

DIRECTOR'S REPORT

Dear Shareholders,

Your directors are pleased to present the Sixth Annual Report and the Audited Financial Statements for the financial year ended 31st March, 2014.

Performance Highlights

The highlights of the financial results of the Company for the year ended 31st March, 2014 is summarized below

₹ in Lacs

Particulars	Standalone		Consolidated	
	2013-14	2012-13	2013-14	2012-13
Profit before Interest, Depreciation and Tax	1516.58	1462.00	1519.81	1465.43
Interest	716.57	727.72	716.57	727.72
Depreciation	548.90	511.72	548.90	511.72
Profit before tax	251.11	222.56	254.34	225.99
Provision for tax				
- Current tax	52.70	41.75	52.77	41.81
- Deferred tax	16.38	30.46	16.38	30.46
Profit after tax	182.03	150.35	185.20	153.72
Prior year adjustment	--	27.47	--	27.47
Profit after tax & prior year adjustments	182.03	122.88	185.20	126.25
Balance of profit brought forward from earlier years	2066.05	1943.17	2067.22	1940.96
Profit available for appropriation				
Appropriations:	2248.08	2066.05	2252.42	2067.22
Proposed dividend:				
- Equity	-----	-----	-----	-----
- Preference	-----	-----	-----	-----
Balance of profit	2248.08	2066.05	2252.42	2067.22

On a standalone basis your company recorded a turnover of ₹19,730.83 Lac for the year ended 31st March, 2014 as against ₹16,880.69 Lac in the previous year which shows an increase of 16.88%. Company had recorded a Manufacturing turnover of ₹19,361.19 Lac for the year ended 31st March, 2014 as against ₹16,615.33 Lac in the previous year which shows an increase of 16.53%.

On a standalone basis, the profit before interest, depreciation and tax for the financial year is ₹1516.58 Lac- as against ₹1462.00 Lac recorded in the previous year. The profit before tax for the financial year stood at ₹251.11 Lac compared to ₹222.56 Lac of the previous year. The profit after tax, before exceptional item for the financial year at ₹182.03 Lac compared to ₹122.88 Lac of the previous year.

On a consolidated basis, your Company has recorded Profit before tax of ₹254.34 Lac during the year and Profit after tax stood at ₹185.20 Lac.

Dividend

With a view of augmenting the financial resources for generating stable growth the Board of Directors of the company has decided to carry forward entire profit and hence they did not propose any dividend for the financial year on equity shares.

Industrial relations

The Board of Directors is happy to report that the industrial relations have been extremely cordial at all levels throughout the year.

Directors

Smt. Rashmi Agrawal (DIN 00316248) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

Mr. Chakradhar Bharat Chhaya (DIN 00968966), Mr. Shantilal Badera (DIN 02295033) and Mr. Sunil Kumar Maheshwari (DIN 03304103) Non executive Directors of the Company are Independent Directors as per Clause 49 of the Listing Agreement with Stock Exchanges. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, the aforesaid persons are proposed to be appointed as Independent Directors for five consecutive years for a term upto March 31, 2019. Notice has been received from a member proposing the aforesaid Directors as candidates for the office of Director of the Company. In the opinion of the Board, aforesaid persons fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as an Independent Directors of the Company and are independent of the management. The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of the aforesaid Directors as Independent Director. Accordingly, the Board recommends appointments of Mr. Chakradhar Bharat Chhaya (DIN 00968966), Mr. Shantilal Badera (DIN 02295033) and Mr. Sunil Kumar Maheshwari (DIN 03304103) as Independent Directors, for the approval by the shareholders of the Company.

All the appointments of the Directors of the Company are in compliance with the provisions of section 164 (2) of the Companies Act, 2013.

Deposits

During the year under review, your Company has not accepted any fixed deposits under Section 73 of the Companies Act, 2013.

Insurance

The assets of the Company are adequately insured against the loss of fire, natural calamities and such other risk considered by management of the Company.

Subsidiaries

Your Company has two wholly owned subsidiary companies viz., Tapti Pipes & Products Limited FZE, Sharjah and Texmo Petrochemicals Private Limited, Burhanpur.

