

3rd ANNUAL REPORT
2010-2011



CORPORATE INFORMATION

<p>Board of Directors</p> <ol style="list-style-type: none"> 1. Mr. Sanjay Agrawal – Chairman and Managing Director 2. Mr. Vijay Prasad Pappu – Whole Time Director 3. Mr. Shanti Lal Badera – Non Executive Independent Director 4. Mr. Sunil Kumar Maheshwari – Non Executive Independent Director 5. Mr. Chakradhar Bharat Chhaya– Non Executive Independent Director 	<p>Committees of Directors</p> <p>Audit Committee</p> <ol style="list-style-type: none"> 1. Mr. Sunil Kumar Maheshwari – Chairman 2. Mr. Shanti Lal Badera – Member 3. Mr. Chakradhar Bharat Chhaya – Member 4. Mr. Vijay Prasad Pappu – Member <p>Remuneration Committee</p> <ol style="list-style-type: none"> 1. Mr. Chakradhar Bharat Chhaya – Chairman 2. Mr. Shanti Lal Badera – Member 3. Mr. Sunil Kumar Maheshwari – Member <p>Shareholders' / Investors' Grievance Committee</p> <ol style="list-style-type: none"> 1. Mr. Chakradhar Bharat Chhaya – Chairman 2. Mr. Shanti Lal Badera – Member 3. Mr. Sanjay Agrawal – Member
<p>Company Secretary & Compliance Officer Mr. Akhilesh Gupta</p>	<p>Corporate Identification Number : L25200MP2008PLC020852</p>
<p>Registered Office 98, Bahadarpur Road, Burhanpur (M.P.)</p>	<p>Corporate Office 98, Bahadarpur Road, Burhanpur (M.P.)</p>
<p>Bankers State Bank of India IDBI Bank Axis Bank HDFC Bank Bank of India</p>	<p>Auditors Pankaj Somaiya & Associates Chartered Accountants</p>
<p>Share transfer agent Karvy Computershare private limited Karvy House, 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad - 500034</p>	

INDEX

S. No.	PARTICULARS	PAGE
1	Chairman Message	1
2	Notice of AGM	2
3	Directors' Report	6
4	Corporate Governance Report	13
5	Management Discussion and Analysis	30
6	Auditors' Report	33
7	Balance Sheet	37
8	Profit and Loss Account	38
9	Cash Flow	39
10	Schedules	41
11	Notes to Accounts	50
12	Balance Sheet Abstracts	57
13	Proxy form & Admission Slip	58

CHAIRMAN'S MESSAGE



Dear Share Holders,

First of all, I express my sincere gratitude to all the members of this organisation for their co-operation and having faith & trust in me. I am happy to inform you that your company has achieved the growth of 63 % over the previous year and will continue this trend with all sincerity in the current year as well. The company's turnover has increased to the tune of 134 crores which shows that the market has well accepted our quality products. our mission is to expand geographical reach by introducing new & innovative products.

Dear Friends, a year has passed very rapidly, leaving a great impact on the activities of your company. You will be happy to observe that after the successful launch of public issue, the company has come up with G.D.R (Global Depositary Receipt) issue by listing at Luxembourg Stock Exchange. During the year 2010-11 company has also started manufacturing Plumbing, Agri & SWR moulded fittings with the Brand name "TEXMO".

You will appreciate that company is shortly going to manufacture CPVC Pipes & Fittings. This product i.e. Chlorinated Polyvinyl Chlorine Pipe and its accessories are manufactured with a very special type of chemical/material which are used for special applications mostly in industries, in transportation of chemical and gases and residential building/office complexes. This product is having a speciality that it sustains at + - temperature of 100° c and pipes are disinfected, non toxic & bacteria free. Thus it has very excellent scope in the market.

It is very unfortunate to inform you that a miserable accident of severe fire occurred during the year that has caused a great loss to the company but the stock & building were fully insured, So the company will overcome this grave hardship.

Last but not the least, I sincerely thank you on behalf of the company for your support. None of the above would have been possible without the enthusiastic efforts & support of all my Board members, Suppliers, Customers, Bankers, various Governments - semi government organisations, employees & Fellow shareholders.

I assure you that the company will witness a tremendous growth with a positive financial impact in near future. Once again, I express my gratitude towards all for imposing great deal of faith & confidence in me and hope the same will be continued in future also.

With Best Wishes
Sanjay Agrawal
(Chairman)

CORRIGENDUM TO ERRATA

Corrigendum to Errata in the Notice calling the Third Annual General Meeting of the company to be held dated 28th September, 2011 for the year ended 2010-2011

Dear Shareholders,

Due to some inadvertent printing omissions in the Notice calling the Third Annual General Meeting this corrigendum Notice has been re circulated to all the Members concerned you requested to consider this revised notice of the Third Annual General Meeting instead of the original notice attached with the Annual report 2010-2011 of the Company.

