

Texmo/Sec/2019-20/28

03<sup>rd</sup> September, 2019

To, Manager (Listing) National Stock Exchange of India Exchange Plaza, 5 <sup>th</sup> Floor Bandra kulra Complex, Bandra (E) Mumbai 400051	To, The Corporate Relationship Department BSE Ltd, 1 <sup>st</sup> Floor, New Trading Ring, P.J. Tower, Dalal Street, Mumbai 400001
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**Sub: Submission of Annual Report of the Company for the Financial Year 2018-19.**

Dear Sir,

Pursuant to Regulation 34 of SEBI (Listing Obligation and Disclosure Requirement) Amendment Regulations, 2018, we are enclosing herewith Annual Report of the Company for the Financial Year 2018-19.

This is for the information of the Exchange and its members.

Thanking You

Yours faithfully

**For Texmo Pipes and Products Limited**



**Mahesh Thakur**  
Company Secretary cum Compliance Officer



**11<sup>th</sup>**

# ANNUAL REPORT

F.Y. 2018-19



**WIDE RANGE OF  
PIPES & FITTINGS**

C.P.V.C. Pipes & Fittings - U.P.V.C. Pipes & Fittings - SWR Pipes & Fittings - Solvent Cement

### Board of Directors

<b>Mrs. Rashmi Devi Agrawal</b>	Chairperson and Whole Time Director
<b>Mr. Sanjay Kumar Agrawal</b>	Managing Director
<b>Mr. Vijay Prasad Pappu</b>	Whole Time Director cum Chief Financial Officer
<b>Mr. Shanti Lal Badera*</b>	Non Executive Independent Director
<b>Mr. Sunil Kumar Maheshwari</b>	Non Executive Independent Director
<b>Mr. Amber Chaurasia</b>	Non Executive Independent Director
<b>Mr. Parvez Anjum**</b>	Non Executive Independent Director

### Committees of Directors

#### Audit Committee

Mr. Sunil Kumar Maheshwari - Chairman  
 Mr. Shanti Lal Badera\*- Member  
 Mr. Amber Chaurasia - Member  
 Mr. Vijay Prasad Pappu - Member  
 Mr. Parvez Anjum\*\* - Member

#### Nomination and Remuneration Committee

Mr. Sunil Kumar Maheshwari - Chairman  
 Mr. Shanti Lal Badera\*- Member  
 Mr. Amber Chaurasia - Member  
 Mr. Parvez Anjum\*\* - Member

#### Treasury Committee

Mr. Sanjay Kumar Agrawal - Chairman  
 Mr. Vijay Prasad Pappu - Member  
 Mr. Sunil Kumar Maheshwari - Member

#### Stakeholder Relationship Committee

Mr. Shanti Lal Badera\*- Chairman  
 Mr. Amber Chaurasia - Member  
 Mr. Sanjay Kumar Agrawal - Member  
 Mr. Parvez Anjum\*\* - Member

#### Statutory Auditor

Anil Kamal Garg & Company  
 Chartered Accountant

#### Chief Executive Officer

Mr. Mohit Agrawal

#### Bankers

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

#### Company Secretary & Compliance Officer

Mr. Shyam Sunder Agrawal (Resign on 25.07.2019)  
 Mr. Mahesh Thakur (Appointed on 13.08.2019)

#### Registrar & Share Transfer Agent

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

**Registered Office :** 98, Bahadarpur Road, Burhanpur (M.P.) 450 331

**Corporate Identification Number**

**L25200MP2008PLC020852**

\* Resign on 13.08.2019, \*\* Appointed on 13.08.2019

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### CHAIRPERSON'S MESSAGE

Dear Shareholders,

It is my pleasure to share you that 2018-19 was a magnificent year for the remarkable performance of your Company. Our vision is based on hard work, open communication, a strong emphasis on team work and a high level of responsibility. At Texmo Pipes, we believe that Sustainable development is the key to success and we have aligned ourselves to this mission. It was indeed an eventful year as we have clocked strong topline and bottom line growth for the year. 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. The products offered by us possess excellent quality, durability and performance. Our Quality Control department plays an active role in stringent quality control measures to maintain a consistency towards supply of quality products. The performance reflects our ability to overcome the macroeconomic challenges prevalent in the industry with a strategic and sustainable business model in place. Our rapid growth shows the bright future outlook

As I look forward, I have confidence that TEXMO will continue its journey towards success, creating further shareholder value through profitable and responsible growth. Drawing inspiration from our legacy and heritage, we will continue to demonstrate our passion and effectiveness to outperform industry growth and turn challenges into opportunities. A diversified portfolio, state-of-the-art technologies and strong distribution presence across the country are some of the key components of our business model that add to our competitiveness. We have always remained committed to growth with new product launches and capacity additions that help us sustain growth and deliver returns. 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.

Company has successfully implemented SAP. The new Regime of SAP shall bring discipline by transforming the work culture thereby bringing transparency and structured information system.

Finally, I would like to express my gratitude to our shareholders, customers, bankers and vendors for their trust and continued support in our company. I would like to thank our Board, management team and the employees for their hard work and support.

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

**NOTICE**

NOTICE is hereby given that the 11<sup>th</sup> Annual General Meeting of the members of **TEXMO PIPES AND PRODUCTS LIMITED** (CIN: L25200MP2008PLC020852) will be held on Tuesday, 24<sup>th</sup> September, 2019 at 12.30 P.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 31<sup>st</sup> March, 2019, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Vijay Prasad Pappu (DIN: 02066748) who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

**3. REMUNARATION OF COST AUDITOR**

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 in force), 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, 2020, 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 MR. PARVEZ ANJUM AS AN 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) Mr. Parvez Anjum (DIN:08529781), who was appointed as an Additional Director (Independent) of the Company by the Board of Directors with effect from August 13, 2019 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 Mr. Parvez Anjum 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 August 12, 2024.”

**BY ORDER OF THE BOARD OF DIRECTOR**

**Mahesh Thakur**  
**Company Secretary**

**Membership No.: ACS 53407**

**Place: Burhanpur**  
**Date: 13<sup>th</sup> August, 2019**

**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.3 & 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 19<sup>th</sup> September, 2019 to 24<sup>th</sup> September, 2019 (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 FinTech Private Limited (Formerly known as KCPL Advisory Services P Ltd) Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad -500 032, India.
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 2018-19 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 2018-19 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 11<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:-**

In compliance with provisions of Section 108 of the Companies Act, 2013 and the Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), the Company provides the members the facility to exercise their right to vote at the AGM by electronic means and the businesses may be transacted through e-voting services provided by Karvy FinTech Private Limited. The process and instructions for e-voting are as under.

- A. In case a Member receiving an email of the Annual General Meeting Notice from Karvy  
[For Members whose email IDs 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. /DPID-Client ID will be your User ID. However, if you are already registered with Karvy fore-voting, you can use your existing User ID and password forecasting your vote. Or contact toll free number 18003454001 for your existing password.
  - iii) After entering the details appropriately, Click on "LOGIN".
  - iv) You will now reach password change Menu where in you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one uppercase (A-Z), one lowercase (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 log in 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 share holding as mentioned therein. You may also choose the option ABSTAIN. If the share holder 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 vote don 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: [evoting\\_scrutinizer@rediffmail.com](mailto:evoting_scrutinizer@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\_EVENTNO.”
- 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. 19<sup>th</sup> September, 2019, 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 FinTech 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 Saturday, the 21<sup>st</sup> September, 2019 at 10:00 A.M. and ends on Monday, the 23<sup>rd</sup> September 2019, 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 Thursday, 19<sup>th</sup> September, 2019, may cast their vote by electronic means in the manner and process set out here in above. 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 to be 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 Thursday, 19<sup>th</sup> September, 2019.**
  - 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 scrutinizing 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 BSE 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:

**ITEM NO 3**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditor M/s Saurabh Parikh & Associate, Cost Accountants to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020, 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.

The Board recommends the ordinary resolution as set out in Item No. 3 of this Notice for your approval.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

**ITEM NO. 4**

The Board of Directors on the recommendation of the Nomination and Remuneration Committee appointed Mr. Parvez Anjum as an Additional Director (Independent) of the Company w.e.f. 13<sup>th</sup> August, 2019 and he holds office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member (“the Act”) along with the deposit of the requisite amount proposing his candidature for the office of Director of the Company.

Mr. Parvez Anjum is not disqualified from being appointed as a Director in terms of section 164 of the Act and has also given his consent to act as a Director of the Company. Mr. Parvez Anjum has given a declaration to the Board that he meets the criteria of Independence as provided under section 149(6) of the Act. In the opinion of the Board, he fulfils the conditions specified in the Act and the Rules framed there under and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for appointment as Independent Director and he is independent of the management.

Section 149(10) of the Act provided that an independent director shall hold office for a term of up to five consecutive years on the Board. Further section 149(13) states that the provision relating to retirement of Director by rotation shall not apply to the appointment of Independent Directors. In compliance with the provisions of the Companies Act, 2013, it is proposed to appoint Mr. Parvez Anjum as an Independent Director of the Company to hold office for a term up to 12<sup>th</sup> August, 2024.

A copy of the draft letter of appointment for Independent Director setting out the terms and conditions for appointment of Independent Director is available for inspection by the Members at the Registered office of the Company on all working days between 11:00 am to 01:00 pm up to the date of AGM.

The Board recommended the Ordinary Resolution at Item no.4 for approval by the members.

Except Mr. Parvez Anjum, None of the Directors/ Key Managerial Personnel of the Company/ their relatives is, 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: 13<sup>th</sup> August, 2019**

**Mahesh Thakur  
Company Secretary  
Membership No.: ACS 53407**

**DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING**

{Pursuant to Regulation 36(3) of SEBI (LODR) Regulation, 2015}

Name	Date of Birth	Date of appointment	Qualification	Nature of his / her expertise in specific functional areas	Relationship between directors inter-se	Directorship in other listed entities	Membership of Committees of other listed entities	Number of shares held in the Company
Mr. Vijay Prasad Pappu	30.06.1959	03.07.2008	Bsc, M.A.	Factory operation	Nil	Nil	Nil	1,200
Mr. Parvez Anjum	10.06.1975	13.08.2019	MBA	Business Strategy,	Nil	Nil	Nil	Nil

**BOARD'S REPORT**

To,

The Members,

Your Directors have pleasure in presenting their 11<sup>th</sup> 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 31<sup>st</sup> March, 2019.

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

(Amount in Rs. Lakh)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Turnover	30974.45	25232.00	30974.45	25829.82
Profit before Interest, Depreciation and Tax	1495.45	1,236.48	1,458.87	1,222.64
Less Interest	532.05	570.25	532.05	570.25
Less Depreciation	560.26	531.17	560.26	531.17
Profit before tax	403.15	135.06	366.57	121.22
Less Provision for tax				
- Current tax	90.00	32.71	90.00	32.71
- Deferred tax	(5.53)	73.91	(5.53)	73.91
Excess provision for earlier year	(15.23)	(0.03)	(15.23)	0.03
Profit after tax	333.91	28.46	297.33	14.57
Prior year adjustment	-	-	-	-
Profit after tax & prior year adjustments	333.91	28.46	297.33	14.57
Profit after adjustment of discontinued operations	333.91	28.46	297.33	15.50
Balance of profit brought forward from earlier years	(1,202.01)	(1,205.43)	1,948.90	1,936.99
Transferred from Revaluation Reserve		12.47		12.47
Adjustment relating to Fixed Assets (net of Deferred Tax)	-	-	-	-
Unamortized cost written off on discounting of loans to subsidiary	(26.82)	(24.83)	(2.15)	(1.84)
Other comprehensive income	(0.30)	(12.61)	(0.30)	(12.61)
Exchange difference on translation of financial statements of foreign operations	-	-		(0.66)
Profit available for Appropriations:	(895.22)	(1,202.01)	2,243.79	1,948.90
Appropriations				
Transfer to General Reserves				
Proposed dividend:				
- Equity				
- Preference				
Profit carried to Balance Sheet	(895.22)	(1,202.01)	2,243.79	1,948.90

During the year under review, the Company recorded total revenue of Rs. 30974.45 Lakhs as compared to Rs. 25232.00 Lakhs in the previous year which is increase by 22.76%. The Company has earned a net profit of Rs. 333.91 Lakhs as against profit of Rs. 28.46 Lakhs in the previous year. Your Directors are hopeful that the company may be able to show better performance in coming year.

**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 31<sup>st</sup> March, 2019 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 31<sup>st</sup> March, 2019.

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

The Company had one subsidiary namely Tapti Pipes & Products Limited FZE (Overseas Subsidiary).

M/s. Mangal Murti Minerals ceased to be associated partner w.e.f. 01.09.2018.

The consolidated financial statements of your Company for the financial year 2018-19, 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 subsidiaries, as approved by their respective Board of Directors.

A separate statement in Form AOC-1 containing the salient features of financial statements of subsidiaries 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 subsidiary 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) and 5(2) 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 6 and 7 to the standalone financial statement).

**10. Extract of the annual return**

In terms of provision of Section 134(3)(a) of the Companies Act, 2013, the extract of the Annual Return as provided under sub-section (3) of the Section 92 of the Companies Act, 2013 in Form MGT-9 forming 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 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 2018-19 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:**

The Statutory Auditors M/s Anil Kamal Garg & Co; Chartered Accountants, Indore (Firm Registration No. 004186C) was appointed in 10<sup>th</sup> Annual General Meeting to hold office from the conclusion of the 10th Annual General Meeting for a term of consecutive five years till conclusion of 15<sup>th</sup> Annual General Meeting (subject to ratification of the appointment by the members at every Annual General Meeting). The requirement of seeking ratification of the members for the continuous of their appointment has been withdrawn consequent upon the changes made by the Companies (Amendment) Act, 2017 with effect from May 07, 2018.

The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors.

**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 for the Financial Year 2019-20.

**C. Cost Auditors:**

In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Board of Directors, on the recommendation of the Audit Committee, has appointed M/s. Saurabh Parikh and Associates, Cost Accountants, (Firm Registration No. 101495) as Cost Auditor of the Company, for the financial year ending 31<sup>st</sup> March 2020 on a remuneration as mentioned in the Notice convening the 11<sup>th</sup> Annual General Meeting for conducting the audit of the cost records maintained by the Company.

A Certificate from M/s. Saurabh Parikh and Associates, Cost Accountants has been received to the effect that their appointment as Cost Auditor of the Company, if made, would be in accordance with the limits specified under Section 141 of the Act and Rules framed thereunder.

A resolution seeking Members' approval for remuneration payable to Cost Auditor forms part of the Notice of the 11th Annual General Meeting of the Company and same is recommended for your consideration.

The Company is required to maintain Cost Records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

Accordingly, the Company has made and maintained such accounts and records.

**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 has observed that MGT-14 for borrowing has been filed late. Company has taken secretarial compliance report during the year from Secretarial Auditor as per LODR requirement. The Secretarial Auditor's 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**

During the Financial Year 2018-19, there has been increase in paid-up share capital of the Company from Rs. 25,02,00,000/- to Rs. 26,32,00,000/-, pursuant to allotment of 13,00,000 Equity shares of face value of Rs. 10/- at a premium of Rs. 13.20/- each on preferential basis to Shree Padmavati Irrigations LLP, Promoter Group entity.

The Company has complied all the provisions of Companies Act, 2013 & Rules made thereunder, SEBI (LODR) Regulations, 2015, SEBI (ICDR) Regulations, 2009, SEBI (SAST) Code and all other applicable provisions including obtaining all requisite approvals from National Stock Exchange of India Ltd & BSE Ltd where the shares of the Company are listed.

**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 has 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, Shri. Vijay Prasad Pappu (DIN 02066748), retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Shri. Vijay Prasad Pappu has given declaration in terms of Section 164(2) of the Companies Act, 2013 to the effect that he is not disqualified from being reappointed as a Director of the Company.

Pursuant to the provisions of Section 2(18), 188, 203 and other applicable provisions of Company Act 2013, Mr. Mohit Agrawal (PAN AYUPA1984B) on recommendations of Nomination and Remuneration Committee, Appointed as Chief Executive Officer of the Company with effect from 29<sup>th</sup> May, 2018.

Mr. Shanti Lal Badera (DIN 02295033) Independent Director of the Company retires from the Board with effect from 13<sup>th</sup> August, 2019. The Board places on record its sincere appreciations for the valuable guidance and contribution made by Mr. Shanti Lal Badera in deliberations of the Board during his tenure as Independent Director on the Board of Directors of the Company.

Pursuant to provisions of section 149 & 161(1) of Companies Act, 2013, applicable provisions of SEBI (LODR) Regulation, 2015, Articles of Association of the Company and as per recommendations of Nomination and Remuneration Committee, Mr. Parvez Anjum (DIN 08529781) appointed as an Additional Independent Director of the Company with effect from 13<sup>th</sup> August, 2019. Mr. Parvez Anjum, aged about 44 year has a rich experience of 10 years in the field of Business Strategy. He has specialization in the field of Marketing and Operations, Business Development. Pursuant to provisions of section 161(1) Mr. Parvez Anjum (DIN 08529781) shall hold office up to the date of ensuing Annual General Meeting, the Board recommends to the members of the Company for regularization of Mr. Parvez Anjum (DIN 08529781) as Director of the Company.

Mr. Shyam Sunder Agrawal Company Secretary and Compliance Officer (ACS-No-24489) of the Company resigned from the services of the Company with effect from 25<sup>th</sup> July, 2019 and Mr. Mahesh Thakur (ACS N0- 53407) has been appointed as Company Secretary and Compliance Officer of the Company with effect from 13<sup>th</sup> August, 2019.

**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 Auditor whose findings and recommendations are reviewed by the Audit Committee of 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 2018-19.

**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**

The provisions of Section 135 of the Companies Act, 2013 is not applicable to the Company, therefore the company has not developed and implemented any Corporate Social Responsibility initiatives.

**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). During the year under review no complaint was received in vigil mechanism

**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 Obligations and Disclosure Requirements) 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. Transfer to Investor Education and Protection Fund**

During the year under review the Company has no liability to transfer to Investor Education and Protection Fund.

**32. 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-F**.

**33. 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 for the financial year 2018-19, 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;
- (v) 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; and
- (vi) 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.

**34. Material changes and commitments affecting the financial position of the Company.**

There have 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 relate and the date of this report.

**35. 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.

**36. Code of Conduct**

The Board has adopted the Code of Conduct for members of the Board and Senior Management personnel of the Company. The Codelays down, in details, the standards of business conduct, ethics and governance. The compliance of the same has been affirmed and a declaration signed by the Managing Director to this effect is given below. Code of Conduct has also been posted on the Company's Website. [www.texmopipe.com](http://www.texmopipe.com)

**Declaration**

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that the company has obtained from all the Members of the Board and senior management personnel, affirmations that they have complied with the code of conduct in respect of financial year ended on March 31, 2019.

**37. 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

**38. Acknowledgement**

Your Directors would like to gratefully acknowledge and place on record their sincere appreciation for the cooperation and assistance received from its stakeholders, advisors, 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**

**Date:-13.08.2019**

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

**Vijay Prasad Pappu**  
**Whole Time Director cum CFO**  
**(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 PERSONNEL), RULES, 2014.**

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during financial year 2018-19, ratio of the remuneration of each director to the median remuneration of the employees of the Company for financial year 2018-19.

S. No.	Name of Director And Designation	Remuneration of Directors / KMPs For Financial Year 2018-2019 (in Rs.)	%Increase In Remuneration In The Financial Year 2018-2019	Ratio of Remuneration of Each Director/ To Median of Remuneration of Employees
1	Mr. Sanjay Agrawal Managing Director	57,00,000	58.34	48.22
2	Mr. Vijay Prasad Pappu Whole-time Director cum CFO	11,73,311	Nil	9.93
3	Mr. Mohit Agrawal Chief Executive Officer	11,70,000	NA	9.90
4	Mrs. Rashmi Devi Agrawal Whole-time Director	17,50,000	NA	14.80
5	Mr. Shyam Sunder Agrawal Company Secretary	768096	30.89	-

**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 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 2018-2019 was Rs. 1, 18,200/-.
- iii. In the financial year, there was decrease of 01.00% in the median remuneration of employees;
- iv. There were 584 permanent employees on the rolls of company as on 31<sup>st</sup> March, 2019;
- v. Average percentage increase made in the salaries of employees other than the managerial personnel in financial year 2018-2019 was 7.52% .
- vi. 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.
- vii. No employee received remuneration higher than the limit as provided in Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended.
- viii. It is hereby affirmed that the remuneration paid during the year ended 31<sup>st</sup> march 2019 is as per remuneration policy of the company.

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

**Place:- Burhanpur  
Date :13.08.2019**

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

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

**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended on 31st March 2019.  
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>	<b>CIN</b>	<b>L25200MP2008PLC020852</b>
ii.	Registration Date	03/07/2008
iii.	Name of the Company	Texmo Pipes and Products Limited
iv.	Category/Sub-Category of the Company	Indian non government company
v.	Address of the Registered office and contact details	98, Bahadarpur Road, Burhanpur, (M.P.) 450331 Phone No:- 07325-255122 Fax: 07325-253273 Email: cs@texmopipe.com
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and	Karvy Fin Tech Private Limited (Formerly known as KCPL Advisory Transfer Agent, if any Services P Ltd) 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:-

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

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

Sr.No.	Name And Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	Percentage of shares held	Applicable Section
1.	Tapti Pipes and Products Limited 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	7427955	0	7427955	29.69	7427955	0	7427955	28.22	(1.47)
b) Central Govt./ State govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	1312000	0	1312000	5.24	1312000	1300000	2612000	9.92	4.68
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total(A)(1)</b>	<b>8739955</b>	<b>0</b>	<b>8739955</b>	<b>34.93</b>	<b>8739955</b>	<b>1300000</b>	<b>10039955</b>	<b>38.15</b>	<b>3.22</b>
1) Foreign									
a) Individuals (NRI/ foreign individuals)	0	0	0	0	0	0	0	0	0
b) Bodies Corporate	0	0	0	0	0	0	0	0	0
c) Banks / FI	0	0	0	0	0	0	0	0	0
d) Qualified foreign investors	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
<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</b>
<b>Sub-total (A1+A2)</b>	<b>8739955</b>	<b>0</b>	<b>8739955</b>	<b>34.93</b>	<b>8739955</b>	<b>1300000</b>	<b>10039955</b>	<b>38.15</b>	<b>3.22</b>



<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds /UTI	0	0	0	0	0	0	0	0	0
b) Banks/ FI	100	0	100	0.0	0	0	0	0.0	(0.00)
c) Central Govt. /state govt.	0	0	0	0	0	0	0	0	0
d) Venture Capital Funds	0	0	0	0	0	0	0	0	0
e) Insurance Companies	0	0	0	0	0	0	0	0	0
f) FIIs	0	0	0	0	0	0	0	0	0
g) Foreign Portfolio Investors	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Qualified foreign investor	0	0	0	0	0	0	0	0	0
j) Others	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1)</b>	<b>100</b>	<b>0</b>	<b>100</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>(0.00)</b>
<b>2. Non Institutions</b>									
a) Bodies Corporate:	1429396	0	1429396	5.71	1209337	0	1209337	4.59	(1.12)
b) Individuals:									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	9074547	104	9074651	36.26	9536539	104	9536643	36.23	(0.03)
(ii) Individual shareholders holding nominal share capital in excess of Rs1 lakh	5274086	0	5274086	21.08	5069523	0	5069523	19.26	(1.82)
k) NBFCs Registered with RBI	101350	0	101350	0.41	42134	0	42134	0.16	0.16
c) Qualified foreign investor:	0	0	0	0	0	0	0	0	0
d) Others:									
(I) Clearing members	57261	0	57261	0.23	82268	0	82268	0.31	0.08
(ii) NRI	338189	12	338201	1.35	340128	12	340140	1.30	(0.05)
(iii) Trust	5000	0	5000	0.02	0	0	0	0	0
<b>Sub-total(B)(2)</b>	<b>16279829</b>	<b>116</b>	<b>16279945</b>	<b>65.07</b>	<b>16279829</b>	<b>116</b>	<b>16279945</b>	<b>65.07</b>	<b>-3.28</b>
<b>Sub-total(B1+B2)</b>	<b>16279929</b>	<b>116</b>	<b>16280045</b>	<b>65.07</b>	<b>16279929</b>	<b>116</b>	<b>16280045</b>	<b>65.07</b>	<b>-3.28</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>25019884</b>	<b>116</b>	<b>25020000</b>	<b>100</b>	<b>25019884</b>	<b>1300116</b>	<b>26320000</b>	<b>100</b>	<b>5.19</b>

**ii. Shareholding of Promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			%change in share holding during 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	

1. Sanjay Kumar Agrawal	3896474	15.57	0	3896474	14.80	0	-0.77
2. Rashmi Devi Agrawal	3377592	13.50	0	3377592	12.83	0	-0.67
3. Sanjay Kumar Agrawal and Rashmi Devi Agrawal on behalf of Shree Venkatesh Industries	143000	0.57	0	143000	0.54	0	-0.03
4. *Shree Padmavati Irrigations LLP (previously known as Shree Padmavati Irrigations Pvt Ltd)	1312000	5.24	0	2612000	9.92	0	4.68
5. Mohan Lal Sohan Lal Shah	6089	0.02	0	6089	0.02	0	0.00
6. Anand Umale	1200	0.00	0	1200	0.00	0	0.00
7. Mahmood Ahmed Khan	1200	0.00	0	1200	0.00	0	0.00
8. Vijay Prasad Pappu	1200	0.00	0	1200	0.00	0	0.00
9. Rajesh Baban Lal Agrawal	1200	0.00	0	1200	0.00	0	0.00
<b>Total</b>	<b>8739955</b>	<b>34.93</b>	<b>0</b>	<b>10039955</b>	<b>38.15</b>	<b>0</b>	<b>3.22</b>

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

Sr. no.	Particular's	Shareholding at the beginning of the year		Cumulative Shareholding during the year 01.04.2017 to 31.03.2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year Date wise	8739955	34.93		
	Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	During the year Company has made Preferential Allotment Of 1300000 Equity Shares on 27th March, 2019 to Shree Padmavati Irrigations LLP (previously known as Shree Padmavati Irrigations Pvt Ltd), promoter group entity. The Company has complied all provisions of applicable Rules & Regulation in this regard. Save as above there is no change in promoter's holding.			
	At the End of the year	10039955	38.15		

**iv. SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS (Other than Directors, Promoters & Holders of GDRs & ADRs)**

Sino	Folio/Dpid-Clientid	Category	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
					No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	AMBPS8931K	PUB	Opening Balance	SUBRAMANIAN P	444400	1.78	444400	1.78
	30/03/2019		Closing Balance				444400	1.69
2	AAKPS6262N	PUB	Opening Balance	SHARAD KANAYALAL SHAH	262000	1.05	262000	1.05
	14/09/2018		Purchase		38000	0.15	300000	1.20
	30/03/2019		Closing Balance				300000	1.14
3	AFMPA8453Q	PUB	Opening Balance	MUKESH KUMAR AGARWAL	170000	0.68	170000	0.68
	30/03/2019		Closing Balance				170000	0.65
4	ADDPA1353Q	PUB	Opening Balance	RITIKA MUKESH AGARWAL	153000	0.61	153000	0.61
	11/05/2018		Purchase		31300	0.13	184300	0.74
	18/05/2018		Purchase		8700	0.03	193000	0.77
	30/03/2019		Closing Balance				193000	0.73
5	AAGHS7196R	HUF	Opening Balance	S R GUPTA	147292	0.59	147292	0.59
	30/03/2019		Closing Balance				147292	0.56

6	AAFPS8772A	PUB	Opening Balance	DR RAMESH CHIMANLAL SHAH	140000	0.56	140000	0.56
	11/05/2018		Sale		10000	0.04	130000	0.52
	05/10/2018		Sale		5000	0.02	125000	0.50
	30/03/2019		Closing Balance				125000	0.47
7	ABGPB7266E	PUB	Opening Balance	BAMB PRASHANT ISHWARDAS	125946	0.50	125946	0.50
	03/08/2018		Purchase		25	0.00	125971	0.50
	31/08/2018		Sale		1000	0.00	124971	0.50
	07/09/2018		Sale		1250	0.00	123721	0.49
	14/09/2018		Sale		4813	0.02	118908	0.48
	15/02/2019		Sale		2000	0.01	116908	0.47
	30/03/2019		Closing Balance				116908	0.44
8	ADGPP5154R	PUB	Opening Balance	BHARATKUMAR CHATURDAS PATEL	111111	0.44	111111	0.44
	30/03/2019		Closing Balance				111111	0.42
9	AAXPV2953N	PUB	Opening Balance	NIKHIL VORA	107000	0.43	107000	0.43
	30/03/2019		Closing Balance				107000	0.41
10	AAGCM7602R	LTD	Opening Balance	MANNAT STEEL PRIVATE LTD	102000	0.41	102000	0.41
	30/03/2019		Closing Balance				102000	0.39

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

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

Sr.no.	Name	Shareholding		Date /(Decrease)	Increase	Reason	Cumulative Shareholding During The Year	
		No. of Shares at the Beginning/ End of the year	% of Shares of the Company				No. of Shares Company	% of Total Shares of the Company
1.	Mr. Sanjay Kumar Agrawal Managing Director	3896474	15.57	01.04.2018	Decrease	Allotment of Shares	3896474	14.80
		3896474	14.80	31.03.2019	NIL			
2.	Mrs. Rashmi Devi Agrawal Whole Time Director	3377592	13.50	01.04.2018	Decrease	Allotment of Shares	3377592	12.83
		3377592	12.83	31.03.2019	NIL			
3.	Mr. Vijay Prasad Pappu Whole-Time Director cum CFO	1200	0.005	01.04.2018	Decrease	Allotment of Shares	1200	0.004
		1200	0.005	31.03.2019	Nil			
4	Mr. Mohit Agrawal Chief Executive Officer	Nil	Nil	31.03.2019	Nil	Nil	Nil	Nil
5	Mr. Shyam Sunder Agrawal Company Secretary	Nil	Nil	31.03.2019	Nil	Nil	Nil	Nil
6	Mr. Mahesh Thakur Company Secretary	Nil	Nil	31.03.2019	Nil	Nil	Nil	Nil

The Independent Director Mr. Amber Chaurasia, Mr. Sunil Kumar Maheshwari, Mr. Shanti Lal Badera, Mr. Parvez Anjum do not hold any shares in the company. Mr. Mohit Agrawal Appointed on 29.05.2018. Mr. Shyam Sunder Agrawal Resignation on 25.07.2019 and Mr. Mahesh Thakur Appointed on 13.08.2019.