Tapti Pipes & Products Limited (Overseas Subsidiary)

Tapti Pipes & Products Limited, a wholly-owned Subsidiary of the Company in FZE, Sharjah, UAE. It is engaged in the business of general trading. However during the year Company mainly traded in polymers, chemicals, metal and related products. During the year, your company invested USD nil towards share capital and total investment in said subsidiary till date amounted to USD 9620 . The said subsidiary company registered Net Profit for the year ended March 31, 2014 USD 4987.

Texmo Petrochemicals Private Limited (Indian Unlisted Subsidiary)

Texmo Petrochemicals Private Limited, a wholly-owned Subsidiary of the Company. Total investment in said subsidiary till date amounted to ₹2,00,00,000 The said subsidiary company registered Net Profit for the year ended March 31, 2014 ₹14,600/-

Management Discussion and Analysis

The Management`s Discussion and Analysis of operations for the year under review, as stipulated under clause 49 of the listing agreement with the stock exchanges, is provided in annexure attached to this report.

Consolidated Financial Statements

A statement containing brief financial details of the Subsidiary Companies for the year ended 31st March, 2014 is included in the notes on the consolidated financial statement. As required under the Companies Act, 1956 and Companies Act, 2013 and Listing Agreements with the Stock Exchanges, the Company has prepared the Consolidated Financial Statements of the Company and its Subsidiaries as per Accounting Standard (AS) - 21 and form part of the Annual Report and Accounts.

In terms of General Circular No. 2/2011 dated February 08, 2011 issued by the Government of India, Ministry of Corporate Affairs granting general exemption under Section 212 of the Companies Act, 1956 and consent of the Board of Directors vide their resolution passed at the Board Meeting, the Company has not attached with its Balance Sheet as at March 31, 2014, copies of the Balance Sheet, Statement of Profit and Loss and reports of the Board of Directors and Auditors of the Company's subsidiaries and has disclosed the requisite information in the Consolidated Balance Sheet as at March 31, 2014.

Pursuant to the General Circular No: 2/2011 dated February 08, 2011 the Company hereby undertakes that:

- I. Annual accounts of the subsidiary companies and the related detailed information shall be made available to shareholders of the Company and subsidiary companies seeking such information at any point of time.
- II. The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholders in the registered office of the Company and of the subsidiary companies concerned.
- III. The Company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand.

Corporate Social Responsibility (CSR)

Corporate Social Responsibility forms an integral part of the Company's business activities. CSR activities have been formalized this year with identification of regional coordinators and finalization of CSR calendar for the year. The Company provides safe and healthy working environment to its employees.

Appointment of Cost Auditor

As per the Companies (Cost Records and Audit) Rules, 2014 the Company has appointed **M/s. Sushil Kumar Mantri & Associates**, Cost Accountants, Indore (M.P.), as the Cost Auditors for the purpose of conduct of Cost Audit of the Cost Accounting Records of the Company for the Financial Year 2014-2015.

Directors' Responsibility Statement

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956 as amended, with respect to the director's responsibility statement, it is hereby confirmed that:

- (a) in the preparation of accounts for the year ended March 31, 2014 the applicable Accounting standards had been followed along with proper explanation relating to the material departures;
- (b) the directors of the Company had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company, as at March 31, 2014 and profit of the Company for the year ended March 31, 2014.
- (c) the directors of the Company had taken proper and sufficient care for the maintenance of proper 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
- (d) the directors of the Company had prepared the accounts of the Company for the financial year ended March 31, 2014 on a going concern basis.

Code of conduct

The Board has laid down a code of conduct for all Board members and Senior Management personnel of the Company. Board members and senior management personnel have affirmed compliance with the said code of conduct for the financial year 2013-14.

Listing

The equity shares of the Company are listed with Bombay Stock Exchange and National Stock Exchange. There are no arrears on account of payment of listing fees to the Stock Exchanges.

Auditors & Auditor's Report

The Company's Statutory Auditors, M/s Pankaj Somaiya and Associates, LLP, Burhanpur (M.P.) will retire at the ensuing Annual General Meeting of the company and being eligible offers themselves for re-appointment.

The Company has received a certificate from M/s. Pankaj Somaiya & Associates LLP to the effect that their appointment, if made, would be within the limits prescribed under Section 141 of The Companies Act, 2013. The Board of Directors recommends to the shareholders the appointment of M/s. Pankaj Somaiya & Associates LLP as Statutory Auditors of the Company.

