attending the meeting.
6. Corporate members intending to send their authorized representatives to attend the Meeting are requested to submit a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the Meeting.
7. Explanatory statement pursuant to the provision of Section 173(2) of the Companies Act, 1956, in respect of Special Business as set out in the notice is annexed hereto.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, August 6, 2013 to Friday, August 9, 2013 (both days inclusive).
9. The members desirous of seeking any information on the Accounts are requested to write to the Company at least a week before the meeting, so that the required information can be made available at the meeting.
10. All documents referred to in the accompanying notice are available for inspection at the Registered Office of the Company on all working days between 10.00 A.M. to 1:00 P.M. upto date of this meeting.
11. Members who wish to make nomination for the shares held in the Company may kindly send the details in the Form 23B as prescribed under the Companies Act, 1956 to the Registrar and Share Transfer Agent, **M/s Link Intime India Private Limited**.
12. Members who hold shares in electronic mode are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members who hold shares in physical mode are requested to intimate any change in their address and other details to the Company/ Company's Registrars and Transfer Agent.
13. **Pursuant to the provisions of section 205A of the Companies Act, 1956, as amended, read with Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, dividend which remains unpaid or unclaimed for a period of 7 (seven) years will be transferred by the Company to the Investor Education and Protection Fund. Members who have not so far encashed their dividend warrants are requested to make their claim by specifying their Folio No./ DP ID and Client ID to the Company for obtaining fresh instrument(s) in lieu of expired dividend warrant(s). Members are requested to please note that once the unclaimed dividend is transferred to the Investor Education and Protection Fund, no claim shall lie in respect thereof.**
14. **The Ministry of Corporate Affairs (MCA) has undertaken a "green initiative" by allowing paperless compliances by the companies vide its circulars dated April 21, 2011 and April 29, 2011. To take part in the above 'Green Initiative' of the Government in full measure, members who have not registered their e-mail addresses, so far are requested to register their e-mail addresses, in respect of electronic holdings with Depository through their concerned Depository Participant. This initiative is a step towards protection of environment and enabling faster communication with members.**

The members holding shares in physical form are requested to intimate their e-mail address to the Company's Registrars and Transfer Agent i.e. M/s Link Intime India Private Limited (RTA) either by e-mail at delhi@linkintime.co.in or by sending a communication to RTA at 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, New Delhi- 110028.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 4

Mr. Pravin Kumar Gupta was appointed as an Additional Director of the Company on May 8, 2013 pursuant to Section 260 of the Companies Act, 1956 and Article 134 of the Articles of Association of the Company. Mr. Pravin Kumar Gupta holds office upto the date of this Annual General Meeting.

Mr. Pravin Kumar Gupta has more than 25 years of experience in Accounts, Audit and Corporate Taxation field. He is currently a partner of K.S. Gupta & Co., Chartered Accountants. The Company has received a notice from a member signifying his intention to propose the appointment of Mr. Pravin Kumar Gupta as a Director of the Company along with a deposit of Rs.500/- (Rupees Five Hundred only) which shall be refunded to the member, if Mr. Pravin Kumar Gupta is elected as a Director.

Members' approval is sought by way of an ordinary resolution proposed under item no. 4.

None of the Directors, other than Mr. Pravin Kumar Gupta, is deemed to be concerned or interested in this resolution, as it relates to his appointment.

ITEM NO. 5

Mr. Ajay Kumar Jain was appointed as a Managing Director of the Company w.e.f. November 1, 2009 for a period of 3(three) years upto October 31, 2012. He has contributed significantly in the growth and development of the Company. In view of his contribution in the growth of the Company as well as to derive benefit from his rich and extensive experience in the Automotive sector, the Board of Directors on the recommendation of the Remuneration Committee and subject to approval of Shareholders has re-appointed Mr. Ajay Kumar Jain as Managing Director for a period of 3 (three) years with effect from November 1, 2012 till October 31, 2015 on the terms and conditions as set out in the proposed resolution.

Further, the Board of Directors of the Company at its meeting held on July 6, 2013 modified the terms of appointment of Mr. Ajay Kumar Jain, Managing Director of the Company. The said modification has been recommended by the Remuneration Committee at its meeting held on July 6, 2013 for the remaining period of his appointment to be effective from August 1, 2013 till October 31, 2015.

Members' approval is sought by way of a special resolution proposed under item no. 5.

None of the Directors, other than Mr. Ajay Kumar Jain, himself and Mr. Abhishek Jain, are deemed to be concerned or interested in this resolution.

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STATEMENT PURSUANT TO THE PROVISIONS OF SECTION II PART II OF SCHEDULE XIII TO THE COMPANIES ACT, 1956 IS AS FOLLOWS:

Sr.	Particulars					
I.	General Information					
	(1)	Nature of Industry	The Company is engaged in the business of manufacturing of automotive Body Sealing, Exterior & Interior parts. The Company is also engaged in the business of manufacturing of profiles for White Goods Industry and Mainline Power Distribution System.			
	(2)	Date of Commencement of business of the Company	November 1, 1995			
	(3)	Financial Performance of the Company based on given indicators	Rs. In Lakhs			
			Particulars	2012-13	2011-12	2010-11
			Revenue from operations	21,959.12	18740.81	20704.87
			Profit After Tax	153.99	1288.64	2716.67
	(4)	Export performance and net foreign exchange collaborations	Foreign Exchange Earning	70.32	218.32	565.75
	(5)	Foreign investments or collaborations, if any	Technical collaboration with Tokai Kogyo Co. Ltd, Japan and Nissen Chemitec Corporation, Japan The Company is a listed company and as on March 31, 2013, the foreign equity shareholding in the Company were 275,590 shares only.			
II.	Information about the Appointee					
	(1)	Background details	Mr. Ajay Kumar Jain is a founder and Managing Director of our Company. He is Commerce Graduate from Delhi University. He is a prominent person in the industry with long and varied experience of more than three decades. He is looking after the planning and production functions of the Automotive Division of the Company.			
	(2)	Past Remuneration	Over Rs. 27 Lacs per anum			
	(3)	Job Profile and Suitability	Overall responsibility of the Automotive Division of the Company			
	(4)	Remuneration proposed	As mentioned in the text of the Resolution No. 5 of the Notice			
	(5)	Comparative remuneration profile with respect to industry, size of the Company, Profile of the position and person	Considering the size of the Company's turnover, the remuneration proposed is in line with the industry standards.			
	(6)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Mr. Ajay Kumar Jain owns 2.14% equity stake of the Company and with his other family members and relatives control 62.95% of equity share capital of the Company. Mr. Ajay Kumar Jain is Brother of Mr. Devendra Chandra Jain and father of Mr. Abhishek Jain, Directors of the Company and they form part of promoter/promoter group of the Company.			
III.	Other Information					
	(1)	Reasons of loss or inadequate profits	High interest rates, volatility in exchange rates and slow down in the Auto Industry			
	(2)	Steps taken or proposed to be taken for improvement	Focus on revenue enhancement and reduction in cost.			
IV.	Remuneration package and other details		Remuneration package as mentioned in the text of the Resolution No. 5 of the Notice			

The above details may be considered as a statement under Section 302 of the Companies Act, 1956.

ITEM NO. 6

The Board of Directors of the Company at its meeting held on July 6, 2013 has modified the terms of appointment of Mr. Abhishek Jain, Whole Time Director of the Company on the recommendation of the Remuneration Committee of the Board for the remaining period of his appointment to be effective from August 1, 2013 till June 2, 2015.

Members' approval is sought by way of a special resolution proposed under item no. 6.

None of the Directors, other than Mr. Abhishek Jain, himself and Mr. Ajay Kumar Jain, are deemed to be concerned or interested in this resolution.

PRECISION PIPES AND PROFILES COMPANY LIMITED

STATEMENT PURSUANT TO THE PROVISIONS OF SECTION II PART II OF SCHEDULE XIII TO THE COMPANIES ACT, 1956 IS AS FOLLOWS:

Sr.	Particulars				
I.	General Information				
(1)	Nature of Industry	The Company is engaged in the business of manufacturing of automotive Body Sealing, Exterior & Interior parts. The Company is also engaged in the business of manufacturing of profiles for white goods industry and mainline power distribution system.			
(2)	Date of Commencement of business of the Company	November 1, 1995			
(3)	Financial Performance of the Company based on given indicators	Rs. In Lakhs			
		Particulars	2012-13	2011-12	2010-11
		Revenue from operations	21,959.12	18740.81	20704.87
		Profit After Tax	153.99	1288.64	2716.67
(4)	Export performance and net foreign exchange collaborations	Foreign Exchange Earning	70.32	218.32	565.75
(5)	Foreign investments or collaborations, if any	Technical collaboration with Tokai Kogyo Co. Ltd, Japan and Nissen Chemitec Corporation, Japan			
		The Company is a listed company and as on March 31, 2013, the foreign equity shareholding in the Company were 275,590 shares only.			
II.	Information about the Appointee				
(1)	Background details	Mr. Abhishek Jain is Whole Time Director of our Company. He is Bachelor of Science in Industrial Engineering from Purdue University, West Lafayette, USA. He has an experience of approx. nine years. He is looking after the production, marketing and quality control of automotive division of the Company.			
(2)	Past Remuneration	Over Rs. 17 Lacs per anum			
(3)	Job Profile and Suitability	Responsible for production, marketing and quality control of the Automotive Division of the Company			
(4)	Remuneration proposed	As mentioned in the text of the Resolution No. 6 of the Notice			
(5)	Comparative remuneration profile with respect to industry, size of the Company, Profile of the position and person	Considering the size of the Company's turnover, the remuneration proposed is comparable with the similar position in the industry.			
(6)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Mr. Abhishek Jain owns 2.14% equity stake of the Company and with his other family members and relatives control 62.95% of equity share capital of the Company. Mr. Abhishek Jain is son of Mr. Ajay Kumar Jain and nephew of Mr. Devendra Chandra Jain, Directors of the Company and they form part of promoter/promoter group of the Company.			
III.	Other Information				
(1)	Reasons of loss or inadequate profits	High interest rates, volatility in exchange rates and slow down in the Auto Industry			
(2)	Steps taken or proposed to be taken for improvement	Focus on revenue enhancement and reduction in cost.			
IV.	Remuneration package and other details				
		Remuneration package as mentioned in the text of the Resolution No. 6 of the Notice			

The above details may be considered as a statement under Section 302 of the Companies Act, 1956.

By the order of the Board
For **Precision Pipes and Profiles Company Limited**

Place: Noida
Date: July 6, 2013

Sonia Bhandari
Company Secretary

Information to Shareholders in pursuance of Clause 49(IV) (G) of Listing Agreement with reference to Appointment/ Reappointment of Directors.

1. Mr. Devendra Chandra Jain

Date of Birth	August 4, 1941
Qualification	Commerce Graduate from Delhi University
Expertise in Specific Functional area	He has more than 50 years of experience of Auto Component and Refrigeration Industry. He is associated with the business of the Company since its inception as a Partnership Firm in 1978.
Directorship in other Companies (as on March 31, 2013)	<ul style="list-style-type: none"> - Ajay Poly Pvt. Ltd - Ajay Industrial Corporation Ltd - Seiki Auto India Pvt. Ltd - GLJ Realty Pvt. Ltd. - Encraft India Pvt. Ltd. - A.I.C (Plastics) Pvt. Ltd - Nutra Foods (India) Pvt. Ltd - Ajay Industrial Polymers Pvt. Ltd
Committee positions held in Precision Pipes and Profiles Company Limited	Nil
Committee position held in other public limited companies*	Nil
Relationship between Directorship Inter-se	Ajay Kumar Jain - Brother Abhishek Jain - Brother's Son
Shareholding in the Company	29,70,000 Equity Shares (holding in the name of Devendra Chandra Jain HUF as Karta)

2. Mr. Pravin Kumar Gupta

Date of Birth	January 24, 1962
Qualification	He is a Fellow Member of the Institute of Chartered Accountants of India.
Expertise in Specific Functional area	He is a Managing Partner and a key person of K.S. Gupta & Co., Chartered Accountants (Est.: 1955). Mr. Gupta has more than 25 years of experience in both large and SME segments in manufacturing and Service Industries. He has wide and in depth knowledge and experience in the field of Corporate Finance and Taxation, Accounts, Audit, and Indirect Tax Laws.
Directorship in other Companies	NIL
Committee positions held in Precision Pipes and Profiles Company Limited*	Member of Audit Committee
Committee position held in other public Limited Companies*	NIL
Relationship between Directorship Inter-se	NIL
Shareholding in the Company	NIL

3. Mr. Ajay Kumar Jain

Date of Birth	December 3, 1954
Qualification	Commerce Graduate from Delhi University
Expertise in Specific Functional area	He has more than 40 years of experience. He started his career as partner in Ajay Industrial Corporation in 1972. He is responsible for the Planning and Marketing functions of the automotive division of the Company.
Directorship in other Companies (as on March 31, 2013)	<ul style="list-style-type: none"> - Seiki Auto India Private Limited - A.I.C. (Plastics) Private Limited - Ajay Industrial Corporation Ltd - Kalindi Farms Private Limited - Nutra Foods (India) Pvt. Ltd - Ajay Industrial Polymers Pvt. Ltd - Arhaan Holdings Private Limited - Ajay Kumar Jain Holdings Private Limited - PPAP Tokai India Rubber Private Limited
Committee positions held in Precision Pipes and Profiles Company Limited*	Member of Audit and Investors' Grievance Committee
Committee position held in other public limited companies*	Nil
Relationship between Directorship Inter-se	Devendra Chandra Jain - Brother Abhishek Jain - Son
Shareholding in the Company	3,00,000 Equity Shares 90,000 Equity Shares (holding in the name of Ajay Kumar Jain HUF as Karta)

* Committee positions of only Audit and Shareholders'/Investors' Grievance Committee included.

PRECISION PIPES AND PROFILES COMPANY LIMITED

DIRECTORS' REPORT

Dear Members,
Precision Pipes and Profiles Company Limited

Your Directors are pleased to present their Eighteenth Annual Report together with the Audited Statement of Accounts for the Financial Year ended March 31, 2013.

Financial Highlights

We are delighted to present the highlights of Financial Results of your Company for the year ended 31st March, 2013.

Rs. In lakhs

Particulars	For the year ended	
	31-Mar-13	31-Mar-12
Revenue from operations	21,959.12	18,740.81
Profit Before Depreciation and amortization expense	1,860.43	3,285.70
Less: Depreciation & Amortization	1,811.13	1,807.82
Profit/(Loss) before exceptional and extra-ordinary items and Tax	49.30	1,477.88
Exceptional items	8.66	66.91
Profit/ (Loss) before tax (PBT)	57.96	1,544.79
Les: Tax Expenses		
Current Tax	(7.28)	536.13
Deferred Tax	(88.75)	(279.98)
Profit/(Loss) for the period	153.99	1,288.64
Add : Profit brought forward from previous year	8,828.64	7,540.00
Profits carried forward to the following year	8,982.63	8,828.64

Business Operations

PPAP is the principal manufacturer of automotive Body Sealing, Exterior & Interior parts. PPAP is also engaged in the business of manufacturing of profiles for White Goods Industry and Mainline Power Distribution System.

The Company's esteemed customers include Maruti Suzuki India Limited, Honda Cars India Limited, General Motors (India) Limited, Toyota Kirloskar Motors, Renault Nissan Automotive India Private Limited, Tata Motors Limited, Ford India Private Limited, Mahindra and Mahindra Limited and International Cars and Motors Limited along with their Tier 1 suppliers. Your company has a technical collaboration with Tokai Kogyo Co. Ltd, Japan and Nissen Chemitec Corporation, Japan to develop automotive products. In the White Goods Industry, your Company develops customized profiles for Godrej, Voltas, Videocon and Carrier Refrigerators.

Your Company has achieved Total Sales (net of excise) of Rs. 21542.83 lakhs in the Financial Year ended March 31, 2013 as against Rs. 18464.34 lakhs in the previous year. Profit after tax for 2012-13 is Rs. 153.99 lakhs as compared to Rs. 1288.64 lakhs in 2011-12.