Place : Burhanpur
Date : 30.08.2011

For : Texmo Pipes and Products Limited
Sd/-
Sanjay Agrawal
Chairman

REVISED NOTICE

NOTICE is hereby given that the Third Annual General Meeting of the members of the Company will be held on Wednesday 28th September, 2011 at 98, Bahadarpur Road, Burhanpur (M.P.) at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2011 and the Profit and Loss account for the period ended 31st March, 2011 and the report of the Directors and Auditors thereon.
2. To appoint a Director in place of **Mr. Chakradhar Bharat Chhaya** who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company and to fix their remuneration. The retiring auditor M/s Pankaj Somaiya and Associates are eligible for reappointment.

SPECIAL BUSINESS:

4. CONFIRMATION AS A REGULAR DIRECTOR OF MR. SUNIL KUMAR MAHESHWARI

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 257 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 1956, and subject to the approval of shareholders in general meeting, Mr. Sunil Kumar Maheshwari who was appointed as an Additional Director w.e.f. 22th November 2010 in the meeting of the Board of Directors held on 12th November 2010 whose term expires at the ensuing Annual General Meeting of the company and for the appointment of whom the Company has received a notice in writing proposing his candidature for the office of the Director be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement of directors by rotation."

"RESOLVED FURTHER THAT Shri Sanjay Agrawal, Managing Director be and are hereby authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution."

5. APPROVAL UNDER SECTION 293(1)(a)

To consider and if thought fit to pass with or without modification (s) the following resolution as an Ordinary resolution:

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for

the time being in force), to the Board of Directors to mortgage and/or charge to be created by the Company, in such form and manner and with such ranking as to priority and for such time and on such terms as the Board may determine, all or any of the movable and/or immovable, tangible and/or intangible properties of the Company, both present and future and/or the whole or any part of the undertaking (s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default, in favour of the lender (s), agent (s), trustee (s) for securing the borrowings of the Company to be availed by way of loan(s) (in foreign currency and/or rupee currency) and securities (comprising fully/partly convertible debentures and/or non-convertible debentures with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rates notes/bonds or other debt instruments), issued /to be issued by the Company, from time to time, subject to the limits approved under Section 293(1)(d) of the Companies Act, 1956, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on pre-payment, remuneration of agent(s)/ trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/revaluation/ fluctuation in the rates of exchange and all other monies payable by the Company in terms of loan agreement(s), heads of agreement(s), debenture trust deed(s) or any other document entered into/to be entered into between the Company and the lender(s)/agent(s)/trustee(s), in respect of the said loans/borrowings/debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the lender(s)/ agent(s)/trustee(s)."

6. RECOMMENDATION FOR REVISION AND INCREASE OF REMUNERATION PAYABLE TO MR. SANJAY AGRAWAL, MANAGING DIRECTOR

To consider and if thought fit to pass with or without modification (s) the following resolution as a special resolution:

"RESOLVED THAT in terms of provisions of Sections 198, 269, 302, 309, 310, 311 read with provisions of Schedule XIII to the Companies Act, 1956 and other applicable provisions, if any, (including any statutory modifications or re-enactment thereof for the time being in force) be and is hereby accorded for revision and increase in the remuneration of Mr. Sanjay Agrawal, Managing Director of the Company to Rs. 6.00 Lacs per month w.e.f. 1st October 2011 for the remaining tenure of his appointment and other term and conditions recommended by the Board of Director in their meeting held on **11, August, 2011** and set out in the draft agreement to be entered into by the Company with him, and submitted to this meeting and initialled for the purpose of identification by the chairman.

RESOLVED FURTHER THAT in the event of there being loss or inadequacy of profit for any financial year, the aforesaid remuneration payable to Mr. Sanjay Agrawal shall be the remuneration payable to him in terms of provisions of Schedule XIII to the Companies Act, 1956;

"RESOLVED FURTHER THAT Mr. Vijay Prasad Pappu, Director be and are hereby authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution."

Place: Burhanpur
Date: 16th August, 2011

BY ORDER OF THE BOARD
Sanjay Agrawal
Chairman

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT 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 TIME FOR THE HOLDING THE MEETING.
2. Members/ Proxies are requested to bring along with then Annual Reports being sent to them and should bring the attendance slip sent herewith, duly filled, in order to attend the meeting.
3. The Share Transfer Book and Register of Members of the Company will remain closed from 24th September 2011 to 28th September, 2011.
4. Members are requested to send their queries, if any, at least seven days in advance of the meeting.
5. The Register of Director's Shareholding maintained under section 307 of the Companies Act, 1956, will be available for inspection at the venue to the Annual General Meeting of the company during the Annual

General Meeting. The Register of Director's Share Holding is also 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.

6. 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, Karvy House, 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad – 500 034

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item No. 1 and 3 –are self explanatory and do not require any explanation.

Item No. 2 - Brief profile of director, who retires by rotation and offers himself for reappointment.

Mr. Chakradhar Bharat Chhaya

Mr. Chakradhar Bharat Chhaya, aged 67 years is Non Executive Independent Director of the company and has more than 44 years experience in the field of Banking and Finance.

