

12TH ANNUAL REPORT

F.Y. 2019-20



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Board of Directors

Mrs. Rashmi Devi Agrawal	Chairperson and Whole Time Director
Mr. Sanjay Kumar Agrawal	Managing Director
Mr. Vijay Prasad Pappu	Whole Time Director cum Chief Financial Officer
Mr. Shanti Lal Badera	Non Executive Independent Director (Retired on 13.08.2019)
Mr. Sunil Kumar Maheshwari	Non Executive Independent Director (Resigned on 14.02.2020)
Mr. Amber Chaurasia	Non Executive Independent Director
Mr. Parvez Anjum	Non Executive Independent Director (Appointed on 13.08.2019)
Dr. Smita Hajari	Non Executive Independent Director (Appointed on 24.07.2020)

Committees of Directors

Audit Committee

Mr. Amber Chaurasia – Chairperson
Mr. Vijay Prasad Pappu - Member
Mr. Parvez Anjum - Member
Dr. Smita Hajari –Member

Nomination and Remuneration Committee

Dr. Smita Hajari - Chairperson
Mr. Amber Chaurasia - Member
Mr. Parvez Anjum - Member

Treasury Committee

Mr. Sanjay Kumar Agrawal - Chairperson
Mr. Vijay Prasad Pappu - Member
Mr. Amber Chaurasia - Member

Stakeholder Relationship Committee

Mr. Parvez Anjum - Chairperson
Mr. Sanjay Kumar Agrawal - Member
Mr. Amber Chaurasia - Member

Corporate Social Responsibility Committee

Dr. Smita Hajari - Chairperson
Mr. Sanjay Kumar Agrawal - Member
Mr. Parvez Anjum - Member

Chief Executive Officer

Mr. Mohit Agrawal

Company Secretary & Compliance Officer

Mr. Shyam Sunder Agrawal (Resigned on 25.07.2019)
Mr. Mahesh Thakur (Appointed on 13.08.2019 and Resigned on 14.02.2020)
Mr. Ajay Shrivastava (Appointed on 24.07.2020)

Statutory Auditors

Anil Kumar Garg & Company
Chartered Accountants, Indore

Secretarial Auditor

Mr. Dinesh Kumar Gupta
Practicing Company Secretary, Indore

Bankers

State Bank of India
Bank of Baroda
Punjab National Bank
Central Bank of India

Bankers

KFin Technologies Private Limited
Karvy Selenium Tower B
Plot 31-32, Financial District
Nanakramguda, Hyderabad- 500032

Registered Office :

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

Corporate Identification Number

L25200MP2008PLC020852

INDEX

S.No.	PARTICULAR	PAGE
1	Chairperson's Message	04
2	Notice of AGM	05
3	Board's Report	26
4	Corporate Governance Report	59
5	Management Discussion and Analysis	82
6	Standalone Financial Statements	
	Auditor Report	85
	Balance Sheet	97
	Statement of Profit and Loss	99
	Cash Flow Statement	102
	Significant Accounting Policies	104
	Notes to Financial Statement	104
7	Consolidated Financial Statements	
	Auditor Report	137
	Balance Sheet	146
	Statement of Profit and Loss	148
	Cash Flow Statement	149
	Significant Accounting Policies	151
	Notes to Financial Statement	151

CHAIRPERSON'S MESSAGE

Dear Shareholders,

It is my privilege to share with you the 12th Annual Report of your Company for FY 2019-20 and share the key highlights and the financials and the roadmap going forward. As a Company, we have always strived to better our performance by continually quality production and strengthening capabilities and expanding our products with making it unique one. Since the inception, our vision is always based on hard work, open communication and a strong focus on team work and a high level of responsibility and accountability. We believe that Sustainable development is the key to success and we have aligned ourselves to this mission. Your Company Texmo Pipes and Products Limited is one of the most trusted Company, engaged in defining and offering higher levels of customer satisfaction and faster adoption of latest available technology.

In the FY 2019-20, we have made significant progress and your Company has performed well in terms of revenue and profitability and achieved to our targets. Your Company is continuously increasing our operations year by year and is being committed towards the same growth in order to achieve a milestone. Your Company is focused on to increase the value of stakeholders and to maintain a wide market as a leader. We are always focused on growth and innovations so as to maintain a diversified and strong portfolio and maintain our strength in the market.