Market Scenario

The total car sales for the Indian Automotive Industry stood at 26,86,429 units in FY 2012-13 compared to 26,18,072 units FY 2011-12 [source: The Society of Indian Automobile Manufacturers (SIAM)].

In the last fiscal, the strike at Manesar plant of Maruti Suzuki India Ltd. (MSIL) and labour unrest at Argentum, Greater Noida of PAN India Motors Limited, resulted in reduction of customer orders.

In September 2012, car sales faced the second largest downside at 5.36 percent after the 22.39 percent dip witnessed in FY 2001-02 [source: SIAM]. The car industry is experiencing sluggish sales due to high interest rates, inflation, rising fuel prices and volatility in exchange rates.

Passenger car sales in India are forecast to grow at a rate of 3-5 per cent in the ongoing fiscal on expectations of an improvement in overall macro-economic conditions, despite witnessing a fall of 6.69 per cent during FY 2012-13. [source: SIAM]

Dividend

Your Company is focusing on enhancing its product portfolio and therefore your Company has decided to plough back the profits to realize the expansion plans in order to cater to the new business. Therefore, your company has not recommended any dividend for the Financial Year ended March 31, 2013.

Transfer to Reserves

Your Company has not made any transfer to the Reserves during the Financial Year 2012-13.

Transfer of 'White Goods Business Division' and 'Mainline Power Distribution System Business Division'

Subsequent to the year end, the Shareholders of the Company by way of Postal Ballot have given their approval under Section 293(1)(a) of the Companies Act, 1956 for transfer of the Company's 'White Goods Business Division' and 'Mainline Power Distribution System Business Division' as a going concern on slump sale basis, effective on such date as the Board deems fit for the Company, to 'Ajay Poly Private Limited' and 'Seiki Auto India Private Limited' respectively.

DIRECTORS' REPORT

Fixed Deposits

During the year under review, your Company has not invited or accepted any Fixed Deposits from the Public pursuant to the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

Change of Registered Office

The Registered Office of your Company has been shifted from '4561, Deputy Ganj, Sadar Bazar, Delhi – 110006' to '**54 Okhla Industrial Estate, Phase III, New Delhi-110020**' with effect from May 8, 2013.

Change of Corporate Office

The Corporate Office of your Company has been shifted from 'B-II/29, Mohan Co-operatives Industrial Estate Badarpur, New Delhi to '**B-206A, Sector – 81, Phase-II, Noida - 201305**' with effect from May 8, 2013.

Joint Venture

In line with the focus of your company to continuously develop new products, your company has entered into an equal partnership with Tokai Kogyo Co. Ltd. The name of the new company is "PPAP Tokai India Rubber Private Limited". It is 50:50 JV company with your company's technical collaborators "Tokai Kogyo Co. Ltd., Japan", with whom your company has a relationship for more than 25 years. The Company will manufacture Rubber Extrusion Products and TPO Glass Run Channel.

Directors

In terms of the provisions of the Companies Act, 1956 & the Articles of Association of the Company, Mr. Devendra Chandra Jain, Director of the Company shall retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offer himself for re-appointment.

Mr. Pravin Kumar Gupta was appointed as an Additional Director of the Company with effect from May 8, 2013. In accordance with the provisions of the Companies Act, 1956, Mr. Pravin Kumar Gupta, in his capacity as an Additional Director holds office up to the date of the forthcoming Annual General Meeting. The Company has received notice from a member of the Company under section 257 of the Companies Act, 1956, proposing the candidature of Mr. Pravin Kumar Gupta for the Directorship.

Mr. Ajay Kumar Jain, Managing Director of the Company was reappointed for a further period of three years with effect from November 1, 2012. The Board of Directors on the recommendation of the Remuneration Committee approved reappointment of Mr. Ajay Kumar Jain, as the Managing Director of the Company for a further period of three years commencing from November 1, 2012 subject to the approval of shareholders and such other approval as may be required.

Mr. Surender Kumar Tuteja, Mr. Brij Behari Tandon, Mr. Vinod Vaish and Mr. Kaushal Kumar Mathur, Directors of the Company resigned from the Board with effect from June 11, 2012, June 12, 2012, June 13, 2012 and June 26, 2012 respectively. The Board of Directors placed on record their appreciation for the valuable services and guidance provided by them during their tenure as Directors of the Company.

Brief resume/details of the Directors, who are to be appointed or re-appointed as mentioned herein above has been furnished alongwith the Notice of the ensuing Annual General Meeting. The Board recommends their appointment or re-appointment at the ensuing Annual General Meeting.

Directors' Responsibility Statement

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

- i. that in preparation of Annual Accounts for the financial year ended March 31, 2013, the applicable Accounting Standards have been followed;
- ii. that appropriate accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the profit of the Company for the financial year ended March 31, 2013;
- iii. that the 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; and
- iv. that the Annual Accounts for the year ended March 31, 2013 have been prepared on a going concern basis.

Management Discussion and Analysis Report

In terms of requirement of Clause 49 of the Listing Agreement with Stock Exchanges, 'Management Discussion and Analysis Report' is annexed and forms part of this Annual Report.

Corporate Governance

Your Company is committed to benchmarking itself with global standards for providing good Corporate Governance. The endeavor of the Company is not only to comply with the regulatory requirements but also practice good Corporate Governance that lays strong emphasis on integrity, transparency and overall accountability.

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a detailed report on Corporate Governance is annexed as a separate section and forms part of this Annual Report.

Auditors

The term of M/s DharamTaneja Associates, Chartered Accountants, New Delhi, as Statutory Auditors of the Company, expires at the conclusion of the forthcoming Annual General Meeting of the Company. M/s. DharamTaneja Associates have expressed their unwillingness for reappointment as Statutory Auditors. The Board hereby record appreciation for the services rendered

PRECISION PIPES AND PROFILES COMPANY LIMITED

DIRECTORS' REPORT

by them during their tenure. The Board on the recommendation of the Audit Committee has considered the appointment of M/s O. P. Bagla & Co., Chartered Accountants, New Delhi as a Statutory Auditors at the ensuing Annual General Meeting.

The Board recommends the appointment M/s O. P. Bagla & Co. Chartered Accountants, New Delhi who have given their consent and a certificate to the effect that their appointment, if made, will be within the limits specified under Section 224 (1B) of the Companies Act, 1956.

Auditors' Report

The observations of Auditors in their Report, read with the relevant notes to the accounts are self explanatory and therefore do not require further explanation.

Cost Auditors

The Board has appointed M/s Chittora & Co., Cost Accountants, as Cost Auditor of the Company under Section 233B of the Companies Act, 1956 for the Financial Year 2013-14 for conducting the audit of the Cost Records of the Company.

Listing

The shares of the Company are presently listed on National Stock Exchange of India Limited ("NSE") and Bombay Stock Exchange Limited ("BSE").

Energy Conservation, Technology Absorption and Research & Development and Foreign Exchange Earnings and Outgo

Energy Conservation

The particulars in respect of Energy Conservation are not applicable to your Company in terms of Section 217(1) (e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

Technology Absorption and Research & Development

As required under Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the particulars relating to Technology Absorption and Research and Development as per Form B are given in Annexure 'A' annexed herewith, which forms a part of this Directors' Report.

Foreign Exchange Earnings and Outgo

Rs. in lakhs

Particulars	For the year ended	
	31-Mar-13	31-Mar-12
Foreign Exchange Earning		
(a) Export	70.32	218.32
Foreign Exchange Outgo		
(a) Payment to Collaborators	1,150.14	200.83
(b) Directors/ Employees Visit abroad	55.13	37.32
(c) Raw Materials & Consumable Stores	7,803.11	5,878.12
(d) Machinery, Dies and Moulds	1,555.57	1,318.16
(e) Dividend	-	4.50
(f) Interest on ECB	1.53	7.86

Environment

The Company is not involved in any type of operations hazardous to environment and does not discharge any trade effluents (solid, liquid or gaseous) causing pollution. The Company adheres to the provisions of environmental laws.

Particulars of Employees

None of the employee of the Company is in receipt of the salary exceeding the limits of Rs. 60,00,000/- per annum or Rs. 5,00,000/- per month as specified by Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended by Companies (Particulars of Employees) Rules, 2011.

Acknowledgement

Your Directors wish to convey their appreciation to all the company's employees for their enormous efforts as well as their collective contribution to the company's performance.

Your Directors acknowledge with gratitude the co-operation and continuous support extended by the technical collaborators viz. Tokai Kogyo Co. Ltd., Japan, and Nissen Chemitec Corporation, Japan.

Your Directors also take this opportunity to convey their thanks to the shareholders, suppliers and all other business associates for the continuous support given by them to the Company and their confidence reposed in the management.

For and on behalf of the Board of Directors

Place : Noida
Date : July 6, 2013

Ajay Kumar Jain
Managing Director

Abhishek Jain
Whole Time Director

ANNEXURE 'A' TO THE DIRECTORS' REPORT

FORM B

See Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988. Form for Disclosure of Particulars with respect to Absorption 2012-13.

Research and Development (R & D)

- | | | |
|--|---|--|
| 1. Specific areas in which R & D carried out by the .
Company | : | Designing and optimizing the manufacturing process for yield and quality improvement |
| 2. Benefits derived as a result of the above R & D | : | Achieving customer delight and improvement in overall performance of the products. |
| 3. Future plan of action | : | To maintain the above. |
| 4. Expenditure on R & D | : | N.A. |
| (a) Capital | : | N A |
| (b) Recurring | : | N A |
| (c) Total | : | N A |
| (d) Total R & D expenditure as a Percentage of total turnover | : | N A |

Technology Absorption, Adaptation and Innovation

- | | | |
|---|---|---|
| 1. Efforts, in brief, made towards Technology, Absorption, Adaptation and Innovation. | : | Progress was made during the year in development of new products and up gradation of technology to manufacture automotive products. |
| 2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction product development. | : | New products are being launched by the Company to satisfy customer requirements
Overall improvement in Product performance |
| 3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished: | : | |
| (a) Technology Imported | : | Automotive Sealing System from Tokai Kogyo Co Ltd., Japan.
Interior and Exterior Injection Molded Products from Nissen Chemitec Corporation, Japan |
| (b) Year of Import | : | a) M/s Tokai Kogyo Co. Ltd., Japan.
Since 1989 ; Agreement renewed every 5 years.
b) M/s. Nissen Chemitec Corporation, Japan
Since 2007; Agreement renewed every 5 years |
| (c) Has technology been fully absorbed? | : | Yes |
| (d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action. | : | N.A. |

For and on behalf of the Board of Directors

Place : Noida
Date : July 6, 2013

Ajay Kumar Jain
Managing Director

Abhishek Jain
Whole Time Director

PRECISION PIPES AND PROFILES COMPANY LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Business Overview

Precision Pipes and Profiles Company Limited ("PPAP") is the principal manufacturer of automotive Body Sealing, Exterior & Interior parts. PPAP is also engaged in the business of manufacturing of profiles for White Goods Industry and Mainline Power Distribution System. Auto division is primarily focused on Outer Belt Moulding, Inner Belt Moulding, Windshield Moulding, Roof Moulding, Quarter Window Moulding, A-Pillar Garnish, B-Pillar Garnish, Body Side Moulding and Skirt Air Damper etc. Refrigeration division primarily manufactures Trim, Door Profile and Freezer Profile for Refrigeration Industry and Mainline Power Distribution System division manufactures U.K. Adapter, French Adapter, Schuko Adapter, Dressing & Cap, Cabler Spoon, Extruded Track and Copper Conductor to Electrical & Construction Industries.

PPAP is major supplier to OEMs and the Company's esteemed customers list include Maruti Suzuki India Limited, Honda Cars India Limited, General Motors (India) Limited, Toyota Kirloskar Motors Private Limited, Renault Nissan Automotive India Private Limited, Tata Motors Limited, Ford India Private Limited, Mahindra and Mahindra Limited and International Cars and Motors Limited along with their Tier 1 suppliers. The company has technical collaboration with Tokai Kogyo Co. Ltd, Japan and Nissen Chemitech Corporation, Japan to develop automotive products. In the White Goods Industry, the Company develops customized profiles for Godrej, Voltas, Videocon and Carrier Refrigerators. PPAP derives around 95% of the turnover from automobile customers.

Automobile Current Trends and Performance

Overall Indian Automobile Industry has shown marginal growth in FY 2012-13 compared to last FY 2011-12. Production and Domestic sales have registered growth of 1.20% and 2.61%, however export is negative growth due to negative global environment and fluctuations.

One of the hot spot in world automotive industry is Indian car market. Indian car industry is going through turbulent times now. Car sales are down by more than 6% in FY 2012-13 compared to last year of FY 2011-12. The main reasons are high interest rates, high fuel price, high inflation, low growth in other business sectors etc. Utility vehicle segment is having maximum growth.

Industry Structure & Development

Future prospect of Indian Automotive Sector is bright. As per industry forecasts, by 2016 India is expected to be the world's seventh-largest automobile market and third-largest by 2030, behind only the US and China. This confidence is based on strong sector fundamentals which include extremely low current levels of Vehicle penetration in the country, projected high rate of GDP growth for the Indian economy, huge investments being made by the Government in infrastructure along with a very large upwardly mobile middle class population with aspirations for better living standards.

By 2016, the Government is targeting an annual turnover of US\$145bn in the Automobile Industry, representing 10% of GDP and employing a total of 25 million people.

The large population growth of more than 20 million a year and the rising living standards are two important indicators that logically lead to an increasing demand for automobiles in India. Also, IT & BPO growth is giving impetus to this demand.

However, PPAP's own Sales Growth was 18 % vis a vis previous year, mainly due to addition of Exports of Sealing System Parts to countries like Japan, Mexico through its Customer Nissan Motors.

Automobile companies across segments continue to face tremendous pressure on profit margins due to elevated inflation levels. Added to this are the heightened marketing costs incurred and heavy discounts offered by vehicle manufacturers to attract consumers to the showrooms. This partially explains the price hikes initiated by the vehicle OEMs to protect margins despite the weak demand environment. Going ahead, amidst rising market competition, new product launches, as also product refreshes planned, OEMs are expected to increase spending on marketing & promotional activities. Although commodity prices are not expected to witness steep hikes, overall cost and competitive pressures would keep the profit margins under pressure.

The year 2012-13 also saw flurry of many New Model launches. Few of many are as follows: Model Alto 800 by MSIL, Models - Sail & Enjoy by General Motors, Evalia by Nissan, Scala by Renault Nissan, Elantra by Hyundai etc.

FY 2014 Forecast

SIAM had to revise its sales forecast several times in FY 2013. It had initially predicted a double digit growth in car sales but finally cut it to 0-1 percent, as sales remained in the slow lane. This year, it is more cautious and expects car sales to rise 3-5 percent.

Awards & Recognition

PPAP was awarded the prestigious Trophy-'Overall Performance-Gold' from India's Largest Car manufacturer Maruti Suzuki India Limited (MSIL) during their Annual Supplier Convention in Kuala Lumpur held on 3rd – 4th May, 2013. PPAP was also awarded Appreciation award from Honda Cars India Ltd. for Quality, Cost & Delivery.

PPAP also received Best Practices Recognition Award for Successful Implementation of Quality Systems Basics from General Motors India Limited.

PPAP received Appreciation Certificate for achieving Targets in the Category of Cost & also in Delivery from Toyota Kirloskar Motors Pvt. Ltd.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Opportunities and Threats

Opportunities

The growth of auto-ancillary is dependent on the automobile industry. India is being recognized as potential emerging auto market. The Indian passenger vehicle market is dominated by cars. Two-third of the auto components production is consumed directly by OEMs.

According to the Confederation of Indian Industry, auto sector currently employs 78,77,702 people, 58 percent of whom are in the passenger car segment. However, there is an increasing demand for skilled professionals in the domain of effective service delivery, spares management and support functions. ITIs and Polytechnics provide 530,000 graduates every year but there is an urgent need for updating courses to keep up with changing trends in technology, manufacturing, and processes.

