



CHAIRMAN'S MESSAGE

Dear shareholders,

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

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

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

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

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

With warm wishes
Sanjay Agrawal
Chairman

Directors' Report

Dear Shareholders,

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

1. Performance Highlights

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

The highlights of the financial results are as follows:

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

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

2. Dividend:

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

3. Changes in share capital:

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

4. Industrial relations:

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

5. Directors:

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

6. Deposits-

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

7. Directors' Responsibility Statement:

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

- a. In the preparation of the annual accounts, the applicable accounting standard have been followed and that no material departure have been made from the same;
- b. That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

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

8. Code of conduct:

The Board has laid down a code of conduct for all Board members and Senior Management personnel of the Company. Board members and senior management personnel have affirmed compliance with the said code of conduct for the financial year 2009-10.

9. Auditors:

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

10. Particulars of Employees

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

11. Foreign Exchange Earnings and Outgo

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

12. Human Resource Management:

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

13. Dematerialization of Shares:

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

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

The details regarding Energy Conservation, Technology Absorption, Foreign Exchange Earning and outgo as required by section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of the particulars in the report of the Board of Directors) Rules, 1988 are given in Annexure-2 and forms part of this report.

15. Corporate Governance:

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

16. Acknowledgement:

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

FOR AND ON BEHALF OF THE BOARD

Sd/-
SANJAYAGRAWAL
CHAIRMAN &
MANAGING DIRECTOR

DATE: 10/08/2010
PLACE: BURHANPUR

ANNEXURE - 1

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

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

Place : BURHANPUR

Date : 10th August, 2010

ON BEHALF OF THE BOARD

Sd/-

SANJAY AGRAWAL

Chairman And Managing Director

ANNEXURE -2

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

Information as required under section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 is set out hereunder.

A. CONSERVATION OF ENERGY

(a) Energy Conservation Measures taken:

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

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

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

(c) Impact of the above measures:

The impact of the measures taken has positive.

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

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

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

Place : BURHANPUR

 Date : 10th August, 2010

FOR AND ON BEHALF ORDER OF THE BOARD

Sd/-

SANJAY AGRAWAL

Chairman And Managing Director

Report On Corporate Governance

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

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

The goal is achieved through:

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

2. BOARD OF DIRECTORS :

2.1 CONSTITUTION OF THE BOARD :

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

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

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

of more than five such committees.

2.2 MEETINGS :

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

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

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

The meetings were attended as follows:

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

2.3 REMUNERATION TO EXECUTIVE DIRECTORS :

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

Notes:

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

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

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

2.4 REMUNERATION TO NON-EXECUTIVE DIRECTORS:

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

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

2.5 DETAILS OF OTHER DIRECTORSHIP AND COMMITTEE MEMBERSHIP:

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

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

2.6 INFORMATION PLACED BEFORE THE BOARD OF DIRECTORS:

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

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

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

BOARD SUPPORT:

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

BOARD INDEPENDENCE:

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

2.7. DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT:

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

2.8. CEO/CFO CERTIFICATE:

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

2.9. CODE OF CONDUCT:

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

2.10 POLICY FOR PROHIBITION OF INSIDER TRADING:

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