As all are very well aware that, the wide spread and outbreak of COVID-19 pandemic in the fourth quarter of FY 2020 forced the entire world into a lockdown and has inflicted a global economic recession. Societies, business and economies have all suffered as to prevent and stop the chain of spread of the virus. The crisis has dimmed the growth outlook for the global economy for the coming year, including for India. Accordingly, a series of stimulus packages have been enforced by major economies and financial institutions to limit the economic fallout from the global pandemic.

We have also made significant progress with the implementation of our strategic priorities and expanded our mid- to long-term financial ambitions for our company. Your Company is working hard enough to accelerate our growth and bring innovation and development in our portfolio and reach a wider scenario.

As a token of appreciation, I would like to extend my gratitude and sincere thanks to our management team, staff, bankers and business associates for their commitment and contribution towards your Company Texmo Pipes and Products Limited. Further, I would like to show my appreciation for my fellow Directors for providing guidance amidst the tough operating environment. Last but not least, I would like to extend my sincerest gratitude to our employees, customers, partners, business associates and all our esteemed stakeholders for their undying faith and support. Each one has been a part of our exciting and enriching journey. We continue to seek value creation for our stakeholders and persevere in building a sustainable business. Always hoping for a brighter and stronger future together for coming years.

With Best Wishes,

Rashmi Devi Agrawal
Chairperson & Whole Time Director
DIN 00316248

NOTICE

NOTICE is hereby given that the 12th Annual General Meeting of the Members of **TEXMO PIPES AND PRODUCTS LIMITED** (CIN: L25200MP2008PLC020852) will be held through Video Conference (“VC”) / Other Audio Visual Means (“OAVM”) on Wednesday, 14th October, 2020, at 12.30 P.M. to transact with or without modification(s), as may be permissible, 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, 2020, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Smt. Rashmi Devi Agrawal ((DIN: 00316248) who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:**3. REMUNERATION OF COST AUDITOR FOR THE YEAR 2020-21.**

To consider and, if thought fit, to pass, 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 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being enforce), the remuneration of Rs. 75,000/- (Rupees Seventy Five thousand only) plus applicable taxes to be paid to M/s Saurabh Parikh & Associate (Firm Registration No.101495), Cost Auditors of the Company to conduct the Audit of the cost records of the Company for the Financial Year ending March 31, 2021, 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.”

4. APPOINTMENT OF DR. SMITA HAJARI (DIN 08763920) AS A NON EXECUTIVE INDEPENDENT DIRECTOR

To consider and, if thought fit, to pass, the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (Act), read with the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) Dr. Smita Hajari (DIN 08763920), who was appointed as an Additional Director Independent) of the Company by the Board of Directors with effect from July 24, 2020 and who holds office till the date of the Annual General Meeting, in terms of Section 161 of the Act, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, signifying his intention to propose Dr. Smita Hajari as a candidate for the office of a Director of the Company, be and is hereby appointed as an Independent Director, not liable to retire by rotation, to hold office for a term of five consecutive years upto July 23, 2025.”

5. ISSUANCE OF EQUITY SHARES ON PREFERENTIAL BASIS TO THE PROMOTERS.

To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as a **Special Resolution**:
“**RESOLVED THAT** pursuant to the provision of Section 42 & 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014,

