



PIPES AND PRODUCTS LIMITED

**Solid & Leak Proof**

An ISO 9001 Certified Company

F.Y.  
2015-16

8<sup>th</sup>  
**Annual  
Report**

**अब बात होगी सिर्फ  
नये जमाने की,  
टेक्समो पाइप्स और  
फिटिंग्स के साथ**



<p><b>Board of Directors</b></p> <ol style="list-style-type: none"> <li>1. Mrs. Rashmi Devi Agrawal – Chairperson and Non Executive Director</li> <li>2. Mr. Sanjay Agrawal – Managing Director</li> <li>3. Mr. Vijay Prasad Pappu – Whole Time Director cum Chief Financial Officer.</li> <li>4. Mr. Shanti Lal Badera - Non Executive Independent Director</li> <li>5. Mr. Sunil Kumar Maheshwari - Non Executive Independent Director</li> <li>6. Mr. Chakradhar Bharat Chhaya - Non Executive Independent Director</li> </ol>	<p><b>Committees of Directors</b></p> <p><b>Audit Committee</b></p> <ol style="list-style-type: none"> <li>1. Mr. Sunil Kumar Maheshwari – Chairman</li> <li>2. Mr. Shanti Lal Badera – Member</li> <li>3. Mr. Chakradhar Bharat Chhaya – Member</li> <li>4. Mr. Vijay Prasad Pappu – Member</li> </ol> <p><b>Nomination &amp; Remuneration Committee</b></p> <ol style="list-style-type: none"> <li>1. Mr. Chakradhar Bharat Chhaya – Chairman</li> <li>2. Mr. Shanti Lal Badera – Member</li> <li>3. Mr. Sunil Kumar Maheshwari – Member</li> </ol> <p><b>Stakeholders Relationship Committee</b></p> <ol style="list-style-type: none"> <li>1. Mr. Chakradhar Bharat Chhaya – Chairman</li> <li>2. Mr. Shanti Lal Badera – Member</li> <li>3. Mr. Sanjay Agrawal – Member</li> </ol>
<p><b>Company Secretary &amp; Compliance Officer</b> Mr. Shyam Sunder Agrawal</p>	<p><b>Treasury Committee</b></p> <ol style="list-style-type: none"> <li>1. Mr. Sanjay Agrawal – Chairman</li> <li>2. Mr. Vijay Prasad Pappu – Member</li> <li>3. Mr. Sunil Kumar Maheshwari – Member</li> </ol>
<p><b>Registered Office</b> 98, Bahadarpur Road, Burhanpur (M.P.) – 450331</p>	
<p><b>Bankers</b> State Bank of India Bank of Baroda Punjab National Bank Central Bank of India HDFC Bank</p>	<p><b>Corporate Identification Number:</b> <b>L25200MP2008PLC020852</b></p>
<p><b>Registrar &amp; Share Transfer Agent</b> Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032</p>	<p><b>Auditors</b> Pankaj Somaiya &amp; Associates LLP Chartered Accountants</p>

**INDEX**

<b>S.No.</b>	<b>PARTICULAR</b>	<b>PAGE</b>
1	Chairperson's Message	3
2	Notice of AGM	4
3	Board's Report	8
4	Corporate Governance Report	28
5	Management Discussion and Analysis	43
6	Standalone Financial Statements	
	Auditor Report	45
	Balance Sheet	50
	Statement of Profit and Loss	51
	Cash Flow Statement	52
	Significant Accounting Polices	53
	Notes to Financial Statement	56
7	Consolidated Financial Statements	
	Auditor Report	73
	Balance Sheet	76
	Statement of Profit and Loss	77
	Cash Flow Statement	78
	Significant Accounting Polices	79
	Notes to Financial Statement	82
8	Proxy Form & Admission Slip	101
9	Green Initiative Letter	103
10	Location Map	104

## CHAIRPERSON'S MESSAGE

Dear Shareholders,

*I have an immense pleasure in welcoming you at 8<sup>th</sup> Annual General Meeting of your Company and presenting the Annual Report for the year ended 31<sup>st</sup> March 2016. Even as the world experiences economic turbulence and slowdown, contributing to a general lack of cheer as far as economic growth goes, India continues to deliver a standout performance and grow at a rapid pace. India holds the potential of being a global manufacturing leader. Yet there are many barriers that are holding it back - a weak public infrastructure, poor hygiene and sanitation conditions. While things are changing, the journey is still a long one. In this context, it is organisations such as yours that can lead the way for a renaissance in Indian manufacturing and we are well on that journey.*

*During the FY 2015-16, we encountered challenging circumstances on a few fronts. Yet, unexpectedly, they served as timely reminders, and even inspiration, to renew our focus on operational excellence and shape a more impactful future for your Company. Let me give you a synopsis of your Company's performance in FY 2015-16:*

- *Your Company recorded Production of 22532.71 MT for the year ended 31<sup>st</sup> March, 2016 as against 21213.03 MT in the previous year which shows an increase of 6.22%.*
- *On a standalone basis the profit before tax for the financial year stood at Rs. 490.57 Lac compared to Rs. 486.06 Lac of the previous year.*
- *The profit after tax, before exceptional item for the financial year at Rs. 373.70 Lac compared to Rs. 330.50 Lac of the previous year.*

*Your Company believes that advertisement is not only the best way to communicate to the customers but also helps in standing strongly in competitive environment. It also helps informing the customers about the products offering by the Company. With above views your Company has started advertisement of its various products on enormous level including print, television and other digital modes by appointing famous cine artists Mr. Sonu Sood and Ms. Sonal Chouhan as its Brand Ambassadors. Your Company prepared ad film with both artists which was telecasted on various TV Channels.*

*Overall, I am very confident that we have the right strategy, deep leadership bench, a talented and energized employee base, and cooperation from our stakeholders. I will take this opportunity to thank all our Shareholders, Bankers, suppliers, customers for their continued support as we take your company to newer heights in its journey towards excellence.*

*With Best Wishes*  
**Rashmi Devi Agrawal**  
**(Chairperson)**



**NOTICE**

NOTICE is hereby given that the 8th Annual General Meeting of the members of TEXMO PIPES AND PRODUCTS LIMITED (CIN: L25200MP2008PLC020852) will be held on Thursday, 29th September, 2016 at 11.30 A.M. at the Registered office of the Company at 98, Bahadarpur Road, Burhanpur (M.P.) 450331 to transact the following business:-

**ORDINARY BUSINESS:-**

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the year ended 31st March, 2016, together with the Reports of the Board of Directors and the Auditors thereon for the said period.
2. To appoint a Director in place of Mrs. Rashmi Devi Agrawal (DIN: 00316248) who retires by rotation and being eligible, offers herself for re-appointment.
3. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:  
**“RESOLVED THAT** pursuant to the provisions of Section 139 and 142 and all other applicable provisions, if any of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company appointed **M/S Pankaj Somaiya & Associates LLP, Chartered Accountants, Burhanpur (M.P.), (Firm Registration No. 010081C)**, as the Statutory Auditors of the Company at 7<sup>th</sup> Annual General Meeting held on 26<sup>th</sup> September, 2015, to hold office from the conclusion of 7<sup>th</sup> Annual General Meeting until the conclusion of the 10<sup>th</sup> Annual General Meeting of the Company, such appointment of the Statutory Auditors be and is hereby ratified by the members of the Company for the financial year 2016-17 on such remuneration and out-of-pocket expenses, as may be agreed upon by the Board of Directors and the Auditors.”

**SPECIAL BUSINESS:**

4. To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as an Ordinary Resolution:  
**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of Rs. 75,000/- (Rupees Seventy Five thousand only) plus applicable taxes to be paid to M/s Sushil Kumar Mantri & Associate (Firm Registration No. 101049), Cost Auditors of the Company to conduct the Audit of the cost records of the Company for the Financial Year ending March 31, 2017, as approved by the Board of Directors of the Company, be and is hereby ratified.  
**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Burhanpur, 9th August, 2016

**BY ORDER OF THE BOARD OF DIRECTOR**

*sd/*  
**Shyam Sunder Agrawal**  
**Company Secretary**  
**Membership No.: ACS 24489**

**NOTES:-**

1. **A member entitled to attend and vote at the Annual General Meeting (“the Meeting”) is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. Proxies, duly stamped and signed, must be deposited at the Company’s Registered Office not less than 48 hours before the commencement of the meeting.**
2. **A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. A member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.**
3. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice later. The Company will also send communication relating to remote e-voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members, separately.
4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 (“SEBI Listing Regulations”), of the person seeking re-appointment as Director under Item No 2 of the Notice, are annexed.
6. The relevant explanatory statement pursuant to section 102 of the Companies Act, 2013 setting out the material facts in respect of the business under items no. 4 is annexed hereto.
7. Members/ Proxies are requested to bring along with them Annual Reports being sent to them and should bring the

attendance slip enclosed herewith, duly filled and signed mentioning therein details of their DP ID and Client ID / Folio No in order to attend the meeting.

8. In case of joint holders attending the Meeting, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
9. The Share Transfer Book and Register of Members of the Company will remain closed from 24<sup>th</sup> September 2016 to 29<sup>th</sup> September, 2016 (both days inclusive) for the purpose of Annual General Meeting of the Company.
10. Members are requested to send their queries, if any, at least seven days in advance of the meeting.
11. The Register of Director's Shareholding maintained under section 170 of the Companies Act, 2013, will be available for inspection at the venue to the Annual General Meeting of the company during the Annual General Meeting and will also remain available for inspection of the members at the registered office of the company, fourteen days before and three days after, the date of the Annual General Meeting of the Company.
12. The Company has connectivity from the CDSL & NSDL and equity shares of the Company may also be held in the Electronic form with any Depository Participant (DP) with whom the members/ investors having their depository account. The ISIN No. for the Equity Shares of the Company is INE141K01013. In case of any query/difficulty in any matter relating thereto may be addressed to the Share Transfer Agents Karvy Computershare Private Limited ("The Karvy") Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad -500 032.
13. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Karvy.  
The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Karvy.
14. Non-Resident Indian Members are requested to inform Karvy, immediately of:
  - (a) Change in their residential status on return to India for permanent settlement.
  - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
15. To promote green initiative as per circular issued by Ministry of Corporate Affairs in 2011, the Notice of the AGM along with the Annual Report 2015-16 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2015-16 will also be available on the Company's website viz. [www.texmopipe.com](http://www.texmopipe.com). Members are requested to register their e-mail addresses through their Depository Participant where they are holding their Demat Accounts for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the RTA, giving reference of their Folio Number.
16. The route map showing directions to reach the venue of the 8<sup>th</sup> AGM is annexed.
17. The facility for voting through polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

**VOTING THROUGH ELECTRONIC MEANS:-**

- A. In case a Member receiving an email of the Annual General Meeting Notice from Karvy  
[For Members whose email IDs are registered with the Company/ Depository Participant(s)]:
  - i) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
  - ii) Enter the login credentials (i.e., **User ID and Password** mentioned below) . Event no. Your Folio No. DP ID-lient ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. Or contact toll free number 18003454001 for your existing password.
  - iii) After entering these details appropriately, Click on "LOGIN".
  - iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your



password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- v) You need to login again with the new credentials.
- vi) On successful login, the system will prompt you to select e-voting "EVENT" no. for Texmo Pipes and Products Limited.
- vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-Off Date under "FOR/AGAINST" or alternatively, you may partially enter any number of shares in "FOR" and partially in "AGAINST" but the total number of shares in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned therein. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii) Members holding multiple Folios / Demat accounts shall choose the voting process separately for each Folios / Demat accounts.
- ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- x) You may then cast your vote by selecting an appropriate option and Click on "SUBMIT".
- xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. **During the voting period, Members can login any numbers of times till they have voted on the Resolution(s).**
- xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail id: [scrutinizer\\_evoting@rediffmail.com](mailto:scrutinizer_evoting@rediffmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). they may upload the same in e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_ EVENT NO."
- xiii) In case a person has become the Member of the Company after the dispatch of AGM Notice but on or before the cut-off date i.e. 24<sup>th</sup> September, 2016, may write to the Karvy on the email Id: [evoting@karvy.com](mailto:evoting@karvy.com) or to Mrs Shobha Anand, Contact No. 040-67162222, at Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, requesting for the User ID and Password.

After receipt of the above credentials, please follow all the steps from Sr. No.(i) to (xiii) as mentioned in (A) above, to cast the vote.

**B. In case of Members receiving physical copy of the AGM Notice by Post**

[For Members whose email IDs are not registered with the Company/Depository Participant(s)]:

- i) EVEN, User ID and initial Password is provided separately.
  - ii). Please follow all steps from Sr. No. (i) to (xiii) as mentioned (A) above, to cast your vote.
- C. The remote e-voting period commences on Monday, the 26<sup>th</sup> September, 2016 at 10:00 A.M. and ends on Wednesday, the 28<sup>th</sup> September 2016, at 5.00 P.M. During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date being Saturday, 24<sup>th</sup> September, 2016, may cast their vote by electronic means in the manner and process set out hereinabove. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have casted their vote electronically shall not vote by way of poll, if held at the Meeting.**
- D. In case of any query pertaining to remote e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com>.**
- E. The voting rights of the Members shall be in proportion of the paid up equity share capital of the Company as on the cut-off date i.e. (the Record Date), being Saturday, 24<sup>th</sup> September, 2016.**
- F. The Board has appointed Mr. Nadir Akhtar, a Practicing Advocate as Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.**
- G. The Scrutinizer shall, immediately after scrutinising the votes cast at the meeting, not later than three days of conclusion of the voting at the AGM, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make a consolidated scrutinizer's report of the total votes cast in favour or against, if any, and submit the same to the Chairperson.**

- H. The Results on resolutions shall be declared on or after the Annual General Meeting of the Company and the resolution(s) will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favour of the Resolution(s).
- I. the Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company i.e. [www.texmopipe.com](http://www.texmopipe.com) and on the website of Karvy <https://evoting.karvy.com> within two (2) days of passing of resolution and the simultaneous communication will be sent to the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

**STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

The following Statement sets out all material facts relating to the Business mentioned in the accompanying Notice:

**As Ordinary Business:-**

**Item No. 2 - The relevant details as required under Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 ("SEBI Listing Regulations")**

Mrs. Rashmi Devi Agrawal, (DIN 00316248) aged 46 year is the Chairperson and Promoter of the Company. She is wife of Mr. Sanjay Agrawal, Managing Director (DIN 00316249) of the Company. She is an art graduate from Nagpur University, and having more than 15 years of rich experience in the field of forming the Policies relating to Marketing and Human Resource Development.

She is also Designated partner in one of our subsidiary M/S Texmo Petrochemicals LLP and also holds Directorship in our promoter group company named M/S Shree Padmavati Irrigations Private Limited since 1998. She neither holds directorship in any other listed company nor membership of committees of the Board. She holds 33,77,592 Equity Shares in the Company.

Mrs. Rashmi Devi Agrawal is wife of Mr. Sanjay Agrawal, Managing Director of the Company. Save as aforesaid, none of the Directors or Key Managerial personnel (KMP) or relatives of Directors or KMPs is connected or interested in items no. 2 of the accompanying notice.

**As Special Business:-**

**Item No. 4 - Ratification of remuneration of the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017.**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditor M/s Sushil Kumar Mantri & Associate, Cost Accountants to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017, the remuneration will be Rs. 75,000/- (Rupees Seventy Five Thousand only).

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Shareholders.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

**BY ORDER OF THE BOARD OF DIRECTORS**

**Place: Burhanpur  
Date: 9th August, 2016**

**sd/-  
Shyam Sunder Agrawal  
Company Secretary  
Membership No.: ACS 24489**



**BOARD'S REPORT**

To,  
The Members,

Your Directors have pleasure in presenting their **8th Annual Report** on the business and operations of your Company together with the Audited Financial Statements and the Auditor's Report for the year ended 31st March, 2016.

**1. Financial summary or highlights/Performance of the Company (Standalone and Consolidated)**
**(Amount in ₹ Lac)**

Particulars	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Turnover	27,903.28	26604.07	27903.28	33352.60
Profit before Interest, Depreciation and Tax	1813.15	1845.13	1769.45	1855.64
Interest	771.96	833.63	771.96	833.63
Depreciation	550.62	525.44	550.62	525.44
Profit before tax	490.57	486.06	446.88	496.57
Provision for tax				
- Current tax	137.59	148.74	137.60	149.23
- Deferred tax	(20.72)	8.97	(20.56)	8.65
Excess provision for earlier year	-	(2.14)	-	(2.14)
Profit after tax	373.70	330.50	329.85	340.84
Prior year adjustment	-	-	-	-
Profit after tax & prior year adjustments	373.70	330.50	329.85	340.84
Balance of profit brought forward from earlier years	2,573.35	2248.07	2588.04	2,252.42
Adjustment relating to Fixed Assets (net of Deferred Tax)	-	(5.22)	-	(5.22)
Profit available for Appropriation	2,947.06	2573.35	2917.89	2,588.03
Appropriations				
Transfer to General Reserves				
Proposed dividend:	-	-	-	-
- Equity	-	-	-	-
- Preference	-	-	-	-
Profit carried to Balance Sheet	2947.06	2573.35	2917.89	2,588.03

On a standalone basis your company recorded a turnover of Rs. 27,903.28 Lac for the year ended 31st March, 2016 as against Rs.26,604.07 Lac in the previous year which shows an increase of 4.88%.

On a standalone basis, the profit before interest, depreciation and tax for the financial year is Rs. 1813.15 Lac as against Rs. 1845.13 Lac recorded in the previous year. The profit before tax for the financial year stood at Rs. 490.57 compared to Rs. 486.06 Lac of the previous year. The profit after tax, before exceptional item for the financial year at Rs. 373.70 Lac compared to Rs. 330.50 Lac of the previous year.

On a standalone basis your company recorded Production of 22532.71 MT for the year ended 31st March, 2016 as against 21213.03 MT in the previous year which shows an increase of 6.22%.

**2. Change in nature of Business**

During the year under review, there has been no change in the nature of business of the Company

**3. Dividend**

Your Directors do not recommended any dividend for the year ended 31st March, 2016 and the available surplus be retained to strength the net worth of the company.

**4. Transfer to Reserves**

Your Directors do not proposed any amount to be transferred to the Reserves for the year ended 31st March, 2016.

**5. Details of Subsidiary/Associate Companies**

We have one subsidiary Company namely Tapti Pipes & Products Limited FZE (Overseas Subsidiary). Another subsidiary Company namely Texmo Petrochemicals Private Limited has been converted in to Texmo Petrochemicals LLP w.e.f. 18th September, 2015.

The consolidated financial statements of your Company for the financial year 2015-16, are prepared in compliance with

applicable provisions of the Companies Act, 2013, Accounting Standards and SEBI (LODR) Regulations, 2015. The consolidated financial statements have been prepared on the basis of audited financial statements of the Company, its subsidiary, as approved by their respective Board of Directors.

A separate statement in Form AOC-1 containing the salient features of financial statements of subsidiary of your Company forms part of consolidated financial statements in compliance with Section 129 and other applicable provisions, if any, of the Companies Act, 2013.

**6. Commission received by Directors from Subsidiary**

During the year under review none of the directors of the company are in receipt of the commission or remuneration from subsidiaries of the Company, as provided under section 197 (14) of the Companies Act, 2013.

**7. Particulars of Employees**

The Company has not appointed any employee(s) in receipt of remuneration exceeding the limits specified under Rule 5(2) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

**8. Details relating to remuneration of Director, KMPs and employees**

Disclosure pertaining to remuneration and other details as required Section 197(12) of the Companies Act 2013 read with rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in **Annexure A**.

**9. Particulars of loans, guarantees, investments outstanding during the financial year**

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statement (Please refer to Note 12 and 13 to the standalone financial statement).

**10. Extract of the annual return**

The Extract of the Annual Return as provided under sub-section (3) of the Section 92 in form MGT-9, forms part of this Board's Report and is annexed as **Annexure B**.

**11. Deposits**

Your company has not invited/accepted any deposit within the meaning of Section 73 of the Companies Act, 2013 and Rules made there under, during the year under review.

**12. Conservation of energy, technology absorption, foreign exchange earnings and outgo**

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and out-go, in accordance with the requirement of the Section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies (Account) Rules, 2014 forms part of this Board's Report and is annexed as **Annexure-C**

**13. Particulars of contracts or arrangements with related parties**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. The particulars of contracts or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013 for the financial year 2015-16 in the prescribed format, AOC 2 has been enclosed with the report as **Annexure-D**.

The Policy on materiality of related party transactions and manner of dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: [www.texmopipe.com](http://www.texmopipe.com).

**14. Auditors:**

**A. STATUTORY AUDITORS:**

**M/S Pankaj Somaiya & Associates LLP, Chartered Accountants, Burhanpur (M.P.), (Firm Registration No. 010081C)** Statutory Auditors of the company, were appointed as Statutory Auditors of the Company at 7th Annual General Meeting of the Company held on 26th September, 2015 to hold office from the conclusion of 7th Annual General Meeting until the conclusion of the 10th Annual General Meeting subject to ratification of the appointment by the members at every Annual General Meeting. The Board of Directors recommended ratification of appointment of **M/S Pankaj Somaiya & Associates LLP, CHARTERED ACCOUNTANTS, Burhanpur (M.P.)**, as the Statutory Auditors of the Company. The company has received an eligibility letter under section 141 of the Companies Act, 2013 and rules made thereunder that they are not disqualified.

**B. SECRETARIAL AUDITOR:**

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed **CS Dinesh Kumar Gupta, Company Secretary in Practice, Indore (M.P.)**, to undertake the Secretarial Audit of the Company.

**C. COST AUDITORS:**

The Board of Directors, on the recommendation of the Audit Committee, has appointed **M/s Sushil Kumar Mantri & Associates**, Cost Accountants, (Firm Registration No. 101049), as Cost Auditors to audit the cost accounts of the Company for the Financial Year 2016- 17. In accordance with the provisions of Section 148 of the Companies Act, 2013,



read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors require ratification by the shareholders of the company.

**15. Auditor's Reports**

**A. STATUTORY AUDITOR'S REPORT:**

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

**B. SECRETARIAL AUDITOR'S REPORT:**

Pursuant to the provisions of section 204 (1) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014, the Company has obtained a Secretarial Audit Report in the prescribed Form MR-3, from **CS Dinesh Kumar Gupta, Company Secretary in practice, Indore (M.P.)**. The Secretarial Auditor' Report is annexed herewith as **Annexure -E**

**16. Details in respect of frauds reported by Auditors other than those which are reportable to the Central Government**

The Statutory Auditors, Cost Auditors or Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made there under.

**17. Share Capital**

There has been no change in the capital structure of the Company during the year under review.

**18. Disclosure regarding issue of employee stock options**

The Company has not issued any shares under employee's stock options scheme pursuant to provisions of Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.

**19. Disclosure regarding issue of sweat equity shares**

The Company not issued sweat equity shares pursuant to provisions of Section 54 read with Rule 8 of the Companies (Share Capital and Debenture) Rules, 2014 during the Financial Year.

**20. Details of Directors and Key Managerial Personnel**

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Smt. Rashmi Devi Agrawal (DIN 00316248), retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. Smt. Rashmi Devi Agrawal has given declaration in terms of Section 164(2) of the Companies Act, 2013 to the effect that she is not disqualified from being reappointed as a Director of the Company.

Mr. Ravi Patidar Company Secretary and Compliance Officer (ACS No 32328) of the Company resigned from the services of Company with effect from 16th October, 2015 and Mr. Shyam Sunder Agrawal (ACS No 24489) has been appointed as Company Secretary and Compliance Officer of the Company with effect from 2nd November, 2015. Mr. Satyendra Rathi CFO resigned from the services of Company with effect from 1st February, 2016 and Mr. Vijay Prasad Pappu has been appointed as CFO of the Company along with his original capacity of Whole Time Director with effect from 8th February, 2016.

**21. Declaration given by Independent Director(s) and reappointment,**

In compliance with section 149(7) of the Act, all Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**22. Internal Financial Controls**

The Company believes that internal control is necessary principle of prudent business governance that freedom of management should be exercised within a framework of appropriate checks and balances. The Company remains committed to ensuring an effective internal control environment that inter alia provides assurance on orderly and efficient conduct of operations, security of assets, prevention and detection of frauds/errors, accuracy and completeness of accounting records and the timely preparation of reliable financial information. The Company's independent and Internal Audit processes, both at the Business and Corporate levels, provide assurance on the adequacy and effectiveness of internal controls, compliance with operating systems, internal policies and regulatory requirements. The Financial Statements of the Company are prepared on the basis of the Significant Accounting Policies that are carefully selected by management and approved by the Board. These, in turn are supported by a set of divisional Delegation Manual & Standard Operating Procedures (SOPs) that have been established for individual units/ areas of operations. The Company uses SAP Systems as a business enabler and also to maintain its Books of Account. The SOPs in tandem with transactional controls built into the SAP Systems ensure appropriate segregation of duties, tiered approval mechanisms and maintenance of supporting records. The systems, SOPs and controls are reviewed by Senior management and audited by Internal Audit whose findings and recommendations are reviewed by the Board of Directors and tracked through to implementation. The Company has in place adequate internal financial controls with reference to the Financial Statements. Such controls have been tested during the year and no reportable material weakness in the design or operation was observed. Nonetheless the Company recognizes that any internal financial control framework, no matter how well designed, has inherent limitations and accordingly, regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

**23. Number of meetings of Board of Directors and committees**

The details of Board and Committee meetings are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period as prescribed under the Companies Act, 2013.

**24. Audit Committee**

The Audit Committee comprises of 4 (four) Members of which 3 (three) are independent including Chairman. All recommendations made by the Audit Committee were accepted by the Board during FY 2015-16.

**25. Familiarization Programme**

The Company has conducted the programme through its Managing Director, Whole-time Director, Company Secretary and other Senior Managerial Personnel to familiarize the Independent Directors with Company in following areas:-

- Familiarization with the Company;
- Independent directors' roles, rights and responsibilities;
- Board dynamics & functions;
- Nature of the Industry in which the Company operates;
- Business Model of the Company;
- Compliance management.

The Policy on Familiarization Programme may be accessed on the Company's website at the link: [www.texmopipe.com](http://www.texmopipe.com).

**26. Corporate Social Responsibility**

As per section 135 of the Companies Act, 2013, all Companies having net worth of Rs. 500 crore or more, or turnover of Rs. 1000 crore or more, or a net profit of Rs. 5 crore or more during any financial year are required to constitute a CSR Committee of the Board of Directors comprising three or more Directors, at least one of whom should be an independent director and such company shall spend at least 2% of the average net profit of the Company's three immediately preceding financial year. The Company is not covered under the above mentioned limits of the act. However it has taken voluntary initiative by forming CSR Committee comprising of two independent directors and an executive director as member. As and when Company meets the required threshold limits of CSR policy further action will be taken accordingly in such respect.

**27. Corporate Governance**

The Company continue to imbibe and emulate the best corporate governance practices aimed at building trust among all stakeholders –shareholders, employees, customers, suppliers and others. The Company believes that fairness, transparency, responsibility and accountability are the four key elements of corporate governance. The Corporate Governance Report presented in a separate section forms an integral part of this Annual Report as **Annexure F**.

**28. Details of establishment of vigil mechanism for directors and employees**

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Regulation, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Task Force or to the Chairman of the Audit Committee. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: [www.texmopipe.com](http://www.texmopipe.com)

**29. Nomination and Remuneration Policy**

The Company framed a policy for Nomination and Remuneration of all Directors & KMPs etc in accordance with provisions of section 178 of Companies Act, 2013 and Rules made thereunder and other applicable provisions of Companies Act, 2013, provisions of SEBI Listing Regulations, 2015, to harmonize the aspirations of human resources consistent with the goals of the Company. Board of Directors of the Company approved and updated the said policy as and when required. The Nomination and Remuneration Committee works with the entire Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual members. Members are expected to possess the required qualifications, integrity, expertise and experience for the position. They should also possess the deep expertise and insights in sectors / areas relevant to the Company and ability to contribute to the Company's growth.

**30. Risk Management Policy**

The Company, like any other enterprise, is exposed to business risk which can be an internal risks as well as external risks. One of the key risks faced by the Company in today's scenario is the wide and frequent fluctuations in the prices of its raw material. Any further increase in prices of raw materials could create a strain on the operating margins of the Company. Inflationary tendencies in the economy and deterioration of macroeconomic indicators can impact the spending power of the consumer because of which down trading from branded products to non-branded can occur which can affect the operating performance of the Company.

Any unexpected changes in regulatory framework pertaining to fiscal benefits and other related issue can affect our operations and profitability.

However the Company is well aware of the above risks and as part of business strategy has put in mechanism to ensure that they are mitigated with timely action. The Company has a robust Business Risk Management (BRM) framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. In the opinion of the Board of Directors,



none of the aforementioned risks affect and/or threaten the existence of the Company.

**31. Management Discussion and Analysis Report**

Management Discussion and Analysis, as required under Regulation 34(3) of SEBI (LODR) Regulations, 2015 read with Schedule V of said Regulations, forms part of this Board's report as **Annexure-G**.

**32. Directors' Responsibility Statement**

In terms of provisions of Section 134(5) of the Companies Act, 2013, the Board of Directors Confirm that:-

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the directors had 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 and loss of the company for that period;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the directors had prepared the annual accounts on a going concern basis; and
- (v) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- (vi) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

**33. Material Changes And Commitments Affecting The Financial Position Of The Company**

There has been no material changes and commitments affecting financial position of the Company that have occurred between the end of the financial year of the Company to which the financial statements relates and date of this report.

**34. Details of Significant And Material Orders Passed By The Regulators Or Courts Or Tribunal**

There were no significant and material orders passed by the regulators or courts or tribunal impacting the going concern status and Company's operations in future.

**35. Anti sexual harassment policy**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. An Internal Committee has been set up to redress the complaints received regarding sexual harassment at workplace. All employees including trainees are covered under this policy.

The following is the summary of sexual harassment complaints received and disposed off during the current financial year.

Number of Complaints received: Nil

Number of Complaints disposed off: Nil

**36. Acknowledgement**

Your Directors would like to gratefully acknowledge and place on record their sincere appreciation for the cooperation and assistance received from its stakeholders, valued customers, suppliers, banks, consultants, financial institutions, government authorities and stock exchanges. The Directors also wish to place on record their sincere appreciation of the devoted and dedicated services rendered by all Executives, Staff Members and Workmen of the Company.