The Indian Automobile component industry has been making rapid strides towards achievement of world class quality systems, which is the most important aspect for this industry.

The strength of your company is the design and manufacture of technologically superior products. Your company continues to invest in up-gradation and expansion of manufacturing capabilities and capacities. The in-house Research and Development department has been consistently developing quality products and is also striving to achieve cost efficiencies.

The company is regularly receiving strong support from its Foreign Technology Partners in the form of sharing new technologies and also receiving continuous assistance in upgrading manufacturing processes, which results in technologically superior products with sustainable quality.

Threats

Even with this rapid growth, the Indian automotive industry's contribution in global terms is very low. Key factors influencing the global car manufacturers have a ripple effect on the domestic automobile industry in different parts of the world, as well as, the auto ancillary industry which supplies parts to the auto industry. Internationally consumer preferences are determining the current styles, reliability, and performance standards of vehicles. Government regulations in relation to trade, safety, and environment etc. also make it necessary for modernization and changes in designs and production methods. Movement in oil prices also has an impact on demand for cars in India.

India continues to be an attractive destination for the global automotive players. To counter the threat of growing global competition, the Company is regularly bridging the quality gap between its products and foreign offerings while maintaining its low cost product development / sourcing advantage.

Further tightening of liquidity position, hardening of consumer interest rates would have an adverse impact in the domestic automobile market.

Segment wise performance

The Company is operating mainly into Auto Component business and derives more than 95% of the turnover from automobile customers and remaining from profiles for white goods, electrical and construction industry.

Divisional Contribution in total turnover during the Financial Year 2012-2013:

DIVISION	Sales 2012-13 (in crores)	% of total Sales	Sales 2011-2012 (in crores)	% of total sales
Automobile	204.84	95.08	176.52	95.60
Refrigeration	7.84	3.64	6.31	3.42
Miscellaneous	2.75	1.28	1.81	0.98
Total	215.43	100	184.64	100

Outlook

Factors that will drive growth in Indian automobile Industry are:

- Rising incomes among Indian population will lead to increased affordability, increasing domestic demand for vehicles, especially in the small car segment.
- Fuel economy and demand for greater fuel efficiency is a major factor that affects consumer purchase decision that will bring leading companies across two-wheeler and four-wheeler segment to focus on delivering performance-oriented products.
- Product innovation and market segmentation will channelize growth. Vehicles based on alternative fuels will be an area of interest for both consumers and auto makers.
- Focus on establishing India as auto-manufacturing hub is reigning in policy support in form of Government's technology modernization fund.
- Industry will seek to augment sales by tapping into rural markets, youth, women and luxury segments.

India is emerging as a strong automotive Research and Development hub with foreign players like Hyundai, Suzuki, General Motors who are setting up base in India. This move is further enhanced by Government's support towards setting up centre's for development and innovation.

PRECISION PIPES AND PROFILES COMPANY LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Risks and Concerns

The Company is exposed to external and internal risks associated with the business.

The operations of the Company are directly dependent on the growth of Indian automotive industry. General economic conditions impact the automotive industry, and in turn, the operations of the Company as well. To counter these risks, the Company continues to broaden its product portfolio, increase customer profile and geographic reach.

The Company is exposed to strong competitive pressures both domestic and overseas. The Company is also exposed to financial risk from changes in interest rates, foreign exchange rates and commodity prices. The Company also faces challenges with regard to fast changing technology, sustaining cost efficiencies and planning capacity expansion in the wake of changing demand patterns.

We are fully aware of others risks and have structured risk management system in place while the possibility of negative impact due to one or more of such risks cannot be totally ruled out. The Company proactively takes conscious and reasonable steps making efforts to mitigate the significant risks that may affect it.

The Company is undertaking various new projects ranging from development of new models and new segments also. These projects are at various stages of planning and execution. Though the Company employs sophisticated techniques and processes to forecast the demand of new products yet the same is subject to margin of error. Timely introduction of new products, their acceptability in the market place and managing complexity of operations across various manufacturing locations, would be the key to sustain competitiveness.

FINANCIAL PERFORMANCE

1. Income

Our total income has been increased from Rs. 187.41 crores in fiscal 2012 to Rs. 219.59 crores in fiscal 2013. The increase in income was on account of increase in sales of product manufactured by us.

2. Profit

The Company's Profit before interest, Depreciation and Tax decreased from Rs 33.13 crores in fiscal 2012 to Rs. 19.83 Crores in Fiscal 2013. The EBITDA margin for the fiscal 2012 and 2013 has been 17.94% and 9.20 % respectively showing a decrease of 48.72 %. PAT decreased to Rs. 153.99 lakhs in fiscal 2013 from Rs. 1288.64 lakhs in fiscal 2012.

3. Earning Per Share (EPS)

The Company recorded an EPS of Rs. 1.10 per equity share of Rs.10 each on an Equity of Rs.14.00 Crores during 2012-13.

Internal Control Systems and their Adequacy

PPAP has in place systems of internal control which are commensurate with its size, and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies. As a part of its internal control measures, an independent Internal Auditor scrutinizes the financials and other operations of the Company. Diversions from set standards are reported to the Board through the Audit Committee and appropriate remedial measures are taken

The Company has a well-established governance process of regular meetings, review of its actual and planned performance, potential risks assessment at all its manufacturing plants and of its various functions which aid in establishing competitive advantage. The Company has a focused approach towards Risk and Internal Controls covering all aspects of its businesses.

Human Resources / Industrial Relations

Your Company firmly believes and recognizes that competent workforce is the key contributor to the success of the organization and a significant part of its success depends on the quality of its human resources. Your Company continuously recruits skilled professionals to meet its business requirements. This intellectual capital is reflected in the quality of products manufactured by your Company, our business strategy and our excellent customer relations.

Your Company works on a golden rule of managing people, "give them the work that is best suited to them" so that they unleash their greatest energy and best efforts. Industrial relation at all the plants continued to remain cordial, through continuous dialogue and openness.

As on 31st March 2013 your company has 914 employees.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimate, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. These statements include forecasts and estimates as well as the assumptions on which they are based. *Actual results could differ materially from those expressed or implied.* Important developments that could affect the Company's operations include a down trend in the automobile sector, significant changes in the political and economic environment in India, exchange rate fluctuations, tax laws, litigation, labour relations, interest cost and other incidental factors. The readers are hereby cautioned and advised that these forward-looking statements are subject to numerous risks and uncertainties that are difficult to foresee and actual outcomes might differ significantly.

REPORT ON CORPORATE GOVERNANCE

The Company's philosophy of Corporate Governance stems from the belief that the Company's business strategy and plans should be consistent with the welfare of all its stakeholders including shareholders. At PPAP, we look upon good corporate governance practices as a key driver of sustainable corporate growth and long-term shareholder value creation. The Company believes that all its operations and actions must serve the underlying goal of enhancing long-term shareholder value and to achieve this objective, the company provides timely, accurate and complete information to all its stakeholders.

The Company is committed to good corporate governance and as a part of its growth strategy. The Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance. Your Company always seeks to ensure that we attain our performance with integrity. Our corporate governance philosophy is based on the following principles:

- Board exercises its fiduciary responsibilities in the widest sense of the term;
- Compliance with all applicable laws;
- Committed to meet the aspirations of all stakeholders;
- Principles of integrity, transparency, disclosure, accountability and fairness;
- Upholding the highest standards of professionalism; and
- Management is the trustee of the shareholders capital and not the owner.

1 BOARD OF DIRECTORS

a Composition of Board

As on March 31, 2013, the Company's Board comprised of eight Directors. Two Directors, including the Chairman, are Non-Executive Directors, four are Executive Directors and two are Non-Executive Independent Directors.

Details regarding the attendance of Directors at the Board Meetings, Annual General Meeting, number of other Directorships and Committee positions held by them in other Companies, as on March 31, 2013, are given below:

Directors	Category of Directorship (Executive/ Non-Executive/ Independent)	Whether last AGM attended	Number of Board Meetings held during his tenure and attended by him		No. of other directorships*	Committee positions (other than in the Company)	
			Held	Attended		Member**	Chairman**
Mr. Devendra Chandra Jain	Non-Executive Director Chairman	No	5	5	1	Nil	Nil
Mr. Sharat Chand Jain	Executive Director	No	5	5	1	Nil	Nil
Mr. Ajay Kumar Jain	Executive Director	Yes	5	5	1	Nil	Nil
Mr. Rajeev Jain	Executive Director	No	5	4	1	Nil	Nil
Mr. Anuj Jain	Non-Executive Director	No	5	4	1	Nil	Nil
Mr. Abhishek Jain	Executive Director	Yes	5	4	Nil	Nil	Nil
Mr. Brij Behari Tandon ¹	Non-Executive Independent Director	NA [#]	1	1	NA [#]	NA [#]	NA [#]
Mr. Kaushal Kumar Mathur ²	Non-Executive Independent Director	NA [#]	1	1	NA [#]	NA [#]	NA [#]
Mr. Surender Kumar Tuteja ³	Non-Executive Independent Director	NA [#]	1	1	NA [#]	NA [#]	NA [#]
Mr. Vinod Vaish ⁴	Non-Executive Independent Director	NA [#]	1	1	NA [#]	NA [#]	NA [#]
Mr. Ashok Kumar Aggarwal	Non-Executive Independent Director	No	5	5	Nil	Nil	Nil
Mr. Manmohan Singh Kapur	Non-Executive Independent Director	No	5	5	8	2	2

* For the purpose of considering the total number of Directorships, all Public Limited Companies, whether listed or not, have been considered. Private Limited Companies, whether subsidiary of a Public Limited Company or not, Foreign

REPORT ON CORPORATE GOVERNANCE

Companies and Companies under Section 25 of The Companies Act, 1956, however, have not been included.

****** For the purpose of considering the total number of Memberships/Chairmanships of committee only Audit Committee and Shareholders'/Investors' Grievance Committees of all Public Limited Companies have been considered.

****** None of the Directors is a Chairman / Member in more than 5 / 10 committees across all Companies in which they are Directors.

[#]NA indicates that the concerned person was not on Board on the relevant date

¹Ceased to be a director w.e.f June 12, 2012

²Ceased to be a director w.e.f June 26, 2012

³Ceased to be a director w.e.f June 11, 2012

⁴Ceased to be a director w.e.f June 13, 2012

Post March 31, 2013, Mr. Sharat Chand Jain, Mr. Rajeev Jain, Executive Directors, Mr. Anuj Jain, Non-Executive Director have resigned w.e.f. April 29, 2013 and Mr. Pravin Kumar Gupta has been appointed as a Non-Executive Independent Director of the Company w.e.f May 8, 2013.

b Board Meetings and Procedure

During 2012-13, the Board of Directors met 5 (five times) times on May 28, 2012, September 3, 2012 (two times), November 12, 2012 and February 14, 2013.

The period between any two consecutive meetings of the Board of Directors of the Company was not more than 4 (four) months.

Details of Directors' Attendance Record and Directorships/Committee Memberships are given in table at page no. 15 of this report.

c Information supplied to the Board

Board members are given agenda papers along with necessary documents and information in advance of each meeting of the Board and Committee(s). However, in case of business exigencies and urgencies, the resolutions are passed by way of circulation. In addition to the regular items, the following items/ information are regularly placed before the Board to the extent possible:

- Annual operating plans and budgets, capital budgets and any other updates.
- Quarterly results of the company.
- Minutes of meetings of Audit Committee, Investors' Grievance Committee and Remuneration Committee.
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and Company Secretary.
- Details of any foreign investment.
- Information relating to shareholder services and share transfers.
- Materially important show cause, demand, prosecution notices and penalty notices.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problem.
- Detail of any joint venture or collaboration agreement.
- Transaction that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Sale of material nature of investments, subsidiaries, assets, which are not in the normal course of business.
- Non compliance of any regulatory, statutory or listing requirement and shareholders services such as non payment of dividend, delay in share transfer etc.
- Any material default in financial obligation to and by the company, or substantial non payment for services rendered by the company.

d Appointment and Re-appointment of Directors

In terms of the provisions of the Companies Act, 1956 (the "Act") and the Articles of Association of the Company, Mr. Devendra Chandra Jain, Director of the Company, shall retire by rotation at the ensuing Annual General Meeting ('AGM') and being eligible, offer himself for re-appointment. Mr. Ajay Kumar Jain is proposed to be re-appointed as Managing Director of the Company with effect from November 1, 2012 for a further period of three years. Mr. Pravin Kumar Gupta appointed as an Additional Director of the Company with effect from May 8, 2013, is proposed to be appointed as a Director at the ensuing AGM.

Brief resume of the said Directors proposed to be appointed and re-appointed have been provided along with the Notice of AGM annexed along with the Annual Report.

2 COMMITTEES OF THE BOARD

During the year under review, our Board had three (3) Board level Committees – Audit Committee, Remuneration and Investors' Grievance Committee in compliance with various Corporate Governance requirements.

All decisions pertaining to the constitution of Board Committees, appointment(s) of members and fixation of terms of service for members of Committees are taken by the Board of Directors.

REPORT ON CORPORATE GOVERNANCE

The scope, terms of reference and compositions of the Committee(s) are as under:

A AUDIT COMMITTEE

The Audit Committee of the Company is constituted in accordance with the provisions of Clause 49 of the Listing Agreement with Stock Exchange(s) and Section 292A of the Companies Act, 1956.

The Primary objective of the Audit Committee of the Company is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, Independent, timely and proper disclosures and transparency, integrity and quality of financial reporting.

The Committee deals with the various aspects of financial statements, adequacy of internal controls, various audit reports, compliance with accounting standards. It reports to the Board of Directors about its findings & recommendations pertaining to above matters.

a Terms of Reference

The terms of reference of the Audit Committee are wide enough to cover the matters specified for Audit Committees under Clause 49 of the Listing Agreements, as well as in Section 292A of the Companies Act, 1956, which, *inter alia*, include;

- overview of the Company's financial reporting process and ensuring correct, adequate and credible disclosure of financial information;
- recommending the appointment and removal of external auditors, fixation of audit fees and also approval for payment for any other services;
- reviewing with management the quarterly, half yearly and annual financial statement before submission to the Board with special emphasis on accounting policies and practices, related party transaction, compliance with accounting standards and other legal requirement;
- reviewing the adequacy of the Statutory , Internal and Cost Audit and compliance function, including their policies, procedures, techniques and other regulatory requirements;
- reviewing the Company's financial and risk management policies; and
- any other terms of reference as may be included from time to time.

b. Composition

The Audit Committee as on March 31, 2013 comprised of (three) Directors, two being Non-Executive Independent Directors viz. Mr. Ashok Kumar Aggarwal and Mr. Manmohan Singh Kapur and one is Executive Director viz. Mr. Ajay Kumar Jain.

Mr. Kaushal Kumar Mathur, Mr. Surender Kumar Tuteja, Mr. Brij Behari Tandon and Mr. Sharat Chand Jain ceased to be member of Audit Committee w.e.f June 26, 2012, June 11, 2012, June 12, 2012 and September 3, 2012 respectively. All the members of the Audit Committee are financially literate and Chairman of the Audit Committee is a financial expert. The Company Secretary of the Company acts as the Secretary of the Committee.

c. Number of Committee meetings and attendance

During the year, 4 (four) meetings of the Audit Committee were held on May 28, 2012, September 3, 2012, November 12, 2012 and February 14, 2013. The attendance record of members of the Audit Committee is given below:

Name of Committee Member	Position held	Number of meetings held during his tenure	Number of meetings attended during his tenure
Mr. Kaushal Kumar Mathur	Chairman	1	1
Mr. Brij Behari Tandon	Member	1	1
Mr. Surender Kumar Tuteja	Member	1	1
Mr. Ashok Kumar Aggarwal ⁵	Member	4	4
Mr. Manmohan Singh Kapur ⁶	Member	3	3
Mr. Sharat Chand Jain	Member	1	1
Mr. Ajay Kumar Jain	Member	4	4

⁵Mr. Ashok Kumar Aggarwal has been appointed as a Chairman w.e.f. September 3, 2012.