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

Particular's	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year as on 01-04-2018				
i) Principal Amount	5,644.04	338.65	-	<b>5,982.69</b>
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	3.16	-		3.16
<b>Total(i+ii+iii)</b>	<b>5,647.20</b>	<b>338.65</b>	<b>--</b>	<b>5,985.85</b>
Change in Indebtedness during the financial year 2018-19				
- Addition	-	<b>80.02</b>		<b>80.02</b>
- Reduction	(598.56)	(290.61)		(889.17)
Net Change	(598.56)	(210.59)		(809.15)
Indebtedness at the end of the financial year <b>2018-2019</b>				
i) Principal Amount	5,048.64	<b>128.06</b>		5,176.70
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	1.94			1.940
<b>Total (i+ii+iii)</b>	<b>5,050.58</b>	<b>128.06</b>		<b>5,178.64</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sr. no.	Particulars of Remuneration	Name Of WTD/MD			Total Amount
		Mr. Vijay Prasad Pappu	Mr. Sanjay Kumar Agrawal	Smt.Rashmi Devi Agrawal	
<b>1.</b>	Gross salary:-				
	(a)Salary as per provisions containing section 17 (1) of the Income-tax Act, 1961	11,73,311	57,00,000	17,50,000	86,23,311
	(b)Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(c)Profits in lieu of salary under section 17(3) Income tax Act, 1961	NIL	NIL	NIL	NIL
<b>2.</b>	Stock Option	NIL	NIL	NIL	NIL
<b>3.</b>	Sweat Equity	NIL	NIL	NIL	NIL
<b>4.</b>	Commission				
	- as% of profit				
	- others, specify	NIL	NIL	NIL	NIL
<b>5.</b>	Others, please specify	NIL	NIL	NIL	NIL
	Total(A)	11,73,311	57,00,000	17,50,000	86,23,311

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

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Shantilal Badera*	Mr. Sunil Kumar Maheshwari	Mr. Amber Chaurasia	Mr. Parvez Anjum**	
<b>1.</b>	Independent Directors					
	•Fee for attending Board/ Committee meetings	170000	160000	100000	NIL	430000
	•Commission	NIL	NIL	NIL	NIL	NIL
	•Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total	170000	160000	100000	NIL	430000

\* Resign on 13.08.2019, \*\* Appointed on 13.08.2019

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

Sr. No.	Particulars of Remuneration	CEO	Company Secretary	CFO	Total
1.	Gross salary	11,70,000	7,68,096	NIL	19,38,096
	(a)Salary as per provisions contained in section17(1) of the Income-tax Act,1961	NA	NIL	NIL	NIL
	(b)Value of perquisites u/s 17(2)Income-tax Act,1961	NA	NIL	NIL	NIL
	(c)Profits in lieu of salary under section 17(3)Income -tax Act,1961				
2.	Stock Option		NIL	NIL	NIL
3.	Sweat Equity		NIL	NIL	NIL
4.	Commission - as% of profit -others, specify	NA	NIL	NIL	NIL
5.	Others, please specify		NIL	NIL	NIL
	<b>Total</b>	<b>11,70,000</b>	<b>7,68,096</b>	<b>NIL</b>	<b>19,38,096</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>C. 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 :-13.08.2019

Sanjay Kumar Agrawal  
Managing Director  
(DIN 00316249)

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

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

**A. CONSERVATION OF ENERGY**

**D) a) Steps taken for conservation of energy**

- Installation of compounding conveying system in PVC Pipe plant which results in less consumption of compounding equipment like Mixer & cooler and also of electricity.
- Transparent sheets have been put on which amounts to power saving during day shift.
- Usage of SSR (Solid State Relay) in place of contactor.
- Replacement of Induction Motor to Servo Motor.
- 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:-**The Company has become the first in Madhya Pradesh to launch renewable energy by way of installing solar plant in its factory premises to generate solar power. By installation of solar power plant the Company has reduced its dependency on traditional source of energy because solar power provides energy independence, energy security and energy reliability. This will also helps in diminution of expulsion of CO2 and other green house gas emissions and has been proved to be an ecofriendly.

**iii) Capital investment on energy conservation equipment: - Nil**

**TECHNOLOGY ABSORPTION:**

**(i) The efforts made towards technology absorption:**

- Laser printing on LLDPE Pipes.
- Replacement of hand sealing machine by automatic conveying sealing machine.
- EOT Crain has been installed in PVC Pipe Plant for unloading of raw material jumbo bags.
- Replacement of single head by double head fusing machine so that two operations of jointing on sprinkler pipes could be done simultaneously.

**(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:-**

Particulars	Amt. in Lakhs
Particulars	Amount
Raw Materials	734.40
Spare Parts	2.10
Finance Charges	Nil

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

Particulars	Amt. in Lakhs
Particulars	Amount
Nil	Nil

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

**Place:- Burhanpur  
Date: -13.08.2019**

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

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

**FORM NO. AOC-2**

(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**

Sr. No	Name of Related Party	Nature of Relationship	Nature of transaction	Duration of transaction	Salient terms of the contracts or arrangements or transactions including the value, if any
1.	Mrs Rashmi Devi Agrawal	Whole Time Director	Leasing of property	On - going	In normal course of business and at prevailing market prices. Rent paid Rs. 58.37 lakh
2.	Mr. Sanjay Kumar Agrawal	Managing Director	Leasing of property	On - going	In normal course of business and at prevailing market prices. Rent paid Rs59.67 lakh.
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 2516..61 Lakh
			Sale of finished goods	On - going	In normal course of business and at prevailing market prices. Rs. 31.16 Lakh
			Logistic Income	On - going	In normal course of business and at prevailing market prices. Rs. 4.92 Lakh
			Turnover discount recieved	On - going	In normal course of business and at prevailing market prices. Rs. 201.33 Lakh
4.	Shree Padmavati Irrigations LLP	Enterprise in which KMP are able to exercise significant influence	Leasing of property	On - going	In normal course of business and at prevailing market prices. Leasing of property Rs 0.24 Lakh.

Note: Appropriate approval have been taken for related party transactions in Board Meeting held on 13<sup>th</sup> February, 2018 and 14<sup>th</sup> March, 2019 respectively. No advances have been paid or received against the transactions mentioned above.

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

**Date: August 13, 2019  
Place: Burhanpur**

**Sanjay Kumar Agrawal**      **Vijay Prasad Pappu**  
**Managing Director**      **Whole Time Director cum CFO**  
**(DIN 00316249)**      **(DIN 02066748)**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019**

*[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 31<sup>st</sup> March, 2019 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 31<sup>st</sup> March, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Companies Act, 1956 (to the extent applicable);
- iii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iv. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- v. 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;
- vi. 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, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 / The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018;
  - 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).
  - i. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- vii. As per information provided by the management, there is no law applicable specifically to the Company vis-à-vis the industry to which the Company belongs.

I have also examined compliance with the applicable clauses/Regulations 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.
- b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 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 observation:

- a) Form MGT-14 for Board resolution relating to Borrow amount of Rs. 8.00 Crore from HDFC Bank Limited dated 27.03.2019 was filed with Registrar of Companies, Gwalior after the closure of Financial Year on 14.05.2019.

**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.

**I further report** that during the audit period, the Company had following events/actions which had major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc:-

1. Issued 1300000 Equity Shares on preferential basis to the Promoter Group entity in Extra-Ordinary General Meeting held on 14.03.2019.
2. Allotted 1300000 Equity Shares on preferential basis to the Promoter Group entity in Board Meeting held on 27.03.2019.
3. Approval of entering into Related Party Transactions by the Company in Extra-Ordinary General Meeting held on 14.03.2019.
4. Approval of Re-Appointment and Remuneration of Shri Sanjay Kumar Agrawal (DIN 00316249) as Managing Director of the Company for a period of five years w.e.f. 1<sup>st</sup> September 2018 to 31<sup>st</sup> August, 2023 in Annual General Meeting held on 25.09.2018.
5. Approval of Re-Appointment and Remuneration of Shri Vijay Prasad Pappu (DIN 02066748) as Whole Time Director of the Company or a period of five years w.e.f. 1<sup>st</sup> September 2018 to 31<sup>st</sup> August, 2023 in Annual General Meeting held on 25.09.2018.
6. Approval of Appointment and Remuneration of Smt Rashmi Devi Agrawal (DIN 00316248) as Whole Time Director or a period of five years w.e.f. 1<sup>st</sup> September 2018 to 31<sup>st</sup> August, 2023 in Annual General Meeting held on 25.09.2018.

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: 12.08.2019**

**Place: Indore**

**Dinesh Kumar Gupta**  
**Practicing Company Secretary**  
**(FCS No. 5396 CPNo. 4715)**

**Appendix - I**

*(To the Secretarial Audit Report to the Members of Texmo Pipes and Products Limited for the financial year ended 31st March, 2019)*

To,

The Members,

**Texmo Pipes and Products Limited**

My Secretarial Audit Report for the financial year ended March 31, 2019 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: 12.08.2019**

**Place: Indore**

**Dinesh Kumar Gupta**  
**Practicing Company Secretary**  
**(FCS No. 5396 CPNo. 4715)**

**REPORT ON CORPORATE GOVERNANCE**

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

Corporate Governance in simple words means the way a corporation is governed. Corporate governance refers to mechanisms, processes and relations by which corporations are controlled and directed. Corporate Governance is a systematic process driven by the ethical conduct of the business and affairs of an organization aimed at promoting sustainable business and enhancing shareholders value in long term. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability across all business practices. Corporate governance essentially involves balancing the interests of a company’s stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community. We believe that Corporate Governance is a continuous journey for sustainable value creation for all the stakeholders driven by our values of Integrity, Commitment, Passion, Seamlessness and Speed.

Your Company has complied with the requirements of Corporate Governance as laid down under Regulation 27 of SEBI (Listing Obligation and Disclosure Requirements), Regulations 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 3 Executive Directors, and 3 Non-Executive Independent Directors. The Company has a Executive Chairperson. The Company is having 3 Independent Directors which as per Regulation 17 of the SEBI (LODR) 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 SEBI (LODR) Regulation, 2015, the Company is having one woman director in form of Executive Chairperson.

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

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 (LODR) 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 disclosed 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 policy, 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 model 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 Kumar Agrawal is the Managing Director of the Company. The Salary and allowance paid to Mr. Sanjay Kumar Agrawal during the year 2018-19 were Rs. 57.00 Lakhs, Mrs. Rashmi Devi Agrawal is the Whole time director cum Chairperson of the Company and the Salary and allowance paid to Mrs. Rashmi Devi Agrawal during the year 2018-19 were Rs. 17.50 Lakhs and Mr. Vijay Prasad Pappu is the Whole time director cum Chief Financial Officer of the Company and the Salary and allowance paid to Mr. Vijay Prasad Pappu during the year 2018-19 were Rs. 11.73 Lakhs.

**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. 15,000 for attending each meeting of the Board and Audit Committee and of Rs. 2,500 for attending each of the Stakeholders Relationship Committee and Rs. 2,500 for attending each of the 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 2018-19.

The details of Sitting Fees paid to the Non-Executive Directors during the year 2018-19

Sr. No.	Name of Non-Executive Directors	Sitting fees(Rs.)
1.	Mr. Shanti Lal Badera (Retired on 13.08.2019)	1,70,000
2.	Mr. Sunil Kumar Maheshwari	1,60,000
3.	Mr. Amber Chaurasia	1,00,000
4.	Mr. Parves Anjum (Appointed on 13.08.2019)	Nil

**8. 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 2018-19, Six Meetings of the Board of Directors were held on 29<sup>th</sup> May, 2018, 11<sup>th</sup> August, 2018, 25<sup>th</sup> August, 2018, 13<sup>th</sup> November, 2018, 14<sup>th</sup> February, 2019, and 27<sup>th</sup> March, 2019. 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. The draft minutes of each Board / Committee meetings are circulated to all Directors for their comments within 15 days of the meeting. The Company Secretary, after incorporating comments, received if any, from the Directors, records the minutes of each Board / Committee meeting within 30 days from conclusion of the meeting. The important decisions taken at the Board / Committee meetings are communicated to the concerned departments promptly.

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 31<sup>st</sup> March, 2019 have been made by the Directors.

The details of attendance of Directors for the year 2018-19 at the Board Meetings, EGM and in AGM are given below:

Name of Director	Category	Board Meetings held	Board Meetings Attended	Attendance in previous AGM	Attendance in previous EGM
Mrs. Rashmi Devi Agrawal	Executive	6	6	Yes	Yes
Mr. Sanjay Kumar Agrawal	Executive	6	6	Yes	Yes
Mr. Vijay Prasad Pappu	Executive	6	6	Yes	Yes
Mr. Shanti Lal Badera (Retired on 13.08.2019)	Non Executive Independent	6	6	No	No
Mr. Sunil Kumar Maheshwari	Non Executive Independent	6	6	Yes	Yes
Mr. Amber Chaurasia	Non Executive Independent	6	4	No	No
Mr. Parvez Anjum (Appointed on 13.08.2019)	Non Executive Independent	-	-	-	-

**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) Details of any joint venture or collaboration agreement.
- i) Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- j) Quarterly details of foreign exchange exposures and the step taken by management to limit the risks of adverse exchange rate movement, if material.
- k) Industrial relationship issues of material nature and proposed remedial actions. All significant development in Human Resources/ industrial relations.
- l) Transactions of material nature of buying and selling of investments, or undertaking/ assets, which are not in normal course of business.
- m) Status on compliance with all regulatory, statutory and material contract requirements.
- n) Details of delegation of authorities to executives and power of attorney.

**9. 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 SEBI (LODR) Regulations, 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 particular 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 2018-19, Four Audit Committee Meetings were held on 29<sup>th</sup> May, 2018, 11<sup>th</sup> August, 2018, 13<sup>th</sup> November, 2018 and 14<sup>th</sup> February, 2019. 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 (Retired on 13.08.2019)	Non Executive Independent	4	4
Mr. Vijay Prasad Pappu	Executive	4	4
Mr. Amber Chaurasia	Non Executive Independent	4	2
Mr. Parvez Anjum (Appointed on 13.08.2019)	Non Executive Independent	-	-

Company Secretary acts as the secretary to the Audit Committee.

The Committee Meetings are also attended on invitation by Statutory Auditors and Internal Auditor 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.

#### i) Stakeholders Relationship Committee

The Committee is set up in accordance with Regulation 20 of the SEBI (LODR) 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.

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.

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

- i) The Chairman of the Stakeholders Relationship Committee is Mr. Shantilal Badera. During the year 2018-19, Four Meetings of the committee were held on 29<sup>th</sup> May, 2018, 11<sup>th</sup> August, 2018, 13<sup>th</sup> November, 2018 and 14<sup>th</sup> February, 2019. 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. Shanti Lal Badera (Retired on 13.08.2019)	Non Executive Independent	4	4
Mr. Sanjay Kumar Agrawal	Executive	4	4
Mr. Amber Chaurasia	Non Executive Independent	4	2
Mr. Parvez Anjum (Appointed on 13.08.2019)	Non Executive Independent	-	-

During the financial year 2018-19 the Company / RTA received 4 complaints 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.

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

#### ii) Nomination And Remuneration Committee

The Committee is set up in accordance with Regulation 19 of SEBI (LODR) Regulations, 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.

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

Mr. Sunil Kumar Maheshwari is Chairman of the Committee. During the year 2018-19, Four Meeting of the committee was held on 29<sup>th</sup> May, 2018, 11<sup>th</sup> August, 2018, 13<sup>th</sup> November, 2018 and 14<sup>th</sup> February, 2019.

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. Sunil Kumar Maheshwari	Non Executive Independent	4	4
Mr. Shanti Lal Badera (Retired on 13.08.2019)	Non Executive Independent	4	4
Mr. Amber Chaurasia	Non Executive Independent	4	2
Mr. Parvez Anjum (Appointed on 13.08.2019)	Non Executive Independent	-	-

#### iii) Composition of Corporate Social Responsibility Committee

Our CSR Committee ('the Committee') comprised two Independent Directors and Managing Director as on 31<sup>st</sup> March 2019:

- Mr. Sunil Kumar Maheshwari, Chairman
- Mr. Amber Chaurasia
- Mr. Sanjay Kumar 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 there under, the Company is not required to set aside mandatory sum towards CSR expenditure.

**iv) Treasury Committee**

The Board of Directors has constituted a Non- mandatory Sub Committee of Board styled as Treasury Committee with Mr. Sanjay Kumar 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 2018-19, Six Treasury Committee Meetings were held on 04/06/2018, 12/07/2018, 30/10/2018, 18/02/2019, 12/03/2019 and 25/03/2019. 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 Kumar 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.

**10. 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.

**11. 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 SEBI (LODR) 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.

Details of 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. 40 on notes forming part of the accounts.

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

The disclosure under Schedule V (Clause F) of the SEBI (LODR) Regulations, 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 01.04.2018.	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 31.03.2019.	2	150
5	The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.		

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

**Mr. Mahesh Thakur**

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

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 (LODR) Regulation, 2015.

**14. 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. The inputs / corrections in the draft Minutes as suggested by Directors are incorporated in the final minutes thereafter signed copy of Minutes are also circulated to all Directors. This is also in compliance with Secretarial Standard SS 1 issued by The Institute of Company Secretaries of India.

**15. 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 31<sup>st</sup> March, 2019 are given below:-

Sr. No.	Name of Directors	Directorship in other Public Companies	Committee positions held	
			Chairmanship	Membership
1	Mr. Sanjay Kumar 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. Amber Chaurasia	0	0	0
7.	Mr. Parvez Anjum (Appointed on 13.08.2019)	0	0	0

In accordance with Regulation 26 of the SEBI (LODR) Regulations, 2015 with the Stock Exchanges, Memberships/ Chairmanships of only the Audit Committee and Stakeholders Relationship Committee of all Public Limited Companies whether listed or not (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.

**16. CODE OF CONDUCT**

In compliance with Regulation 26(3) of SEBI (LODR) 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 31<sup>st</sup> March, 2019. The Annual Report of the Company contains a Certificate by the Managing Director & CFO in terms of Schedule V of the SEBI (LODR) Regulations, 2015

**17. 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 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).

**18. 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 (LODR) Regulation, 2015 with regard to subsidiary companies have been complied with. The Company has adopted a policy for determining “Material Subsidiaries” and the same is available on the Company’s website at [www.texmopipe.com](http://www.texmopipe.com).



**19. DISCLOSURE**

**i) Material Significant Related Party Transaction**

There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large.

ii) Details of non-compliance by the Company, penalties, and structures imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years;

iii) The Company has complied with the requirements of regulatory authorities on capital markets and no penalties / structures have been imposed against it in the last three years.

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

In Compliance with Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 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.

**ii) Management Discussion and Analysis Report**

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

**20. 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 Exchange 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, Corporate Governance Report, Audited Results and the quarterly Financial Results are also available on the website of the Company www.texmopipe.com under investor's information section.

**21. PLEDGE OF EQUITY SHARES**

No Pledge has been created over the Equity Shares held by the Promoters and/or Promoter Group Shareholders as on 31<sup>st</sup> March 2019.

**22. PROMOTERS' SHAREHOLDING**

The aggregate Shareholding of the Promoters and Persons belonging to the Promoters Group as on 31<sup>st</sup> March 2019 comprised of 10039955 Equity Shares of Rs. 10/- each representing 38.15% of the total paid up Share Capital of the Company.

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

There were no instances of noncompliance 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 (LODR) Regulation, 2015 with the Stock Exchanges.

**24. 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
2015-16	29 <sup>th</sup> September, 2016 at 11.30 A.M.	98, Bahadarpur Road, Burhanpur (M.P.)-450331	NIL
2016-17	23 <sup>rd</sup> September, 2017 at 11.30 A.M.	98, Bahadarpur Road, Burhanpur (M.P.)-450331	(1) Alteration in Clause 3 of Memorandum of Association the Company. (2) Alteration of Clause 4 of Memorandum of Association of the Company. (3) Adoption of new set of Article of Association of the Company. (4) Issuance of Equity Share on Preferential basis to the Promoter Group of the Company.
2017-18	25 <sup>th</sup> September, 2018 at 12.30 P.M.	98, Bahadarpur Road, Burhanpur (M.P.)-450331	1) To approve re-appointment and remuneration of Shri Sanjay Kumar Agrawal (Director Identification No. 00316249) as a Managing Director of the Company. 2) To approve re-appointment and remuneration of Shri Vijay Prasad Pappu (Director Identification No. 02066748) as a Whole Time Director of the Company. 3) To approve appointment and remuneration of Smt Rashmi Devi Agrawal (Director Identification No. 00316248) as a Whole Time Director of the Company

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

Financial year	Date and time	Venue	Special Resolution passed
2018-19	14 <sup>th</sup> March, 2019 at 11.30 A.M.	98, Bahadarpur Road, Burhanpur (M.P.)-450331	1) Issuance of Equity Share on Preferential basis to the Promoter Group of the Company. 2) To approve to enter in to Related Party Transaction by the Company.

**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 2018-19**

Date	24 September, 2019
Venue	98, Bahadarpur Road, Burhanpur (M.P.) 450331
Time	12.30 P.M.
Book closure date	From 19 to 24 September, 2019. (Both days inclusive)
Last date of receipt of Proxy forms	22 September, 2019. (Before 12.30 P.M. at the Registered office of the Company)

**v) Tentative Calendar for financial year ending 31<sup>st</sup> March, 2020.**

Quarterly Financial Results	Date of Board Meeting
1 <sup>st</sup> Quarterly results	First half of August 2019
2 <sup>nd</sup> Quarterly results	First half of November 2019
3 <sup>rd</sup> Quarterly results	First half of February 2020
4 <sup>th</sup> Quarterly results	Second half of May 2020

**vi) Listing Details**

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

The Annual Listing fees for the financial year 2019-20 have been paid to the Stock Exchanges.

The Company has paid Annual Custodial Fees for the year 2019-20 to the National Securities Depository Limited and Central Depository Services Limited on the basis of beneficial accounts maintained by them as on 31<sup>st</sup> March 2019.

Equity Shares
BSE Limited 16 <sup>th</sup> Floor, P.J. Tower, Dalal Street, Mumbai 400001 National Stock Exchange of India Limited
Exchange Plaza, 5 <sup>th</sup> Floor, Bandra- Kurla Complex, Bandra (East), Mumbai 400051

**vii) Stock Codes**
**Table 1**

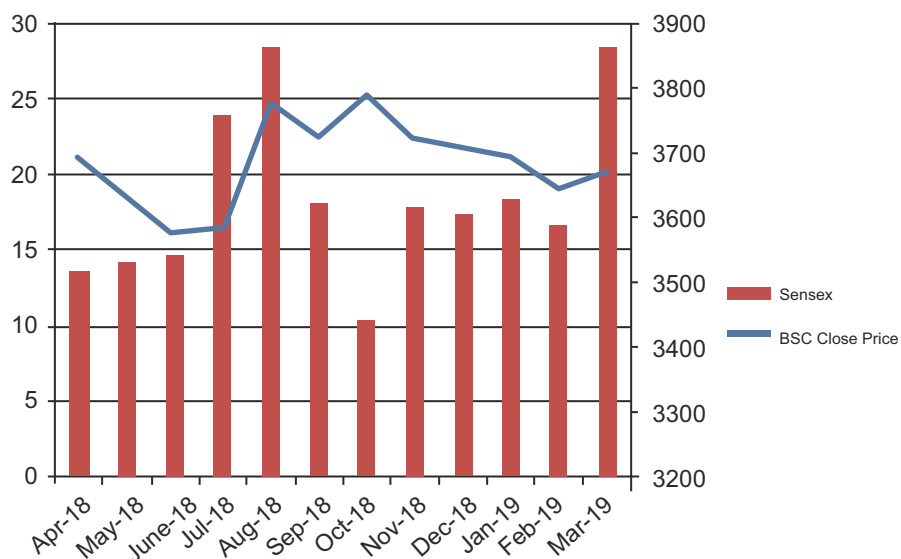
Name of the stock Exchange	Stock Code
BSE Limited	533164
National Stock Exchange of India Limited (NSE)	TEXMOPIPES
ISIN of Equity Shares	INE141K01013

**viii) Share Price Data**

The details of High, Low Prices of shares of the company at BSE Limited and National Stock Exchange of India Limited (NSE) for the year ended 31<sup>st</sup> March, 2019 are as under:-

Period – from 01<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019.

Months	BSE		NSE	
	High (Rs.)	Low(Rs.)	High (Rs.)	Low(Rs.)
April 2018	24.15	19.75	24.25	19.80
May 2018	23.50	18.30	23.35	18.00
June 2018	19.85	14.25	20.10	15.00
July 2018	17.90	14.20	17.95	13.60
August 2018	28.90	16.10	29.40	16.00
September 2018	40.70	22.25	39.00	22.25
October 2018	25.40	18.60	25.20	18.15
November 2018	28.30	21.70	28.25	21.50
December 2018	23.15	18.65	23.40	19.55
January 2019	24.80	19.00	24.80	18.90
February 2019	24.70	17.75	24.50	17.75
March 2019	22.85	19.15	23.00	19.10

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

**x) Distribution of Shareholding as on 31<sup>st</sup> March, 2019**

Sln0	Category (Shares)	No.of Holders	% To Holders	No. of Shares	% To Equity
1	1 - 5000	17085	97.21	7991911	30.36
2	5001 - 10000	273	1.55	2034731	7.73
3	10001 - 20000	131	0.75	1820915	6.92
4	20001 - 30000	41	0.23	984488	3.74
5	30001 - 40000	11	0.06	394330	1.50
6	40001 - 50000	10	0.06	462066	1.76
7	50001 - 100000	9	0.05	599729	2.28
8	100001 and above	15	0.09	12031830	45.71
	<b>TOTAL:</b>	<b>17575</b>	<b>100.00</b>	<b>26320000</b>	<b>100.00</b>

**xi Shareholding Pattern as on 31<sup>st</sup> March, 2019**

Category	No. of shareholders	No. of share held	% of equity
Promoters and Promoter Group holding	9	10039955	38.15%
Public shareholdings			
Clearing member	42	82,268	0.31%
HUF	407	7,20,902	2.74%
Bodies Corporate	187	1,20,9,337	4.59%
Non Resident Indians	139	2,41,076	0.92%
Non Resident Indians Non Repatriate	36	99,064	0.38%
NBFC	3	42134	0.16%
Resident Individuals	16,752	1,38,85264	52.75.%
<b>Total</b>	<b>17,575</b>	<b>2,63,20,000</b>	<b>100%</b>

**xii) Director's Shareholding as on 31<sup>st</sup> March, 2019**

S. No.	Name of Director	No. of Share Held	% of Holding
1.	Mrs. Rashmi Devi Agrawal	3377592	12.83%
2.	Mr. Sanjay Kumar Agrawal	3896474	14.80%
3.	Mr. Vijay Prasad Pappu	1200	0.001%
4.	Mr. Shanti Lal Badera	Nil	Nil
5.	Mr. Sunil Kumar Maheshwari	Nil	Nil
6.	Mr. Amber Chaurasia	Nil	Nil
	<b>Total</b>	<b>7275266</b>	<b>27.64%</b>

**xiii) Dematerialization of Shares and Liquidity**

2,50,19,884 Equity Shares representing 95.06% 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 31<sup>st</sup> March, 2019.

The bifurcation of shares held in Physical & Demat form as on 31st March 2019, is given below:

Category	No. of shareholders	No. of share held	% of equity	
Physical	5	1300116	4.94%	
Demat Segment	NSDL	9065	99,34,173	37.74%
	CDSL	8794	1,50,85,711	57.32%
<b>Total</b>		<b>26320000</b>	<b>100.00%</b>	

**xiv) No 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 2019, there were no GDRs outstanding.

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

**xv) Investor Grievances Redressal System**

Karvy Fintech Private Limited, Registrar & Transfer Agents (RTA) of the Company has confirmed that 4 Complaints were received during the FY 2018-19 from the Shareholders and same were disposed off with the satisfaction of investors. To redress investor grievances, the Company has a dedicated e-mail id complaints@texmopipe.com to which investors may send complaints.

