

Ladies and Gentlemen

I extend to each and every one of you a warm welcome to the 72nd Annual General Meeting of the Company. The Annual Report together with the Audited Accounts and the Director's Report for the year ended 30th June, 2014 have been with you for quite some time and with your permission, I take them as read. I hope it gives you a clear idea of the working of the Company during the year under review.

The Company achieved Net Revenues for the year 2013-14 at Rs. 3972.34 Crores (including Rs 171.89 crores by way of trading in other related products and Rs. 60.20 crores from sale of premises) as against Rs. 3406.97 crores (including Rs.113.80 Crores by way of trading in other related products and Rs. 16.00 crores from sales of premises) in the previous year, a growth of about 16%

The Profits before interest, Depreciation and Taxes have gone up by 11.05% from Rs 539.40 crores in 2012-13 to Rs. 599.03 crores in the year under review. Net Profit, after setting aside Tax provisions of Rs. 139.98 crores (previous year Rs. 132.99 crores) grew over 3% from Rs. 272.35 crores in 2012-13 to Rs. 281.37 crores in 2013-14.

The Directors have recommended Final dividend of 300% i.e. Rs.6.00 per share which together with the interim dividend of 100% i.e Rs.2/- per share (already paid) aggregates to 400% i.e. Rs.8.00 per share on Face Value of Share of Rs. 2/- each as against 375% i.e. Rs. 7.50/- per share on Face Value of Share of Rs. 2/- each in the previous year. Total Dividend payout including Corporate Dividend Tax would be Rs.118.89 crores, as compared to Rs. 111.27 crores of the previous year. After making necessary provisions, a sum of Rs 162.47 Crores has been transferred to General Reserve.

The net sales and other income during first two months of the current year are Rs. 488.06 crores (including Rs. 26.34 crores by way of trading in other related products) as against Rs. 449.64 crores (including Rs. 17.99 crores by way of trading in other related products) in the corresponding period of previous year achieving a growth of about 9%.

Business Outlook

In the first two months, the business conditions were slow. Growth in turnover was around 9%. The crude prices came down . \$ Rupee parity remains steady. There was downward revision in the prices of key raw materials consumed by the Company. Consequently, there was a trend of emptying the pipe line at the end of channel partners which slowed the value growth in first two months,

Certain downward corrections in prices further took place on the 4th of this month. It is now expected that the prices may remain at around current level in near term. The demands for the products are expected to revive post monsoon. The Company expects business to grow between 18% to 20% by value in the current year.

In The medium term, the demand growth is expected to remain robust. Several new petrochemical plants are expected to go into production in next two years in the country. The Government is also giving increased focus to infrastructure, construction of smart cities, affordable housing and providing sanitation. Government commitment to boost manufacturing share in GDP in the country will go a long way to enable us to aim higher growth in its business planning.

Your company is poised to participate in all these growth impulses. Company, therefore, expects to sustain this value growth over next 3-4 years in its turnover.

Chairman's Statement

The Company made an investment of Rs. 165 cores in the year 2013-14. The Company introduced Silent Pipe System, Bath fittings, Solvents, several varieties of Pipe fittings, Premium range of furniture, overhead storage tanks and cost effective solutions in it's Protective Packaging Division during the year under review. The company is happy to inform that all the newly introduced products are well received by the market.

The economy was on slow growth path in previous year which has resulted in lower value growth than anticipated. However, the demand forecast for the current year is better which is further boosted by all these newly launched products in the current year.

The Company has sold 187951 tons of Pipe Systems during the year under review against 175513 tons in the year 2012-13 showing a volume growth of 7%. These systems are made from PVC, CPVC, PPR and HDPE materials.

The Company could not utilize its full capacity as the demand growth in Housing sector from several parts of the country was poor. The demand of pipe products in agriculture also was affected due to hail storm during Feb/March 2014 in many parts of the country.

The Company has introduced 431 Nos new products in the year which were well accepted by the market. In the current year the demand for various products is expected to be good. Company is planning to introduce additional varieties of Pipe Fittings including Industrial Valves during the year to meet critical requirements of Housing, Agriculture and Industry during the current year.

The Company's another large pipe production facility is slated to commence at Kharagpur, West Bengal during this year. This will be the 6th Plant of the company to produce these products. It will also enable it to tap the large untapped potential of the region. That plant is earmarked for the manufacture of several new varieties of products which are required in the East India Market. Company will be able to cater to the several Eastern market from that plant with least delivery period and low freight charges.

Company's CPVC Fire Sprinkler system is in advance stage of certification from the Authorized Agency. Company expects to launch this product during the current year. Company expects good growth in CPVC business. Company has further committed to install two lines of CPVC Pipes manufacturing at it's Malanpur Unit to cater to North Indian market with annual capacity of 3600 MT.

In cross laminated film products, 35 GSM and other newly introduced products were well received. The company expected 3000 Tons of business from it's 35 GSM film in the previous year. However, it could sell only 275 tons in the year. Due to thinness of the film, the business did not take off at expected level as consumers were cautious about the durability of the product. However, all the quantities sold were appreciated by the users as it gave cost effective durable solution. The Company expects to have good business from this product in the current year.