⁶Mr. Manmohan Singh Kapur appointed as a Member of the Committee w.e.f. September 3, 2012.

Currently, the Committee comprises of four Directors, three being Non-Executive Independent Directors viz. Mr. Ashok Kumar Aggarwal, Mr. Manmohan Singh Kapur and Mr. Pravin Kumar Gupta and one is Executive Director viz. Mr. Ajay Kumar Jain.

REPORT ON CORPORATE GOVERNANCE

B REMUNERATION COMMITTEE

The primary objective of the Remuneration Committee is to assist the Board in developing and administering a formal and transparent procedure for setting policy on the remuneration of Executive and Non-Executive Independent Director of the Company and for fixing their remuneration packages.

At the Board meeting, only the Non-Executive and Independent Directors participate in approving the remuneration paid to the Executive Directors. The remuneration is fixed considering various factors such as qualification, experience, expertise, prevailing remuneration in the industry and the financial position of the Company. The Non-Executive Directors do not draw any remuneration from the Company except sitting fees for each meeting of the Board, Audit Committee, Remuneration Committee and Investors' Grievance Committee attended by them.

a Composition

The Remuneration Committee as on March 31, 2013 comprised of three Directors, two being Non-Executive Independent Directors viz. Mr. Manmohan Singh Kapur, Mr. Ashok Kumar Aggarwal and one is Non-executive Director viz. Mr. Anuj Jain.

Mr. Kaushal Kumar Mathur, Mr. Vinod Vaish, Mr. Brij Behari Tandon and Mr. Sharat Chand Jain ceased to be member of Remuneration Committee w.e.f June 26, 2012, June 13, 2012, June 12, 2012 and September 3, 2012 respectively.

b Number of Committee meetings and attendance

During the year, 2 (two) meetings of the Remuneration Committee were held on September 3, 2012 and November 12, 2012. The attendance record of members of the Remuneration Committee is given below:

Name of Committee Member	Position held	Number of meetings held during his tenure	Number of meetings attended during his tenure
Mr. Manmohan Singh Kapur	Chairman	2	2
Mr. Ashok Kumar Aggarwal	Member	2	2
Mr. Anuj Jain	Member	2	2

⁷The Committee has been reconstituted w.e.f. September 3, 2012

Currently, the Committee comprises of four Directors, three being Non-Executive Independent Directors viz. Mr. Ashok Kumar Aggarwal, Mr. Manmohan Singh Kapur and Mr. Pravin Kumar Gupta and one is Executive Director viz. Mr. Abhishek Jain.

c Remuneration to the Directors

The Remuneration to the Directors is decided by the Board of Directors as per recommendation by the Remuneration Committee and in accordance with the Remuneration Policy of the Company within the ceiling fixed by the shareholders of the Company.

Details of Remuneration paid to the Executive Directors during Financial Year 2012-13:

Name	Salary and Perquisite	Bonus	Total
Mr. Sharat Chand Jain	24,00,000	8,400	24,08,400
Mr. Ajay Kumar Jain	27,61,260	8,400	27,69,660
Mr. Rajeev Jain	27,61,260	8,400	27,69,660
Mr. Abhishek Jain	17,26,260	8,400	17,34,660

Details of Sitting fee paid and shares held by the Non Executive/ Non-Executive Independent Directors during Financial Year 2012-13:

Name	Sitting Fee	No. of Equity shares held
Mr. Devendra Chandra Jain	1,00,000	29,70,000 ⁸
Mr. Anuj Jain	1,20,000	2,55,000
Mr. Brij Behari Tandon	40,000	Nil
Mr. Kaushal Kumar Mathur	40,000	Nil
Mr. Surender Kumar Tuteja	40,000	Nil
Mr. Vinod Vaish	20,000	Nil
Mr. Ashok Kumar Aggarwal	2,80,000	Nil
Mr. Manmohan Singh Kapur	2,80,000	Nil

⁸29,70,000 Equity Shares holding in the name of Mr. Devendra Chandra Jain HUF as Karta.

REPORT ON CORPORATE GOVERNANCE

C INVESTORS' GRIEVANCE COMMITTEE

The primary objective of the Investor's Grievance Committee is to enhance shareholders' confidence in the corporate governance principles being followed by the Company by resolving with utmost importance all the investors' grievances/complaints whether received directly or through stock exchanges and SEBI.

The committee specifically looks into redressing of shareholders'/ investors' complaints such as transfer/transmission of shares, non-receipt of declared dividends, non-receipt of share certificates, annual reports and other related matters and take requisite action(s) to redress the same.

a Composition

The Investor Grievance Committee as on March 31, 2013 comprised of three Directors, two being Non-Executive Independent Directors viz. Mr. Manmohan Singh Kapur, Mr. Ashok Kumar Aggarwal and one is Executive Director viz. Mr. Sharat Chand Jain.

During the year under review Mr. Surender Kumar Tuteja ceased to be member of Investors' Grievance Committee w.e.f June 11, 2012.

During the year, 4 (four) meetings of the Investors' Grievance Committee were held on May 28, 2012, September 3, 2012, November 12, 2012 and February 14, 2013. The attendance record of members of the Investor Grievance Committee is given below:

b Number of Committee meetings and attendance

Name of the Director	Position held	Number of meetings held during his tenure	No. of Meeting Attended during his tenure
Mr. Manmohan Singh Kapur	Chairman	4	4
Mr. Surender Kumar Tuteja	Member	1	1
Mr. Ashok Kumar Aggarwal ⁹	Member	3	3
Mr. Sharat Chand Jain	Member	4	4

⁹Mr. Ashok Kumar Aggarwal appointed as a Member of the Committee w.e.f. September 3, 2012

Currently, the Committee comprises of three Directors, one being Non-Executive Independent Director viz. Mr. Manmohan Singh Kapur and two is Executive Directors viz. Mr. Ajay Kumar Jain and Mr. Abhishek Jain.

3 GENERAL BODY MEETINGS

a Annual General Meetings:

Details of Last three years Annual General Meetings are as under

For the Year	Venue	Day, Date & Time	Special Resolution
2009-10	Executive Club, Dolly Farms & Resorts Pvt. Ltd 439,Village,Shahoorpur, P.O. Fatehpur Beri, New Delhi -110074	Saturday, September 25, 2010 at 11:30 A.M.	No Special Resolution Passed
2010-11	Executive Club, Dolly Farms & Resorts Pvt. Ltd 439,Village,Shahoorpur, P.O. Fatehpur Beri, New Delhi -110074	Wednesday, September 28, 2011 at 1:00 P.M.	No Special Resolution Passed
2011-12	Executive Club, Dolly Farms & Resorts Pvt. Ltd 439,Village,Shahoorpur, P.O. Fatehpur Beri, New Delhi -110074	Saturday, September 29, 2011 at 5:00 P.M.	No Special Resolution Passed

All the Resolution set out in the respective notices were passed by show of hands at the above mentioned Annual General Meeting.

b Postal Ballot post March 31, 2013

After the closing of the Financial Year 2012-13, the Company had conducted one Postal Ballot in accordance with Section 192A of the Companies Act, 1956, read with Companies (Passing of Resolution by Postal Ballot) Rules, 2011. Postal Ballot Notices containing proposed resolutions and explanatory statements thereto were send to the registered addresses of the shareholders along with the Postal Ballot form and a pre-paid postage envelope containing the address of the Scrutinizer appointed by the Board. The Postal Ballot Forms received within 30 days of dispatch were considered by the Scrutinizer and there after Scrutinizer submitted his report to the Company for declarations of results. The details of the same are as under:

PRECISION PIPES AND PROFILES COMPANY LIMITED

REPORT ON CORPORATE GOVERNANCE

Date of Completion of Postal Ballot/Result of Postal Ballot	Name of the Scrutinizer	Brief of Resolution(s)	Percentage of votes cast in favour of resolution
April 6, 2013 (Result of Postal Ballot declared April 8, 2013)	Shri D.V. Taneja of M/s Dharam Taneja Associates, Practicing Chartered Accountants	Ordinary resolution pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to transfer of the Company's White Goods Business Division	99.76%
		Ordinary resolution pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to transfer of the Company's Mainline Power Distribution System Business Division	99.75%

4 DISCLOSURES

- There was no materially significant Related Party Transaction during the year having conflict with the interest of the Company. The transactions with the related parties are disclosed in accordance with AS-18 in Note No. 29B to the Notes to Accounts in Balance Sheet of the Company.
- The Company has complied with the requirements of the Listing Agreement except the composition of Board due to the resignation by some of Non-Executive Independent Directors during the year under review. The Company has restructured its Board in view of Listing Agreement and appointed the required number of Non-Executive Independent Directors on its Board and currently, the Board of the Company is in compliance with the Listing Agreement. No Penalties or Strictures have been imposed by the Stock Exchanges, SEBI or any other Statutory Authority, on any matter relating to Capital Market during last three years.
- Management Discussion and Analysis Report is provided as a part of the Directors' Report published in this Annual Report.
- The guidelines/accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) and notified by the Companies (Accounting Standards) Rules, 2006 have been followed in preparation of the financial statements of the Company.

Non- Mandatory Compliances

- The company has constituted the Remuneration Committee. Relevant details of the Remuneration Committee are provided in para 2 (B) of this report.
- The Company uploads its Quarterly/ Half-Yearly financial results on its website www.precisionpipes.com. The results are also reported to the Stock Exchanges and are published in the newspapers as mentioned under the heading "Means of Communication" in this report.
- As regards training of Board Members, the Directors on Board are seasoned professionals having wide range of expertise in diverse field. They keep themselves abreast with latest developments in the field of Management, Technology and Business Environment through various symposiums, seminars etc.

5 CEO/CFO CERTIFICATION

In terms of by Clause 49(V) of the Listing Agreement, Mr. Ajay Kumar Jain, Managing Director and Mr. Abhishek Jain, Whole-time Director of the Company have submitted the necessary certificate to the Board for the year under review. A copy of the certificate on the financial statements for the Financial Year ended March 31, 2013 is annexed with this Annual Report.

6 CODE OF CONDUCT

The Company has laid down a Code of Conduct for all Board members and senior management of the Company. The Board of Directors and senior managers of the Company shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgment. The Board of Directors and Senior Managers have affirmed with this code on an annual basis as at the end of each financial year.

7 SUBSIDIARY COMPANY

The Company has no subsidiary company.

8 MEANS OF COMMUNICATION

Financial result at the end of every quarter and audited annual financial result are published regularly within the prescribed time limit in Business Standard' (English Newspaper) and 'Business Standard' (Hindi Newspaper).

In compliance with the Listing Agreement, the Company promptly submits the financial results to the Stock Exchange (s) to enable them to display these on their websites.

The Financial result and other shareholder information(s) of the Company are also displayed on the website of the Company www.precisionpipes.com

REPORT ON CORPORATE GOVERNANCE

9 SHAREHOLDER'S INFORMATION

a Annual General Meeting

Day : Friday
Date : August 9, 2013
Time : 11.00 A.M.
Venue : The Executive Club, Dolly Farms and Resorts Private Limited, 439 Village Shahoorpur,
P.O. Fatehpur Beri, New Delhi-110074

b Financial year

The Company follows 1st April to 31st March as its Financial Year.

c Financial Calendar 2013-2014

S. No.	Tentative Schedule	Tentative Date
1	Financial reporting for the quarter ended June 30, 2013	Within 45 days from the End of quarter
2	Financial reporting for the quarter ended September 30, 2013	Within 45 days from the End of quarter
3	Financial reporting for the quarter ended December 31, 2013	Within 45 days from the End of quarter
4	Financial reporting for the quarter ended March 31, 2014	Within 60 days from the End of the financial year

d Book Closure Date:

The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, August 6, 2013 to Friday, August 9, 2013 (both days inclusive).

e Dividend

For the current Financial Year 2012-13, the Board has not recommended any Dividend.

f Listing at Stock Exchanges:

The Equity Shares of the Company are listed on the following Stock Exchange with the given scrip code:-

Stock Exchange	Scrip Code
Bombay Stock Exchange Limited (BSE)	532934
National Stock Exchange of India Limited (NSE)	PPAP
ISIN No.	INE095I01015

The Annual Listing Fee for 2013-14 has been paid to the Stock Exchange(s) within the stipulated time period.

g Market Price Data:

Market Price of shares during the last financial year 2012-13 is given as follows:-

Month	NSE (In Rs. Per share)		BSE (In Rs. Per share)	
	High	Low	High	Low
April 2012	72.75	64.55	74.85	65.00
May 2012	73.00	60.00	75.00	61.65
June 2012	71.40	63.45	72.95	63.55
July 2012	71.45	61.55	74.00	62.15
Aug 2012	67.00	55.40	73.60	57.00
Sep 2012	64.45	55.25	64.30	55.60
Oct 2012	65.95	58.20	73.00	58.30
Nov 2012	65.00	55.25	69.00	54.80
Dec 2012	62.50	46.90	62.00	46.95
Jan 2013	50.35	43.60	50.85	44.10
Feb 2013	47.90	40.70	48.35	41.15
March 2013	44.75	32.15	45.05	32.00

Source: www.nseindia.com

Source: www.bseindia.com

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REPORT ON CORPORATE GOVERNANCE

h Compliance Officer

Name : Ms. Sonia Bhandari
Designation : Company Secretary
Phone No : 0120-2462552/53
Fax No. : 0120-2461371
Email Address : Sonia@ppapco.com
 investor@precisionpipes.com

i Address of Registrar and Transfer Agent:

M/s Link Intime India Private Limited
 44, Community Centre,
 2nd Floor, Naraina Industrial Area
 Phase-I, New Delhi-110028
 Email: delhi@linkintime.co.in
 Website : www.linkintime.co.in
 Ph No. 011-41410592/93/94

j Share Transfer System

The Board of Directors has delegated the power of rematerialisation/dematerialisation, transfers and transmission, splitting/consolidation of share certificates and issue of duplicate share certificates etc. to Investors' Grievance Committee. The meetings of the Committee are periodically held to consider the requests of the shareholders.

k Distribution of Shareholding

Details of category wise shareholding as on March 31, 2013:

Categories	No. of shareholders	Percentage	No. of Shares held	Percentage (%)
1-500	21014	97.18	1349875	9.64
501-1000	286	1.32	219736	1.57
1001-2000	146	0.68	217212	1.55
2001-3000	47	0.22	117967	0.84
3001-4000	22	0.10	77938	0.56
4001-5000	19	0.09	87815	0.63
50001-10000	37	0.17	281773	2.01
10001-above	52	0.24	11647684	83.20
TOTAL	21623	100	14000000	100

l Details of Shareholding Pattern as on 31st March 2013:

Statement Showing Shareholding Pattern								
Cat-egory code	Category of Shareholder	Number of Share-holders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/(IV)*100
(A)	Shareholding of Promoter and Promoter Group							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	14	8775000	8775000	62.68	62.68	0	0