**For and on behalf of the Board of Directors**

**Place:- Burhanpur**

**Sanjay Agrawal**

**Vijay Prasad Pappu**

**Date :- 09.08.2016**

**Managing Director**

**Whole Time Director cum CFO**

**(DIN 00316249)**

**(DIN 02066748)**

**‘ANNEXURE – A’**

**DETAILS PERTAINING TO REMUNERATION OF EACH DIRECTOR AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNAL), RULES, 2014.**

I The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during financial year 2015-16, ratio of the remuneration of each director to the median remuneration of the employees of the Company for financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:-

S. No.	Name/Director/KMPs Designation	And	Remuneration of Directors / KMPs For Financial Year 2015-2016 (in Rs.)	%Increase In Remuneration In The Financial Year 2015-2016	Ratio of Remuneration of Each Director/To Median of Remuneration of Employees	% of Remuneration of The KMPs Against The Performance of The Company
1	Mr. Sanjay Agrawal Managing Director		3600000	0	37:1	Profit before tax increased by 0.93% and Profit after tax increased by 13.07%.
2	Mr. Vijay Prasad Pappu Whole-time Director		1200000	0	12.35:1	
3	Mr. Satyendra Rathi (up to February 1, 2016) Chief Financial Officer		760333	5.8%	7.82:1	
4	Ravi Patidar / Shyam Sunder Agrawal Company Secretary		492806	19.73%	5:1	

**Note:-**

- I. The Non-Executive Directors of the Company are entitled for sitting fee which is as per the statutory provisions and within the limits approved by the shareholders. The details of remuneration of Non-Executive Directors are provided in the Corporate Governance Report and is governed by the Differential Remuneration Policy, as detailed in the said report. The ratio of remuneration and percentage increase for Non-Executive Directors Remuneration is therefore not considered for the purpose above.
- ii. The median remuneration of employees of the company during the financial 2015-2016 was Rs. 97,200/-
- iii. In the financial year, there was increase of 12.5% in the median remuneration of employees;
- iv. There were 441 permanent employees on the rolls of company as on 31st March, 2016;
- v. Variations in the market capitalization of the company, price earnings ratio as at the closing date of current financial year and previous financial year and percentage increase decrease in market quotation of the shares of the company in comparison to the rate at which the company came out with last public offer :-

Stock Excha nge	Closing Market price per share in Rs.		Percentage increase	Price earnings ratio		Market capitalization in Rs.	
	31.03.2015	31.03.2016		31.03.2015	31.03.2016	31.03.2015	31.03.2016
NSE	10.55	22.80	116.11	7.59	14.52	251301000	543096000
BSE	10.56	23.00	117.80	7.59	14.65	251539200	547860000

The company has made public issue of GDR on 11th April, 2011 at the price of Rs. 36/- and the current share price of Rs. 22.80 of NSE and Rs. 23.0 BSE after the Initial Public offer.

The shares of the Company have been listed on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

- vi. Average percentage increase made in the salaries of employees other than the managerial personnel in financial year 2015-2016 was 13.45% whereas the increase in managerial remuneration for same financial year was Nil.
- vii. The key parameters for the variable components of remuneration availed by the board of directors based on the recommendations of the nomination and remuneration committee as per remuneration policy for directors and senior management personnel.
- viii. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year-the managing director is the highest paid director. No employees received remuneration higher than the managing director.
- ix. It is hereby affirmed that the remuneration paid during the year ended 31st march 2016 is as per remuneration policy of the company.

**For and on behalf of the Board of Directors**

**Place:- Burhanpur  
Date :- 09.08.2016**

**Sanjay Agrawal  
Managing Director  
(DIN 00316249)**

**Vijay Prasad Pappu  
Whole Time Director cum CFO  
(DIN 02066748)**

**ANNEXURE – B'**

**FORM NO. MGT-9  
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31<sup>st</sup> March 2016.  
of

**TEXMO PIPES AND PRODUCTS LIMITED**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

<b>i.</b>	CIN	<b>L25200MP2008PLC020852</b>
<b>ii.</b>	Registration Date	03/07/2008
<b>iii.</b>	Name of the Company	Texmo Pipes and Products Limited
<b>iv.</b>	Category/Sub-Category of the Company	Indian non government company
<b>v.</b>	Address of the Registered office and contact details	98, Bahadarpur Road, Burhanpur, Madhya Pradesh - 450331 Phone No:- 07325-255122 Fax: 07325-253273 Email: <a href="mailto:cs@texmopipe.com">cs@texmopipe.com</a>
<b>vi.</b>	Whether listed company	Yes
<b>vii.</b>	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad-500032 Tel: +91-40-67162222, 33211000 Fax: +91-40-23420814

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

<b>Sr.No.</b>	<b>Name and Description of main products/ services</b>	<b>NIC Code of the Product/ service</b>	<b>% to total turnover of the company</b>
<b>1</b>	<b>Plastic Products</b>	<b>22209</b>	<b>100%</b>

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

<b>Sr. No.</b>	<b>Name And Address Of The Company</b>	<b>CIN/GLN</b>	<b>Holding/ Subsidiary /Associate</b>	<b>Percentage of shares held</b>	<b>Applicable Section</b>
<b>1</b>	Texmo Petrochemicals LLP 98, Bahadarpur Road, Burhanpur, (M.P.) 450331	AAE-7789	Subsidiary	99.9%	2(87)(ii)
<b>1.</b>	Tapti Pipes and Products Limited FZE. P.O. box 49509, E Lob office no. E2-113F-43, Hamriyah Free Zone Sharjah, UAE	NA	Subsidiary	100%	2(87)(ii)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
1) Indian									
a) Individual/ HUF	6893389	0	6893389	28.94	7539955	0	7539955	31.65	2.71
b) Central Govt./ state govt.	0	0	0	0	0	0	0	0	0.00
c) Bodies Corporate	0	0	0	0	0	0	0	0	0.00
d) Banks / FI	0	0	0	0	0	0	0	0	0.00
e) Any Other	0	0	0	0	0	0	0	0	0.00
<b>Sub-total (A)(1)</b>	<b>6893389</b>	<b>0</b>	<b>6893389</b>	<b>28.94</b>	<b>7539955</b>	<b>0</b>	<b>7539955</b>	<b>31.65</b>	<b>2.71</b>
2) Foreign									
a) Individuals (NRI/foreign individuals)	0	0	0	0	0	0	0	0	0.00
b) Bodies Corporate	0	0	0	0	0	0	0	0	0.00
c) Banks / FI	0	0	0	0	0	0	0	0	0.00
d) Qualified foreign investors	0	0	0	0	0	0	0	0	0.00
e) Any Other	0	0	0	0	0	0	0	0	0.00
<b>Sub-total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Sub-total (A1+A2)</b>	<b>6893389</b>	<b>0</b>	<b>6893389</b>	<b>28.94</b>	<b>7539955</b>	<b>0</b>	<b>7539955</b>	<b>31.65</b>	<b>2.71</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds /UTI	0	0	0	0	0	0	0	0	0.00
b) Banks / FI	47019	0	47019	0.20	0	0	0	0	0
c) Central Govt. /state govt.	0	0	0	0	0	0	0	0	0.00
d) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
e) Insurance Companies	0	0	0	0	0	0	0	0	0.00
f) FIs	0	0	0	0	0	0	0	0	0.00
g) Foreign Portfolio Investors	0	0	0	0	45228	0	45228	0.19	0.19
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Qualified foreign investor	0	0	0	0	0	0	0	0	0.00
j) Others	0	0	0	0	0	0	0	0	0.00
<b>Sub-total (B)(1)</b>	<b>47019</b>	<b>0</b>	<b>47019</b>	<b>0.20</b>	<b>45228</b>	<b>0</b>	<b>45228</b>	<b>0.19</b>	<b>0.01</b>
2. Non Institutions									
a) Bodies Corporate:	1790436	0	1790436	7.52	2978683	0	2978683	12.50	4.98
b) Individuals:									
(i) Individual shareholders holding nominal Share Capital upto Rs. 1 Lac	8676019	103	8676122	36.42	7611210	104	7611314	31.95	(4.47)
(ii) Individual shareholders holding nominal share capital in excess of Rs 1Lac	5539271	0	5539271	23.25	5134822	0	5134822	21.56	(1.70)
k) NBFCs Registered with RBI	0	0	0	0	10000	0	10000	0.04	0.04
c) Qualified foreign investor:	0	0	0	0	0	0	0	0	0.00
d) Others:									
(i) Clearing members	44516	0	44516	0.19	60381	0	60381	0.25	0.06
(ii) NRI	829235	12	829247	3.48	439605	12	439617	1.85	(1.63)
<b>Sub-total(B)(2)</b>	<b>16879477</b>	<b>115</b>	<b>16879592</b>	<b>70.86</b>	<b>16234701</b>	<b>116</b>	<b>16234817</b>	<b>68.16</b>	<b>(2.71)</b>
<b>Sub-total (B1+B2)</b>	<b>16926496</b>	<b>115</b>	<b>16926611</b>	<b>71.06</b>	<b>16279929</b>	<b>116</b>	<b>16280045</b>	<b>68.35</b>	<b>(2.71)</b>



<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
a) Promoter & Promoter Group	0	0	0	0	0	0	0	0	0
b) Public	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>23819885</b>	<b>115</b>	<b>23820000</b>	<b>100.0</b>	<b>23819884</b>	<b>116</b>	<b>23820000</b>	<b>100.00</b>	<b>0</b>

**ii. Shareholding of Promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1.	Sanjay Kumar Agrawal	3516000	14.76	0	3896474	16.36	0	1.6
2.	Rashmi Devi Agrawal	3223500	13.53	0	3377592	14.18	0	0.65
3.	Sanjay Kumar Agrawal and Rashmi Devi Agrawal on behalf of Shree Venkatesh Industries	143000	0.60	0	143000	0.60	0	0.00
4.	Shree Padmavati Irrigation Pvt Ltd	112000	0.47	0	112000	0.47	0	0.47
5.	Mohan Lal Sohan Lal Shah	6089	0.03	0	6089	0.03	0	0.00
6.	Anand Umale	1200	0.005	0	1200	0.005	0	0.00
7.	Mahmood Ahmed Khan	1200	0.005	0	1200	0.005	0	0.00
8.	Vijay Prasad Pappu	1200	0.005	0	1200	0.005	0	0.00
9.	Rajesh Baban Lal Agrawal	1200	0.005	0	1200	0.005	0	0.00
	<b>Total</b>	<b>6893389</b>	<b>28.94</b>	<b>0</b>	<b>7539955</b>	<b>31.65</b>	<b>0</b>	<b>2.71</b>

**iii. Change in Promoter's Shareholding (please specify, if there is no change)**

Sr. no.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year 01.04.2015 to 31.03.2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	6893389	28.94	As given below.	
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	Open market purchase by promoters #			
	At the End of the year	7539955	31.65		

# Open market purchase by promoters

S. no.	Name	Shareholding		Date	Increase/ (Decrease)	Reason	Cumulative Shareholding During The Year		
		No. of Shares At The Beginning/ End Of The Year	% of Shares of The Company				No. of Shares	% of Total Shares of The Company	
1.	Mr. Sanjay Agrawal	3556000*	14.93	01.04.2015					
		*3516000+40000 purchased on 27.03.2015 but could not credited in demat account till 31.03.2015.			16.04.2015	17500	Purchase	3573500	15.00
					17.04.2015	12975	Purchase	3586475	15.05
					20.04.2015	20499	Purchase	3606974	15.14
					21.04.2015	10000	Purchase	3616974	15.18
					22.04.2015	15000	Purchase	3631974	15.24
					23.04.2015	20000	Purchase	3651974	15.33
					24.04.2015	17887	Purchase	3669861	15.41
					28.04.2015	28830	Purchase	3698691	15.53
					04.05.2015	2116	Purchase	3700807	15.54
					05.05.2015	15674	Purchase	3716481	15.60
					06.05.2015	15000	Purchase	3731481	15.66
					07.05.2015	23592	Purchase	3755073	15.76
					08.05.2015	10000	Purchase	3765073	15.80
					11.05.2015	10000	Purchase	3775073	15.84
					12.05.2015	3522	Purchase	3778595	15.86
				14.05.2015	15000	Purchase	3793595	15.92	
		23.11.2015	25000	Purchase	3818595	16.03			
		20.01.2016	77879	Purchase	3896474	16.36			
		3896474	16.36	31.03.2016					
2.	Mrs.Rashmi Devi Agrawal	3223500	13.53	01.04.2015					
				08.05.2015	15000	Purchase	3238500	13.59	
				11.05.2015	10000	Purchase	3248500	13.63	
				12.05.2015	10450	Purchase	3258950	13.68	
				14.05.2015	10000	Purchase	3268950	13.72	
				23.11.2015	25000	Purchase	3293950	13.82	
				20.01.2016	83642	Purchase	3377592	14.18	
		3377592	14.18	31.03.2016					

**Iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs.**

Sr no	Folio/DP id-Client id	Category	Type	Shareholding at the beginning of the year			Cumulative shareholding during the year	
				Name of the Share Holder	No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	IN30102221442928	PUB	Opening Balance	DURGA PRASAD	319674	1.34	319674	1.34
	17/04/2015		Sale		232882	0.98	86792	0.36
	29/05/2015		Sale		100	0.00	86692	0.36
	24/07/2015		Purchase		25	0.00	86717	0.36
	07/08/2015		Purchase		8982	0.04	95699	0.40
	14/08/2015		Purchase		2227	0.01	97926	0.41
	21/08/2015		Sale		100	0.00	97826	0.41
	28/08/2015		Purchase		573	0.00	98399	0.41
	11/09/2015		Purchase		1008	0.00	99407	0.42
	18/09/2015		Purchase		9000	0.04	108407	0.46

	25/09/2015		Sale		8100	0.03	100307	0.42
	13/11/2015		Sale		4000	0.02	96307	0.40
	20/11/2015		Sale		88590	0.37	7717	0.03
	27/11/2015		Sale		50	0.00	7667	0.03
	08/01/2016		Sale		300	0.00	7367	0.03
	15/01/2016		Sale		100	0.00	7267	0.03
	29/01/2016		Sale		50	0.00	7217	0.03
	05/02/2016		Sale		300	0.00	6917	0.03
	31/03/2016		Closing Balance			0.00	6917	0.03
2	IN30018311787136	PUB	Opening Balance	GYAN PAL SINGH	278000	1.17	278000	1.17
	08/05/2015		Purchase		2000	0.01	280000	1.18
	29/05/2015		Purchase		2500	0.01	282500	1.19
	04/09/2015		Purchase		2500	0.01	285000	1.20
	11/09/2015		Purchase		10000	0.04	295000	1.24
	13/11/2015		Purchase		5000	0.02	300000	1.26
	27/11/2015		Purchase		5000	0.02	305000	1.28
	31/12/2015		Purchase		10000	0.04	315000	1.32
	01/01/2016		Purchase		15000	0.06	330000	1.39
	08/01/2016		Sale		105000	0.44	225000	0.94
	15/01/2016		Sale		25000	0.10	200000	0.84
	29/01/2016		Sale		20000	0.08	180000	0.76
	04/03/2016		Sale		30000	0.13	150000	0.63
	11/03/2016		Purchase		30000	0.13	180000	0.76
	18/03/2016		Purchase		10000	0.04	190000	0.80
	25/03/2016		Purchase		5000	0.02	195000	0.82
	31/03/2016		Purchase		5000	0.02	200000	0.84
	31/03/2016		Closing Balance			0.00	200000	0.84
3	109001201090000100613	NRI	Opening Balance	VARSHA SOMANI	190258	0.80	190258	0.80
	14/08/2015		Sale		32416	0.14	157842	0.66
	21/08/2015		Sale		57842	0.24	100000	0.42
	30/10/2015		Sale		63218	0.27	36782	0.15
	06/11/2015		Sale		36782	0.15	0	0.00
	31/03/2016		Closing Balance			0.00	0	0.00
4	IN30036010003640	PUB	Opening Balance	VASUDEO RAJENDRA DESHPRABHU	17500	0.73	175000	0.73
	08/01/2016		Sale		15000	0.63	25000	0.10
	15/01/2016		Sale		2500	0.10	0	0.00
	31/03/2016		Closing Balance			0.00	0	0.00
5	133001201330000210045	PUB	Opening Balance	LALIT AMARSHIBHAI SORIA	122000	0.51	122000	0.51
	10/07/2015		Sale		20000	0.08	102000	0.43
	07/08/2015		Sale		74000	0.31	28000	0.12
	14/08/2015		Sale		28000	0.12	0	0.00
	31/03/2016		Closing Balance			0.00	0	0.00

6	170001201700000204866	LTD	Opening Balance	SHREE PADMAVATI IRRIGATION S PVT LTD	112000	0.47	112000	0.47
	31/03/2016		Closing Balance			0.00	112000	0.47
7	IN30115125003969	LTD	Opening Balance	IL AND FS SECURITIES SERVICES	110000	0.46	110000	0.46
	10/04/2015		Sale		100000	0.42	10000	0.04
	01/05/2015		Sale		10000	0.04	0	0.00
	31/03/2016		Closing Balance			0.00	0	0.00
8	IN30290241999848	PUB	Opening Balance	BHARATK UMAR CHATURD	101111	0.42	101111	0.42
	24/04/2015		Purchase		100	0.00	101211	0.42
	22/05/2015		Purchase		100	0.00	101311	0.43
	05/06/2015		Purchase		100	0.00	101411	0.43
	12/06/2015		Purchase		100	0.00	101511	0.43
	26/06/2015		Purchase		1600	0.01	103111	0.43
	30/06/2015		Purchase		200	0.00	103311	0.43
	17/07/2015		Purchase		300	0.00	103611	0.43
	24/07/2015		Purchase		100	0.00	103711	0.44
	31/07/2015		Purchase		6300	0.03	110011	0.46
	14/08/2015		Purchase		100	0.00	110111	0.46
	28/08/2015		Purchase		1000	0.00	111111	0.47
	31/03/2016		Closing Balance			0.00	111111	0.47
9	230001202300000491083	PUB	Opening Balance	BAMB PRASHANT ISHWAR DAS	96000	0.40	96000	0.40
	24/07/2015		Sale		500	0.00	95500	0.40
	07/08/2015		Sale		500	0.00	95000	0.40
	21/08/2015		Sale		1000	0.00	94000	0.39
	08/01/2016		Sale		2000	0.01	92000	0.39
	15/01/2016		Sale		2000	0.01	90000	0.38
	31/03/2016		Closing Balance			0.00	90000	0.38
10	IN30147710000096	LTD	Opening Balance	BONANZA PORTFOLIO LTD	93160	0.39	93160	0.39
	10/04/2015		Sale		1900	0.01	91260	0.38
	17/04/2015		Sale		1200	0.01	90060	0.38
	24/04/2015		Sale		500	0.00	89560	0.38
	01/05/2015		Sale		3713	0.02	85847	0.36
	08/05/2015		Sale		237	0.00	85610	0.36



15/05/2015		Purchase		4495	0.02	90105	0.38
22/05/2015		Sale		2000	0.01	88105	0.37
29/05/2015		Sale		1845	0.01	86260	0.36
05/06/2015		Sale		2500	0.00	86010	0.36
12/06/2015		Purchase		1000	0.00	87010	0.37
19/06/2015		Sale		580	0.00	86430	0.36
26/06/2015		Sale		625	0.00	85805	0.36
30/06/2015		Purchase		500	0.00	86305	0.36
10/07/2015		Sale		190	0.01	84405	0.35
17/07/2015		Purchase		10963	0.05	95368	0.40
24/07/2015		Sale		10763	0.05	84605	0.36
31/07/2015		Purchase		14300	0.06	98905	0.42
07/08/2015		Sale		13200	0.06	85705	0.36
14/08/2015		Sale		9700	0.04	76005	0.32
21/08/2015		Purchase		4000	0.02	80005	0.34
28/08/2015		Sale		1150	0.00	78855	0.33
04/09/2015		Purchase		2000	0.01	80855	0.34
18/09/2015		Sale		1800	0.01	79055	0.33
25/09/2015		Sale		400	0.00	78655	0.33
30/09/2015		Sale		2000	0.01	76655	0.32
09/10/2015		Sale		1700	0.01	74955	0.31
16/10/2015		Sale		270	0.00	74685	0.31
06/11/2015		Sale		505	0.00	74180	0.31
20/11/2015		Sale		600	0.00	73580	0.31
27/11/2015		Sale		306	0.00	73270	0.31
04/12/2015		Sale		1199	0.01	72075	0.30
11/12/2015		Sale		225	0.00	71850	0.30
18/12/2015		Sale		25	0.00	71825	0.30
25/12/2015		Sale		9550	0.04	62275	0.26
31/12/2015		Purchase		3650	0.02	65925	0.28
08/01/2016		Sale		26899	0.11	39026	0.16
15/01/2016		Purchase		198	0.00	39224	0.16
22/01/2016		Sale		2727	0.01	36497	0.15
29/01/2016		Purchase		9474	0.04	45971	0.19
05/02/2016		Purchase		605	0.00	46576	0.20
12/02/2016		Sale		314	0.00	46262	0.19
19/02/2016		Sale		90	0.00	46172	0.19
26/02/2016		Sale		1010	0.00	45162	0.19
04/03/2016		Sale		150	0.00	45012	0.19
11/03/2016		Sale		3	0.00	45009	0.19
18/03/2016		Sale		6120	0.03	38889	0.16
25/03/2016		Sale		2425	0.01	36464	0.15
31/03/2016		Purchase		9416	0.04	45880	0.19
		Closing			0	45880	0.19

Notes : • The above information is based on the weekly beneficiary position received from Depositories.

- The date wise increase or decrease in shareholding of the top ten shareholders is available on the website of the Company [www.texmopipe.com](http://www.texmopipe.com).

**iv. Shareholding of Directors and Key Managerial Personnel**

S. no.	Name	Shareholding		Date	Increase/ (Decrease)	Reason	Cumulative Shareholding During The Year		
		No. of Shares At The Beginning/ End of The Year	% of Shares of The Company				No. of Shares	% of Total Shares of The Company	
1.	Mr.Sanjay Agrawal Manacina Director	3556000*	14.93	01.04.2015					
		*3516000+40000 purchased on 27.03.2015 but could not credited in demat account till 31.03.2015.			16.04.2015	17500	Purchase	3573500	15.00
					17.04.2015	12975	Purchase	3586475	15.05
					20.04.2015	20499	Purchase	3606974	15.14
					21.04.2015	10000	Purchase	3616974	15.18
					22.04.2015	15000	Purchase	3631974	15.24
					23.04.2015	20000	Purchase	3651974	15.33
					24.04.2015	17887	Purchase	3669861	15.41
					28.04.2015	28830	Purchase	3698691	15.53
					04.05.2015	2116	Purchase	3700807	15.54
					05.05.2015	15674	Purchase	3716481	15.60
					06.05.2015	15000	Purchase	3731481	15.66
					07.05.2015	23592	Purchase	3755073	15.76
					08.05.2015	10000	Purchase	3765073	15.80
					11.05.2015	10000	Purchase	3775073	15.84
					12.05.2015	3522	Purchase	3778595	15.86
				14.05.2015	15000	Purchase	3793595	15.92	
		23.11.2015	25000	Purchase	3818595	16.03			
		20.01.2016	77879	Purchase	3896474	16.36			
		3896474	16.36	31.03.2016					
2.	Mrs.Rashmi Devi Agrawal Non Executive Director	3223500	13.53	01.04.2015					
				08.05.2015	15000	Purchase	3238500	13.59	
				11.05.2015	10000	Purchase	3248500	13.63	
				12.05.2015	10450	Purchase	3258950	13.68	
				14.05.2015	10000	Purchase	3268950	13.72	
				23.11.2015	25000	Purchase	3293950	13.82	
				20.01.2016	83642	Purchase	3377592	14.18	
		3377592	14.18	31.03.2016					
3	Mr.Vijay Prasad Pappu Whole-Time Director	1200	0.01	01.04.2015	Nil	Nil			
		1200	0.01	31.03.2016	Nil	Nil	1200	0.01	
		Nil	Nil	31.03.2016	Nil	Nil	Nil	Nil	
5	Mr.Shyam Sunder Agrawal Company Secretary	Nil	Nil	01.04.2015	Nil	Nil	Nil	Nil	
		Nil	Nil	31.03.2016	Nil	Nil	Nil	Nil	

The Independent Directors Mr. Sunil Maheshwari, Mr. Shanti Lal Badera and Mr. Chakradhar Bharat Chhaya do not hold any shares in the company.

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amount in ₹ Lac)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year as on 01-04-2015				
i) Principal Amount	5111.91	286.87	-	5398.78
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5.95	0.21	-	6.16
Total(i+ii+iii)	5117.86	287.08	-	5404.94

Change in Indebtedness during the financial year				
- Addition	346.95	404.79	-	751.74
- Reduction	(154.50)	(84.61)	-	(239.11)
Net Change	192.45	320.18	-	512.63
Indebtedness at the end of the financial year <b>2015-2016</b>				
i) Principal Amount	5310.31	607.26		5917.57
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	5.12	0.29		5.41
Total (i+ii+iii)	5315.43	607.55	--	5922.98

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

(Amount in ₹)

Sr. no.	Particulars of Remuneration	Name of WTD/MD		Total Amount
		Mr.Vijay Prasad Pappu	Mr.Sanjay Agrawal	
1.	Gross salary:-			
	(a) Salary as per provisions containing section 17 (1) of the Income-tax Act, 1961.	1200000	3600000	4800000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission			
	- as% of profit	NIL	NIL	NIL
	- others, specify	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL
	Total(A)	1200000	3600000	4800000
	Ceiling as per the Act			51,58,210

**B. Remuneration to other directors:-**

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
	<u>Independent Directors</u>	Mr. Chakradhar Bharat Chhaya	Mr. Shantilal Badera	Mr. Sunil Kumar Maheshwari	
	-Fee for attending board/committee meetings	100000	100000	90000	290000
	-Commission	NIL	NIL	NIL	NIL
	-Others, please specify	NIL	NIL	NIL	NIL
	Total(1)	100000	100000	90000	290000

	<u>Other Non-Executive Directors</u>	Rashmi Devi Agrawal		
	Fee for attending board committee meetings -Commission -Others, please specify	NIL NIL NIL	NA	NIL NIL NIL
	Total(2)	NIL	NIL	NIL
	Total(B)=(1+2)	100000	100000	90000
	Overall Ceiling as per the Act	The remuneration is well within the limits as prescribed by Companies Act, 2013.		

**Total A+B= Rs. 50,90,000/-**

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD**

Sl.no.	Particulars of Remuneration	Particulars of Remuneration			Total
		CEO	Company Secretary	CFO	
1.	Gross salary (a)Salary as per provisions contained in section17(1)of the Income-tax Act,1961 (b)Value of perquisites u/s	NA	4,92,806	7,60,333	12,53,139
	17(2)Income-tax Act,1961 (c)Profits in lieu of salary under section 17(3)Income-tax Act,1961	NA	NIL	NIL	NIL
2.	Stock Option		NIL	NIL	NIL
3.	Sweat Equity		NIL	NIL	NIL
4.	Commission - as% of profit - others, specify	NA	NIL	NIL	NIL
			NIL	NIL	NIL
5.	Others, please specify		NIL	NIL	NIL
	Total	NA	<b>4.92.806</b>	<b>7,60333</b>	<b>12,53,139</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:-**

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment / Compounding fees imposed	Authority RD /NCLT/ Court]	Appeal made. If any(give details)
<b>A. Company</b>					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
<b>B. Directors</b>					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
<b>B. Other Officers In Default</b>					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

For and on behalf of the Board of Directors

Place:- Burhanpur  
Date :- 09.08.2016

Sanjay Agrawal  
Managing Director  
(DIN 00316249)

Vijay Prasad Pappu  
Whole Time Director cum CFO  
(DIN 02066748)



**'ANNEXURE-C'**

**THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO, IN THE MANNER AS PRESCRIBED IN RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014[CHAPTER IX]**

**A. CONSERVATION OF ENERGY**

(I a) Steps taken for conservation of energy

- Usage of SSR (Solid State Relay) in place of contactor.
- Replacement of Induction Motor to Servo Motor.
- Established Reservoir tank for distribution of water to various lines
- Replaced old conventional light fittings and CFL by latest generation LED light fittings.

b) Impact of Conservation of Energy

- Optimum utilization of production capacity by energy saving and consequently reduction in the cost of production.

ii) Steps taken by the Company for utilization of alternate source of energy:- Standby DG sets installed.

iii) Capital investment on energy conservation equipments: - Rs. 2.50 Lacs

**B. TECHNOLOGY ABSORPTION:**

(i) The efforts made towards technology absorption:

- By replacing manual operations automation in socket Machines.
- Installation of Box conveyer system which was earlier manually operated.
- Installation of sticker printing machine for labeling on the boxes instead of manual sealing.

(ii) The benefits derived like product improvement, cost reduction, product development or imports substitutions:

By introducing the above mechanism the process has become simplified which resulting in improvement in the quality of products and cost efficient also.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – All technologies used are indigenous.

(iv) The expenditure incurred on Research and Development: Nil

**C). FOREIGN EXCHANGE EARNINGS AND OUTGO:-**

(i) **Foreign Exchange Outgo:-**

(Amount in ₹ Lac)

Particulars	Amount
Raw Materials	978.40
Spare Parts	2.37
Finance Charges	79.89

(ii) **Foreign Exchange Earning:-**

(Amount in ₹ Lac)

Particulars	Amount
Nil	Nil

**For and on behalf of the Board of Directors**

**Place:- Burhanpur  
Date :- 09.08.2016**

**Sanjay Agrawal  
Managing Director  
(DIN 00316249)**

**Vijay Prasad Pappu  
Whole Time Director cum CFO  
(DIN 02066748)**

**FORM NO. AOC-2**

**ANNEXURE -D**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of Companies Act, 2013 including certain arms length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transaction not at arm's length basis:**

- (a) Name(s) of the related party and nature of relationship: Not Applicable
- (b) Nature of contracts/arrangements/transactions: Not Applicable
- (c) Duration of the contracts/arrangements/transactions: Not Applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
- (f) Date(s) of approval by the Board: Not Applicable
- (g) Amount paid as advances, if any: Not Applicable
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable

**2. Details of material contracts or arrangement or transactions at arm's length basis**

<b>Sr. No</b>	<b>Name of Related Party</b>	<b>Nature of Relationship</b>	<b>Nature of transaction</b>	<b>Duration of transaction</b>	<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>
1.	Mrs Rashmi Devi Agrawal	Director	Leasing of property	On- going	In normal course of business and at prevailing market prices. Rent paid Rs 5.63 lacs
2.	Mr.Sanjay Agrawal	Managing Director	Leasing of property	On- going	In normal course of business and at prevailing market prices. Rent paid Rs 16.93 Lacs
3.	Shree Vasudeo Industries	Enterprise in which KMP are able to exercise significant influence	Purchase or supply of any goods and materials	On- going	In normal course of business and at prevailing market prices. Rs 1748.37 Lacs
4.	Shree Padmavati Irrigation Pvt Ltd	Enterprise in which KMP are able to exercise significant influence	Sale, of any goods or materials and Leasing of property	On- going	In normal course of business and at prevailing market prices. Sale of goods Rs 0.04Lacs and Leasing of property Rs 0.24 Lacs

Note: Appropriate approval have been taken for related party transactions in Board Meeting held on 12th February, 2015. No advances have been paid or received against the transactions mentioned above.

