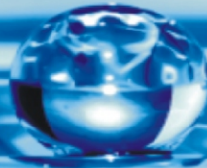


ANNUAL REPORT

2009-10



TEXMO

PIPES AND PRODUCTS LIMITED

Corporate information

BOARD OF DIRECTORS

- 1. Mr. Sanjay Agrawal**
Chairman and Managing Director
- 2. Mr. Vijay Prasad Pappu**
Whole Time Director
- 3. Mr. Shanti Lal Badera**
Non Executive Independent Director
- 4. Mr. Rajesh Selot**
Non Executive Independent Director
- 5. Mr. Chakradhar Bharat Chhaya**
Non Executive Independent Director

CHIEF FINANCE OFFICER

Mr. Sanjay Dalal

REGISTERED OFFICE

98, Bahadarpur Road
Burhanpur (M.P.)

CORPORATE OFFICE

98, Bahadarpur Road
Burhanpur (M.P.)

AUDITORS

Pankaj Somaiya & Associates
Chartered Accountants

Corporate Identification Number :
U25200MP2008PLC020852

SHARE TRANSFER AGENT
Karvy Computershare Private Limited

COMMITTEES OF DIRECTORS

AUDIT COMMITTEE

- 1. Mr. Rajesh Selot**, Chairman
- 2. Mr. Shanti Lal Badera**, Member
- 3. Mr. Chakradhar Bharat Chhaya**
Member

REMUNERATION COMMITTEE

- 1. Mr. Rajesh Selot**, Chairman
- 2. Mr. Shanti Lal Badera**, Member
- 3. Mr. Chakradhar Bharat Chhaya**
Member

SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

- 1. Mr. Chakradhar Bharat Chhaya**
Chairman
- 2. Mr. Shanti Lal Badera**, Member
- 3. Mr. Sanjay Agrawal**, Member

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Rishabh Kumar Jain

BANKERS

State Bank of India
State Bank of Indore
IDBI Bank
HDFC Bank
Bank of India
Axis Bank

INDEX

S.No.	Particulars	Page No.
1.	Chairman Message	1
2.	Directors' Report	2
3.	Corporate Governance Report	8
4.	Management Discussion and Analysis	20
5.	Auditors' Report	21
6.	Balance Sheet	25
7.	Profit and Loss Account	26
8.	Cash Flow	27
9.	Schedules	29
10.	Notes to Accounts	37
11.	Balance Sheet Abstracts	45



CHAIRMAN'S MESSAGE

Dear shareholders,

It is once again that I being privileged to address to you directly. I sincerely thank you all for showing great faith in the company. I am very happy to inform you that your company has received overwhelming response to its IPO launched in February 2010 which was over subscribed 7.05 times.

I sincerely express my gratitude on behalf of the company for your cooperation and support. You will be happy to note that after the successful launching of the IPO we have listed our equity shares at Bombay Stock Exchange Limited and National Stock Exchange of India Limited on March 10, 2010. Thus you will observe that within a very short period of time the company has become on international scenario.

Further for the expansion we have placed the order of plant and machinery for the fulfilment of the objectives mentioned in the prospectus. In this way we are meeting our commitments without any if and buts. However I would like to mention here that the Company is doing very well in its existing business and for the betterment and for strengthening its position the Company is bringing in moulds and fittings with the brand name "Texmo". During the year 2009-10 your company has launched new products viz. Drip Irrigations System, SWR Pipe, Column Pipe and L.D Pipe and has attained a very good response from the market. These products have been very well accepted by the customers.

At the outset it is to mention here that the future of pipe industry is very bright and company has achieved tremendous reputation & brand image in the market. At last I can assure that we will try our level best to gain outstanding growth as well as achievements and to have a good and positive financial impact in the near future.

Once again I am confident that your support will be continued as it has been in the past.

With warm wishes
Sanjay Agrawal
Chairman

Directors' Report

Dear Shareholders,

Your directors have pleasure in presenting to you the second Annual Report of the company together with the Audited Accounts for the financial year ended 31st March, 2010.

1. Performance Highlights

Your directors hereby report that the company achieved a turnover of Rs. 82.13 crores up to 31st March, 2010 which shows 69.06 % increase from the previous nine months of operation i.e. from 03rd July, 2008 to 31st March, 2010.

The highlights of the financial results are as follows:

Particulars	(Rupees in Lakhs)	
	2009-10	2008-09 (9 Months)
Profit before Depreciation and Interest	1060.56	831.08
Interest	353.63	183.51
Depreciation	82.00	46.96
Profit before tax	624.93	600.61
Provision for tax		
- Current tax	167.86	133.94
- Deferred tax	44.55	26.59
- Fringe benefit tax		1.02
Profit after tax	412.52	439.06
Prior year adjustment	12.31	----
Profit after tax & prior year adjustments	400.21	439.06
Balance of profit brought forward from earlier years	442.50	3.44
Profit available for appropriation		
Appreciations:	842.71	442.50
Proposed dividend:		
- Equity	-----	-----
- Preference	-----	-----
Balance of profit	842.71	442.50

During the year profit before depreciation and interest increase at Rs. 1060.56 Lacs as against Rs.831.06 Lacs (for the period of 9 months from 3rd July, 2008 to 31st March, 2009) in the previous year. The profit after depreciation of your company stood at Rs. 978.56 Lacs as against Rs. 784.12 Lacs (for the period of 9 months from 3rd July, 2008 to 31st March, 2009) in the previous year. The profit after tax, before exceptional item was lower to Rs. 400.21 Lacs as against Rs. 439.06 Lacs (for the period of 9 months from 3rd July, 2008 to 31st March, 2009) in the previous year.

2. Dividend :

The strength of the company lies in identification, execution and successful implementation of the manufacturing and supply of the pipes in the market. To strengthen the long term prospects and ensuring sustainable growth in assets and revenue, it is important for the company to evaluate various opportunities in the different business verticals in which the company operates. The company currently has several orders under completion and continues to explore newer opportunities. The Board of Directors considers this to be in the strategic interest of the company and believe that this will greatly enhance the long term shareholders value. The Company expected better results for the coming year. In order to fund these orders in its development and implementation stages, conservation of fund is of vital importance. Therefore, your Directors have not recommended any dividend for the financial year 2009-10.

3. Changes in share capital :

During the year the company allotted 50,00,000 equity shares of the face value of Rs. 10/- each on the exercise of IPO and consequently the number of issued, subscribed and paid up equity shares has increased from 62,70,000 equity shares to 1,12,70,000 equity shares of Rs. 10/- each aggregating Rs. 11,27,00,000.

4. Industrial relations:

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

5. Directors:

Shri Shanti Lal Badera, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Except above there were no other changes in the Board of Directors of the Company. None of the directors of the company are disqualified under section 274(1)(g) of the companies Act, 1956 from being appointed as a Director of any other public company. The Board recommends his reappointment for your approval.

6. Deposits-

During the year under review, the company neither accepted nor invited any deposits from the public in terms of section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975. Therefore the information relating thereto is NIL.

7. Directors' Responsibility Statement:

Pursuant to provisions of Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representations received from the operating management, confirm that:

- a. In the preparation of the annual accounts, the applicable accounting standard have been followed and that no material departure have been made from the same;
- b. That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c. That they have taken proper and sufficient care 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

d. That they have prepared the annual accounts on a going concern basis.

8. 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 2009-10.

9. Auditors:

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

10. Particulars of Employees

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules 1975 as amended forms a part of this report. However, in pursuance of Section 219(1)(b)(iv) of the Companies Act 1956 this report is being sent to all the shareholders of the Company excluding the aforesaid information and said particulars are made available at the Registered Office of the Company. The Members interested in obtaining such particulars may write to the Manager Accounts of the Company at the Registered Office of the Company.

11. Foreign Exchange Earnings and Outgo

During the financial year 2009-10 there is Rs. 892.33 lacs foreign outflow. The Company is still in set up process and putting its efforts to generate foreign exchange out of its activities.

12. Human Resource Management:

The key resource for the company is its employees. The company has been able to create a favorable work environment that encourages innovation and meritocracy. The efforts of the company in the area of employee management and HR practices have been proved effective in Human Resource Management.

13. Dematerialization of Shares:

The company's shares have been made available for dematerialization through the Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL).

14. 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 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of the particulars in the report of the Board of Directors) Rules, 1988 are given in Annexure-2 and forms part of this report.

15. Corporate Governance :

The Company has been practicing the principles of good Corporate Governance during the year. A detailed report on Corporate Governance Practices followed by the Company is provided separately with this Report.

16. Acknowledgement :

The Directors wish to place on record their sincere appreciation and gratitude to the various offices of Central and State Governments, Reserve Bank of India, the Registrar of Companies, Bankers and the Employees who had given utmost co-operation and full devotion towards the success of the Company.

FOR AND ON BEHALF OF THE BOARD

Sd/-
SANJAYAGRAWAL
CHAIRMAN &
MANAGING DIRECTOR

DATE: 10/08/2010
PLACE: BURHANPUR

ANNEXURE - 1

Information as per Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1976 and forming part of the Directors' Report for the year ended 31st March, 2010.

NAME OF THE EMPLOYEE	Shri Sanjay Agrawal
AGE	46 years
DESIGNATION	Managing Director
REMUNERATION RECEIVED	Rs. 39,15,360
DATE OF COMMENCEMENT OF EMPLOYEE	01 st September, 2008
QUALIFICATIONS	B. Com, LL.B.
EXPERIENCE	More than 20 years
NUMBER OF EQUITY SHARES HELD BY HIM (ALONG WITH THE PERSONS ACTING IN CONCERT WITH HIM) AND % OF THE SAME TO THE TOTAL CAPITAL OF THE COMPANY	30,07,500 Equity Share in his name 30,01,500 Equity shares in name of Smt. Rashmi Devi Agrawal (Wife) total holding 53.32% of total capital of the Company

Place : BURHANPUR

Date : 10th August, 2010

ON BEHALF OF THE BOARD

Sd/-

SANJAY AGRAWAL

Chairman And Managing Director

ANNEXURE -2
PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO.