The Auditors' Report is self explanatory and therefore, does not call for any further information or explanation under Section 217(3) of the Companies Act, 1956.

Particulars of Employees

The Company has not paid any remuneration attracting the provisions of the Companies (Particulars of Employees) Rules, 1975 read with sub-section (2A) of Section 217 of the Companies Act, 1956, hence statement containing particulars of employees falling under aforesaid is not required to be appended to this Report.

Conservation of Energy, Research and Development, Technology Absorption, Foreign exchange Earning and outgo

The details regarding Energy Conservation, Technology Absorption, Foreign Exchange Earning and outgo as required by section 134 (3m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are given in Annexure-1 and forms part of this report.

Corporate Governance

The Company has been practicing the principles of good Corporate Governance during the year. As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the report on Management Discussion and Analysis, Corporate Governance as well as the Auditors certificate on corporate governance form part of the Annual Report. Your Company is also following the Secretarial Standard norms issued by the Institute of Company Secretaries of India (ICSI).

Acknowledgement

Your Directors place on record their sincere appreciation for significant contribution made by employees through their dedication, hard work and commitment.

Your Directors also acknowledge the support extended by the bankers, government agencies, shareholders and investors at large and look forward to receive the same support for our endeavor to grow consistently.

FOR AND ON BEHALF OF THE BOARD

Date: 14th August, 2014

Place: Burhanpur

Managing Director Whole Time Director

ANNEXURE -1

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO.

Information as required under section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is set out hereunder:

A. CONSERVATION OF ENERGY

(a) Energy Conservation Measures taken:

The following measures have been taken by the Company for conservation of energy.

1. Reducing power consumption by proper choice of capacitors from time to time depending upon the load.
2. Utilizing proper load of plant and equipments, electronic motors etc.
3. Reducing the maximum demand proper distribution of load.

(b) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION, RESEARCH AND DEVELOPMENT:

- (i) Specific Areas in which R&D carried out by the Company and benefits derived as a Result thereof in several Years.

Your Company's R&D wing is dedicated to ensure production of best quality products conforming to international standards.

(ii) Future plan of Action

The Company doing its best to improve its quality and to control manufacturing cost.

(c) **Additional Investment and proposal for reduction of consumption of energy : NIL**

(d) **Impact of the above measures:** The impact of the measures taken is favourable.

(e) **Total energy consumption and energy consumption per unit of production:**

A. Power and fuel consumption	31.03.2014	31.03.2013
1. (a) Electricity		
(i) Purchase Unit	8911368	8706258
(ii) Total Amount (Rs.)	58424699	53479322
(iii) Rate/Unit (Rs.)	6.56	6.14
(b) Own Generation		
(i) Through Diesel Generator (Kwh)160 KVAX2		
Units (Ltrs) Total	1153	1126
Amount Average	68205	55436
Rate (₹/Ltrs)	59.14	49.23
(ii) Through Steam turbine Generator		
Unit	NIL	NIL
Unit per Ltr. Of fuel	NIL	NIL
Oil /Gas cost per unit	NIL	NIL
2. Coal and Lignite		
(i) Quantity (tons)	NIL	NIL
(ii) Total Cost (Rs.)	NIL	NIL
(iii) Average Rate (Rs./Tons)	NIL	NIL
3. Furnished Oil		
(i) Quantity (Ltrs.)	NIL	NIL
(ii) Total Cost (Rs.)	NIL	NIL
(iii) Average Rate (Rs./Ltr.)	NIL	NIL
4. Other internal Generation	NIL	NIL
B. FOREIGN EXCHANGE EARNING AND OUTGO		
C.I.F. Value of Imports, Expenditure and Earning in Foreign Currency		
(a) C.I.F. Value of Imports		
Raw material	23,09,19,201	22,02,57,775
Stores and Spares, Accessories	36,84,582	1,33,42,535
Capital goods	—	---
Total	23,46,03,783	23,36,00,310
(b) Expenditure in Foreign Currency		
GDR Issue Expenses	---	---
Subsidiary Incorporation Expenses (Tapti Pipes & Products Limited FZE)	---	---
Total	—	—
C. Earning in Foreign Currency		
FOB value of Export	NIL	NIL
Total		

FOR AND ON BEHALF OF THE BOARD

Date: 14th August, 2014

Place: Burhanpur

Managing Director Whole Time Director