**For and on behalf of the Board of Directors**

**Date: August 9, 2016**  
**Place: Burhanpur**

**Sanjay Agrawal**  
**Managing Director**  
**(DIN 00316249)**

**Vijay Prasad Pappu**  
**Whole Time Director cum CFO**  
**(DIN 02066748)**

**Form No. MR-3**

**ANNEXURE - E**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016**

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**Texmo Pipes and Products Limited**  
98, Bahadarpur Road,  
Burhanpur (M.P.)-450331

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Texmo Pipes and Products Limited (CIN: L25200MP2008PLC020852)** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder and the applicable provisions of the Companies Act, 1956;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (notified w.e.f 15th May, 2015);
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the audit period)**;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the audit period)**;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the audit period)**;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the audit period)**; and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the audit period)**.
- vi. Other laws as specifically applicable to the Company as per the representations made by the management and officers of the Company.

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards with regard to Meeting of Board of Director (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India notified w.e.f. 1st July, 2015.
- b) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified w.e.f December 1, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations,



Guidelines, Standards, etc. mentioned above subject to the following observations:

The cut-off date for determining the Members who was entitled to vote through Remote e-voting or voting at the Annual general meeting was earlier than 7 days from the date of AGM.

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

*Note: This report is to be read with our letter of even date which is annexed as "Appendix-I" and Forms an integral part of this report.*

**Date: 06.08.2016**

**Place: Indore**

**Dinesh Kumar Gupta**

**Practicing Company Secretary**

**(FCS No. 5396 CP No. 4715)**

**Appendix - I**

*(To the Secretarial Audit Report to the Members of Texmo Pipes and Products Limited for the financial year ended 31st March, 2016)*

To,

The Members,

**Texmo Pipes and Products Limited**

My Secretarial Audit Report for the financial year ended March 31, 2016 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts reflected on secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Date: 06.08.2016**

**Place: Indore**

**Dinesh Kumar Gupta**

**Practicing Company Secretary**

**(FCS No. 5396 CP No. 4715)**

**REPORT ON CORPORATE GOVERNANCE**

**ANNEXURE - F**

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

In our view Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. The Company recognizes that Corporate Governance is the basic important structure for the achievement of organization's objective. Integrity, transparency, accountability and compliance with laws which are the columns of good governance are cemented in the Company's robust business practices to ensure ethical and responsible leadership both at the Board and at the Management level. We believe that good governance is a systemic process which enables the Company to operate in a manner that meets with the ethical, legal and business expectations and at the same time fulfils its social responsibilities.

Our Corporate Governance framework ensures that we make timely disclosures and share accurate information regarding our financial and performance, as well as the leadership and governance of the Company. Your Company has complied with the requirements of Corporate Governance as laid down under Regulation 27 of SEBI (Listing Obligation and Disclosure Requirements), 2015.

**2. COMPOSITION OF BOARD**

At Texmo Pipes and Products Limited (TPPL), it is our belief that an enlightened Board deliberately creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. At present the Board consists of 2 Executive Directors, 1 Non-Executive Non-Independent Director and 3 Non-Executive Independent Directors. The Company has a Non-Executive Chairperson. The Company is having 3 Independent Directors which as per Regulation 17 of the Listing Regulation, 2015 is one-half of the total strength of Board of Directors of the Company, which meets the requirement relating to the composition of the Board. In compliance of provisions of section 149 of Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of Listing Regulation 2015, the Company is having one woman director in form of Non-Executive Chairperson.

The Company is having an appropriate size of the Board for real strategic discussion and avails the benefits of diverse experience and viewpoints.

**3. BOARD INDEPENDENCE**

We at Texmo Pipes and Products Limited adhere to the definition of independence of Directors is derived from section 149 (6) of Companies Act, 2013. All Directors are individuals of integrity and courage, with relevant skills and experience to bring independent judgement on the business of the Company.

**4. MECHANISM FOR EVALUATING BOARD MEMBERS**

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board works with Nomination and Remuneration Committee to lay down the evaluation criteria for the performance of executive/non executive/ independent Directors through a peer-evaluation excluding the Director being evaluated through a Board effectiveness survey. The Questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvement. Each Board Member is requested to evaluate the effectiveness of the Board dynamics and relationship, information flow, decision-making of the Directors, relationship to stakeholders, Company performance, Company strategy, and the effectiveness of the whole Board and its various committees on a scale of one to five. Feedback on each director is encouraged to be provided as a part of the survey.

Independent directors have three key roles- governance, control and guidance. Some of the performance indicators based on which the independent directors are evaluated include:

- Ability to contribute to and monitor our corporate governance practices
- Ability to contribute by introducing international best practices to address top-management issues
- Active participation in long-term strategic planning
- Commitment to the fulfillment of a Director's obligations and fiduciary responsibilities; these include participation in board and committee meetings.

**5. DIRECTOR INDUCTION, FAMILIARIZATION AND TRAINING**

As per Regulation 25 of SEBI Listing Regulation, 2015 the Company has entered into a Listing agreement with stock exchange. The Company provides suitable training to independent director to familiarize them with the Company, their role, nature of the industry in which the Company operates, business model of the Company etc. the details of such training are also required to be disclose in the Annual Report.

The Company acknowledged the importance of continuous education and training of the Directors to enable the effective discharge of their responsibility. The Company has been organizing visit of the Director to its PVC Plant with a view to enable them familiarize with the nature of industry, operations, process and interact with management personnel and staff.

Directors are regularly briefed about the industry specific to enable them to understand the business environment in



which the company operates. To enhance their skills and knowledge the directors are regularly updated on the change in the policies, laws and regulation, development in the business environment etc.

Efforts are also made to familiarize the Directors about their roles, responsibility in the Company, its business mode and the environment in which the Company operates. Same is available on the Company's website at [www.texmopipe.com](http://www.texmopipe.com).

**6. REMUNERATION TO EXECUTIVE DIRECTORS**

The remuneration of the Managing Director & the Whole Time Director is recommended by the Nomination and Remuneration Committee to the Board of Directors based on criteria such as industry Benchmarks, the Company's performance vis-à-vis the industry, performance track record of the Managing Director & Whole-Time Director.

Mr. Sanjay Agrawal is the Managing Director (DIN : 00316249) of the Company. The Salary and allowance paid to Mr. Sanjay Agrawal during the year 2015-16 were Rs. 36.00 Lac and Mr. Vijay Prasad Pappu is the Whole time director cum Chief Financial Officer (DIN : 02066748) of the Company and the Salary and allowance paid to Mr. Vijay Prasad Pappu during the year 2015-16 were Rs.12.00 Lac.

**7. NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES**

The Non-Executive Directors are entitled to sitting fee for attending the Board/Committee Meetings. A sitting fee of Rs. 10,000 for attending each meeting of the Board and Audit Committee and of Rs. 2,500 for attending each of the Stakeholders Relationship Committee and Nomination & Remuneration Committee Meetings was paid to the Non-Executive Directors during the year under review.

The Sitting fees paid to the Non-Executive Directors are within the limits prescribed under the Companies Act, 2013. No stock options were granted to Non-Executive Directors during the year under review.

The Board considered the performance of the Non-Executive Directors based on their attendance and contribution at the Board and Committee Meetings. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the Meetings.

The Non-Executive Independent Directors did not have any material pecuniary relationship or transactions with the Company during the year 2015-16.

The details of Sitting Fees paid to the Non-Executive Directors during the year 2015-16.

Sr.No.	Name of Non Executive Directors	Sitting fees (Rs.)
1.	Mr. Chakradhar Bharat Chhaya	1,00,000
2.	Mr. Shanti Lal Badera	1,00,000
3.	Mr. Sunil Kumar Maheshwari	90,000

**8. ROLE OF THE COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS**

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings.

The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

**9. BOARD MEETINGS**

**i) Scheduling and Selection of agenda items for Board Meetings.**

The Board meets at regular intervals to discuss and decides on Company / business policy and strategy apart from other Board business. The Board / Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed in the subsequent Board meeting.

The notice of Board meeting is given well in advance to all the Directors. Usually, meetings of the Board are held in Burhanpur. The Agenda of the Board / Committee meetings is set by the Company Secretary in consultation with the Chairperson of the Company. The Agenda is circulated a week prior to the date of the meeting. The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

During the year 2015-16, Four Meetings of the Board of Directors were held on 26th May, 2015, 13th August, 2015, 07th



November, 2015 and 8th February, 2016. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days. The necessary quorum was present for all meetings.

None of the Directors on the Board are Members in more than ten Committees or Chairman in more than five Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2016 have been made by the Directors.

The details of attendance of Directors for the year 2015-16 at the Board Meetings are given below:

Name of Director	Category	Board Meetings held	Board Meetings Attended
Mrs. Rashmi Devi Agrawal	Non-Executive Non-Independent	4	4
Mr. Sanjay Kumar Agrawal	Executive	4	4
Mr. Vijay Prasad Pappu	Executive	4	4
Mr. Shanti Lal Badera	Non Executive Independent	4	4
Mr. Sunil Kumar Maheshwari	Non Executive Independent	4	4
Mr. Chakradhar Bharat Chhaya	Non Executive Independent	4	4

**ii) 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.
- b) Capital budgets with revisions and updates.
- c) Quarterly (including periodic) results of the company and its operating divisions/ business segments.\
- d) Minutes of the meetings of Board of Directors, Audit and other committees of the Board and meetings of Subsidiary Company.
- 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) Any material default in financial obligations to and by the listed entity, or substantial non payment for goods sold by the listed entity.
- i) Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the listed entity.
- j) Details of any joint venture or collaboration agreement.
- k) Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- l) Quarterly details of foreign exchange exposures and the step taken by management to limit the risks of adverse exchange rate movement, if material.
- m) Industrial relationship issues of material nature and proposed remedial actions. All significant development in Human Resources/ industrial relations.
- n) Transactions of material nature of buying and selling of investments, or undertaking/ assets, which are not in normal course of business.
- o) Status on compliance with all regulatory, statutory and material contract requirements.
- p) Details of delegation of authorities to executives and power of attorney.

**10. BOARD COMMITTEES**

Currently, the Board has five Committees Audit Committee, Stakeholder Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee and Treasury Committee.

**I Audit committee**

The Audit Committee constituted in pursuance of Regulation 18 of the Listing Regulation, 2015 and Section 177 of the Companies Act, 2013 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 and the following matters:-

Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

- ◆ Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory

auditor and the fixation of audit fees.

- ◆ Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- ◆ Appointment, removal and terms of remuneration of internal auditors.
- ◆ Reviewing, with the management, the annual financial statements before submission to the Board for approval, with articular reference to:
  1. Matters required to be included in the Director’s Responsibility Statement to be included in the Board’s report in terms of Section 134 of the Companies Act 2013;
  2. Changes, if any, in accounting policies and practices and reasons for the same;
  3. Major accounting entries involving estimates based on the exercise of judgment by management;
  4. Significant adjustments made in the financial statements arising out of audit findings;
  5. Compliance with listing and other legal requirements relating to the financial statements;
  6. Disclosure of any related party transactions;
  7. Qualifications in the draft audit report.
- ◆ Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
- ◆ Monitoring the use of the proceeds of the proposed initial public offering of the Company.
- ◆ Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- ◆ Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- ◆ Discussions with internal auditors on any significant findings and follow up thereon.
- ◆ Reviewing internal audit reports and adequacy of the internal control systems.
- ◆ Scrutiny of inter-corporate loans and investments.
- ◆ Reviewing management letters/letters of internal control weaknesses issued by the statutory auditors
- ◆ Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- ◆ Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- ◆ To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- ◆ To review the functioning of the whistle blower mechanism, when the same is adopted by the Company and is existing.
- ◆ Carrying out any other function as may be statutorily required to be carried out by the Audit Committee.

**Composition of Audit Committee, its Meetings and Attendance**

The Chairman of the Audit Committee is Mr. Sunil Kumar Maheshwari. During the year 2015-16, Four Audit Committee Meetings were held on 26th May, 2015, 13th August, 2015, 07th November, 2015 and 08th February, 2016. The necessary quorum was present for all meetings.

The composition of the Audit Committee and number of meetings attended by the Members are given below :-

Name of Director	Category	No. of Meeting held	No. of Meetings attended
Mr. Sunil Kumar Maheshwari	Non Executive Independent	4	4
Mr. Shanti Lal Badera	Non Executive Independent	4	4
Mr. Vijay Prasad Pappu	Executive	4	4
Mr. Chakradhar Bharat Chhaya	Non Executive Independent	4	4

Company Secretary acts as the secretary to the Audit Committee.

The Committee Meetings are also attended on invitation by Statutory Auditors of the Company.

The Internal and Statutory Auditors of the Company discuss their audit findings and update the Audit Committee and submit their views directly to the Committee to conduct detailed reviews of the processes and internal controls in the Company.

**ii) Stakeholders Relationship Committee**

The Board had constituted a Stakeholders Relationship Committee with Mr. Chakradhar Bharat Chhaya as Chairman of the Committee with Mr. Shanti Lal Badera and Mr. Sanjay Agrawal as members of the Committee. The Committee is set up in



accordance with Regulation 20 of the Listing Regulation 2015 read with section 178 of Companies Act, 2013. The Committee has been set up to oversee the performance of the Registrars and Share Transfer Agents with respect to redressal of Shareholders grievances etc. According to Companies Act, 2013 the nomenclature of a Shareholders/Investors Grievance Committee of the Company has been changed from Share Holders / Investor Grievance Committee to Stakeholders Relationship Committee.

The process of share transfer as well as review of redressal of investors/shareholders grievances is undertaken expeditiously and usually reply is sent within a period of 07 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 by the Registrar and Share Transfer Agents and the Compliance Officer of Company. However, the matters related to issue of fresh Share Certificates are dealt with the Stakeholders Relationship Committee.

**Composition of the Committee, its Meetings and Attendance**

The Chairman of the Stakeholders Relationship Committee is Mr. Chakradhar Bharat Chhaya. During the year 2015-16, Four Meetings of the committee were held on 26th May, 2015, 13th August, 2015, 07th November, 2015 and 8th February, 2016. The necessary quorum was present for all meetings.

The composition of the Stakeholders Relationship Committee and number of meetings attended by the Members are given below:-

Name of Director	Category	No of Meeting held	No. of Meetings attended
Mr. Chakradhar Bharat Chhaya	Non Executive Independent	4	4
Mr. Shanti Lal Badera	Non Executive Independent	4	4
Mr. Sanjay Kumar Agrawal	Executive	4	4

Company Secretary and Compliance officer acts as the secretary to the committee

**iii) Nomination And Remuneration Committee**

The Board had constituted a Nomination and Remuneration Committee with Mr. Chakradhar Bharat Chhaya as Chairman of the Committee with Mr. Shanti Lal Badera and Mr. Sunil Kumar Maheshwari as members of the Committee. The Committee is set up in accordance with Regulation 19 of Listing Regulation, 2015. The Committee is set up to oversee the performance of the Executive Directors and recommends remuneration, promotions, increments etc. for the Managing Director and Executive Director to the Board for approval.

According to Companies Act, 2013 the nomenclature of Remuneration Committee of the Company is changed from Remuneration Committee to Nomination & Remuneration Committee.

**Meetings and Attendance of Committee**

During the year 2015-16, Four Meetings of the committee were held on 26th May, 2015, 13th August, 2015, 07th November, 2015 and 08th February, 2016.

The composition of the Nomination & Remuneration Committee and number of meetings attended by the Members are given below:

Name of Director	Category	No. of Meeting held	No. of meetings attended
Mr. Chakradhar Bharat Chhaya	Non Executive Independent	4	4
Mr. Shanti Lal Badera	Non Executive Independent	4	4
Mr. Sunil Kumar Maheshwari	Non Executive Independent	4	4

**iv) Composition of Corporate Social Responsibility Committee**

Our CSR Committee ('the Committee') comprised two Independent Directors and Managing Director as on 31st March 2016

- Mr. Sunil Kumar Maheshwari, Chairperson
- Mr. Chakradhar Bharat Chhaya
- Mr. Sanjay Agrawal

The purpose of the Committee is to formulate and to monitor the CSR policy of the Company. The CSR Committee has adopted a policy that intends to:

- Strive for economic development that positively impact society at large with minimal resource footprint.
- Be responsible for the Corporate Actions and encourage a positive impact through its activities on the environment, communities and stakeholders.



The committee will be overseeing the activities/functioning of the company's foundation and identify the areas of CSR activities, programmes and execution of initiatives as per predefined guidelines. The committee will also be assisted by the company's foundation in reporting the progress of deployed initiatives, and making appropriate disclosures (internal/external) on periodic basis.

In view of criteria provided under section 135 of Companies Act, 2013 and Rules made thereunder, the Company is not required to set aside mandatory sum towards CSR expenditure.

**v) Treasury Committee**

The Board of Directors has constituted a Non- mandatory Sub Committee of Board styled as Treasury Committee with Mr. Sanjay Agrawal as Chairman of the Committee, Mr. Vijay Prasad Pappu and Mr. Sunil Kumar Maheshwari as members of the Committee. The Board of Directors has delegated certain powers to Treasury Committee to deal with the day to day business affairs of the Company and to take the beneficial decisions for the Company and pass various resolutions on behalf of the Board except those which are to be passed necessarily by the Board.

**Composition of Treasury Committee, its Meetings and Attendance**

During the year 2015-16, six Treasury Committee Meetings were held on 01.07.2015, 05.09.2015, 05.10.2015, 05.12.2015, 05.02.2016 and 15.03.2016. The necessary quorum was present for all meetings.

Number of meetings attended by the Members is given below:-

Name of Director	No of Meeting held	No of Meetings attended
Mr. Sanjay Agrawal	6	6
Mr. Vijay Prasad Pappu	6	6
Mr. Sunil Kumar Maheshwari	6	NIL

Company Secretary and Compliance officer act as the secretary to the Treasury Committee.

**11. CODE OF CONDUCT FOR INDEPENDENT DIRECTORS**

As per the Section 149(8) Companies Act, 2013, the Company and independent directors shall abide by the provisions specified in schedule IV. Further Schedule IV lays down a code for independent Directors of the Company. Pursuant to said provision of the Companies Act 2013, the Company has adopted a code for the Independent Directors of the Company.

**12. RELATED PARTY TRANSACTIONS**

All details on the financial and commercial transaction, where Directors may have a potential interest are provided to the Audit Committee as well as the Board of Directors. The Interested Directors neither participate in discussion, nor vote on such matters. In terms of Regulation 23 of the Listing Regulation, 2015 the Company has adopted a policy on the subject and the same is available on the Company's website at [www.texmopipe.com](http://www.texmopipe.com)

Details of materially significant related party transaction i.e. the transaction of the Company of material nature with its Promoters, the Directors or the Management or their relatives are presented under note no. 34 on notes forming part of the accounts.

**13. DETAILS OF SHARES HELD IN SUSPENSE ACCOUNT**

The disclosure under Schedule V (Clause F) of the Listing Regulation, 2015 is as under:

Sr. No.	Particulars	No. of shareholder	No. of shares
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year 01.04.2015.	2	150
2	Number of shareholders who approached the company for transfer of share from suspense account during the year.	Nil	Nil
3	Number of shareholders to whom shares were transferred from suspense account during the year.	Nil	Nil
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year 31.03.2016.	2	150
5	The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.		

**14. NAME AND DESIGNATION OF COMPLIANCE OFFICER**

**Mr. Shyam Sunder Agrawal**

Company Secretary & Compliance Officer

Texmo Pipes and Products Limited

98, Bahadarpur Road, Burhanpur (M.P.)- 450331

Phone: - 07325-255122

Fax: - 07325-253273

Email- [cs@texmopipe.com](mailto:cs@texmopipe.com)

In addition to the above e-mail ID of the Compliance Officer, the Investors/Shareholders can also lodge their complaints, if any, at [complaints@texmopipe.com](mailto:complaints@texmopipe.com).

The Company Secretary has been designated as Compliance Officer of the Company in line with the requirement of SEBI Listing Regulation, 2015 with the Stock Exchanges.

**15. RECORDING OF MINUTES OF PROCEEDINGS OF BOARD AND COMMITTEE MEETINGS**

The Company Secretary records the Minutes of the proceedings of each Board and Committee Meeting. Draft Minutes are circulated to all the members of the Board/Committee for their comments. This is also in compliance with Secretarial Standard SS 1 issued by The Institute of Company Secretaries of India.

**16. DETAILS OF OTHER DIRECTORSHIP AND COMMITTEE MEMBERSHIP**

Details with particulars of their Directorships and Chairmanship/Membership of Board Committees in other Public Companies, in which they are Directors showing the position as on 31st March, 2016 are given below:-

Sr. No.	Name of Directors	Directorship in other Public Companies	Committee positions held	
			Chairmanship	Membership
1	Mr. Sanjay Agrawal	0	0	0
2	Mrs. Rashmi Devi Agrawal	0	0	0
3	Mr. Vijay Prasad Pappu	0	0	0
4	Mr. Shanti Lal Badera	0	0	0
5	Mr. Sunil Kumar Maheshwari	0	0	0
6	Mr. Chakradhar Bharat Chhaya	3	1	0

In accordance with Regulation 26 of the Listing Regulation, 2015 with the stock exchanges, Memberships/ Chairmanships of only the Audit Committee and Stakeholders Relationship Committee of all Public Limited Companies (excluding those of the company) have been considered.

The Company has received Declarations of independence as prescribed in section 149 (7) of Companies Act, 2013 from Independent Directors.

No Director of the Company is related to any other Director of the Company, except that Mr. Sanjay Agrawal and Mrs Rashmi Devi Agrawal are spouse.

**17. CODE OF CONDUCT**

In compliance with Regulation 26(3) of Listing Regulation, 2015 and the Companies Act, 2013, the Company has framed and adopted a code of Conduct and ethics. The Code is applicable to the members of the Board, Senior Management of the Company. The code is available on our website – [www.texmopipe.com](http://www.texmopipe.com)

The Members of the Board and Senior Management personnel have affirmed the compliance with the Code applicable to them during the year ended 31st March, 2016. The Annual Report of the Company contains a Certificate by the Managing Director & CFO in terms of Schedule V of the Listing Regulation, 2015

**18. PREVENTION OF INSIDER TRADING**

The Board of Directors has adopted the Code for prevention of Insider Trading in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulation, 2015. The Code for prevention of Insider Trading lays down guideline and procedures to be followed and disclosures to be made while dealing with shares of the Company as well as consequences of violation. The Code has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company Securities. The objective of the Code is to prevent purchase and / or sale of shares of the Company by an insider on the basis of unpublished price sensitive information. Under this Code, Designated persons (Directors, Officers and other concerned employees / persons) are prevented from dealing in the Company's shares during the closure of Trading Window. The Compliance Officer is responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of "price sensitive information" and pre-clearance of Trade etc. Directors and designated employees who buy and sell shares of the Company are prohibited from entering into an opposite transaction i.e. sell or buy any shares of the Company during the next six months following the prior transactions.

The aforesaid Code is available at the website of the Company [www.texmopipe.com](http://www.texmopipe.com).

**19. SUBSIDIARY COMPANIES**

There is no material non listed Indian Subsidiary Company requiring appointment of Independent Director of the Company on the Board of Directors of the Subsidiary Companies. The requirements of Regulation 24 of SEBI Listing Regulation, 2015 with regard to subsidiary companies have been complied with.

**20. DISCLOSURE**

**i) Accounting Treatment in Preparation of Financial Statements**

The Company has followed the guidelines of Accounting Standard laid down by the Institute of Chartered Accountants



of India (ICAI) in preparation of its Financial Statements.

**ii) Risk Management**

The Company, like any other enterprise, is exposed to business risk which can be an internal risks as well as external risks. One of the key risks faced by the Company in today's scenario is the wide and frequent fluctuations in the prices of its raw material. Any further increase in prices of raw materials could create a strain on the operating margins of the Company. Inflationary tendencies in the economy and deterioration of macroeconomic indicators can impact the spending power of the consumer because of which down trading from branded products to non-branded can occur which can affect the operating performance of the Company.

Any unexpected changes in regulatory framework pertaining to fiscal benefits and other related issue can affect our operations and profitability.

However the Company is well aware of the above risks and as part of business strategy has put in mechanism to ensure that they are mitigated with timely action. The Company has a robust Business Risk Management (BRM) framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

In the opinion of the Board of Directors, none of the aforementioned risks affect and/or threaten the existence of the Company.

**iii) Vigil mechanism/ Whistle Blower Policy**

In Compliance with Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulation, 2015 Company has framed a vigil mechanism /whistle blower policy and the same has been placed on the Company's Website.

None of the employees of the Company has been denied access to the Audit Committee.

**iv) Management Discussion and Analysis Report**

The Management discussion and analysis report is prepared in accordance with the requirement of Regulation 34 of the SEBI Listing Regulation, 2015 and shall form part of the Annual Report to the shareholders.

**21. COMMUNICATIONS TO SHAREHOLDERS**

Effective Communication of information is an essential component of Corporate Governance. The Company regularly interacts with the Shareholder through the multiple channels of communication such as publication of Results, Annual Reports, Press Release and the Company's Website. The Quarterly, Half yearly and the Annual Financial results submitted to the Stock exchanges at Mumbai in the prescribed format within 30 minutes of the conclusion of the Board Meeting at which the result are taken on record. The quarterly financial Results and the Annual Results of the Company are also published in prominent daily news papers such as Free Press (English) and Choutha Sansar (Hindi). The Company has also sent Annual Report through email to those Shareholders who have registered their email ids with Depository Participant.

Annual Report, Results and the quarterly Financial Results are also available on the website of the Company [www.texmopipe.com](http://www.texmopipe.com) under investor's information section.

**22. PLEDGE OF EQUITY SHARES**

No Pledge has been created over the Equity Shares held by the Promoters and/or Promoter Group Shareholders as on 31st March 2016.

**23. PROMOTERS' SHAREHOLDING**

The aggregate Shareholding of the Promoters and Persons belonging to the Promoters Group as on 31st March 2016 comprised of 7539955 Equity Shares of Rs. 10/- each representing 31.65% of the total paid up Share Capital of the Company.

**24. DISCLOSURE OF NON-COMPLIANCE BY THE COMPANY DURING THE PREVIOUS YEAR**

There were no instances of non compliance or penalty, structures imposed on the company by the Stock Exchange or SEBI or any other Statutory Authority on any matter related to capital markets during the previous year.

The Company has complied with the mandatory requirements of corporate governance Regulation 27 of the SEBI Listing Regulation, 2015 with the Stock Exchanges.

**25. GENERAL SHAREHOLDERS INFORMATION**

**i) General Body Meeting**

The Company convenes the Annual General Meeting (AGM) within Six Months from the closure of the financial year. The details of the AGM held in previous three Years are given as below:-

Financial year	Date and time	Venue	Special Resolution passed
2012-13	27 <sup>th</sup> September, 2013 at 11.30 A.M.	98, Bahadarpur Road, Burhanpur (M.P.)-450331	1. Reappointment of Mr. Sanjay Agrawal as Managing Director and CEO and fixing his remuneration. 2. Appointment of Mr. Vijay Prasad Pappu as Whole Time Director.



2013-14	27 <sup>th</sup> September, 2014 at 11.30 A.M.	98, Bahadarpur Road, Burhanpur (M.P.)-450331	<ol style="list-style-type: none"> <li>1. Approval of borrowing powers to Board of Directors u/s 180(1)(a) of the Companies Act 2013</li> <li>2. Approval powers to Board of Directors u/s 180(1)(c) of the Companies Act 2013 for creation of security in respect of secured loans</li> <li>3. Approval of related party transaction under section 188 of Companies Act, 2013.</li> </ol>
2014-15	26 <sup>th</sup> September, 2015 at 11.30 A.M.	98, Bahadarpur Road, Burhanpur (M.P.)-450331	NIL

**ii) Details of Special Resolution passed at Extra-ordinary General Meeting in last Three years.**

No Extra-ordinary General Meeting was held in last three years.

**iii) Passing of Resolution by Postal Ballot**

During the year, no resolution was passed through the Postal Ballot by the Shareholders. At present there is no proposal for passing resolution through postal ballot.

**iv) General Meeting for the financial year 2015-16**

Date	29 <sup>th</sup> September 2016
Venue	98, Bahadarpur Road, Burhanpur (M.P.) 450331
Time	11.30 A.M.
Book closure date	From 24 <sup>th</sup> to 29 <sup>th</sup> September, 2016. (Both days inclusive)
Last date of receipt of Proxy forms	27 <sup>th</sup> September 2016. (Before 11.30 A.M. at the Registered office of the Company)

**v) Tentative Calendar for financial year ending 31st March, 2017.**

Quarterly Financial Results	Date of Board Meeting
1 <sup>st</sup> Quarterly results	First half of August 2016
2 <sup>nd</sup> Quarterly results	First half of November 2016
3 <sup>rd</sup> Quarterly results	First half of February 2017
4 <sup>th</sup> Quarterly results	Second half of May 2017

**vi) Listing Details**

At present, the Equity Shares of the Company are listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

The Annual Listing fees for the financial year 2016-17 have been paid to the stock exchanges.

All GDRs have converted into underlying equity shares of the Company and the Company has been delisted from the Luxemburg Stock Exchange on 26<sup>th</sup> September, 2014.

The Company has paid Annual Custodial Fees for the year 2016-17 to the National Securities Depository Limited and Central Depository Services Limited on the basis of beneficial accounts maintained by them as on 31st March 2016.