Information as required under section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 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. Improving power factor 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 by properly distribution of load.

(b) Additional Investment and proposal for reduction of consumption of energy : NIL
(c) Impact of the above measures:

The impact of the measures taken has positive.

(d) Total energy consumption and energy consumption per unit of production:

A. Power and fuel consumption	31.03.2010
1. (a) Electricity	
(i) Purchase Unit	4883564
(ii) Total Amount (Rs.)	23841399.00
(iii) Rate/Unit (Rs.)	4.88
(b) Own Generation	
(i) Through Diesel Generator (Kwh)160 KVA X2	
Units (Ltrs)	2098.80
Amount	78153.00
Unit per Litre of Diesel Oil	37.24
(Unit / Ltr.)	37.24
Cost / (Per Ltr. Of Diesel)	37.24
(ii) Through Steam turbine Generator	
Unit	NIL
Unit per Ltr. Of fuel	NIL
Oil /Gas cost per unit	NIL
2. Coal and Lignite	

(i) Quantity (tons)	NIL
(ii) Total Cost (Rs.)	NIL
(iii) Average Rate (Rs./Tones)	NIL
3. Furnished Oil	
(i) Quantity (Ltrs.)	NIL
(ii) Total Cost (Rs.)	NIL
(iii) Average Rate (Rs./Ltr.)	NIL
4. Other internal Generation	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	6,54,49,507.00
Raw material consumption, stores, spares and capital goods	6,14,577.00
Total	2,31,69,281.00
(b) Expenditure in Foreign Currency	
Interest on Bank Charges	Nil
Discount / Commission on Export Sales	Nil
Travelling Expenses	Nil
Export selling / market development	Nil
Law & Legal Expenses	Nil
Others	Nil
Total	
C. Earning in Foreign Currency	Nil
FOB value of Export	Nil
Interest and other income	Nil
Total	

Place : BURHANPUR

Date : 10th August, 2010

FOR AND ON BEHALF ORDER OF THE BOARD

Sd/-

SANJAY AGRAWAL

Chairman And Managing Director

Report On Corporate Governance

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

Corporate Governance for the company means achieving high level of accountability, efficiency, responsibility and fairness in all areas of operation. Our workforce is committed towards the protection of the interest of the stakeholder's viz. shareholders, creditors, investors, customers, employees, etc. Our policies consistently undergo improvements keeping in mind our goal of maximisation of value of all the stakeholders.

The goal is achieved through:

- Infusion of best expertise in the Board
- Consistent monitoring and improvement of the human and physical resources
- Introducing regular checks and audits and continuous improvements in already well-defined systems and procedures.
- Board / Committee meetings at short intervals to keep the Board informed of the recent happenings.

2. BOARD OF DIRECTORS :

2.1 CONSTITUTION OF THE BOARD :

The composition of the Board of Director with reference to number of executive Directors, meets the requirement of code of corporate governance.

Out of five directors, there are two promoter executive directors namely Mr. Sanjay Agrawal, Chairman, Mr. Vijay Prasad Pappu, whole time director.

There are three independent non executive directors, namely Mr. S.L. Badera, Mr. Rajesh Selot and Mr. C.B. Chhaya non promoter non executive director who were appointed on 14th August, 2008 as additional directors and confirm as director in last Annual General Meeting held on 09th September, 2009. None of the Director is a member of the Board of more than fifteen companies or a member of more than ten Board level Committees or Chairman

of more than five such committees.

2.2 MEETINGS :

The Board meets at regular intervals to discuss and decide on company / business policy and strategy apart from other normal Board business. The Board / Committee meetings are pre-scheduled and a tentative annual calendar of Board and Committee meetings is circulated to the Directors to facilitate them to plan their schedules and to ensure meaningful participation in the meeting, well in advance. However in case of a special and urgent business need, the Board's approval is taken by circulating the resolution, which is ratified in the next board meeting.

The agenda for the Board / Committee meetings is generally accompanied by background notes and other material information which is circulated to Directors in advance to facilitate discussion for taking an informed decision. The independent Directors meet amongst themselves and separately with the Chairman before every Board meeting to discuss on issues and their concerns, if any.

Board meetings are held at least four times during the year coinciding with the presentation of each quarterly financial result. During the last financial year eleven board meetings were held i.e. on 01st April, 2009, 14th May, 2009, 03rd June, 2009, 30th June, 2009, 21st July, 2009, 14th August, 2009, 08th October, 2009, 18th January, 2010, 22nd February, 2010, 03rd March, 2010 and 09th March, 2010.

The meetings were attended as follows:

Mr. Sanjay Agrawal and Mr. Vijay Prasad Pappu attended all eleven meetings. Mr. S.L. Badera, Mr. Rajesh Selot and Mr. C.B. Chhaya attended five meetings. The last Annual General Meeting of the Company held on September 09, 2009 was attended by all the members of the Board of Directors as on that date.

2.3 REMUNERATION TO EXECUTIVE DIRECTORS :

During the year 2009-10 Mr. Sanjay Agrawal, Managing Director got Rs.39.15 Lacs as salary and allowance and Mr. Vijay Prasad Pappu, Whole time director got Rs. 13.11 Lacs.

Notes:

There was no scheme of 'Employee Stock Options' during the year.

In all the cases, the service contract is for a period of five years from the date of appointment.

Performance is evaluated by the Remuneration Committee. The recommendations of the Committee are further considered by the Board and a collective decision taken without participation of interested directors.

2.4 REMUNERATION TO NON-EXECUTIVE DIRECTORS:

No.	Name of Non Executive Directors	Sitting fees (Rs.)	Commission (Rs,)	Total
1	Mr. S. L. Badera	50000.00	Nil	50000.00
2	Mr. Rajesh Selot	50000.00	Nil	50000.00
3	Mr. C.B. Chhaya	50000.00	Nil	50000.00

Sitting fees are uniform for all meetings of the Board and are paid to each non-executive Director for attending Board Meetings.

2.5 DETAILS OF OTHER DIRECTORSHIP AND COMMITTEE MEMBERSHIP :

No.	Name of Directors	Directorship in Public Companies	Other Companies	Committee positions held
1	Mr. Sanjay Agrawal	0	1	1
2	Mr. Vijay Prasad Pappu	0	0	0
3	Mr. S.L. Badera	0	0	0
4	Mr. Rajesh Selot	0	2	2
5	Mr. C.B. Chhaya	2	0	3

In accordance with Clause 49 of the listing agreement with the stock exchanges, memberships/ chairmanships of only the Audit Committee and Shareholders'/ Investors' Grievance Committee of all public Limited Companies (excluding those of the company) have been considered.

2.6 INFORMATION PLACED BEFORE THE BOARD OF DIRECTORS :

The information placed before the board of Directors is as follows:

- a) Annual operating plans and budgets, revisions and updates, if any.
- b) Capital budgets with revisions and updates if any.
- c) Quarterly (including periodic) results of the company and its operating divisions/ business segments.
- d) Minutes of the meetings of Audit and other committees of the Board.
- e) The information on recruitment and remuneration of senior officers below the board level, including appointment or cessation of office by CFO and Company Secretary.
- f) Show cause, demand and prosecution notices which are materially important.
- g) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- h) Details of any joint venture or collaboration agreement.
- i) Industrial relationship issues of material nature and proposed remedial actions. All significant development in Human Resources/ industrial relations.
- j) Transactions of material nature of buying and selling of investments, or undertaking/ assets, which are not in normal course of business.
- k) Status on compliance with all regulatory, statutory and material contract requirements.

- l) Details of delegation of authorities to executives and power of attorney.

BOARD SUPPORT :

The Company Secretary of the company attends all the meetings of Board and advises / assures the Board on Compliance and Governance principles.

BOARD INDEPENDENCE :

Our definition of independence of Directors is derived from Clause 49 of the Listing Agreement with Stock Exchanges. Based on the confirmation / disclosures from the Directors and on evaluation of relationships disclosed, all Non-Executive Directors are independent in terms of Clause 49 of the Listing Agreement.

2.7. DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT :

Mr. Shanti Lal Badera, retire by rotation and being eligible, has offered himself for re-appointment.

2.8. CEO/CFO CERTIFICATE :

As required under clause 49 V of the Listing Agreement with the Stock Exchanges, the Managing Director and Chief Financial Officer of the Company have certified to the Board regarding financial statements for the year ended 31st March, 2010.

2.9. CODE OF CONDUCT :

All the directors and senior management personnel have affirmed compliance with the code of conduct/ethics as approved and adopted by the Board of Directors and a declaration to that effect signed by Managing Director is attached and form part of this report. These codes have been posted on the company's website - www.texmopipe.com.

2.10 POLICY FOR PROHIBITION OF INSIDER TRADING :

In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992

(as amended from time to time) and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the company has adopted a policy for prohibition of insider trading for Directors and specified employees of the company, relating to dealing in the shares of the company.

This policy also provides for periodical disclosures from designated employees as well as pre-clearance of transactions by such persons.

3. AUDIT COMMITTEE :

The Audit Committee formed in pursuance of

Clause 49 of the Listing agreement and Section 292A of the Companies Act, 1956 is instrumental in overseeing the financial reporting besides reviewing the quarterly, half yearly, annual financial results of the company; it reviews company's financial and risk management policies and the internal control systems, internal audit systems, etc. through discussions with internal and external auditors. During the year 2009-2010 four meetings of the committee were held i.e. on 30th June, 2009, 14th August, 2009, 18th January, 2010 and 03rd March, 2010. The attendance in the committee is as under :

Name of director	Position held in Committee	No of meetings attended
Mr. Rajesh Selot	Chairman	4
Shri Shanti Lal Badera	Member	4
Mr. Chakradhar Bharat Chhaya	Member	4

Mr. Rishabh Kumar Jain, Company Secretary and Compliance Officer acts as the secretary to the committee.

4. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE :

The company attends to investor grievances/correspondence expeditiously and usually reply is sent within a period of 10 days of receipt, except in the cases that are constrained by disputes or legal impediments. All the complaints have been redressed to the satisfaction of the complainants. During the year 2009-2010 four meetings of the committee were held i.e. on 30th June, 2009, 14th August, 2009, 18th January, 2010 and 03rd March, 2010. The attendance in the committee is as under:

Name of Director	Position Held	No. of meetings attended
Mr. Chakradhar Bharat Chhaya	Chairman	4
Shri Shanti Lal Badera	Member	4
Mr. Sanjay Agrawal	Member	4

COMPLIANCE OFFICER :

Mr. Rishabh Kumar Jain

Company Secretary & Compliance Officer

Texmo Pipes and Products Limited

98, Bahadarpur Road, Burhanpur (M.P.)

Phone- 07325-255122

Email- rjaincs@texmopipe.com

5. REMUNERATION COMMITTEE :

The Remuneration Committee which was formed in August, 2008 presently comprises of three independent non executive directors, namely Mr. Rajesh Selot, Mr. S.L. Badera and Mr. C.B. Chhaya. During the year 2009-2010 four meetings of the committee were held i.e. on 30th June, 2009, 14th August, 2009, 18th January, 2010 and 03rd March, 2010. The attendance in the committee is as under:

Name of director	Position held in Committee	No. of meetings attended
Mr. Rajesh Selot	Chairman	4
Shri Shanti Lal Badera	Member	4
Mr. Chakradhar Bharat Chhaya	Member	4

Details of Extra- Ordinary General Meeting

During the year 2009-10 no Extra – ordinary meetings were held.

6. DISCLOSURES :

- a) Disclosure regarding materially significant related party transaction :

For details please refer schedule 21 (Note No. 9) on notes forming part of the accounts.

- b) There were no instances of non compliance or penalty, strictures imposed on the company by the stock exchange or SEBI or any other statutory Authority on any matter related to capital markets during the last year.
- c) The company has complied with the mandatory requirements of corporate governance clause 49 of the Listing Agreements with the Stock Exchanges.
- d) The non mandatory requirements have not been adopted as a formal policy except for Remuneration committee as set out in item 5 above.

7. MEANS OF COMMUNICATIONS :

The quarterly results of the company are published in leading news paper and also displayed on the corporate website (<http://www.texmopipe.com>). The corporate presentation last prepared by the company was uploaded on its website and was also informed to the stock exchange for taking the same on record. Management provides detailed analysis of company's operations, which forms a part of the Annual Report. All shareholders' correspondence should be forwarded to M/s Karvy Computershare Private limited, the Registrar and Transfer Agents of the company or to the company at the registered office of the company.

8. SHAREHOLDER INFORMATION :
A. Details of last Annual General Meeting

Financial year ended	Date and time	Venue	Special Resolution passed
31 st March, 2009	September 09, 2009 4.00 PM	98, Bahadarpur Road, Burhanpur (M.P.)	No special resolution was passed at this meeting.

B. Annual General Meeting 2010

Date	Saturday, 25 th September, 2010
Venue	98, Bahadarpur Road, Burhanpur (M.P.)
Time	12.30 P.M.
Book closure date	Wednesday, 22 nd September, 2010 to Saturday, 25 th September, 2010 (both days inclusive)
Last date of receipt of Proxy forms	Thursday, 23 rd September, 2010 before 12.30 P.M. at the Registered Office of the company.

The Annual Report includes financial statements, key financial data and detailed information in the management discussion and analysis and shareholders' information sections.

C. Listing Details

Name of the stock Exchange	Stock Code
Bombay Stock Exchange Limited	533164
National Stock Exchange of India Limited	TEXMOPIPES
ISIN	141K01013

The listing fees for the financial year ended 31st March, 2010 has been paid to the above stock exchanges.

D. Share price data

Our company had listed on stock exchanges on 10th March, 2010. The details of high, low and average prices of shares of the company at Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) for the year ended 31st March, 2010 are as under:

Period – from 10th March, 2010 to 31st March, 2010

Name of Stock	High	Low	Average
Exchange			
BSE	160.65	90.20	125.43
NSE	162.90	90.60	126.75

E. Investor Services

Web based query redressal system

Members may utilise the new facility extended by the Registrar & Transfer Agents for redressal of their queries. Please visit <http://karisma.karvy.com> and click on “INVESTOR” option for query registration through free identity registration.

Investor can submit their query in the “QUERIES” option provided on the website, which would give the grievance registration number. For accessing the status/ response to your query the same number can be used at the option “VIEW REPLY” after 24 hours. The investor can continue to put an additional query relating to the case till they get satisfactory reply.

9. REGISTRAR AND TRANSFER AGENTS :

Share transfer, dividend payment and all other investor related matters are attended to and processed by our Registrar and Transfer Agents, i.e. Karvy Computershare Private Limited having their office at:

Karvy Computershare Private Limited

Karvy House, 46, Avenue 4,
Street No. 1, Banjara Hills,
Hyderabad – 500 034
Tel: +91-40-2342 0815-28
Fax: +91-40-2331 1551

10. SHARE TRANSFER SYSTEM :

The company’s shares are covered under the compulsory dematerialisation list and are transferable through the depository system. Shares sent for transfer in physical form are registered and returned within a period of thirty days from the date of receipt of the documents, provided the documents are valid and complete in all respects.

11. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2010 :

No. Of equity shares held	Shareholders		Equity shares held	
	No. of shareholders	% of total	Amount	% amount
001 - 5000	9330	89.56	11178230.00	9.92
5001-10000	512	4.91	4036130.00	3.58
10001-20000	256	2.46	3895000.00	3.46
20001-30000	92	0.88	2314530.00	2.05
30001-40000	50	0.48	1775430.00	1.58
40001-50000	36	0.35	1671970.00	1.48
50001-100000	67	0.64	4655930.00	4.13
100001 & above	75	0.72	83172780.00	73.80
Total	10418	100.00	112700000.00	100.00

12. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2010

Category	No. Of shareholders	No. Of share held	% of equity
Promoters holding	9	6158000	54.64
Public shareholdings			
Clearing member	258	511883	4.54
Foreign Institutional Investor	1	10000	0.09
HUF	85	29860	0.26
Body Corporate	559	2687842	23.85
Non Resident Indians	47	16653	0.15
Resident Individual	9459	1855762	16.47
Total	10418	11270000	100.00

13. DEMATERIALIZATION OF SHARES AND LIQUIDITY :

97.73 % of the total equity share capital of the company is held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited as on 31st March, 2010. The market lot is one share as the trading in equity shares of the company is permitted only in dematerialized form. The stock is highly liquid.

14. PLANT LOCATIONS :

The company is in manufacturing activities and plant located at registered office, i.e. 98, Bahadarpur Road, Burhanpur (M.P.).

15. ADDRESS FOR CORRESPONDENCE :

Shareholder's correspondence: Shareholders may correspond with:

1. Registrar & Transfer Agents for all matters relating to transfer / dematerialization of shares, payment of dividend, IPO refunds / demat credits at:

Karvy Computershare Private Limited

Karvy House, 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad – 500 034
Tel: +91-40-2342 0815-28 Fax: +91-40-2331 1551

2. Respective Depository Participants for held in demat mode.
3. For all investor related matters:

Mr. Rishabh Kumar Jain

Company Secretary

Texmo Pipes and Products Limited, 98, Bahadarpur Road, Burhanpur (M.P.)
Tel. No. 07325-255122 Email id- rjaincs@texmopipe.com

16. DETAILS OF SHARES HELD IN SUSPENSE ACCOUNT :

The disclosure under clause 5A of the Listing Agreement is as under:

Sr. No.	Particulars	No. Of shareholder	No. Of shares
01	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year.	05	452
02	Number of shareholders who approached the company for transfer of share from suspense account during the year.	Nil	Nil
03	Number of shareholders to whom shares were transferred from suspense account during the year.	Nil	Nil
04	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	05	452
05	The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.		

17. COMPLIANCE WITH THE CORPORATE GOVERNANCE –VOLUNTARY

GUIDELINES, 2009

In December, 2009, the Government of India, Ministry of Corporate Affairs (“MCA”) has issued Corporate Governance Voluntary Guidelines 2009. MCA has clarified that the Guidelines were prepared and disseminated for consideration and adoption by corporate and may be voluntarily adopted by public companies with the objective to enhance not only the enterprise and set a global benchmark for good corporate governance. MCA after taking into account the experience of adoption of these guidelines by corporate and after consideration of the feedback received from them would review these guidelines for further improvements after a period of one year.

The company has been a strong believer in good corporate governance and has been adopting the best practices that have evolved over the years.

The company is in substantial compliance with the voluntary guidelines and it will always be the company’s endeavour to attain the best practices in corporate governance.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY’S CODE OF CONDUCT PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

As required by clause 49 I (D) (ii) of the Listing Agreement, this is to confirm that the company has adopted a code of conduct for all Board Members and Senior Management of the company. The code is available on the company’s web site.

I confirm that the company has in respect of the financial year ended 31st March, 2010, received from the senior management team of the company and the members of the Board, a declaration of compliance with the code of conduct as applicable to them.

For the purpose of this declaration, senior management team comprises of employees in the Key Managerial Personnel cadre as on 31st March, 2010 of the company.