**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 Fintech Private Limited having their office at:-

Karvy Fintech 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.) 450331.

**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 Fintech 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. Mahesh Thakur  
 Company Secretary & Compliance Officer  
 Texmo Pipes and Products Limited  
 98, Bahadarpur Road, Burhanpur (M.P.) 450331  
 Tel. No. 07325-255122  
 Email id- [cs@texmopipe.com](mailto: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 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.

**25. 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.

**26. MANDATORY REQUIREMENTS**

The Company has fully complied with the applicable mandatory requirements of Regulation 27 of the SEBI (LODR) Regulations, 2015 executed with the Stock Exchanges.

**27. 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”.

**28. 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. Apart from that the Company has also complied all requirement of Corporate Governance Report of sub-para(2) to (10) of Schedule V of SEBI (LODR) Regulations, 2015.

**29. AUDITORS QUALIFICATION ON FINANCIAL STATEMENT**

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

**30. COMPANY SECRETARY CERTIFICATE ON CORPORATE GOVERNANCE**

The Company has obtained a Certificate from its Secretarial Auditors testifying to its compliance with the provision relating to Corporate Governance laid out in Schedule V of the SEBI (LODR) Regulations, 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.

**31. INFORMATION PURSUANT TO REGULATION 34(3) AND SCHEDULE V OF THE SEBI (LODR) REGULATIONS, 2015.**

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

Amt. in Lakh

Name of the Company	Balance as at 31 <sup>st</sup> March 2019	Maximum outstanding during the year
Tapti Pipes & Products Limited FZE	NIL	NIL

**32. CEO/ CFO CERTIFICATE**

As required under Part B of Schedule II of the SEBI (LODR) Regulations, 2015 with the Stock Exchanges, Mr. Mohit Agrawal, Chief Executive Officer and Mr. Vijay Prasad Pappu, Whole Time Director cum Chief Financial Officer of the Company have certified to the Board regarding financial statements for the year ended 31<sup>st</sup> March, 2019.

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

**33. 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 2018-19.

**34. DECLARATION REGARDING COMPLIANCE OF CODE OF CONDUCT PURSUANT TO SCHEDULE V OF THE SEBI (LODR) REGULATIONS, 2015**

As required by Clause D of Schedule V of SEBI (LODR) 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.e [www.texmopipe.com](http://www.texmopipe.com)

I, confirm in respect of the financial year ended 31<sup>st</sup> March, 2019, 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 31<sup>st</sup> March, 2019 of the company.

**35. DISCLOSURE ABOUT UTILISATION OF FUND RECEIVED FROM PREFERENTIAL ALLOTMENT UNDER REGULATION 32 (7A) OF SEBI (LODR) REGULATIONS, 2015**

The Company has received an amount of Rs. 3, 01, 60,000 during the financial year ended 31<sup>st</sup> March, 2019 in respect of allotment of equity shares on Preferential basis to Shree Padmavati Irrigations LLP a Promoter Group entity of the Company and utilized the entire fund received for the purpose of the long term working capital requirements and long term financial resources of the Company.

**For Texmo Pipes and Products Limited**

**Date: 13<sup>th</sup> August, 2019**

**Place: Burhanpur**

**Mohit Agrawal**  
**Chief Executive Officer**

**CEO/CFO CERTIFICATION TO THE BOARD  
(Under Schedule II of SEBI (LODR) Regulations, 2015)**

To  
The Board of Directors  
Texmo Pipes and Products Limited

We, Mohit Agrawal, Chief Executive Officer and Vijay Prasad Pappu, Whole Time Director Cum Chief Financial Officer, of Texmo Pipes and Products Limited (“the Company”), to the best of our knowledge and belief, hereby 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: 13.08 .2019**

**Mohit Agrawal  
Chief Executive Officer**

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

## CORPORATE GOVERNANCE CERTIFICATE

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

I have examined the Compliance of Corporate Governance by **Texmo Pipes and Products Limited (CIN: L25200MP2008PLC020852)** (“the Company”) for the year ended on 31st March, 2019, as stipulated in regulations 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 Obligations and Disclosure Requirements) Regulations, 2015 for the year ended on March 31, 2019.

1. The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
2. In my opinion and to the best of my information and according to my examination of the relevant records and the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in 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 period of applicability as specified under paragraph 1 above, during the year ended March 31, 2019.
3. I 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.

Date: 13.08.2019  
Place: Indore

**Dinesh Kumar Gupta**  
Practicing Company Secretary  
M. No.: 5396 CPNo. 4715



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(Pursuant to Regulation 34 (3) and Schedule V Para C Clause (10)(I) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of the **Texmo Pipes And Products Limited** having (CIN: L25200MP2008PLC020852) and having registered office at **98, Bahadarpur Road, Burhanpur (M.P.) 450331** (hereinafter referred as ‘the company’), produced before me by the company for the purpose of issuing this certificate, in accordance with Regulation 34 (3) and Schedule V Para C Clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Director Identification number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the company and its officers, I hereby certify that none of the directors on the Board of the company as stated below for the financial year ending 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Director of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.No.	Name of Directors	DIN	Date of appointment
1.	Rashmidevi Agrawal	00316248	03/07/2008
2.	Sanjay Kumar Agrawal	00316249	03/07/2008
3.	Vijay Prasad Pappu	02066748	03/07/2008
4.	Sunil Kumar Maheshwari	03304103	22/11/2010
5.	Amber Chaurasia	07729278	10/02/2017
6.	Shantilal Badera	02295033	14/08/2008

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

**Date: 12.08.2019**  
**Place: Indore**

**Dinesh Kumar Gupta**  
**Practicing Company Secretary**  
**(M No 5396 | CP No. 4715)**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**Industry structure and Developments**

The various initiatives taken by the Central and State Governments have started showing fruitful outcome in the year. The focus on construction of affordable houses, effective implementation of RERA, Swachha Bharat Mission, Amrut Yojana and other infrastructure building activities are enabling the Company to grow its Plastics Piping System Business.

The initiatives taken up-to-date by the Government are gathering momentum. With an expected growth in the businesses of several verticals, the Company took steps to put new production units and also expand capacity in several of its existing units.

The Indian economy started the fiscal year 2018-19 with a healthy eight per cent growth in the June 2018 quarter, however India's real gross domestic product growth dropped to a five-year low of seven per cent in 2018-2019. The slowdown in the Indian economy emanated from sectors like housing, agriculture, auto, manufacturing and trade, and services etc.

**Opportunities and Threats**

Among the industry's major strengths is the availability of raw materials in the country. Thus, plastic processors do not have to depend on imports. This industry is one of the fast growing industries in the Indian economy. The Indian plastics industry has enormous potential of growth but presently have very low usage levels as compared to the global standards. Plastics waste is a challenge to be managed well again. Connection of plastics waste management with the prospects of recycling industry will be a superior thought.

**Product wise performance**

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

<b>Particulars</b>	<b>2018-19</b>	<b>2017-18</b>
HDPE Pipe	10797.13	6,621.48
PVC Pipe	14554.19	12,001.26
CPVC fitting	647.54	571.71
Moulding fittings	3006.06	2,914.82
Trading Sale	1969.53	2,725.50
<b>Total</b>	<b>30974.45</b>	<b>24,834.77</b>
Less excise duty	-	(306.21)
Add Sell Fit Charges	3.55	9.90
VAT/CST subsidy for Industrial promotion	-	9.49
Installation Charges	8.25	-
<b>Total revenue from operation as per audit report</b>	<b>30986.25</b>	<b>24,547.95</b>

**Outlook**

The several initiatives taken by Government to boost rural income and infrastructure are now fructifying to boost business in several segments which are catered by the Company. There are a number of factors like low per capita consumption, manufacturing focus, end use industry growth, increasing urbanization, changing lifestyle, promoting growth of plastic industry in India. The Company, therefore, envisaged a faster growth in business from upcoming years.

**Risks and Concerns**

During the financial year under review, the Company was reaffirmed 'BWR BBB' rating for fund based facilities. Higher finance cost is still a concern to the Company and Company is still striving hard to get more improved ratings for more reducing the finance cost. Further, your Company has an intricate Risk Management procedure which depicts business risk and operational risks that are supported by policy framework.

**Internal Control System and their adequacy**

The Company considers that internal control is one of the key support of governance which provide freedom to the management within a outline of appropriate checks and balances. Texmo Pipes and Products Limited have a strong Internal control framework, which was instituted considering the size, nature and risk in the business. The Company's internal control environment provide assurance on efficient conduct of operations, security of Assets, prevention and detection of frauds/errors, accuracy and completeness of accounting records, timely preparation of authentic financial information and compliance with applicable laws and regulation. The Company uses SAP- Enterprise Resources Planning software as its core IT system. The Internal Auditor is a Chartered Accountant has been entrusted the job to conduct regular internal Audits at all the units/Branches and report to the management the lapses, if any. To ensure efficient Internal control system, the Company has a well constituted Audit committee who at its periodical meeting, review the competence of internal control system and Procedures thereby Suggesting improvement in the system and process as per the changes of Business dynamics. The system and process are continuously improved by adopting best in class processes, automation and implementing latest IT tools.

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

On a standalone basis your company recorded a turnover of Rs. 30974.45 Lakh for the year ended 31<sup>st</sup> March, 2019 as against Rs. 25232.00 Lakh in the previous year which shows a increase of 22.76%.

On a standalone basis, the profit before interest, depreciation and tax for the financial year is Rs.1495.45 Lakh as against Rs. 1236.48 Lakh recorded in the previous year. The profit before tax for the financial year stood at Rs. 403.15 Lakh compared to Rs. 135.06 Lakh of the previous year. The profit after tax, before exceptional item for the financial year at Rs. 333.91 Lakh compared to Rs. 28.46 Lakh of the previous year.

On a standalone basis your company recorded Production of 28194.93 MT for the year ended 31<sup>st</sup> March, 2019 as against 22886.09 MT in the previous year which shows an increase to 23.20%.

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

The Company has been incessantly 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 again and again in the organization irrespective of the location they join. As of March 31,2019, the Company's total work force is 584 employees.

**Cautionary Statement**

Statements in the Management Discussion & Analysis are 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.

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. The Company assumes no responsibility in respect of forward looking statements which may be amended or modified in future.

**INDEPENDENT AUDITORS' REPORT**

To,  
The Members,  
TEXMO PIPES AND PRODUCTS LIMITED

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone Financial Statements of TEXMO PIPES AND PRODUCTS LIMITED (“the Company”), which comprises the Balance Sheet as at March 31<sup>st</sup>, 2019, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as ‘standalone Ind AS financial statements’).

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 Companies Act, 2013 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<sup>st</sup>, 2019, and its Profit, Changes in Equity and its Cash Flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone Ind AS financial statements.

**Responsibilities of Management and Those Charged with Governance 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 the preparation of these standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company’s financial reporting process.

**Auditor’s Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**Report on Other Legal and Regulatory Requirements**

1. 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-A”, a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report 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 purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the 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, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on March 31<sup>st</sup>, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on March 31<sup>st</sup>, 2019, 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 controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure-B”; and
  - (g) With respect to the other matters to be included in the Auditors’ Report in accordance with Rule 11 of the Companies (Audit and Auditors) 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-37 to the financial statements.
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place : Indore  
Dated : May 21<sup>st</sup>, 2019

**For Anil Kamal Garg & Company**  
**Chartered Accountants**  
**ICAI Firm Reg. No. : 004186C**

**(Devendra Bansal)**  
**Partner**  
**Membership No. : 078057**

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

Referred to in Paragraph 1 of the Independent Auditors' Report of even date to the members of Texmo Pipes and Products Limited on the standalone Ind AS financial statements as of and for the year ended March 31<sup>st</sup>, 2019, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets (property, plant & equipment) and intangible assets.
- (b) As explained to us, all the Property, Plant & Equipment have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
- (c) According to the information and explanations given to us by the management and on the basis of our examination of the records of the Company, the title deeds of immovable properties recorded in the books of accounts of the Company are held in the name of the Company.
- (ii) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on physical verification of inventory as compared to books and 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 Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the provisions of section 185 and 186 of the Companies Act, 2013, in respect of loans and advances to entities in which the directors are interested, have been complied with by the Company. The Company has not granted any guarantee or security in terms of section 185 and 186 of the Companies Act, 2013.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act, in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and services taxes, cess and other statutory dues applicable to it, with the appropriate authorities.

According to the information and explanations given to us, no undisputed amount payable in respect of aforesaid dues were in arrears as on March 31<sup>st</sup>, 2019 for a period more than six months from the date they became payable, *except Excise Duty amounting to Rs.158.56 Lakhs, which is payable due to reversal of CENVAT Credit on the Lost Goods. It has been informed to us that the outstanding amount of Rs. 158.65 Lakhs will be paid by the company as and when the insurance claim against the goods lost will be received by it.*

- (b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, service tax, duty of customs, goods and services tax, excise duty, entry tax and cess which have not been deposited with the appropriate authorities on account of any dispute, *except for the following:* (Amount in Rs. Lakh)

Name of the Statute	Nature of Dues	Amount	Amount Deposited	Period to which the amount relates (F.Y.)	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	32.10	32.09	2009-10	Income Tax Appellate Tribunal, Indore
		42.75	42.75	2010-11	Income Tax Appellate Tribunal, Indore
		29.90	6.00	2010-11	Commissioner of Income Tax Appeals, Indore
		84.97	17.00	2011-12	Commissioner of Income Tax Appeals, Indore
		60.31	12.10	2012-13	Commissioner of Income Tax Appeals, Indore
		154.51	31.00	2013-14	Commissioner of Income Tax Appeals, Indore
		198.18	40.00	2015-16	Commissioner of Income Tax Appeals, Indore
		655.23	133.65	2016-17	Commissioner of Income Tax Appeals, Indore
Madhya Pradesh Value Added Tax, 2002	Value Added Tax	119.78	5.99	2007-08	Hon'ble High Court of Madhya Pradesh, Jabalpur
		62.89	29.87	2010-11	M.P. Commercial Tax Appellate Board

		6.70	-	2011-12	M.P. Commercial Tax Appellate Board
		17.86	7.11	2014-15	M.P. Commercial Tax Appellate Board
		24.25	6.06	2010-11	Additional Commissioner of Commercial Tax, Indore
		13.14	3.29	2015-16	Additional Commissioner of Commercial Tax , Indore
		39.94	9.99	2016-17	Additional Commissioner of Commercial Tax , Indore
		18.53	-	2010-11	Additional Commissioner of Commercial Tax , Indore
Central Sales Tax Act, 1956	Central Sales Tax	47.32	2.37	2007-08	Hon'ble High Court of Madhya Pradesh, Jabalpur
Central Excise Act, 1944	Excise Duty	34.15	-	2016-17	Custom, Excise and Service Tax Appellate Tribunal
Entry Tax Act, 1976	Entry Tax	38.23	1.91	2007-08	Hon'ble High Court of Madhya Pradesh, Jabalpur
		21.55	8.62	2008-09	M.P. Commercial Tax Appellate Board
		17.46	6.99	2014-15	M.P. Commercial Tax Appellate Board

- (viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowing to any financial institution or bank. There is no borrowing from the Government and there are no debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, the Company had not raised money by way of further public offer (including debt instruments) during the year and the term loans taken by the Company have been applied for the purpose for which they were raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the Management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of the Act and the details, as required by the applicable accounting standards have been disclosed in the standalone Ind AS financial statements.
- (xiv) According to the information and explanations given to us, the Company has made preferential allotment of shares during the year under review. Accordingly, we report that the requirements of Section 42 of the Companies Act, 2013, as applicable, have been complied with and the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Anil Kamal Garg & Company**  
**Chartered Accountants**  
**ICAI Firm Reg. No. : 004186C**

**Place : Indore**  
**Dated : May 21<sup>st</sup>, 2019**

**(Devendra Bansal)**  
**Partner**  
**Membership No. : 078057**

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

Referred to in Paragraph 2(f) of the Independent Auditors' Report of even date to the members of Texmo Pipes and Products Limited on the standalone IndAS financial statements as of and for the year ended March 31<sup>st</sup>, 2019

**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 31<sup>st</sup> March, 2019 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 (‘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 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 31<sup>st</sup> March, 2019, 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 Anil Kamal Garg & Company**  
**Chartered Accountants**  
**ICAI Firm Reg. No. : 004186C**

**Place : Indore**  
**Dated : May 21<sup>st</sup>, 2019**

**(Devendra Bansal)**  
**Partner**  
**Membership No. : 078057**

**STANDALONE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2019**

(INR in Lakhs)

Particulars	Note No.	As at 31 <sup>ST</sup> March, 2019	As at 31 <sup>ST</sup> March, 2018
<b>A. ASSETS</b>			
(1) <b>NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	2	11,296.78	10,853.10
(b) Capital Work-In-Progress	3	9.91	309.18
(c) Investment Property	4	38.44	38.44
(d) Intangible Assets Other than Goodwill	5	8.59	4.28
(e) Financial Assets			
i) Investments	6	1,162.13	1,209.33
ii) Loans	7	592.50	594.64
(f) Other Non-Current Assets	8	741.87	778.20
<b>TOTAL NON-CURRENT ASSETS</b> (1)		<b>13,850.22</b>	<b>13,787.18</b>
<b>CURRENT ASSETS</b>			
(a) Inventories	9	6,371.54	6,918.40
(b) Financial Assets			
i) Trade Receivables	10	6,155.77	4,072.42
ii) Cash and Cash Equivalents	11	25.83	88.44
iii) Bank Balances other than cash and cash equivalents	12	810.47	1,046.01
iv) Loans	13	16.36	859.40
(c) Other Current Assets	14	2,182.28	1,692.25
<b>TOTAL CURRENT ASSETS</b> (2)		<b>15,562.25</b>	<b>14,676.93</b>
<b>TOTAL ASSETS (1 + 2)</b>		<b>29,412.47</b>	<b>28,464.11</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	15	2,632.00	2,502.00
(b) Other Equity	16	12,499.84	12,018.86
<b>TOTAL EQUITY</b>		<b>15,131.84</b>	<b>14,520.86</b>
<b>LIABILITIES</b>			
(1) <b>NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
i) Borrowings	17	1,045.19	1,451.62
(b) Deferred Tax Liabilities (Net)	18	1,653.22	1,658.75
(c) Other Non-Current Liabilities	19	350.56	252.66
<b>TOTAL NON-CURRENT LIABILITIES</b> (1)		<b>3,048.97</b>	<b>3,363.03</b>
(2) <b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
i) Borrowings	20	3,853.45	4,150.26
ii) Trade Payables	21		
- Total Outstanding Dues of Micro & Small Enterprises		455.50	1,270.24
- Total Outstanding Dues of Others		5,464.62	3,695.40
iii) Other Financial Liabilities	22	280.00	383.97
(b) Other Current Liabilities	23	1,028.22	961.71
(c) Provisions	24	149.87	118.66
<b>TOTAL CURRENT LIABILITIES</b> (2)		<b>11,231.66</b>	<b>10,580.22</b>
<b>TOTAL LIABILITIES (1 + 2)</b>		<b>14,280.63</b>	<b>13,943.25</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>29,412.47</b>	<b>28,464.11</b>

The accompanying notes are an integral part of the standalone Financial Statements  
In terms of our report of even date attached

**For Anil Kamal Garg & Company**  
Chartered Accountants  
ICAI Firm Registration No. 004186C

For and on the behalf of the Board

**Devendra Bansal**  
Partner  
Membership No. 078057

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

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

Place : Indore  
Date : May 21<sup>st</sup>, 2019

**Mohit Agrawal**  
Chief Executive Officer  
Place : Burhanpur  
Date : May 21<sup>st</sup>, 2019

**Shyam Sunder Agrawal**  
Company Secretary



**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(INR in Lakhs)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
<b>REVENUE</b>			
<b>I</b> Revenue from Operations	25	30,986.25	25,251.39
<b>II</b> Other Income	26	157.82	446.76
<b>III</b> <b>TOTAL INCOME (I + II)</b>		<b>31,144.07</b>	<b>25,698.15</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	27	22,327.79	16,902.54
Purchases of Stock-In-Trade	28	1,775.69	2,266.29
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress	29	(124.45)	363.42
Excise Duty		-	703.44
Employee Benefits Expense	30	1,538.00	1,238.27
Finance Costs	31	969.81	977.90
Depreciation and Amortization Expense		560.26	531.17
Other Expenses	32	3,754.41	2,580.06
<b>TOTAL EXPENSES (IV)</b>		<b>30,801.50</b>	<b>25,563.09</b>
<b>V</b> Profit before exceptional items and tax (III-IV)		342.57	135.06
<b>VI</b> Exceptional items	33	60.58	-
<b>VII</b> <b>Profit before tax (V+VI)</b>		<b>403.15</b>	<b>135.06</b>
<b>VIII</b> Tax Expenses			
(1) Current Tax		90.00	32.71
(2) Short/(Excess) Tax Provision for earlier years		(15.23)	0.03
(3) Deferred Tax		(5.53)	73.91
<b>TOTAL TAX EXPENSES</b>		<b>69.24</b>	<b>106.65</b>
<b>IX</b> <b>Profit for the year (VII-VIII)</b>		<b>333.91</b>	<b>28.40</b>
<b>X</b> Other Comprehensive Income	34		
A. (i) Items that will not be reclassified to profit or loss		(0.30)	(12.61)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B. (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>OTHER COMPREHENSIVE INCOME</b>		<b>(0.30)</b>	<b>(12.61)</b>
<b>XI</b> Total Comprehensive Income for the year (Comprising Profit and Other Comprehensive Income for the period) (IX+X)		<b>333.61</b>	<b>15.79</b>
<b>XII</b> Earnings Per Equity Share	35		
(1) Basic (INR)		1.33	0.12
(2) Diluted (INR)		1.33	0.12

The accompanying notes are an integral part of the standalone Financial Statements  
In terms of our report of even date attached

**For Anil Kamal Garg & Company**  
Chartered Accountants  
ICAI Firm Registration No. 004186C

For and on the behalf of the Board

**Devendra Bansal**  
Partner  
Membership No. 078057

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

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

Place : Indore  
Date : May 21<sup>st</sup>, 2019

**Mohit Agrawal**  
Chief Executive Officer  
Place : Burhanpur  
Date : May 21<sup>st</sup>, 2019

**Shyam Sunder Agrawal**  
Company Secretary

**STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(INR in Lakhs)

<b>Sno. Particulars</b>	<b>Year Ended 31<sup>st</sup> March, 2019</b>		<b>Year Ended 31<sup>st</sup> March, 2018</b>	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before Tax		403.15		135.06
<b>Adjustments for :</b>				
Depreciation and Amortization Expense	560.26		531.17	
Finance Costs	969.81		977.90	
Exceptional Gain	(60.58)		-	
Bad Debts	1.96		-	
Prior Period Items	6.15		-	
Excess Provision Written Back	(10.85)		-	
Provision for Impairment of Debtors	40.00		40.00	
Interest Income	(127.20)		(124.01)	
Net Loss/(Gain) on sale of assets	2.66		(6.83)	
Remeasurement of Defined Benefit Plans	(0.30)	1,381.91	(12.61)	1,405.62
<b>Operating Profit before Working Capital Changes</b>		1,785.06		1,540.68
<b>Adjustments for :</b>				
(Increase)/ Decrease in Inventories	546.86		1,283.51	
(Increase)/ Decrease in Trade Receivables	(2,125.32)		522.76	
(Increase)/ Decrease in Other Financial Assets	1,078.58		(752.08)	
(Increase)/ Decrease in Other Current Assets	(523.01)		(1.53)	
Increase/ (Decrease) in Financial Liabilities	954.48		112.60	
Increase/ (Decrease) in Other Current Liabilities	66.51		(186.19)	
Increase/ (Decrease) in Short Term Provisions	42.07	40.17	(4.75)	974.32
<b>Cash generated from Operations</b>		1,825.23		2,515.00
Direct Taxes		74.77		185.74
<b>Net Cash Flow from Operating Activities</b>		<b>1,750.46</b>		<b>2,329.26</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property, Plant and Equipment and Intangibles		(807.22)		(812.78)
Sale/ Disposals of Property, Plant and Equipment		156.19		73.09
Proceeds from Sale of Investments in Subsidiary/ Associates/ Joint Ventures		47.20		23.00
Movement in Long Term Advances		2.15		1.99
Movement in Deposits		36.34		(269.63)
Interest Received		127.20		124.01
<b>Net Cash (Used in) Investing Activities</b>		<b>(438.16)</b>		<b>(860.32)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from issue of Preferential Equity Shares		301.60		264.00
(Repayment)/Proceeds of Long-term Borrowings		(403.84)		4.66
(Repayment)/Proceeds from Short term Borrowings		(296.80)		(699.80)
Proceeds from Long Term Deposits		97.90		8.61
(Repayment)/Proceeds of Other Current Financial Liabilities		(103.97)		-
Finance Costs		(969.81)		(979.09)
<b>Net Cash (Used in) Financing Activities</b>		<b>(1,374.92)</b>		<b>(1,401.62)</b>
<b>NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]</b>		(62.61)		67.31
Cash and cash equivalents at the beginning of the year		88.44		21.13
<b>Cash and cash equivalents at the end of the year</b>		<b>25.83</b>		<b>88.44</b>
<b>Components of cash and cash equivalents as at the year end :</b>				
Balance with Banks in Current Accounts		2.18		3.10
Cheques, Drafts on Hand		10.00		67.54
Cash on Hand		13.65		17.80
		<b>25.83</b>		<b>88.44</b>

**For Anil Kamal Garg & Company**  
Chartered Accountants  
ICAI Firm Registration No. 004186C

**Devendra Bansal**  
Partner  
Membership No. 078057

Place : Indore  
Date : May 21<sup>st</sup>, 2019

For and on the behalf of the Board

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

**Mohit Agrawal**  
Chief Executive Officer  
Place : Burhanpur  
Date : May 21<sup>st</sup>, 2019

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

**Shyam Sunder Agrawal**  
Company Secretary

**STANDALONE STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**A. Equity Share Capital**

(INR in Lakhs)

Balance at the beginning of the reporting period as on 1 <sup>st</sup> April 2018	Changes in Equity Share Capital during the year 2018-19	Balance at the end of the reporting period as on 31 <sup>st</sup> March 2019
2,502.00	130.00	2,632.00

**B. Other Equity**

(INR in Lakhs)

Particulars	Equity Component of Compound Financial Instruments	Reserve and Surplus		Revaluation Surplus	Total
		Securities Premium	Retained Earnings		
Balance at the beginning of the reporting period 1 <sup>st</sup> April, 2018	85.48	6,708.04	(1,202.00)	6,427.35	12,018.87
Changes in Accounting Policies /Prior Period Errors	-	-	-	-	-
Restated balance at the beginning of the reporting period	85.48	6,708.04	(1,202.00)	6,427.35	12,018.87
Profit for the year 2018-19	-	-	333.91	-	333.91
Other comprehensive income for the year 2018-19	-	-	(0.30)	-	(0.30)
Dividends	-	-	-	-	-
Transferred to Retained Earnings	-	-	-	-	-
Equity Shares issued during the year	-	171.60	-	-	171.60
Transferred from Retained Earnings	-	-	-	-	-
Any other Change	-	-	(26.82)	-	(26.82)
Classified during the year	2.59	-	-	-	2.59
Balance at the end of the reporting period ended 31 <sup>st</sup> March, 2019	88.07	6,879.64	(895.22)	6,427.35	12,499.85

In terms of our report of even date attached

**For Anil Kamal Garg & Company**  
Chartered Accountants  
ICAI Firm Registration No. 004186C

For and on the behalf of the Board

**Devendra Bansal**  
Partner  
Membership No. 078057

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

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

Place : Indore  
Date : May 21<sup>st</sup>, 2019

**Mohit Agrawal**  
Chief Executive Officer  
Place : Burhanpur  
Date : May 21<sup>st</sup>, 2019

**Shyam Sunder Agrawal**  
Company Secretary

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(INR in lakhs unless specified otherwise)

**NOTE - 1A - CORPORATE INFORMATION**

Texmo Pipes and Products Limited (“the Company”) was formed as a Partnership Firm by the name M/s Shree Mohit Industries on 13<sup>th</sup> May 1999 and was subsequently converted into Public Limited Company under Part IX of the Companies Act, 1956 under the name of Texmo Pipes and Products Limited having Certificate of Incorporation dated 3<sup>rd</sup> July 2008. Its shares are listed with the National Stock Exchange [NSE] and Bombay Stock Exchange [BSE]. The Registered Office of the Company is situated at 98, Bahadarpur Road, Burhanpur (M.P.) -450331. The Company is principally engaged in manufacturing and trading of PVC, HDPE, SWR, Sprinkler, Drip, CPVC Pipes and Fittings.

**NOTE - 1B - SIGNIFICANT ACCOUNTING POLICIES**

**1B.1 Basis of Preparation**

The standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

Amounts for the year ended March 31<sup>st</sup>, 2018, were audited by previous auditors- M/s. Pankaj Somaiya & Associates LLP, Burhanpur .

The standalone financial statements of the Company for the year ended March 31, 2019 were authorized for issue in accordance with a resolution of the Board of Directors on May 21<sup>st</sup>, 2019.