Equity Shares
Bombay Stock Exchange Limited 16 <sup>th</sup> Floor, P.J. Tower, Dalal Street, Mumbai 400001
National Stock Exchange of India Limited Exchange Plaza, Bandra- Kurla Complex, Bandra (East), Mumbai 400051

**vii) Stock Codes**

**Table 1**

Name of the stock Exchange	Stock Code
Bombay Stock Exchange Limited	533164
National Stock Exchange of India Limited	TEXMOPIPES
ISIN of Equity Shares	INE141K01013

**viii) Share Price Data**

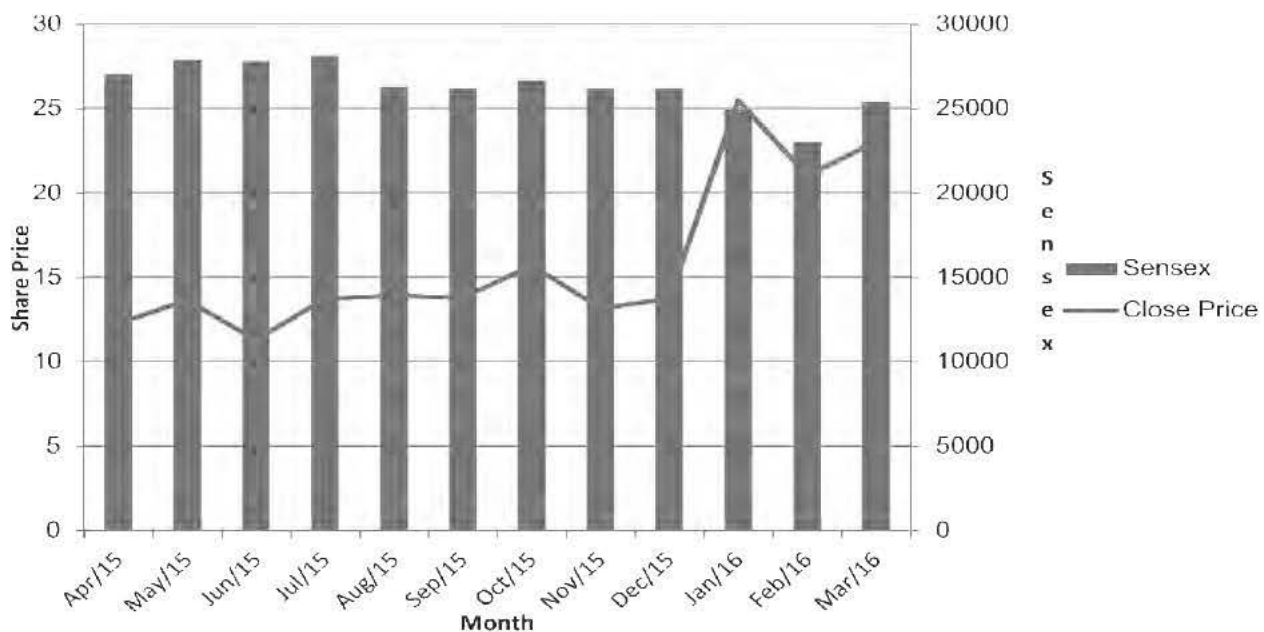
The details of High, Low Prices of shares of the company at Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) for the year ended 31st March, 2016 are as under:-

**Period – from 01st April, 2015 to 31st March, 2016.**

Months	BSE		NSE	
	High (Rs.)	Low(Rs.)	High (Rs.)	Low(Rs.)
April 2015	13.20	10.53	12.25	11.65
May 2015	14.00	10.80	13.95	13.25
June 2015	13.70	10.63	11.60	10.90
July 2015	15.45	11.20	14.45	13.55
August 2015	19.40	12.33	14.40	13.25
September 2015	15.20	12.03	14.05	13.65
October 2015	17.38	12.50	16.35	15.20
November 2015	16.90	10.00	13.50	12.00
December 2015	13.95	11.50	13.85	13.35
January 2016	31.19	13.62	26.55	24.55
February 2016	26.25	17.55	21.30	18.40
March 2016	25.75	19.90	23.60	22.60

**ix) Stock Performance in comparison to Broad Based indices;**

**BSE SHARE PRICE MOVEMENT**



**x) Distribution of Shareholding as on 31st March, 2016**

Category (Amount)	Shareholders		Equity Shares held	
	No. of shareholders	% of total Shareholders	Amount	% amount
1 - 5000	10059	77.08%	15905810	6.68%
5001 - 10000	1380	10.57%	11770030	4.94%
10001 – 20000	720	5.52%	11454110	4.81%
20001 - 30000	231	1.77%	5956810	2.50%
30001 - 40000	119	0.91%	4391430	1.84%
40001 - 50000	137	1.05%	6547860	2.75%
50001 - 100000	194	1.49%	14951840	6.28%
100001 & ABOVE	207	1.61%	167222110	70.20%
<b>Total</b>	<b>13047</b>	<b>100.00%</b>	<b>238200000</b>	<b>100.00</b>

**xi) Shareholding Pattern as on 31st March, 2016**

Category	No. of shareholders	No. of share held	% of equity
Promoters and Promoter Group holding	9	7539955	31.65
Public shareholdings			
Clearing member	41	60381	0.25
HUF	272	804618	3.38
Bodies Corporate	286	2978683	12.50
Non Resident Indians	117	439617	1.85
Resident Individuals	12320	11941518	50.13
NBFC	1	10000	0.04
Foreign Portfolio Investors	1	45228	0.19
<b>Total</b>	<b>13047</b>	<b>23820000</b>	<b>100.00</b>

**xii) Director`s Shareholding as on 31st March, 2016**

S. No.	Name of Director	No. of Share Held	% of Holding
1.	Mrs. Rashmi Devi Agrawal	3377592	14.18
2.	Mr. Sanjay Agrawal	3896474	16.36
3.	Mr. Vijay Prasad Pappu	1200	0.01
4.	Mr. Shanti Lal Badera	Nil	Nil
5.	Mr. Chakradhar Bharat Chhaya	Nil	Nil
6.	Mr. Sunil Kumar Maheshwari	Nil	Nil
	<b>Total</b>	<b>7274066</b>	<b>30.55</b>

**xiii) Dematerialization of Shares and Liquidity**

2,38,19,884 Equity Shares representing 99.99% 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, 2016.

The bifurcation of shares held in Physical & Demat form as on 31st March 2016, is given below:

Category	No. of shareholders	No. of share held	% of equity	
Physical	4	116	0.00	
Demat Segment	NSDL	7450	11001320	46.19
	CDSL	5593	12818564	53.81
<b>Total</b>	<b>13047</b>	<b>23820000</b>	<b>100.00</b>	

**xiv) Outstanding GDRs**

The Company had issued Global Depository Receipts on 11th April 2011, and the underlying shares against each of the GDRs were issued in the name of the Bank of New York Mellon DR, the depository. As on 31st March 2016, there were no GDRs outstanding.

The Company has been delisted from the Luxemburg Stock Exchange on 26th September, 2014.

**xv) Investor Services on Web based query redressal system**

Members may utilise the 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.

**Karvy Computershare Private Limited**, Registrar & Transfer Agents (RTA) of the Company has confirmed that 7 Complaints were received during the FY 2015-16 from the Shareholders and same were disposed off with the satisfaction of investors.



**xvi) 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 fifteen days from the date of receipt of the documents, provided the documents are valid and complete in all respects.

**xvii) Registrar and Transfer Agents**

Share transfer, dividend payment and all other shareholders' correspondence 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 Selenium Tower B, Plot 31-32, Gachibowli  
 Financial District, Nanakramguda, Hyderabad – 500 032  
 Tel: +91-40-67162222, 33211000  
 Fax: +91-40-23420814

**xviii) Plant Locations**

The company's plant is located at Registered Office, i.e. 98, Bahadarpur Road, Burhanpur (M.P.).

**xix) Corporate Identity Number**

The Corporate Identity Number (CIN) of the Company is L25200MP2008PLC020852.

**xx) 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 Selenium Tower B, Plot 31-32, Gachibowli  
 Financial District, Nanakramguda, Hyderabad – 500 032  
 Tel: +91 40 67162222, 33211000  
 Fax: +91 40 23420814

2. Shareholder may also contact:

Mr. Shyam Sunder Agrawal  
 Company Secretary & Compliance Officer  
 Texmo Pipes and Products Limited  
 98, Bahadarpur Road, Burhanpur (M.P.)  
 Tel. No. 07325-255122  
 Email id- cs@texmopipe.com

**xxi) Reconciliation of Share Capital**

As stipulated by SEBI, during the year on quarterly basis the Company had complied with the Regulation 55A of SEBI (D&P) Regulation 1996 by obtaining from a qualified Practicing Company Secretary a 'Reconciliation of Share Capital Audit Report' to reconcile the total admitted, issued and listed capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and Stock Exchanges.

**xxii) Go-Green Initiative**

Ministry of Corporate Affairs (MCA) has undertaken a 'Green Initiative' in the field of Corporate Governance by permitting the delivery of documents viz. notices of meetings, annual reports etc. to the Shareholders through electronic mode vide its Circular No.17/2011 dated 21 April 2011. In pursuance of same, we take immense pleasure in informing you that your company had started this from last three year onwards, initiated this Go-Green Programme by sending the soft copies of the Annual Report to the Shareholders who have already registered their E-mail Ids with the Company's and RTA. Further with a view to encourage the same in future we request the shareholders to kindly register their email address with the Company/Registrar & Share Transfer Agent (With Depository Participants in case of shares held in dematerialised form).

This paperless compliance is a part of Green Initiative in the Corporate Governance as introduced by MCA.

**26. COMPLIANCE**

The Company Secretary while preparing the Agenda, Notes on Agenda, Minutes etc. of the meeting(s), is responsible for and is required to ensure adherence to the applicable laws and regulations including the Companies Act, 1956 and Companies Act, 2013, FEMA, read with the Rules and Regulations issued there under, Listing Agreement with the stock exchanges and Rules and Regulations issued by the RBI and the Secretarial Standards issued by the Institute of Company Secretaries of India.

**27. MANDATORY REQUIREMENTS**

The Company has fully complied with the applicable mandatory requirements of Regulation 27 of the Listing Regulation, 2015 executed with the Stock Exchanges.

**28. ADOPTION OF NON-MANDATORY REQUIREMENTS**

Although it is not mandatory, the Board of TPPL has constituted a Corporate Social Responsibility Committee. Details of the Committee have been provided under “composition of Corporate Social Responsibility Committee”.

**29. COMPLIANCE ON CORPORATE GOVERNANCE**

The quarterly compliance report on Corporate Governance has been submitted to the Stock Exchanges where the Company’s Equity Shares are listed in the requisite format duly signed by the Compliance Officer.

**30. AUDITORS QUALIFICATION ON FINANCIAL STATEMENT**

The Company’s Financial Statement is free from any qualification by the Auditors.

**31. AUDITOR’S CERTIFICATE ON CORPORATE GOVERNANCE**

The Company has obtained a Certificate from its Statutory Auditors testifying to its compliance with the provision relating to Corporate Governance laid out in Schedule V of the Listing Regulation, 2015 executed with the Stock Exchange.

The Certificate is annexed to this Report and the same will be forming part of the Annual Report to be filed by the Company.

**32. INFORMATION PURSUANT TO REGULATION 34(3) AND SCHEDULE V OF THE SEBI LISTING REGULATION, 2015.**

Loan and Advances in the nature of loan to Subsidiaries:-

Name the Company	Amt. in Lac	
	Balance as at 31 <sup>st</sup> March 2016	Maximum outstanding during the year
Tapti Pipes & Products Limited FZE	620.55	620.55

**33. CEO/ CFO CERTIFICATE**

As required under Part B of Schedule II of the SEBI Listing Regulation, 2015 with the Stock Exchanges, Mr. Sanjay Agrawal, (DIN : 00316249) Managing Director Cum Chief Executive Officer and Mr. Vijay Prasad Pappu, (DIN : 02066748) Whole Time Director cum Chief Financial Officer of the Company have certified to the Board regarding financial statements for the year ended 31st March, 2016.

The CEO/CFO Certification of Financial Statement and Cash Flow Statement for the year are enclosed at the end of this Report.

**34. REPORT ON CORPORATE GOVERNANCE**

A separate section on Corporate Governance forms a part of the Annual Report. This Chapter read together with the information given in the chapter entitled Management Discussion and Analysis and Shareholders information, constitute a detailed compliance report on Corporate Governance during 2015-16.

**35. DECLARATION REGARDING COMPLIANCE OF CODE OF CONDUCT PURSUANT TO SCHEDULE-V OF THE LISTING REGULATION, 2015**

As required by Clause D of Schedule V of SEBI Listing Regulation, 2015, 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 in respect of the financial year ended 31st March, 2016, that the company has 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, 2016 of the company.

**For Texmo Pipes and Products Limited**

**Date: 9th August, 2016**

**Place: Burhanpur**

**Sanjay Agrawal  
Managing Director  
(DIN 00316249)**

**CEO/CFO CERTIFICATION TO THE BOARD**  
**(Under Schedule II of Listing Regulation, 2015)**

To  
The Board of Directors  
Texmo Pipes and Products Limited

We the undersigned, in our respective capacities as Managing Director Cum Chief Executive Officer (CEO) and Whole Time Director cum 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 financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
- (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
  - (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

**Place: Burhanpur**

**Date: 09.08.2016**

**Sanjay Agrawal**  
Managing Director  
(DIN 00316249)

**Vijay Prasad Pappu**  
Whole Time Director cum CFO  
(DIN 02066748)



**INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
Texmo Pipes And Products Limited

1. We have examined the compliance of corporate governance by **Texmo Pipes And Products Limited** ('the company') for the year ended on 31<sup>st</sup> March, 2016 as stipulated in:
  - Clause 49 (excluding clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges) for the period April 1, 2015 to November 30, 2015.
  - Clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges for the period April 1, 2015 to September 1, 2015.
  - Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the period September 2, 2015 to March 31, 2016 and
  - Regulations 17 to 27 {(excluding regulation 23 (4)} and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the period December 1, 2015 to March 31, 2016.
2. The Compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statement of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. We further 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 Pankaj Somaiya & Associates LLP**  
**Chartered Accountants**  
**Firm Regn. No. 010081C/C400001**

**CA Pankaj Somaiya**  
**Partner**  
**Membership No. 79918**

**Date:09.08.2016**  
**Place: Burhanpur**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**Industry structure and Developments**

India is a growing market for plastics and consumes about 12.8 Million Metric Tonnes (MMT) of plastics annually against global consumption of 285 MMT per year. The plastics and polymer consumption is growing at an average rate of 10%. About 30,000 processing units with 113,000 processing machines have created manufacturing capacity of 30 MMT per annum in India. This has been achieved with a 13% CAGR of processing capacity during last 5 years. The industry has invested \$5 billion in the machinery and it is expected to make further investment of \$10 billion for further increase in capacities during the next 5 years.

The low level of per capita plastics consumption in India is indicative of the massive growth potential of the plastic industry. It is expected that per capita consumption will be doubled in the next five years, given the rising consumerism and modern lifestyles which have increased the usage of plastics across industries like automobiles and consumer products.

**Opportunities and Threats**

Global economic growth is generally interlinked to petrochemical consumption where plastic is an important partner. Plastic processing is the pillar of economy in most of the advanced economies. Per capita consumption of the world is 28 kg whereas India's 11 kg and China 38 kg, Brazil 32 kgs. USA, Germany, UK, Italy, Spain, Australia, Japan, Korea, Taiwan it is more than 100 kg. India's per capita consumption one of the lowest in Asia. This means India has big potential to grow and many opportunities.

The Company has set up a strong network of more than 500 dealers which is also on a increasing mode. Apart from favorable location of central India, your Company is also having products of almost every segment. Good monsoon and increasing demands inspires us to reaches to maximum markets of the country.

**Product wise performance**

Company's major products are PVC, HDPE, Fittings and Trading. Performance of various products at a glance is as under:-

	(Rs in Lacs)	
<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>
HDPE Pipe	9024.90	10549.93
PVC Pipe	11789.59	10693.93
CPVC Pipe	1024.88	415.73
Moulding fittings	2135.07	2098.54
Trading Sale	2425.17	1220.25
<b>Total</b>	<b>26399.61</b>	<b>24978.38</b>
Less excise duty	(762.94)	(877.67)
Add Sell Fit Charges	13.03	11.86
VAT/CST subsidy for Industrial promotion	137.09	171.15
<b>Total revenue from operation as per audit report</b>	<b>25786.83</b>	<b>24398.38</b>

With an enriched industrial experience and knowledge we are providing excellent range of CPVC pipes & fittings to our client. The Company constantly focusing on CPVC pipe market, quality of the product and after sale services. The Company has increased its presence in the market and demand of its product. It can be viewed that growth of CPVC pipes are increasing year after year.

**Outlook**

The Company is striving to reach out maximum states of the Country in near future by enhancing the sales volumes. Good monsoon and increasing demands from the markets indicates positive response. For that



purpose your Company has also started advertisement campaign and is expecting good results.

### **Risks and Concerns**

Utilizing various bank facilities our financial cost is on the higher side. Financial charges by way of interest is deep concern to the Company as the Company shells out a substantial part of its profit in the form of financial cost. Company has obtained BBB- Rating and Company is striving hard to get the improved investment grade rating. Thus the interest cost will come down which will reduce the finance cost.

The volatility of the raw material prices has a negative impact. Inflation also affects the Company in adverse manner as it is a major factor that hiked the cost of other elements of production viz power & fuel, employees etc.

### **Internal Control System and their adequacy**

Your Company has adequate system of internal controls for business processes, with regard to operations, financial reporting, fraud control, compliance with applicable laws and regulations, etc. These internal control and systems are devised as a part of the principles of good governance and are accordingly implemented within the framework of proper check and balances. Your Company ensures that a reasonably effective internal control framework operates throughout the organization, which provides assurance with regard to safeguarding the assets, reliability of financial and operational information, compliance with applicable statutes, execution of the transactions as per the authorization and compliance with the internal policies of the Company.

The internal audit adopts a risk based audit approach and conducts regular audits of all the branches/offices of the Company and evaluates on a continuous basis, the adequacy and effectiveness of the internal control mechanism, adherence to the policies and procedures of the Company as well as the regulatory and legal requirements. The internal audit department places its findings before the Audit Committee of Board of Directors at regular intervals. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening the control systems according to the changing business needs from time to time.

### **Discussion on Financial Performance with respect to operational performance**

The Company recorded turnover of Rs. 27,903.28 Lac for the year ended 31<sup>st</sup> March, 2016 as against Rs.26,604.07 Lac in the previous year which shows an increase of 4.88%. The profit before tax for the financial year stood at Rs. 490.57 Lac compared to Rs. 486.06 Lac of the previous year. The profit after tax, before exceptional item for the financial year at Rs.373.70 Lac compared to Rs. 330.50 Lac of the previous year. EPS of the Company has also gone up to Rs. 1.57 against to Rs. 1.39 in the previous year.

### **Material development in human resources / Industrial relations front**

The Company has been continuously developing its employee capacity by way of conducting programs such as employee orientation sessions, policy and procedure awareness sessions, leadership development workshops and other options designed to enable the company and employees to succeed.

The Company ensures that all new employees are inducted seamlessly and consistently into the organization culture irrespective of the location they join. As of March 31, 2016, the Company had 741 employees.

### **Cautionary Statement**

Statements in the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

Some of the statements in this Management Discussion and Analysis Report may be forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Such statements reflect the Company's current views with respect to the future events and are subject to risk and uncertainties. Important developments that could affect the Company's operations include changes in industry structure, significant changes in political and economic environment in India and overseas, tax laws, and litigations.



**INDEPENDENT AUDITORS' REPORT**

To,  
The Members,  
Texmo Pipes and Products Limited  
Burhanpur (M.P)

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **Texmo Pipes and Products Limited ("the Company")** which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("The Act") with respect to preparation of these standalone financial statements that gives a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred to in section 133 of The Act.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting & auditing standards and matters which are required to be included in the audit report under the provision of the Act and the Rules made there under and the Order under section 143 (11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

**Emphasis of Matter**

We draw attention to the following matters in the Notes forming part to the standalone financial statements:

- (i) Note 27 to the Standalone Financial Statements which describe the uncertainty related to the outcome of the lawsuit filed against the Insurance Company.
- (ii) Note 28 to the Standalone Financial Statements which states search u/s 132(1) of the Income Tax Act, 1961, was carried out during the year. Since it is under investigation no provision has been made.

Our opinion is not modified in respect of these matters.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect to the adequacy of the internal financial control over financial reporting of the company and operating effectiveness of such controls, refer to our separate report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements-refer note 30 to the standalone financial statement.
    - ii. The Company has made provision as at March 31, 2016, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the 'Annexure B' a statement on the matters specified in paragraph 3 and 4 of the Order.

**For Pankaj Somaiya & Associates LLP**  
**Chartered Accountants**  
**Firm Regn. No. 010081C/C400001**

**Place:** Burhanpur (M.P.)  
**Date:** 27th May, 2016

**CA Pankaj Somaiya**  
**Partner**  
**Membership No. 79918**



**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

**'Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Texmo Pipes and Products Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Pankaj Somaiya & Associates LLP  
Chartered Accountants  
Firm Regn. No. 010081C/C400001**

**CA Pankaj Somaiya  
Partner  
Membership No. 79918**

**Place:** Burhanpur (M.P.)  
**Date:** 27th May, 2016



**ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to paragraph 2 under "Report on Legal and Regulatory Requirements" section of our report of even date)

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - (b) The fixed assets have been physically verified during the year by the management in accordance with the regular programme of verification, which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information & explanation given to us on the basis of our examination of the records of the company, the title deeds of immovable properties are in the name of the company.
- (ii) The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in register maintained under section 189 of Act.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 & 186 of the Act, with respect to loans, making investment and providing guarantee & security available.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- (vi) We have broadly reviewed the books of accounts maintained by the Company in respect of products where pursuant to the rules made by Central Government of India, the maintenance of cost records has been prescribed under sub section (1) of section 148 of the Companies Act, 2013, and we are of opinion that prima facie the prescribed accounts & records have been made & maintained. However, we have not made the detailed examination of the records.
- (vii) (a) According to information explanation given to us and on the basis of our examination of records of the Company, amount deducted/accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, custom duty, excise duty, value added tax, cess, Professional tax and other material statutory dues have been regularly deposited during the year by the company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, sales tax, service tax, custom duty, excise duty, value added tax, cess, Professional tax and other material statutory dues except Income tax of Rs. 58.25 lakhs related to Financial year 2014-15 were in arrears as at 31st March 2016, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of duty of customs, excise duty and cess which has not been deposited with the appropriate authorities on account of any dispute. However, according to the information and explanations given to us, the following dues of income tax, sales tax and value added tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of dues	Amount in Rs. Lac	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Central Sales Tax	44.95	2007-08	M.P. High Court, Jabalpur
		0.72	2008-09	M.P. Commercial Tax Appellate Tribunal
		19.07	2013-14	Appellate Deputy Commissioner of Commercial Tax, Khandwa
Entry Tax Act, 1976	Entry Tax	36.32	2007-08	M.P. High Court, Jabalpur
		12.93	2008-09	M.P. Commercial Tax Appellate Board
		0.60	2013-14	Appellate Deputy Commissioner of Commercial Tax, Khandwa

Madhya Pradesh Value Added Tax,2002	Value Added Tax	113.79	2007-08	MP High Court, Jabalpur
		5.93	2009-10	Appellate Deputy Commissioner of Commercial Tax, Khandwa
		49.08	2009-10,2010-11 and 2011-12	M.P. Commercial Appellate Tribunal
		18.53	2010-11	Additional Commissioner of commercial Tax Indore
Income Tax Act,1956	Income Tax	7.04	2010-11	Income Tax Appellate Tribunal, Indore

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans & borrowing of financial institutions, bank and government. The Company has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, the Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). The term loans were applied, on an overall basis, for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The Company is not a Nidhi Company. Accordingly paragraph 3(xii) of the order is not applicable to the company.
- (xiii) According to the information and explanations given to us, and based on our examination of records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013, where applicable and the details have been disclosed in the Financial Statements etc., as required by the Accounting Standard (AS) 18, Related Party Disclosure specified under section 133 of the Act, read with Rule 7 of the Companies Rules (Accounts) 2014
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the company.
- (xv) The company has not entered into non-cash transaction with directors or person connected with him. Accordingly, paragraph 3(xv) of the order is not applicable to the company.
- (xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Pankaj Somaiya & Associates LLP**  
**Chartered Accountants**  
**Firm Regn. No. 010081C/C400001**

**Place:** Burhanpur (M.P.)  
**Date:** 27th May, 2016

**CA Pankaj Somaiya**  
**Partner**  
**Membership No. 79918**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2016**

Amount in ₹ Lakhs

Particulars	Note	As at 31st March 2016	As at 31st March 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	1	2,382.00	2,382.00
(b) Reserves and surplus	2	10,070.86	9,697.15
		<b>12,452.86</b>	<b>12,079.15</b>
<b>Non-current liabilities</b>			
(a) Long-term borrowings	3	1,056.85	811.06
(b) Deferred tax liabilities (Net)	4	236.63	257.35
(c) Other Long term liabilities	5	188.60	168.16
		<b>1,482.08</b>	<b>1,236.57</b>
<b>Current liabilities</b>			
(a) Short-term borrowings	6	4,645.71	4,384.53
(b) Trade payables	7	4,250.17	3,972.52
(c) Other current liabilities	8	1,209.32	1,068.07
(d) Short-term provisions	9	113.58	76.71
		<b>10,218.78</b>	<b>9,501.83</b>
<b>TOTAL</b>		<b>24,153.72</b>	<b>22,817.55</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets	10		
(i) Tangible assets		4,249.68	4,485.00
(ii) Intangible assets		17.51	24.74
(iii) Capital work-in-progress		48.84	-
(b) Non-current investments	11	4,634.55	4,619.95
(c) Long-term loans and advances	12	1,214.13	1,099.90
(d) Other non-current assets	13	714.38	714.38
		<b>10,879.09</b>	<b>10,943.97</b>
<b>Current assets</b>			
(a) Inventories	14	7,450.00	6,891.14
(b) Trade receivables	15	3,555.73	3,035.30
(c) Cash and Bank Balances	16	1,055.95	951.05
(d) Short-term loans and advances	17	992.09	760.44
(e) Other current assets	18	220.86	235.65
		<b>13,274.63</b>	<b>11,873.58</b>
<b>TOTAL</b>		<b>24,153.72</b>	<b>22,817.55</b>

## Significant Accounting Policies

The Notes form an Integral part of these financial statements

*As per our report of even date*

**For Pankaj Somaiya & Associates LLP**  
 Firm Registration No. 010081C/C400001  
 Chartered Accountants

**CA Pankaj Somaiya**  
 Partner  
 Membership No.079918

**Place:** Burhanpur (M.P.)  
**Date:** 27th May, 2016

**For Texmo Pipes and Products Limited**

**Sanjay Agrawal**      **Vijay Prasad Pappu**  
*Managing Director*      *Whole Time Director cum CFO*  
 [DIN: 00316249]      [DIN: 02066748]

**Shyam Sundar Agrawal**  
*Company Secretary*



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

Amount in ₹ Lakhs

Particulars	Note	As at 31st March 2016	As at 31st March 2015
<b>Revenue</b>			
Revenue from operations (gross)	19	28,053.42	26,787.08
Less: Excise Duty		(2,266.58)	(2,388.70)
Revenue from operations (net)		25,786.84	24,398.38
Other income	20	231.52	149.20
<b>Total Revenue</b>		<b>26,018.36</b>	<b>24,547.58</b>
<b>Expenses:</b>			
Cost of materials consumed	21	16,889.54	17,489.50
Purchases of Stock-in-Trade	22	2,595.96	1,135.62
Changes in Inventories of Finished Goods, Stock-in-Process & Stock-in-Trade	23	93.43	(101.18)
Employee benefits expense	24	1,119.36	901.53
Depreciation and amortization expense	10	550.62	525.44
Finance costs	25	1,291.14	1,291.09
Other Expenses	26	2,987.74	2,819.52
<b>Total expenses</b>		<b>25,527.79</b>	<b>24,061.51</b>
<b>Profit before tax</b>		<b>490.57</b>	<b>486.07</b>
<b>Tax expense:</b>			
(1) Current tax		137.59	148.74
(2) Deferred tax		(20.72)	8.97
(3) Short/(Excess) Provision for Tax for earlier years			(2.14)
<b>Profit for the year</b>		<b>373.70</b>	<b>330.50</b>
<b>Earnings per equity share of ₹ 10 each</b>	29		
(1) Basic (₹)		1.57	1.39
(2) Diluted(₹)		1.57	1.39
Weighted Average number of shares outstanding		23,820,000.00	23,820,000.00

The Notes form an Integral part of these financial statements

*As per our report of even date*

For **Pankaj Somaiya & Associates LLP**  
 Firm Registration No. 010081C/C400001  
 Chartered Accountants

**CA Pankaj Somaiya**  
 Partner  
 Membership No.079918

**Place:** Burhanpur (M.P.)  
**Date:** 27th May, 2016

 For **Texmo Pipes and Products Limited**

**Sanjay Agrawal**  
 Managing Director  
 [DIN: 00316249]

**Vijay Prasad Pappu**  
 Whole Time Director cum CFO  
 [DIN: 02066748]

**Shyam Sundar Agrawal**  
 Company Secretary

**Cash Flow Statement for the year ended 31st March 2016**

Amount in ₹ Lakhs

		Year Ended 31st March 2016		Year Ended 31st March 2015	
<b>A.</b>	<b>Cash Flow arising from operating Activities</b>				
	Profit before tax and exceptional items as per Statement of Profit & Loss		490.57		486.07
	<b>Add/Deduct</b>				
	a) Depreciation and amortization expenses	550.62		525.44	
	b) Finance Cost	1,291.14		1,291.09	
	c) Interest Income	(101.14)		(125.31)	
	d) Provisions for Doubtful Debts & Advances	25.25		20.68	
	e) (Profit)/Loss on Sale of Asset/Investments	(38.33)		(2.75)	
	f) Provision no longer Required	(9.67)		(42.86)	
			1,717.87		1,666.29
	Operating cash profit before working capital changes		2,208.44		2,152.36
	<b>Add/Deduct</b>				
	a) Increase/(Decrease) in Trade and other Payables	277.65		1,244.17	
	b) (Increase)/Decrease in Trade and other Receivables	(621.71)		(384.68)	
	c) (Increase)/Decrease in Inventories	(558.86)		(800.21)	
			(902.92)		59.28
	Cash Flow from Operations		1,305.52		2,211.63
	<b>Deduct</b>				
	Direct Taxes (Net)		(176.67)		(67.79)
	<b>Net Cash Inflow in Course of operating Activities</b>		1,128.85		2,143.84
<b>B.</b>	<b>Cash Flow arising from Investing Activities :</b>				
	<b>Inflow</b>				
	a) Interest Received	101.14		125.31	
	b) Increase in long term liabilities	20.44		26.40	
	c) Proceeds from Short Term Loans & Advances	10.84		-	
	d) Profit/(Loss) on Sale of Asset/Investment	38.33		2.75	
	e) Long Term Investment in LLP	0.20		-	
			170.96		154.47
	<b>Outflow</b>				
	a) Purchase of Tangible Assets	(340.04)		(122.04)	
	b) Long Term Investment in Joint Venture/ Partnership Firm	(14.80)		(35.45)	
	c) Long Term Investment in Property	-		(16.92)	
	d) Movement in Long term Loans & Advances	(55.89)		-	
	e) Movement in Short term Loans & Advances	-		(0.07)	
	f) Movement in Deposits	(203.42)		(298.72)	
			(614.15)		(473.19)
	Net Cash Inflow/(Outflow)in the course of Investing Activities		(443.19)		(318.72)
<b>C.</b>	<b>Cash Flow arising from Financing Activities :</b>				
	<b>Inflow</b>				
	a) Proceeds from Long Term Loans	245.79		115.20	
	b) Proceeds from Short Term Loans	261.17		-	
			506.95		115.20
	<b>Outflow</b>				
	a) Repayment of Short term Borrowings	-		(573.74)	
	b) Finance Charges	(1,291.14)		(1,291.09)	
			(1,291.14)		(1,864.83)
	Net Cash Inflow/(Outflow)in the course of Financing Activities		(784.18)		(1,749.63)
	Net Increase/(decrease)in cash or cash equivalents (A+B+C)		(98.52)		75.49
	<b>Add:</b> Balance at the beginning of the year		139.39		63.90
	<b>Less:</b> Cash & Cash Equivalent at the close of the year		40.87		139.39

As per our report of even date

 For **Pankaj Somaiya & Associates LLP**  
 Firm Registration No. 010081C/C400001  
 Chartered Accountants

**CA Pankaj Somaiya**  
 Partner  
 Membership No.079918

**Place:** Burhanpur (M.P.)  
**Date:** 27th May, 2016

 For **Texmo Pipes and Products Limited**
**Sanjay Agrawal**  
 Managing Director  
 [DIN: 00316249]

**Vijay Prasad Pappu**  
 Whole Time Director cum CFO  
 [DIN: 02066748]

**Shyam Sundar Agrawal**  
 Company Secretary

**Significant Accounting Policies**

**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.

**I. Basis of Preparation of Financial Statements**

The financial statements have been prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis and in consonance with the mandatory accounting standards as prescribed under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the provision of the Act (to the extent notified) and guidelines issued by Securities and Exchange Board of India (SEBI). The financial statements for the financial year ended 31st March, 2016 have been prepared as per the requirements of the Schedule III to the Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

**II. Use of Estimates**

In preparation of financial statements estimates and assumptions are required to be made in conformity with GAAP, which affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Any revisions to the accounting estimates are recognized prospectively in the current and future periods.