REPORT ON CORPORATE GOVERNANCE

(b)	Central Government/ State Government(s)	0	0	0	0	0	0	0
(c)	Bodies Corporate	1	38093	38093	0.27	0.27	0	0
(d)	Financial Institutions/ Banks	0	0	0	0	0	0	0
(e)	Any Others(Specify)	0	0	0	0	0	0	0
	Sub Total(A)(1)	15	8813093	8813093	62.95	62.95	0	0
2	Foreign							
a	Individuals (Non-Res- idents Individuals/ Foreign Individuals)	0	0	0	0	0	0	0
b	Bodies Corporate	0	0	0	0	0	0	0
c	Institutions	0	0	0	0	0	0	0
d	Any Others(Specify)	0	0	0	0	0	0	0
	Sub Total(A)(2)	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	15	8813093	8813093	62.95	62.95	0	0
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/ UTI	0	0	0	0	0	0	0
(b)	Financial Institutions / Banks	1	157194	157194	1.12	1.12	0	0
(c)	Central Government/ State Government(s)	0	0	0	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0	0	0	0
(e)	Insurance Compa- nies	0	0	0	0	0	0	0
(f)	Foreign Institutional Investors	0	0	0	0	0	0	0
(g)	Foreign Venture Cap- ital Investors	0	0	0	0	0	0	0
(h)	Qualified Foreign In- vestor	0	0	0	0	0	0	0
(i)	Any Other (specify)	0	0	0	0	0	0	0
	Sub-Total (B)(1)	1	157194	157194	1.12	1.12	0	0
B 2	Non-institutions							
(a)	Bodies Corporate	200	1289210	1289210	9.21	9.21	0	0
(b)	Individuals							
I	Individual sharehold- ers holding nominal share capital up to Rs 1 lakh	19996	2043869	2043757	14.60	14.60	0	0

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II	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	25	1270984	1270984	9.08	9.08	0	0
(c)	Qualified Foreign Investor	0	0	0	0	0	0	0
(d)	Any Other (specify)							
(d-i)	Trusts	1	44	44	0	0	0	0
(d-ii)	Non Resident Indians (REPAT)	102	42336	42336	0.30	0.30	0	0
(d-iii)	Non Resident Indians (NON REPAT)	30	8254	8254	0.06	0.06	0	0
(d-iv)	Foreign Companies	1	225000	0	1.61	1.61	0	0
(d-v)	Clearing Members	14	3286	3286	0.02	0.02	0	0
(d-vi)	Hindu Undivided Families	1238	146730	146730	1.05	1.05	0	0
	Sub-Total (B)(2)	21607	5029713	4804601	35.93	35.93	0	0
(B)	Total Public Shareholding (B)=(B)(1)+(B)(2)	21608	5186907	4961795	37.05	37.05	0	0
	TOTAL (A)+(B)	21623	14000000	13774888	100.00	100.00	0	0
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	21623	14000000	13774888	100.00	100.00	0	0

m Dematerialization of Shares

The equity shares of the Company are in compulsorily dematerialized segment and are available in the Depository system of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Number of shares held in dematerialized and physical mode as on March 31, 2013:

S. No.	Mode of Holding	No. of shares	% of total Share Capital
1.	Physical	225112	1.61
2.	CDSL	4907127	35.05
3.	NSDL	8867761	63.34
Total		14000000	100.00

n Outstanding GDR/ADR/Warrants or any convertible instrument

No outstanding GDR/ADR/Warrants or any convertible instrument as on 31.03.2013

REPORT ON CORPORATE GOVERNANCE

10 REGISTERED OFFICE

Precision Pipes and Profiles Company Ltd.
54, Okhla Industrial Estate
Phase III, New Delhi - 110020
Tel No.: 011- 26310771

ADDRESS FOR CORRESPONDENCE/CORPORATE OFFICE

Precision Pipes and Profiles Company Ltd.
B- 206A, Sector – 81
Phase – II, Noida – 201305
Tel No.:0120-2462552/53
Fax No.: 0120-2461371
E-mail : Sonia@ppapco.com

11 LOCATION OF PLANTS:

1. 54-56, Okhla Industrial Estate, Phase - III, New Delhi - 110020.
2. 161, Okhla Industrial Estate, Phase - III, New Delhi - 110020.
3. 70, Okhla Industrial Estate, Phase - III, New Delhi -110020.
4. B-45, Phase –II , Noida, Uttar Pradesh – 201305.
5. B -206 A, Sector- 81, Phase –II, Noida, Uttar Pradesh - 201305.
6. B-II/29, Mohan Co-operative Industrial Estate, Badarpur, New Delhi-110044.
7. B-4, Site V, UPSIDC, Kasna, Greater Noida-201306.
8. Plot No. 104, Survey No. 705/2, Polivakkam, Sriperumbudur-Thiruvallur High Road, Thiruvallur Taluk & District - 602202

MANAGING AND WHOLE TIME DIRECTOR CERTIFICATION

The Board of Directors,
Precision Pipes and Profiles Company Limited.

We, Ajay Kumar Jain, Managing Director and Mr. Abhishek Jain, Whole-time Director of Precision Pipes and Profiles Company Limited, to the best of our knowledge and belief certify that:

1. We have reviewed the financial statements and the cash flow statement of the Company for the year and to the best to our knowledge and belief.
 - i) These statements do not contain any materially untrue statement or omit any material fact or contains statement / statements that might be misleading.
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to the financial reporting and we have disclosed to the auditors and Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
4. We have indicated, wherever applicable, to the auditor and to the audit committee.
 - i) Significant changes in internal control over financial reporting during the year;
 - ii) Significant changes in accounting policies during the year, if any and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Precision Pipes and Profiles Company Limited

Ajay Kumar Jain
Managing Director

Abhishek Jain
Whole-time Director

Place : Noida
Date : July 6, 2013

PRECISION PIPES AND PROFILES COMPANY LIMITED

REPORT ON CORPORATE GOVERNANCE

DECLARATION UNDER CLAUSE 49(1D) OF THE LISTING AGREEMENT

Dear Members

Precision Pipes and Profiles Company Limited

In compliance with the provisions of Clause 49 of the Listing Agreement, the Company has laid down a Code of Conduct for all the Board Members and senior management personnel to further strengthen the Corporate Governance practices in the Company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct.

Ajay Kumar Jain
Managing Director

Place: Noida

Date: July 6, 2013

CERTIFICATE ON CORPORATE GOVERNANCE

The Members of

Precision Pipes and Profiles Company Limited

We have examined the compliance of conditions of Corporate Governance by Precision Pipes and Profiles Company Limited (the "Company") for the year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. 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 the above mentioned Listing Agreement except the composition of Board.

We state that in respect of investor grievances received during the year ended March 31, 2013, no grievances are pending against the Company as per records maintained by the Company.

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

For VLA & Associates
Company secretaries

Vishal L Aggarwal
(Prop.)
C.P. No. 7622

Place : New Delhi

Date : July 6, 2013

INDEPENDENT AUDITORS' REPORT

To The Members of
PRECISION PIPES AND PROFILES COMPANY LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of PRECISION PIPES AND PROFILES COMPANY LTD. as at March 31, 2013, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, 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 account 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 comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

FOR DHARAM TANEJA ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. NO. : 003563N

Place : Noida
Date : 24th May, 2013

D.V.TANEJA
Partner
Membership No. 007718

PRECISION PIPES AND PROFILES COMPANY LIMITED

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph of our report of even date on accounts of M/s Precision Pipes and Profiles Company Ltd. for the year ended 31st March, 2013.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The Fixed Assets are physically verified by the management at reasonable intervals during the year, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies between the book records and the physical inventory have been noticed.
(c) In our opinion and according to the information and explanation given to us, the Company has not disposed of a substantial part of fixed assets during the year.
2. (a) The Inventory of finished goods, stores, spares parts and raw material have been physically verified by the management at reasonable intervals and also at the end of the financial year. In our opinion, the frequency of verification is reasonable.
(b) In our opinion, the procedures of physical verification of the inventory followed by the management were found reasonable and adequate in relation to the size of the Company and nature of its business.
(c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material.
3. (a) The Company has not granted any loans or advances, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, except in the ordinary course of business.
(b) The Company has not taken unsecured loans, from the parties listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year – end balance of such loans aggregates of Rs. NIL and NIL respectively.
(c) In our opinion, the terms and conditions of loans taken are not, prima facie, prejudicial to the interest of the company.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weaknesses in the aforesaid internal control procedures.
5. (a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the Register maintained under Section 302 of 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 contract or arrangements entered into the register in pursuance of Section 301 of the Act, and exceeding the value of Rs. Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the market prices prevailing at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and rules framed there under.
7. In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business.
8. We have reviewed the books of account maintained by the Company in respect of product where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under section 209(1) (d) of the Companies Act, 1956. We are of the opinion that prima facie the prescribed accounts and records have been maintained and are being made up. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us and according to the books records produced and examined by us, in our opinion, the undisputed statutory dues in respect of Provident Fund, E.S.I. income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and others as applicable have been regularly deposited by the Company during the year with the appropriate authorities.

ANNEXURE TO THE AUDITORS' REPORT

- (b) According to the information and explanations given to us and records of the Company examined by us there is no undisputed dues of Provident Fund, E.S.I., income tax, wealth tax, sales tax, customs duty, excise duty, cess as at 31st March, 2013.
- (c) According to the information and explanations given to us and record of the company examined by us, details of dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute are given below:

Particulars	Financial years of which the matters pertain	Forum where dispute is pending	Amount (Rs.)
Service Tax	17.08.2002 to 31.03.2004	Deputy Commissioner	63,630.00
Sales Tax	2004-2005	Joint Commissioner of Sales Tax (Appeals)	4,76,492.00
Excise Duty	October 2003 to August 2004	Commissioner (Appeals) Central Excise, Noida	84,21,340.00
Excise Duty	May 2004 to July 2004	Commissioner (Appeals) Central Excise, Delhi	2,11,672.00
Income Tax	A.Y. 2003-2004	Commissioner of Income Tax Appeal (Delhi)	55,655.00
Income Tax	A.Y. 2007-2008	Commissioner of Income Tax Appeal (Delhi)	9,27,572.00
Income Tax	A.Y. 2009-2010	Commissioner of Income Tax Appeal (Delhi)	19,75,945.00

10. The Company has neither accumulated losses as at 31st March, 2013 nor has it incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to financial institutions, banks.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Provision of any special statute applicable to Chit Fund / Nidhi / Mutual Benefit Fund/ Societies are not applicable to the Company.
14. In our opinion and according to the information and explanation given to us, the Company is not a dealer or trader in securities.
15. In our opinion and according to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanation given to us, there are no funds raised on a short-term basis, which have been used for long term investment, vice versa.
17. The Company has not made any preferential allotments of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
18. The Company has not issued any debenture during the year.
19. The Company has not received money by Public Issue during the year.
20. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

FOR DHARAM TANEJA ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. NO. : 003563N

Place : Noida
Date : 24th May, 2013

D.V.TANEJA
Partner
Membership No. 007718

PRECISION PIPES AND PROFILES COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

Amount in Rs.

Particulars	Note No.	As At 31.03.2013	As At 31.03.2012
I. Equity And Liabilities			
Shareholders' Funds			
A) Share Capital	1	140,000,000	140,000,000
B) Reserves and Surplus	2	1,694,432,486	1,679,033,962
C) Money Received Against Share Warrants		-	-
Total		1,834,432,486	1,819,033,962
2. Non - Current Liabilities			
A) Long-Term Borrowings	3	560,575	29,651,734
B) Deferred Tax Liabilities (Net)	4	35,197,101	44,071,678
C) Other Long Term Liabilities	5	48,851,947	36,165,659
D) Long- Term Provisions	6	40,648,558	33,433,269
Total		125,258,180	143,322,340
3. Current Liabilities			
A) Short-Term Borrowings : Secured	7	141,982,194	-
B) Trade Payables	8	149,878,206	146,344,755
C) Other Current Liabilities	9	42,203,165	33,098,441
D) Short- Term Provisions	10	11,820,889	58,446,762
Total		345,884,454	237,889,958
Grand Total		2,305,575,120	2,200,246,260
II. Assets			
1. Non-Current Assets			
A) Fixed Assets	11		
i) Tangible Assets		1,162,364,383	1,099,246,919
ii) Intangible Assets		81,106,596	58,360,527
iii) Capital Work-In-Progress		165,854,551	108,621,635
iv) Intangible Assets Under Development		-	-
B) Non-Current Investments	12	7,200,000	7,200,000
C) Deferred Tax Assets (Net)		-	-
D) Long-Term Loans And Advances	13	140,834,874	170,396,603
E) Other Non-Current Assets		-	-
Total		1,557,360,404	1,443,825,683
2. Current Assets			
A) Current Investments		-	-
B) Inventories	14	328,441,757	289,056,108
C) Trade Receivables	15	265,567,756	312,762,237
D) Cash And Cash Equivalents	16	59,092,001	92,546,067
E) Short-Term Loans And Advances	17	95,113,202	62,056,165
F) Other Current Assets		-	-
Total		748,214,717	756,420,577
Grand Total		2,305,575,120	2,200,246,260

Significant Accounting Policies
Notes On Financial Statements

1 To 31

As per our Report of even date
For Dharam Taneja Associates
Chartered Accountants
(Firm Registration No.-003563N)

D.V. Taneja
Partner
(Membership No. 7718)

Place : Noida
Date : 24.05.2013

For and on Behalf of the Board of Directors
For Precision Pipes and Profiles Company Limited

Ajay Kumar Jain
Managing Director

Abhishek Jain
Executive Director

Sonia Bhandari
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Amount in Rs.

Particulars	Note No.	Year Ended 31.03.2013	Year Ended 31.03.2012
Revenue From Operations :	18	2,154,283,582	1,846,433,884
Other Income	19	41,628,896	27,646,710
Total Revenue		2,195,912,479	1,874,080,594
Expenses :			
Cost of Materials Consumed	20	1,284,926,050	985,467,549
(Increase)/Decrease in Finished Stock	21	7,062,282	(6,388,222)
Employee Benefits Expense	22	349,668,166	294,419,371
Finance Cost	23	11,418,179	2,734,833
Depreciation and Amortization	11	181,112,982	180,781,510
Other Expenses	24	356,794,922	269,278,299
Total		2,190,982,582	1,726,293,339
Profit/(Loss) before exceptional and extraordinary Items and Tax		4,929,897	147,787,254
Exceptional Items		866,440	6,691,592
Profit / (Loss) before extraordinary items and Tax		5,796,337	154,478,846
Extraordinary Items		-	-
Profit / (Loss) before Tax		5,796,337	154,478,846
Tax Expenses :			
(1) Current Tax	25	(727,610)	53,613,365
(2) Deferred Tax		(8,874,577)	(27,998,926)
Profit / (Loss) for the period		15,398,524	128,864,407
Earnings per Equity Share :			
(1) Basic		1.10	9.20
(2) Diluted		1.10	9.20
Nominal Value of Shares Rs. 10 (Previous Year Rs. 10)			
Number of Equity Shares used in computation of above		14,000,000	14,000,000

Significant Accounting Policies
Notes On Financial Statements

1 To 31

As per our Report of even date
For Dharam Taneja Associates
Chartered Accountants
(Firm Registration No.-003563N)

D.V. Taneja
Partner
(Membership No. 7718)

Place : Noida
Date : 24.05.2013

For and on Behalf of the Board of Directors
For Precision Pipes and Profiles Company Limited

Ajay Kumar Jain
Managing Director

Abhishek Jain
Executive Director

Sonia Bhandari
Company Secretary

PRECISION PIPES AND PROFILES COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Amount in Rs.