**1B.2 Basis of Measurement**

The standalone financial statements have been prepared on a going concern basis using historical cost convention and on accrual method of accounting, except for the following assets and liabilities which have been measured at fair value: - Certain financial assets and liabilities (including derivative instruments); - Defined benefit plans - plan assets; and - Assets Held for Sale

**1B.3 Functional and Presentation Currency**

These standalone financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All amounts have been rounded off to the nearest lakh, unless otherwise indicated.

**1B.4 Summary of Significant Accounting Policies**

**1B.4.1 Property, Plant and Equipment (PPE)**

- (a) Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any other cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.
- (b) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. In the carrying amount of an item of PPE, the cost of replacing the part of such an item is recognized when that cost is incurred if the recognition criterias are met. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition principles.
- (c) Expenses incurred in relation to a project, net of income earned during the project development stage prior to its intended use, are considered as Pre - Operative Expenses and are disclosed under 'Capital Work - in - Progress'.
- (d) Depreciation on Property, Plant and Equipment is provided using straight line method, except on Freehold Land, on which no depreciation is provided. Depreciation provided is based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 . If, significant parts of an item of Property, Plant and Equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of Property, Plant and Equipment. In respect of the Dies and Moulds, the useful life is estimated at 12 years, which is different from the prescribed life of 8 years under Schedule II to the Companies Act, 2013
- (e) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- (f) Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.
- (g) Spare parts procured along with the Plant & Machinery or subsequently which meet the recognition criteria are capitalized and added in the carrying amount of such item. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as “stores & spares” forming part of the inventory.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(INR in lakhs unless specified otherwise)

**1B.4.2 Leases**

- (a) At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement. Leases are recognized as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.
- (b) Assets used under finance leases are recognised as Property, Plant and Equipment, in the Balance Sheet for an amount that corresponds to the lower of fair value and the present value of minimum lease payments determined at the inception of the lease and a liability is recognised for an equivalent amount.
- (c) Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognized as expenses in the periods in which they are incurred.
- (d) A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.
- (e) Leases other than finance leases are operating leases, and the leased assets are not recognised on the Company's Balance Sheet. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

**1B.4.3 Capital Work-in-Progress**

- (a) Expenditure incurred on assets under construction (including a project) is carried at cost under 'Capital Work-in-Progress'. Such costs comprises purchase price of asset including import duties and non-refundable taxes and costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and after deducting trade discounts and rebates.
- (b) Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, professional fees, expenditure on maintenance and up-gradation etc. of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs if attributable to construction of projects. Such costs are accumulated under 'Capital Work-in-Progress' and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects.
- (c) Capital Expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential principally for construction of the project is capitalized and carried under 'Capital Work-in-Progress' and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects, keeping in view the "attributability" and the "Unit of Measure" concepts in Ind AS 16- "Property, Plant & Equipment". Expenditure of such nature incurred after completion of the project, is charged to Statement of Profit and Loss.

**1B.4.4 Intangible assets**

- (a) Intangible Assets purchased are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortization /depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.
- (b) Amortisation is provided on straight-line basis over estimated useful lives of the intangible assets, which is taken at 5 years for Computer Software. The amortisation period for intangible assets with finite useful lives are reviewed at least at each year end. Changes in useful lives are treated as changes in accounting estimates.
- (c) Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.
- (d) Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalised.
- (e) The Company has no internally generated Intangible Assets.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(INR in lakhs unless specified otherwise)

**1B.4.5 Impairment of Non-Financial Assets - Property, Plant and Equipment and Intangible Assets**

- (a) The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.
- (b) An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.
- (c) The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**1B.4.6 Borrowing Costs**

- (a) Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.
- (b) Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.
- (c) All other borrowing costs are expensed in the period in which they occur.

**1B.4.7 Inventories**

- (a) Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.
- (b) Cost of raw materials, work-in- progress, finished goods, stock-in-trade, stores and spares and packing materials are determined at Cost, with moving average price on First in First Out [FIFO] basis.

**1B.4.8 Assets Held For Sale**

The assets are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the asset is available for immediate sale and the same is highly probable of being completed within one year from the date of classification under held for sale. The Company, is holding a Land at Shukhpuri Village, as 'Assets held for Sale', under the head of Other Current Assets, as the management anticipates completion of the sale by March 2020.

**1B.4.9 Provisions, Contingent Liabilities and Contingent Assets**

- (a) Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management's estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.
- (b) If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.
- (c) Contingent liabilities are disclosed on the basis of judgment of the management. These are reviewed at each balance sheet date and are adjusted to reflect the current management's estimate.
- (d) Contingent assets are not recognized but are disclosed in the financial statements when inflow of economic benefits is probable.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(INR in lakhs unless specified otherwise)

**1B.4.10 Income Taxes**

- (a) Income-Tax expense comprises of current and deferred income tax. Income tax expense is recognised in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.
- (b) Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.
- (c) Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.
- (d) Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

**1B.4.11 Foreign Currency Transactions and Translations**

- (a) Transactions in foreign currencies are initially recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.
- (b) Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.
- (c) Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

**1B.4.12 Employee Benefits Expense**

**(a) Short Term Employee Benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

**(b) Post-Employment Benefits**

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

**(c) Defined Benefits Plans**

- (i) The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- (ii) The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the provisions of the Payment of Gratuity Act, 1972.
- (iii) The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by the governing Income-Tax authorities.
- (iv) The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services
- (v) Re-measurements of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(INR in lakhs unless specified otherwise)

**(d) Employee Separation Costs**

Compensation to employees who have opted for retirement under the voluntary retirement scheme of the Company is payable in the year of exercise of option by the employee. The Company recognises the employee separation cost when the scheme is announced and the Company is demonstrably committed to it.

**1B.4.13 Revenue from Operations**

- (a) Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.
- (b) Revenue from rendering of services is recognised when the performance obligation to render the services are completed as per contractually agreed terms. The revenue derived by the Company from rendering of Logistics Services has been netted off against its 'Freight, Cartage Outward & Other Selling Expenses'.
- (c) Revenue from sale of goods is measured at the fair value of the consideration received or receivable after taking into account contractually defined terms of payment and excluding trade discounts, volume rebates and taxes or duties collected on behalf of the Government such as Goods and Services Tax [GST].

**1B.4.14 Other Income**

**(a) Interest Income**

For all Debt Instruments measured either at Amortized Cost or at Fair Value through Other Comprehensive Income, interest income is recorded using the Effective Interest Rate [EIR]. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability.

**(b) Dividend Income**

Dividend income is recognised only when the right to receive the same is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be measured reliably.

**1B.4.15 Goods & Services Tax [GST]**

The Goods & Services Tax balances, as appearing in the Balance Sheet of the Company, are subject to the GST Audit which is to be carried out under s. 35(5) of the Central Goods & Services Tax Act, 2017 for the financial year 2018-19.

**1B.4.16 Insurance Claims**

- (a) Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted to the extent that there is no uncertainty in receiving the claims.
- (b) During the financial year ended 31<sup>st</sup> March, 2019, due to accidents & natural calamities viz. (i) Inundation of Water in factory and business premises, (ii) Wind Storm & Fire in the factory and business Premises and (iii) Vehicle Accidental Damages, the Company has lodged Re-instatement claims towards the lost or damaged assets. As, under the Re-instatement policy, the insurer is contractually obliged to pay the Re-instatement cost of the damaged asset, the company has recognised a 'Net Gain on Insurance Claim' aggregating to Rs. 60.58 Lakhs, shown under the head of 'Exceptional Items' in the Statement of Profit and Loss.
- (c) The Company is expecting the settlement of various insurance claims lodged by it, within next twelve months and therefore, the Company has classified such Insurance Claims Receivables under the head 'Other Current Assets' in the Balance Sheet.

**1B.4.17 Financial Instruments**

**(a) Financial Assets**

**(i) Initial recognition and measurement**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(INR in lakhs unless specified otherwise)

**(ii) Subsequent measurement**

**Financial assets carried at amortised cost**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through profit or loss (FVTPL)**

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL.

**(iii) Investment in subsidiaries, Associates and Joint Ventures**

The Company has elected to measure investment in its wholly owned subsidiary M/s. Tapti Pipes and Products Ltd. FZE, UAE at its Fair Value.

**(iv) Other Equity Investments**

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

**(v) Impairment of financial assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

**(b) Financial Liabilities**

**(i) Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**(ii) Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**(iii) Derivative financial instruments and Hedge Accounting**

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(INR in lakhs unless specified otherwise)

Hedges that meet the criteria for hedge accounting are accounted for as follows:

**Cash flow hedge**

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

**Fair Value Hedge**

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

**(iv) Derecognition of financial instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**1B.4.18 Operating Cycle**

- (a) The Company presents its assets and liabilities in the balance sheet based on current/non-current classification which is based upon the Company's operating cycle. The Company has identified twelve months as its operating cycle.
- (b) An asset is treated as current when it is:
  - (i) Expected to be realized or intended to be sold or consumed in normal operating cycle;
  - (ii) Held primarily for the purpose of trading;
  - (iii) Expected to be realized within twelve months after the reporting period; or
  - (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- (c) A liability is treated as current when :
  - (i) It is expected to be settled in normal operating cycle;
  - (ii) It is held primarily for the purpose of trading;
  - (iii) It is due to be settled within twelve months after the reporting period, or
  - (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- (d) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**1B.4.19 Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of shares issued during the year including bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(INR in lakhs unless specified otherwise)

**1B.4.20 Dividend Distribution**

Dividends paid (including Income-Tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by the shareholders.

**1B.4.21 Statement of Cash Flows**

**(a) Cash and Cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(b)** Statement of Cash Flows is prepared in accordance with the Indirect Method prescribed in the relevant Ind AS.

**NOTE - 1C - CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the standalone financial statements in conformity with the Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**1C.1 Depreciation / amortisation and useful lives of property plant and equipment / intangible assets**

Property, Plant and Equipment / Intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

**1C.2 Recoverability of Trade Receivable**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

**1C.3 Provisions**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

**1C.4 Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

**1C.5 Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**NOTE - 2 - PROPERTY, PLANT AND EQUIPMENT**

(INR in Lakhs)

S NO.	PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
		As at 1-4-2018	Additions	Disposals	As at 31-3-2019	As at 1-4-2018	For the year	Disposals	As at 31-3-2019	As at 31-3-2019	As at 31-3-2018
1	Freehold Land	6,447.13	-	-	6,447.13	-	-	-	-	6,447.13	6,447.13
2A	Factory Buildings	779.55	117.93	29.17	868.31	56.58	31.86	3.15	85.30	783.02	722.97
2B	Office Buildings	335.26	-	2.13	333.13	10.20	5.65	0.10	15.76	317.38	325.06
3	Plant and Equipment	3,835.37	860.53	53.85	4,642.05	897.78	424.14	31.61	1,290.31	3,351.74	2,937.59
4	Furniture and Fixtures	83.41	16.71	-	100.12	31.68	15.12	-	46.80	53.32	51.73
5	Vehicles	369.59	85.87	61.63	393.83	52.26	69.21	18.60	102.88	290.95	317.32
6	Office Equipment	75.11	18.85	7.87	86.09	23.80	11.97	2.92	32.85	53.24	51.30
	<b>TOTAL</b>	<b>11,925.42</b>	<b>1,099.89</b>	<b>154.64</b>	<b>12,870.66</b>	<b>1,072.32</b>	<b>557.95</b>	<b>56.38</b>	<b>1,573.89</b>	<b>11,296.78</b>	<b>10,853.10</b>
	<u>Previous Year</u>	11,491.22	468.19	33.99	11,925.42	580.65	523.69	32.02	1,072.32	10,853.10	10,910.57

**Note:**

- 1 Entire movable and immovable Property, Plant and Equipment are mortgaged in favour of secured lenders against the sanctioned credits [Refer Note 17.1].

**NOTE - 3 - CAPITAL WORK-IN-PROGRESS**

(INR in Lakhs)

S NO.	PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
		As at 1-4-2018	Additions	Disposals	As at 31-3-2019	As at 1-4-2018	For the year	Disposals	As at 31-3-2019	As at 31-3-2019	As at 31-3-2018
1	Capital Work-In-Progress	309.18	356.04	655.31	9.91	-	-	-	-	9.91	309.18
	<b>TOTAL</b>	<b>309.18</b>	<b>356.04</b>	<b>655.31</b>	<b>9.91</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.91</b>	<b>309.18</b>
	<u>Previous Year</u>	28.88	344.59	64.29	309.18	-	-	-	-	309.18	28.88

**NOTE - 4 - INVESTMENT PROPERTY**

(INR in Lakhs)

S NO.	PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/ IMPAIRMENT LOSS/ REVERSAL				NET CARRYING AMOUNT	
		As at 1-4-2018	Additions	Disposals	As at 31-3-2019	As at 1-4-2018	For the year	Disposals	As at 31-3-2019	As at 31-3-2019	As at 31-3-2018
1	Freehold Land	38.44	-	-	38.44	-	-	-	-	38.44	38.44
	<b>TOTAL</b>	<b>38.44</b>	<b>-</b>	<b>-</b>	<b>38.44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38.44</b>	<b>38.44</b>
	<u>Previous Year</u>	38.44	-	-	38.44	-	-	-	-	38.44	38.44

**NOTE - 5 - INTANGIBLE ASSETS OTHER THAN GOODWILL**

(INR in Lakhs)

SNO.	PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/ AMORTISATION				NET CARRYING AMOUNT	
		As at 1-4-2018	Additions	Disposals	As at 31-3-2019	As at 1-4-2018	For the year	Disposals	As at 31-3-2019	As at 31-3-2019	As at 31-3-2018
1	Computer Software - Acquired	18.99	6.60	-	25.59	14.69	2.31	-	17.00	8.59	4.28
	<b>TOTAL</b>	<b>18.99</b>	<b>6.60</b>	<b>-</b>	<b>25.59</b>	<b>14.69</b>	<b>2.31</b>	<b>-</b>	<b>17.00</b>	<b>8.59</b>	<b>4.28</b>
	<u>Previous Year</u>	18.99	-	-	18.99	7.23	7.48	-	14.69	4.28	11.76

**NOTE - 6 - NON-CURRENT INVESTMENTS**

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>A. Investment in Equity Instruments (Unquoted)</b>		
<u>Wholly Owned Subsidiary</u>		
Tapti Pipes and Products Ltd. FZE, UAE 32,235 [Previous year - 32,235] Equity Shares of UAE Dirhams of 1000 [Previous year - 1000] each	1,162.13	1,162.13
<b>B. Investment in Partnership Firm</b>		
<u>Mangal Murti Minerals, Neapanagar</u>	-	47.20
<b>TOTAL</b>	<b>1,162.13</b>	<b>1,209.33</b>

Note:

1 Aggregate amount of diminution in value of investments in equity instruments - Rs.3194 Lakhs. [Previous year - Rs.3194 Lakhs]

**NOTE - 6.1 - Investments in Equity Instruments**

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Aggregate amount of Quoted Investments	-	-
Aggregate amount of Unquoted Investments	1,162.13	1,162.13
Aggregate amount of Impairment in Value of Investments	-	-

**NOTE - 6.2 - Investments in Partnership Firm**

(INR in Lakhs)

Name of the Firm	Name of the Partner	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
		Share in the Firm	Capital Contribution	Share in the Firm	Capital Contribution
Mangal Murti Minerals, Neapanagar	Texmo Pipes and Products Ltd.	-	-	90%	47.20
	Mr. Mohit Agrawal	-	-	10%	6.11
	<b>TOTAL</b>	-	-	<b>100%</b>	<b>53.31</b>

**Notes:**

- The company has got itself disinvested in the partnership firm due to its retirement w.e.f. 01-09-2018.
- As the company has got retired from the firm w.e.f. 01-09-2018, the details regarding the partners, their sharing ratio and total capital contribution have not been furnished.

**NOTE - 7 - NON-CURRENT LOANS**

[Unsecured, considered good]

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Loans to related parties	592.50	594.64
<b>TOTAL</b>	<b>592.50</b>	<b>594.64</b>

**Notes:**

- The entire loan has been given in the foreign currency to wholly owned subsidiary of the company namely Tapti Pipes & Products Ltd. FZE, UAE.
- This loan is being carried at amortized cost.

**NOTE - 8 - OTHER NON-CURRENT ASSETS**

[Unsecured, considered good]

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
A. Capital Advances	-	164.11
(A)	-	164.11
B. Advances other than Capital Advances		
Security Deposits	122.06	139.91
Taxes Paid Under Protest	619.81	474.18
(B)	741.87	614.09
<b><u>TOTAL</u></b>	<b>741.87</b>	<b>778.20</b>
(A+B)		

**NOTE - 9 - INVENTORIES**

[Valued at lower of cost and net realizable value]

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Raw Materials	4,198.80	4,909.29
Work-In-Progress	90.68	93.53
Finished Goods	1,683.01	1,634.71
Stock-In-Trade	260.01	181.01
Stores and Spares	76.69	55.18
Packing Materials	62.35	44.68
<b><u>TOTAL</u></b>	<b>6,371.54</b>	<b>6,918.40</b>

Notes:

- i) Amount of inventories recognised as an expense have been disclosed in Notes 27, 28 and 29.
- ii) Entire inventories have been hypothecated as security with banks against working capital loans, refer Note-20 for details.

**NOTE - 10 - CURRENT TRADE RECEIVABLES**

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Secured, considered good	-	-
Unsecured, considered good	6,155.77	4,072.42
Trade Receivables which have significant increase in Credit Risk	80.00	40.00
Less: Impairment for trade receivables	(80.00)	(40.00)
Trade Receivables - Credit Impaired	-	-
<b><u>TOTAL</u></b>	<b>6,155.77</b>	<b>4,072.42</b>

Notes:

- i) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Further, no trade receivables are due from firms or private companies in which any director is a partner, a director or a member.
- ii) The provision for the impairment of trade receivable has been made on the basis of expected credit loss as per the judgement of the management.
- iii) Trade Receivables have been hypothecated with Banks against working capital loans, refer Note-20 for details.

**NOTE - 11 - CASH AND CASH EQUIVALENTS**

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Balances with Banks in Current Accounts	2.18	3.10
Cheques, Drafts on Hand	10.00	67.54
Cash on Hand	13.65	17.80
<b>TOTAL</b>	<b>25.83</b>	<b>88.44</b>

**NOTE - 12 - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Fixed Deposits - Maturity more than 3 months and less than 12 months	810.47	1,046.01
<b>TOTAL</b>	<b>810.47</b>	<b>1,046.01</b>

Note: Fixed Deposits are held as margin money against the bank guarantee and letter of credit facilities sanctioned by the Banks.

**NOTE - 13 - CURRENT LOANS**

[Unsecured, considered good]

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Security Deposits	-	-
Loans to related parties	-	-
Others	16.36	859.40
<b>TOTAL</b>	<b>16.36</b>	<b>859.40</b>

Notes:

- 1 No current loan receivables are due from directors or other officers of the Company either severally or jointly with any other person. Further, no loan receivables are due from firms or private companies in which any director is a partner, a director or a member.
- 2 None of the loan receivables have been considered as having significant increase in credit risk or are credit impaired.

**NOTE - 14 - OTHER CURRENT ASSETS**

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
A. Capital Advances	50.58	5.68
(A)	50.58	5.68
B. Advances other than Capital Advances		
Security Deposits	-	-
Advance to related parties	-	-
Others		
- Advance to Suppliers	72.26	36.89
- Advance to Employees	22.63	27.33
- Advance to Others	89.07	119.75
(B)	183.95	183.98
C. Others		
Assets Held for Sale - Freehold Land	217.15	217.15
Balances with Statutory Authorities	9.93	42.49
Prepaid Expenses	52.53	41.13
Insurance Claims Receivable	1,206.97	715.99
Incentives Receivable from Government	430.02	430.02
Unamortised Cost (Current Portion)*	28.97	26.82
Advance Income-Tax & TDS Claim [Net of provisions]	2.18	28.99
(C)	1,947.75	1,502.59
<b>TOTAL (A+B+C)</b>	<b>2,182.28</b>	<b>1,692.25</b>

\* Relating to Interest Free Loan to foreign subsidiary

Note:

- 1 No advance is due from directors or other officers of the Company either severally or jointly with any other person. Further, no advance is due from firms or private companies in which any director is a partner, a director or a member.

**NOTE - 15 - EQUITY SHARE CAPITAL**
**A. Authorised and Paid-up Share Capital**

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	No. of Shares	Amount	No. of Shares	Amount
<b><u>AUTHORISED</u></b>				
Equity Shares of Rs.10/- each	3,00,00,000	3,000.00	3,00,00,000	3,000.00
<b><u>ISSUED, SUBSCRIBED AND FULLY PAID-UP</u></b>				
Equity Shares of Rs.10/- each	2,63,20,000	2,632.00	2,50,20,000	2,502.00
<b><u>TOTAL</u></b>	<b>2,63,20,000</b>	<b>2,632.00</b>	<b>2,50,20,000</b>	<b>2,502.00</b>

**B. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	2,50,20,000	2,502.00	2,38,20,000	2,382.00
Shares issued during the year	13,00,000	130.00	12,00,000	120.00
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	2,63,20,000	2,632.00	2,50,20,000	2,502.00

**C. Details of shares held by shareholders holding more than 5% of the aggregate shares in the company**

Name of Shareholder	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shri Sanjay Kumar Agrawal	38,96,474	14.80	38,96,474	15.57
Smt. Rashmi Devi Agrawal	33,77,592	12.83	33,77,592	13.50
Shree Padmavati Irrigations LLP	26,12,000	9.92	13,12,000	5.24

**D. Rights, Preferences and restrictions attached to Equity Shares**

The Company has issued only one class of equity shares having face value of Rs.10/- per share. Each shareholder is eligible for one vote per share held. 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 to their shareholding.

**NOTE - 16 - OTHER EQUITY**

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Securities Premium	6,879.64	6,708.04
Retained Earnings	(895.22)	(1,202.01)
Revaluation Reserve	6,427.35	6,427.35
Equity Component of Compound Financial Instruments	88.07	85.48
<b><u>TOTAL</u></b>	<b>12,499.84</b>	<b>12,018.86</b>



**Notes :**

- 1 During the current year, the company has issued 13,00,000 Equity Shares of face value of Rs.10/- each as fully paid-up at a value of Rs.23.20 per share. The excess of aggregate consideration received over the face value of shares amounting to Rs.171.60 Lakhs is credited to securities premium. The amount of securities premium can be utilised only in accordance with the provisions of the Companies Act, 2013 for specified purposes.
- 2 Retained Earnings are the profits/losses that the Company has earned till date.
- 3 The company has created revaluation reserve out of revaluation of lands carried out during the financial year 2016-17.
- 4 Equity component of compound financial statement represents the difference between the proceeds of the borrowings made by the Company from its promoters at low interest rate, and the fair value of the liability component.

**NOTE - 17 - NON CURRENT BORROWINGS**

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	Non Current	Current	Non Current	Current
<u>Term Loans</u>				
A. <u>Secured</u>				
From Banks	867.93	250.04	1,038.81	351.08
From Others	49.20	28.02	74.15	29.74
<b>(A)</b>	<b>917.13</b>	<b>278.06</b>	<b>1,112.96</b>	<b>380.82</b>
B. <u>Unsecured</u>				
Loans and advances from related parties	97.71	-	28.09	-
From Others	30.35	-	310.56	-
<b>(B)</b>	<b>128.06</b>	<b>-</b>	<b>338.65</b>	<b>-</b>
<b>TOTAL</b>	<b>1,045.19</b>	<b>278.06</b>	<b>1,451.61</b>	<b>380.82</b>
<b>(A+B)</b>				

**Notes:**

- (i) The Current portion of the Borrowings represent the principal amount of loan, which is repayable in next twelve months and has been classified under Note No. 22 'Other Current Financial Liabilities'.
- (ii) Refer Note 41 for information about liquidity risk.

**Note - 17.1 - Nature of security, terms of repayment and details of guarantee given for Long Term Secured Borrowings**

Sno.	Nature of Security	Terms of Repayment
1	<p>Term Loan of Rs. 700 Lakhs from Punjab National Bank secured on first and exclusive charge by way of Equitable Mortgage on Machineries and Hypothecation of all movable Machineries/ Implements/ Fixed Assets and Guarantees of Mr. Sanjay Kumar Agrawal, Mrs. Rashmidevi Agrawal, Shree Padmavati Irrigation LLP, Shree Balaji Industries and Shree Venkatesh Industries along with pari passu charge by way of Equitable Mortgage of Properties owned by Directors Mr. Sanjay Kumar Agrawal, Mrs. Rashmidevi Agrawal and M/s Shree Balaji Industries as collateral security.</p> <p>[Total Outstanding Rs.630.98 Lakhs (Previous year Rs 703.85 Lakhs) out of which Rs.99.99 Lakhs (Previous year Rs 103.85 Lakhs) is taken to current maturities of long term debts]</p>	<p>Repayable in 84 equal monthly installments of Rs. 8.33 Lakhs with initial moratorium period of 5 months starting from April, 2018. Last installment due in March, 2025. Rate of interest 10.55% p.a. as at year end.</p> <p>(Previous Year 10.55% p.a.)</p>

<p>2</p>	<p>Term Loan of Rs.400 Lakhs from Central Bank of India, secured by Pari Pasu charge on Plant &amp; Machineries situated at Factory Premises Present &amp; Future with SBI and Personal Guarantees of Directors Mr. Sanjay Kumar Agrawal, Mrs. Rashmidevi Agrawal, M/s Shree Balaji Industries, M/s. Shree Padmavati Irrigation LLP and M/s. Shree Venkatesh Industries along with First pari passu charge by way of Equitable Mortgage of Properties owned by Directors Mr. Sanjay Kumar Agrawal, Mrs. Rashmidevi Agrawal and M/s Shree Balaji Industries as collateral security.</p> <p>[Total Outstanding Rs.260.95 Lakhs (Previous year Rs 317.83 Lakhs) out of which Rs.51.32 Lakhs (Previous year Rs 44.67 Lakhs) is taken to current maturities of long term debts]</p>	<p>Repayable in 84 equal monthly installments starting from October, 2016. Last installment due in September, 2023. Rate of interest is 12.55% p.a. as at the year end.(Previous Year 12.65% p.a.)</p>
<p>3</p>	<p>Term Loan sanctioned of Rs. 113 Lakhs from HDFC Bank Limited is secured by way of Mumbai Office of the company</p> <p>[Total Outstanding Rs.73.76 Lakhs (Previous year Rs.83.71 Lakhs) out of which Rs.11.21 Lakhs (Previous year Rs.9.95 Lakhs) is taken to current maturities of long term debts]</p>	<p>Repayable in 120 equal monthly installments of Rs.1.62 Lakhs each starting from May, 2014. Last installment due on April, 2024. Rate of interest 12% p.a. as at year end. (Previous Year 12% p.a.)</p>
<p>4</p>	<p>Vehicle Loan of Rs. 9.68 Lakhs from HDFC Bank is secured by Hypothecation of Vehicle.</p> <p>[Total Outstanding Rs.4.89 Lakhs (Previous year Rs.7.99 Lakhs) out of which Rs.3.39 Lakhs (Previous year Rs.3.10 Lakhs) taken to current maturities of long term debts]</p>	<p>Repayable in 36 equal monthly installments starting from September, 2017. Last installment due in August, 2020. Rate of Interest is 8.76% p.a. as at year end.(Previous Year 8.76%)</p>
<p>5</p>	<p>Four Vehicle Loans aggregating to Rs. 65.64 Lakhs from HDFC Bank are secured by Hypothecation of Vehicles.</p> <p>[Total Outstanding Rs. 32.88 Lakhs (Previous year Rs. 64.05 Lakhs) out of which Rs. 16.50 Lakhs (Previous year Rs. 31.17 Lakhs) taken to current maturities of long term debts]</p>	<p>Repayable in 36 equal monthly installments starting from March 2018.Last installment due in February 2021. Rate of Interest is 8.51% p.a. as at year end.(Previous Year 8.51%)</p>
<p>6</p>	<p>Vehicle Loan of Rs. 77.65 Lakhs from HDFC Bank is secured by Hypothecation of Vehicle.</p> <p>[Total Outstanding Rs. 69.09 Lakhs (Previous year Rs. Nil ) out of which Rs.13.77 Lakhs (Previous year Rs. Nil) taken to current maturities of long term debts]</p>	<p>Repayable in 60 equal monthly installments starting from August 2018.Last installment due in July 2023. Rate of Interest is 8.50% p.a. as at year end.(Previous Year 8.50%)</p>
<p>7</p>	<p>Term Loan of Rs. 89 Lakhs from Religare Finvest Limited secured by Equitable Mortgage of Indore Office.</p> <p>[Total Outstanding Rs. 58.72 Lakhs (Previous year Rs.66.65 Lakhs) out of which Rs.9.04 Lakhs (Previous year Rs.7.93 Lakhs) taken to current maturities of long term debts]</p>	<p>Repayable in 119 equal monthly instalments of Rs. 1.35 Lakhs each starting from May, 2014. Last instalment due in March, 2024.Rate of interest is 13.20% p.a. as at the year end.(Previous Year 13.50% p.a.).</p>
<p>8</p>	<p>Term Loan of Rs. 83 Lakhs from Reliance Capital Limited secured by Hypothecation of Plant &amp; Machinery.</p> <p>[Total Outstanding Rs. 19.07 Lakhs (Previous year Rs.41.99 Lakhs) out of which Rs.19.07 Lakhs (Previous year Rs.22.92 Lakhs) taken to current maturities of long term debts]</p>	<p>Repayable in 48 equal monthly installments Rs. 2.31 Lakhs each starting from January, 2016. Last installment due in December, 2019. Rate of interest is 16.10% p.a. as at the year end.(Previous Year 12.00% p.a.)</p>
<p>9</p>	<p>5 Vehicle Loans aggregating to Rs. 69.90 Lakhs from HDFC Bank are secured by Hypothecation of Vehicles.</p> <p>[Total Outstanding Rs. 25.28 Lakhs (Previous year Rs.48.53 Lakhs) out of which Rs.25.28 Lakhs (Previous year Rs.23.25 Lakhs) taken to current maturities of long term debts]</p>	<p>Repayable in 36 equal monthly installments starting from April 2017, last installment due in March 2020, Rate on Interest is 8.44% p.a as at the year end. (Previous Year 8.44% p.a.).</p>