(including any statutory modification(s) or re-enactment thereof, for the time being in force), and in accordance with the provisions of Memorandum and Articles of Association of the Company, Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time (**“SEBI ICDR Regulations”**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (**“SEBI LODR Regulations”**), along with provisions of listing agreement entered into with stock exchanges and amendment thereto, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time (**“SEBI Takeover Regulations”**), any other guidelines and clarification issued by the Government of India, all applicable circulars, notifications issued by the Securities and Exchange Board of India (**“SEBI”**), and subject to all necessary approvals, consents, permissions and/or sanctions of Government of India, any other statutory or regulatory authorities, other applicable laws, consent of the Company be and is hereby given to the Board of Directors of the Company (the **“Board”** which term shall be deemed to include any committee which the Board may have constituted or hereinafter constituted to exercise its powers including the power conferred by this resolution), to create, offer, issue and allot on preferential basis (**“Preferential Issue”**) to Shri Sanjay Kumar Agrawal and Smt. Rashmi Devi Agrawal (**“Proposed Allottees”**), upto maximum of 28,75,000 (Twenty Eight Lakhs Seventy Five Thousand) equity shares of face value Rs.10 (Rupees Ten) each, at a price of Rs. 13.90 (Thirteen Rupees Ninety paise only) per share including premium of Rs. 3.90 (Rupees Three and Ninety paise only) per equity share, aggregating to Rs. 3,99,62,500 /- (Rupees Three Crores Ninety Nine Lakhs Sixty Two Thousand Five Hundred only), in one or more than one tranches; provided that the minimum price of the equity share so issued shall not be less than the price arrived at, in accordance with Chapter V of the SEBI (ICDR Regulations) for preferential issue on such terms and conditions, as are stipulated in the explanatory statement attached and as the Board may deemed fit in its absolute discretion.

RESLOVED FURTHER THAT in accordance with the provisions of Chapter V of the SEBI (ICDR) Regulations the **“Relevant Date”** for the purpose of calculating the floor price for the issue of equity shares be and is hereby fixed as 14th September 2020 being date 30 days prior to the date of Annual General Meeting i.e. 14th October, 2020 or such other date as may be prescribed in accordance with the SEBI (ICDR) Regulations.

RESLOVED FURTHER THAT all such equity shares to be issued and allotted by the Board shall be subject to provisions of Memorandum of Association and Articles of Association of the Company and shall rank pari-passu in all respect including dividend with the existing equity shares of the Company.

RESLOVED FURTHER THAT the equity share to be allotted by the Company to the Proposed Allottees pursuant to the aforesaid preferential allotment shall be issued in dematerialized form within a period of 15 (Fifteen) days from the date of passing of this resolution provided that where the issue and allotment of the equity shares is pending on account of pendency of any approval for such issue and allotment by any regulatory authority or the Central Government, the issue and allotment shall be completed within a period of 15 (Fifteen) days from the date of such approval.

RESOLVED FURTHER THAT the existing holding of proposed allottees along with Equity Shares to be so allotted shall be subject to lock-in for such period as specified under Chapter V of SEBI (ICDR) Regulations relating to Preferential Issue.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deemed necessary, desirable and expedient for such purpose, including without limitation, issuing clarification on the offer, issue and allotment of the equity shares and listing of equity shares at the Stock Exchange(s) as per the terms and conditions of SEBI (LODR) Regulations

and other applicable Guidelines, Rules and Regulations, to execute the necessary documents and enter into contracts, arrangements, agreements, documents (including appointment of agencies, intermediaries and advisor for the Preferential Issue), resolving all questions and doubt that may arise with respect to the offer, issued and allotment of equity shares, and to authorize all such person as may be deemed necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the Shareholders of the Company and that the decision of the Board shall be final and conclusive.

RESOLVED FURTHER THAT subject to SEBI Regulations and other applicable laws, the Board be and is hereby authorized to decide and approve terms and conditions of the issue of above mentioned Equity Shares and to vary, modify or alter any of terms and conditions, including size of the issue, as it may deem expedient.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the power herein conferred, to any committee or to one or more Directors or executive of the Company including making necessary filings with the Stock Exchanges and Regulatory Authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint Consultants, Professional Advisors and Legal Advisors to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolution be and are hereby approved, ratified and confirmed in all respects.”

6. TO APPROVE REVISION IN REMUNERATION OF SHRI SANJAY KUMAR AGRAWAL (DIN: 00316249) AS A MANAGING DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as **Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 and 203 read with Schedule V and any other applicable provisions, (if any) of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and the Articles of Association of the Company and on recommendation of Nomination and Remuneration Committee to the Board of Directors (Board) and approval thereof by the Board, approvals of the members of the Company be and is hereby accorded for revision in the remuneration payable to Mr. Sanjay Kumar Agrawal (DIN: 00316249) as Managing Director of the Company with effect from 1st September, 2020 for the remaining period of his present term of appointment upto 31st August, 2023 on the remuneration and perquisites set out hereunder with liberty to the Board (which term shall include any committee constituted by the Board) from time to time to alter the said terms and conditions and to revise upwards the salary and perquisites as herein mentioned in such manner as may be decided by the Board in the best interest of the Company and as may be permissible at law viz:-