Particulars	As At 31.03.2013	As At 31.03.2012
A Cash flow from operative activities profit before Tax		
Net Profit before tax	5,796,337	154,478,846
Depreciation & Amortization	181,112,982	193,382,698
(Profit)/Loss on Sales of Fixed Assets	40,076,299	15,656,518
Unrealised Foreign Exchange Gain	2,709,418	849,098
Interest Expenses	11,418,179	2,734,833
Interest income	1,112,578	3,673,054
Dividend Income	-	1,096,862
Profit on Sale of Investments	-	-
Operating cash flow before working capital changes	159,848,039	329,320,845
Adjustment for:		
(Increase)/Decrease in Trade Receivables	47,194,481	(103,114,780)
(Increase)/Decrease in Inventories	(39,385,649)	(63,483,231)
Increase/(Decrease) in Trade and Other Payables	41,936,479	(4,469,601)
Cash Generated From Operations	209,593,349	158,253,233
Tax Paid	(18,574,997)	(97,700,487)
Net Cash From/(Used in) Operating Activities (A)	191,018,352	60,552,745
B Cash Flow from Investing Activities		
Sales/(Purchases) of Fixed Assets	(284,133,133)	(197,566,786)
Sales/(Purchases) of Investments	-	20,023,041
Profit on Sales of Investments	-	-
Movement in Loans and Advances	(33,411,903)	109,369,965
Interest Received	1,112,578	3,673,054
Dividend Received	-	1,096,862
Net cash from/ (Used in) Investing Activities (B)	(316,432,457)	(63,403,864)
C Cash Flow from Financing Activities		
Fresh Loan Received/ (Repayment of loan)	106,087,635	(17,079,606)
Dividend Paid	-	(28,000,000)
Interest Paid	(11,418,179)	(2,734,833)
Net cash from/(Used in) Financing Activities (C)	94,669,456	(47,814,438)
Increase in cash & cash equivalent during the year (A+B+C)	(30,744,652)	(50,665,557)
Unrealised Foreign Exchange Gain /(Loss) on cash & cash equivalent	(2,709,418)	849,098
Net increase/ (decrease) in Cash/Cash equivalents	(33,454,070)	(49,816,459)
Net increase/ (decrease) in Cash/Cash equivalents at the Beginning	92,546,067	142,362,527
Cash and cash equivalent as at the end of the year	59,092,001	92,546,067

As per our Report of even date
For Dharam Taneja Associates
Chartered Accountants
(Firm Registration No.-003563N)

D.V. Taneja
Partner
(Membership No. 7718)
Place : Noida
Date : 24.05.2013

For and on Behalf of the Board of Directors
For Precision Pipes and Profiles Company Limited

Ajay Kumar Jain
Managing Director

Abhishek Jain
Executive Director

Sonia Bhandari
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION:

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [(Companies (Accounting Standards) Rule ,2006 ,as amended] and the other relevant provisions of the Companies Act,1956.

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current- non current classification of assets and liabilities.

1. SYSTEM OF ACCOUNTING

- i) The Company follows mercantile system of accounting and recognise income and expenditures on accrual basis, except stated below.
- ii) The Financial Statements are prepared on historical Cost Convention, in accordance with the generally accepted accounting principles in India and the relevant provisions of the Companies Act, 1956.
- iii) Estimates and Assumptions used in the preparation of the financial statements and disclosures are based upon management's evaluation of the relevant facts and circumstances as of date of the financial statements, which may differ from the actual results at a subsequent date.

2. FIXED ASSETS & DEPRECIATION

- i) Fixed assets are stated at historical cost. Cost includes freight, installation cost, duties, taxes and incidental expenses but net of Excise Duty (CENVAT).
- ii) Depreciation is charged on Straight Line Method at the rate prescribed Under Schedule XIV of the Companies Act, 1956.
- iii) Technical knowhow is being amortised on pro-rata basis over period of six years.
- iv) Leasehold land is amortised over the period of lease.

3. INVESTMENT

Long Term Investments are carried at Cost after providing for diminution in value, if any, if it is of a permanent nature. Current investments in Mutual Fund Units are carried at Cost.

4. INVENTORIES

- i) Finished Goods have been valued at cost or net realizable value whichever is lower and Cost is arrived at on direct costing method. That is the manufacturing cost i.e. the value of raw material consumed divided by the Quantity of Raw Material consumed plus manufacturing expenses divided by Quantity of Finished goods manufactured. Finished goods lying in the factory premises are valued inclusive of excise duty.
- ii) Raw Materials, Stores & Spares have been valued at Cost on FIFO basis, which included purchase price, freight, duty, taxes & other incidental expenses but net of excise duty (CENVAT).
- iii) Wastage has been valued at net realizable value.

5. REVENUE RECOGNITION

- i) Sales in the domestic market are recognised at the time of dispatch of goods to the buyers and are recorded net of sales return, rebates, trade discounts, sales tax and excise duty.
- ii) Export sales are recognised on issue of bill of lading and recorded at the relevant exchange rates prevailing on the date of the transaction.
- iii) Job work receipts are recorded net of Service Tax.

6. EXCISE DUTY / SERVICE TAX AND SALES TAX / VALUE ADDED TAX

Excise Duty / Service Tax is accounted on the basis of both, payments made in respect of goods cleared / service provided as also provision made for goods lying in bonded warehouses. Sales Tax / Value Added tax paid is charged to Profit and Loss Account.

7. TAXES ON INCOME

- i) Tax on income for the current year is determined on the basis of Income Tax Act, 1961.
- ii) Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets and expenses, on timing difference, being the difference between taxable incomes and accounting income that originate in one period and capable of reversal in one or more subsequent periods.

PRECISION PIPES AND PROFILES COMPANY LIMITED

SIGNIFICANT ACCOUNTING POLICIES

8. FOREIGN CURRENCY TRANSACTIONS

- i) Foreign Currency transactions are re-stated at the rates prevailing at the time of receipt/payment thereof and all exchange losses/ gain arising therefrom are adjusted to the respective accounts. However, Foreign Currency transactions, payments for which were not received / made till the balance sheet date, are recorded in the books at the rate of exchange prevailing on the date of such transactions and any exchange difference is being recorded as profit or loss from change in Foreign Exchange Rates in profit & loss account.
- ii) Monetary assets and liabilities related to foreign currency transactions remaining unsettled are translated at the year end rates and the exchange differences are recorded as unrealized foreign exchange gain/loss in profit & loss account.

9. IMPAIRMENT OF ASSETS

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the profit and loss account to the extent the carrying amount exceeds recoverable amount.

10. RETIREMENT BENEFIT COSTS

Gratuity Liability and provision for Leave Encashment benefits are accounted for as per Accounting Standard 15 (Revised). The expenses are recognised at the actuarially determined value by an actuary.

11. ADJUSTMENT PERTAINING TO EARLIER YEARS

Income / Expenditure relating to prior period, which are not material in each case, are treated as income / expenditure of current year.

12. Debit / Credit balances of various parties are subject to confirmation / reconciliation.

13. LEASES

Assets leased by the company in the capacity of the lessee, where the company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalized at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangement where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease. Lease rentals under operating lease are recognized in Profit & Loss Account on straight line basis.

14. BORROWING COST

Borrowing Costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for Capitalization.

15. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions [excluding retirement benefit] are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

As per our Report of even date
For Dharam Taneja Associates
Chartered Accountants
(Firm Registration No.-003563N)

D.V. Taneja
Partner
(Membership No. 7718)
Place : Noida
Date : 24.05.2013

For and on Behalf of the Board of Directors
For Precision Pipes and Profiles Company Limited

Ajay Kumar Jain
Managing Director

Abhishek Jain
Executive Director

Sonia Bhandari
Company Secretary

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Amount in Rs.

1	SHARE CAPITAL			As At 31.03.2013	As At 31.03.2012
	AUTHORISED CAPITAL 20000000 Equity Shares of Rs. 10/- each (Previous Year 20000000 Equity Shares of Rs.10/- each)			200,000,000	200,000,000
	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL 14000000 Equity Shares of Rs. 10/- each fully paid up.			140,000,000	140,000,000
1.1	Equity Shares Carry Voting Rights At The General Meeting of the Company And Are Entitled To Dividend.				
1.2	The Details of Shareholders Holding More Than 5% Shares:				
	Name of Shareholder	As At 31.03.2013		As At 31.03.2012	
		No. of shares	% held	No. of shares	% held
	Devendra Kumar Jain (HUF)	2,970,000	21.21	2,970,000	21.21
	Asha Jain	2,385,000	17.04	2,385,000	17.04
	Vinay Kumari Jain	1,935,000	13.82	1,935,000	13.82
		7,290,000	52.07	7,290,000	52.07
1.3	30,00,000 (PY 30,00,000) shares out of the issued, subscribed and paid up share capital were allowed as Bonus shares in the last five years by capitalisation of Reserves.				
				As At 31.03.2013	As At 31.03.2012
2	RESERVES AND SURPLUS				
	Securities Premium Reserve (A)			700,000,000	700,000,000
	General Reserve :				
	Opening Balance			96,169,103	96,169,103
	Add:-Transferred From Profit & Loss Account			-	-
	Total (B)			96,169,103	96,169,103
	Balance of Profit & Loss : Opening Balance			882,864,859	754,000,452
	Addition during the year			15,398,524	128,864,407
	Profit available for Appropriation			898,263,383	882,864,859
	Transfer to General Reserve			-	-
	Interim dividend paid			-	-
	Provision for final dividend			-	-
	Tax on dividend			-	-
	Closing balance ('C)			898,263,383	882,864,859
	Total (A)+(B)+('C)			1,694,432,486	1,679,033,962
3	LONG-TERM BORROWINGS				
	SECURED				
	From Maruti Udyog Ltd (Car Loan A/C)			-	1,557,852
	(Secured against hypothecation of Vehicles)				
	UNSECURED				
	From Maruti Udyog Ltd			560,575	28,093,882
	TOTAL			560,575	29,651,734
4	DEFERRED TAX LIABILITIES/(ASSETS):				
	The deferred tax credit/(Charge) for the year has been recognised in the Profit & Loss Account for the year.				
	Details of Deferred Tax Liabilities / (Assets) are as under :				
	Deferred Tax Liabilities				
	Related to Fixed Assets			44,071,678	47,566,951
	Deferred Tax Assets				
	Disallowance under the Income Tax Act, 1961.			8,874,577	3,495,273
	Net Deferred Tax Liabilities/(Assets)			35,197,100	44,071,678
5	OTHER LONG TERM LIABILITIES				
	i) Trade Payables			128,857	128,857
	ii) Others				
	: Payable for Fixed Assets			34,506,887	25,971,674
	: Tooling Advance			13,614,940	9,486,315
	: Advance from trade receivables			102,663	80,213
	: Security Deposits			498,600	498,600
	TOTAL			48,851,947	36,165,659

PRECISION PIPES AND PROFILES COMPANY LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Amount in Rs.

		As At 31.03.2013	As At 31.03.2012
6	LONG- TERM PROVISIONS		
	i) Provision for employee benefits		
	: Gratuity	33,656,445	27,979,425
	: Leave Encashment	6,992,113	5,453,844
	ii) Others	-	-
	TOTAL	40,648,558	33,433,269
7	SHORT-TERM BORROWINGS :SECURED		
	Working Capital Loans From Banks	141,982,194	-
	(Secured against charge by way of equitable mortgage of factory land and building, plant & machinery located at B-206 A, Sector-81, Phase - II, Noida (UP)., B-4, Surajpur Industrial Area, Greater Noida, B-45 Phase - II, Noida (UP). and hypothecation of the company's entire stock of Raw material, semi -finished , finished goods, consumable stores and spares and book - debts , bills & others receivables and personal guarantees of directors Sh. D. C. Jain, Sh. S. C. Jain and Sh. A.K. Jain.)		
	TOTAL	141,982,194	-
8	TRADE PAYABLES		
	Dues to Micro, Small and Medium Enterprises	5,969,143	10,469,652
	Other trade payables	143,909,064	135,875,104
	TOTAL	149,878,206	146,344,755
9	OTHER CURRENT LIABILITIES		
	i) Current Maturity of Long-Term Debt : Secured		
	icici Bank ECB Loan	-	6,803,400
	(Secured against charge by way of equitable mortgage of factory land and building, plant & machinery located at B-206 A, Sector-81, Phase - II, Noida (UP)., B-4, Surajpur Industrial Area, Greater Noida, B-45 Phase - II, Noida (UP). and hypothecation of the company's entire stock of Raw material , semi -finished , finished goods, consumable stores and spares and book - debts , bills & others receivables and personal guarantees of directors Sh. D. C. Jain, Sh. S. C. Jain and Sh. A.K. Jain.)		
	ii) Interest accrued, but not due on borrowings	-	62,086
	iii) Interest accrued and due on borrowings	901,479	-
	iv) Hedging premium accrued but not due	-	43,762
	v) Unpaid dividends	914,035	914,035
	vi) Statutory dues	35,985,762	21,026,020
	vii) Advance from trade receivables	499,823	126,400
	viii) Expenses payable	3,902,065	4,122,738
	TOTAL	42,203,165	33,098,441
10	SHORT- TERM PROVISIONS		
	i) Provision for employee benefits:		
	: Gratuity	6,299,463	3,588,161
	: Leave encashment	1,873,551	1,328,650
	ii) Provision for dividend	-	-
	iii) Provision for Taxation	-	50,200,000
	iv) Provision for Tax Under Mat	1,105,000	-
	v) Provision for Income Tax for earlier years	-	-
	vi) Provision for Wealth Tax	114,000	124,200
	vii) Provision for dividend Tax	-	-
	viii) Provision for excise duty on closing stock of finished goods	2,428,875	3,205,751
	TOTAL	11,820,889	58,446,762

FIXED ASSETS SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2013

11 FIXED ASSETS									
Sr. No.	Name Of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		Balance as on 01.04.2012	Addition During the year	Sale/ TIFed Adjustment	Total As on 31.03.2013	Balance As on 01.04.2012	During the Year	Sale/ TIFed Adjustment	Balance As on 31.03.2013
[A]	Tangible Assets								
	Factory Land (Dehradun)	18,802,611	-	-	18,802,611	759,701	-	759,701	18,802,611
	Factory Land (B-45)	1,946,078	-	-	1,946,078	393,147	9,800	-	1,543,131
	Factory Land (B-206A)	15,784,785	-	-	15,784,785	2,280,024	132,141	-	13,372,620
	Factory Land (Surajpur)	59,206,100	-	-	59,206,100	1,799,040	450,579	-	56,956,481
	Factory Land (Bhiwadi)	49,837,001	-	-	49,837,001	2,013,616	379,277	-	47,444,108
		145,576,575	-	-	145,576,575	7,245,529	971,797	759,701	138,118,950
	Building								138,331,046
	Factory (54 O.I.E.)*	992,099	-	-	992,099	126,294	5,666	-	860,139
	Factory (56 O.I.E.)**	871,907	-	-	871,907	126,035	4,992	-	740,880
	Factory Noida (B-45)	15,945,498	-	-	15,945,498	6,820,359	532,580	-	8,592,559
	Factory (B-206A)	116,425,851	2,258,913	-	118,684,764	27,753,925	3,929,973	-	87,000,867
	Factory (B-4, Surajpur)	172,673,264	408,512	-	173,081,776	19,226,718	5,771,467	-	148,083,591
		307,008,619	2,667,426	-	309,676,044	54,053,331	10,244,677	-	245,378,036
	Plant & Equipment								252,955,288
	Machinery	706,648,354	151,035,747	230,056	887,454,045	302,980,595	72,813,807	7,909	375,786,493
	Generator	30,828,769	7,467,646	-	38,296,415	13,348,675	1,875,202	-	23,072,539
		737,477,123	158,503,393	230,056	895,750,460	316,329,269	74,689,009	7,909	391,010,370
	Furniture & Fixtures								504,740,090
	Furniture	12,939,889	23,758	-	12,963,647	5,678,403	771,235	-	6,549,638
	Office Building	772,539	-	-	772,539	222,920	12,592	-	235,513
	Office Renovation	7,384,656	-	-	7,384,656	217,878	88,325	-	306,203
	Other Asset	2,689,071	4,688,224	-	7,377,295	219,260	181,974	-	401,234
		23,786,155	4,711,982	-	28,498,137	6,338,461	1,054,126	-	7,392,587
	Office Equipment								21,105,550
	Office Equipment	27,786,489	2,204,457	-	29,990,946	7,555,543	1,362,274	-	8,917,817
		27,786,489	2,204,457	-	29,990,946	7,555,543	1,362,274	-	21,073,128
	Vehicles								21,073,128
	Motor Car	47,517,078	-	285,733	47,231,345	28,289,766	4,182,666	164,950	14,923,864
	Scooter	3,317,461	250,165	-	3,567,626	1,257,639	310,636	-	1,999,350
	Cycle	14,300	-	-	14,300	4,585	1,359	-	8,356
		50,848,839	250,165	285,733	50,813,271	29,551,990	4,494,660	164,950	16,931,570
	Others								21,296,848
	Computer	25,959,140	3,117,436	-	29,076,576	19,564,724	2,572,544	-	6,939,309
	Dies & Moulds	470,286,954	132,309,470	89,858,810	512,739,615	258,579,146	66,662,106	1,679,505	189,177,868
	Mobile Phone	1,250,440	92,890	-	1,343,330	134,662	62,826	-	1,145,843
	Electric Installation	4,182,951	9,863,654	-	14,046,605	1,052,215	694,238	-	12,300,153
	Trolley	6,330,638	270,721	-	6,601,359	844,137	303,336	-	5,453,885
		508,012,123	145,654,171	89,858,810	563,807,485	280,174,883	70,295,050	1,679,505	348,790,427
	Intangible Assets to be amortised								215,017,058
[B]	Computer Software	20,618,250	2,865,717	-	23,483,967	8,147,055	3,573,300	-	11,763,613
	Technical Know-How	87,336,021	37,881,742	-	125,217,763	21,446,690	14,428,090	-	69,342,983
		87,954,271	40,747,459	-	128,701,730	29,593,745	18,001,389	-	81,106,596
	Capital Work In Progress								58,360,527
	Building Construction	88,874,956	23,321,773	-	112,196,728	-	-	-	112,196,728
	Building Construction (Bhiwadi)	12,655,043	4,042,401	-	16,697,444	-	-	-	16,697,444
	Tool Room	7,091,636	7,321,611	-	14,413,248	-	-	-	14,413,248
	Building Construction (Chennai)	-	66,126	-	66,126	-	-	-	66,126
	Dies and mould	-	16,818,860	-	16,818,860	-	-	-	16,818,860
	Machinery	-	5,662,144	-	5,662,144	-	-	-	-
		108,821,635	57,232,916	-	166,854,551	-	-	-	166,854,551
	Total	1,997,071,833	411,971,968	90,374,599	2,318,669,202	730,842,751	181,112,982	2,612,066	1,409,325,529
	Previous Year Total	1,796,091,472	353,939,576	154,959,214	1,997,071,832	564,304,185	180,781,510	14,242,943	730,842,751
									1,266,229,081
									1,233,787,288
*Depreciation has not been provided on Rs. 822460/- as cost of Factory Building includes deposit of Rs. 822460/- paid alongwith application for conversion of leasehold land into freehold land which has been rejected.									
** Depreciation has not been provided on Rs. 822460/- as cost of Factory Building includes deposit of Rs. 822460/- paid alongwith application for conversion of leasehold land into freehold land which has been rejected.									