In Furniture, Company is continuously moving towards premium range of products and reducing it's quantum of commodity business. The Company will continue to pursue this policy in this year and thereafter. This will put the Furniture business on a sustainable profitable path.

Material Handling Products Division caters to Industrial and Agricultural sectors. Anticipating our customers future needs, the Company had moved to giving heavy duty Industrial crates with superior product design moulds catering to quality conscious customers in automobile, appliance, logistics and Fishery industry.

Chairman's Statement

The company has planned to increase the channel partner strength for this business to several untapped service markets. Presently the strength of Channel partner is 192 nos with a plan to increase it to 220 nos in the current year.

The company continues to be the leader in the Injection Moulded Pallet business in India. Range of Cargo Pallets for Exports application have been well accepted in the market.

The Company was finding it difficult to sell its Protective Packing Products at a competitive cost to Eastern Indian users due to high freight component as the goods were sent from North & Western India. With the start of Kharagpur complex, that problem will be behind the Company. The Company enjoys Pan-India leadership position in Protective Packaging Products.

The Company's business in Performance Packaging film has achieved 23% volume growth in the previous year. The Company expects that it's effective annual capacity of 7500 tons will be sold out in the current year.

Industrial Product Division has delivered poor growth in previous year due to weakness in Automobile, consumer durable demand and general slow down in Industrial activities. This weakness has been arrested in the current year. The users of the Company's products in this segment are all showing revival of demand. The Company expects to do improved business in this segment in the year.

The Company commenced production of it's Composite Cylinder unit on 1st July this year. The initial production was marked for export market where 11880 Nos Cylinders were despatched and the balance quantity out of the total order of 50,000 nos shall be dispatched to South Korea in due course. Several export enquiries are coming to the Company for this product. In domestic market, the business can start only after getting approval from the local inspection agency. It is expected that the same may be received before end of this calendar year.

During the current year, the Company envisages total Capex of around Rs. 200 Crores mainly on the followings:

1. To build the Kharagpur Complex having facilities for -
 - a) Protective Packaging Products
 - b) PVC and HDPE Pipe Production capacity &
 - c) Rotomoulding and Blow moulding facility to make varieties of plastics products
2. To start electroplating Unit at Pondicherry for Chrome Plate of Bath room fitting and accessories.
3. To introduce several additional varieties of Pipe fittings & Bath fittings.
4. To replace/ install additional injection moulding machines by new energy efficient machines and other balancing equipments for better production efficiency in industrial product division and Pipe Fitting Division at Jalgaon and Malanpur.
5. To augment premium range of Furniture with new design Products
6. To automate remaining plants at Jalgaon
7. To install roto moulding facility at Malanpur, in a new Unit other than existing two units.
8. To expand capacity of Protective Packaging Products at Hosur and Malanpur.

The Company has already been allotted 5.4 acres of land at Malanpur by IIDC (A Govt of M P undertaking) to put the third unit to manufacture Rotomoulded products. The same may go in operation by April/June 2015.

Chairman's Statement

Company's focus remains to increase the share of value added products and Branded products in its' turnover. Company aims to achieve around 35% turnover from the sale of value added products and around 90% of total turnover from Branded Products over a period which was 32.30% & 79.50% respectively for the year under review. Company is consciously making efforts to increase strength of its channel partners month after month to enable it's products to reach in every town and village of the country. It's channel partners strength across various business segments which was 2051 Nos as on 30th June 2013 has increased to 2257 Nos as 30th June 2014.

Company is focused to increase its share of export revenue . Presently less than 3% of the total turnover of the Company consists of exports. Company aims to increase its exports significantly. It has taken various initiatives in this direction by participating in several international exhibitions, entering new markets and taking steps to include additional products in export portfolio. Newly launched Composite LPG Cylinder by the Company is expected to contribute to export growth.

The Company foresees good growth opportunities in most of product segments it operates. Company is geared up to reap the fruits of revival in the economic growth and planned its capex accordingly.

Company continues to monitor its working capital requirement very closely. In spite of increased requirement of working capital and planned capex, the company does not envisage any significant increase in its borrowing level which was at Rs. 470 crores as at 30th June, 2014. The Company anticipates its interest burden in absolute quantum to be lower in 2014-15 compared to the previous year.

Real Estate market continues to remain sluggish for commercial properties in Mumbai. Company is getting quite a few enquiries regularly. Company is optimistic to realize better value in due course of time for its excellent signature commercial premises built with all statutory clearances in place. Out of the total saleable area of about 2.79 lac sq.ft, an area of about 1.30 Lac sq.ft has already been sold. Further area of 0.13 lac sq ft has been negotiated and likely to be completed during the first quarter of the current year.

I am extremely grateful to my fellow members of the Board for their valuable guidance.

I convey my appreciation to Executives, Staff and Workmen for the unstinted support extended by them.

I, on behalf of the Board of Directors, sincerely appreciate the encouragement and co-operation received by the Company from customers, Bankers, Shareholders and suppliers during the entire period.

Thank you,

B. L. Taparua
Chairman

Mumbai
17th September, 2014

Chairman's Statement at the 72nd Annual General Meeting, held on Wednesday 17th September, 2014 at Walchand Hirachand Hall, Indian Merchants' Chambers, Near Churchgate Station, Mumbai - 400 020.