For Texmo Pipes and Products Limited
Sanjay Agrawal
Managing Director

Date: 10th August, 2010
Place: Burhanpur

Chief Executive Officer (CEO) / Chief Financial Officer (CFO) Certification

To
The Board of Directors
Texmo Pipes and Products Limited

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Texmo Pipes and Products Limited, (“the Company”) to the best of our knowledge and belief certify that:

- a) We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2010 and based on our knowledge and belief, we state that:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain any 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 the existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company’s code of conduct.
- c) We hereby declare that all the members of the Board of Directors and senior management have confirmed compliance with the code of conduct as adopted by the company.
- d) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps have been taken or proposed to be taken to rectify these deficiencies.
- e) We have indicated, based on our most recent evaluation, whether applicable, to the Auditors and Audit Committee:
 - i. Significant changes, if any, in the internal control over financial reporting during the year;
 - ii. Significant changes, if any, in the accounting policies made during the year and that the same has 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 significant role in the company’s internal control system over financial reporting.

Sanjay Agrawal
Managing Director

Sanjay Dalal
Chief Financial Officer

Burhanpur
August 10, 2010

Auditors Certificate On Corporate Governance

To
The members of
Texmo Pipes and Products Limited
Burhanpur (M.P.)

We have examined the compliance of corporate governance by Texmo Pipes and Products Limited for the year ended on 31st March, 2010 as stipulated in clause 49 of the Listing Agreement of the company with the stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statement 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 agreements.

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

For and on behalf of
Pankaj Somaiya & Associates
Chartered Accountants
Firm Regn. No. 010081C

CA Pankaj Somaiya
Partner
Membership No. 79918

Management Discussion and Analysis

Financial Review

The financial Statements have been prepared in compliance with the requirements of the companies Act, 1956 and generally accepted accounting principles (GAAP) in India. The management accepts the responsibility for the integrity and objectivity of these financial statements and the basis for the various estimates and judgments used in preparing the financial statements.

During the year, the company has achieved a net turnover of Rs. 7619.43 Lakhs, and other incomes of Rs 58.62 Lakhs the sales had substantially improved due to product range diversification and higher demand in agricultural and telecom sector. EBDITA was Rs. 1023.34 Lakhs, Profit before tax was at Rs. 624.94 Lakhs and Profit after tax stood at Rs. 400.21 Lakhs.

Earnings per equity share (face value Rs. 10/-) marginally declined from Rs. 7.00/- to Rs. 6.01/- on year to year basis primarily due to increased number of shares.

Some of the key performance indications are given below:

(Rs. in Lakhs)

Particulars	2010	2009
Gross Revenue	8123.80	4805.38
Profit Before Tax (PBT)	627.25	602.92
Ratio of PBT to Gross revenue (%)	7.72%	12.55%
Profit After Tax (PAT)	400.21	439.06
Ratio of PBT to Gross revenue (%)	4.93%	9.14%
Earnings Per Share (EPS) (Rs.)	6.01	7.00

*Current year figures are not be comparable with the previous year figures as operations during the previous year was only for nine months

Auditors' Report

To,
The Members,
Texmo Pipes and Products Limited
Burhanpur (MP)

1. We have audited the attached Balance Sheet of Texmo Pipes and Products Limited ("the Company") for the year ending on 31st March, 2010 and the related Profit & Loss Account and Cash Flow Statement of the Company for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditors' Report) (Amendment) Order 2004, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of the audit, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit;
 - (b) In our opinion, proper books of 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, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956 to the extent applicable;
- (e) On the basis of the written confirmations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on 31.03.2010 from being appointed as a Director of the Company in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statement read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India :-
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (ii) in the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date; and
 - (iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For Pankaj Somaiya & Associates
Firm Registration No. 010081C
Chartered Accountants

CA Pankaj Somaiya
Partner
Membership No.079918

Place : **Burhanpur (MP)**
Date : **29th July 2010**

Annexure To The Auditors' Report

**(As referred to in paragraph 03 of our
Report to the members of
Texmo Pipes and Products Limited
on the accounts as at and for the year
ended 31st March 2010)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets;
- (b) As explained to us all the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification as compared with the book records.
- (c) During the year, the Company has not disposed off substantial part of fixed assets and the going concern status of the Company is not affected;
- (ii) (a) The inventory has been physically verified at reasonable intervals during the year by the Management;
- (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the Management is reasonable and adequate in relation to the size of the

Company and the 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 book records were not material.
- (iii) (a) The Company has not granted any loans, secured or unsecured, during the year to companies firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly Clauses (iii)(b) to (iii)(d) of paragraph 4 of the order are not applicable to the Company;
- The Company had taken unsecured loan from a Company covered in the register maintained under Section 301 of the Companies Act, 1956. The Company has taken a total Rs.6,44,10,000/- from one such Company. The year end balance is of Rs.1,71,94,530/34.
- (b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from such parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company;
- (c) There is no stipulation as to the repayment of loan and interest thereon, hence reply to Clauses (iii)(c) & (iii)

- (d) is nil; (iv) In our opinion, there is adequate internal control system 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. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system;
- (v) Based on the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (vi) The Company has not accepted any deposits from the public within the meaning of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under;
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The requirement of maintenance of cost records as prescribed by the Central Government u/s 209(1) (d) of the Companies Act, 1956 is not applicable to the Company.
- (ix) (a) According to information and explanations given to us and records of the Company examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, custom duty, excise duty, cess and other statutory dues to the extent applicable to it. There are no undisputed statutory dues as referred to above as at 31st March 2010 outstanding for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess which have not been deposited on account of any dispute.
- (x) Clause (x) of paragraph 4 of the order is not applicable to the Company;
- (xi) The Company has not defaulted in repayment of dues to bank. The Company had no transactions with financial institutions and had no debentures outstanding during the year;
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities;
- (xiii) The nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies;
- (xiv) The Company does not deal or trade in shares, securities, debentures and other

investments;

- (xv) On the basis of the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions;
- (xvi) On the basis of the records examined by us, and relying on the information compiled by the Company for co-relating the funds raised to the end use of term loans, we have to state that, the Company has, prima-facie, applied the term loans for the purposes for which they were obtained;
- (xvii) According to information and explanations given to us and on an overall examination of the financial statements of the Company and after placing reliance on the reasonable assumptions made by the Company for classification of usage of funds, we are of the opinion that, prima-facie, as at the close of the year, short term funds have not been utilized for long term investment;
- (xviii) The Company has not made any preferential allotment of shares;
- (xix) During the year, the Company has not issued any debentures;
- (xx) We have verified the end use of money raised by Public Issue as disclosed in Note. 04 of Schedule 21. Pending Utilization of the funds raised through Public Issue a sum of Rs. 2854.10 Lakhs has been temporarily invested in Mutual Funds and Bank Deposits.
- (xxi) Based upon the audit procedures performed

in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we report that we have neither come across any instances of fraud on or by the Company, noticed or reported during the year, nor we have been informed of such cases by the Management.

For Pankaj Somaiya & Associates

Firm Registration No. 010081C

Chartered Accountants

CA Pankaj Somaiya

Partner

Membership No.079918

Place : **Burhanpur (MP)**

Date : **29th July 2010**

Balance Sheet

As on 31st March 2010

Particulars	Sch.	Amt Rs. 31-Mar-10	Amt Rs. 31-Mar-09
Sources of Funds			
Shareholders' Funds			
Share Capital	1	11,27,00,000.00	6,27,00,000.00
Reserves & Surplus	2	44,31,84,449.92	6,58,50,448.91
		55,58,84,449.92	12,85,50,448.91
Loan Funds			
Secured Loans	3	42,19,40,902.43	17,98,67,619.19
Unsecured Loans	4	1,71,94,530.34	4,87,33,528.34
		43,91,35,432.77	22,86,01,147.53
Deferred Tax Liability (Net)		69,02,472.00	24,46,813.00
Total		100,19,22,354.69	35,95,98,409.44
Application of Funds			
Fixed Assets			
Gross Block	5	18,41,13,985.03	11,56,83,026.60
Less: Depreciation		2,93,41,537.30	2,11,41,444.30
Net Block		15,47,72,447.73	9,45,41,582.30
Capital Work in Progress			
Investments	6	14,21,86,618.62	-
Current Assets, Loans & Advances			
Inventories	7	26,02,98,034.52	12,60,56,518.00
Sundry Debtors	8	13,10,47,212.16	10,72,22,102.95
Cash & Bank Balances	9	15,73,09,925.67	1,51,71,393.73
Loans & Advances	10	25,28,68,891.23	5,31,39,794.93
		80,15,24,063.58	30,15,89,809.61
Less: Current Liabilities & Provisions			
Current Liabilities	11	8,04,69,269.24	3,00,76,597.47
Provisions	12	1,67,85,892.00	1,47,28,779.00
Net Current Assets		70,42,68,902.34	25,67,84,433.14
Miscellaneous Expenditure			
(to the extent not written off or adjusted)	13	694,386.00	8,272,394.00
		100,19,22,354.69	35,95,98,409.44