* Depreciation has not been provided on Rs. 822,460/- as cost of Factory Building includes deposit of Rs. 822,460/- paid alongwith application for conversion of leasehold land into freehold land which has been rejected.
 ** Depreciation has not been provided on Rs. 822,460/- as cost of Factory Building includes deposit of Rs. 822,460/- paid alongwith application for conversion of leasehold land into freehold land which has been rejected.
 Note : Pending quantification of balance useful life of assets no impairment loss has been charged to accounts.

PRECISION PIPES AND PROFILES COMPANY LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Amount in Rs.

12	NON-CURRENT INVESTMENTS (UNQUOTED-OTHER INVESTMENTS) Investment in Equity Shares 2,40,000 (PY 2,40,000) Equity Shares of Kalindi Farms Pvt. Ltd. (Face Value of Rs. 10/- per share - fully paid up) TOTAL	 7,200,000 7,200,000	 7,200,000 7,200,000
13	LONG-TERM LOANS AND ADVANCES (UNSECURED AND CONSIDERED GOOD) i) Capital Advances ii) Security Deposits iii) Loans and Advances to Related Parties (Refer Note No. 29) iii) Other Loans and Advances: : Advance Tax : Cervat Receivable : Advance for Car Loan : Advance to Trade Payables TOTAL	 18,251,214 6,508,554 10,000,000 48,715,090 56,881,453 214,591 263,972 140,834,874	 1,963,611 5,184,858 - 79,736,684 81,242,195 487,979 1,781,276 170,396,603
14	INVENTORIES (As taken valued and certified by the management) Raw Materials Packing Material Dyes & Chemicals Accessories Fabric Finished Goods Consumable Store Goods In Transit (Raw Materials) TOTAL	 278,310,209 16,119,553 2,787,320 7,362,461 641,726 22,079,963 20,450 1,120,075 328,441,757	 237,845,625 10,010,185 2,805,134 5,703,298 639,353 29,142,245 333,185 2,577,083 289,056,108
15	TRADE RECEIVABLES (UNSECURED AND CONSIDERED GOOD) i) Over Six Months ii) Others Less: Provision for Doubtful Debt TOTAL	 5,867,635 259,989,420 289,298 265,567,756	 5,947,250 307,104,290 289,298 312,762,243
16	CASH AND CASH EQUIVALENTS i) Balance with banks ii) Cash on hand iii) Earmarked balances with banks iv) Bank Deposits (with maturity of more than 12 months) TOTAL	 42,573,228 5,720,738 914,035 9,884,000 59,092,001	 81,831,885 2,300,148 914,035 7,500,000 92,546,067

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Amount in Rs.

		As At 31.03.2013	As At 31.03.2012		
17	SHORT-TERM LOANS AND ADVANCES (UNSECURED AND CONSIDERED GOOD) I) Loans and advances to related parties Ii) Others : Duty and taxes receivable Mat Credit Entitlement account Interest accrued but not received Staff advance Prepaid expenses Advance to trade payables Advance AG expenses TOTAL	 - 61,118,368 1,105,000 - 246,026 5,465,941 20,273,053 6,904,815 95,113,202	 10,000,000 37,176,817 - 452,864 174,411 3,618,041 4,517,037 6,116,995 62,056,165		
18	REVENUE FROM OPERATION I) Sale of products Ii) Other operating revenues Less: Excise Duties TOTAL	 2,475,348,008 7,113,980 2,482,461,988 328,178,406 2,154,283,582	 2,056,691,894 13,455,916 2,070,147,810 223,713,926 1,846,433,884		
19	OTHER INCOME Interest Received Dividend Recieved Profit on sale of Investment Unclaimed Balances Written Back Profit on sale of assets Diff of foreign exchange Export Incentives Misc. Income Profit from hedging Total	 1,112,578 - - 17,265 40,076,299 - 419,354 - 3,400 41,628,896	 3,673,054 1,096,862 - 4,227,878 15,656,518 849,098 1,358,780 777,721 6,800 27,646,710		
20	PARTICULARS OF MATERIAL CONSUMED I) Raw Materials Ii) Dyes & Chemicals Iii) Packing Materials Iv) Accessories V) Fabric TOTAL	 1,135,408,899 18,704,165 52,691,152 71,604,478 6,517,358 1,284,926,050	 880,153,061 14,479,055 44,893,790 42,478,205 3,463,438 985,467,549		
20.1	COST OF MATERIALS CONSUMED				
	ITEMS	2012-13	2011-12		
		Rs.	(% age)	Rs.	(% age)
	Imported	790,775,296	62	542,739,759	55
	Indigeneous	494,150,754	38	442,727,790	45
		1,284,926,050	100	985,467,549	100
21	INCREASE/(DECREASE) IN FINISHED STOCK Closing Stock Opening Stock TOTAL	 22,079,963 29,142,245 (7,062,282)	 29,142,245 6,388,222		
22	EMPLOYEE BENEFITS EXPENSE I) Salaries and wages Ii)) Contribution to PF and other fund Iii) Gratuity Iv) Staff Welfare Expense TOTAL	 306,474,294 17,779,170 9,454,793 15,959,910 349,668,166	 258,888,486 16,784,727 6,821,376 11,924,782 294,419,371		

PRECISION PIPES AND PROFILES COMPANY LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Amount in Rs.

22.1 Liability for employee benefits has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Accounting Standard 15 (Revised) the details of which are as hereunder:			
Actuarial Method			
a) Projected unit credit (PUC) actuarial method has been used to assess the plan's liabilities of exit employees for retirement, death-in-service and withdrawals (Resignations/ Terminations).			
b) Under the PUC method a projected accrued benefit is calculated at the beginning of the period and again at the end of the period for each benefit that will accrue for all active member of the plan. The projected accrued benefit is based on the plan accrual formula and upon service as of the beginning or end of period, but using member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits as on the date of valuation.			
22.2 ACTUARIAL ASSUMPTIONS			
22.3(i) Economic Assumptions			
The principal assumptions are the discount rate & salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities & the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been agreed by the company:			
		31st March, 2013	31st March 2012
i) Discounting Rate		8.00	8.50
ii) Future salary Increase		6.00	6.00
iii) Expected Rate of return on plan assets		-	-
22.3 (ii) DEMOGRAPHIC ASSUMPTION			
i) Retirement Age (years)		58.00	58.00
ii) Mortality Table		IALM (1994 - 96)	
iii) Ages		Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 years		3.00	3.00
From 31 to 44 years		2.00	2.00
Above 44 years		1.00	1.00
22.4 CHANGE IN PRESENT VALUE OF OBLIGATION			
Gratuity (Unfunded) Rs.			
a) Present value of obligation as at the beginning of the period		31,567,586	2,55,69,035
b) Acquisition /adjustment		-	-
c) Interest cost		2,525,407	21,73,368
d) Past service cost		-	-
e) Current service cost		4,085,743	34,96,549
f) Curtailment cost/(Credit)		-	-
g) Settlement cost/(Credit)		-	-
h) Benefits paid		(1,066,471)	(8,22,825)
i) Actuarial (gain)/loss on obligation		2,843,643	11,51,459
j) Present value of obligation as at the end of period		39,955,908	3,15,67,586
22.5 EXPENSE RECOGNIZED IN THE STATEMENT OF PROFIT AND LOSS			
Gratuity (Unfunded) Rs.			
a) Current service cost		4,085,743	34,96,549
b) Past service cost		-	-
c) Interest cost		2,525,407	21,73,368
d) Expected return on plan assets		-	-
e) Curtailment cost / (credit)		-	-
f) Settlement cost / (credit)		-	-
g) Net actuarial (gain)/ loss recognized in the period		2,843,643	11,51,459
h) Expenses recognized in the statement of profit & losses		9,454,793	68,21,376
22.6 RECONCILIATION STATEMENT OF EXPENSE IN THE STATEMENT OF PROFIT AND LOSS			
Gratuity (Unfunded) Rs.			
a) Present value of obligation as at the end of period		39,955,908	3,15,67,586
b) Present value of obligation as at the beginning of the period		31,567,586	2,55,69,035
c) Benefits paid		1,066,471	8,22,825
d) Actual return on plan assets		-	-
e) Acquisition adjustment		-	-
f) Expenses recognized in the statement of profit & losses		9,454,793	68,21,376

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Amount in Rs.

		31st March, 2013	31st March, 2012
22.7	MOVEMENT IN THE LIABILITY RECOGNISED IN THE BALANCE SHEET		
	Gratuity (Unfunded) Rs.		
a)	Opening Net Liability	31,567,586	25,569,035
b)	Expenses as above	9,454,793	6,821,376
c)	Benefits paid	(1,066,471)	(822,825)
d)	Actual return on plan assets	-	-
e)	Acquisition adjustment	-	-
f)	Closing Net Liability	39,955,908	31,567,586
22.8	CHANGE IN PRESENT VALUE OF OBLIGATION RELATED TO LEAVE ENCASHMENT		
	Leave Encashment (Unfunded) Rs.		
a)	Present value of obligation as at the beginning of the period	6,782,494	55,03,177
b)	Acquisition adjustment	-	-
c)	Interest cost	542,600	4,67,770
d)	Past service cost	-	-
e)	Current service cost	1,274,566	11,37,475
f)	Curtailment cost/(Credit)	-	-
g)	Settlement cost/(Credit)	-	-
h)	Benefits paid	(792,753)	(6,62,006)
i)	Actuarial (gain)/loss on obligation	1,058,757	3,36,078
j)	Present value of obligation as at the end of period	8,865,664	67,82,494
22.9	EXPENSE RECOGNIZED IN THE STATEMENT OF PROFIT AND LOSS		
	Leave Encashment (Unfunded) Rs.		
a)	Current service cost	1,274,566	11,37,475
b)	Past service cost	-	-
c)	Interest cost	542,600	4,67,770
d)	Expected return on plan assets	-	-
e)	Curtailment cost / (Credit)	-	-
f)	Settlement cost / (credit)	-	-
g)	Net actuarial (gain)/ loss recognized in the period	1,058,757	3,36,078
h)	Expenses recognized in the statement of profit & losses	2,875,923	19,41,323
22.10	RECONCILIATION STATEMENT OF EXPENSE IN THE STATEMENT OF PROFIT AND LOSS		
	Leave Encashment (Unfunded) Rs.		
a)	Present value of obligation as at the end of period	8,865,664	67,82,494
b)	Present value of obligation as at the beginning of the period	6,782,494	55,03,177
c)	Benefits paid	792,753	6,62,006
d)	Actual return on plan assets	-	-
e)	Acquisition adjustment	-	-
f)	Expenses recognized in the statement of profit & losses	2,875,923	19,41,323
22.11	MOVEMENT IN THE LIABILITY RECOGNISED IN THE BALANCE SHEET		
	Leave Encashment (Unfunded) Rs.		
a)	Opening Net Liability	6,782,494	5,503,177
b)	Expenses as above	2,875,923	1,941,323
c)	Benefits paid	(792,753)	(662,006)
d)	Actual return on plan assets	-	-
e)	Acquisition adjustment	-	-
f)	Closing Net Liability	8,865,664	6,782,494
23	FINANCE COST		
i)	Interest Expenses	11,324,618	2,132,725
ii)	Other Borrowing Costs	93,561	602,107
TOTAL		11,418,179	2,734,833

PRECISION PIPES AND PROFILES COMPANY LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Amount in Rs.

		31st March, 2013	31st March, 2012
24	OTHER EXPENSES		
	I) Consumption of stores and spare parts	27,296,119	14,968,687
	ii) Power and fuel	87,175,637	62,462,711
	lii) Rent	12,081,176	10,499,843
	Iv) Repairs to buildings	7,638,049	4,219,574
	V) Repairs to machinery	28,648,039	21,413,135
	Vi) Insurance	3,779,076	1,714,333
	Vii) Excise duty #	545,216	4,572,459
	Viii) Rates and taxes including wealth tax	234,636	172,627
	Ix) Miscellaneous expenses	2,772,376	2,695,592
	X) Other manufacturing expense	9,505,375	5,918,829
	Xi) Factory expenses	20,442,197	19,007,006
	Xii) Payment to collaborators/royalty	31,242,755	20,083,951
	Xiii) Printing & Stationery	13,999,400	10,838,987
	Xiv) Postage & telephone expenses	6,093,967	5,806,284
	Xv) Fees & subscription	2,121,960	3,236,799
	Xvi) Director's sitting fees	1,024,048	1,999,999
	Xvii) Legal & professional fees	7,789,380	7,733,277
	Xviii) Bank charges	3,175,956	1,484,146
	Xix) Auditor's Remuneration	224,720	220,599
	Xx) Travelling & conveyance	17,581,192	15,144,527
	Xxi) Factory security	6,638,739	5,617,295
	Xxii) Motor car expenses	4,542,414	4,821,066
	Xxiii) Service Tax & cess	1,912,158	811,906
	Xxiv) Office Electricity	1,771,966	1,300,097
	Xxv) Charity & Donation	66,100	19,900
	Xxvi) Ipo Expenses	-	12,601,188
	Xxvii) Listing Expenses	94,979	216,774
	Xxviii) Meeting Expenses	78,652	97,000
	Xxix) Repair & Maintenance-others	5,919,299	3,285,040
	Xxx) Profit/Loss from hedging of ECB Loan	-	-
	Xxxi) Loss on Sale of Asset	-	-
	Xxxii) Advertisement & Sales Promotion	7,515,553	9,049,313
	Xxxiii) Discount & Short Recovery	12,835,411	10,285,911
	Xxxiv) Freight & Cartage	57,697,310	40,707,888
	Xxxv) Additional Demand Sales Tax	513,116	97,269
	Xxxvi) Bad Debts	-	1,853,813
	Xxxvii) Diff of Exchange Rate in Foreign Transaction	2,709,418	-
	Less: Cost of Molds Capitalized	(28,871,469)	(35,679,526)
	TOTAL	356,794,922	269,278,299
	# Excise Duty shown under expenditure represents the aggregate of excise duty borne by the Company and difference between excise duty on opening and closing stock of finished goods.		
24.1	VALUE OF IMPORT ON C I F BASIS		
	Raw Material	773,106,369	583,064,936
	Stores & Spares	7,205,124	4,747,282
	Capital Goods	155,556,519	131,816,296
		935,868,013	719,628,514
24.2	AUDITORS' REMUNERATION*		
	Statutory audit	150,000	150,000
	Tax audit	50,000	50,000
	Fee for certification & Other services	35,200	68,900
		235,200	268,900
	* Exclusive of service tax.		
24.3	EXPENDITURE IN FOREIGN CURRENCY		
	Payment to collaborators	115,013,828	20,083,951
	Foreign travel	5,513,300	3,732,455
	Interest on ECB	153,043	785,794
		120,680,171	24,602,200

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Amount in Rs.