**III. Fixed Assets**

**a. Tangible**

Tangible fixed assets are carried at cost of acquisition or construction, less accumulated depreciation. The cost of fixed assets includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other directly attributable costs related to the acquisition or construction of the respective assets. Profit or loss on disposal of tangible asset is recognised in the statement of profit and Loss.

**b. Intangible**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any. Profit or loss on disposal of intangible assets is recognised in the statement of profit and loss.

**IV. Depreciation and Amortization:**

Depreciation is charged on Straight Line Method over the useful lives of assets as prescribed in schedule II to the Companies Act, 2013. Depreciation on assets purchased/sold during the year is proportionately charged. In respect of the following assets, useful life estimated is different than those prescribed in Schedule II;

<b>Asset</b>	<b>Useful Life</b>
Dies and Moulds	8 years

Intangible Assets are amortized over their respective individual estimated useful lives on Straight Line basis, commencing from the date the asset is available for its use. The Computer Software SAP is amortized over a period of 5 years.

**V. 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 Statement of Profit and Loss. 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.

**VI. Foreign Currency Transactions:**

- a. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- b. Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.
- c. Non-monetary foreign currency items are carried at cost.
- d. Exchange differences arising on a monetary item that is receivable from a non-integral foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future are accumulated in Foreign Currency Translation Reserve (FCTR). The exchange differences so accumulated in FCTR are reclassified to the Statement of Profit and Loss as and when settlement occurs.
- e. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss Statement.

**VII. Investments**

- a. Investments which are intended for sale within twelve months are classified as current investment.
- b. Others are classified as long term investment.
- c. Cost of investment comprises of the purchase price and any directly attributable expenses incurred.
- d. Current investments are carried at the lower of cost and fair value computed individually.

Long term Investment are stated at cost. Provision for diminution in the value of long term investment is made, only if, in the opinion of the management, such a decline is registered as being other than temporary

**VIII. Inventories**

- a. Raw material, work in progress, finished goods, packing materials, stores, spares, components consumables and stock-in trade are carried at the lower of cost and net realizable value. Damaged unserviceable and inert stocks are suitably written down/provided for. Reusable waste is valued at net realizable value.
- b. In determining cost of raw material, packing materials, stock-in trade, stores, spares, component and consumable, weighted average cost method is used. Cost of inventory comprises all cost of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.
- c. Cost of finished goods and work in progress includes costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is computed on weighted Average basis. Excise Duty in respect of finished goods lying at the factory premises have been provided for and included in valuation of inventory where the excise duty is payable.
- d. Goods or materials in transit are valued at cost to date.

**IX. Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit/ (loss) before extraordinary items and tax is adjusted for the effect of transaction of non-cash nature and any deferrals or accrual of past or future cash receipts or payment.

The cash flow from operating, investing and financing activities of the Company are segregated based on the available information.

**X. Cash and Cash Equivalent**

Cash and cash equivalent include cash and cheques in hand, bank balance, demand deposits with banks and other short-term highly liquid investment where the original maturity is three month or less.

**XI. Revenue Recognition**

- a. Revenue from sale of goods is recognized on transfer of all significant risks and rewards of ownership to the buyer. The amount recognized as sale is exclusive of sales tax/VAT and is net of returns. Sales are stated gross of excise duty as well as net of excise duty; excise duty being the amount included in the amount of

gross turnover. The excise duty related to the difference between the closing stock and opening stock is recognized separately as part of changes in inventories of finished goods, work in progress and stock in trade.

- b. Interest income is recognized on the time proportion basis.

**XII. Employee Benefits**

**a. Short term Employee Benefits :**

Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss of the year in which the related service is rendered.

**b. Post Employment Benefits :**

- i. Defined Contribution Plan: The Company's contribution paid/payable during the year to Provident Fund, Employee State Insurance are considered as Defined Contribution Plans. The contribution paid/payable under these plans are recognised during the period in which the employee render services.
- ii. Defined Benefit Plan: Employee Benefits in the nature of Gratuity are recognised as an expense in the statement of Profit and Loss for the period in which the employee has rendered services. The company contributes towards Gratuity Fund administered by LIC of India for eligible employees. Under this scheme the settlement obligations remain with the company, although insurer administer the scheme and determine the contribution premium required to be paid by the company. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the company. Liability with regard to Gratuity Fund is accrued based on actuarial valuation conducted by an independent Actuary as at 31st March each year.

**XIII. Borrowing Cost**

Borrowing Cost attributable to acquisitions and construction of qualifying assets are capitalized as a part of cost of such assets up to the date when such assets are ready for its intended use. A Qualifying Asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged in the Statement of Profit & Loss in the period in which they are incurred.

**XIV. Leases**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. Operating lease rentals are expensed with reference to lease terms and other considerations. Lease rentals should be recognized on straight line basis. There are no finance leases.

**XV. Taxation**

Tax expense comprises of Current Tax and Deferred Tax. 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.

**XVI. Earnings per share**

The Basic and Diluted Earnings Per Share ("EPS") is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

**XVII. Government Grant**

The company recognizes Government grants only when there is reasonable accuracy and conditions attached to them shall be complied with, and the grants will be received. The Revenue grants are recognised in the Profit and loss account in the period in which these are accrued.

**XVIII. Provisions, Contingent Liabilities and Contingent Assets**

The Company creates a provision when there exists a present obligation as a result of a past event that probably requires an outflow of resource and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resource. When there is possible obligation or. a present obligation in respect of which likelihood of outflow of resources is remote, no prevision or disclosure is made.

Contingent assets are neither recognized nor disclosed in the financial statements.



**Notes to the financial statement for the year ended 31st March 2016**

Amount in ₹ Lakhs

<b>1. Share Capital</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
<b>Authorized</b> 3,00,00,000 (Previous Year 3,00,00,000) Equity Shares of ₹ 10 each	3,000.00	3,000.00
<b>Issued, Subscribed &amp; Paid up</b> 2,38,20,000 (Previous Year 2,38,20,000) Equity Shares of ₹ 10 each fully paid up	2,382.00	2,382.00
<b>Total</b>	<b>2,382.00</b>	<b>2,382.00</b>

**1.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

<b>Particulars</b>	<b>As at 31st March 2016</b>		<b>As at 31st March 2015</b>	
	<b>Number</b>	<b>Amount in ₹ Lakhs</b>	<b>Number</b>	<b>Amount in ₹ Lakhs</b>
Shares outstanding at the beginning of the year	23,820,000	2,382.00	23,820,000	2,382.00
Add: Share Issued during the year	-	-	-	-
Less: Buy back of shares during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>23,820,000</b>	<b>2,382.00</b>	<b>23,820,000</b>	<b>2,382.00</b>

**1.2 Rights, Preferences and restrictions attached to Equity Shares**

The Company has only one class of equity shares having a par value of ₹ 10/-per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their share holding.

**1.3 Details of shareholders holding more than 5% shares in the company :**

<b>Particulars</b>	<b>As at 31st March 2016</b>		<b>As at 31st March 2015</b>	
	<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
Sanjay Kumar Agrawal	3896474	16.36%	3556000	14.93%
Rashmi Devi Agrawal	3377592	14.18%	3223500	13.53%

Amount in ₹ Lakhs

<b>2. Reserves &amp; Surplus</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
<b>Securities Premium Reserve</b> As per last Balance Sheet	6,564.04	6,564.04
<b>Foreign Currency Translation Reserve</b> As per last Balance Sheet	559.76	559.76
<b>Profit and loss account</b> As per last Balance Sheet	2,573.35	2,248.07
Add: Profit for the year	373.70	330.50
Less: Adjustment relating to Fixed Assets (net of Deferred Tax) (Refer Note No. 10.1)	-	(5.22)
	<b>2,947.06</b>	<b>2,573.35</b>
<b>Total</b>	<b>10,070.86</b>	<b>9,697.15</b>

**2.1** During previous year Company has adopted estimated useful life of Fixed Assets as stipulated by Schedule II of the companies Act 2013. Accordingly, Adjustments to Fixed Assets of Rs. 5.22 Lakhs (net of Deferred Tax of Rs. 2.50 Lakhs) on Account of Assets whose useful Life is already exhausted on April 01, 2014 has been adjusted against General Reserve.



**Notes to the financial statement for the year ended 31st March 2016**

Amount in ₹ Lakhs

<b>3. Long Term Borrowings</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
<b>Term loans</b>		
<b>From banks</b>		
Secured	337.20	479.29
<b>From Others</b>		
Secured	134.06	78.69
Unsecured	200.59	173.08
	<b>671.85</b>	<b>731.06</b>
<b>Loans and Advances From Related Parties</b>		
Unsecured (Refer Note 34)	385.00	80.00
<b>Total</b>	<b>1,056.85</b>	<b>811.06</b>

**3.1 Nature of Security and terms of repayment for Long Term Secured Borrowings**

**Nature of Security**

a) HDFC Bank Term Loan of Rs.100.36 (Previous Year: Rs.107.32 Lakhs) secured by Mumbai office of the Company.

b) Bank of Baroda Term Loan for Plant & Machinery of Rs.293.66 Lakhs (Previous Year: Rs. 407.18 Lakhs), repayable within 66 months including initial moratorium period of 6 months, repayable by October 2019, secured on pari pasu charge on plant & Machinery and Personal Guarantees and Corporate Guarantees of Mr. Sanjay Kumar Agrawal, Mrs. Rashmi Devi Agrawal, Shree Padmavati Irrigation Pvt. Ltd., Balaji Industries and Venkatesh Industries.

c) Vehicle Loan of Rs.113.67 Lakhs (Previous Year: Rs.114.37 Lakhs). The Loan are secured by way of hypothecation of respective motor vehicle purchased.

d) Secured Loan From Others include Loan from Religare Fin Vest Limited of Rs 78.07 Lakhs (Previous Year: Rs. 83.80 Lakhs), secured by Equitable Mortgage of Indore Office.

e) Secured Loan From Others include Loan from Reliance Capital Limited of Rs. 78.83 Lakhs (Previous Year: Nil), secured by Hypothecation of Plant & Machinery, disbursed in November 2015 of Rs. 83.00 Lakhs repayable from January 2016.

f) Bank of India Term Loan for Indore Godown is Nil (Previous Year: Rs. 14.70 Lakhs), secured by Equitable mortgage of Godown and Personal Guarantees of Directors Mr. Sanjay Kumar Agrawal, Mr. Vijay Prasad Pappu and Mrs. Rashmi Devi Agrawal.

**3.2: Terms of Repayment for Long Term Unsecured Borrowing**

g) Unsecured Loan From Others include Loan from Religare Fin Vest Limited of Rs. 14.27 Lakhs (Previous Year: Rs. 25.75 Lakhs).

h) Unsecured Loan From Others includes Loan from Bajaj Finance Limited of Rs. 7.99 Lakhs (Previous Year: Rs.33.11 Lakhs, disbursed in February 2015 of Rs. 35.35 Lakhs repayable in 18 equal monthly installments, repayable by September 2016.

**Terms of Repayment**

Repayable in 120 equal monthly installments starting from May 2014. Last installment due in April 2024. Rate of interest 12% p.a. as at year end.(Previous Year 12%).

Repayable in 60 equal monthly installments starting from November 2013. Last installment due in November 2018. Rate of interest 13.50% p.a. as at year end.(Previous Year 13.50%).

Repayable in 36 to 60 equal monthly installments. Rate of interest in range of 9.81% to 14.00% p.a. (Pre. Year 9.81% to 14.00% p.a.).

Repayable in 120 equal monthly installments starting from May 2014 . Last installment due in April 2024. Rate of interest 13.50% p.a. as at year end.(Previous Year 13.50 %).

Repayable in 48 equal monthly installments, starting from January 2016. Last installment due in December 2019. Rate of interest 15.00% p.a. as at year end.(Previous Year Nil).

Repayable in 57 equal monthly installments starting from September 2010. Last installment due in November 2015. Rate of interest 11.00% p.a. as at year end.(Previous Year 11.00 %).

**Terms of Repayment**

Repayable in 36 equal monthly installments starting from May 2014. Last installment due in April 2017. Rate of interest 18.50% p.a. as at year end.(Previous Year 18.50 %).

Repayable in 18 equal monthly installments starting from. Last installment due in September 2016. Rate of interest 19.12% p.a. as at year end.(Previous Year 19.12%)

**Notes to the financial statement for the year ended 31st March 2016**

**3.3 : Terms of Repayment for loan Related Parties**

i) Loans & Advances from Related parties Include Loan from Managing Director Mr. Sanjay Agrawal of Rs. 280.00 Lakhs (Previous Year - Rs. 55.00 Lakhs) , Chairperson Mrs. Rashmi Devi Agrawal Rs. 55.00 Lakhs (Previous Year - Rs. 25.00 Lakhs) & Shree Padmavati Irrigations Pvt. Ltd., Indore- Rs. 50.00 Lakhs (Previous Year - Nil) The loan is Interest free and repayable after three years.

**3.4 :** Installments falling due within a year in respect of all the above loans aggregating Rs. 215.09 Lakhs (Previous Year Rs. 203.19) Lakhs have been grouped under "current Maturities of long term debt (refer note 8)

**Amount in ₹ Lakhs**

<b>4. Deferred Tax Liability (Net)</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
<b>Deferred Tax Liabilities</b>		
Related to Fixed Assets (refer note 4.1)	272.92	274.54
<b>Deferred Tax Assets</b>		
Provision For Doubtful Trade Receivable	18.44	11.25
Provision for Doubtful Loans & Advances	2.97	1.43
Gratuity Payable	14.88	4.51
<b>Total</b>	<b>236.63</b>	<b>257.35</b>

**4.1** Refer Note 2.1 for utilization of Deferred Tax of Rs. Nil (2014-15: Rs. 2.50 Lakhs) on depreciation on account of assets whose useful life was already exhausted on April 01, 2014 has been adjusted against General Reserve.

**Amount in ₹ Lakhs**

<b>5. Other Long Term Liabilities</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
Security Deposits from Dealers (refer note 5.1)	117.25	96.81
Advances for sale of Properties	13.10	13.10
Provision for Tax (refer note 28)	58.25	58.25
<b>Total</b>	<b>188.60</b>	<b>168.16</b>

**5.1** Security Deposits from Dealers carry interest obligation @ 10% p.a.

**Amount in ₹ Lakhs**

<b>6. Short Term Borrowings</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
<b>Secured</b>		
Loans repayable on demand :		
Working Capital Loans		
From banks (refer note 6.1)	4,181.10	3,911.20
From others (refer note 6.2)	464.61	473.33
<b>Total</b>	<b>4,645.71</b>	<b>4,384.53</b>

**6.1** Working Capital Loans are from Consortium of Banks State Bank of India, Bank of Baroda , Punjab National Bank and Central Bank of India led by State Bank of India where in, SBI Cash Credit Loan of Rs. 3065.59 Lakhs (Previous Year: Rs. 2699.87 Lakhs), Bank Of Baroda Cash Credit Loan of Rs. 590.44 (Previous Year: Rs. 645.81 Lakhs), Punjab National Bank cash Credit Loan of Rs. 348.89 Lakhs (Previous Year: Rs. 381.23 Lakhs)and Central Bank of India Cash Credit Loan of Rs.176.18 Lakhs (Previous Year: Rs.184.29 Lakhs) secured by first Pari-pasu charge (between consortium members) on whole of companies present & future stocks of Raw Material, Finished Goods, Stock in Process, Stores & Spares and other Raw Material, and the companies present and future book debts, outstanding monies, receivable, claims, bills, Contracts, engagements, securities, investments, rights and assets of the company. The working capital facilities as above are further secured by way of equitable mortgage of Immovable Properties of the company and promoters, Related Entities and Personal Guarantees and Corporate Guarantees of Mr. Sanjay Kumar Agrawal, Mrs Rashmidevi Agrawal, Shree Padmavati Irrigations Private Limited, Shree Balaji Industries and Shree Venkatesh Industries.

**Notes to the financial statement for the year ended 31st March 2016**

**6.2** Working Capital Loans from others includes Raw Material NSIC assistance of Rs.464.60 Lakhs (Previous Year: Rs.473.33 Lakhs) and is secured by bank guarantees.

Amount in ₹ Lakhs

7. Trade Payables	As at 31st March 2016	As at 31st March 2015
Acceptances	2,595.78	2,286.25
Other than Acceptances (refer note 7.1 & 7.2)	1,654.39	1,686.27
<b>Total</b>	<b>4,250.17</b>	<b>3,972.52</b>

**7.1 Details of dues towards MSME units**

Amount in ₹ Lakhs

Particulars	As at 31st March 2016	As at 31st March 2015
Principal amount remaining unpaid and interest due thereon	475.49	366.53
Interest paid in terms of Sec 16		
Interest due and payable for the period of delay in payment	70.50	6.23
Interest accrued and remaining unpaid	-	-
Interest due and payable even in the succeeding years	-	-

**7.2** The identification of suppliers as Micro, Small and Medium Enterprise defined under “The Micro, Small and Medium Enterprises Development Act, 2006” was done on the basis of information to the extent provided by the suppliers of the Company.

Amount in ₹ Lakhs

8. Other Current Liabilities	As at 31st March 2016	As at 31st March 2015
(a) Current maturities of long-term debt	215.01	203.19
(b) Interest accrued but not due on borrowings;	5.41	6.16
(c) Statutory Remittances (Excise Duty/PF/ESI/other Statutory due etc.)	77.74	60.84
(d) Advance from customers	282.39	531.67
(e) Gratuity Payable (refer note 24.1 [b])	44.97	24.07
(f) Other Payables (refer note 8.1)	583.80	242.14
<b>Total</b>	<b>1,209.32</b>	<b>1,068.07</b>

**8.1** The company has recognised liability based on substantial degree of estimation for excise duty payable as on 31st march 2016 of Rs. 146.69 Lakhs (previous year Rs. 155.01 Lakhs). Actual outflow is expected in the next financial year.

Amount in ₹ Lakhs

9. Short Term Provisions	As at 31st March 2016	As at 31st March 2015
Provision for Employee Benefits	113.58	76.71
<b>Total</b>	<b>113.58</b>	<b>76.71</b>



**Notes to the financial statement for the year ended 31st March 2016**

**10. FIXED ASSETS**

**Amount in ₹ Lakhs**

Assets Particulars	Gross Block				Accumulated Depreciation and amortization					Net Block	
	As at 01.04.2015	Addition during the year	Deduction during the year	As at 31.03.2016	As at 31.03.2015	For the year	Adjust- ments	Deductions	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
<b>i) Tangible Assets</b>											
Freehold Land	198.70	-	-	198.70	-	-	-	-	-	198.70	198.70
Factory Buildings	877.65	-	-	877.65	135.38	27.81	-	-	163.19	714.47	742.28
Office Buildings	289.52	-	-	289.52	23.55	4.50	-	-	28.05	261.47	265.97
Plant & Machinery	5,083.13	279.73	(25.79)	5,337.07	2,100.55	440.52	-	(25.79)	2,515.28	2,821.79	2,982.58
Furniture & Fixture	130.54	1.11	-	131.65	47.63	15.34	-	-	62.97	68.68	82.91
Vehicles	329.95	32.09	(31.13)	330.91	156.74	42.40	-	(19.32)	179.82	151.09	173.21
Office Equipment	95.44	6.95	-	102.39	56.09	12.82	-	-	68.91	33.48	39.35
<b>Total Tangible Assets</b>	<b>7,004.93</b>	<b>319.87</b>	<b>(56.92)</b>	<b>7,267.89</b>	<b>2,519.92</b>	<b>543.39</b>	<b>-</b>	<b>(45.10)</b>	<b>3,018.21</b>	<b>4,249.68</b>	<b>4,485.00</b>
<b>ii) Intangible Assets</b>											
Computer Software	38.39	-	-	38.39	13.65	7.23	-	-	20.88	17.51	24.74
<b>Total Intangible Assets</b>	<b>38.39</b>	<b>-</b>	<b>-</b>	<b>38.39</b>	<b>13.65</b>	<b>7.23</b>	<b>-</b>	<b>-</b>	<b>20.88</b>	<b>17.51</b>	<b>24.74</b>
<b>iii) Capital Work In Progress</b>	<b>-</b>	<b>48.84</b>		<b>48.84</b>						<b>48.84</b>	<b>-</b>
<b>Total (i)+(ii)+(iii)</b>	<b>7,043.31</b>	<b>368.71</b>	<b>(56.92)</b>	<b>7,355.12</b>	<b>2,533.57</b>	<b>550.62</b>	<b>-</b>	<b>(45.10)</b>	<b>3,039.09</b>	<b>4,316.04</b>	<b>4,509.74</b>
<b>Previous Year</b>	<b>6,739.44</b>	<b>457.30</b>	<b>-</b>	<b>7,196.74</b>	<b>2,000.41</b>	<b>525.44</b>	<b>7.72</b>	<b>-</b>	<b>2,533.57</b>	<b>4,663.16</b>	<b>4,745.71</b>

**Note 10.1** During previous year pursuant to the enactment of companies Act 2013, the Company has applied the estimated useful lives as specified in schedule II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation and Amortization. Accordingly the amortized carrying value is being depreciated/Amortized over the revised/remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted net of tax, in the opening balance of Profit and Loss account amounting to Rs. 5.22 lakh

**Notes to the financial statement for the year ended 31st March 2016**
**Amount in ₹ Lakhs**

<b>11. Non - Current Investments</b>	<b>As at 31st march 2016</b>	<b>As at 31st March 2015</b>
<b>Long Term Investments</b> (Valued at cost less other than temporary diminution in value, if any)	-	
<b>Investment in Equity Shares of wholly owned Subsidiaries :</b>		
<i>Unquoted</i>		
Tapti Pipes & Products Limited FZE, UAE (refer note 11.1) 32235 equity share (Previous year 35) ( 1000 AED per share)	4,356.13	4,356.13
<b>Investment in Limited Liability Partnership :</b>		
Texmo Petro Chemicals LLP (refer Note 11.2)	199.80	200.00
<b>Investment in Jointly Controlled Entity</b>		
Mangal Murti Minerals, Neapanagar	61.70	46.90
<b>Investment in Property (Freehold Land)</b>	16.92	16.92
<b>Total</b>	<b>4,634.55</b>	<b>4,619.95</b>
Aggregate Amount of Unquoted Investment	4617.63	4603.03
Aggregate Amount of Investment in Property	16.92	16.92

**11.1** During previous year the company has converted loan and advances amounting to Rs.4351.78 Lakhs given to Tapti Pipes & Products Ltd. FZE a wholly owned subsidiary into share capital vide Board resolution dated 27.09.2014. Accordingly, The Company has applied for necessary approval to the Authorized Dealer; However the approval is pending till date.

**11.2** During the current year Texmo Petrochemicals Private limited (wholly owned subsidiary) was converted into Limited Liability Partnership under Limited Liability Partnership Act, 2008.

**Amount in ₹ Lakhs**

<b>12. Long Term Loans and Advances</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
<b>Capital Advances (advance for capital goods)</b> (Unsecured, considered good )	31.59	17.00
<b>Security Deposits</b> (Unsecured, considered good )	121.72	85.44
<b>Loans and Advances to related parties</b>		
Unsecured, considered good	-	19.86
Unsecured, considered doubtful	-	8.51
less : Provision for doubtful loans & advances	-	8.51
	-	19.86
Loans to related party - wholly owned overseas subsidiary company Tapti Pipes & products Ltd FZE (refer note 11.1)	620.55	620.55
<b>Other Loans Advances (Unsecured, considered good)</b>		
Inter Corporate Deposits		
Unsecured, considered good	-	3.49
Unsecured, considered doubtful	-	1.16
less : Provision for doubtful loans & advances	-	1.16
	-	3.49
Advance Tax & TDS	39.08	-
Advance amount paid under protest	273.19	158.01
Incentives Receivable from Government	89.34	152.28
Others	38.66	43.26
<b>Total</b>	<b>1,214.13</b>	<b>1,099.90</b>

**Notes to the financial statement for the year ended 31st March 2016**

Amount in ₹ Lakhs

<b>13. Other non-current assets</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
Insurance claim receivable (refer note 27)	714.38	714.38
<b>Total</b>	<b>714.38</b>	<b>714.38</b>

Amount in ₹ Lakhs

<b>14. Inventories</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
Raw Materials	5,051.35	4,325.43
Packing Materials	40.08	111.07
Finished goods (refer note 14.1 )	2,072.50	2,139.92
Stock in trade	248.83	274.84
Stores and spares	37.24	39.89
<b>Total</b>	<b>7,450.00</b>	<b>6,891.14</b>

**14.1** Stock of Finished goods includes uninsured consignment stock of Rs.102.28 Lakhs (P.Y. Rs.153.11 Lakhs) and stock at branch of Rs. 91.06 Lakhs (P.Y. Rs. 41.41 Lakhs). In respect of inventory lying with consignees' no third party confirmation is being obtained.

Amount in ₹ Lakhs

<b>15. Trade Receivables</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
<i>Trade Receivable outstanding for a period exceeding six month from the date they are due for payment:</i>		
Unsecured, Considered good	434.89	554.51
Unsecured, Considered doubtful	40.11	19.52
less: Provision for doubtful debts	40.11	19.52
	434.89	554.51
<i>Trade Receivable outstanding for a period less than six month from the date they are due for payment:</i>		
Unsecured, considered good	3,120.84	2,480.78
<b>Total</b>	<b>3,555.73</b>	<b>3,035.29</b>

Amount in ₹ Lakhs

<b>16. Cash and Bank Balances</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
Cash and cash equivalents:		
Cash in Hand	21.65	16.62
Bank Balance :		
In Current Account	19.22	122.77
Sub Total	40.87	139.39
Other Bank Balances		
In deposit account #	1,015.08	811.66
<b>Total</b>	<b>1,055.95</b>	<b>951.05</b>

#As margin money of bank guarantee and letter of credit.