Significant Accounting Policies & Notes on Accounts

21

As per our report of even date

For Pankaj Somaiya & Associates

 Firm Registration No. 010081C
 Chartered Accountants

CA Pankaj Somaiya

 Partner
 Membership No. : 079918

 Place : Burhanpur (M.P.)
 Date : 29th July 2010

For Texmo Pipes and Products Limited
Vijay Prasad Pappu
 Whole Time Director

Sanjay Agrawal
 Managing Director

Rishabh Jain
 Company Secretary

Sanjay Dalal
 CFO

Profit and Loss Account

For the year ended on 31st March, 2010

Particulars	Sch.	Year Ended 31st March 2010 (Amt in Rs.)	Period Ended 31st March 2009 (Amt in Rs.)
Income			
Sales	14	82,13,79,075.00	48,64,08,927.00
<i>Less: Excise Duty</i>		5,94,36,403.00	5,38,07,145.00
		76,19,42,672.00	43,26,01,782.00
Other Income	15	58,61,968.45	1,14,98,190.47
		76,78,04,640.45	44,40,99,972.47
Expenditure			
Materials & Manufacturing Expenses	16	65,17,64,622.70	35,81,96,359.80
Employees Expenses	17	2,03,70,409.30	71,26,318.00
Administrative & General Expenses	18	4,96,57,970.28	3,15,56,586.34
Financial Expenses	19	3,53,62,862.16	1,83,50,863.42
Depreciation	5	82,00,093.00	46,96,230.00
(Increase)/Decrease in Stocks	20	(60,276,309.00)	(36,119,318.00)
Preliminary Expenses Written off	13	231,462.00	231,462.00
		70,53,11,110.44	38,40,38,501.56
Profit/Loss Before Tax		6,24,93,530.01	6,00,61,470.91
<i>Less: Provision for Taxation:</i>			
Current Tax		1,67,85,892.00	1,33,94,218.00
Deferred Tax		44,55,659.00	26,59,103.00
Fringe Benefit Tax		-	101,770.00
Profit After Tax for the year		4,12,51,979.01	4,39,06,379.91
Short/(Excess) Provision for Tax for earlier years		12,31,006.00	
Profit After Tax		4,00,20,973.01	4,39,06,379.91
<i>Add: Balance brought forward from previous year/period</i>		4,42,50,448.91	3,44,069.00
Profit/Loss Carried to Balance Sheet		8,42,71,421.92	4,42,50,448.91
Weighted Average number of equity shares outstanding during the year		66,63,562.00	62,70,000.00
Earning Per Share (Face Value Rs.10/-)			
(Basic & Diluted)		6.01	7.00

Significant Accounting Policies & Notes on Accounts
As per our report of even date

21

For Pankaj Somaiya & Associates
Firm Registration No. 010081C
Chartered Accountants

CA Pankaj Somaiya
Partner
Membership No. : 079918

Place : Burhanpur (M.P.)
Date : 29th July 2010

For Texmo Pipes and Products Limited

Vijay Prasad Pappu **Sanjay Agrawal**
Whole Time Director Managing Director

Rishabh Jain **Sanjay Dalal**
Company Secretary CFO

Cash Flow Statement

For the year ended 31st March 2010

Particulars	Sch.	Year Ended 31st March 2010 (Amt in Rs.)	Period Ended 31st March 2009 (Amt in Rs.)
Cash Flow from Operating Activities			
Net Profit before tax & Extraordinary Items		6,24,93,530.01	6,00,61,470.91
Adjustments for -			
Depreciation		82,00,093.00	46,96,230.00
(Profit)/Loss on sale of Fixed Assets		-	63,631.60
Interest Income		(3,446,752.34)	(371,900.47)
Interest & Financial Expenses		3,53,62,862.16	1,83,50,863.42
Operating profit before working capital changes		10,26,09,732.83	8,28,00,295.46
Adjustments for -			
Decrease/(Increase) in Debtors		(23,825,109.21)	3,03,78,089.95
Decrease/(Increase) in Inventories		(134,241,516.52)	(96,569,991.00)
Decrease/(Increase) in Loans & Advances		(193,690,212.30)	(26,210,681.90)
Increase/(Decrease) in Current Liabilities		5,03,92,671.77	(6,171,746.56)
Cash generated from operations		(198,754,433.43)	(15,774,034.05)
Direct Taxes Paid (net)		2,19,98,669.00	1,33,05,918.00
Cash flow before extraordinary item		(220,753,102.43)	(29,079,952.05)
Extraordinary Item		-	-
Net Cash From Operating Activities		(220,753,102.43)	(29,079,952.05)
Cash Flow from Investing Activities			
Purchase of Fixed Assets		(68,430,958.43)	(71,608,127.00)
Sale of Fixed Assets		-	1,70,000.00
Purchase of Investments		(626,318,711.55)	-
Sale of Investments		48,41,32,092.93	-
Interest Received		34,46,752.34	3,71,900.47
Misc Expenditure		-	(8,272,394.00)
Net Cash (Used in)/From Investing Activities		(207,170,824.71)	(79,338,620.53)
Cash Flow from Financing Activities			
Interest & Finance Charges Paid		(35,362,862.16)	(18,350,863.42)
Proceed from Short term borrowings		17,73,56,702.24	6,50,48,454.53
Proceed from Long term borrowings		3,31,77,583.00	4,18,27,642.41
Proceeds from Issue of Equity Share Capital (Net of Issue Expenses)		39,48,91,036.00	2,43,00,000.00
Net Cash (Used in)/From Financing Activities		57,00,62,459.08	11,28,25,233.52
Net Increase in Cash & Cash Equivalents (A+B+C)		14,21,38,531.94	44,06,660.94
Cash & Cash Equivalents at the Start of the Period		1,51,71,393.73	1,07,64,732.79
Cash & Cash Equivalents at the Close of the Period		15,73,09,925.67	1,51,71,393.73
Components of Cash & Cash Equivalents			
Cash in Hand		11,79,272.62	14,20,813.02
Balances with Scheduled Banks			
-In Current Accounts		19,41,644.86	61,48,430.89
-In Fixed Deposit Accounts		15,41,89,008.19	76,02,149.82
		15,73,09,925.67	1,51,71,393.73

NOTES :

1. The Cash Flow Statement has been prepared under the Indirect method as set out in Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
2. Figures in Brackets represent Cash Outflow.

Significant Accounting Policies & Notes on Accounts 21
As per our report of even date

For Pankaj Somaiya & Associates

Firm Registration No. 010081C
Chartered Accountants

CA Pankaj Somaiya

Partner
Membership No. : 079918

Place : Burhanpur (M.P.)
Date : 29th July 2010

For Texmo Pipes and Products Limited

Vijay Prasad Pappu
Whole Time Director

Sanjay Agrawal
Managing Director

Rishabh Jain
Company Secretary

Sanjay Dalal
CFO

Schedules To Balance Sheet as at 31st March 2010

Particulars	Amt Rs. 31-Mar-10	Amt Rs. 31-Mar-09
1 Share Capital		
Authorized		
1,50,00,000 Equity Shares of Rs.10/- each	<u>15,00,00,000.00</u>	<u>15,00,00,000.00</u>
Issued, Subscribed and Paid-up		
1,12,70,000 (PY 62,70,000) Equity Shares of Rs.10/- each fully paid up	<u>11,27,00,000.00</u>	<u>6,27,00,000.00</u>
Notes:		
1. Of the above, 60,00,000 Equity Shares (FY 2008-09) of Rs. 10/- each are issued pursuant to conversion of the erstwhile partnership firm Shree Mohit Industries under Part IX of the Companies Act, 1956.		
2. Of the above, 50,00,000 Equity Shares (FY 2009-10) of Rs. 10/- each have been allotted through IPO at a premium of Rs.80/- per share.		
2 Reserves & Surplus		
Share Premium Account	2,16,00,000.00	
Add: on equity shares issued during the year	<u>40,00,00,000.00</u>	
	42,16,00,000.00	
Less: Utilised for Initial Public Issue Expenses	<u>6,26,86,972.00</u>	35,89,13,028.00
Profit & Loss Account	<u>8,42,71,421.92</u>	4,42,50,448.91
	<u>44,31,84,449.92</u>	<u>6,58,50,448.91</u>
3 Secured Loan		
<i>Term Loan From Banks</i>	5,78,08,959.00	2,46,31,376.00
<i>Working Capital Loans From Bank/NSIC</i>	<u>36,41,31,943.43</u>	<u>15,52,36,243.19</u>
	<u>42,19,40,902.43</u>	<u>17,98,67,619.19</u>

Notes:

- Of the above Term Loans aggregating to Rs.570.39 Lacs from Banks pertaining to Plant & Machineries are secured by a mortgage on all immovable and movable assets of the Company, immovable assets & personal guarantees of promoters and Hypothecation of Plant & Machineries. Vehicles loan of Rs.7.69 lacs is secured by hypothecation of specified vehicles.
- Of the above Working Capital Loans aggregating to Rs.2188.04 Lacs from Banks are secured by hypothecation of Stocks, book debts and other current assets of the Company and is also secured by mortgage on all immovable and movable assets of the Company and promoters. Overdraft of Rs.1362.95 lacs is against Bank Fixed Deposit Receipts. Raw Material Assistance from NSIC of Rs.90.32 lacs is secured by Bank Guarantee given by Company's Bankers.
- Installment's of term loan repayable within one years of Rs. 126.71 Lac. (Previous year 100.47 Lac.)

Schedules To Balance Sheet as at 31st March 2010

Particulars	Amt Rs. 31-Mar-10	Amt Rs. 31-Mar-09
4 Unsecured Loan		
<i>From Others</i>		
Shree Padmavati Irrigation P Ltd	1,71,94,530.34	4,87,33,528.34
	1,71,94,530.34	4,87,33,528.34

Notes:

1. No terms and conditions as to repayment and interest are stipulated in respect of the loans.
2. The said loans are repayable on demand.