10	<p>Vehicle Loan of Rs. 20.49 Lakhs from HDFC Bank is secured by Hypothecation of Vehicle.</p> <p>[Total Outstanding Rs. 1.70 Lakhs (Previous year Rs. 6.49 Lakhs) out of which Rs.1.71 Lakhs (Previous year Rs.4.79 Lakhs) taken to current maturities of long term debts]</p>	<p>Repayable in 60 equal monthly installments of Rs. 0.43 Lakhs each starting from August , 2014. Last installment due in July, 2019.Rate of Interest is 10% p.a. as at year end.(Previous Year 10.00% p.a.)."</p>
11	<p>Two Vehicle Loans aggregating to Rs. 25.17 Lakhs from HDFC Bank are secured by Hypothecation of Vehicles.</p> <p>[Total Outstanding Rs. 4.14 Lakhs (Previous year Rs. 9.85 Lakhs) out of which Rs.4.14 Lakhs (Previous year Rs. 5.70 Lakhs) taken to current maturities of long term debts]</p>	<p>Repayable in 60 equal monthly installments starting from December, 2014. Last installment due in November, 2019. Rate of Interest is 10.26% p.a. as at year end.(Previous Year 10.26%)</p>
12	<p>Three Vehicle Loans aggregating to Rs. 35.43 Lacs from HDFC Bank are secured by Hypothecation of Vehicles.</p> <p>[Total Outstanding Rs. 5.21 Lakhs (Previous year Rs. 14.91Lakhs) out of which Rs. 5.22 Lakhs (Previous year Rs. 9.70 Lakhs) taken to current maturities of long term debts]</p>	<p>Repayable in 48 equal monthly installments starting from October 2015.Last installment due in September 2019.Rate of Interest is 9.71% p.a. as at year end.(Previous Year 9.71% p.a.)</p>
13	<p>Vehicle Loan of Rs. 8.14 Lakhs from HDFC Bank is secured by Hypothecation of Vehicle.</p> <p>[Total Outstanding Rs. 0.25 Lakhs (Previous year Rs. 3.21 Lakhs) out of which Rs.0.26 Lakhs (Previous year Rs. 2.95 Lakhs) taken to current maturities of long term debts]</p>	<p>Repayable in 36 equal monthly installments starting from May,2016. Last installment due in April,2019.Rate of Interest is 9.85% p.a. as at year end.(Previous Year 9.85% p.a.)</p>
14	<p>Three Vehicle Loans aggregating to Rs. 42.18 Lakhs from HDFC Bank are secured by Hypothecation of Vehicles.</p> <p>[Total Outstanding Rs. 1.33 Lakhs (Previous year Rs. 16.60Lakhs) out of which Rs. 1.34 Lakhs (Previous year Rs. 15.26 Lakhs) taken to current maturities of long term debts]</p>	<p>Repayable in 36 equal monthly installments starting from May, 2016. Last installment due in April, 2019.Rate of Interest is 9.35% p.a. as at year end.(Previous Year 9.35% p.a.)</p>
15	<p>Vehicle Loan of Rs. 7 Lacs from HDFC Bank is secured by Hypothecation of Vehicle.</p> <p>[Total Outstanding Rs. 0.44 Lakhs (Previous year Rs. 2.96 Lakhs) out of which Rs. 0.45 Lakhs (Previous year Rs. 2.52 Lakhs) taken to current maturities of long term debts]</p>	<p>Repayable in 36 equal monthly installments starting from June 2016.Last installment due in May 2019.Rate of Interest is 9.85% p.a. as at year end. (Previous Year 9.85% p.a.)</p>
16	<p>Two Vehicle Loans aggregating to Rs. 28.52 Lacs from HDFC Bank are secured by Hypothecation of Vehicles.</p> <p>[Total Outstanding Rs. 2.69 Lakhs (Previous year Rs. 12.86 Lakhs) out of which Rs. 2.69 Lakhs (Previous year Rs. 10.16 Lakhs) taken to current maturities of long term debts]</p>	<p>Repayable in 36 equal monthly installments starting from July, 2016. Last installment due in June, 2019.Rate of Interest is 9.35% p.a. as at year end.(Previous Year 9.35% p.a.)</p>
17	<p>Three Vehicle Loans aggregating to Rs. 29.70 Lakhs from HDFC Bank are secured by Hypothecation of Vehicles.</p> <p>[Total Outstanding Rs. 9.66 Lakhs (Previous year Rs. 25.05 Lakhs) out of which Rs. 9.67 Lakhs (Previous year Rs. 15.39 Lakhs) taken to current maturities of long term debts]</p>	<p>Repayable in 36 equal monthly installments starting from November, 2016. Last installment due in October, 2019. Rate of Interest is 9.36% p.a. as at year end.(Previous Year 9.36% p.a.)</p>
18	<p>Vehicle Loan of Rs.14.27 Lakhs from HDFC Bank is secured by Hypothecation of Vehicle.</p> <p>[Total Outstanding Rs. 3.09 Lakhs (Previous year Rs. 8.03 Lakhs) out of which Rs. 3.10 Lakhs (Previous year Rs. 4.93 Lakhs) taken to current maturities of long term debts]</p>	<p>Repayable in 36 equal monthly installments starting from November, 2016. Last installment due in October,2019. Rate of Interest is 9.36% p.a. as at year end.(Previous Year 9.36% p.a.)</p>

**NOTE - 18 - DEFERRED TAX LIABILITIES [NET]**

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Deferred Tax Liabilities on account of taxable temporary differences:		
At the beginning of the year	1,658.75	1,584.83
(Credit)/Charged to Statement of Profit and Loss	(5.53)	73.91
<b>TOTAL</b>	<b>1,653.22</b>	<b>1,658.75</b>

**Component of Deferred Tax Liabilities/(Assets)**

(INR in Lakhs)

Particulars	As at 1 <sup>st</sup> April, 2018	Charged/(Credit) to Statement of Profit and Loss	As at 31 <sup>st</sup> March, 2019
A. <u>Deferred Tax Liabilities in relation to :</u>			
Property, Plant and Equipment (Other than Land)	297.19	41.31	338.50
Revaluation of Land	1,366.49	10.22	1,376.71
(A)	1,663.68	51.53	1,715.21
B. <u>Deferred Tax Assets in relation to :</u>			
Provision for Impairment of Trade Receivables	(7.31)	34.02	26.71
Provision for Doubtful Loans and Advances	-	-	-
Gratuity Payable	12.24	23.04	35.29
(B)	4.93	57.06	62.00
<u>Deferred Tax Liabilities</u> (A-B)	<b>1,658.75</b>	<b>(5.53)</b>	<b>1,653.22</b>

**NOTE - 19 - OTHER NON-CURRENT LIABILITIES**

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
A. Advances against Sale of Property	5.50	5.50
(A)	5.50	5.50
B. Others		
Long Term Deposits from Dealers	239.36	144.65
Deposits for Premises given on Rent	-	8.70
Gratuity Payable	105.70	93.81
(B)	345.06	247.16
<u>TOTAL</u> (A+B)	<b>350.56</b>	<b>252.66</b>

**NOTE - 20 - SHORT-TERM BORROWINGS**

[Loans Repayable on Demand, Secured]

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
A. From Banks		
Cash Credit Facilities	3,853.45	3,951.29
(A)	3,853.45	3,951.29
B. From Other Parties		
NSIC Assistance	-	198.97
(B)	-	198.97
<u>TOTAL</u> (A+B)	<b>3,853.45</b>	<b>4,150.26</b>

**Notes:**

- (i) The company has borrowed Cash Credit loans from State Bank of India, Bank of Baroda, Punjab National Bank and Central Bank of India led by State Bank of India wherein, SBI Cash Credit Loan of Rs.3214.78 Lakhs (Previous Year Rs.2735.37 Lakhs), Bank of Baroda Cash Credit Loan of Rs. 295.10 Lakhs (Previous Year Rs. 681.49 Lakhs), Punjab National Bank Cash Credit Loan of Rs.250.41 Lakhs (Previous Year Rs.345.91 Lakhs) and Central Bank of India Cash Credit Loan of Rs.93.15 Lakhs (Previous Year Rs.188.52 Lakhs) are 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 company's 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 of Mr. Sanjay Kumar Agrawal, Mrs. Rashmidevi Agrawal, Shree Padmavati Irrigations LLP, Shree Balaji Industries and Shree Venkatesh Industries.

**NOTE - 21 - CURRENT TRADE PAYABLES**

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Total Outstanding dues of Micro and Small Enterprises	455.50	1,270.24
Total Outstanding dues of Others, including Acceptances	5,464.62	3,695.40
<u>TOTAL</u>	<b>5,920.12</b>	<b>4,965.64</b>

**NOTE - 21.1 - Information to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006**

The information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and interest outstanding during the year is given below :

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
(a) Principal amount remaining unpaid to any supplier as at the end of accounting year	455.50	981.24
(b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(c) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(d) The amount of interest due and payable for the year	-	120.99
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

**NOTE - 22 - OTHER CURRENT FINANCIAL LIABILITIES**

((INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Current Maturities of Long-Term Debt	278.06	380.81
Interest Accrued but not due on borrowings	1.94	3.16
<u>TOTAL</u>	<b>280.00</b>	<b>383.97</b>

**NOTE - 23 - OTHER CURRENT LIABILITIES**

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
A. <u>Revenue Received in Advance</u>		
Advance from Customers	480.87	544.70
(A)	480.87	544.70
B. <u>Others</u>		
Statutory Liabilities	466.16	261.28
Other Liabilities	81.19	155.73
(B)	547.35	417.01
<u>TOTAL</u>	<b>1,028.22</b>	<b>961.71</b>
(A+B)		

**NOTE - 24 - SHORT-TERM PROVISIONS**

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Provision for Employee Benefits	149.87	118.66
<u>TOTAL</u>	<b>149.87</b>	<b>118.66</b>

**NOTE - 25 - REVENUE FROM OPERATIONS**

(INR in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
A. <u>Sale of Products</u>		
Manufactured Goods	29,031.33	22,506.49
Traded Goods	1,943.12	2,725.50
(A)	<b>30,974.45</b>	<b>25,232.00</b>
B. <u>Other Operating Revenues</u>		
Selfit & Installation Charges	11.80	9.90
VAT/CST Subsidy for Industrial Promotion	-	9.49
(B)	<b>11.80</b>	<b>19.39</b>
<u>TOTAL</u> (A+B)	<b>30,986.25</b>	<b>25,251.39</b>

**NOTE - 26 - OTHER INCOME**

(INR in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
A. Interest Income	127.20	124.01
B. <u>Other Non-Operating Income</u>		
Gain on Sale of Investment in Property	-	2.46
Gain on Sale of Fixed Assets	-	6.83
Miscellaneous Receipts	30.62	313.45
<u>TOTAL</u>	<b>157.82</b>	<b>446.76</b>

**Note :** Interest Income includes impact of financial instruments.

**NOTE - 27 - COST OF MATERIALS CONSUMED**

(INR in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
Raw Materials Consumed	22,058.13	16,665.62
Packing Materials Consumed	269.66	236.92
<u>TOTAL</u>	<b>22,327.79</b>	<b>16,902.54</b>

**NOTE - 28 - PURCHASES OF STOCK-IN-TRADE**

(INR in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
Pipes & Fittings	1,346.62	1,861.61
Others	429.07	404.68
<u>TOTAL</u>	<b>1,775.69</b>	<b>2,266.29</b>

**NOTE - 29 - CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS**

(INR in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
A. <u>Inventories at the beginning of the year</u>		
Finished Goods	1,634.71	1,854.84
Work-In-Progress	93.53	53.24
Stock-In-Trade	181.01	364.60
(A)	1,909.25	2,272.67
B. <u>Inventories at the end of the year</u>	-	-
Finished Goods	1,683.01	1,634.71
Work-In-Progress	90.68	93.53
Stock-In-Trade	260.01	181.01
(B)	2,033.70	1,909.25
<u>CHANGES IN INVENTORIES</u> (A-B)	(124.45)	363.42

**NOTE - 30 - EMPLOYEE BENEFITS EXPENSES**

(INR in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
Directors' Remuneration	86.23	22.01
Salary, Wages, Bonus & Gratuity	1,336.53	1,092.48
Contributions toward Provident Fund	59.19	61.33
Contribution towards ESIC	36.15	37.74
Employee Welfare and Other Benefits	19.90	24.72
<u>TOTAL</u>	<b>1,538.00</b>	<b>1,238.28</b>

**NOTE - 31- FINANCE COSTS**

(INR in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
Interest Expenses	532.05	570.25
Letter of Credit Charges	368.91	303.58
Loan Processing and Incidental Expenses	61.23	68.84
Bank Guarantee Commission	7.62	35.22
<u>TOTAL</u>	<b>969.81</b>	<b>977.89</b>

**NOTE - 32 - OTHER EXPENSES**

(INR in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
A. <u>Manufacturing and Operating Expenses</u>		
Power & Fuel	1,001.69	770.41
Stores & Spares Consumed	154.19	115.38
Repairs to Plant & Machineries	83.25	72.79
Other Manufacturing Expenses	352.43	90.63
(A)	<b>1,591.56</b>	<b>1,049.20</b>

<b>B. Administrative Expenses</b>		
Lease Rent Expenses	95.96	51.59
Rent Expenses	43.61	51.64
Stationery & Printing	26.18	19.19
Postage and Courier Expenses	3.28	2.80
Electricity Expenses	1.44	1.47
Vehicle Running and Maintenance	34.41	25.39
Travelling & Conveyance Expenses	107.82	127.71
Telephone, Mobile and Internet Expenses	9.13	22.65
Directors Sitting Fees	4.30	4.58
Auditors' Remuneration		
- Statutory Audit	8.00	6.00
- Tax Audit	2.00	1.50
Insurance	18.16	17.31
Repairs and Maintenance		
- Factory Building	34.79	22.07
- Office Building	29.67	5.57
- Others	1.98	0.26
Legal & Professional Expenses	70.89	70.96
Software Programme & Licence Fees	28.06	17.95
License Renewal Fees	4.84	-
Guest Accomodation Charges	4.39	3.72
Professional Tax	0.05	-
Commercial & Property Taxes	26.10	75.84
Charity & Donation	1.67	0.17
Prior Period Expenses	6.15	-
Loss on Sale of Assets	2.66	-
Foreign Currency Fluctuation Loss	12.51	3.26
Office & Miscellaneous Expenses	30.00	37.92
<b>(B)</b>	<b>608.06</b>	<b>569.55</b>
<b>C. Selling, Distribution &amp; Other Expenses</b>		
Advertisement, Publicity & Sales Promotion	152.68	136.84
Commission on Sales	83.47	70.65
Freight, Cartage Outward & Other Selling Expenses (Net)	815.43	443.13
Dealers Conference Expenses	77.24	-
Discount & Other Expenses	384.01	270.69
Bad Debts	1.96	-
Provision for Impairment of Debtors	40.00	40.00
<b>(C)</b>	<b>1,554.79</b>	<b>961.31</b>
<b>TOTAL (A+B)</b>	<b>3,754.41</b>	<b>2,580.06</b>

Note: The Company is lessee under various operating leases under which rental expenses for the year was Rs.95.96 Lakhs (Previous year Rs. 51.59 Lakhs). The Company has not executed any non-cancellable lease agreement.



**NOTE - 32.1 - BREAK UP OF AUDIT FEES**

(INR in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
(a) Auditors' Remuneration		
- Statutory Audit Fees	8.00	6.00
- Tax Audit Fees	2.00	1.50
(b) Certification and Consultation Fees	-	-
<u>TOTAL</u>	<b>10.00</b>	<b>7.50</b>

**NOTE - 33 - EXCEPTIONAL ITEMS**

(INR in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
1 Net Gain on Insurance Claim (under Re-instatement Policy)	60.58	-
<u>TOTAL</u>	<b>60.58</b>	<b>-</b>

**NOTE - 34 - OTHER COMPREHENSIVE INCOME**

(INR in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
<b>A. <u>Items that will not be reclassified into profit or loss :</u></b>		
(i) Change in Revaluation surplus	-	-
(ii) Remeasurement of defined benefit plans	(0.30)	(12.61)
(iii) Equity Instrument of the defined benefit plans	-	-
(iv) Fair Value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss	-	-
(v) Share of other comprehensive Income in Associate and Joint Ventures, to the extent not to be classified into profit or loss	-	-
(vi) Others	-	-
(A)	(0.30)	(12.61)
<b>B. <u>Items that will be reclassified to profit or loss :</u></b>		
(i) Exchange differences in translating the financial statements of foreign operation	-	-
(ii) Debt instruments through other comprehensive Income	-	-
(iii) The effective portion of gains and loss on hedging instruments in a cash flow hedge	-	-
(iv) Share of other comprehensive Income in Associate and Joint Ventures, to the extent not to be classified into profit or loss	-	-
(v) Others	-	-
(B)	-	-
<u>TOTAL</u> (A+B)	<b>(0.30)</b>	<b>(12.61)</b>

**NOTE - 35 - EARNINGS PER EQUITY SHARE**

(INR in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shreholders	333.91	28.40
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	250.38	244.02
Weighted Average Potential Equity Shares	-	-

Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	250.38	244.02
Basic Earning Per Share [INR]	1.33	0.12
Diluted Earning Per Share [INR]	1.33	0.12
Face Value Per Equity Share [INR]	10.00	10.00

**NOTE - 36 - THE RECONCILIATION OF TAX EXPENSES AND THE ACCOUNTING PROFIT**

(INR in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
Profit before Tax	403.15	135.06
Effect of Ind AS Adjustments	(16.73)	13.48
Adjusted Profit before Tax	386.41	148.54
Applicable Tax Rate	33.384%	33.063%
Computed Tax Expense	129.00	49.11
Tax Effect of:		
Exempted Income	23.85	201.26
Expenses Disallowed	(15.15)	181.87
Capital Gains	-	2.99
Current Tax Provision	90.00	32.71
Effective Tax Rate	22.32%	24.22%

**NOTE - 37 - CONTINGENT LIABILITIES & COMMITMENTS**

(INR in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
<b>A. <u>Contingent Liabilities</u></b>		
Disputed Income-Tax Demand	1,257.95	1,257.95
Disputed Excise Duty, VAT, CST & Entry Tax Demands	858.62	818.67
Guarantee Given by the Company's Banker in the normal course of business	298.77	996.95
Outstanding Letter of Credit against purchase of goods	352.30	1,132.08
Factoring Services provided by M/s. Centrum Financial Services Limited	998.16	-
Other Disputes	-	4.60
	3,765.79	4,210.26
<b>B. <u>Commitments</u></b>		
Capital Contracts remaining to be executed	366.77	210.03
	366.77	210.03

**Notes:**

- (i) 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.
- (ii) The Company does not expect any reimbursements in respect of the above contingent liabilities.
- (iii) Future cash outflows in respect of the above matters are determined only on receipt of judgments / decisions pending before various forums / authorities.
- (iv) The Company's pending litigations comprise of claims against the Company pertaining to proceedings pending with Excise, Income Tax, Sales/ VAT tax and Entry Tax 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

(v) Amount in relation with factoring services is on account of Vendor Finance Facility obtained by the Company from Centrum Financial Services Limited in respect of supplies made by the Company to Larsen and Toubro. If, the payments, in future, are not made by Larsen and Toubro to Centrum Financial Services Limited, the same is liable to be paid by the company.

**NOTE - 38 - DISCLOSURES AS PER IND AS 19 "EMPLOYEE BENEFITS"**
**(i) Defined Contribution Plan**

Contribution to Defined Contribution Plans, recognised as expense for the year is as under: (INR in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
Employer's Contribution to Provident Fund		
The Company's Provident Fund is exempted under section 17 of Employees' Provident Fund and Miscellaneous Provisions Act, 1952.	25.00	1.28

**(ii) Defined Benefit Plan**

(a) Reconciliation of opening and closing balances of Defined Benefit Obligation (INR in Lakhs)

Particulars	Gratuity (Funded)	
	Year ended 2018-19	Year ended 2017-18
Defined Benefit Obligation at beginning of the year	148.46	106.47
Current Service Cost	30.12	24.20
Interest Cost	11.43	8.20
Past Servicer Cost (Vested benefits)	-	-
Benefits paid	(3.56)	(1.51)
Actuarial (Gain)/Loss	(1.29)	11.11
Defined Benefit Obligation at year end	185.17	148.46

(b) Reconciliation of Opening and Closing balances of fair value of Plan Assets (INR in Lakhs)

Particulars	Gratuity (Funded)	
	Year ended 2018-19	Year ended 2017-18
Fair value of Plan Assets at beginning of year	54.65	52.39
Expected Return on Plan Assets	4.96	4.00
Actuarial Gain/(Loss)	(1.59)	(1.50)
Employer Contribution	25.00	1.28
Benefits Paid	(3.56)	(1.51)
Fair value of Plan Assets at year end	79.47	54.65

(c) Reconciliation of fair Value of Assets and Obligations (INR in Lakhs)

Particulars	Gratuity (Funded)	
	Year ended 2018-19	Year ended 2017-18
Fair value of Plan Assets	79.47	54.65
Present Value of Obligation	185.17	148.46
Amount recognised in Balance Sheet (Surplus/(Deficit))	(105.70)	(93.81)

(d) Expenses recognised during the year

(INR in Lakhs)

Particulars	Gratuity (Funded)	
	Year ended 2018-19	Year ended 2017-18
In Income Statement		
Current Service Cost	30.12	24.20
Interest Cost	11.43	8.20
Past Service Cost	-	-
Return on Plan Assets	(4.96)	(4.00)
Net Cost	36.59	28.40
In Other Comprehensive Income		
Actuarial (Gain)/Loss	0.30	12.61
Return on Plan Assets	-	-
Net (Income)/Expenses for the period recognised in OCI	0.30	12.61

Acturial Assumptions	Gratuity (Funded)	
	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<u>Mortality Table (ALM)</u>		
Discount Rate (Per Annum)	7.70%	7.70%
Rate of Escalation in Salary (Per annum)	7.00%	7.00%

**Notes:**

- The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflations, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.
- The expected contribution for Defined Benefit Plan for the next financial year will be in line with F.Y. 2018-19.
- The company makes provident fund (PF) contributions to defined contribution benefit plans for eligible employees. Under the scheme the company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions specified under the law are paid to the government authorities (PF commissioner).
- Amount towards Defined Contribution Plan have been recognized under "Contribution to Provident and Other funds" in Note 31.
- Defined Benefit Plan:

The Company has defined benefit plans for gratuity to eligible employees, contributions for which are made to Life Insurance Corporation of India, who invests the funds as per IRDA guidelines. The details of these defined benefit plans recognized in the financial statements are as under.

**General Description of the Plan:**

The Company operates a defined benefit plan (the Gratuity Plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and the tenure of employment.

The defined benefit plans typically expose the company to various risk such as :

**(a) Investment risk:**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create plan deficit.

**(b) Interest risk:**

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the plan assets.

**(c) Longevity risk:**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**(d) Salary risk:**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**NOTE - 39 - DETAILS OF LOAN GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN**

The Details of Corporate Guarantees/Loans given by the Company in respect of loans as at 31<sup>st</sup> March, 2019 is as under :

(INR in Lakhs)

Sr. No.	Particulars	Name of the Entity	Relation	Purpose	Amount
1	Loan Given [ Unsecured ]	M/s. Shubham City Homes	-	Business Purpose	16.36

**NOTE - 40 - RELATED PARTY DISCLOSURES**

**(i) List of Related Parties**

Sr. No.	Relationship	Name of the Party
1	Key Managerial Personnel [KMP]	1. Mr. Sanjay Kumar Agrawal (Managing Director) 2. Mrs. Rashmidevi Agrawal ( Director) 3. Mr. Mohit Agrawal (Chief Executive Officer) 4. Mr. Vijay Prasad Pappu (Whole Time Director cum Chief Financial Officer)
2	Wholly Owned Subsidiaries	1. Tapti Pipes & Products Ltd. FZE, UAE
3	Enterprises over which Key Managerial Personnel are able to exercise significant influence.	1. Shree Venkatesh Industries 2. Shree Padmavati Irrigations LLP
4	Jointly Controlled Entity	1. Mangal Murti Minerals (Till 01-09-2018)
5	Relatives of Directors are Directors/ Partners in Concern	1. C.P Industrial Products Private Limited 2. Narendra CotFibre Industries Private Limited 3. Deeya Agrotech Private Limited 4. Rahul Agritech Private Limited 5. CK Cotspin Private Limited 6. CK Oils Private Limited 7. Nimar Diagnostic Services Private Limited 8. Shree Vasudeo Industries 9. Shree Krishna Commercial Co. 10. Narendra International LLP

(ii) Related Party Transactions	Related Party Transaction Summary		Subsidiaries		Enterprises over which KMP are able to exercise significant influence		Jointly Controlled Entity		Relatives of Directors are Directors/ Partners in Concern		Key Managerial Persons	
			Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
1	Purchase of Goods	-	-	-	-	-	-	-	-	-	-	-
	-Shree Vasudeo Industries	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-
2	Sale of Finished goods	-	-	-	-	-	-	-	-	-	-	-
	-Shree Vasudeo Industries	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-
3	Logistic Income	-	-	-	-	-	-	-	-	-	-	-
	-Shree Vasudeo Industries	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-
4	Turnover Discount Received	-	-	-	-	-	-	-	-	-	-	-
	-Shree Vasudeo Industries	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-
5	Rent Paid	-	-	-	-	-	-	-	-	-	-	-
	-Mr. Sanjay Kumar Agrawal	-	-	-	-	-	-	-	-	-	-	-
	-Mrs. Rashmidevi Agrawal	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-
6	Rent Received	-	-	-	-	-	-	-	-	-	-	-
	-Mr. Sanjay Kumar Agrawal	-	-	-	-	-	-	-	-	-	-	-
	-Shree Padmavati Irrigations LLP	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-
7	Remuneration	-	-	-	-	-	-	-	-	-	-	-
	- Mr. Sanjay Kumar Agrawal	-	-	-	-	-	-	-	-	-	-	-
	- Mrs. Rashmidevi Agrawal	-	-	-	-	-	-	-	-	-	-	-
	- Mr. Vijay Prasad Pappu	-	-	-	-	-	-	-	-	-	-	-
	- Mr. Mohit Agrawal	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-
8	Unsecured Loan Taken	-	-	-	-	-	-	-	-	-	-	-
	- Mr. Sanjay Kumar Agrawal	-	-	-	-	-	-	-	-	-	-	-
	- Mrs. Rashmidevi Agrawal	-	-	-	-	-	-	-	-	-	-	-
	- Shree Padmavati Irrigations LLP	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-
9	Unsecured Loan Repaid	-	-	-	-	-	-	-	-	-	-	-
	- Mr. Sanjay Kumar Agrawal	-	-	-	-	-	-	-	-	-	-	-
	- Mrs. Rashmidevi Agrawal	-	-	-	-	-	-	-	-	-	-	-
	- Shree Padmavati Irrigations LLP	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-
10	Loan and Advances	-	-	-	-	-	-	-	-	-	-	-
	-C K Oils Private Limited	-	-	-	-	-	-	-	-	-	-	-
	-Shree Krishna Commercial Co	-	-	-	-	-	-	-	-	-	-	-
	-Rahul Agri Tech Pvt. Ltd.,Burhanpur	-	-	-	-	-	-	-	-	-	-	-
	-Deeya Agrotech Private Limited	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-
11	Loan Received Back	-	-	-	-	-	-	-	-	-	-	-
	-C K Oils Private Limited	-	-	-	-	-	-	-	-	-	-	-
	-Shree Krishna Commercial Co	-	-	-	-	-	-	-	-	-	-	-
	-Rahul Agri Tech Pvt. Ltd.,Burhanpur	-	-	-	-	-	-	-	-	-	-	-
	-Deeya Agrotech Private Limited	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-
12	Capital Contribution Withdrawn	-	-	-	-	-	-	-	-	-	-	-
	-Mangal Murti Minerals	-	-	-	-	-	-	-	-	-	-	-
	-Texmo Petrochemicals LLP	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-
13	Investment in Subsidiary & Jointly Controlled Entity	-	-	-	-	-	-	-	-	-	-	-
	-Mangal Murti Minerals	-	-	-	-	-	-	-	-	-	-	-
	-Texmo Petrochemicals LLP	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-

(iii) Balances as at 31 <sup>st</sup> March, 2019	Outstanding Balances		Subsidiaries		Enterprises over which KIMP are able to exercise significant influence		Jointly Controlled Entity		Relatives of Directors are Directors/ Partners in Concern		Key Managerial Persons	
			As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
			(INR in Lakhs)	(INR in Lakhs)	(INR in Lakhs)	(INR in Lakhs)	(INR in Lakhs)	(INR in Lakhs)	(INR in Lakhs)	(INR in Lakhs)	(INR in Lakhs)	(INR in Lakhs)
1	<u>Receivables</u>											
	- Shree Padmavati Irrigations LLP	-	-	-	0.18	-	-	-	-	-	-	-
	Total	-	-	-	0.18	-	-	-	-	-	-	-
2	<u>Trade and Other Payables</u>											
	- Shree Vasudeo Industries	-	-	-	-	-	-	-	5.91	515.55	-	-
	- Shree Padmavati Irrigations LLP	-	-	0.18	-	-	-	-	-	-	-	-
	- Mr. Sanjay Kumar Agrawal	-	-	-	-	-	-	-	-	-	4.16	2.91
	- Mrs. Rashmidevi Agrawal	-	-	-	-	-	-	-	-	-	0.89	3.98
	- Mr. Mohit Agrawal	-	-	-	-	-	-	-	-	-	0.44	-
	- Mr. Vijay Prasad Pappu	-	-	-	-	-	-	-	-	-	0.98	-
	Total	-	-	0.18	-	-	-	-	5.91	515.55	6.47	6.89
3	<u>Unsecured Loans</u>											
	- Mr. Sanjay Kumar Agrawal	-	-	-	-	-	-	-	-	-	14.37	3.49
	- Mrs. Rashmidevi Agrawal	-	-	-	-	-	-	-	-	-	63.63	11.00
	- Shree Padmavati Irrigation LLP	-	-	22.89	19.00	-	-	-	-	-	-	-
	Total	-	-	22.89	19.00	-	-	-	-	-	77.99	14.49
4	<u>Loans and Advances Given</u>											
	- C K Oils Private Limited	-	-	-	-	-	-	-	-	244.11	-	-
	- Shree Krishna Commercial Co	-	-	-	-	-	-	-	-	50.00	-	-
	- Rahul Agri Tech Pvt. Ltd., Burhanpur	-	-	-	-	-	-	-	-	21.46	-	-
	- Deeya Agrotech Private Limited	-	-	-	-	-	-	-	-	4.18	-	-
	- Tapi Pipes and Products Limited FZE	621.46	621.46	-	-	-	-	-	-	-	-	-
	Total	621.46	621.46	-	-	-	-	-	-	319.75	-	-
5	<u>Investment</u>											
	- Mangal Murti Minerals	-	-	-	-	-	-	47.20	-	-	-	-
	- Tapi Pipes and Products Limited FZE	4,356.13	4,356.13	-	-	-	-	-	-	-	-	-
	Total	4,356.13	4,356.13	-	-	-	-	47.20	-	-	-	-

Notes :

- (i) The fair value of investment in Tapi Pipes & Products Limited FZE as on 01/04/2017, 31/03/2018 and 31/03/2019 is Rs. 1,162.13 lakhs.
- (ii) Balance outstanding at the end of the year/ previous years are stated without considering impact of fair valuation carried out as per Indian Accounting Standards.
- (iii) Compensation to Key Management Personnel was Rs. 97.93 Lakhs [Previous Year Rs. 22.01 Lakhs]

**NOTE - 41 - OTHER NOTES**
**1] Preferential Allotment**

During the year, the Company has, on a preferential basis, issued 13,00,000 (Thirteen Lakhs) equity shares of face value of Rs. 10 each, fully paid up at a price of Rs. 23.20 per share, aggregating to Rs. 301.60 Lakhs to Shree Padmavati Irrigation LLP, a promoter group entity on March 27, 2019, in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

**2] Disclosure on Financial Instruments**

(a) All the financial instruments are initially recognized and subsequently re-measured at fair value as described below:

(i) The fair value of Forward Foreign Exchange contracts is determined using forward exchange rates at the balance sheet date.