**Notes to the financial statement for the year ended 31st March 2016**

Amount in ₹ Lakhs

<b>17. Short-term loans and advances</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
<b>Balances with Tax Authorities</b>	82.03	83.24
<b>Prepaid Expenses</b>	53.11	62.74
<b>Other Loans &amp; Advances (Unsecured, Considered good)</b>		
Advance to employees	20.89	12.23
Advance to others	171.28	33.63
Advance to Suppliers	126.63	113.44
Loans and advances others	146.38	200.49
<b>Incentives Receivable from Government</b>	391.77	254.68
	<b>992.09</b>	<b>760.44</b>

Amount in ₹ Lakhs

<b>18. Other current assets</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
Assets Held for Sale (Freehold Land)	220.86	235.65
<b>Total</b>	<b>220.86</b>	<b>235.65</b>

Amount in ₹ Lakhs

<b>19. Revenue from Operations</b>	<b>For the Year Ended 31st March 2016</b>	<b>For the Year Ended 31st March 2015</b>
<b>Sale of Products</b>		
Sale of Manufactured Goods	24,885.85	25,185.13
Sale of Traded goods	3,017.43	1,418.94
<b>Other operating Revenue</b>		
Selfit Charges	13.04	11.86
VAT/CST Subsidy for industrial promotion	137.10	171.15
<b>Total</b>	<b>28,053.42</b>	<b>26,787.08</b>

<b>19.1 Details of Sale of Product</b>	<b>2015-16</b>	<b>2014-15</b>
<b>Manufactured Goods</b>		
Pipes & Fittings	24,885.85	25,185.13
Others	-	-
	<b>24,885.85</b>	<b>25,185.13</b>
<b>Sale of Traded goods</b>		
Pipes & Fittings	2,511.57	1,010.37
Others	505.86	408.57
	<b>3,017.43</b>	<b>1,418.94</b>

Amount in ₹ Lakhs

<b>20. Other Income</b>	<b>For the Year Ended 31st March 2016</b>	<b>For the Year Ended 31st March 2015</b>
Interest Income	101.14	90.19
Gain on Sale of investment in Property	41.73	2.75
Gain on Sale of Fixed Asset	(3.40)	-
Provisions no longer required written back	9.67	42.86
Miscellaneous Income	82.37	13.40
<b>Total</b>	<b>231.52</b>	<b>149.20</b>

**Notes to the financial statement for the year ended 31st March 2016**

Amount in ₹ Lakhs

21. Cost of material consumed	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
Raw Materials Consumed	16,719.55	17,259.76
Packing Materials Consumed	169.99	229.74
<b>Total</b>	<b>16,889.54</b>	<b>17,489.50</b>
<b>Cost of Raw Material consumed</b>		
Opening Stock	4,325.43	3,668.74
Add: Purchases	17,445.47	17,916.45
	21,770.90	21,585.19
Less : Closing Stock	5,051.35	4,325.43
<b>Consumption</b>	<b>16,719.55</b>	<b>17,259.76</b>
<b>Cost of Packing Material consumed</b>		
Opening Stock	111.06	62.37
Add: Purchases	99.00	278.43
	210.06	340.80
Less : Closing Stock	40.07	111.06
<b>Consumption</b>	<b>169.99</b>	<b>229.73</b>

Amount in ₹ Lakhs

22. Purchase of traded goods	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
Pipes & Fittings	315.08	849.08
Others	2,280.88	286.54
<b>Total</b>	<b>2595.96</b>	<b>1135.62</b>

Amount in ₹ Lakhs

23. Changes in Inventories of Finished Goods, Stock-in-Process & Stock-in-Trade	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
<b>Inventories (at close)</b>		
Stock-in-Trade	248.83	274.84
Stock of Manufactured Goods	2,072.50	2,139.92
	<b>2,321.33</b>	<b>2,414.75</b>
<b>Inventories (at commencement)</b>		
Stock-in-Trade	274.84	586.26
Stock of Manufactured Goods	2,139.92	1,727.31
	<b>2,414.76</b>	<b>2,313.57</b>
<b>Net (Increase)/Decrease</b>	<b>93.43</b>	<b>(101.18)</b>

Amount in ₹ Lakhs

24. Employees benefit expenses	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
Salaries, Wages & Bonus	974.23	804.62
Contributions to Provident and other funds (refer note 24.1)	111.17	70.66
Staff Welfare Expenses	33.96	26.26
<b>Total</b>	<b>1,119.36</b>	<b>901.53</b>

24.1 As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below :

**(a) Defined Contribution Plans**

Contribution to Defined Contribution Plans recognised as expense for the year is as under

Amount in ₹ Lakhs

Particulars	2015-16	2014-15
Employer's Contribution to Provident Fund	48.94	41.55
Employer's Contribution to State Insurance	30.87	27.21

**(b) Defined Benefit Plan**

The employees' gratuity funds scheme managed by a Trust (Life Insurance Corporation of India of the Company) is a defined benefit plan.

**Notes to the financial statement for the year ended 31st March 2016**

Amount in ₹ Lakhs

<b>Gratuity Plan</b>	<b>31st March 2016</b>	<b>31st March 2015</b>
<b>Defined benefit obligation :</b>		
<b>Actuarial assumption s</b>		
Discount Rate	7.70%	8.00%
Salary Escalation Rate (p.a.)	7.00%	7.00%
Expected Return on Plan Assets	8.51%	8.75%
Mortality Rate [Indian Assured Lives (2006-08) Ultimate]		
<b>Change in present value of the defined benefit obligation</b>		
Opening balance	50.85	22.50
Current service cost	17.74	10.61
Interest cost	3.92	1.80
Actuarial loss/ (gain) on obligation	11.80	15.94
Benefits paid	(0.57)	-
<b>Closing balance</b>	<b>83.74</b>	<b>50.85</b>
<b>Change in fair value of plan assets</b>		
Opening fair value of plan assets	26.79	24.63
Expected return on plan assets	2.69	2.16
Actuarial gain/ (loss) on plan assets	(0.60)	-
Contributions	10.45	-
Benefits paid	(0.57)	-
<b>Closing fair value of plan assets</b>	<b>38.77</b>	<b>26.79</b>
<b>Movement the Net Liability Recognized in Balance Sheet</b>		
Changes In Present Value of Defined Benefit Obligation	83.74	50.85
Changes In Fair Value of Plan Assets	38.77	26.79
<b>Closing Net Liability</b>	<b>44.97</b>	<b>24.07</b>
<b>Expenses Recognized in Statement of Profit &amp; Loss</b>		
Current Service Cost	17.74	10.61
Interest Cost	3.92	1.80
Expected Return on Plan Assets	(2.69)	(2.16)
Actuarial (Gain)/loss	12.40	15.94
<b>Expenses recognized in the Statement of Profit &amp; Loss #</b>	<b>31.36</b>	<b>26.20</b>

# The Expenses recognized in Profit & Loss A/c during Previous year is Rs.1.89 Lakhs which is net of Gratuity Expenses as per Actuarial Valuation above Less Excess provisions of earlier years.

Amount in ₹ Lakhs

<b>25. Finance costs</b>	<b>For the Year Ended 31st March 2016</b>	<b>For the Year Ended 31st March 2015</b>
Interest expense	771.96	833.63
Other borrowing costs	519.18	457.46
<b>Total</b>	<b>1,291.14</b>	<b>1,291.09</b>



**Notes to the financial statement for the year ended 31st March 2016**

Amount in ₹ Lakhs

<b>26. Other Expenses</b>	<b>For the Year Ended 31st March 2016</b>	<b>For the Year Ended 31st March 2015</b>
<b>Manufacturing Expenses</b>		
Power & Fuel	777.37	706.36
Stores and Spares consumed	96.33	117.94
Repairs to Machineries	52.16	19.51
Repairs to Buildings	13.81	10.49
Excise Duty #	(8.32)	155.01
Exchange Difference	1.13	4.43
Other Manufacturing Expenses	206.01	191.64
<b>Selling and Distribution Expenses</b>		
Advertisement, Publicity and Sales Promotion	102.73	105.78
Commission on Sales	104.21	120.37
Freight Outward & Other Selling Expenses	697.07	677.02
Discount & Other Expenses	514.42	267.69
<b>Other</b>		
Payment to Auditors		
Statutory Audit Fees	7.50	7.50
Taxation Matters	0.75	0.75
Directors Sitting Fees	2.90	3.20
Rent##	50.75	37.28
Rates & Taxes	108.38	117.50
Travelling & Conveyance	67.66	58.53
Insurance	22.78	22.65
Bad Debts Written Off	13.10	76.94
Provision for Doubtful Debts/Loans	25.25	20.68
Communication Expenses	19.04	16.63
Legal & Professional Expenses	39.90	33.87
Office Expenses	17.97	15.42
Printing & Stationary Expenses	24.24	10.47
Charity & Donations	-	1.66
Miscellaneous Expenses	30.60	20.20
<b>Total</b>	<b>2,987.74</b>	<b>2,819.52</b>

# The company had recognised liability based on substantial degree of estimation for excise duty payable as on 31st march 2016 of Rs.155.01 Lakhs. Actual outflow is expected in the next financial year.

## The Company is lessee under various operating leases under which rental expenses for the year was Rs.13.07 Lakhs (Previous year: Rs.10.40 Lakhs). The Company has not executed any non-cancellable operating lease agreement

**Notes to the financial statement for the year ended 31st March 2016**

**27. Insurance Claim Receivable**

During the year 2010-11 on 21.03.2011 a fire occurred in main Raw Material godown at the factory premises of the Company and the Company has lodged the claim of Rs. 2547.69 Lakhs with the Insurance Company and the same was accounted as 'Insurance Claim Receivable'. The Claim is finally settled by Insurance Company for Rs. 1640.86 Lakhs on 12.04.2012. The Management has filed lawsuit against the Insurance Company as the claim is fully recoverable. The Management is confident of realizing the amount due from the Insurance Company and accordingly no adjustments are made to the financial results of the Company in this regard.

**28.** During the year search u/s 132(1) of the Income Tax 1961 was carried out at the various business premises of the company and at the residential premises of the directors and its associates. The Income Tax Department has made certain preliminary observations of the various affairs of the company but the final tax liability has not been ascertained and the matter is still under investigation. The management is of the view that in pursuance of the search no extra tax liability emerges and therefore it has not been considered necessary to make provision for additional tax liability. In view of same the Company has not filed the Income Tax Return for the Assessment Year 2015-16 i.e. Financial Year 2014-15 and the tax liability of Rs. 58.25 Lakhs net off advance tax and TDS is not paid till date of audit.

**29. Earnings Per Share (EPS)**

S.No.	Particulars	31st March 2016	31st March 2015
i)	Net Profit after Tax as per Profit and Loss Statement attributable to Equity Shareholders (₹ in Lakhs)	373.70	330.50
ii)	Weighted Average number of Equity Shares used as denominator for calculating EPS	23,820,000.00	23,820,000.00
iii)	Basic and Diluted Earnings per Share (₹)	1.57	1.39
iv)	Face Value per Equity Share (₹)	10.00	10.00

**30. Contingent Liability not provided for :**

**Amount in ₹ Lakhs**

Contingent Liability not provided in respect of:	31st March 2016	31st march 2015
a. Disputed Income Tax demand	74.85	74.85
b. Disputed VAT,CST & entry Tax Demands	538.21	306.06
c. Guarantee Given by the company's Banker in the normal course of business	1,053.02	990.99
d. Letter of Credit purchase of goods	498.53	589.76
e. Other disputes	106.03	-

**Commitments**

	31st March 2016	31st march 2015
Capital Contracts remaining to be executed	289.12	65.31

- (a) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities
- (b) The Company does not expect any reimbursements in respect of the above contingent liabilities.
- (c) The Company's pending litigations comprise of claims against the Company pertaining to proceedings pending with Income Tax, Sales/ VAT tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

**31.** 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.

**Notes to the financial statement for the year ended 31st March 2016**

32. The Company is engaged mainly in production of pipes and fittings 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 the company mainly operates within India.

**33. Details of Investment in Jointly Controlled Entity :**

Firm's Name	Partners' Name	Share of Capital		Holding Ratio		Profit & Loss Sharing Ratio	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Mangal Murti Minerals	Texmo Pipes & Products Ltd.	6,170,371.00	4,690,000.00	90.99%	88.47%	90.00%	90.00%
	Mohit Agrawal	611,250.00	611,250.00	9.01%	11.53%	10.00%	10.00%
	<b>Total</b>	<b>6,781,621.00</b>	<b>5,301,250.00</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**34. RELATED PARTY DISCLOSURES:**

As per Accounting Standard 18, the disclosures of transaction with the related parties are given below:

**a) As per Accounting Standard 18, the disclosures of transaction with the related parties are given below:**

S No.	Relationship	Name of Related Parties
1	Key Management Personnel	Mr. Sanjay Agrawal (Managing Director)
		Mr. Vijay Prasad Pappu (Whole time Director)
		Mrs. Rashmidevi Agrawal (Chair Person)
2	Subsidiary	Texmo Petrochemicals LLP
		Tapti Pipes & Products Ltd. FZE
3	Enterprises in which Key Managerial Personnel are able to exercise significant influence	Shree Venkatesh Industries
		Shree Padmavati Irrigations Private Limited
4	Jointly Controlled Entity	Mangal Murti Minerals
5	Enterprise in which Relative of Key Managerial Personnel are able to exercise significant influence	C.P Industial Products Private Limited
		Rahul Developers Private Limited
		Shree Vasudeo Industries



**Notes to the financial statement for the year ended 31st March 2016**

**b) Transactions during the year with Related Parties**

S. No	Transactions	Key Management Personnel	Subsidiary	Enterprises in which Key Managerial Personnel are able to exercise significant influence	Joint Venture/ jointly Controlled Entity	Enterprise in which Relative of Key Managerial Personnel are able to exercise significant influence
1	Purchase of Goods	NIL NIL	NIL NIL	NIL (0.94)	NIL NIL	1,748.37 (1,616.79)
2	Sale of Goods	NIL NIL	NIL NIL	0.04 NIL	NIL NIL	NIL NIL
3	Rent Paid	22.57 (14.51)	NIL NIL	NIL NIL	NIL NIL	NIL NIL
4	Rent Received	NIL NIL	NIL NIL	0.24 NIL	NIL NIL	NIL NIL
5	Remuneration Paid	48.00 (48.00)	NIL NIL	NIL NIL	NIL NIL	NIL NIL
6	Loan Taken	525.38 (80.00)	1.00 NIL	90.00 NIL	NIL NIL	NIL NIL
7	Loan Repaid	270.38 NIL	1.00 NIL	40.00 NIL	NIL NIL	NIL (4.03)
8	Loan Received Back	NIL NIL	NIL NIL	NIL NIL	NIL NIL	28.37 NIL
9	Investment in Jointly Controlled Entity	NIL NIL	NIL NIL	NIL NIL	14.80 (24.00)	NIL NIL
10	Investment in Subsidiary	NIL NIL	0.20 NIL	NIL NIL	NIL NIL	NIL NIL

**Balance as at 31st March 2016**

11	Long Term Borrowing	335.00 (80.00)	NIL NIL	50.00 NIL	NIL NIL	NIL NIL
12	Trade and Other Payable	19.67 (4.80)	NIL NIL	NIL NIL	NIL NIL	369.27 (337.24)
13	Investments	NIL NIL	4,555.93 (4,556.13)	NIL NIL	61.70 (46.90)	NIL NIL
14	Trade and other Receivable	NIL NIL	NIL NIL	NIL (55.48)	NIL NIL	NIL NIL
15	Loan and Advances	NIL NIL	620.54 (620.54)	NIL NIL	NIL NIL	NIL (28.37)

**Notes to the financial statement for the year ended 31st March 2016**
**c) Disclosure in Respect of Related Party Transaction during the year**
**Amount in ₹ Lakhs**

<b>Particulars</b>	<b>Relationship</b>	<b>2015-16</b>	<b>2014-15</b>
<b><u>Purchase of Goods</u></b>			
Shree Vasudeo Industries	Enterprises in which Key Managerial Personnel are able to exercise significant influence	1,748.37	1,616.79
Shree Padmavati Irrigation Private Limited	Enterprises in which Key Managerial Personnel are able to exercise significant influence	-	0.94
<b><u>Sale of Goods</u></b>			
Shree Padmavati Irrigation Private Limited	Enterprises in which Key Managerial Personnel are able to exercise significant influence	0.04	-
<b><u>Rent Paid</u></b>			
Mr. Sanjay Agrawal	Key Management Personnel	16.93	9.06
Mrs. Rashmidevi Agrawal	Key Management Personnel	5.63	5.46
<b><u>Rent Received</u></b>			
Shree Padmavati Irrigation Private Limited	Enterprises in which Key Managerial Personnel are able to exercise significant influence	0.24	-
<b><u>Remuneration Paid</u></b>			
Mr. Sanjay Agrawal	Key Management Personnel	36.00	36.00
Mr. Vijay Prasad Pappu	Key Management Personnel	12.00	12.00
<b><u>Loan Taken</u></b>			
Mr. Sanjay Agrawal	Key Management Personnel	471.38	55.00
Mrs. Rashmidevi Agrawal	Key Management Personnel	54.00	25.00
M/s Shree Padmavati Irrigation Pvt. Ltd.	Enterprises in which Key Managerial Personnel are able to exercise significant influence	90.00	-
Texmo Petrochemical Private Limited	Subsidiary	1.00	-
<b><u>Loan Repaid</u></b>			
Mr. Sanjay Agrawal	Key Management Personnel	246.38	-
Mrs. Rashmidevi Agrawal	Key Management Personnel	24.00	-
Rahul Developers Private Limited	Enterprises in which Key Managerial Personnel are able to exercise significant influence	-	4.03
M/s Shree Padmavati Irrigation Pvt. Ltd.	Enterprises in which Key Managerial Personnel are able to exercise significant influence	40.00	-
<b><u>Loan Received Back</u></b>			
C.P. Industrial Products Pvt. Ltd., Texmo Petrochemical Private Limited	Enterprises in which Key Managerial Personnel are able to exercise significant influence	28.37	-
	Subsidiary	1.00	-
<b><u>Capital Contribution in Partnership Firm Investment</u></b>			
Mangal Murti Minerals	Jointly Controlled Entity	14.80	24.00
<b><u>Investment in Subsidiary</u></b>			
Texmo Petrochemical LLP	Subsidiary	0.20	-

**Notes to the financial statement for the year ended 31st March 2016**

<b><u>Long Term Borrowing</u></b>			
Shri Sanjay Agrawal	Key Management Personnel	280.00	55.00
Mrs. Rashmidevi Agrawal	Key Management Personnel	55.00	25.00
M/s Shree Padmavati Irrigation Pvt. Ltd.	Enterprises in which Key Managerial Personnel are able to exercise significant influence	50.00	-
<b><u>Trade and Other Payable</u></b>			
Shri Sanjay Agrawal	Key Management Personnel	18.78	3.58
Mrs. Rashmidevi Agrawal	Key Management Personnel	0.04	0.35
Mr. Vijay Prasad Pappu	Key Management Personnel	0.85	0.87
Shree Vasudeo Industries	Enterprises in which Key Managerial Personnel are able to exercise significant influence	368.73	337.24
<b><u>Advance to Customer</u></b>			
Shree Venkatesh Industries	Enterprise in which Relative of Key Managerial Personnel are able to exercise significant influence	0.54	-
<b><u>Investment</u></b>			
Mangal Murti Minerals	Joint Venture/Jointly Controlled Entity	61.70	46.90
Texmo Petrochemical LLP	Subsidiary	199.80	200.00
Tapti Pipes & Products LTD FZE	Subsidiary	4,356.13	4,356.13
<b><u>Trade and Other Receivable</u></b>			
Shree Padmavati Irrigation Private Limited	Enterprise in which Relative of Key Managerial Personnel are able to exercise significant influence	-	55.11
Shree Venkatesh Industries	Enterprise in which Relative of Key Managerial Personnel are able to exercise significant influence	-	0.36
<b><u>Loans And Advances</u></b>			
Tapti Pipes & Products LTD FZE	Subsidiary Companies	620.54	620.54
C.P Industrial Products Private Limited	Enterprise in which Relative of Key Managerial Personnel are able to exercise significant influence	-	28.37

35. The Company has recognized exchange differences arising on foreign currency items in line with Accounting Standard-11 Pursuant to above Net Exchange Loss on purchase of Raw Material and Machinery Spare Parts relating to the financial year 2015-16 amounting to Rs. 1.13 Lakhs (PY Rs. 4.43 Lakhs) has been recognized as Expense.

**36. Imported and Indigenous Consumption:**

Amount in ₹ Lakhs

S.No.	Particulars	2015-16		2014-15	
		Amount	Percentage	Amount	Percentage
(a)	<b>Raw Materials</b>				
	Imported (Including High Sea)	1,376.46	8.23%	1,164.02	7.01%
	Indigenous	15,343.08	91.77%	16,095.74	92.99%
	<b>Total</b>	<b>16,719.55</b>	<b>100.00%</b>	<b>17,259.76</b>	<b>100%</b>
(b)	<b>Packing Material</b>				
	Imported (Including High Sea)	-	0.00%	-	0.00%
	Indigenous	169.99	100.00%	229.74	100.00%
	<b>Total</b>	<b>169.99</b>	<b>100.00%</b>	<b>229.74</b>	<b>100.00%</b>
(c)	<b>Store And Spares</b>				
	Imported (Including High Sea)	3.13	3.25%	1.38	1.17%
	Indigenous	93.20	96.75%	116.56	98.83%
	<b>Total</b>	<b>96.33</b>	<b>100.00%</b>	<b>117.94</b>	<b>100.00%</b>



**Notes to the financial statement for the year ended 31st March 2016**

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

Amount in ₹ Lakhs

S.No.	Particulars	2015-16	2014-15
(a)	Raw Materials	978.40	1,102.00
(b)	Spare Parts	2.37	1.38
(c)	Capital Goods	-	-
		<b>980.76</b>	<b>1,103.38</b>

**38. Expenditure in Foreign Currency**

Amount in ₹ Lakhs

Particulars	2015-16	2014-15
Finance Charges	79.89	81.25
<b>Total</b>	<b>79.89</b>	<b>81.25</b>

**39. Un-hedged foreign currency exposure**

a) Particulars of un-hedged foreign currency exposures as at the reporting date

Amount in USD Lakhs

Particulars	2015-16	2014-15
Trade Payables	2.79	-

b) Mark To Mark profit

Amount in ₹ Lakhs

Particulars	2015-16	2014-15
Mark-to-market Profit recorded	4.32	-

40. Balances of creditor and debtors/advances are subject to confirmation/reconciliation and consequential adjustment, if any.
41. The company has established Unit No. 2 and is eligible for incentive under Madhya Pradesh Industrial Investment Promotion Assistance Scheme-2004, Wherein 75% of VAT and CST paid shall be refunded till F.Y 2018-19. During the year ended 31st March 2016, incentive as mentioned are booked in Other Operating Income of Rs. 137.10 Lakhs (P.Y Rs. 171.15 Lakhs).
42. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.
43. In the opinion of the Board of Director the current assets, loans and advance have a virtue 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 of reasonably necessary.

*As per our report of even date*

**For Pankaj Somaiya & Associates LLP**  
Firm Registration No. 010081C/C400001  
Chartered Accountants

**CA Pankaj Somaiya**  
Partner  
Membership No.079918

**Place:** Burhanpur (M.P.)  
**Date:** 27th May, 2016

**For Texmo Pipes and Products Limited**

**Sanjay Agrawal**  
Managing Director  
[DIN: 00316249]

**Vijay Prasad Pappu**  
Whole Time Director cum CFO  
[DIN: 02066748]

**Shyam Sundar Agrawal**  
Company Secretary

**Independent Auditors' Report on Consolidated Financial Statements**

**To**  
**The Members,**  
**Texmo Pipes and Products Limited**

**Report on the Consolidated Financial Statements**

We have audited the accompanying Consolidated Financial Statements of **Texmo Pipes And Products Limited** ("the Company") and its subsidiaries & its Joint Ventures (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements")

**Management's Responsibility for Consolidated Financial Statements**

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act as applicable. The respective Board of Directors of the Companies included in the Group and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of these consolidated financial statements by the Board of Directors of the Company.

**Auditors' Responsibility**

Our responsibility is to express an opinion on consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provision of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditors, on the financial statements of the subsidiary, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, and its consolidated profit and its consolidated cash flows for the year ended on that date.

**Emphasis of Matter**

We draw attention to the following matters in the Notes forming part to the consolidated financial statements:

- (i) Note 28 to the consolidated financial statements, which describe the uncertainty related to the outcome of the law suit filed against the Insurance Company.
- (ii) Note 29 to the consolidated financial statements, which states that the search u/s 132(1) of the Income Tax Act, 1961 was carried out during the year. Since it is under investigation no provision has been made.
- (iii) Note 30 to the consolidated financial statements that no provision has been made during the year in respect of balance outstanding for trade receivables, advance to suppliers and other receivables in respect of one of the subsidiary "Tapti Pipes & Products Limited FZE" which in the opinion of the management are considered good & are fully recoverable.

Our opinion is not modified in respect of these matters.



**Other Matter**

We did not carry out the audit of the financial statements of one subsidiary company, whose financial statements reflect total assets of ₹ 6,671.81 Lakhs as at 31st March, 2016, total revenue of nil and net cash inflow of (₹ 3.16 Lakhs) for the year then ended on that date. These financial statements have been audited by other auditor whose report have been furnished to us by the management, and in our opinion on the consolidated financial statement, insofar as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of a subsidiary , as noted in the 'Other Matter' paragraph we report, to the extent applicable, that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.;
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those book and the reports of the other auditors.;
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - e. On the basis of written representations received from the directors of the Company as on March 31, 2016, taken on record by the Board of Directors of the Company , none of the directors of the group companies incorporated in India are disqualified as on March 31, 2016 from being appointed as a director of that company in terms of Section 164 (2) of the Act;
  - f. With respect to the adequacy of internal financial control over financial reporting of the Company it's subsidiary company and the jointly controlled entity, incorporated in India and operating effectiveness of such controls, refer to our separate report in 'Annexure A'; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company and its subsidiary companies incorporated in India.
  - g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of a subsidiary, as noted in the 'Other Matter' paragraph:
    - i The Group has disclose the impact of pending litigations on the Consolidated financial position of the Group and its jointly controlled entity -refer note 33 to the consolidated financial statements.
    - ii. Provision has been made in the Consolidated Financial statements, as required under the applicable laws or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and protection Fund by the Company and its subsidiary company and the jointly controlled entity incorporated in India.

**For Pankaj Somaiya & Associates LLP**  
**Chartered Accountants**  
**Firm Regn. No. 010081C/C400001**

**CA Pankaj Somaiya**  
**Partner**  
**Membership No. 79918**

**Place:** Burhanpur (MP)  
**Date:** 27<sup>th</sup> May, 2016



**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of TEXMO PIPES & PRODUCTS Limited ("the company") as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of the company, its subsidiary company and its jointly controlled entity incorporated in India as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the of the company, its subsidiary company and jointly controlled entity incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company, its subsidiary company and jointly controlled entity incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the company's, its subsidiary company's and jointly controlled entity's incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained the audit evidence obtained by other auditors in terms of their reports referred to in other matter paragraph is sufficient and appropriate to provide a basis for our audit opinion on the company's, its subsidiary company's and jointly controlled entity's incorporated in India, internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the company, its subsidiary company and the jointly controlled entity incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the company, its subsidiary company and the jointly controlled entity incorporated in India, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Pankaj Somaiya & Associates LLP  
Chartered Accountants  
Firm Regn. No. 010081C/C400001**

**Place:** Burhanpur (MP)  
**Date:** 27<sup>th</sup> May, 2016

**CA Pankaj Somaiya  
Partner  
Membership No. 79918**

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2016**

Amount in ₹ Lakhs

Particulars	Note	As at 31st March 2016	As at 31st March 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	2	2,382.00	2,382.00
(b) Reserves and surplus	3	11,720.33	11,014.79
		14,102.33	13,396.79
<b>Non-current liabilities</b>			
(a) Long-term borrowings	4	1,056.85	811.06
(b) Deferred tax liabilities (Net)	5	236.47	257.03
(c) Other Long term liabilities	6	188.60	168.16
		1,481.92	1,236.25
<b>Current liabilities</b>			
(a) Short-term borrowings	7	4,645.71	4,384.53
(b) Trade payables	8	4,250.17	3,972.52
(c) Other current liabilities	9	1,257.05	1,076.51
(d) Short-term provisions	10	114.33	77.80
		10,267.25	9,511.35
		<b>25,851.50</b>	<b>24,144.39</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets	11		
(i) Tangible assets		4,250.61	4,485.00
(ii) Intangible assets		17.51	24.74
(iii) Capital work-in-progress		104.50	45.52
(b) Non-current investments	12	16.92	16.92
(c) Long-term loans and advances	13	746.03	678.68
(d) Other non-current assets	14	1,344.55	1,309.00
		6,480.11	6,559.86
<b>Current assets</b>			
(a) Inventories	15	7,450.00	6,891.14
(b) Trade receivables	16	9,597.38	8,736.10
(c) Cash and cash equivalents	17	1,111.06	961.20
(d) Short-term loans and advances	18	992.09	760.44
(e) Other current assets	19	220.86	235.65
		19,371.39	17,584.54
<b>TOTAL</b>		<b>25,851.50</b>	<b>24,144.39</b>

The Notes form an Integral part of these financial statements

As per our report of even date

For **Pankaj Somaiya & Associates LLP**

Firm Registration No. 010081C/C400001

Chartered Accountants

**CA Pankaj Somaiya**

Partner

Membership No.079918

Place: Burhanpur (MP)

Date: 27<sup>th</sup> May, 2016

For **Texmo Pipes and Products Limited**

**Sanjay Agrawal**

Managing Director

[DIN: 00316249]

**Vijay Prasad Pappu**

Whole Time Director cum CFO

[DIN: 02066748]

**Shyam Sundar Agrawal**

Company Secretary

**Consolidated Statement of Profit and Loss for the Year Ended 31<sup>st</sup> March, 2016**

Amount in ₹ Lakhs

Particulars	Note	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
<b>Revenue</b>			
Revenue from operations(Gross)	20	28,053.42	33,535.61
Less: Excise Duty		(2,266.58)	(2,388.70)
		25,786.83	31,146.90
Other income	21	245.69	162.61
<b>Total Revenue</b>		<b>26,032.52</b>	<b>31,309.52</b>
<b>Expenses:</b>			
Cost of materials consumed	22	16,889.54	17,489.50
Purchases of Stock-in-Trade	23	2,595.95	7,843.14
Changes in inventories	24	93.42	(101.18)
Employee benefits expense	25	1,128.54	910.03
Finance costs	26	1,291.27	1,291.09
Other Expenses	27	3,036.29	2,853.39
Depreciation and amortization expense	10	550.62	525.44
Preliminary Expenses		-	1.54
<b>Total expenses</b>		<b>25,585.64</b>	<b>30,812.94</b>
<b>Profit before tax</b>		<b>446.88</b>	<b>496.57</b>
<b>Tax expense:</b>			
(1) Current tax		137.60	149.23
(2) Deferred tax		(20.56)	8.65
(3) Short/(Excess) Provision for Tax for earlier years		-	(2.14)
<b>Profit for the year</b>		<b>329.85</b>	<b>340.84</b>
<b>Earnings per equity share of ₹ 10 each</b>			
(1) Basic ( ₹ )	32	1.38	1.43
(2) Diluted ( ₹ )		1.38	1.43
Weighted Average number of Shares outstanding		2,38,20,000	2,38,20,000

The Notes form an Integral part of these financial statements

As per our report of even date

For **Pankaj Somaiya & Associates LLP**

Firm Registration No. 010081C/C400001

Chartered Accountants

For **Texmo Pipes and Products Limited**

**CA Pankaj Somaiya**

Partner

Membership No.079918

**Sanjay Agrawal**

Managing Director

[DIN: 00316249]

**Vijay Prasad Pappu**

Whole Time Director cum CFO

[DIN: 02066748]