5 Fixed Assets

On Next Page

Schedules forming part of Balance Sheet as on 31st March 2010

Schedule : 5

Fixed Assets:

PARTICULARS	Gross Block				Depreciation				Net Block		
	Opening	Additions	Adjustment Deductions	Ended As On 31.03.2010	Opening	For The Period	Additions	Adjust-ment	Ended As On 31.03.2010	Current Year	Previous Period
Freehold Land	8,610,845.00	3,657,850.00	-	12,268,695.00	-	-	-	-	-	12,268,695.00	86,10,845.00
Plant & Machinery (Mfg)	33,957,592.74	46,633,638.00	(1,435,214.57)	79,156,016.17	10,226,370.00	2,286,278.00	744,536.00	-	13,257,184.00	65,898,832.17	2,37,31,222.74
Plant & Machinery (Others)	11,323,294.72	6,364,795.00	-	17,688,089.72	2,374,620.00	537,666.00	137,352.00	-	3,049,638.00	14,638,451.72	89,48,674.72
Electrical Installation	3,143,726.00	1,242,674.00	-	4,386,400.00	20,305.00	149,327.00	31,752.00	-	201,384.00	4,185,016.00	31,23,421.00
Testing Equipment	932,884.44	1,540,054.00	(30,780.00)	2,442,158.44	241,289.30	44,189.00	11,402.00	-	296,880.30	2,145,278.14	6,91,595.14
Dies And Moulds	6,074,341.00	394,153.00	(7,931.00)	6,460,563.00	3,543,176.00	9,83,365.00	57,924.00	-	4,584,465.00	1,876,098.00	2,53,11,65.00
Office Equipment	1,248,358.00	390,037.00	-	1,638,395.00	217,658.00	52,896.00	82,123.00	-	352,677.00	1,285,718.00	10,30,700.00
Computer	1,069,029.00	293,360.00	-	1,362,389.00	280,085.00	1,72,682.00	26,896.00	-	479,663.00	882,726.00	7,88,944.00
Air Conditioner	880,644.00	25,720.00	-	906,364.00	51,710.00	55,452.00	-	-	107,162.00	799,202.00	8,28,934.00
Furniture & Fixture	6,888,765.00	315,529.00	-	7,204,294.00	208,410.00	4,34,515.00	26,226.00	-	6,69,151.00	65,35,143.00	66,80,355.00
Factory Buildings	24,202,121.70	1,050,766.00	-	25,252,887.70	1,306,965.00	8,08,351.00	40,035.00	-	21,55,351.00	23,097,536.70	2,28,95,156.70
Site Development	1,415,653.00	2,081,044.00	-	3,496,697.00	13,114.00	47,283.00	27,734.00	-	88,131.00	3,408,566.00	14,02,539.00
Truck & Tractor	4,875,389.00	3,448,294.00	-	8,323,683.00	1,798,877.00	7,90,301.00	145,551.00	-	27,34,729.00	5,588,954.00	30,76,512.00
Tubewell		236,437.00	-	236,437.00	-	-	5,809.00	-	5,809.00	2,30,628.00	0.00
Car & Two Wheelers	1,947,759.00	123,946.00	-	2,071,705.00	764,927.00	1,85,037.00	9,059.00	-	9,59,023.00	11,12,682.00	11,82,832.00
Office Building	9,112,624.00	97,542.00	-	9,210,166.00	93,938.00	3,04,362.00	1,990.00	-	4,00,290.00	88,09,876.00	90,18,686.00
Factory Buildings Sheds		2,009,045.00	-	2,009,045.00	-	-	-	-	-	20,09,045.00	0.00
TOTAL	115,683,026.60	69,904,884.00	(1,473,925.57)	184,113,985.03	21,141,444.30	6,851,704.00	1,348,389.00	-	29,341,537.30	15,47,72,447.73	9,45,41,582.30

Schedules To Balance Sheet as at 31st March 2010

Particulars	Amt Rs. 31-Mar-10	Amt Rs. 31-Mar-09
6 Investments		
<i>Non Trade</i>		
<i>Current- at lower of cost and fair value</i>		
In Mutual Funds		
45008 Units Axis Treasury Advantage Fund - Institutional Daily Dividend	4,50,08,498.00	-
4369910 Units SBI Magnum Insta Cash Fund Liquid Floater Plan- Dividend	4,50,84,320.96	-
3047223 Units Reliance Medium Term Fund- Daily Dividend Plan	5,20,93,799.66	-
	14,21,86,618.62	-
<i>Aggregate Amount of Investments-Unquoted- Book Value</i>		
7 Inventories		
<i>(as taken, valued & certified by Management)</i>		
Raw Material	13,93,83,409.52	6,73,82,007.00
Reusable Waste	2,45,93,625.00	1,31,19,090.00
Finished Goods	7,80,53,114.00	3,46,11,191.00
Traded Goods-Pipes	11,00,757.00	3,50,774.00
Traded Goods-Accessories	1,45,53,343.00	99,43,475.00
Stores & Spares	26,13,786.00	6,49,981.00
	26,02,98,034.52	12,60,56,518.00
8 Sundry Debtors		
<i>(Unsecured, considered good unless stated otherwise)</i>		
Debt outstanding for a period exceeding than six months	1,90,62,804.22	2,67,66,151.60
Other Debts	11,19,84,407.94	8,04,55,951.35
	13,10,47,212.16	10,72,22,102.95
Note:		
1. Sundry Debtors includes debts due by following firms/Company in which Director is a partner/Director/Member:		
Shree Padmavati Irrigation P Ltd	41,83,615.50	1,56,53,240.50
Shree Venkatesh Industries	29,305.00	15,56,805.00

Schedules To Balance Sheet as at 31st March 2010

Particulars	Amt Rs. 31-Mar-10	Amt Rs. 31-Mar-09
9 Cash & Bank Balances		
Cash on Hand	11,79,272.62	14,20,813.02
Bank Balance with Scheduled Banks in Current Accounts	19,41,644.86	61,48,430.89
Bank Balance with Scheduled Banks in Deposit Accounts	15,41,89,008.19	76,02,149.82
	15,73,09,925.67	1,51,71,393.73

Note:

Bank Deposits includes Deposit Pledged with Banks of Rs.1444.86 lacs (Previous Year Rs.74.80 lacs)

10 Loans & Advances

(Unsecured, considered good)

Security Deposits	61,09,242.27	36,43,735.63
Advances Recoverable in Cash or kind or value to be received	52,55,277.92	55,37,840.42
Advance to Suppliers		
For Raw Material	11,31,47,863.00	2,72,24,685.00
For Capital Goods	1,94,83,372.64	27,18,567.00
Advance Tax & TDS	1,02,79,346.00	42,40,462.00
Balances with Tax Authorities-Customs Duty, Excise, VAT etc	1,78,96,200.40	97,74,504.88
Loans & Advances to Companies	8,02,55,946.00	-
Other Loans & Advances	4,41,643.00	-
	25,28,68,891.23	5,31,39,794.93

Notes:

The Advances receivable includes due to One Officer of the Company:

Mr. Sanjay Dalal, CFO	1,48,000.00	1,73,000.00
-----------------------	-------------	-------------

Schedules To Balance Sheet as at 31st March 2010

Particulars	Amt Rs. 31-Mar-10	Amt Rs. 31-Mar-09
11 Current Liabilities		
Sundry Creditors for Goods	5,03,62,257.95	1,63,01,213.20
Sundry Creditors Others	1,49,56,712.29	63,76,860.40
Trade and Security Deposits	3,14,939.00	1,75,439.00
Advance from Customers	59,75,301.00	31,57,081.48
Other Liabilities	88,60,059.00	40,66,003.39
	8,04,69,269.24	3,00,76,597.47
Note:		
1. Sundry Creditors Others includes:		
Dues to Managing Director	6,22,949.04	2,45,020.00
Dues to Whole Time Director	1,79,225.00	1,36,644.00
12 Provisions		
Provision for Taxation	1,67,85,892.00	1,47,28,779.00
	1,67,85,892.00	1,47,28,779.00
13 Miscellaneous Expenditure <i>(to the extent not written off or adjusted)</i>		
Preliminary Expenses	9,25,848.00	11,57,310.00
Less: Written off during the year	2,31,462.00	2,31,462.00
	6,94,386.00	9,25,848.00
Expenditure for Public Issue	-	73,46,546.00
	6,94,386.00	82,72,394.00

Schedules To Profit & Loss Account for the Period ended 31st March 10

Particulars	Year Ended	Period Ended
	31st March 2010 (Amt in Rs.)	31st March 2009 (Amt in Rs.)
14 Sales		
Sales of Manufactured Goods-Pipes	81,23,80,122.00	48,05,37,989.25
Sales of Traded Goods-Pipes Accessories	88,80,751.00	3,297,134.75
Sales of Traded Goods-Pipes	1,18,202.00	25,73,803.00
	<u>82,13,79,075.00</u>	<u>48,64,08,927.00</u>
15 Other Income		
Interest Received from Bank & Others	34,46,752.34	3,71,900.47
Delivery Charges Income <i>(includes TDS PY Rs.10,716/-)</i>	-	7,19,595.00
Blowing Charges <i>(includes TDS PY Rs.1,87,581/-)</i>	-	1,04,06,695.00
Dividend-Non Trade Investment- Current Investment	2,75,670.94	-
Miscellaneous Receipts	21,39,545.17	-
	<u>58,61,968.45</u>	<u>1,14,98,190.47</u>
16 Materials & Manufacturing Expenses		
Raw Materials Consumed	59,36,49,279.83	32,04,91,990.05
Purchases of Traded Goods-Accessories	1,24,31,303.00	13,240,609.75
Purchases of Traded Goods-Pipes	8,67,006.00	23,82,556.00
Other Manufacturing Expenses		
-Power & Fuel	2,39,19,552.00	1,25,55,448.00
- Repairs & Maintenance -Machineries	18,47,781.00	29,42,108.00
-Other Direct Expenses	1,90,49,700.87	65,83,648.00
	<u>65,17,64,622.70</u>	<u>35,81,96,359.80</u>
17 Employees Expenses		
Salaries, Wages, Bonus and Gratuity	1,81,79,283.00	60,58,380.00
Contributions to Provident and ESIC	14,28,886.30	6,99,553.00
Employees Welfare and Other Benefits	7,62,240.00	3,68,385.00
	<u>2,03,70,409.30</u>	<u>71,26,318.00</u>