(ii) All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date. Fair Value measurement hierarchy: (INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>A. <u>Financial Assets</u></b>				
<b>I <u>At Amortized Cost</u></b>				
(i) Investments in Jointly Controlled Entity	-	-	47.20	47.20
(ii) Trade Receivables	6,155.77	6,155.77	4,072.42	4,072.42
(iii) Cash & Cash Equivalents including Other Bank Balances	836.30	836.30	1,134.46	1,134.46
(iv) Loans	592.50	592.50	594.64	594.64
(v) Other Financial Assets	16.36	16.36	859.40	859.40
<b>II <u>At FVTPL</u></b>				
(i) Investments	-	-	-	-
<b>III <u>At FVTOCI</u></b>				
(i) Investments in Wholly Owned Subsidiary	1,162.13	1,162.13	1,162.13	1,162.13
<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2019</b>		<b>As at 31<sup>st</sup> March, 2018</b>	
	<b>Carrying Value</b>	<b>Fair Value</b>	<b>Carrying Value</b>	<b>Fair Value</b>
<b>B. <u>Financial Liabilities</u></b>				
(i) Borrowings	4,898.64	4,898.64	5,601.88	5,601.88
(ii) Trade Payables	5,920.12	5,920.12	4,965.64	4,965.64
(iii) Other Financial Liabilities	280.00	280.00	383.97	383.97

**(b) Foreign Currency Risk:**

The Company undertakes transactions denominated in foreign currency (mainly US Dollar) which is subject to the risk of exchange rate fluctuations. Financial assets and liabilities denominated in foreign currency, including the Company's net investments in foreign operations (with a functional currency other than Indian Rupee), are also subject to reinstatement risks.

The carrying amount of foreign currency denominated financial assets and liabilities including derivative contracts, are as follows:

Particulars	As at 31 <sup>st</sup> March, 2019[USD]	As at 31 <sup>st</sup> March, 2018[USD]
Financial Assets	12,52,051	12,52,051
Financial Liabilities	-	(4,07,701)
<b>Net Exposure</b>	<b>12,52,051</b>	<b>8,44,350</b>

The company has exercised the option of carrying the Investments in its subsidiaries at its fair value on the date of transition i.e. 1<sup>st</sup> April, 2016



**(c) Foreign Currency Sensitivity**

For every percentage point change in the underlying exchange rate of the outstanding foreign currency denominated assets and liabilities, including derivative contracts, holding all other variables constant, the profit before tax for the year ended 31st March, 2019 would change by 12520.51 USD [Previous Year - 8443.50 USD].

**(d) Interest Rate Risk**

Interest rate risk is the risk that the future cash flow with respect to interest payments on borrowing will fluctuate because of change in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligation with floating interest rates.

**(e) Interest Rate Sensitivity**

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs.

The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term loans.

As at March 31, 2019, financial liability of 481.91 lakhs was subject to variable interest rates. Increase/decrease of 100 basis points in interest rates at the balance sheet date would result in decrease/increase in profit/(loss) before tax of Rs. 48.19 Lakhs for the year ended March 31, 2019.

The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly to changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

(Note: The impact is indicated on the profit/(loss) before tax basis).

**(f) Commodity Price Risk**

Commodity price risk arises due to fluctuation in prices of raw material. The company has a risk management frame work aimed at prudently managing the risk arising from the volatility in raw material prices and freight costs. The company's commodity risk is managed centrally through well-established trading operations and control processes. In accordance with the risk management policy, the Company carefully calibrates the timing and the quantity of purchase

**(g) Credit Risk**

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. Credit risk arises mainly from the outstanding receivables from customers. The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The credit ratings/market standing of the customers are evaluated on a regular basis.

**(h) Liquidity Risk**

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities . The Company maintains adequate cash and cash equivalents along with the need based credit limits to meet the liquidity needs.

**(i) Hedge Accounting**

The Company has established risk management policies to hedge the volatility arising from exchange rate fluctuations in respect of firm commitments and highly probable forecast transactions, through foreign exchange forward and options contracts. The proportion of forecast transactions that are to be hedged is decided based on the size of the forecast transaction and market conditions. As the counterparty for such transactions are highly rated banks, the risk of their non-performance is considered to be insignificant.

The Company uses derivatives to hedge its exposure to changes in movement in foreign currency. Where such derivatives are not designated under hedge accounting, changes in the fair value of such hedges are recognised in the Statement of Profit and Loss.

The Company may also designate certain hedges, usually for large transactions, as a cash flow hedge under hedge accounting, with the objective of shielding the exposure from variability in cash flows. The currency, amount and tenure of such hedges are generally matched to the underlying transaction(s). Changes in the fair value of the effective portion of cash flow hedges are recognised as cash flow hedging reserve in Other Comprehensive Income. While the probability of such hedges becoming ineffective is very low, the ineffective portion, if any, is immediately recognised in the Statement of Profit and Loss.

For **Anil Kamal Garg & Company**  
Chartered Accountants  
ICAI Firm Registration No. 004186C

For and on the behalf of the Board

**Devendra Bansal**  
Partner  
Membership No. 078057

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

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

Place : Indore  
Date : May 21<sup>st</sup>, 2019

**Mohit Agrawal**  
Chief Executive Officer

**Shyam Sunder Agrawal**  
Company Secretary

Place : Burhanpur  
Date : May 21<sup>st</sup>, 2019

**INDEPENDENT AUDITORS' REPORT ON**  
**CONSOLIDATED FINANCIAL STATEMENTS**

To,  
The Members,  
TEXMO PIPES AND PRODUCTS LIMITED

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying Consolidated Financial Statements of TEXMO PIPES AND PRODUCTS LIMITED (“the Company”) and its subsidiary (the Company and its subsidiary together referred to as “the Group”) which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2019, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information thereon (hereinafter referred to as ‘consolidated Ind AS financial statements’)

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 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 Group as at March 31<sup>st</sup>, 2019, and its consolidated Profit, consolidated Changes in Equity and its Consolidated Cash Flows for the year ended on that date.

**Basis of Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the consolidated Ind AS financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated Ind AS financial statements.

**Responsibility of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements**

The Company's Management and Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (“the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated Statement of Changes in Equity and consolidated cash flows of the Group in accordance with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and the other accounting principles generally accepted in India.

The respective Board of Directors of the Companies included in the Group 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 the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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 consolidated 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 Ind AS financial statements by Board of Directors of the Company.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Group’s financial reporting process.

**Auditor's Responsibility for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

**Other Matter**

We did not carry out the audit of the financial statements of one subsidiary company, whose financial statements reflect total assets of Rs. 6,920.90 Lakhs as at 31<sup>st</sup> March, 2019, total revenue of Rs. Nil and net cash outflow of Rs. 0.41 Lakhs for the year then ended on that date. These financial statements have been audited by other auditor whose report has been furnished to us by the management, and in our opinion on the consolidated Ind AS financial statements, 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 Ind AS financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matters 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, 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 purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books and the report of the other auditors;
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of the written representations received from the directors as on March 31<sup>st</sup>, 2019, taken on record by the Board of Directors and the report of the statutory auditors of the subsidiary, none of the directors is disqualified as on March 31<sup>st</sup>, 2019, 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 controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-A"; and
  - 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 (as amended), 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 disclosed the impact of pending litigations on its financial position in its consolidated Ind AS financial statements – Refer Note-37 to the financial statements.
    - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

**For Anil Kamal Garg & Company**  
**Chartered Accountants**  
**ICAI Firm Reg. No. : 004186C**

**Place : Indore**  
**Dated : May 21<sup>st</sup>, 2019**

**(Devendra Bansal)**  
**Partner**  
**Membership No. : 078057**

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

Referred to in Paragraph 1 of the Independent Auditors' Report of even date to the members of Texmo Pipes and Products Limited on the consolidated Ind AS financial statements as of and for the year ended March 31<sup>st</sup>, 2019

**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”) and its subsidiary as of 31<sup>st</sup> March, 2019 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

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

The respective Board of Directors of the Company and its subsidiary, are 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 (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 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. 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 of the Company and its Subsidiary company.

**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 and its subsidiary 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, 2019, 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 Anil Kamal Garg & Company**  
**Chartered Accountants**  
**ICAI Firm Reg. No. : 004186C**

**Place : Indore**

**Dated : May 21<sup>st</sup>, 2019**

**(Devendra Bansal)**  
**Partner**  
**Membership No. : 078057**

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2019**

(INR in Lakhs)

Particulars	Note No.	As at 31 <sup>ST</sup> March, 2019	As at 31 <sup>ST</sup> March, 2018
<b>A. ASSETS</b>			
(1) <b>NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	2	11,296.78	10,855.94
(b) Capital Work-In-Progress	3	9.91	381.06
(c) Investment Property	4	38.44	38.44
(d) Intangible Assets Other than Goodwill	5	8.59	4.28
(e) Financial Assets			
i) Trade Receivables	6	3,836.02	3,616.89
ii) Other Financial Assets	7	657.12	617.92
(f) Other Non-Current Assets	8	3,166.74	3,058.39
<b>TOTAL NON-CURRENT ASSETS (1)</b>		<b>19,013.60</b>	<b>18,572.93</b>
<b>CURRENT ASSETS</b>			
(a) Inventories	9	6,371.54	6,918.40
(b) Financial Assets			
i) Trade Receivables	10	6,155.77	4,072.45
ii) Cash and Cash Equivalents	11	28.71	94.30
iii) Bank Balances other than cash and cash equivalents	12	810.47	1,046.01
iv) Loans	13	16.36	859.40
(c) Other Current Assets	14	2,153.31	1,665.41
<b>TOTAL CURRENT ASSETS (2)</b>		<b>15,536.16</b>	<b>14,655.98</b>
<b>TOTAL ASSETS (1 + 2)</b>		<b>34,549.76</b>	<b>33,228.91</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	15	2,632.00	2,502.00
(b) Other Equity	16	17,629.76	16,744.52
(c) Non Controlling Interest		-	6.11
<b>TOTAL EQUITY</b>		<b>20,261.76</b>	<b>19,252.63</b>
<b>LIABILITIES</b>			
(1) <b>NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
i) Borrowings	17	1,045.19	1,451.62
(b) Deferred Tax Liabilities (Net)	18	1,653.22	1,658.75
(c) Other Non-Current Liabilities	19	350.56	252.66
<b>TOTAL NON-CURRENT LIABILITIES (1)</b>		<b>3,048.97</b>	<b>3,363.03</b>
(2) <b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
i) Borrowings	20	3,853.45	4,174.44
ii) Trade Payables	21		
-Total Outstanding Dues of Micro & Small Enterprises		455.50	1,270.24
-Total Outstanding Dues of Others		5,464.62	3,695.40
iii) Other Financial Liabilities	22	280.00	383.97
(b) Other Current Liabilities	23	1,035.59	970.55
(c) Provisions	24	149.87	118.66
<b>TOTAL CURRENT LIABILITIES (2)</b>		<b>11,239.03</b>	<b>10,613.26</b>
<b>TOTAL LIABILITIES (1 + 2)</b>		<b>14,288.00</b>	<b>13,976.28</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>34,549.76</b>	<b>33,228.91</b>

The accompanying notes are an integral part of the consolidated Financial Statements  
In terms of our report of even date attached

For **Anil Kamal Garg & Company**  
Chartered Accountants  
ICAI Firm Registration No. 004186C

**Devendra Bansal**  
Partner  
Membership No. 078057

Place : Indore  
Date : May 21<sup>st</sup>, 2019

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

**Mohit Agrawal**  
Chief Executive Officer  
Place : Burhanpur  
Date : May 21<sup>st</sup>, 2019

For and on the behalf of the Board

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

**Shyam Sunder Agrawal**  
Company Secretary

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(INR in Lakhs)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
<b>REVENUE</b>			
I Revenue from Operations	25	30,986.25	25,849.21
II Other Income	26	131.00	421.93
III <b>TOTAL INCOME (I + II)</b>		<b>31,117.25</b>	<b>26,271.14</b>
<b>EXPENSES</b>			
IV Cost of Materials Consumed	27	22,327.79	16,902.54
Purchases of Stock-In-Trade	28	1,775.69	2,821.48
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress	29	(124.45)	363.43
Excise Duty		-	703.44
Employee Benefits Expense	30	1,538.00	1,238.27
Finance Costs	31	969.81	977.90
Depreciation and Amortization Expense		560.26	531.17
Other Expenses	32	3,764.16	2,611.69
<b>TOTAL EXPENSES (IV)</b>		<b>30,811.26</b>	<b>26,149.92</b>
V Profit before exceptional items and tax (III-IV)		305.99	121.23
VI Exceptional items	33	60.58	-
VII Profit before tax (V+VI)		<b>366.57</b>	<b>121.23</b>
VIII Tax Expenses from Continued Operations			
(1) Current Tax		90.00	32.71
(2) Short/(Excess) Tax Provision for earlier years		(15.23)	(0.03)
(3) Deferred Tax		(5.53)	73.91
<b>TOTAL TAX EXPENSES FROM CONTINUED OPERATIONS</b>		<b>69.24</b>	<b>106.59</b>
IX Profit for the year from Continuing Operations (VII-VIII)		<b>297.33</b>	<b>14.64</b>
X Profit for the year from Discontinued Operations		-	1.35
XI Tax Expenses from Discontinued Operations			
(1) Current Tax		-	0.42
(2) Short/(Excess) Tax Provision for earlier years		-	-
(3) Deferred Tax		-	-
<b>TOTAL TAX EXPENSES FROM DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>0.42</b>
XII Profit for the year from Discontinuing Operations (X-XI)		-	0.93
XIII Profit for the year (IX+XII)		<b>297.33</b>	<b>15.57</b>
XIV Other Comprehensive Income	34		
A. (i) Items that will not be reclassified to profit or loss		(0.30)	(12.61)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B. (i) Items that will be reclassified to profit or loss		-	21.81
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>OTHER COMPREHENSIVE INCOME</b>		<b>(0.30)</b>	<b>9.19</b>
XV Total Comprehensive Income for the year (Comprising Profit and Other Comprehensive Income for the period) (XIII+XIV)		<b>297.03</b>	<b>24.76</b>
XVI Earnings Per Equity Share	35		
(1) Basic (INR)		1.19	0.06
(2) Diluted (INR)		1.19	0.06

The accompanying notes are an integral part of the consolidated Financial Statements  
In terms of our report of even date attached

For **Anil Kamal Garg & Company**  
Chartered Accountants  
ICAI Firm Registration No. 004186C

**Devendra Bansal**  
Partner  
Membership No. 078057

Place : Indore  
Date : May 21<sup>st</sup>, 2019

For and on the behalf of the Board

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

**Mohit Agrawal**  
Chief Executive Officer  
Place : Burhanpur  
Date : May 21<sup>st</sup>, 2019

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

**Shyam Sunder Agrawal**  
Company Secretary

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(INR in Lakhs)

Sno.	Particulars	Year Ended 31 <sup>st</sup> March, 2019		Year Ended 31 <sup>st</sup> March, 2018	
A.	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
	Profit before Tax		366.57		121.23
	<u>Adjustments for :</u>				
	Depreciation and Amortization Expense	560.26		531.17	
	Finance Costs	969.81		977.90	
	Exceptional Gain	(60.58)		-	
	Bad Debts	1.96		-	
	Prior Period Items	6.15		-	
	Excess Provision Written Back	(10.85)		-	
	Provision for Impairment of Debtors	40.00		40.00	
	Interest Income	(100.38)		(99.18)	
	Net Loss/(Gain) on sale of assets	2.66		(6.83)	
	Remeasurement of Defined Benefit Plans	(0.30)		(12.61)	
	Exchange Difference on Translation of Financial Statements of Foreign Operations	415.16	1,823.89	21.14	1,451.59
	<b>Operating Profit before Working Capital Changes</b>		2,190.46		1,572.81
	<u>Adjustments for :</u>				
	(Increase)/ Decrease in Inventories	546.86		1,283.51	
	(Increase)/ Decrease in Trade Receivables	(2,344.41)		491.14	
	(Increase)/ Decrease in Other Financial Assets	1,078.58		(694.15)	
	(Increase)/ Decrease in Other Current Assets	(467.24)		(34.18)	
	Increase/ (Decrease) in Financial Liabilities	954.48		112.60	
	Increase/ (Decrease) in Other Current Liabilities	65.04		(178.41)	
	Increase/ (Decrease) in Short Term Provisions	42.06	(124.62)	(4.75)	975.76
	<b>Cash generated from Operations</b>		2,065.85		2,548.57
	Direct Taxes		74.77		183.46
	<b>Net Cash Flow from Operating Activities</b>		<b>1,991.08</b>		<b>2,365.11</b>
B.	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
	Purchase of Property, Plant and Equipment and Intangibles		(807.22)		(741.23)
	Sale/ Disposals of Property, Plant and Equipment		156.19		
	Investment in Other Financial Assets		(39.20)		
	Proceeds from Sale of Investments in Subsidiary/ Associates/ Joint Ventures		47.20		(1.95)
	Movement in Deposits		(108.35)		(257.19)
	Interest Received		100.38		99.18
	Net Cash (Used in) Investing Activities		(651.00)		(901.19)
C.	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
	Proceeds from issue of Preferential Equity Shares		301.60		264.00
	(Repayment)/Proceeds of Long-term Borrowings		(404.28)		3.47
	(Repayment)/Proceeds from Short term Borrowings		(320.98)		(699.80)
	Proceeds from Long Term Deposits		97.90		8.61
	(Repayment)/Proceeds of Other Current Financial Liabilities		(103.97)		-
	Finance Costs		(969.81)		(977.90)
	Increase/(Decrease) in NonControlling Interest		(6.11)		(0.21)
	<b>Net Cash (Used in) Financing Activities</b>		<b>(1,405.66)</b>		<b>(1,401.83)</b>
	<b>NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]</b>		(65.58)		62.08
	Cash and cash equivalents at the beginning of the year		94.30		32.22
	Cash and cash equivalents at the end of the year		28.71		94.30
	Components of cash and cash equivalents as at the year end :				
	Balance with Banks in Current Accounts		3.01		6.58
	Cheques, Drafts on Hand		10.00		67.54
	Cash on Hand		15.70		20.18
			28.71		94.30

For **Anil Kamal Garg & Company**  
Chartered Accountants  
ICAI Firm Registration No. 004186C

**Devendra Bansal**  
Partner  
Membership No. 078057

Place : Indore  
Date : May 21<sup>st</sup>, 2019

For and on the behalf of the Board

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

**Mohit Agrawal**  
Chief Executive Officer

Place : Burhanpur  
Date : May 21<sup>st</sup>, 2019

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

**Shyam Sunder Agrawal**  
Company Secretary



**CONSOLIDATED STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**A. Equity Share Capital**

(INR in Lakhs)

Balance at the beginning of the reporting period as on 1 <sup>st</sup> April 2018	Changes in Equity Share Capital during the year 2018-19	Balance at the end of the reporting period as on 31 <sup>st</sup> March 2019
2,502	130	2,632

**B. Other Equity**

(INR in Lakhs)

Particulars	Exchange Difference on Translating the Financial Statements of Foreign	Equity Component of Compound Financial Instruments	Reserve and Surplus		Debt instruments through other comprehensive Income	Revaluation Surplus	Total
			Securities Premium	Retained Earnings			
Balance at the beginning of the reporting period 1 <sup>st</sup> April, 2018	1,574.76	85.48	6,708.04	1,948.90	-	6,427.35	16,744.52
Changes in Accounting Policies /Prior Period Errors	-	-	-	-	-	-	-
Restated balance at the beginning of reporting period	1,574.76	85.48	6,708.04	1,948.90	-	6,427.35	16,744.52
Profit for the year 2018-19	-	-	-	297.33	-	-	297.33
Other comprehensive income for the year 2018-19	416.16	-	-	(0.30)	-	-	415.86
Dividends	-	-	-	-	-	-	-
Transferred to Retained Earnings	-	-	-	-	-	-	-
Equity Shares Issued during the year	-	-	171.60	-	-	-	171.60
Transferred from Retained Earnings	-	-	-	-	-	-	-
Any other Change	-	-	-	(2.15)	-	-	(2.15)
Classified during the year	-	2.59	-	-	-	-	2.59
Balance at the end of reporting period 31 <sup>st</sup> March, 2019	1,990.93	88.07	6,879.64	2,243.78	-	6,427.35	17,629.76

In terms of our report of even date attached

For **Anil Kamal Garg & Company**  
Chartered Accountants  
ICAI Firm Registration No. 004186C

For and on the behalf of the Board

**Devendra Bansal**  
Partner  
Membership No. 078057

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

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

Place : Indore  
Date : May 21<sup>st</sup>, 2019

**Mohit Agrawal**  
Chief Executive Officer

**Shyam Sunder Agrawal**  
Company Secretary

Place : Burhanpur  
Date : May 21<sup>st</sup>, 2019

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(INR in lakhs unless specified otherwise)

**NOTE - 1A - GROUP OVERVIEW**

- 1A.1** Texmo Pipes and Products Limited (“the Parent Company”) was formed as a Partnership Firm by the name M/s. Shree Mohit Industries on 13<sup>th</sup> May 1999 and was subsequently converted into Public Limited 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. The Parent Company's shares are listed with the National Stock Exchange [NSE] and Bombay Stock Exchange [BSE]. The Registered Office of the Parent Company is situated at 98, Bahadarpur Road, Burhanpur (M.P.) - 450331. The Parent Company is principally engaged in manufacturing and trading of PVC, HDPE, SWR, Sprinkler, Drip, CPVC Pipes and Fittings.
- 1A.2** Tapti Pipes & Products Limited FZE is a limited liability establishment, registered in Hamriyah Free Zone as a free zone establishment with status (FZE) under Commercial License No. 7599 incorporated on March 13, 2011, issued by Hamriyah Free Zone Authority, Sharjah, U.A.E. The registered office of the establishment is ELOB Office No. E2-113F-43, P.O. Box 49509, Hamriyah Free Zone, Sharjah, United Arab Emirates. The establishment is engaged in the business of General Trading.
- 1A.3** Tapti Pipes & Products Limited FZE is the Parent Company's wholly owned foreign subsidiary.
- 1A.4** The Parent Company has got itself disinvested in the partnership firm M/s. Mangal Murti Minerals due to its retirement w.e.f. 01-09-2018.
- 1A.5** The Parent Company and it's wholly owned foreign subsidiary are collectively referred to as "Group".

**NOTE - 1B - SIGNIFICANT ACCOUNTING POLICIES**

**1B.1 Basis Of Preparation**

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. Amounts for the year ended March 31, 2018, were audited by previous auditors- M/s. Pankaj Somaiya & Associates LLP. The consolidated financial statements of the Group for the year ended March 31, 2019 were authorized for issue in accordance with a resolution of the Board of Directors on May 21, 2019.

**1B.2 Basis Of Consolidation**

The financial statements of the Parent Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.

Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.

In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve.

Offset (eliminate) the carrying amount of the parent’s investment in each subsidiary and the parent’s portion of equity of subsidiary.

The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.

Non Controlling Interest’s share of profit / loss of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

Non Controlling Interest’s share of net assets of consolidated subsidiary is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Parent Company’s shareholders.

The Parent Company accounts for its share of post acquisition changes in net assets of associates and joint ventures, after eliminating unrealised profits and losses resulting from transactions between the Parent Company and its associates to the extent of its share, through its Consolidated Statement of Profit and Loss, to the extent such change is attributable to the associates’ Statement of Profit and Loss and through its reserves for the balance based on available information.

**1B.3 Basis of Measurement**

The consolidated financial statements have been prepared on a going concern basis using historical cost convention and on accrual method of accounting, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities (including derivative instruments);
- Defined benefit plans - plan assets; and
- Assets Held for Sale

**1B.4 Functional and Presentation Currency**

These consolidated financial statements are presented in Indian Rupees (INR), which is the Parent Company's functional currency. All amounts have been rounded off to the nearest lakh, unless otherwise indicated.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(INR in lakhs unless specified otherwise)

**1B.5 Summary of Significant Accounting Policies**

**1B.5.1 Property, Plant and Equipment (PPE)**

- (a) Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any other cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.
- (b) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. In the carrying amount of an item of PPE, the cost of replacing the part of such an item is recognized when that cost is incurred if the recognition criterias are met. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition principles.
- (c) Expenses incurred in relation to a project, net of income earned during the project development stage prior to its intended use, are considered as Pre - Operative Expenses and are disclosed under 'Capital Work - in - Progress'.
- (d) Depreciation on Property, Plant and Equipment is provided using straight line method, except on Freehold Land, on which no depreciation is provided. Depreciation provided is based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 . If, significant parts of an item of Property, Plant and Equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of Property, Plant and Equipment. In respect of the Dies and Moulds, the useful life is estimated at 12 years, which is different from the prescribed life of 8 years under Schedule II to the Companies Act, 2013
- (e) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- (f) Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Consolidated Statement of Profit and Loss when the asset is derecognized.
- (g) Spare parts procured along with the Plant & Machinery or subsequently which meet the recognition criteria are capitalized and added in the carrying amount of such item. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as "stores & spares" forming part of the inventory.