**Place:** Burhanpur (MP)

**Date:** 27<sup>th</sup> May, 2016

**Shyam Sundar Agrawal**

Company Secretary



**Consolidated Cash Flow Statement for the year ended 31st March 2016**
**Amount in ₹ Lakhs**

		Year Ended 31st March 2016		Year Ended 31st March 2015	
<b>A.</b>	<b>Cash Flow arising from operating Activities</b>				
	Profit before tax and exceptional items as per Statement of Profit & Loss		446.87		496.58
	<b>Add/Deduct</b>				
	a) Depreciation and amortization expenses	550.62		526.98	
	b) Finance Cost	1,291.28		1,291.09	
	c) Interest Income	(115.31)		(138.73)	
	d) Provisions for Doubtful Debts & Advances	25.25		20.68	
	e) (Profit)/Loss on Sale of Asset/Investments	(38.33)		(2.75)	
	f) Provision no longer Required	(9.67)		(42.86)	
			1,703.84		1,654.42
	Operating cash profit before working capital changes		2150.71		2,150.99
	<b>Add/Deduct</b>				
	a) Increase/(Decrease) in Trade and other Payables	278.14		1,159.11	
	b) (Increase)/Decrease in Trade and other Receivables	(621.65)		(283.39)	
	c) (Increase)/Decrease in Inventories	(558.86)		(800.21)	
		(902.38)		75.52	
Cash Flow from Operations		1,248.33		2,226.51	
<b>Deduct</b>					
Direct Taxes (Net)		(177.23)		(69.04)	
Net Cash Inflow in Course of operating Activities		1,071.10		2,157.47	
<b>B.</b>	<b>Cash Flow arising from Investing Activities :</b>				
	<b>Inflow</b>				
	a) Interest Received	115.31		138.73	
	b) Increase in other long term liabilities	20.44		86.40	
	c) Proceeds from Long Term Loans & Advances	59.74		80.10	
	d) Profit/(Loss) on Sale of Asset/Investment	38.33		2.75	
			233.83		307.98
	<b>Outflow</b>				
	a) Purchase of Tangible Assets	(350.81)		(167.55)	
	b) Long Term Investment in Joint Venture/ Partnership Firm	(0.00)		(35.45)	
	c) Long Term Investment in Property	-		(16.92)	
	d) Movement in Long term Loans & Advances	(55.89)		-	
	e) Movement in Short term Loans & Advances	-		(166.15)	
	f) Movement in Deposits	(203.42)		(298.72)	
			(610.12)		(684.79)
Net Cash Inflow/(Outflow)in the course of Investing Activities		(376.29)		(376.81)	
<b>C.</b>	<b>Cash Flow arising from Financing Activities :</b>				
	<b>Inflow</b>				
	a) Proceeds from Long Term Loans	288.59		162.10	
	b) Proceeds from Short Term Loans	261.17		2.65	
			549.76		164.75
	<b>Outflow</b>				
	a) Repayment of Short term Borrowings	(2.73)		(573.74)	
	b) Finance Charges	(1,291.28)		(1,291.09)	
			(1294.01)		(1864.83)
	Net Cash Inflow/(Outflow)in the course of Financing Activities		(744.25)		(1,700.08)
	Net Increase/(decrease)in cash or cash equivalents (A+B+C)		(49.72)		80.58
	Effects of Exchange Difference on translation of Cash & Cash equivalents		(0.38)		0.35
	<b>Add:</b> Balance at the beginning of the year		149.66		68.62
	<b>Less:</b> Cash & Cash Equivalent at the close of the year		99.56		149.54

The Notes form an Integral part of these financial statements

As per our report of even date

 For **Pankaj Somaiya & Associates LLP**

Firm Registration No. 010081C/C400001

Chartered Accountants

 For **Texmo Pipes and Products Limited**
**CA Pankaj Somaiya**

Partner

Membership No.079918

**Sanjay Agrawal**  
 Managing Director  
 [DIN: 00316249]

**Vijay Prasad Pappu**  
 Whole Time Director cum CFO  
 [DIN: 02066748]

**Place:** Burhanpur (MP)

**Date:** 27<sup>th</sup> May, 2016

**Shyam Sundar Agrawal**  
 Company Secretary

**Significant Accounting Policies**

**I. Basis of Preparation of Financial Statements**

- a. The financial statements have been prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis and in consonance with the mandatory accounting standards as prescribed under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the provision of the Act (to the extent notified), and guidelines issued by Securities and Exchange Board of India (SEBI). The financial statements for the financial year ended 31st March, 2016 have been prepared as per the requirements of the Schedule III to the Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy.
- b. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

**II. Principles of Consolidation**

- a. The consolidated financial statements have been prepared by the Company in accordance with the requirements of the Accounting Standard (AS) 21 – “Consolidated Financial Statements”. The financial statements of the Company and its subsidiaries and the joint venture (on a proportionate basis, as per AS 27 "Financial Reporting of Interest in Joint Ventures") have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra –group balances, intra –group transactions and unrealized gain/ loss.
- b. In translating the financial statements of non-integral foreign operations for incorporating in the Consolidated Financial Statements, the assets and liabilities are translated at the exchange rate prevailing at the Balance Sheet date. Income and expense items of non-integral foreign operations are translated at the average rates of the exchange for the year. The resulting exchange differences are disclosed under the 'Foreign Currency Translation Reserve' until the disposal of the net investment in non-integral operations.
- c. The financial Statements of Company and its Subsidiaries and Jointly controlled entity have been consolidated using uniform accounting policies.

**III. Use of Estimates**

In preparation of financial statements estimates and assumptions are required to be made in conformity with GAAP, which affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Any revisions to the accounting estimates are recognized prospectively in the current and future periods.

**IV. Mine Under Development**

The cost of Exploration (Prospecting) and other Development Expenditure of Mine is capitalized and booked in Mine Exploration Expenditure account and grouped under Capital Work in Progress till the mines are workable and are brought to revenue. The ore obtained during Development activity is adjusted against such expenditure at its desired realizable value.

**V. Fixed Assets**

**a. Tangible**

Tangible fixed assets are carried at cost of acquisition or construction, less accumulated depreciation. The cost of fixed assets includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other directly attributable costs related to the acquisition or construction of the respective assets. Profit or loss on disposal of tangible asset is recognised in the statement of profit and Loss.

**b. Intangible**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any. Profit or loss on disposal of intangible assets is recognised in the statement of profit and loss.

**VI. Depreciation and Amortization:**

Depreciation is charged on Straight Line Method over the useful lives of assets as prescribed in schedule II to the Companies Act, 2013. Depreciation on assets purchased/sold during the year is proportionately charged. In respect of the following assets, useful life estimated is different than those prescribed in Schedule II;

<b>Asset</b>	<b>Useful Life</b>
Dies and Moulds	8 years



Intangible Assets are amortized over their respective individual estimated useful lives on Straight Line basis, commencing from the date the asset is available for its use. The Computer Software SAP is amortized over a period of 5 years.

**VII. Impairment of Assets**

The Group 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 Statement of Profit and Loss. 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.

**VIII. Foreign Currency Transactions by Indian Companies:**

- a. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- b. Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.
- c. Non-monetary foreign currency items are carried at cost.
- d. Exchange differences arising on a monetary item that is receivable from a non-integral foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future are accumulated in Foreign Currency Translation Reserve (FCTR). The exchange differences so accumulated in FCTR are reclassified to the Statement of Profit and Loss as and when settlement occurs.
- e. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss Statement.

**IX. Investments**

- a. Investments which are intended for sale within twelve months are classified as current investment.
- b. Others are classified as long term investment.
- c. Cost of investment comprises of the purchase price and any directly attributable expenses incurred.
- d. Current investments are carried at the lower of cost and fair value computed individually.

Long term Investment are stated at cost. Provision for diminution in the value of long term investment is made, only if, in the opinion of the management, such a decline is registered as being other than temporary

**X. Inventories**

- a. Raw material, work in progress, finished goods, packing materials, stores, spares, components consumables and stock-in trade are carried at the lower of cost and net realizable value Damaged unserviceable and inert stocks are suitably written down/provided for. Reusable waste is valued at net realizable value.
- b. In determining cost of raw material, packing materials, stock-in trade, stores, spares, component and consumable, weighted average cost method is used. Cost of inventory comprises all cost of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.
- c. Cost of finished goods and work in progress includes costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is computed on weighted Average basis. Excise Duty in respect of finished goods lying at the factory premises have been provided for and included in valuation of inventory where the excise duty is payable.
- d. Goods or materials in transit are valued at cost to date.

**XI. Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit/ (loss) before extraordinary items and tax is adjusted for the effect of transaction of non-cash nature and any deferrals or accrual of past or future cash receipts or payment. The cash flow from operating, investing and financing activities of the Company is segregated based on the available information.

**XII. Cash and Cash Equivalent**

Cash and cash equivalent include cash and cheques in hand, bank balance, demand deposits with banks and other short-term highly liquid investment where the original maturity is three month or less.

**XIII. Revenue Recognition**

- a. Revenue from sale of goods is recognized on transfer of all significant risks and rewards of ownership to



the buyer. The amount recognized as sale is exclusive of sales tax/VAT and is net of returns. Sales are stated gross of excise duty as well as net of excise duty; excise duty being the amount included in the amount of gross turnover. The excise duty related to the difference between the closing stock and opening stock is recognized separately as part of changes in inventories of finished goods, work in progress and stock in trade.

b. Interest income is recognized on the time proportion basis.

**XIV. Government Grant**

The Group recognizes Government grants only when there is reasonable accuracy and conditions attached to them shall be complied with, and the grants will be received. The Revenue grants are recognised in the Profit and loss account in the period in which these are accrued.

**XV. Employee Benefits**

**a. Short term Employee Benefits :**

Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss of the year in which the related service is rendered.

**b. Post Employment Benefits :**

- i. Defined Contribution Plan: The Company's contribution paid/payable during the year to Provident Fund, Employee State Insurance are considered as Defined Contribution Plans. The contribution paid/payable under these plans are recognised during the period in which the employee render services.
- ii. Defined Benefit Plan: Employee Benefits in the nature of Gratuity are recognised as an expense in the statement of Profit and Loss for the period in which the employee has rendered services. The company contributes towards Gratuity Fund administered by LIC of India for eligible employees. Under this scheme the settlement obligations remain with the company, although insurer administer the scheme and determine the contribution premium required to be paid by the company. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the company. Liability with regard to Gratuity Fund is accrued based on actuarial valuation conducted by an independent Actuary as at 31st March each year.

**XVI. Borrowing Cost**

Borrowing Cost attributable to acquisitions and construction of qualifying assets are capitalized as a part of cost of such assets up to the date when such assets are ready for its intended use. A Qualifying Asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged in the Statement of Profit & Loss in the period in which they are incurred

**XVII. Leases**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. Operating lease rentals are expensed with reference to lease terms and other considerations. Lease rentals should be recognized on straight line basis. There are no finance leases.

**XVIII. Taxation**

Tax expense comprises of Current Tax and Deferred Tax. 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.

**XIX. Earnings per share**

The Basic and Diluted Earnings Per Share ("EPS") is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

**XX. Provisions, Contingent Liabilities and Contingent Assets**

The Group creates a provision when there exists a present obligation as a result of a past event that probably requires an outflow of resource and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resource. When there is possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in the financial statements.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

**1. Group Information**

The Company, its subsidiaries and its joint venture (jointly referred to as the 'Group' herein under) considered in these consolidated financial statements are:

**Company**

Texmo Pipes & Products Limited (the 'Company') is a public limited company domiciled in India and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

**Subsidiaries**

Name of the Subsidiary	Country of Incorporation	% of Voting Power held as at 31st March 2016	% of Voting Power held as at 31st March 2015
Texmo Petrochemical LLP (refer note 1.1)	India	99.90%	100.00%
Tapti Pipes & Products Limited FZE	UAE	100.00%	100.00%

1.1 Voting power of 0.10% is held by Mr Sanjay Kumar Agrawal and Mrs Rashmi Devi Agrawal on behalf of the Company.

**Joint Venture**

Name of the Entity	Country of Incorporation	% of Ownership Interest, as at 31st March 2016	% of Ownership Interest, as at 31st March 2015
Mangal Murti Minerals	India	90.99%	88.47%

Amount in ₹ Lakhs

2. Share Capital	As at 31st March 2016	As at 31st March 2015
Authorised 3,00,00,000 (Previous Year 3,00,00,000) Equity Shares of ₹ 10 each	3,000.00	3,000.00
Issued Subscribed & Paid up 2,38,20,000 (Previous Year 2,38,20,000) Equity Shares of ₹ 10 each fully paid up	2,382.00	2,382.00
<b>Total</b>	<b>2,382.00</b>	<b>2,382.00</b>

**2.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31st March 2016		As at 31st March 2015	
	Number	Amount in Lakhs	Number	Amount in Lakhs
Shares outstanding at the beginning of the year	2,38,20,000	2,382	2,38,20,000	2,382
Add: Shares Issued during the year	-	-	-	-
Less: Buy back of shares during the year	-	-	-	-
Shares outstanding at the end of the year	2,38,20,000	2,382	2,38,20,000	2,382

**2.2 Right, Preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10/-per share. Each shareholder is eligible for one vote per share. The dividend proposed by board of directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their share holding.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

**2.3 Details of shareholders holding more than 5% shares in the company :**

Particulars	As at 31st March 2016		As at 31st March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sanjay Kumar Agrawal	3,896,474	16.36%	3,556,000	14.93%
Rashmi Devi Agrawal	3,377,592	14.18%	3,223,500	13.53%

Amount in ₹ Lakhs

3. Reserves & Surplus	As at 31st March 2016	As at 31st March 2015
<b>Securities Premium Reserve</b> As per last Balance Sheet	6,564.04	6,564.04
(A)	<b>6,564.04</b>	<b>6,564.04</b>
<b>Foreign Currency Translation Reserve</b> As per last Balance Sheet	559.75	559.75
(+) Additions		
From Holding Company		-
From Foreign Subsidiary ( <i>Tapti Pipes &amp; Products Ltd FZE</i> )	1,678.65	1,302.96
(B)	<b>2,238.40</b>	<b>1,862.71</b>
<b>Profit and Loss Account</b> As per last Balance Sheet	2,588.04	2,252.42
Add : Net Profit/(Net Loss) For the current year	329.85	340.84
Less : Adjustment relating to Fixed Assets (net of Deferred Tax) (Refer Note 11.1)		(5.22)
(C)	<b>2,917.89</b>	<b>2,588.04</b>
<b>Total (A+B+C)</b>	<b>11,720.33</b>	<b>11,014.79</b>

3.1 During the previous year, the Company has adopted estimated useful life of fixed assets as stipulated by Schedule II to the Companies Act, 2013. Accordingly, adjustments to Fixed Assets of Rs. 5.22 Lakhs (net of Deferred Tax of Rs. 2.50 Lakhs) on account of assets whose useful life is already exhausted on April 01, 2014 has been adjusted against General Reserve.

Amount in ₹ Lakhs

4. Long Term Borrowings	As at 31st March 2016	As at 31st March 2015
<b>Term loans</b>		
<b>From banks</b>		
Secured	337.20	479.29
<b>From Others</b>		
Secured	134.06	78.69
Unsecured	200.59	173.08
	<b>671.85</b>	<b>731.06</b>
<b>Loans and Advances From Related Parties</b>		
Unsecured (refer note 36)	385.00	80.00
<b>Total</b>	<b>1,056.85</b>	<b>811.06</b>



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

**4.1 Nature of Security and terms of repayment for Long Term Secured Borrowings**

**Nature of Security**

a) HDFC Bank Term Loan of Rs. 100.36 (Previous Year : Rs.107.32 Lakhs) secured by Mumbai office of the Company.

b) Bank of Baroda Term Loan for Plant & Machinery of Rs. 293.66 Lakhs (Previous Year: Rs.407.18 Lakhs), repayable within 66 months including initial moratorium period of 6 months, repayable by October 2019, secured on pari-pasu charge on plant & Machinery and Personal Guarantees and Corporate Guarantees of Mr. Sanjay Kumar Agrawal, Mrs. Rashmi Devi Agrawal, Shree Padmavati Irrigation Pvt. Ltd., Balaji Industries and Venkatesh Industries.

c) Vehicle Loan of Rs.113.67 Lakhs (Previous Year: Rs.114.37 Lakhs). The Loan are secured by way of hypothecation of respective motor vehicle purchased.

d) Secured Loan From Others include Loan from Religare Fin Vest Limited of Rs.78.07 Lakhs (Previous Year: Rs. 83.80 Lakhs), secured by Equitable Mortgage of Indore Office.

e) Secured Loan From Others include Loan from Reliance Capital Limited of Rs. 78.83 Lakhs (Previous Year: Nil), secured by Hypothecation of Plant & Machinery, disbursed in November 2015 of Rs.83.00 Lakhs repayable from January 2016.

f) Bank of India Term Loan for Indore Godown is Nil (Previous Year: Rs. 14.70 Lakhs), secured by Equitable mortgage of Godown and Personal Guarantees of Directors Mr. Sanjay Kumar Agrawal, Mr. Vijay Prasad Pappu and Mrs. Rashmi Devi Agrawal.

**4.2: Terms of Repayment for Long Term Unsecured Borrowing Borrowings**

g) Unsecured Loan From Others include Loan from Religare Fin Vest Limited of Rs.14.27 Lakhs (Previous Year: Rs. 25.75 Lakhs).

h) Unsecured Loan From Others includes Loan from Bajaj Finance Limited of Rs.7.99 Lakhs (Previous Year: Rs.33.11 Lakhs, disbursed in February 2015 of Rs. 35.35 Lakhs repayable in 18 equal monthly installments, repayable by September 2016.

**4.3 : Terms of Repayment for loan Related Parties**

i) Loans & Advances from Related parties Include Loan from Managing Director Mr. Sanjay Agrawal of Rs.280.00 Lakhs (Previous Year - Rs.55.00 Lakhs) , Chairperson Mrs. Rashmi Devi Agrawal - Rs. 55.00 Lakhs (Previous Year Rs. 25.00 Lakhs) & Shree Padmavati Irrigations Pvt. Ltd., Indore- Rs.50.00 Lakhs (Previous Year - Nil)

**Terms of Repayment**

Repayable in 120 equal monthly installments starting from May 2014 . Last installment due in April 2024. Rate of interest 12% p.a. as at year end.(Previous Year 12%).

Repayable in 60 equal monthly installments starting from November 2013. Last installment due in November 2018. Rate of interest 13.50% p.a. as at year end.(Previous Year 13.50%).

Repayable in 36 to 60 equal monthly installments. Rate of interest in range of 9.81% to 14.00% p.a. (Previous Year 9.81% to 14.00% p.a.).

Repayable in 120 equal monthly installments starting from May 2014 . Last installment due in April 2024. Rate of interest 13.50% p.a. as at year end.(Previous Year 13.50 %).

Repayable in 48 equal monthly installments, starting from January 2016. Last installment due in December 2019. Rate of interest 15.00% p.a. as at year end.(Previous Year Nil).

Repayable in 57 equal monthly installments starting from September 2010. Last installment due in November 2015. Rate of interest 11.00% p.a. as at year end.(Previous Year 11.00 %).

**Terms of Repayment**

Repayable in 36 equal monthly installments starting from May 2014. Last installment due in April 2017. Rate of interest 18.50% p.a. as at year end.(Previous Year 18.50%).

Repayable in 18 equal monthly installments starting from. Last installment due in September 2016. Rate of interest 19.12% p.a. as at year end.(Previous Year %).

The loan is Interest free, and repayable after three years.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

4.4: Installments falling due within a year in respect of all the above loans aggregating Rs. 215.09 Lakhs (Previous Year Rs.203.19) Lakhs have been grouped under "current Maturities of long term debt (refer note 8)

Amount in ₹ Lakhs

<b>5. Deferred Tax Liability (Net)</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
<b>Deferred Tax Liabilities</b>		
Related to Fixed Assets (refer note 5.1)	272.92	274.54
<b>Deferred Tax Assets</b>		
Provision For Doubtful Trade Receivable	18.44	11.25
Provision for Doubtful Loans & Advances	2.97	1.43
Gratuity Payable	14.88	4.51
Preliminary Expenses	0.16	0.32
<b>Total</b>	<b>236.47</b>	<b>257.03</b>

5.1: Refer Note 3.1 for utilisation of Deferred Tax of Nil (2014-15: Rs. 2.50 Lakhs) on depreciation on account of assets whose useful life is already exhausted on April 01, 2014 has been adjusted against General Reserve.

Amount in ₹ Lakhs

<b>6. Other Long Term Liabilities</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
<b>Others</b>		
Security Deposits from Dealers (refer note 6.1)	117.25	96.81
Advances for sale of Properties	13.10	13.10
Provision for Tax (refer note 29)	58.25	58.25
<b>Total</b>	<b>188.60</b>	<b>168.16</b>

6.1 Security Deposits from Dealers carry interest obligation @ 10% p.a.

Amount in ₹ Lakhs

<b>7. Short Term Borrowings</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
<b>Secured</b>		
Loans repayable on demand :		
Working Capital Loan		
From banks (refer note 7.1)	4,181.10	3,911.20
From others (refer note 7.2)	464.61	473.33
<b>Total</b>	<b>4,645.71</b>	<b>4,384.53</b>

7.1 Working Capital Loans are from Consortium of Banks State Bank of India and Bank of Baroda led by State Bank of India where in, SBI Cash Credit Loan of Rs. 2854.41 Lakhs (Previous Year: Rs. 3647.24 Lakhs), Bank Of Baroda Cash Credit Loan of Rs. 645.81 (Previous Year: Rs. 704.98 Lakhs), Punjab National Bank cash Credit Loan of Rs. 381.23 Lakhs (Previous Year: Nil) and Central Bank of India Cash Credit Loan of Rs. 184.29 Lakhs (Previous Year: Nil) secured by first Pari-pasu charge (between consortium members) on whole of companies present & future stocks of Raw Material, Finished Goods, Stock in Process, Stores & Spares and other Raw Material, and the companies present and future book debts, outstanding monies, receivable, claims, bills, Contracts, engagements, securities, investments, rights and assets of the company. The working capital facilities as above are further secured by way of equitable mortgage of Immovable Properties of the company and promoters, Related Entities and Personal Guarantees and Corporate Guarantees of Mr. Sanjay Kumar Agrawal, Mrs. Rashmi Devi Agrawal, Shree Padmavati Irrigations Private Limited, Shree Balaji Industries and Shree Venkatesh Industries.

7.2 Working Capital Loans from others includes Raw Material NSIC assistance of Rs.473.33 Lakhs (Previous Year: Rs.480.12 Lakhs) is secured by bank guarantees

Amount in ₹ Lakhs

<b>8. Trade Payables</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
Acceptances	2,595.78	2,286.25
Other than Acceptances (refer note 8.1 & 8.2)	1,654.39	1,686.27
<b>Total</b>	<b>4,250.17</b>	<b>3,972.52</b>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**
**Note 8.1 Details of dues towards MSME units**

Amount in ₹ Lakhs

Particulars	As at 31st March 2016	As at 31st March 2015
Principal amount remaining unpaid and interest due thereon	475.49	366.53
Interest paid in terms of Sec 16		
Interest due and payable for the period of delay in payment	70.50	6.23
Interest accrued and remaining unpaid	-	-
Interest due and payable even in the succeeding years	-	-

**8.2** The identification of suppliers as Micro, Small and Medium Enterprise defined under "The Micro, Small and Medium Enterprises Development Act, 2006" was done on the basis of information to the extent provided by the suppliers of the Company.

Amount in ₹ Lakhs

9. Other Current Liabilities	As at 31st March 2016	As at 31st March 2015
(a) Current maturities of long-term debt	215.01	203.19
(b) Interest accrued but not due on borrowings;	5.41	6.16
(c) Statutory Liabilities	77.74	60.84
(d) Advance from customers	282.39	531.67
(e) Gratuity Payable (refer note 24.1 [b])	44.97	24.07
(f) Other Payables (refer note 9.1)	631.52	250.58
<b>Total</b>	<b>1,257.05</b>	<b>1,076.51</b>

**9.1** The company has recognised liability based on substantial degree of estimation for excise duty payable as on 31st march 2016 of Rs. 146.69 Lakhs (previous year Rs.155.01 Lakhs). Actual outflow is expected in the next financial year.

Amount in ₹ Lakhs

10. Short Term Provisions	As at 31st March 2016	As at 31st March 2015
Provision for Employee Benefits	114.33	77.31
Provision for tax	-	0.49
<b>Total</b>	<b>114.33</b>	<b>77.80</b>



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

**11. FIXED ASSETS**

**Amount in ₹ Lakhs**

Assets	ACCUMULATED DEPRECIATION and AMORTISATION								NET BLOCK		
	As at 01.04.2015	Addition during the year	Deduction during the year	As at 31.03.2016	As at 31.03.2015	For the year	Transitional Adjustments (Refer Note 22)	Deductions	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
<b>i) Tangible Assets</b>											
Freehold Land	198.70	-	-	198.70	-	-	-	-	-	198.70	198.70
Factory Buildings	877.65	-	-	877.65	135.38	27.81	-	-	163.19	714.47	742.28
Office Buildings	289.52	-	-	289.52	23.55	4.50	-	-	28.05	261.47	265.97
Plant & Machinery	5,083.13	280.66	(25.79)	5,338.00	2,100.55	440.52		(25.79)	2,515.28	2,822.72	2,982.58
Furniture & Fixture	130.54	1.11	-	131.64	47.63	15.34	-	-	62.97	68.68	82.91
Vehicles	329.95	32.09	(31.13)	330.90	156.74	42.40		(19.32)	179.82	151.09	173.21
Office Equipment	95.44	6.95	-	102.39	56.09	12.82	-	-	68.91	33.48	39.35
<b>Total Tangible Assets</b>	<b>7,004.93</b>	<b>320.81</b>	<b>(56.92)</b>	<b>7,268.81</b>	<b>2,519.92</b>	<b>543.39</b>	<b>-</b>	<b>(45.10)</b>	<b>3,018.21</b>	<b>4,250.61</b>	<b>4,485.00</b>
<b>ii) Intangible Assets</b>											
Computer Software	38.39	-	-	38.39	13.65	7.23	-	-	20.88	17.51	24.74
<b>Total Intangible Assets</b>	<b>38.39</b>	<b>-</b>	<b>-</b>	<b>38.39</b>	<b>13.65</b>	<b>7.23</b>	<b>-</b>	<b>-</b>	<b>20.88</b>	<b>17.51</b>	<b>24.74</b>
<b>iii) Capital Work In Progress</b>	<b>45.52</b>	<b>58.98</b>		<b>104.50</b>						<b>104.50</b>	<b>45.52</b>
<b>Total (i)+(ii)+(iii)</b>	<b>7,088.83</b>	<b>379.79</b>	<b>(56.92)</b>	<b>7,411.69</b>	<b>2,533.57</b>	<b>550.62</b>	<b>-</b>	<b>(45.10)</b>	<b>3,039.09</b>	<b>4,372.62</b>	<b>4,555.26</b>
<b>Previous Year</b>	<b>6,739.44</b>	<b>457.30</b>	<b>-</b>	<b>7,196.74</b>	<b>2,000.41</b>	<b>525.44</b>	<b>7.72</b>	<b>-</b>	<b>2,533.57</b>	<b>4,663.16</b>	<b>4,745.71</b>

**11.1** During previous year pursuant to the enactment of companies Act 2013, the Company has applied the estimated useful lives as specified in schedule II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation and Amortization. Accordingly the amortized carrying value is being depreciated/Amortized over the revised/remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted net of tax, in the opening balance of Profit and Loss account amounting to Rs. 5.22 Lakhs

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

Amount in ₹ Lakhs

<b>12. Non - Current Investments</b>	<b>As at 31st march 2016</b>	<b>As at 31st march 2015</b>
<b>Investment in Property (Freehold Land)</b>	16.92	16.92
<b>Total</b>	<b>16.92</b>	<b>16.92</b>

Amount in ₹ Lakhs

<b>13. Long Term Loans and Advances</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
<b>Capital Advances (advance for capital goods)</b> (Unsecured, considered good )	33.53	17.00
<b>Security Deposits</b> (Unsecured, considered good )	121.72	85.44
<b>Loans and Advances to related parties</b>		
Unsecured, considered good	-	19.86
Unsecured, considered doubtful	-	8.51
Less : Provision for doubtful Loans and Advances	-	8.51
	-	19.86
<b>Other Loans Advances (Unsecured, considered good)</b>	-	-
Inter Corporate Deposits	-	-
Unsecured, considered good	150.50	202.82
Unsecured, considered doubtful	-	1.16
less : Provision for doubtful loans & advances	-	1.16
	150.50	202.82
Advance Tax & TDS	39.08	-
Advance amount paid under protest	273.19	158.01
Incentives Receivable from Government	89.34	152.28
Others	38.66	43.26
<b>Total</b>	<b>746.03</b>	<b>678.68</b>

Amount in ₹ Lakhs

<b>14. Other non current assets</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
Insurance claim receivable (refer note 28)	714.38	714.38
Other Receivable	630.16	594.61
<b>Total</b>	<b>1,344.55</b>	<b>1,309.00</b>

Amount in ₹ Lakhs

<b>15. Inventories</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
Raw Materials	5,051.35	4,325.43
Packing Materials	40.08	111.07
Finished goods (refer note 15.1)	2,072.50	2,139.92
Stock in trade	248.83	274.84
Stores and spares	37.24	39.89
<b>Total</b>	<b>7,450.00</b>	<b>6,891.14</b>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

**15.1** Stock of Finished goods includes uninsured consignment stock of Rs. 102.28 Lakhs (P.Y. Rs. 153.11 Lakhs) and stock at branch of Rs. 91.06 Lakhs (P.Y. Rs. 41.41 Lakhs). In respect of inventory lying with consignees' no third party confirmation is being obtained.

Amount in ₹ Lakhs

<b>16. Trade Receivables</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
<b>Trade Receivable outstanding for a period exceeding six month from the date they are due for payment:</b>		
Unsecured, Considered good	6,476.54	6,186.41
Unsecured, Considered doubtful	40.11	19.52
less: Provision for doubtful debts	40.11	19.52
	6,476.54	6,186.41
<b>Trade Receivable outstanding for a period less than six month from the date they are due for payment:</b>		
Unsecured, considered good	3,120.84	2,549.69
<b>Total</b>	<b>9,597.38</b>	<b>8,736.10</b>

Amount in ₹ Lakhs

<b>17. Cash and Bank Balances</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
<b>Cash and cash equivalents:</b>		
Cash in Hand	25.43	24.27
Bank Balance :		
In Current Account	70.55	125.27
	95.98	149.54
<b>Other Bank Balances</b>		
In deposit account #	1,015.08	811.66
<b>Total</b>	<b>1,111.06</b>	<b>961.20</b>

#As margin money of bank guarantee and letter of credit.