Schedules To Profit & Loss Account for the Period ended 31st March 10

Particulars	Amt Rs. 31-Mar-10	Amt Rs. 31-Mar-09
18 Administrative & General Expenses		
Rent, Rates & Taxes	12,94,050.00	5,06,600.00
Insurance	4,56,497.00	3,93,492.00
Repairs & Maintenance		
Buildings	3,64,754.00	70,680.00
Communications	9,55,015.00	5,03,541.44
Directors Sitting Fees	1,50,000.00	60,000.00
Directors Remuneration	52,08,000.00	30,38,000.00
Loss on Sale of Asset (Car)		63,631.60
Travelling & Conveyance	20,96,563.00	11,55,410.83
Audit Fees	3,20,600.00	91,500.00
Advertisement, Publicity and Sales Promotion	12,40,245.00	2,28,183.00
Commission on Sales	30,04,961.00	37,38,394.00
Freight Outward & Other Selling Expenses	2,35,80,744.33	1,45,96,377.47
Turnover Discount/Sales Incentive	82,86,549.00	54,06,143.00
Bad Debts Written Off	2,30,919.15	1,18,775.00
Exchange Loss	48,005.30	-
Miscellaneous Expenses	24,21,067.50	15,85,858.00
	4,96,57,970.28	3,15,56,586.34
19 Financial Expenses		
Bank Commission & Charges	23,65,481.16	7,69,224.42
Loan Processing Charges & Expenses	31,97,247.00	16,50,120.00
Interest		
- Bank CC/OD Limits	2,17,63,917.00	1,29,67,747.00
- Bank Term Loan	39,54,921.00	17,32,207.00
- Others	40,81,296.00	12,31,565.00
	3,53,62,862.16	1,83,50,863.42
20 (Increase)/Decrease in Stock		
Opening Stock- Finished Goods (A)	5,80,24,530.00	2,19,05,212.00
Closing Stock- Finished Goods (B)	11,83,00,839.00	5,80,24,530.00
(A)- (B)	(6,02,76,309.00)	(3,61,19,318.00)

Schedule 21

Significant Accounting Policies and Notes on Accounts for the period ending 31st March 2010.

BACKGROUND

Texmo Pipes and Products Limited was formed as a Partnership Firm by the name M/s Shree Mohit Industries on 13th May 1999 and was subsequently converted and incorporated as a Public Limited Company in July 2008 with the Registrar of Companies, Madhya Pradesh and Chhattisgarh. The Partnership Firm was converted into Company under Part IX of the Companies Act, 1956 under the name of Texmo Pipes and Products Limited having Certificate of incorporation dated 3rd July 2008.

Significant Accounting Policies:

1. Basis of Preparation of Financial Statements

- a. The financial statements have been prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP) and are in consonance with the mandatory accounting standards and statements issued by the Institute of Chartered Accountants of India and the provisions of the Schedule VI of the Companies Act, 1956. Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles.
- b. The Company follows the mercantile systems of accounting and recognizes income and expenditure on an accrual basis except stated otherwise.

2. Revenue Recognition

- a. Sales are recognized when goods are supplied and are recorded net of sales return, rebates, trade discounts, VAT/Central Sales Tax and excise duty.

- b. Income from Services rendered are booked based on agreements/arrangements with the concerned parties and recognized on proportionate completion service contract method.

3. Use of Estimates

In preparation of financial statements estimates and assumptions are required to be made which affect the reported amounts of assets/liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. The differences between estimates and actual are recognized in the period in which results are crystallized.

4. Fixed Assets

Fixed Assets are stated at historical cost. Cost includes freight, installation cost, duties, taxes, and incidental expenses but net of Excise duty (CENVAT) and VAT (ITR).

5. Depreciation

Depreciation is charged on Straight Line Method at the rate prescribed under Schedule XIV of the Companies Act, 1956.

6. Borrowing Cost

Borrowing Cost attributable to acquisitions and construction of assets are capitalized as a part of cost of such assets up to the date when such assets are ready for its intended use and other borrowing cost are charged to Profit & Loss Account.

7. Inventories

- a. Raw Materials, Stores & Spares, Finished Goods are valued at cost or net realizable value whichever is lower. Reusable Waste is valued at net realizable value.
- b. Raw Material and Finished goods are valued net of excise duty. However Finished Goods at branches are valued at inclusive of excise duty and freight.
- c. Goods or materials in transit are valued at cost to date.
- d. Cost comprises cost of purchase, cost of

conversion and other cost incurred in bringing the inventory to present location and condition. Cost is arrived at weighted average basis.

8. Foreign Currency Transactions:

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

9. Retirement Benefits

Contributions to Provident Fund and ESIC are deposited with respective Government Authorities. The provision for Gratuity Liability is made on basis of actuarial valuation by the LIC of India.

10. Taxation

Current Tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized, subject to consideration of prudence in respect of deferred tax assets, on timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more periods. Fringe Benefit Tax is accounted for on estimated value of fringe benefits for the year ended 31st March as per provisions of the

Income Tax Act.

11. Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

12. Provisions and Contingent Liabilities

Provisions involving substantial degree of estimation in measurement are recognized when there is a permanent obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes.

13. Miscellaneous Expenditure

Preliminary Expenditure is amortized over a period of 5 years.

Notes to Accounts: Schedule 20:

1. Contingent Liabilities not provided for in respect of :	Amt in Rs.
	31st March 10
a) Disputed Income Tax Demands	11,09,563.00
b) Guarantees given by the Company's Bankers in the normal course of business	3,24,48,188.10
c) Import Letter of Credits issued by Company's Bankers	72,00,000.00

2. Deferred Tax

The major components of Deferred Tax Asset/ (Liability) are set out below:

Component	As on 31.03.2009 (Rs in Lakhs)	For the Year Ended 31.03.2010 (Rs in Lakhs)	As on 31.03.2010 (Rs in Lakhs)
Difference between Book and Tax			
Depreciation	(25.38)	(44.56)	(69.94)
Gratuity	0.92	-	0.92
Deferred Tax (Liability)/Asset	(24.46)	(44.56)	(69.02)

3. In accordance with AS-28 issued by ICAI, the carrying amounts of assets have been reviewed at year end for indication of impairment loss, if any. As there is no indication of impairment of assets, no loss has been recognized during the year.

4. Statement of utilization of proceeds from IPO fund as on 31st March 2010

(Rs in Lacs)

S.No	Particulars	As per Prospectus	Actuals utilized upto 31.03.2010	
			Own funds	IPO funds
1	Expansion of product range	1132.62	233.03	-
2	Setting up manufacturing facilities for injection mouldings / fittings and woven sacks	2206.27	-	186.00
3	Meeting long term working capital requirements	1000.00	-	1000.00
4	General Corporate Purpose/Issue expenses	636.11	176.21	459.90
5	Balance unutilized amount temporarily invested in Bank Fixed Deposits/Mutual funds	-	-	2854.10

5. Disclosure under the Micro, Small and Medium Enterprise Development Act, 2006:

- a) The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
- b) Disclosure in accordance with Section 22 of the Act read with Notification No. GSR 719(E) dated 16th November 2007 issued by the Ministry of Corporate Affairs :-

	Particulars	31.03.2010 Rs. In Lakhs
a)	Principal amount remaining unpaid and interest due thereon	28.28
b)	Interest paid in terms of Sec 16	0.00
c)	Interest due and payable for the period of delay in payment	0.25
d)	Interest accrued and remaining unpaid	0.00
e)	Interest due and payable even in the succeeding years	0.00

6. Managerial Remuneration :

Managerial Remuneration under Section 198 of the Companies Act, 1956 paid or payable during the year, to the Directors:

(a) Managing Directors Remuneration*:	Amt in Rs. 31 st March 10
Salary	39,06,000.00
Contribution to Provident Fund & Other Funds	9,360.00

* Excluding contribution to Gratuity Fund

(b) Whole Time Directors Remuneration*:	Amt in Rs. 31 st March 10
Salary	13,02,000.00
Contribution to Provident Fund & Other Funds	9,360.00

* Excluding contribution to Gratuity Fund

(c) Computation of net profit in accordance with Section 349 of the Companies Act, 1956:

Particulars	Amt in Rs.
	31 st March 10
Profit Before Tax	6,24,93,530.01
Add:	
Managerial Remunerations as above	52,26,720.00
Directors Fees	1,50,000.00
Adjusted Net Profit	6,78,70,250.01
Maximum Permissible Remuneration (10%)	67,87,025.00

7. Payment to Statutory Auditors' includes fees for Statutory & Tax Audit (Net of Service Tax) of Rs.2,00,000/-.

8. The Company is engaged mainly in production of pipes and as such is the only reportable segment as per Accounting Standard on Segment Reporting (AS-17) issued by the Institute of Chartered Accountants of India. The geographical segmentation is not relevant as there is no export turnover.