**1B.5.2 Leases**

- (a) At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement. Leases are recognized as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.
- (b) Assets used under finance leases are recognised as Property, Plant and Equipment, in the Balance Sheet for an amount that corresponds to the lower of fair value and the present value of minimum lease payments determined at the inception of the lease and a liability is recognised for an equivalent amount.
- (c) Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in Consolidated Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognized as expenses in the periods in which they are incurred.
- (d) A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.
- (e) Leases other than finance leases are operating leases, and the leased assets are not recognised on the Group's Balance Sheet. Operating lease payments are recognized as an expense in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

**1B.5.3 Capital Work in Progress**

- (a) Expenditure incurred on assets under construction (including a project) is carried at cost under 'Capital Work-in-Progress'. Such costs comprises purchase price of asset including import duties and non-refundable taxes and costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and after deducting trade discounts and rebates.

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- (b) Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, professional fees, expenditure on maintenance and up-gradation etc. of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs if attributable to construction of projects. Such costs are accumulated under “Capital works in progress” and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects.
- (c) Capital Expenditure incurred for creation of facilities, over which the Group does not have control but the creation of which is essential principally for construction of the project is capitalized and carried under “Capital work in progress” and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects, keeping in view the “attributability” and the “Unit of Measure” concepts in Ind AS 16-“Property, Plant & Equipment”. Expenditure of such nature incurred after completion of the project, is charged to Consolidated statement of Profit and Loss.

**1B.5.4 Intangible assets**

- (a) Intangible Assets purchased are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortization /depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.
- (b) Amortisation is provided on straight-line basis over estimated useful lives of the intangible assets, which is taken at 5 years for Computer Software. The amortisation period for intangible assets with finite useful lives are reviewed at least at each year end. Changes in useful lives are treated as changes in accounting estimates.
- (c) Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.
- (d) Revenue expenditure pertaining to research is charged to the Consolidated Statement of Profit and Loss. Development costs of products are charged to the Consolidated Statement of Profit and Loss unless a product’s technological and commercial feasibility has been established, in which case such expenditure is capitalised.
- (e) The Group has no internally generated Intangible Assets.

**1B.5.5 Impairment of Non-Financial Assets - Property, Plant and Equipment and Intangible Assets**

- (a) The Group assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.
- (b) An impairment loss is recognised in the Consolidated Statement of Profit and Loss to the extent, asset’s carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset’s fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.
- (c) The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**1B.5.6 Borrowing Costs**

- (a) Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.
- (b) Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.
- (c) All other borrowing costs are expensed in the period in which they occur.

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(INR in lakhs unless specified otherwise)

**1B.5.7 Inventories**

- (a) Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.
- (b) Cost of raw materials, work-in- progress, finished goods, stock-in-trade, stores and spares and packing materials are determined at Cost, with moving average price on FIFO basis.

**1B.5.8 Assets Held For Sale**

The assets are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the asset is available for immediate sale and the same is highly probable of being completed within one year from the date of classification under held for sale. The Parent Company, is holding a Land at Shukhpuri Village, as 'Assets held for Sale', under the head of Other Current Assets, as the management anticipates completion of the sale by March 2020.

**1B.5.9 Provisions, Contingent Liabilities and Contingent Assets**

- (a) Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management's estimate of the amount required to settle the obligation at the balance sheet date. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.
- (b) If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.
- (c) Contingent liabilities are disclosed on the basis of judgment of the management. These are reviewed at each balance sheet date and are adjusted to reflect the current management's estimate.
- (d) Contingent assets are not recognized but are disclosed in the Consolidated Financial Statements when inflow of economic benefits is probable.

**1B.5.10 Income Taxes**

- (a) Income-Tax expense comprises of current and deferred income tax. Income tax expense is recognised in net profit in the Consolidated Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.
- (b) Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.
- (c) Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.
- (d) Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

**1B.5.11 Foreign Currency Transactions and Translations**

- (a) Transactions in foreign currencies are initially recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.
- (b) Exchange differences arising on settlement or translation of monetary items are recognised in Consolidated Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.
- (c) Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Consolidated Statement of Profit and Loss are also recognised in OCI or Consolidated Statement of Profit and Loss, respectively).

**1B.5.12 Employee Benefits Expense**

- (a) **Short Term Employee Benefits**

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(INR in lakhs unless specified otherwise)

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

**(b) Post-Employment Benefits**

A defined contribution plan is a post-employment benefit plan under which the Group pays specified contributions to a separate entity. The Group makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Group's contribution is recognised as an expense in the Consolidated Statement of Profit and Loss during the period in which the employee renders the related service.

**(c) Defined Benefits Plans**

- (i) The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
  - (ii) The Group pays gratuity to the employees whoever has completed five years of service with the Group at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the provisions of the Payment of Gratuity Act, 1972.
  - (iii) The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by the governing Income-Tax authorities.
  - (iv) The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.
  - (v) Re-measurements of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.
- (d) Employee Separation Costs**  
 Compensation to employees who have opted for retirement under the voluntary retirement scheme of the Group is payable in the year of exercise of option by the employee. The Group recognises the employee separation cost when the scheme is announced and the Group is demonstrably committed to it.

**Revenue from Operations**

- (a) Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.
- (b) Revenue from rendering of services is recognised when the performance obligation to render the services are completed as per contractually agreed terms. The revenue derived by the Group from rendering of Logistics Services has been netted off against its 'Freight, Cartage Outward & Other Selling Expenses'.
- (c) Revenue from sale of goods is measured at the fair value of the consideration received or receivable after taking into account contractually defined terms of payment and excluding trade discounts, volume rebates and taxes or duties collected on behalf of the Government such as Goods and Services Tax [GST].

**Other Income**

**(a) Interest Income**

For all Debt Instruments measured either at Amortized Cost or at Fair Value through Other Comprehensive Income, interest income is recorded using the Effective Interest Rate [EIR]. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability.

**(b) Dividend Income**

Dividend income is recognised only when the right to receive the same is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of dividend can be measured reliably.

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(INR in lakhs unless specified otherwise)

**1B.5.15 Goods & Services Tax [GST]**

The Goods & Services Tax balances, as appearing in the Balance Sheet of the Group, are subject to the GST Audit which is to be carried out under s. 35(5) of the Central Goods & Services Tax Act, 2017 for the financial year 2018-19.

**1B.5.16 Insurance Claims**

- (a) Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted to the extent that there is no uncertainty in receiving the claims.
- (b) During the financial year ended 31st March, 2019, due to accidents & natural calamities viz. (i) Inundation of Water in factory and business premises, (ii) Wind Storm & Fire in the factory and business Premises and (iii) Vehicle Accidental Damages, the Company has lodged Re-instatement claims towards the lost or damaged assets. As, under the Re-instatement policy, the insurer is contractually obliged to pay the Re-instatement cost of the damaged asset, the company has recognised a 'Net Gain on Insurance Claim' aggregating to Rs. 60.58 Lakhs, shown under the head of 'Exceptional Items' in the Statement of Profit and Loss.
- (c) The Parent Company is expecting the settlement of various insurance claims lodged by it, within next twelve months and therefore, the Company has classified such Insurance Claims Receivables under the head 'Other Current Assets' in the Balance Sheet.

**1B.5.17 Financial Instruments**

**(a) Financial Assets**

**(i) Initial recognition and measurement**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

**(ii) Subsequent measurement**

**Financial assets carried at amortised cost**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through profit or loss (FVTPL)**

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL.

**(iii) Investment in subsidiaries, Associates and Joint Ventures**

The Group has elected to measure investment in its wholly owned subsidiary M/s. Tapti Pipes and Products Ltd. FZE, UAE at its Fair Value.

**(iv) Other Equity Investments**

All other equity investments are measured at fair value, with value changes recognised in Consolidated Statement of Profit and Loss, except for those equity investments for which the Group has elected to present the value changes in 'Other Comprehensive Income'.

**(v) Impairment of financial assets**

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Group uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

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(INR in lakhs unless specified otherwise)

**(b) Financial Liabilities**

**(i) Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Consolidated Statement of Profit and Loss as finance cost.

**(ii) Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**(iii) Derivative financial instruments and Hedge Accounting**

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Consolidated Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Consolidated Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

**Cash flow hedge**

The Group designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Consolidated Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Consolidated Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Consolidated Statement of Profit and Loss.

**Fair Value Hedge**

The Group designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Consolidated Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to statement of Profit and Loss over the period of maturity.

**(iv) Derecognition of financial instruments**

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**1B.5.18 Operating Cycle**

(a) The Group presents its assets and liabilities in the balance sheet based on current/non-current classification which is based upon the Group's operating cycle. The Group has identified twelve months as its operating cycle.

(b) An asset is treated as current when it is:

(i) Expected to be realized or intended to be sold or consumed in normal operating cycle;

(ii) Held primarily for the purpose of trading;

(iii) Expected to be realized within twelve months after the reporting period; or

(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

(c) A liability is treated as current when :

(i) It is expected to be settled in normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

(d) Deferred tax assets and liabilities are classified as non-current assets and liabilities.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(INR in lakhs unless specified otherwise)

- 1B.5.19 Earnings Per Share**  
 Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of shares issued during the year including bonus issue. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.
- 1B.5.20 Dividend Distribution**  
 Dividends paid (including Income-Tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by the shareholders.
- 1B.5.21 Consolidated Statement of Cash Flows**
- (a) **Cash and Cash equivalents**  
 For the purpose of presentation in the Consolidated Statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.
- (b) Consolidated Statement of Cash Flows is prepared in accordance with the Indirect Method prescribed in the relevant Ind AS.
- NOTE - 1C - CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**
- The preparation of the Consolidated Financial Statements in conformity with the Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.
- 1C.1 Depreciation / amortisation and useful lives of property plant and equipment / intangible assets**  
 Property, Plant and Equipment / Intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.
- 1C.2 Recoverability of Trade Receivable**  
 Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.
- 1C.3 Provisions**  
 Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.
- 1C.4 Impairment of non-financial assets**  
 The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.  
 In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.
- 1C.5 Impairment of financial assets**  
 The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**NOTE - 2 - PROPERTY, PLANT AND EQUIPMENT**

(INR in Lakhs)

S NO.	PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
		As at 1-4-2018	Additions	Disposals	As at 31-3-2019	As at 1-4-2018	For the year	Disposals	As at 31-3-2019	As at 31-3-2019	As at 31-3-2018
1	Freehold Land	6,447.13	-	-	6,447.13	-	-	-	-	6,447.13	6,447.13
2A	Factory Buildings	779.56	117.93	29.17	868.31	56.58	31.86	3.15	85.30	783.02	722.98
2B	Office Buildings	335.26	-	2.13	333.13	10.20	5.65	0.10	15.76	317.38	325.06
3	Plant and Equipment	3,838.20	860.53	56.68	4,642.05	897.78	424.14	31.61	1,290.31	3,351.73	2,940.42
4	Furniture and Fixtures	83.41	16.71	-	100.13	31.68	15.12	-	46.80	53.33	51.73
5	Vehicles	369.59	85.87	61.63	393.84	52.26	69.21	18.60	102.88	290.96	317.32
6	Office Equipment	75.11	18.85	7.87	86.09	23.80	11.97	2.92	32.85	53.24	51.30
	<b>TOTAL</b>	<b>11,928.26</b>	<b>1,099.89</b>	<b>157.47</b>	<b>12,870.68</b>	<b>1,072.32</b>	<b>557.95</b>	<b>56.38</b>	<b>1,573.89</b>	<b>11,296.78</b>	<b>10,855.94</b>
	<b>Previous Year</b>	<b>11,494.05</b>	<b>468.20</b>	<b>33.99</b>	<b>11,928.26</b>	<b>580.65</b>	<b>523.69</b>	<b>32.02</b>	<b>1,072.32</b>	<b>10,855.94</b>	<b>10,913.40</b>

**Note:**

1 Entire movable and immovable Property, Plant and Equipment are mortgaged in favour of secured lenders against the sanctioned credits [Refer Note 17.1].

**NOTE - 3 - CAPITAL WORK-IN-PROGRESS**

(INR in Lakhs)

S NO.	PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
		As at 1-4-2018	Additions	Disposals	As at 31-3-2019	As at 1-4-2018	For the year	Disposals	As at 31-3-2019	As at 31-3-2019	As at 31-3-2018
1	Capital Work-In-Progress	381.06	356.04	727.20	9.91	-	-	-	-	9.91	381.06
	<b>TOTAL</b>	<b>381.06</b>	<b>356.04</b>	<b>727.20</b>	<b>9.91</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.91</b>	<b>381.06</b>
	<b>Previous Year</b>	<b>99.23</b>	<b>346.12</b>	<b>64.29</b>	<b>381.06</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>381.06</b>	<b>99.23</b>

**NOTE - 4 - INVESTMENT PROPERTY**

(INR in Lakhs)

S NO.	PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/ IMPAIRMENT LOSS/ REVERSAL				NET CARRYING AMOUNT	
		As at 1-4-2018	Additions	Disposals	As at 31-3-2019	As at 1-4-2018	For the year	Disposals	As at 31-3-2019	As at 31-3-2019	As at 31-3-2018
1	Freehold Land	38.44	-	-	38.44	-	-	-	-	38.44	38.44
	<b>TOTAL</b>	<b>38.44</b>	<b>-</b>	<b>-</b>	<b>38.44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38.44</b>	<b>38.44</b>
	<b>Previous Year</b>	<b>38.44</b>	<b>-</b>	<b>-</b>	<b>38.44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38.44</b>	<b>38.44</b>

**NOTE - 5 - INTANGIBLE ASSETS OTHER THAN GOODWILL**

(INR in Lakhs)

SNO.	PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/ AMORTISATION				NET CARRYING AMOUNT	
		As at 1-4-2018	Additions	Disposals	As at 31-3-2019	As at 1-4-2018	For the year	Disposals	As at 31-3-2019	As at 31-3-2019	As at 31-3-2018
1	Computer Software - Acquired	18.99	6.60	-	25.59	14.69	2.31	-	17.00	8.59	4.28
	<b>TOTAL</b>	<b>18.99</b>	<b>6.60</b>	<b>-</b>	<b>25.59</b>	<b>14.69</b>	<b>2.31</b>	<b>-</b>	<b>17.00</b>	<b>8.59</b>	<b>4.28</b>
	<b>Previous Year</b>	<b>18.99</b>	<b>-</b>	<b>-</b>	<b>18.99</b>	<b>7.23</b>	<b>7.48</b>	<b>-</b>	<b>14.69</b>	<b>4.28</b>	<b>11.76</b>

**NOTE - 6 - NON-CURRENT TRADE RECEIVABLES**

[Unsecured, considered good]

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Secured, considered good	-	-
Unsecured, considered good	3,836.02	3,616.89
Trade Receivables which have significant increase in Credit Risk	-	-
Less: Impairment for trade receivables	-	-
Trade Receivables - Credit Impaired	-	-
<b>TOTAL</b>	<b>3,836.02</b>	<b>3,616.89</b>

**NOTE - 7 - OTHER NON-CURRENT FINANCIAL ASSETS**

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Other Receivables	657.12	617.92
<b>TOTAL</b>	<b>657.12</b>	<b>617.92</b>

**NOTE - 8 - OTHER NON-CURRENT ASSETS**

[Unsecured, considered good]

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
A. Capital Advances	-	<b>164.11</b>
(A)	-	164.11
B. Advances other than Capital Advances		
Security Deposits	122.06	139.91
Taxes Paid Under Protest	619.81	474.18
Advance to Suppliers	2,424.87	2,280.19
(B)	3,166.74	2,894.28
<b>TOTAL (A+B)</b>	<b>3,166.74</b>	<b>3,058.39</b>

**NOTE - 9 - INVENTORIES**

[Valued at lower of cost and net realizable value]

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Raw Materials	4,198.80	4,909.29
Work-In-Progress	90.68	93.53
Finished Goods	1,683.01	1,634.71
Stock-In-Trade	260.01	181.01
Stores and Spares	76.69	55.18
Packing Materials	62.35	44.68
<b>TOTAL</b>	<b>6,371.54</b>	<b>6,918.40</b>

**Notes:**

- i) Amount of inventories recognised as an expense have been disclosed in Notes 27, 28 and 29.
- ii) Entire inventories have been hypothecated as security with banks against working capital loans, refer Note-20 for details.

**NOTE - 10 - CURRENT TRADE RECEIVABLES**

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Secured, considered good	-	-
Unsecured, considered good	6,155.77	4,072.45
Trade Receivables which have significant increase in Credit Risk	80.00	40.00
Less: Impairment for trade receivables	(80.00)	(40.00)
Trade Receivables - Credit Impaired		
<b>TOTAL</b>	<b>6,155.77</b>	<b>4,072.45</b>

**Notes:**

- i) No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Further, no trade receivables are due from firms or private companies in which any director is a partner, a director or a member.
- ii) The provision for the impairment of trade receivable has been made on the basis of expected credit loss as per the judgment of the management.
- iii) Trade Receivables have been hypothecated with Banks against working capital loans, refer Note-20 for details.

**NOTE - 11 - CASH AND CASH EQUIVALENTS**

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Balances with Banks in Current Accounts	3.01	6.58
Cheques, Drafts on Hand	10.00	67.54
Cash on Hand	15.70	20.18
<b>TOTAL</b>	<b>28.71</b>	<b>94.30</b>

**NOTE - 12 - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Fixed Deposits - Maturity more than 3 months and less than 12 months	810.47	1,046.01
<b>TOTAL</b>	<b>810.47</b>	<b>1,046.01</b>

Note: Fixed Deposits are held as margin money against the bank guarantee and letter of credit facilities sanctioned by the Banks.

**NOTE - 13 - CURRENT LOANS**

[Unsecured, considered good]

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Security Deposits	-	-
Loans to related parties	-	-
Others	16.36	859.40
<b>TOTAL</b>	<b>16.36</b>	<b>859.40</b>

Notes:

- No current loan receivables are due from directors or other officers of the Company either severally or jointly with any other person. Further, no loan receivables are due from firms or private companies in which any director is a partner, a director or a member.
- None of the loan receivables have been considered as having significant increase in credit risk or are credit impaired.

**NOTE - 14 - OTHER CURRENT ASSETS**

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
A. <b>Capital Advances</b>	50.58	5.68
(A)	50.58	5.68
B. <b>Advances other than Capital Advances</b>		
Security Deposits	-	-
Advance to related parties	-	-
Others		
- Advance to Suppliers	72.25	36.89
- Advance to Employees	22.63	27.33
- Advance to Others	89.07	119.75
(B)	183.95	183.98
C. <b>Others</b>		
Assets Held for Sale - Freehold Land	217.15	217.15
Balances with Statutory Authorities	9.93	42.49
Prepaid Expenses	52.53	41.13
Insurance Claims Receivable	1,206.97	715.99
Incentives Receivable from Government	430.02	430.02
Advance Income-Tax & TDS Claim [Net of provisions]	2.18	28.99
(C)	1,918.78	1,475.75
<b>TOTAL (A+B+C)</b>	<b>2,153.31</b>	<b>1,665.41</b>

Notes:

- No advance is due from directors or other officers of the Group either severally or jointly with any other person. Further, no advance is due from firms or private companies in which any director is a partner, a director or a member.
- None of the loan receivable has been considered as having significant increase in credit risk or credit impaired loans.

**NOTE - 15 - EQUITY SHARE CAPITAL**
**A. Authorised and Paid-up Share Capital**

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	No. of Shares	Amount	No. of Shares	Amount
<b>AUTHORISED</b>				
Equity Shares of Rs.10/- each	3,00,00,000	3,000.00	3,00,00,000	3,000.00
<b>ISSUED, SUBSCRIBED AND FULLY PAID-UP</b>				
Equity Shares of Rs.10/- each	26,320,000	2,632.00	2,50,20,000	2,502.00
<b>TOTAL</b>	<b>2,63,20,000</b>	<b>2,632.00</b>	<b>2,50,20,000</b>	<b>2,502.00</b>

**B. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	25,020,000	2,502.00	23,820,000	2,382.00
Shares issued during the year	1,300,000	130.00	1,200,000	120.00
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	2,63,20,000	2,632.00	25,020,000	2,502.00

**C. Details of shares held by shareholders holding more than 5% of the aggregate shares in the company**

Name of Shareholder	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shri Sanjay Kumar Agrawal	3,896,474	14.80	3,896,474	15.57
Smt. Rashmi Devi Agrawal	3,377,592	12.83	3,377,592	13.50
Shree Padmavati Irrigations LLP	2,612,000	9.92	1,312,000	5.24

**D. Rights, Preferences and restrictions attached to Equity Shares**

The Company has issued only one class of equity shares having face value of Rs.10/- per share. Each shareholder is eligible for one vote per share held. 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 to their shareholding.

**NOTE - 16 - OTHER EQUITY**

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Securities Premium	6,879.64	6,708.04
Retained Earnings	2,243.78	1,948.90
Exchange difference on translation of Financial Statements of Foreign Subsidiary	1,990.93	1,574.76
Revaluation Reserve	6,427.35	6,427.35
Equity Component of Compound Financial Instruments	88.07	85.48
<b>TOTAL</b>	<b>17,629.76</b>	<b>16,744.52</b>

**Notes :**

- During the current year, the Parent Company has issued 13,00,000 Equity Shares of face value of Rs.10/- each as fully paid-up at a value of Rs.23.20 per share. The excess of aggregate consideration received over the face value of shares amounting to Rs.171.60 Lakhs is credited to securities premium. The amount of securities premium can be utilised only in accordance with the provisions of the Companies Act, 2013 for specified purposes.
- Retained Earnings are the profits/losses that the Group has earned till date.
- The Parent Company has created revaluation reserve out of revaluation of lands carried out during the financial year 2016-17.
- Equity component of compound financial statement represents the difference between the proceeds of the borrowings made by the Parent Company from its promoters at low interest rate, and the fair value of the liability component.

**NOTE -17- NON CURRENT BORROWINGS**

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	Non Current	Current	Non Current	Current
<u>Term Loans</u>				
A. <u>Secured</u>				
<u>From Banks</u>	867.93	250.04	1,038.81	351.08
<u>From Others</u>	49.20	28.02	74.15	29.74
<b>(A)</b>	<b>917.13</b>	<b>278.06</b>	<b>1,112.96</b>	<b>380.82</b>
B. <u>Unsecured</u>				
Loans and advances from related parties	97.71	-	28.09	-
From Others	30.35	-	310.56	-
<b>(B)</b>	<b>128.06</b>	<b>-</b>	<b>338.65</b>	<b>-</b>
<b>TOTAL (A+B)</b>	<b>1,045.19</b>	<b>278.06</b>	<b>1,451.61</b>	<b>380.82</b>

## Notes:

- (i) The Current portion of the Borrowings represent the principal amount of loan, which is repayable in next twelve months and has been classified under Note No. 22 'Other Current Financial Liabilities'.
- (ii) Refer Note 41 for information about liquidity risk.

**Note - 17.1 - Nature of security, terms of repayment and details of guarantee given for Long Term Secured Borrowings**

Sno.	Nature of Security	Terms of Repayment
1	<p>Term Loan of Rs. 700 Lakhs from Punjab National Bank secured on first and exclusive charge by way of Equitable Mortgage on Machineries and Hypothecation of all movable Machineries/ Implements/ Fixed Assets and Guarantees of Mr. Sanjay Kumar Agrawal, Mrs. Rashmidevi Agrawal, Shree Padmavati Irrigation LLP, Shree Balaji Industries and Shree Venkatesh Industries along with pari passu charge by way of Equitable Mortgage of Properties owned by Directors Mr. Sanjay Kumar Agrawal, Mrs. Rashmidevi Agrawal and M/s Shree Balaji Industries as collateral security.</p> <p>[Total Outstanding Rs.630.98 Lakhs (Previous year Rs 703.85 Lakhs) out of which Rs.99.99 Lakhs (Previous year Rs 103.85 Lakhs) is taken to current maturities of long term debts]</p>	<p>Repayable in 84 equal monthly installments of Rs. 8.33 Lakhs with initial moratorium period of 5 months starting from April, 2018. Last installment due in March, 2025. Rate of interest 10.55% p.a. as at year end.</p> <p>(Previous Year 10.55% p.a.)</p>
2	<p>Term Loan of Rs.400 Lakhs from Central Bank of India, secured by Pari Pasu charge on Plant &amp; Machineries situated at Factory Premises Present &amp; Future with SBI and Personal Guarantees of Directors Mr. Sanjay Kumar Agrawal, Mrs. Rashmidevi Agrawal, M/s Balaji Industries, M/s. Shree Padmavati Irrigation LLP and M/s. Shree Venkatesh Industries along with First pari passu charge by way of Equitable Mortgage of Properties owned by Directors Mr. Sanjay Kumar Agrawal, Mrs. Rashmidevi Agrawal and M/s Balaji Industries as collateral security.</p> <p>[Total Outstanding as on 31-03-2019 is Rs.260.95 Lakhs (Previous year Rs 317.83 Lakhs) out of which Rs.51.31 Lakhs (Previous year Rs 44.67 Lakhs) is taken to current maturities of long term debts]</p>	<p>Repayable in 84 equal monthly installments starting from October, 2016. Last installment due in September, 2023. Rate of interest is 12.55% p.a. as at the year end.(Previous Year 12.65% p.a.)</p>

3	<p>Term Loan sanctioned of Rs. 113 Lakhs from HDFC Bank Limited is secured by way of Mumbai Office of the holding company</p> <p>[Total Outstanding as on 31-03-2019 is Rs.73.76 Lakhs (Previous year Rs.83.71 Lakhs) out of which Rs.11.21 Lakhs (Previous year Rs.9.95 Lakhs) is taken to current maturities of long term debts]</p>	<p>Repayable in 120 equal monthly installments of Rs.1.62 Lakhs each starting from May, 2014. Last installment due on April, 2024. Rate of interest 12% p.a. as at year end. (Previous Year 12% p.a.)</p>
4	<p>Vehicle Loan of Rs. 9.68 Lakhs from HDFC Bank is secured by Hypothecation of Vehicle.</p> <p>[Total Outstanding Rs.4.89 Lakhs (Previous year Rs.7.99 Lakhs) out of which Rs.3.38 Lakhs (Previous year Rs.3.10 Lakhs) taken to current maturities of long term debts]</p>	<p>Repayable in 36 equal monthly installments starting from September, 2017. Last installment due in August, 2020. Rate of Interest is 8.76% p.a. as at year end.(Previous Year 8.76%)</p>
5	<p>Four Vehicle Loans aggregating to Rs. 65.64 Lakhs from HDFC Bank are secured by Hypothecation of Vehicles.</p> <p>[Total Outstanding Rs. 32.88 Lakhs (Previous year Rs. 64.05 Lakhs) out of which Rs. 16.49 Lakhs (Previous year Rs. 31.17 Lakhs) taken to current maturities of long term debts]</p>	<p>Repayable in 36 equal monthly installments starting from March 2018.Last installment due in February 2021. Rate of Interest is 8.51% p.a. as at year end.(Previous Year 8.51%)</p>
6	<p>Vehicle Loan of Rs. 77.65 Lakhs from HDFC Bank is secured by Hypothecation of Vehicle.</p> <p>[Total Outstanding Rs. 69.09 Lakhs (Previous year Rs. Nil ) out of which Rs.13.77 Lakhs (Previous year Rs. Nil) taken to current maturities of long term debts]</p>	<p>Repayable in 60 equal monthly installments starting from August 2018.Last installment due in July 2023. Rate of Interest is 8.50% p.a. as at year end.(Previous Year 8.50%)</p>
7	<p>Term Loan of Rs. 89 Lakhs from Religare Finvest Limited secured by Equitable Mortgage of Indore Office.</p> <p>[Total Outstanding Rs. 58.72 Lakhs (Previous year Rs.66.65 Lakhs) out of which Rs.9.45 Lakhs (Previous year Rs.7.93 Lakhs) taken to current maturities of long term debts]</p>	<p>Repayable in 119 equal monthly instalments of Rs. 1.35 Lakhs each starting from May, 2014. Last instalment due in March, 2024.Rate of interest is 13.20% p.a. as at the year end (Previous Year 13.50% p.a.).</p>
8	<p>Term Loan of Rs. 83 Lakhs from Reliance Capital Limited secured by Hypothecation of Plant &amp; Machinery.</p> <p>[Total Outstanding Rs. 19.07 Lakhs (Previous year Rs.41.99 Lakhs) out of which Rs.19.07 Lakhs (Previous year Rs.22.92 Lakhs) taken to current maturities of long term debts]</p>	<p>Repayable in 48 equal monthly installments Rs. 2.31 Lakhs each starting from January, 2016. Last installment due in December, 2019. Rate of interest is 16.10% p.a. as at the year end (Previous Year 12.00% p.a.)</p>
9	<p>5 Vehicle Loans aggregating to Rs. 69.90 Lakhs from HDFC Bank are secured by Hypothecation of Vehicles.</p> <p>[Total Outstanding Rs. 25.28 Lakhs (Previous year Rs.48.53 Lakhs) out of which Rs.25.82 Lakhs (Previous year Rs.23.25 Lakhs) taken to current maturities of long term debts]</p>	<p>Repayable in 36 equal monthly installments starting from April 2017, last installment due in March 2020, Rate on Interest is 8.44% p.a as at the year end. (Previous Year 8.44% p.a.).</p>
10	<p>Vehicle Loan of Rs. 20.49 Lakhs from HDFC Bank is secured by Hypothecation of Vehicle.</p> <p>[Total Outstanding Rs. 1.70 Lakhs (Previous year Rs. 6.49 Lakhs) out of which Rs.1.70 Lakhs (Previous year Rs.4.79 Lakhs) taken to current maturities of long term debts]</p>	<p>Repayable in 60 equal monthly installments of Rs. 0.43 Lakhs each starting from August, 2014.Last installment due in July,2019.Rate of Interest is 10% p.a.as at year end. (Previous Year 10.00% p.a.).</p>