Amount in ₹ Lakhs

<b>18. Short-term loans and advances</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
Balances with Tax Authorities	82.03	83.24
Prepaid Expenses	53.11	62.74
<b>Other Loans &amp; Advances (Unsecured, Considered good)</b>		
Advance to employees	20.89	12.23
Advance to others	171.28	33.63
Advance to Suppliers	126.63	113.44
Loans and advances others	146.38	200.49
<b>Incentives Receivable from Government</b>	391.77	254.68
<b>Total</b>	<b>992.09</b>	<b>760.44</b>

Amount in ₹ Lakhs

<b>19. Other Current Assets</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
Assets Held for Sale (Freehold Land) (refer note 19.1)	220.86	235.65
<b>Total</b>	<b>220.86</b>	<b>235.65</b>



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

Amount in ₹ Lakhs

<b>20. Revenue from Operations</b>	<b>For the Year Ended 31st March 2016</b>	<b>For the Year Ended 31st March 2015</b>
<b>Sale of Products</b>		
Sale of Manufactured Goods	24,885.85	25,185.13
Sale of Traded goods	3,017.43	8,167.47
<b>Other Operating Revenue</b>		
Selfit Charges	13.04	11.86
VAT/CST Subsidy for industrial promotion	137.10	171.15
<b>Total</b>	<b>28,053.42</b>	<b>33,535.61</b>

**20.1 Details of Sale of Product**

Amount in ₹ Lakhs

<b>Manufactured Goods</b>	<b>2015-16</b>	<b>2014-15</b>
Pipes & Fittings	24,885.85	25,185.13
Others	-	-
	<b>24,885.85</b>	<b>25,185.13</b>
<b>Sale of Traded goods</b>		
Pipes & Fittings	2,511.57	1,010.37
Others	505.86	408.57
	<b>3,017.43</b>	<b>1,418.94</b>

Amount in ₹ Lakhs

<b>21. Other Income</b>	<b>For the Year Ended 31st March 2016</b>	<b>For the Year Ended 31st March 2015</b>
Interest Income	115.23	103.60
Gain on Sale of investment in Property	41.73	2.75
Gain on Sale of Fixed Asset	(3.40)	-
Provisions no longer required written back	9.67	42.86
Miscellaneous Income	82.46	13.40
<b>Total</b>	<b>245.69</b>	<b>162.61</b>

Amount in ₹ Lakhs

<b>22. Cost of material consumed</b>	<b>For the Year Ended 31st March 2016</b>	<b>For the Year Ended 31st March 2015</b>
Raw Materials Consumed (refer note 22.1)	16,719.55	17,259.76
Packing Materials Consumed (refer note 22. 2)	169.99	229.74
<b>Total</b>	<b>16,889.54</b>	<b>17,489.50</b>

<b>22.1 Cost of Raw Material consumed</b>		
Opening Stock	4,325.43	3,668.74
Add: Purchases	17,445.47	17,916.45
	21,770.90	21,585.19
Less : Closing Stock	5,051.35	4,325.43
<b>Consumption</b>	<b>16,719.55</b>	<b>17,259.76</b>
<b>22.2 Cost of Packing Material consumed</b>		
Opening Stock	111.06	62.37
Add: Purchases	99.00	278.43
	210.06	340.80
Less : Closing Stock	40.07	111.06
<b>Consumption</b>	<b>169.99</b>	<b>229.73</b>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

Amount in ₹ Lakhs

<b>23. Purchase of traded goods</b>	<b>For the Year Ended 31st March 2016</b>	<b>For the Year Ended 31st March 2015</b>
Pipes & Fittings	315.08	849.08
Others	2,280.88	6,994.06
<b>Total</b>	<b>2,595.95</b>	<b>7,843.14</b>

Amount in ₹ Lakhs

<b>24. Changes in Inventories of Finished Goods, Stock-in-Process &amp; Stock-in-Trade</b>	<b>For the Year Ended 31st March 2016</b>	<b>For the Year Ended 31st March 2015</b>
<b>Inventories (at close)</b>		
Stock-in-Trade	248.83	274.84
Stock of Manufactured Goods	2,072.50	2,139.92
	<b>2,321.33</b>	<b>2,414.75</b>
<b>Inventories (at commencement)</b>		
Stock-in-Trade	274.84	586.26
Stock of Manufactured Goods	2,139.92	1,727.31
	<b>2,414.75</b>	<b>2,313.57</b>
<b>Net (Increase)/Decrease</b>	<b>93.42</b>	<b>(101.18)</b>

Amount in ₹ Lakhs

<b>25. Employees benefit expenses</b>	<b>For the Year Ended 31st March 2016</b>	<b>For the Year Ended 31st March 2015</b>
Salaries, Wages & Bonus	983.42	813.12
Contributions to Provident and other funds (refer note 25.1)	111.16	70.66
Staff welfare Expenses	33.96	26.26
<b>Total</b>	<b>1,128.54</b>	<b>910.03</b>

**25.1** As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below :

**(a) Defined Contribution Plans**

Contribution to Defined Contribution Plans recognized as expense for the year is as under

Amount in ₹ Lakhs

<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>
Employer's Contribution to Provident Fund	48.94	41.55
Employer's Contribution to State Insurance	30.87	27.21

**(b) Defined Benefit Plan**

The employees' gratuity funds scheme managed by a Trust (Life Insurance Corporation of India of the Company) is a defined benefit plan.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

Amount in ₹ Lakhs

<b>Gratuity Plan</b>	<b>31/03/2016</b>	<b>31/03/2015</b>
<b>Defined benefit obligation :</b>		
<b>Actuarial assumptions</b>		
Discount Rate	7.70%	8.00%
Salary escalation rate (p.a.)	7.00%	7.00%
Expected Return on Plan Assets	8.51%	8.75%
Mortality rate [Indian Assured Lives (2006-08) Ultimate]		
<b>Change in present value of the defined benefit obligation</b>		
Opening balance	50.85	22.50
Current service cost	17.74	10.61
Interest cost	3.92	1.80
Actuarial loss/ (gain) on obligation	11.80	15.94
Benefits paid	(0.57)	-
<b>Closing balance</b>	<b>83.74</b>	<b>50.85</b>
<b>Change in fair value of plan assets</b>		
Opening fair value of plan assets	26.79	24.63
Expected return on plan assets	2.69	2.16
Actuarial gain/ (loss) on plan assets	(0.60)	-
Contributions	10.45	-
Benefits paid	(0.57)	-
<b>Closing fair value of plan assets #</b>	<b>38.77</b>	<b>26.79</b>
<b>Movement the Net Liability Recognized in Balance Sheet</b>		
Changes In Present Value of Defined Benefit Obligation	83.74	50.85
Changes In Fair Value of Plan Assets	38.77	26.79
<b>Closing Net Liability</b>	<b>44.97</b>	<b>24.07</b>
<b>Expenses Recognized in Statement of Profit &amp; Loss</b>		
Current Service Cost	17.74	10.61
Interest Cost	3.92	1.80
Expected return On Plan Assets	(2.69)	(2.16)
Actuarial (Gain)/loss	12.40	15.94
<b>Expenses recognized in the Statement of Profit &amp; Loss #</b>	<b>31.36</b>	<b>26.20</b>

# The Expenses recognized in Profit & Loss A/c during Previous year is Rs.1.89 Lakhs which is net of Gratuity Expenses as per Actuarial Valuation above Less Excess provisions of earlier years.

Amount in ₹ Lakhs

<b>26. Finance costs</b>	<b>For the Year Ended 31st March 2016</b>	<b>For the Year Ended 31st March 2015</b>
Interest expense	771.96	833.63
Other borrowing costs	519.32	457.46
<b>Total</b>	<b>1,291.27</b>	<b>1,291.09</b>



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

Amount in ₹ Lakhs

27. Other Expenses	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
<b>Manufacturing Expenses</b>		
Power & Fuel	777.37	706.36
Stores and Spares consumed	96.33	117.94
Repairs to Machineries	52.16	19.51
Repairs to Buildings	13.81	10.49
Excise Duty <sup>#</sup>	(8.32)	155.01
Exchange Difference	1.13	4.43
Other Manufacturing Expenses	206.01	191.64
<b>Selling and Distribution Expenses</b>		
Advertisement, Publicity and Sales Promotion	102.73	105.78
Commission on Sales	104.21	120.37
Freight Outward & Other Selling Expenses	697.07	677.02
Discount & Other Expenses	514.42	267.69
<b>Other</b>		
Payment to Auditors		
Statutory Audit Fees	7.56	7.72
Taxation Matters	0.75	0.75
Directors Sitting Fees	2.90	3.20
Rent <sup>##</sup>	50.75	37.28
Rates & Taxes	108.38	117.50
Travelling & Conveyance	68.98	59.17
Insurance	22.78	22.65
Bad Debts Written Off	13.10	76.94
Provision for Doubtful Debts	25.25	20.68
Communication Expenses	19.04	16.63
Legal & Professional Expenses	45.22	37.52
Office Expenses	20.49	17.07
Printing & Stationary Expenses	24.24	10.47
Charity & Donations	-	1.66
Miscellaneous Expenses	69.93	47.90
<b>Total</b>	<b>3,036.29</b>	<b>2,853.39</b>

# Excise Duty shown under expenditure represents the aggregate of excise duty borne by the Company and difference between excise duty on opening and closing stock of finished goods.

## The Company is lessee under various operating leases under which rental expenses for the year was Rs. 13.07 Lakhs (Previous year: Rs.10.40 Lakhs). The Company has not executed any non-cancellable operating lease agreement.

**28. Insurance Claim Receivable**

During the year 2010-11 on 21.03.2011 a fire occurred in main Raw Material godown at the factory premises of the Company and the Company has lodged the claim of Rs. 2547.69 Lakhs with the Insurance Company and the same was accounted as 'Insurance Claim Receivable'. The Claim is finally settled by Insurance Company for Rs. 1640.86 Lakhs on 12.04.2012. The Management has filed lawsuit against the Insurance Company as the claim is fully recoverable. The Management is confident of realizing the amount due from the Insurance Company and accordingly no adjustments are made to the financial results of the Company in this regard.

29. During the year search u/s 132(1) of the Income Tax 1961 was carried out at the various business premises of the company and at the residential premises of the directors and its associates. The Income Tax Department has made certain preliminary observations of the various affairs of the company but the final tax liability has not been ascertained and the matter is still under investigation. The management is of the view that in pursuance of the search no extra tax liability emerges and therefore it has not been considered necessary to make provision for additional tax liability. In view of same the Company has not filed the Income Tax Return for

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

the Assessment Year 2015-16 i.e. Financial Year 2014-15 and the tax liability of Rs. 58.25 Lakhs net off advance tax and TDS is not paid till date of audit.

30. In case of the Foreign Subsidiary Company 'Tapti Pipes & Products Limited FZE', the component auditors' has drawn emphasis of matter paragraph in the absence of independent confirmation for the balances outstanding as on 31st March, 2016 with respect to Trade receivables of Rs. 3,705.17 Lakhs (USD 5.58 Million) advance to suppliers of Rs. 2,336.48 Lakhs (USD 3.51 Million) and other receivables of Rs. 630.16 Lakhs (USD 0.95 Million). However, the management considers the balances still good to be recovered and is confident of recoverability / realisation of the above other receivables, trade receivable and advance to suppliers, hence no provision is made as on March 31, 2016.
31. In respect of Jointly Controlled Entity, the Company's share of assets, liabilities, income and expenditure of the joint venture companies are as follows:

**Amount in ₹ Lakhs**

<b>Particulars</b>	<b>31st March 2016</b>	<b>31st March 2015</b>
<b>Assets</b>		
Fixed Assets	56.59	45.52
Non-Current Investments		-
Non-Current Assets	-	-
Current Investments		-
Current Assets	6.06	4.04
<b>Liabilities</b>		
Long Term Borrowings		-
Non-Current Liabilities and Provisions		-
Short Term Borrowings	0.95	2.65
Current Liabilities and Provisions	-	-
<b>Incomes</b>	-	-
<b>Expenses</b>	-	-

**32. Earnings Per Share (EPS)**

		<b>31st March 2016</b>	<b>31st March 2015</b>
i)	Net Profit after Tax as per Profit and Loss Statement attributable to Equity Shareholders ( ₹ in Lakhs)	329.85	340.84
ii)	Weighted Average number of Equity Shares used as denominator for calculating EPS	2,38,20,000	2,38,20,000
iii)	Basic and Diluted Earnings per Share ( ₹ )	1.38	1.43
iv)	Face Value per Equity Share ( ₹ )	10.00	10.00

**33. Contingent Liability and Commitments not provided for:**

**Amount in ₹ Lakhs**

<b>Contingent Liability not provided in respect of:</b>	<b>31st March 2016</b>	<b>31st March 2015</b>
a. Disputed Income Tax demand	74.85	74.85
b. Disputed VAT,CST & entry Tax Demands	538.21	306.06
c. Guarantee Given by the company's Banker in the normal course of business	1,053.02	990.99
d. Letter of Credit purchase of goods	498.53	589.76
e. Other Disputes	106.03	-

<b>Commitments</b>	<b>31st March 2016</b>	<b>31st March 2015</b>
Capital Contracts remaining to be executed	326.22	65.31

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

- (a) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.
  - (b) The Company does not expect any reimbursements in respect of the above contingent liabilities.
  - (c) The Company's pending litigations comprise of claims against the Company pertaining to proceedings pending with Income Tax, Sales/ VAT tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.
34. 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.
35. The Company is engaged mainly in production of pipes and fittings 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 the company mainly operates within India.

**36. RELATED PARTY DISCLOSURES:**

As per Accounting Standard 18, the disclosures of transaction with the related parties are given below:

**a) As per Accounting Standard 18, the disclosures of transaction with the related parties are given below:**

S No.	Relationship	Name of Related Parties
1	Key Management Personnel	Mr. Sanjay Agrawal (Managing Director)
		Mr. Vijay Prasad Pappu (Whole time Director)
		Mrs. Rashmi Devi Agrawal (Chairperson)
2	Enterprises in which Key Managerial Personnel are able to exercise significant influence	Shree Venkatesh Industries
		Shree Padmavati Irrigations Private Limited
3	Enterprise in which Relative of Key Managerial personnel are able to exercise significant influence	C.P Industrial Products Private Limited
		Rahul Developers Private Limited
		Shree Vasudeo Industries

**a) Transactions during the year with Related Parties**

**Amount in ₹ Lakhs**

S. No	Transactions	Key Management Personnel	Enterprises in which Key Managerial Personnel are able to exercise significant influence	Enterprise in which Relative of Key Managerial Personnel are able to exercise significant influence
1	Purchase of Goods	NIL NIL	NIL (0.94)	1,748.37 (1,616.79)
2	Sale of Goods	NIL NIL	0.04 NIL	NIL NIL
3	Rent Paid	22.57 (14.51)	NIL NIL	NIL NIL
4	Rent Received	NIL NIL	0.24 NIL	NIL NIL
5	Remuneration Paid	48.00 (48.00)	NIL NIL	NIL NIL



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

6	Loan Taken	525.38 (80.00)	90.00 NIL	NIL NIL
7	Loan Repaid	270.38 NIL	40.00 NIL	NIL (4.03)
8	Loan Received Back	NIL NIL	NIL NIL	28.37 NIL

**Balance as at 31st March 2016**

9	Long Term Borrowing	335.00 (80.00)	50.00 NIL	NIL NIL
10	Trade and Other Payable	19.67 (4.80)	NIL NIL	369.27 (337.24)
11	Trade and other Receivable	NIL NIL	NIL (55.48)	NIL NIL
12	Loan and Advances	NIL NIL	NIL NIL	NIL (28.37)

**b) Disclosure in Respect of Related Party Transaction during the year**

Amount in ₹ Lakhs

Particulars	Relationship	2015-16	2014-15
<b><u>Purchase of Goods</u></b>			
Shree Vasudeo Industries	Enterprises in which Key Managerial Personnel are able to exercise significant influence	1,748.37	1,616.79
Shree Padmavati Irrigation Private Limited	Enterprises in which Key Managerial Personnel are able to exercise significant influence	-	0.94
<b><u>Sale of Goods</u></b>			
Shree Padmavati Irrigation Private Limited	Enterprises in which Key Managerial Personnel are able to exercise significant influence	0.04	-
<b><u>Rent Paid</u></b>			
Mr. Sanjay Agrawal	Key Management Personnel	16.93	9.06
Mrs. Rashmi Devi Agrawal	Key Management Personnel	5.63	5.46
<b><u>Rent Received</u></b>			
Shree Padmavati Irrigation Private Limited	Enterprises in which Key Managerial Personnel are able to exercise significant influence	0.24	-
<b><u>Remuneration Paid</u></b>			
Mr. Sanjay Agrawal	Key Management Personnel	36.00	36.00
Mr. Vijay Prasad Pappu	Key Management Personnel	12.00	12.00
<b><u>Loan Taken</u></b>			
Mr. Sanjay Agrawal	Key Management Personnel	471.38	55.00
Mrs. Rashmi Devi Agrawal	Key Management Personnel	54.00	25.00
M/s Shree Padmavati Irrigation Pvt. Ltd.	Enterprises in which Key Managerial Personnel are able to exercise significant influence	90.00	-

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

<b><u>Loan Repaid</u></b>			
Mr. Sanjay Agrawal	Key Management Personnel	246.38	-
Mrs. Rashmi Devi Agrawal	Key Management Personnel	24.00	
Rahul Developers Private Limited	Enterprises in which Key Managerial Personnel are able to exercise significant influence	-	4.03
M/s Shree Padmavati Irrigation Pvt. Ltd.	Enterprises in which Key Managerial Personnel are able to exercise significant influence	40.00	-
<b><u>Loan Received Back</u></b>			
C.P. Industrial Products Pvt. Ltd.,	Enterprises in which Key Managerial Personnel are able to exercise significant influence	28.37	-
<b><u>Long Term Borrowing</u></b>			
Mr. Sanjay Agrawal	Key Management Personnel	280.00	55.00
Mrs. Rashmi Devi Agrawal	Key Management Personnel	55.00	25.00
M/s Shree Padmavati Irrigation Pvt. Ltd.	Enterprises in which Key Managerial Personnel are able to exercise significant influence	50.00	-
<b><u>Trade and Other Payable</u></b>			
Mr. Sanjay Agrawal	Key Management Personnel	18.78	3.58
Mrs. Rashmi Devi Agrawal	Key Management Personnel	0.04	0.35
Mr. Vijay Prasad Pappu	Key Management Personnel	0.85	0.87
Shree Vasudeo Industries	Enterprises in which Key Managerial Personnel are able to exercise significant influence	368.73	337.24
<b><u>Advance to Customer</u></b>			
Shree Venkatesh Industries	Enterprise in which Relative of Key Managerial Personnel are able to exercise significant influence	0.54	-
<b><u>Trade and Other Receivable</u></b>			
Shree Padmavati Irrigation Private Limited	Enterprise in which Relative of Key Managerial Personnel are able to exercise significant influence		55.11
Shree Venkatesh Industries	Enterprise in which Relative of Key Managerial Personnel are able to exercise significant influence		0.36
<b><u>Loans And Advances</u></b>			
C.P Industrial Products Private Limited	Enterprise in which Relative of Key Managerial Personnel are able to exercise significant influence	-	28.37

37. The audited financial statements of the subsidiaries are available as on 31st March 2016 and same has been considered for the preparation of the consolidated financial statements. Figures pertaining to the subsidiary companies and jointly controlled entity have been reclassified wherever necessary to bring them in line with the group financials.

38. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.

The Notes form an Integral part of these financial statements

*As per our report of even date*

For **Pankaj Somaiya & Associates LLP**

Firm Registration No. 010081C/C400001

Chartered Accountants

For **Texmo Pipes and Products Limited**

**CA Pankaj Somaiya**  
Partner  
Membership No.079918

**Sanjay Agrawal**  
Managing Director  
[DIN: 00316249]

**Vijay Prasad Pappu**  
Whole Time Director cum CFO  
[DIN: 02066748]

**Place:** Burhanpur (MP)  
**Date:** 27<sup>th</sup> May, 2016

**Shyam Sundar Agrawal**  
Company Secretary

**Form AOC-I**

**Statement containing salient feature of the financial statement of subsidiaries/associate companies/joint venture**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in ` Lacs)

<b>Name of Subsidiary</b>	<b>Texmo Petrochemicals LLP*</b>	<b>Tapti Pipes and Products Limited FZE (Note (i) &amp; (ii))</b>
Reporting period	2015-16	2015-16
Share capital	200.00	5826.33
Reserves & surplus	1.04	(30.84)
Total assets	201.85	6671.81
Total Liabilities	0.81	876.33
Investments	-	-
Turnover	14.17	--
Profit before taxation	0.53	(44.23)
Provision for taxation	0.16	--
Profit after taxation	0.37	(44.23)
Proposed Dividend	--	--
% of shareholding	99.90%	100%

\*Converted from Texmo Petrochemicals Pvt Ltd into Texmo Petrochemicals LLP on 18<sup>th</sup> September, 2015.

Note:

- i) Converted into Indian Rupees at the Exchange rate USD 1 = 66.33 INR.
- ii) The financial statements have been audited by a firm of Chartered Accountants other than Pankaj Somaiya & Associates LLP.



**Part “B”: Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

**(Amt in `Lacs)**

<b>Name of Jointly Controlled Entity</b>	<b>M/s. Mangal Murti Minerals</b>
<b>1. Latest audited Balance Sheet Date</b>	<b>31.03.2016</b>
<b>2. Shares of Jointly Controlled Entity held by the company on the year end</b>	
<b>Number</b>	<b>----</b>
<b>Amount of Investment in Jointly Control Entity</b>	<b>61.70</b>
<b>Extend of Holding %</b>	<b>90.99%</b>
<b>3. Description of how there is significant influence</b>	<b>Controlling interest &amp; Partner</b>
<b>4. Reason why the Jointly Controlled Entity is not consolidated</b>	<b>Not Applicable</b>
<b>5. Net worth attributable to Shareholding as per latest audited Balance Sheet</b>	<b>67.82</b>
<b>6. Profit / Loss for the year</b>	<b>Not Applicable</b>
i. Considered in Consolidation	<b>Yes</b>
ii. Not Considered in Consolidation	<b>----</b>

**Note 1.** Names of subsidiaries which are yet to commence operations: Mangal Murti Minerals,  
**2.** Names of subsidiaries which have been liquidated or sold during the year- Nil

**For: Pankaj Somaiya & Associates LLP**  
**Firm Reg No 010081C/C400001**  
**Chartered Accountants**

**For Texmo Pipes and Products Limited**

**CA Pankaj Somaiya**  
**Partner**  
**Membership No 079918**

**Sanjay Agrawal**  
**Managing Director**  
**(DIN 00316249)**

**Vijay Prasad Pappu**  
**Whole Time Director cum CFO**  
**(DIN 02066748)**

**Place : Burhanpur (M.P.)**  
**Date : 27<sup>th</sup> May, 2016**

**Shyam Sunder Agrawal**  
**Company Secretary**

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**ANNUAL GENERAL MEETING – 29.09.2016  
ADMISSION SLIP**

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.

Name (in block letters) \_\_\_\_\_

Member's Folio Number: \_\_\_\_\_

Name of Proxy (in block letters to be filled in case the Proxy attends instead of the Member) \_\_\_\_\_

\_\_\_\_\_ No. of Shares held \_\_\_\_\_

I hereby record my presence at the Annual General Meeting of Texmo Pipes and Products Limited on Thursday, 29th day of September 2016 at 11.30 A. M. at 98, Bahadarpur Road, Burhanpur (M.P.).

Please ( ) the appropriate box

Member

Proxy

\_\_\_\_\_  
Member's / Proxy's Signatures\*

Note: Please note that no gift/gift coupon will be distributed at the AGM.

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

(Please complete this attendance slip and hand it over at the entrance of the hall)



**TEXMO PIPES AND PRODUCTS LIMITED**

**CIN: L25200MP2008PLC020852**

**Regd. Office: 98, Bahadarpur Road, Burhanpur (M.P.) – 450 331**

**Ph. :( 07325) 255122, Fax (07325) 253273**

**Email: texmopipe@texmopipe.com Website: http://www.texmopipe.com**

**Form No. MGT-11**

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

CIN:	<b>L25200MP2008PLC020852</b>		
Name of Company:	<b>TEXMO PIPES AND PRODUCTS LIMITED</b>		
Registered Office :	<b>98, Bahadarpur Road, Burhanpur (M.P.) 450331</b>		
Name of Member (s) :			
Registered Address :			
E-mail Id :			
Folio No/Client Id		DP ID	

I/We, being the member(s) of ..... Shares of the above named company, hereby appoint

1.	Name			
	Address			
	E-mail Id		Signature	
	Or falling him			
2.	Name			
	Address			
	E-mail Id		Signature	
	Or falling him			
3.	Name			
	Address			
	E-mail Id		Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 8th Annual General Meeting of the Company, to be held on Thursday, 29th September, 2016 at 11:30 P.M at 98, Bahadarpur Road, Burhanpur (M.P.) 450331 and at any adjournment thereof in respect of such resolutions as are indicated below:-

\*\* I wish my above proxy to vote in the manner as indicated in the box below:-

<b>Resolutions</b>	<b>For</b>	<b>Against</b>
1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements for the year ended as at March 31 <sup>st</sup> , 2016, and the Reports of the Directors and the Auditors thereon for the said period.		
2. To appoint a Director in place of Mrs. Rashmi Devi Agrawal Who Retires by rotation and offers herself for reappointment.		
3. To ratify the appointment of Statutory Auditors and to fix their remuneration.		
4. To ratify remuneration of Cost Auditor under section 148 of Companies Act, 2013.		

**Texmo Pipes and Products Limited**  
**98, Bahadarpur Road, Burhanpur - 450 331, Madhya Pradesh**

Dear Shareholder,

The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. In accordance with the circular no. 17/2011 dated 21.04.2011 and circular no. 18/2011 dated 29.04.2011 issued by the Ministry, Companies can now send various notices and documents, including Annual Report, to its shareholders through electronic mode to the registered e- mail addresses of shareholders.

It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a Greener Environment. This is a golden opportunity for every shareholder of 'Texmo Pipes and Products Limited' to contribute to the Corporate Social Responsibility initiative of the Company. Further it will ensure instant and definite receipt of the reports by you.

We notice that your email ID is not available in our records. As we propose to send future Communications, in electronic mode, we request you to please fill up the form given herewith for registering your e-mail ID and end the same to the following address:

**Karvy Computershare Private Limited**  
 (Unit: Texmo Pipes and Products Limited)  
 Karvy Selenium Tower B, Plot 31-32, Gachibowli  
 Financial District, Nanakramguda, Hyderabad – 500 032  
 Email id :- shobha.anand@karvy.com

If the shares are held in electronic mode, please get your e-mail registered with your DP immediately. Please note that as a member of the Company you will be entitled to receive all such communication in Physical Form, upon request.

Thanking you,

Yours faithfully,  
 For **Texmo Pipes and Products Limited**  
**Sd/-**  
**Shyam Sundar Agrawal**  
 Company Secretary

**E-COMMUNICATION REGISTRATION FORM**

Folio No. /DP Id and Client ID: .....

Name of 1st Registered Holder: .....

Name of Joint Holder(s): .....

Registered Address: .....

.....

E-Mail address (to be Registered): .....

I/we Shareholder(s) of **Texmo Pipes and Products Limited** agree to receive communication from the Company in electronic mode. Please register my above e-mail ID for your records for sending communication through e-mail.

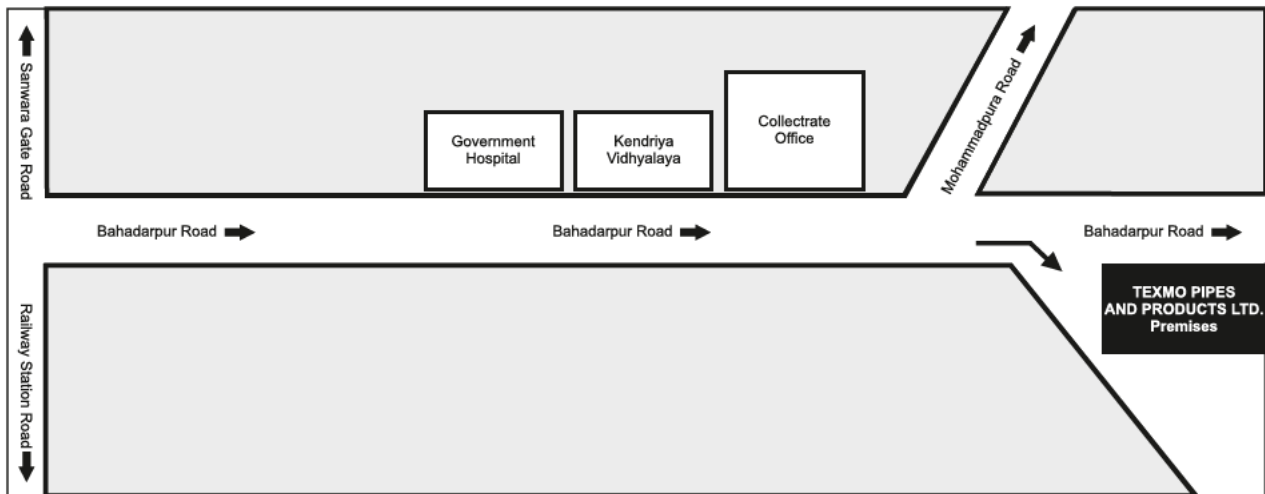
Date: .....

Signature: .....  
 (1st holder only)

**Note:**

Shareholder(s) are requested to keep the Company informed as when there is any change in the e-mail address.

### Location Map







पाइप्स एण्ड प्रोडक्ट्स लिमिटेड

सॉलिड एण्ड लिक प्रूफ

An ISO 9001 Certified Company



## TEXMO PIPES AND PRODUCTS LIMITED

Reg. Office - 98, Bahadarpur Road, BURHANPUR - 450 331 (M.P.)

Tel. 07325-255122, 252353, 251210, 253833 Fax : 07325-253273

[www.texmopipe.com](http://www.texmopipe.com) [texmopipe@texmopipe.com](mailto:texmopipe@texmopipe.com) [/Texmo Pipes and Products LTD](https://www.facebook.com/TexmoPipesandProductsLTD)

**Toll Free No. 1 800 270 0190**