		31st March, 2013	31st March, 2012
25	CURRENT TAX		
	I) Provision for Tax on income	-	50,200,000
	ii) Provision for Taxation for earlier year	-	3,365,468
	iii) Income Tax related to earlier years	371	47,897
	iv) Excess provision of Income tax written back	(727,981)	-
	V) Excess provision of wealth tax written back	-	-
	Vi) Provision for tax under MAT	1,105,000	-
	Vii) Adjustment for MAT credit entitlement account	(1,105,000)	-
	TOTAL	(727,610)	53,613,365
26	EARNING PER SHARE (EPS)		
	I) Net Profit After Taxation	15,398,524	128,864,407
	ii) Numbers of Equity Shares	14,000,000	14,000,000
	iii) Earning Per Share (Basic/Diluted)	1.10	9.20
27	EARNING IN FOREIGN EXCHANGE		
	Value of Export	7,031,799	21,832,116
		7,031,799	21,832,116
28	DIVIDEND REMITTED IN FOREIGN CURRENCY (REPATRIATION BASIS)		
	Dividend remitted during the year (in Rs.)	-	450,000
	Dividend remitted during the year (in Yen)	-	706,436
	No. of non-resident shareholders	1	1
	No. of shares for which dividend remitted	-	225,000
29	RELATED PARTY DISCLOSURES		
	A Related Party Transactions, as required by AS - 18, "Related Party Disclosures" are as given below :		
	i Related Parties in the group where common control exists :		
	a) Ajay Poly Private Ltd.		
	b) A I C (Plastic) Private Ltd		
	c) Ajay Industrial Corporation Ltd.		
	d) Kalindi Farms Pvt. Ltd.		
	e) Ajay Industrial Polymers Pvt. Ltd		
	f) Seiki Auto India Pvt. Ltd.		
	ii Key Management Personnel of the Company :		
	a) Sh. Devendra Chandra Jain : Chairman		
	b) Sh. Sharat Chand Jain : Ex. Vice - Chairman		
	c) Sh. Ajay Kumar Jain : Managing Director		
	d) Sh. Rajeev Jain : Whole Time Director		
	e) Sh. Anuj Jain : Director		
	f) Sh. Abhishek Jain : Whole Time Director		
	g) Sh. B B Tandan : Independent Director		
	h) Sh. K K Mathur : Independent Director		
	i) Sh. S K Tuteja : Independent Director		
	j) Sh. Vinod Vaish : Independent Director		
	k) Sh. Ashok Kumar Agrawal : Independent Director		
	l) Sh. M.S. Kapur : Independent Director		
	iii Relatives of the Key Management Personnel		
	a) M/s. D. C. Jain (H. U. F)		
	b) M/s. A. K. Jain (H. U. F)		
	c) Smt. Kanupriya Jain		
	d) Sh. Nitin Jain		
	e) Smt. Asha Jain		
	f) Sh. Akhil Jain		
	g) Smt. Bina Jain		
	h) Smt. Vinay Kumari Jain		
	i) Smt. Anuradha Jain		
	j) Smt. Lata Jain		

PRECISION PIPES AND PROFILES COMPANY LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Amount in Rs.

B	Summary of the transactions with the above related parties in the ordinary course of business are as follows:					
	Nature of Transaction	Related Parties where common control exists		Key Management Personnel		Relative of the Key Management Personnel
		31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13
	Fixed Assets Purchases	-	1,950,115.80	-	-	-
	Material/Licence Purchases	3,729,647.00	-	-	-	-
	Sales	25,462,101.00	16,956,919.74	-	-	-
	Sale of Fixed Assets	-	541,671.00	-	-	-
	Rent & Lease Charges	8,400,000.00	8,400,000.00	-	-	540,000.00
	Remuneration	-	-	8,500,000.00	10,951,999	-
	Interest paid	-	-	-	-	-
	Dividend Paid	-	-	-	1,815,000	15,735,000.00
	Advance	-	10,000,000.00	-	-	-
	Balance outstanding at the year end :					
	Amount Payable	-	-	-	-	-
	Amount Recoverable	11,050,000.00	11,050,000.00	-	-	-

30 SEGMENT REPORTING

i) PRIMARY BUSINESS SEGMENTS

The Company reviewed the disclosure of Business segmen wise and is of the view that the Company is mainly in the business of manufacture of PVC Profiles for Automobiles Industries and other business of the Company is to manufacture the PVC Profiles for Refrigerator Industries, Electrical Industries, and Building Construction Industries. Since, no other single segment constitute revenue/ results/ assets more than 10% of total (in accordance with AS - 17), Accordingly segment information is not required to be disclosed.

ii) GEOGRAPHICAL SEGMENTS :

The Company caters mainly to the needs of Indian market and the export turnover being 1.19% (Previous year 2.80%) of the total turnover of the Company, there are no reportable geographical segments.

iii) ASSETS BY GEOGRAPHICAL AREA :

All segment assets of the Company are located in Northern Part of India .i.e., in Delhi & Noida.

31 CONTINGENT LIABILITIES & COMMITMENTS

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:		
i) Letters of Guarantees	20,000	20,000
ii) Letters of Credit	12,606,735	77,762,423
iii) Income Tax Appeal :		
For Asst.Year.2003-04	55,655	55,655
For Asst. Year 2007-08	927,572	927,572
For Asst. Year 2009-10	1,975,945	1,975,945
For Asst. Year 2010-11	2,680,825	-
iv) Sales Tax / VAT/ Entry Tax	476,492	45,441
v) Service Tax	63,630	63,630
vi) Civil Suit	8,455,357	8,455,357
vii) Central Excise (Duty paid under protest is Rs.1489081/-)	15,705,198	15,705,198
	42,967,409	105,011,221

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Amount in Rs.

Notes :

- (i) The Deputy commissioner of income tax has imposed a penalty of Rs. 55655/- u/s 271 (1) (c) of the Income Tax Act, 1961, for A.Y.2003-04. The company had filed an appeal against the aforesaid order with CIT (Appeals) and the same is pending before CIT (Appeals).
- (ii) Income Tax Assessment for the A.Y. 2007-2008 was completed under section 143(3) of the Income Tax Act, 1961, wherein demand of Rs. 927572/- was raised. The company had filed an appeal against the aforesaid order with CIT (Appeals)
- (iii) A demand of Rs. 19,75,945/- for the Assessment Year 2009-10 and Rs. 26,80,825/- for the Assessment Year 2010-11 was raised u/s 143(3) of the Income Tax Act, 1961. The Company had filed an appeal against the demand with CIT (Appeals) and the same is pending before CIT (Appeals).
- (iv) A case for demand of service tax of Rs.63,630/- pertaining to 17.02.2002 to 31.03.2004 is pending before Deputy Commissioner.
- (v) Central Sales Tax Assessment for the Assessment Year 2004-05 was completed under section 9 of Central Sales Tax Act R/W 23(3) of Delhi Sales Tax Act, 1975 wherein demand of Rs.1,66,697/- was raised which was reduced to Rs.1,13,957/- vide review order. The company had deposited a sum of Rs.68,516/- being undisputed demand and company had filed an appeal against the balance demand of Rs. 45,441/- before the Joint Commissioner of Sales Tax (Appeals) and stay granted vide order no F/PA/Jt. Comm. (KDU)/02/Stay/ 410-411 dt. 18.08.06.
- (vi) A demand of Rs. 84,55,357/- had been raised by BSES Rajdhani Ltd. for making payments of arrears for the misuse of electricity. The company had filed a suit against BSES with District Court and won the case in its favour. However, BSES has filed an appeal with High Court but the notice for listing not received from the court.
- (vii) Demand of excise duty of Rs.42,10,670/- alongwith penalty of Rs.42,10,670/- was imposed on the company by Addl. Commissioner, Central Commissionerate, Noida, for Cervat credit taken on payment of duty through DEPB licence, under the Central Excise Act, 1944. The company filed before the Commissioner (Appeals), Central Excise, Noida. The Commissioner (Appeals) rejected the appeal. The company has filed the appeal with the Central Excise & Service Tax Appellate Tribunal (CESTAT) which has been decided in favor of the company.
- (viii) Demand of excise duty of Rs.1,05,836/- along with penalty of Rs.1,05,836/- was imposed on the company by Addl. Commissioner, Central Excise, Delhi, for Cervat credit taken on payment of duty through DEPB licence, under the Central Excise Act, 1944. The company had filed an appeal against the aforesaid order with Commissioner of Central Excise, Okhla. The Commissioner of Central Excise has rejected the appeal. Thereafter, the company has filed the appeal with the Central Excise & Service Tax Appellate Tribunal (CESTAT) and the appeal is pending.
- (ix) Demand of excise duty of Rs.35,36,033/- along with penalty of Rs.35,36,033/- was imposed on the company by Addl. Commissioner, Central Excise, Delhi, for Cervat credit taken on payment of duty through DEPB licence, under the Central Excise Act, 1944. The company had filed an appeal against the aforesaid order with Commissioner of Central Excise, Okhla. The Commissioner of Central Excise has rejected the appeal. Thereafter, the company has filed the appeal with the Central Excise & Service Tax Appellate Tribunal (CESTAT) and the appeal is pending.
- (x) Wealth Tax assessment of the company has been completed up to the Assessment year 2010-11. No provision has been made in the accounts for additional Wealth tax liabilities for the assessment year 2010-11 to 2012-13 as amount is unascertained.
- (xi) Sales Tax Assessments of the Company has been completed till F.Y.2009-2010 in the case of UP Units wherein Net Demand of Rs.4,31,051/- was imposed & such amount has not been provided in the Books of Accounts and Sales Tax Assessment for Delhi Units completed upto F.Y. 2010-2011 and demand raised were paid.
- (xii) Income tax assessments of the Company were completed till the assessment year 2009-10. However, appeals for the Assessment Year 2007-08 and 2009-10 are pending before the Hon'ble CIT Appeal. No provision has been made in the accounts for additional income tax liabilities for Assessment Year 2010-11 to 2011-12 as amount is unascertained.
- (xiii) In view of the revision to the Schedule VI as per notification issued by the Central Government, the financial statement for the year ended 31st March, 2013 have been prepared as per the requirement of the Revised Schedule VI to the Companies Act, 1956. The previous period's figures have been accordingly regrouped/classified to confirm to the current year's classification.

As per our Report of even date
For Dharam Taneja Associates
Chartered Accountants
(Firm Registration No.-003563N)

D.V. Taneja
Partner
(Membership No. 7718)
Place : Noida
Date : 24.05.2013

For and on Behalf of the Board of Directors
For Precision Pipes and Profiles Company Limited

Ajay Kumar Jain
Managing Director

Abhishek Jain
Executive Director

Sonia Bhandari
Company Secretary

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ATTENDANCE SLIP
PRECISION PIPES AND PROFILES COMPANY LIMITED

Registered Office : 54, Okhla Industrial Estate, Phase-III, New Delhi-110020

(Particulars to be completed by Member / Proxy)

Name of Member :

Member's Folio Number	DP.Id**	CLIENT Id**
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No. of Shares held :

Name of Proxy, if attending for Member :

I hereby record my presence at the EIGHTEENTH ANNUAL GENERAL MEETING of the Company at The Executive Club, Dolly Farms and Resorts Private Limited, 439 Village Shahoorpur, P.O. Fatehpur Beri, New Delhi – 110074 on Friday the 9th August, 2013 at 11.00 A.M.

Member's/Proxy's Signature*

* To be signed at the time of handing over the slip.

** Applicable if shares are held in electronic form

MEMBERS ARE REQUESTED TO BRING THEIR COPY OF THE ANNUAL REPORT TO THE MEETING. NO COPY OF THE REPORT WILL BE DISTRIBUTED AT THE MEETING.

PROXY

PRECISION PIPES AND PROFILES COMPANY LIMITED

Registered Office : 54, Okhla Industrial Estate, Phase-III, New Delhi-110020

I/We _____
of _____ in the district
of _____ being a member/members of the above
named Company hereby appoint _____
of _____ in the district
of _____ or failing him _____
of _____ in the district
of _____ as my / our Proxy to vote for
me/us on my/our behalf at the Annual General Meeting of the Precision Pipes and Profiles Company Limited to be held at 11.00 A.M. on Friday, the 9th of August, 2013 and at any adjournment thereof.

As witness my/our hand(s) this _____

day of _____ 2013.

Signature _____

Folio Number	DP.Id*	CLIENT Id*
--------------	--------	------------

No. of Shares held _____

*Applicable if shares are held in electronic form.

Note : This Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting.

Affix
Revenue
Stamp

MANUFACTURING LOCATIONS



Established:1989
161, Okhla Industrial Estate,
Phase-III, New Delhi



Established:1992
70, Okhla Industrial Estate,
Phase-III, New Delhi



Established:1998
B-45, Phase-II, Noida (U.P.)



Established: 2004
B-206A, Sector-81, Phase-II, Noida (U.P.)



Established:2008
B-4, Sector-V, Surajpur Industrial Area,
Greater Noida (U.P.)



Established:2012
0, Sriperumbudhaur Road,
104, Polivakkam Village, Tiruvallur, (T.N.)

AUTOMOTIVE CUSTOMERS



BOOK-POST

If undelivered please return to:

PRECISION PIPES AND PROFILES CO. LTD.

54, Okhla Industrial Estate, Phase-III, New Delhi-110 020



PRECISION PIPES & PROFILES CO. LTD.

B-206A, Sector - 81, Phase - II, Noida- 201305, U.P.
Tel.: +91 120 2462552 / 53, Fax: +91 120 2461371
Email: info@ppapco.com, Website: www.ppapco.in

July 12, 2013

The Listing Department
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001

The Listing Department
The National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E)
Mumbai - 400051

Subject: Submission of Annual Report for the Financial Year 2012-13

Dear Sir,

Pursuant to Clause 31 of the Listing Agreement, please find enclosed the Annual Audit Report of the Company.

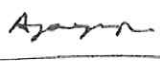
Form A

- | | | |
|----|--|--|
| 1. | Name of the Company | Precision Pipes and Profiles Company Limited |
| 2. | Annual Financial Statements for the year ended | March 31, 2013 |
| 3. | Type of Audit Observation | Un-qualified |
| 4. | Frequency of observation | N.A. |


Please take the above on record.

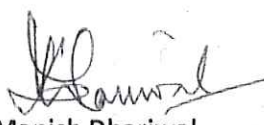
Thanking you,

Yours truly,
For Precision Pipes and Profiles Company Limited


Ajay Kumar Jain
Managing Director


Dharam Vir Taneja
Dharam Taneja Associates
Membership No. 07718


Manmohan Singh Kapur
Chairman of the Audit Committee Meeting


Manish Dhariwal
Chief Financial Officer