1) Salary-

Monthly basic salary of Rs. 7,50,000/- (Rupees Seven Lakhs Fifty Thousand only)

(2) Allowances / Benefits / Perquisites

A. Housing - Rent free furnished residential accommodation. In case, no accommodation is

Provided by the Company, the Managing Director shall be paid House Rent Allowance equivalent to 40% of basic salary i.e. Rs. 3,00,000/-

B. Other Perquisites / Allowances

i. Medical Allowance 10% of basic Salary i.e. Rs. 75,000/-p.m.

- ii. Conveyance Allowance Rs. 1,50,000/-p.m.
- iii. Uniform Allowance Rs. 75,000/- p.m.
- iv. Other Allowance and Children education allowance Rs. 1,50,000/- p.m.
- v. Leave Travel Concession for self and family once in a year incurred in accordance with the Rules of the Company applicable to Senior Management Staff / Personnel of the Company.
- vi. Medical and Personal Accident Insurance.
- vii. Reimbursement of membership fees /subscription, subject to a maximum of two clubs in India.
- viii. Conveyance: The Company shall provide suitable conveyance facilities as per requirements.
- ix. Telecom / Computer facilities: The Company shall provide telecom / computer facilities as per requirements.
- x. Servants facilities Gardener, cook, house keeper, watchman and driver etc.

C. (i) Contribution to Provident fund, super annuation fund or annuity fund as per the Rules of the Company to the extent these either singly or put together do not exceed the limit laid down under the Income Tax Act, 1961 or under any statutory modification or re-enactment thereof;

(ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, For the purposes of Gratuity, Provident Fund, Superannuation and other like benefits, the service of the Managing Director will be considered continuous service with the Company and change of designation or renewal of appointment will not be considered as any break in service.

(iii) Leave on full pay and allowances but not exceeding one month's leave for 11 month's service, encashment of unavailed earned leave as per Rules of the Company and / or at the end of the tenure being permitted.

(iv) Reimbursement of entertainment and other business promotion expenses actually incurred by the Managing Director in the course of business of the Company.

In the event of loss or inadequacy of profits of the Company in any year, the Managing Director shall be entitled to payment by way of salary and perquisites as specified above subject to the restrictions specified in Schedule V to the Act.

The Company shall pay to the Managing Director compensation for loss of office, or as consideration for loss of office or retirement from office or in connection with such loss or retirement, in accordance with the provisions of Section 191 and 202 of the Act.

Either party shall be entitled to terminate the appointment by giving 90 days notice in writing to the other. The Managing Director shall not be entitled to Sitting Fees for attending meetings of the Board of Directors of the Company or any Committee or Committees thereof.

RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of Mr. Sanjay Kumar Agrawal, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above subject to the restrictions set out in Schedule V of Companies Act, 2013;

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to increase and / or vary the terms and conditions aforesaid within the limitations specified in that behalf in Schedule V to the Act or any statutory modification or re-enactment thereof for the time being in force or otherwise as may be permissible at law;

RESOLVED FURTHER THAT the Managing Director shall not be liable to retire by rotation as long as he continues to be Managing Director of the Company;

AND RESOLVED LASTLY THAT the Board of Directors be and are hereby authorized to take all such steps as may be necessary, desirable or expedient to give effect to this Resolution.”

7. TO APPROVE REVISION IN REMUNERATION OF SMT. RASHMI DEVI AGRAWAL ((DIN: 00316248) AS WHOLE TIME DIRECTOR OF THE COMPANY.