9. **Related Party Transactions:**

As per Accounting Standard (AS-18) on Related Party Disclosures Issued by ICAI , The Disclosures of Transaction with the related Parties are as Follows-

Party	Relationship
Sanjay Agrawal	Managing Director-Key Management Personnel
Rashmi Devi Agrawal	Relative of Key Mangement Personnel
M/s Shree Padmavati Irrigations Pvt. Ltd.	Related Party-Common Control Exists
M/s Shree Venkatesh Industries	Related Party-Common Control Exists
Vijay Prasad Pappu	Whole Time Director-Key Management Personnel
Shri Narendra Agrawal	Relative of Key Mangement Personnel

(Rupees in lakhs)

S.No	Name of the Party	Relationship	Nature of Transaction	Volume of Transaction during the period 01.04.09 to 31.03.10	Amount outstanding as on 31.03.2010
1	Shri Narendra Agrawal	Relative of Key Management Personnel	Rent Paid	0.66	1.01
2	Shri Sanjay Agrawal	Managing Director-Key Management Personnel	Directors Remuneration Rent Paid	38.94 3.38	- 6.23
3	Smt Rashmi Devi Agrawal	Relative of Key Management Personnel	Rent Paid	3.38	0.85
4	Shri Vijay Prasad Pappu	Whole Time Director-Key Management Personnel	Remuneration	12.9	1.79
5	Shree Padmavati Irrigation P Ltd	Related Party-Common Control Exists	Loan Taken (including Interest Accrued) Loan Repaid Sales of Pipes Interest Paid Delivery Charges Recd	684.12 995.51 35.48 11.79 1.00	 171.95 41.84
6	Shree Venkatesh Industries	Related Party-Common Control Exists	Delivery Charges Recd Sales of Pipes	4.13 63.51	- 0.30

10. Stock Details

Additional information pursuant to the provisions of paragraphs 3, 4C & 4D of Part II of Schedule VI of the Companies Act, 1956.

Details of Capacity, Products Manufactured, Traded, Turnover, Opening Stock, Closing Stock of Goods Produced for Sale & Traded:

As Certified by the Management

TURNOVER	Unit	31-Mar-10		31-Mar-09	
		Quantity	Value	Quantity	Value
Manufactured Products:					
Pipes	Kgs	10363172.38	81,23,80,122.00	6205205.98	48,05,37,989.25
Traded Products:					
Pipes	Kgs	951.88	1,18,202.00	15795.00	25,73,803.00
Accessories	Kgs	-*	88,80,751.00	-*	3,297,134.75
RAW MATERIALS CONSUMED					
RAW MATERIALS CONSUMED	Unit	31-Mar-10		31-Mar-09	
		Quantity	Value	Quantity	Value
PVC Resin	Kgs	4376410	21,78,37,635.00	3708250.00	16,80,36,263.05
PVC Resin (Imported)	Kgs	1255200	5,95,51,290.55		
Chemicals	Kgs	580061	3,71,55,299.76	357236.00	2,32,08,640.00
Calcium Carbonate	Kgs	803600	79,61,613.00	699000.00	66,77,047.00
Calcium Carbonate (Imported)	Kgs				
HDPE	Kgs	3044045	20,78,37,112.30	1676938.00	10,49,93,911.00
HDPE (Imported)	Kgs	103500	61,05,512.80		
LLDPE	Kgs	203700	1,41,49,748.00	58175.00	37,33,009.00
LDPE	Kgs	14000	12,71,219.00		
Master Batch	Kgs	85237.65	99,04,396.00	44554.15	50,54,795.00
Master Batch Compound WIP	Kgs	161566	48,43,665.00		
PVC Compound	Kgs	10403	4,18,120.00	2500.00	87,707.00
HDPE Compound	Kgs	277950	1,27,62,497.00	200000.00	74,78,895.00
HDPE Compound (Sprinkler)	Kgs	329507.66	1,38,51,171.39	27440.60	12,21,723.00
Reusable Waste WIP	Kgs	262381.80	-*	42139.00	-*
		11507562.11	59,36,49,279.83	6816232.75	32,04,91,990.05

* Not Ascertainable

PURCHASES	Unit	31-Mar-10		31-Mar-09	
		Quantity	Value	Quantity	Value
PURCHASES					
Traded Products					
Pipes	Kgs	5216.64	867,006.00	18511.00	2,382,556.00
Accessories	Kgs	-*	12,431,303.00	-*	13,240,609.75
		<u>5216.64</u>	<u>13298309.00</u>	<u>18511.00</u>	<u>15623165.75</u>

STOCKS	Unit	31-Mar-10		31-Mar-09	
		Quantity	Value	Quantity	Value
OPENING STOCK OF FINISHED GOODS					
Manufactured Products:					
Pipes	Kgs	638924.07	34,611,191.00	315863.32	2,02,19,652.00
Reusable Waste	Kgs	262381.80	13,119,090.00	42139.00	16,85,560.00
Traded Products:					
Pipes	Kgs	2716.00	350,774.00	-	-
Accessories	Kgs	-*	9,943,475.00	-	-
		<u>9,04,021.87</u>	<u>5,80,24,530.00</u>	<u>3,58,002.32</u>	<u>2,19,05,212.00</u>

Manufactured Products:

Pipes	Kgs	1255409.21	78,053,114.00	638924.07	3,46,11,191.00
Reusable Waste	Kgs	491872.50	24,593,625.00	262381.80	1,31,19,090.00

Traded Products:

Pipes	Kgs	6980.76	1,279,438.00	2716.00	3,50,774.00
Accessories	Kgs	-*	14,374,662.00	-*	9,943,475.00
		<u>1754262.47</u>	<u>11,83,00,839.00</u>	<u>904021.87</u>	<u>5,80,24,530.00</u>

* Not Ascertainable

CAPACITY AND PRODUCTION:	Unit	31-Mar-10		31-Mar-09	
		Installed Capacity [^]	Production	Installed Capacity [#]	Production
Pipes	Kgs	12,723,000.00	10,979,657.52	6818630.00	6528266.74
Resuable Waste	Kgs	-*	491,872.50	-*	262381.80
		<u>Total</u>	<u>12723000.00</u>	<u>11,471,530.02</u>	<u>6818630.00</u>
					<u>6790648.54</u>

* WIP/Reusable Products out of Production of Pipes and no separate Installed Capacity.

[^] For Single Shift As certified by the management and accepted by the auditors being a technical matter.

[#] for the period 3/7/08 to 31/03/09 Total Capacity—9150 MT

11. Imported and Indigenous Consumption :

(Amt in Rs.)

S.No		2009-10	
		Amount	Percentage
(a)	Raw Materials		
	Imported	6,72,39,897.35	11.33
	Indigenous	52,64,09,382.48	88.67
		59,36,49,279.83	100.00

Previous year --Nil

12. C.I.F Value of Imports and Expenditure in Foreign Currency :

(Amt in Rs.)

S.No	C.I.F Value of Import :	2009-10
(a)	Raw Materials	6,54,49,507.00
(b)	Spare Parts, Accessories, etc.	6,14,577.60
(c)	Capital Goods	2,31,69,281.00

Previous year --Nil

13. The Unit 2 of the Company is exempted from Payment of Entry Tax under the Scheme of Government of Madhya Pradesh for the period 29.08.2008 to 28.08.2013.
14. In Fixed Assets there are nine vehicles which are not registered in name of Company but are registered in name of erstwhile firms.
15. Balances of creditors and debtors/advances are subject to confirmation/reconciliation and consequential adjustments, if any.
16. In the opinion of the Board of Directors the current assets, loans and advances have a value of realization in ordinary course of business at least equal to the amount at which they are stated and the provision for all known liabilities are adequate and not in excess of the amount reasonably necessary.
17. The previous year figures are for the period of 03rd July 2008 to 31st March 2009 hence they are incomparable with current year figures. Figures for the previous year have been regrouped/reclassified wherever necessary.

As per our report of even date

For Pankaj Somaiya & Associates

 Firm Registration No. 010081C
 Chartered Accountants

CA Pankaj Somaiya

 Partner
 Membership No. : 079918

Place : Burhanpur (M.P.)

Date : 29th July 2010

For Texmo Pipes and Products Limited
Vijay Prasad Pappu

Whole Time Director

Sanjay Agrawal

Managing Director

Rishabh Jain

Company Secretary

Sanjay Dalal

CFO

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No/	U	2	5	2	0	0	M	P	2	0	0	8	P	L	C
	0	2	0	8	5	2									
Balance Sheet Date	3	1		0	3		2	0	1	0					
	Date			Month			Year								

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue				4	5	0	0	0	0	Right Issue							N	I	L
Bonus Issue										Private Placement							N	I	L

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities			1	0	0	1	9	2	2	Total Assets			1	0	0	1	9	2	2
Sources of Funds (Amount in Rs. Thousands)										Reserves and Surplus				4	4	3	1	8	4
Paid-up Capital				1	1	2	7	0	0	Unsecured Loans					1	7	1	9	5
Secured Loans				4	2	1	9	4	1	Deferred Tax Liability						6	9	0	2

Application of Funds (Amount in Rs. Thousands)

Net Fixed Assets				1	5	4	7	7	2	Capital Advs/Capital Work in Progress				1	4	2	1	8	7	
Debit Balance in Profit & Loss										Misc. Expenditure								6	9	4
Net Current Assets				7	0	4	2	6	9											

IV. Performance of Company (Amount in Rs. Thousands)

Turnover				7	6	7	8	0	5	Total Expenditure				7	0	5	3	1	1	
Profit/(Loss) Before Tax				6	2	4	9	4		Profit/(Loss) After Tax				4	0	0	2	1		
										Dividend @ (%)								N	A	

V. Generic Names of Principal Products/Services of the Company (As per Monetary Term)

Item Code No.(ITC Code)	:	3 9 1 7 2 1 9 0
Product Description	:	PVC PIPES & SUCTION HOSE PIPES
Item Code No.(ITC Code)	:	3 9 1 7 2 9 9 0
Product Description	:	HDPE PIPES

For Texmo Pipes and Products Limited
Vijay Prasad Pappu
 Whole Time Director

Sanjay Agrawal
 Managing Director

Rishabh Jain
 Company Secretary

Sanjay Dalal
 CFO

THE PROCESS OF SUPERIOR QUALITY "TEXMO PIPES"



Post Box No. 35, 98, BURHANPUR 450 331 (M.P.)

Tel. : 255122, 252353, 251210, 253833 Fax : (91) 7325 - 253273

E-mail : texmopipe@texmopipe.com

Website : <http://www.texmopipe.com>