He completed his Bachelor of Commerce from University of Bombay in the year 1963. He is Fellow of Institute of Cost and Work Accountants of India. He is also a CAIIB (Certified Associate of Banker).

He began his career in the year 1964 with Bank of Baroda. He worked at various positions before retiring as Managing Director of BOBCARDS Limited, a subsidiary of Bank of Baroda in 2003.

At present, he is practising Cost Accountant and undertakes cooperates and NBFC advisory assignment.

He is a member of Audit Committee, Remuneration Committee and Shareholder' / Investors' Grievance Handling Committee of the Company.

Directorship / Committee membership in other public companies (excluding foreign companies and section 25 companies) : Directorship : 3 Committee membership : 3

Mr. Chhaya does not hold any share of the company.

The Board commends at the item no. 2 of the Notice for approval of the members.

None of the Directors except Mr. Chhaya, is interested in the above resolution.

As Special Business

ITEM NO. 4 –

Mr. Sunil Maheshwari was appointed by the Board at their meeting held on 12.11.2010 as an additional Director of the Company w.e.f. 22.11.2010 and categorised as an Independent Director pursuant to clause 49 of the Listing Agreement and holds the office upto the date of the ensuing Annual General Meeting, pursuant to the provision of Section 260 of the Companies Act, 1956 and Articles of Association of the Company.

Shri Sunil Maheshwari is a Chartered Accountant in practice and has independently handled audit and tax work of corporate assesses, firms and individuals. He has rich experience in all financial matters concerning corporate and non-corporate entities.

Notice under Section 257 of the said Act has been received from a member along with the require fee of Rs.500/- by way of cash signifying his intention to propose the name of Mr. Sunil Maheshwari, for appointment as a Director of the Company.

None of the Directors except Shri Sunil Maheshwari is interested in the resolution.

The Board of Directors recommends the resolution for approval of the shareholders.

ITEM NO. 5 –

The future borrowings by the Company may, in general, be required to be secured by suitable mortgage or charge on all or any of the movable and/or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors of the Company, from time to time, in consultation with the lender(s).

The proposed borrowings of the Company may, if necessary, be secured by way of charge/mortgage/hypothecation on the Company's movable and/or immovable properties in favour of the lender(s)/agent(s)/trustee(s) as mentioned in the Resolution at Item No.5. As the documents to be executed between the lender(s)/agent(s)/trustee(s) for securing the borrowings by the Company may contain the power to take over the management of the Company in certain events, it is necessary to pass a resolution under Section 293(1)(a) of the Companies Act, 1956, for creation of charges/mortgages/hypothecations for an amount not exceeding the borrowing limit approved under Section 293(1)(d) of the Companies Act, 1956 as approved by the shareholders at their Extra-ordinary General Meeting held on 28th October, 2010.

The Board of Directors recommend passing of the Ordinary Resolution set out in Item No.5 of the accompanying Notice.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

ITEM NO. 6 –

Having regards to the increasing complexities in the business and whole time devotion towards the growth of the company, the Board is of the view that the remuneration of Mr. Sanjay Agrawal, Managing Director of the Company, should be increased and revised.

In consideration of the recommendation of the Remuneration Committee of the Board of Directors had by a resolution passed on 11.08.2011 increase remuneration payable to Mr. Sanjay Agrawal, Managing Director of the Company with effect from 01.10.2011. In terms of the provision of the Companies Act, 1956, approval of the members is being required to increase and revise the remuneration by way of Special Resolution.

Particulars of Mr. Sanjay Agrawal is as under -

Name	Mr. Sanjay Agrawal
Age	47 yrs
Education/ University (Main Degree)	B. Com, LL.B., MBA Marketing.
Experience	More than 21 years
Present service/occupation	Business

The terms of remuneration of Mr. Sanjay Agrawal inter alia contain the following principal terms and conditions:

SALARY: Rs. 6,00,000/- (Rupees Six Lac) per month.

And other term and conditions set out in the draft agreement to be entered into by the company with him.

Notwithstanding anything herein, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites, subject to the Schedule XIII of the Companies, Act and any other provisions of Companies, Act.

None of the Directors except Mr. Sanjay Agrawal is interested in the resolution.

The Board of Directors recommends the resolution for approval of the shareholders.

Place: Burhanpur
Date: 16th August, 2011

BY ORDER OF THE BOARD

Sanjay Agrawal
Chairman

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SPECIAL BUSINESS:

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"RESOLVED FURTHER THAT Shri Sanjay Agrawal, Managing Director be and are hereby authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution."

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October 2011 for the remaining tenure of his appointment and other term and conditions recommended by the Board of Director in their meeting held on **11, August, 2011** and set out in the draft agreement to be entered into by the Company with him, and submitted to this meeting and initialled for the purpose of identification by the chairman.

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Date: 16th August, 2011

BY ORDER OF THE BOARD

Sanjay Agrawal
Chairman

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