To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as **Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 and 203 read with Schedule V and any other applicable provisions, (if any) of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and the Articles of Association of the Company and on recommendation of Nomination and Remuneration Committee to the Board of Directors (Board) and approval thereof by the Board, approvals of the members of the Company be and is hereby accorded for revision in the remuneration payable to Mrs. Rashmi Devi Agrawal (DIN: 00316248) as Chairperson and Whole Time Director of the Company with effect from 1st September, 2020 for the remaining period of her present term of appointment upto 31st August, 2023 on the remuneration and perquisites set out hereunder with liberty to the Board (which term shall include any committee constituted by the Board) from time to time to alter the said terms and conditions and to revise upwards the salary and perquisites as herein mentioned in such manner as may be decided by the Board in the best interest of the Company and as may be permissible at law viz:-

1) Salary-

Monthly basic salary of Rs. 2,50,000/- (Rupees Two Lakhs Fifty Thousand only)

(2) Allowances / Benefits / Perquisites

A. The Whole Time Director shall be paid House Rent Allowance equivalent to 40% of basic salary i.e. Rs.1,00,000/- p.m.

B. Other Perquisites / Allowances

- i. Medical Allowance 10% of basic Salary i.e. Rs. 25,000/-p.m.
- ii. Conveyance Allowance Rs. 50,000/-p.m.
- iii. Uniform Allowance Rs. 25,000/- p.m.
- iv. Other Allowance and Children education allowance Rs. 50,000/- p.m.
- v. Leave Travel Concession for self and family once in a year incurred in accordance with the Rules of the Company applicable to Senior Management Staff / Personnel of the Company.
- vi. Medical and Personal Accident Insurance.
- vii. Reimbursement of membership fees /subscription, subject to a maximum of two clubs in India.
- viii. Conveyance: The Company shall provide suitable conveyance facilities as per requirements.
- ix. Telecom / Computer facilities: The Company shall provide telecom / computer facilities as per requirements.

C. (i) Contribution to Provident fund, superannuation fund or annuity fund as per the Rules of the Company to the extent these either singly or put together do not exceed the limit laid down under the Income Tax Act, 1961 or under any statutory modification or re-enactment thereof;

(ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, for the purposes of Gratuity, Provident Fund, Superannuation and other like benefits, the service of the Whole Time Director will be considered continuous service with the Company and change of designation or renewal of appointment will not be considered as any break in service.

(iii) Leave on full pay and allowances but not exceeding one month's leave for 11 month's service, encashment of unavailed earned leave as per Rules of the Company and / or at the end of the tenure being permitted.

(iv) Reimbursement of entertainment and other business promotion expenses actually incurred by the Whole Time Director in the course of business of the Company.

In the event of loss or inadequacy of profits of the Company in any year, the Whole Time Director shall be entitled to payment by way of salary and perquisites as specified above subject to the restrictions specified in Schedule V to the Act.

The Company shall pay to the Whole Time Director compensation for loss of office, or as consideration for loss of office or retirement from office or in connection with such loss or retirement, in accordance with the provisions of Section 191 and 202 of the Act.

Either party shall be entitled to terminate the appointment by giving 90 days notice in writing to the other. The Whole Time Director shall not be entitled to Sitting Fees for attending meetings of the Board of Directors of the Company or any Committee or Committees thereof.

RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of Mrs. Rashmi Devi Agrawal, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above subject to the restrictions set out in Schedule V of Companies Act, 2013;

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to increase and / or vary the terms and conditions aforesaid within the limitations specified in that behalf in Schedule V to the Act or any statutory modification or re-enactment thereof for the time being in force or otherwise as may be permissible at law;

RESOLVED FURTHER THAT the Whole Time Director shall be liable to retire by rotation as long as she continues to be Whole Time Director of the Company;

AND RESOLVED LASTLY THAT the Board of Directors be and are hereby authorized to take all such steps as may be necessary, desirable or expedient to give effect to this Resolution."

8. INCREASE OF AUTHORISED SHARE CAPITAL AND ALTERATION IN CLAUSE V OF MEMORANDUM OF ASSOCIATION

To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as a **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 4, 13, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded for increase in Authorized Share Capital of the Company from Rs. 30,00,00,000 /- (Rupees Thirty Crores Only) divided into 3,00,00,000 (Three Crore Only) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 36,00,00,000/- (Rupees Thirty Six Crores Only) divided into 3,60,00,000 (Three Crore Sixty Lakhs Only) Equity Shares of Rs. 10/- (Rupees Ten only) each by creation of an additional 60,00,000 (Sixty Lakhs only) Equity Shares of Rs. 10/- (Rupees Ten only) each ranking pari passu in all respect with existing Equity shares of the Company.

"RESOLVED THAT pursuant to the provisions of Section 4, 13, 61, 64 and all other applicable provisions, if any, of