11	Two Vehicle Loans aggregating to Rs. 25.17 Lakhs from HDFC Bank are secured by Hypothecation of Vehicles. [Total Outstanding Rs. 4.14 Lakhs (Previous year Rs. 9.85 Lakhs) out of which Rs.4.14 Lakhs (Previous year Rs. 5.70 Lakhs) taken to current maturities of long term debts]	Repayable in 60 equal monthly installments starting from December, 2014 .Last installment due in November, 2019. Rate of Interest is 10.26% p.a. as at year end.(Previous Year 10.26%)
12	Three Vehicle Loans aggregating to Rs. 35.43 Lacs from HDFC Bank are secured by Hypothecation of Vehicles. [Total Outstanding Rs. 5.21 Lakhs (Previous year Rs. 14.91Lakhs) out of which Rs. 5.21 Lakhs (Previous year Rs. 9.70 Lakhs) taken to current maturities of long term debts]	Repayable in 48 equal monthly installments starting from October 2015.Last installment due in September 2019.Rate of Interest is 9.71% p.a. as at year end. (Previous Year 9.71% p.a. )
13	Vehicle Loan of Rs. 8.14 Lakhs from HDFC Bank is secured by Hypothecation of Vehicle.	Repayable in 36 equal monthly installments starting from May,2016. Last installment due in April,2019.Rate of Interest is 9.85% p.a. as at year end.(Previous Year 9.85% p.a.)
14	Three Vehicle Loans aggregating to Rs. 42.18 Lakhs from HDFC Bank are secured by Hypothecation of Vehicles. [Total Outstanding Rs. 1.33 Lakhs (Previous year Rs. 16.60Lakhs) out of which Rs. 1.33 Lakhs (Previous year Rs. 15.26 Lakhs) taken to current maturities of long term debts]	Repayable in 36 equal monthly installments starting from May, 2016. Last installment due in April, 2019.Rate of Interest is 9.35% p.a. as at year end.(Previous Year 9.35% p.a.)
15	Vehicle Loan of Rs. 7 Lacs from HDFC Bank is secured by Hypothecation of Vehicle. [Total Outstanding Rs. 0.44 Lakhs (Previous year Rs. 2.96 Lakhs) out of which Rs. 0.44 Lakhs (Previous year Rs. 2.52 Lakhs) taken to current maturities of long term debts]	Repayable in 36 equal monthly installments starting from June 2016.Last installment due in May 2019.Rate of Interest is 9.85% p.a. as end (Previous Year 9.85% p.a.)
16	Two Vehicle Loans aggregating to Rs. 28.52 Lacs from HDFC Bank are secured by Hypothecation of Vehicles. [Total Outstanding Rs. 2.69 Lakhs (Previous year Rs. 12.86 Lakhs) out of which Rs. 2.69 Lakhs (Previous year Rs. 10.16 Lakhs) taken to current maturities of long term debts]	Repayable in 36 equal monthly installments starting from July, 2016. Last installment due in June, 2019.Rate of Interest is 9.35% p.a. as at year end.(Previous Year 9.35% p.a.)
17	Three Vehicle Loans aggregating to Rs. 29.70 Lakhs from HDFC Bank are secured by Hypothecation of Vehicles. [Total Outstanding Rs. 9.66 Lakhs (Previous year Rs. 25.05 Lakhs) out of which Rs. 9.66 Lakhs (Previous year Rs. 15.39 Lakhs) taken to current maturities of long term debts]	Repayable in 36 equal monthly installments starting from November, 2016. Last installment due in October, 2019. Rate of Interest is 9.36% p.a. as at year end.(Previous Year 9.36% p.a.)
18	Vehicle Loan of Rs.14.27 Lakhs from HDFC Bank is secured by Hypothecation of Vehicle. [Total Outstanding Rs. 3.09 Lakhs (Previous year Rs. 8.03 Lakhs) out of which Rs. 3.09 Lakhs (Previous year Rs. 4.93 Lakhs) taken to current maturities of long term debts]	Repayable in 36 equal monthly installments starting from November, 2016. Last installment due in October,2019. Rate of Interest is 9.36% p.a. as at year end.(Previous Year 9.36% p.a.)



**NOTE - 18 - DEFERRED TAX LIABILITIES [NET]**

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<u>Deferred Tax Liabilities on account of taxable temporary differences:</u>		
At the beginning of the year	1,658.75	1,584.83
(Credit)/Charged to Statement of Profit and Loss	(5.53)	73.91
<b>TOTAL</b>	<b>1,653.22</b>	<b>1,658.75</b>

**Component of Deferred Tax Liabilities/(Assets)**

(INR in Lakhs)

Particulars	As at 1 <sup>st</sup> April, 2018	Charged/(Credit) to Statement of Profit and Loss	As at 31 <sup>st</sup> March, 2019
A. <u>Deferred Tax Liabilities in relation to :</u>			
Property, Plant and Equipment (Other than Land)	297.19	41.31	338.50
Revaluation of Land	1,366.49	10.22	1,376.71
(A)	1,663.68	51.53	1,715.21
B. <u>Deferred Tax Assets in relation to :</u>			
Provision for Impairment of Trade Receivables	(7.31)	34.02	26.71
Provision for Doubtful Loans and Advances	-	-	-
Gratuity Payable	12.24	23.04	35.29
(B)	4.93	57.06	62.00
<b>Deferred Tax Liabilities (A-B)</b>	<b>1,658.75</b>	<b>(5.53)</b>	<b>1,653.22</b>

**NOTE - 19 - OTHER NON-CURRENT LIABILITIES**

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
A. Advances against Sale of Property	5.50	5.50
(A)	5.50	5.50
B. Others		
Long Term Deposits from Dealers	239.36	144.65
Deposits for Premises given on Rent	-	8.70
Gratuity Payable	105.70	93.81
(B)	345.06	247.16
<b>TOTAL (A+B)</b>	<b>350.56</b>	<b>252.66</b>

**NOTE - 20 - SHORT-TERM BORROWINGS**

[Loans Repayable on Demand, Secured]

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
A. <u>From Banks</u>		
Cash Credit Facilities	3,853.45	3,951.29
(A)	3,853.45	3,951.29
B. <u>From Other Parties</u>		
NSIC Assistance	-	198.97
(B)	-	198.97
C. <u>Unsecured Loans</u>		
Loans Repayable on Demand	-	24.19
<b>TOTAL (A+B+C)</b>	<b>3,853.45</b>	<b>4,174.44</b>

Notes:

(I) The Parent Company has borrowed Cash Credit loans from State Bank of India, Bank of Baroda, Punjab National Bank and Central Bank of India led by State Bank of India wherein, SBI Cash Credit Loan of Rs. 3214.78 Lakhs (Previous Year Rs. 2735.37 Lakhs), Bank of Baroda Cash Credit Loan of Rs. 295.10 Lakhs (Previous Year Rs. 681.49 Lakhs), Punjab National Bank Cash Credit Loan of Rs. 250.41 Lakhs (Previous Year Rs. 345.91 Lakhs) and Central Bank of India Cash Credit Loan of Rs. 93.15 Lakhs (Previous Year Rs. 188.52 Lakhs) are 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 parent company's 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 parent company and promoters, Related Entities and Personal Guarantees of Mr. Sanjay Kumar Agrawal, Mrs. Rashmidevi Agrawal, M/s. Shree Padmavati Irrigations LLP, M/s. Shree Balaji Industries and M/s. Shree Venkatesh Industries.

**NOTE - 21 - CURRENT TRADE PAYABLES**

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Total Outstanding dues of Micro and Small Enterprises	455.50	1,270.24
Total Outstanding dues of Others, including Acceptances	5,464.62	3,695.40
<b>TOTAL</b>	<b>5,920.12</b>	<b>4,965.64</b>

**NOTE - 21.1 - Information to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006**

The information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and interest outstanding during the year is given below :

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
(a) Principal amount remaining unpaid to any supplier as at the end of accounting year	455.50	981.24
(b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(c) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(d) The amount of interest due and payable for the year	-	120.99
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

**NOTE - 22 - OTHER CURRENT FINANCIAL LIABILITIES**

([INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Current Maturities of Long-Term Debt	278.06	380.81
Interest Accrued but not due on borrowings	1.94	3.16
<b>TOTAL</b>	<b>280.00</b>	<b>383.97</b>

**NOTE - 23 - OTHER CURRENT LIABILITIES**

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
A. <u>Revenue Received in Advance</u>		
Advance from Customers	480.87	544.70
(A)	480.87	544.70
B. <u>Others</u>		
Statutory Liabilities	466.16	262.27
Other Liabilities	88.56	163.58
(B)	554.72	425.85
<b>TOTAL</b>	<b>1,035.59</b>	<b>970.55</b>
(A+B)		

**NOTE - 24 - SHORT-TERM PROVISIONS**

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Provision for Employee Benefits	149.87	118.66
<b>TOTAL</b>	<b>149.87</b>	<b>118.66</b>

**NOTE - 25 - REVENUE FROM OPERATIONS**

(INR in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
A. Sale of Products		
Manufactured Goods	29,031.33	22,506.49
Traded Goods	1,943.12	3,323.32
(A)	30,974.45	25,829.82
B. Other Operating Revenues		
Selfit & Installation Charges	11.80	9.90
VAT/CST Subsidy for Industrial Promotion	-	9.49
(B)	11.80	19.39
<b>TOTAL (A+B)</b>	<b>30,986.25</b>	<b>25,849.21</b>

**NOTE - 26 - OTHER INCOME**

(INR in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
A. Interest Income	100.38	99.18
B. <u>Other Non-Operating Income</u>		
Gain on Sale of Investment in Property	-	2.46
Gain on Sale of Fixed Assets	-	6.83
Miscellaneous Receipts	30.62	313.45
<b>TOTAL</b>	<b>131.00</b>	<b>421.93</b>

**Note :** Interest Income includes impact of financial instruments.

**NOTE - 27 - COST OF MATERIALS CONSUMED**

(INR in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
Raw Materials Consumed	22,058.13	16,665.62
Packing Materials Consumed	269.66	236.92
<b>TOTAL</b>	<b>22,327.79</b>	<b>16,902.54</b>

**NOTE - 28 - PURCHASES OF STOCK-IN-TRADE**

(INR in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
Pipes & Fittings	1,346.62	1,861.61
Others	429.07	959.87
<b>TOTAL</b>	<b>1,775.69</b>	<b>2,821.48</b>

**NOTE - 29 - CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS**

(INR in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
A. <u>Inventories at the beginning of the year</u>		
Finished Goods	1,634.71	1,854.84
Work-In-Progress	93.53	53.24
Stock-In-Trade	181.01	364.60
(A)	1,909.25	2,272.67
B. <u>Inventories at the end of the year</u>		
Finished Goods	1,683.01	1,634.71
Work-In-Progress	90.68	93.53
Stock-In-Trade	260.01	181.01
(B)	2,033.70	1,909.25
<u>CHANGES IN INVENTORIES</u> (A-B)	(124.45)	363.42

**NOTE - 30 - EMPLOYEE BENEFITS EXPENSES**

(INR in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
Directors' Remuneration	86.23	22.01
Salary, Wages, Bonus & Gratuity	1,336.53	1,092.48
Contributions toward Provident Fund	59.19	61.33
Contribution towards ESIC	36.15	37.74
Employee Welfare and Other Benefits	19.90	24.72
<b>TOTAL</b>	<b>1,538.00</b>	<b>1,238.27</b>

**NOTE - 31- FINANCE COSTS**

(INR in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
Interest Expenses	532.05	570.25
Letter of Credit Charges	368.91	303.58
Loan Processing and Incidental Expenses	61.23	68.84
Bank Guarantee Commission	7.62	35.22
<b>TOTAL</b>	<b>969.81</b>	<b>977.89</b>

**NOTE - 32 - OTHER EXPENSES**

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
A. <u>Manufacturing and Operating Expenses</u>		
Power & Fuel	1,001.69	770.41
Stores & Spares Consumed	154.19	115.38
Repairs to Plant & Machineries	83.25	72.79
Other Manufacturing Expenses	352.43	90.63
(A)	1,591.56	1,049.20

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
<b>B. <u>Administrative Expenses</u></b>		
Lease Rent Expenses	95.96	51.59
Rent Expenses	43.61	51.64
Stationery & Printing	26.18	19.19
Postage and Courier Expenses	3.28	2.80
Electricity Expenses	1.44	1.47
Vehicle Running and Maintenance	34.41	25.39
Travelling & Conveyance Expenses	107.82	127.71
Telephone, Mobile and Internet Expenses	9.13	22.65
Directors Sitting Fees	4.30	4.58
Auditors' Remuneration		
- Statutory Audit	8.00	6.00
- Tax Audit	2.00	1.50
Insurance	18.16	17.31
Repairs and Maintenance		
- Factory Building	34.79	22.07
- Office Building	29.67	5.57
- Others	1.98	0.26
Legal & Professional Expenses	71.84	72.80
Software Programme & Licence Fees	28.06	17.95
License Renewal Fees	12.25	-
Guest Accomodation Charges	4.39	3.72
Professional Tax	0.05	-
Diversion Tax	2.20	-
Property Tax	2.73	-
Commercial Taxes	21.16	82.67
Charity & Donation	1.67	0.17
Prior Period Expenses	6.15	-
Loss on Sale of Assets	2.66	-
Foreign Currency Fluctuation Loss	12.51	3.26
Office & Miscellaneous Expenses	31.39	60.88
<b>(B)</b>	<b>617.81</b>	<b>601.19</b>
<b>C. <u>Selling, Distribution &amp; Other Expenses</u></b>		
Advertisement, Publicity & Sales Promotion	152.68	136.84
Commission on Sales	83.47	70.65
Freight, Cartage Outward & Other Selling Expenses (Net)	815.43	443.13
Dealers Conference Expenses	77.24	-
Discount & Other Expenses	384.01	270.69
Bad Debts	1.96	-
Impairment of Debtors	40.00	40.00
<b>(C)</b>	<b>1,554.79</b>	<b>961.31</b>
<b>TOTAL (A+B)</b>	<b>3,764.16</b>	<b>2,611.69</b>

Note: The Parent Company is lessee under various operating leases under which rental expenses for the year was Rs.95.95 Lakhs (Previous year Rs. 51.59 Lakhs). The Parent Company has not executed any non-cancellable lease agreement.

**NOTE - 32.1 - BREAK UP OF AUDIT FEES**

(INR in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
(a) <u>Auditors' Remuneration</u>		
- Statutory Audit Fees	8.00	6.00
- Tax Audit Fees	2.00	1.50
(b) Certification and Consultation Fees	-	-
<b>TOTAL</b>	<b>10.00</b>	<b>7.50</b>

**NOTE - 33 - EXCEPTIONAL ITEMS**

(INR in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
1 Gain on Insurance Claim (under Re-instatement Policy)	60.58	-
<b>TOTAL</b>	<b>60.58</b>	<b>-</b>

**NOTE - 34 - OTHER COMPREHENSIVE INCOME**

(INR in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
A. <u>Items that will not be reclassified into profit or loss :</u>		
(i) Change in Revaluation surplus	-	-
(ii) Remeasurement of defined benefit plans	(0.30)	(12.61)
(iii) Equity Instrument of the defined benefit plans	-	-
(iv) Fair Value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss	-	-
(v) Share of other comprehensive Income in Associate and Joint Ventures, to the extent not to be classified into profit or loss	-	-
(vi) Others	-	-
(A)	(0.30)	(12.61)
B. <u>Items that will be reclassified to profit or loss :</u>		
(I) Exchange differences in translating the financial statements of foreign operation	416.16	21.81
(ii) Debt instruments through other comprehensive Income	-	-
(iii) The effective portion of gains and loss on hedging instruments in a cash flow hedge	-	-
(iv) Share of other comprehensive Income in Associate and Joint Ventures, to the extent not to be classified into profit or loss	-	-
(v) Others	-	-
(B)	416.16	21.81
<b>TOTAL (A+B)</b>	<b>415.86</b>	<b>9.20</b>

**NOTE - 35 - EARNINGS PER EQUITY SHARE**

(INR in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders	297.33	14.64
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	250.38	244.02
Weighted Average Potential Equity Shares	-	-

Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	250.38	244.02
Basic Earning Per Share [INR]	1.19	0.06
Diluted Earning Per Share [INR]	1.19	0.06
Face Value Per Equity Share [INR]	10.00	10.00

**NOTE - 36 - THE RECONCILIATION OF TAX EXPENSES AND THE ACCOUNTING PROFIT**

(INR in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
Profit before Tax	366.58	121.23
Effect of Ind AS Adjustments	(16.73)	13.50
Adjusted Profit before Tax	349.84	134.72
Applicable Tax Rate	33.384%	33.063%
Computed Tax Expense	116.79	44.54
Tax Effect of:		
Exempted Income	23.85	201.26
Expenses Disallowed	(15.15)	181.87
Capital Gains	-	2.99
Current Tax Provision	77.79	28.13
Effective Tax Rate	21.22%	23.21%

**NOTE - 37 - CONTINGENT LIABILITIES & COMMITMENTS**

(INR in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
<b>A. <u>Contingent Liabilities</u></b>		
Disputed Income-Tax Demand	1,257.95	1,257.95
Disputed Excise Duty, VAT, CST & Entry Tax Demands	858.62	818.67
Guarantee Given by the Company's Banker in the normal course of business	298.77	996.95
Outstanding Letter of Credit against purchase of goods	352.30	1,132.08
Factoring Services provided by M/s. Centrum Financial Services Limited	998.16	-
Other Disputes	-	4.60
	3,765.79	4,210.26
<b>B. <u>Commitments</u></b>		
Capital Contracts remaining to be executed	366.77	210.03
	366.77	210.03

**Notes:**

- (i) It is not practicable for the Parent Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.
- (ii) The Parent Company does not expect any reimbursements in respect of the above contingent liabilities.
- (iii) Future cash outflows in respect of the above matters are determined only on receipt of judgments / decisions pending before various forums / authorities.
- (iv) The Parent Company's pending litigations comprise of claims against the Parent Company pertaining to proceedings pending with Excise, Income Tax, Sales/ VAT tax and Entry Tax authorities. The Parent 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 Parent Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

(v) Amount in relation with factoring services is on account of Vendor Finance Facility obtained by the Parent Company from Centrum Financial Services Limited in respect of supplies made by the Parent Company to Larsen and Toubro. If, the payments, in future, are not made by Larsen and Toubro to Centrum Financial Services Limited, the same is liable to be paid by the Parent Company.

**NOTE - 38 - DISCLOSURES AS PER IND AS 19 "EMPLOYEE BENEFITS"**
**(i) Defined Contribution Plan**

Contribution to Defined Contribution Plans, recognised as expense for the year is as under: (INR in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
Employer's Contribution to Provident Fund		
The Company's Provident Fund is exempted under section 17 of Employees' Provident Fund and Miscellaneous Provisions Act, 1952.	25.00	1.28

**(ii) Defined Benefit Plan**

(a) Reconciliation of opening and closing balances of Defined Benefit Obligation (INR in Lakhs)

Particulars	Gratuity (Funded)	
	Year ended 2018-19	Year ended 2017-18
Defined Benefit Obligation at beginning of the year	148.46	106.47
Current Service Cost	30.12	24.20
Interest Cost	11.43	8.20
Past Servicer Cost (Vested benefits)	-	-
Benefits paid	(3.56)	(1.51)
Actuarial (Gain)/Loss	(1.29)	11.11
Defined Benefit Obligation at year end	185.17	148.46

(b) Reconciliation of Opening and Closing balances of fair value of Plan Assets (INR in Lakhs)

Particulars	Gratuity (Funded)	
	Year ended 2018-19	Year ended 2017-18
Fair value of Plan Assets at beginning of year	54.65	52.39
Expected Return on Plan Assets	4.96	4.00
Actuarial Gain/(Loss)	(1.59)	(1.50)
Employer Contribution	25.00	1.28
Benefits Paid	(3.56)	(1.51)
Fair value of Plan Assets at year end	79.47	54.65

(c) Reconciliation of fair Value of Assets and Obligations (INR in Lakhs)

Particulars	Gratuity (Funded)	
	Year ended 2018-19	Year ended 2017-18
Fair value of Plan Assets	79.47	54.65
Present Value of Obligation	185.17	148.46
Amount recognised in Balance Sheet (Surplus/(Deficit))	(105.70)	(93.81)



(d) Expenses recognised during the year

(INR in Lakhs)

Particulars	Gratuity (Funded)	
	Year ended 2018-19	Year ended 2017-18
In Income Statement		
Current Service Cost	30.12	24.20
Interest Cost	11.43	8.20
Past Service Cost	-	-
Return on Plan Assets	(4.96)	(4.00)
<u>Net Cost</u>	36.59	28.40
In Other Comprehensive Income		
Actuarial (Gain)/Loss	0.30	12.61
Return on Plan Assets	-	-
<u>Net (Income)/Expenses for the period recognised in OCI</u>	0.30	12.61

Actuarial Assumptions	Gratuity (Funded)	
	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Mortality Table (ALM)		
Discount Rate (Per Annum)	7.70%	7.70%
Rate of Escalation in Salary (Per annum)	7.00%	7.00%

Notes:

- The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflations, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.
- The expected contribution for Defined Benefit Plan for the next financial year will be in line with F.Y. 2018-19.
- The company makes provident fund (PF) contributions to defined contribution benefit plans for eligible employees. Under the scheme the company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions specified under the law are paid to the government authorities (PF commissioner).
- Amount towards Defined Contribution Plan have been recognized under "Contribution to Provident and Other funds" in Note 31.
- Defined Benefit Plan:**

The Company has defined benefit plans for gratuity to eligible employees, contributions for which are made to Life Insurance Corporation of India, who invests the funds as per IRDA guidelines. The details of these defined benefit plans recognized in the financial statements are as under:

**General Description of the Plan:**

The Company operates a defined benefit plan (the Gratuity Plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and the tenure of employment.

The defined benefit plans typically expose the company to various risk such as :

**(a) Investment risk:**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create plan deficit.

**(b) Interest risk:**

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the plan assets.

**(c) Longevity risk:**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**(d) Salary risk:**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**NOTE - 39 - DETAILS OF LOAN GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN**

The Details of Corporate Guarantees/Loans given by the Company in respect of loans as at 31<sup>st</sup> March, 2019 is as under :

(INR in Lakhs)

Sr. No.	Particulars	Name of the Entity	Relation	Purpose	Amount
1	Loan Given [ Unsecured ]	M/s. Shubham City Homes	-	Business Purpose	16.36

**NOTE - 40 - RELATED PARTY DISCLOSURES**

**(i) List of Related Parties**

Sr. No.	Relationship	Name of the Party
1	Key Managerial Personnel [KMP]	1. Mr. Sanjay Kumar Agrawal (Managing Director) 2. Mrs. Rashmidevi Agrawal ( Director) 3. Mr. Mohit Agrawal (Chief Executive Officer) 4. Mr. Vijay Prasad Pappu (Whole Time Director cum Chief Financial Officer)
2	Enterprises over which Key Managerial Personnel are able to exercise significant influence.	1. Shree Venkatesh Industries 2. Shree Padmavati Irrigations LLP
3	Relatives of Directors are Directors/ Partners in Concern	1. C.P Industrial Products Private Limited 2. Narendra CotFibre Industries Private Limited 3. Deeya Agrotech Private Limited 4. Rahul Agritech Private Limited 5. CK Cotspin Private Limited 6. CK Oils Private Limited 7. Nimar Diagnostic Services Private Limited 8. Shree Vasudeo Industries 9. Shree Krishna Commercial Co. 10. Narendra International LLP

(INR in Lakhs)

(ii) Related Party Transactions

Related Party Transaction Summary	Enterprises over which KMP are able to exercise significant influence		Relatives of Directors are Directors/ Partners in Concern		Key Managerial Persons	
	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
1 Purchase of Goods -Shree Vasudeo Industries Total	-	-	2,516.61 2,516.61	2,445.72 2,445.72	-	-
2 Sale of Finished goods -Shree Vasudeo Industries Total	-	-	31.16 31.16	-	-	-
3 Logistic Income -Shree Vasudeo Industries Total	-	-	4.92 4.92	-	-	-
4 Turnover Discount Received -Shree Vasudeo Industries Total	-	-	201.33 201.33	-	-	-
5 Rent Paid -Mr. Sanjay Kumar Agrawal -Mrs. Rashmidevi Agrawal Total	-	-	-	-	59.67 58.37 118.04	35.07 26.07 61.14
6 Rent Received -Mr. Sanjay Kumar Agrawal -Shree Padmavati Irrigations LLP Total	0.24 0.24	0.24 0.24	-	-	-	11.26 11.26
7 Remuneration - Mr. Sanjay Kumar Agrawal - Mrs. Rashmidevi Agrawal - Mr. Vijay Prasad Pappu - Mr. Mohit Agrawal Total	-	-	-	-	57.00 17.50 11.73 11.70 97.93	11.00 - 11.01 - 22.01
8 Unsecured Loan Taken - Mr. Sanjay Kumar Agrawal - Mrs. Rashmidevi Agrawal - Shree Padmavati Irrigation LLP Total	-	-	-	-	85.37 112.63 197.99	394.60 46.50 -
9 Unsecured Loan Repaid - Mr. Sanjay Kumar Agrawal - Mrs. Rashmidevi Agrawal - Shree Padmavati Irrigation LLP Total	5.30 5.30	667.55 667.55	-	-	74.49 60.00 134.49	351.83 - 351.83
10 Loan and Advances -C K Oils Private Limited -Shree Krishna Commercial Co -Rahul Agri Tech Pvt. Ltd.,Burhanpur -Deeya Agrotech Private Limited Total	-	-	104.13	244.11 50.00 418.84 39.65 752.60	-	-
11 Loan Received Back -C K Oils Private Limited -Shree Krishna Commercial Co -Rahul Agri Tech Pvt. Ltd.,Burhanpur -Deeya Agrotech Private Limited Total	-	-	348.25 50.00 21.46 4.18 423.87	- - 397.38 49.58 446.96	-	-

(INR in Lakhs)

	Related Party Transaction Summary	Enterprises over which KMP are able to exercise significant influence		Relatives of Directors are Directors/ Partners in Concern		Key Managerial Persons	
		As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
1	<u>Receivables</u> - Shree Padmavati Irrigation LLP	-	0.18	-	-	-	-
	Total	-	0.18	-	-	-	-
2	<u>Trade and Other Payables</u> - Shree Vasudeo Industries - Shree Padmavati Irrigation LLP - Mr. Sanjay Kumar Agrawal - Mrs. Rashmidevi Agrawal - Mr. Mohit Agrawal - Mr. Vijay Prasad Pappu	- 0.18 - - - -	- - - - - -	5.91 - - - - -	515.55 - - - - -	- - 4.16 0.89 0.44 0.98	- - 2.91 3.98 - -
	Total	0.18	-	5.91	515.55	6.47	6.89
3	<u>Unsecured Loans</u> - Mr. Sanjay Kumar Agrawal - Mrs. Rashmidevi Agrawal - Shree Padmavati Irrigation LLP	- - 22.89	- - 19.00	- - -	- - -	14.37 63.63 -	3.49 11.00 -
	Total	22.89	19.00	-	-	77.99	14.49
4	<u>Loans and Advances Given</u> - C K Oils Private Limited - Shree Krishna Commercial Co - Rahul Agri Tech Pvt. Ltd., Burhanpur - Deeya Agrotech Private Limited - Tapti Pipes and Products Limited FZE	- - - - -	- - - - -	- - - - -	244.11 50.00 21.46 4.18 -	- - - - -	- - - - -
	Total	-	-	-	319.75	-	-

Notes :

- (i) Balance outstanding at the end of the year/ previous years are stated without considering impact of fair valuation carried out as per Indian Accounting Standards.
- (ii) Compensation to Key Management Personnel was Rs. 97.93 Lakhs [Previous Year Rs. 22.01 Lakhs]

**NOTE - 41 - OTHER NOTES**

**1] Preferential Allotment**

During the year, the Company has, on a preferential basis, issued 13,00,000 (Thirteen Lakhs) equity shares of face value of Rs. 10 each, fully paid up at a price of Rs. 23.20 per share, aggregating to Rs. 301.60 Lakhs to Shree Padmavati Irrigation LLP, a promoter group entity on March 27, 2019, in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

**2] Disclosure on Financial Instruments**

(a) All the financial instruments are initially recognized and subsequently re-measured at fair value as described below:

(i) The fair value of Forward Foreign Exchange contracts is determined using forward exchange rates at the balance sheet date.

(ii) All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date. Fair Value measurement hierarchy: (INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>A. <u>Financial Assets</u></b>				
I At Amortized Cost				
(i) Investments in Jointly Controlled Entity	-	-	-	-
(ii) Trade Receivables	6,155.77	6,155.77	4,072.45	4,072.45
(iii) Cash & Cash Equivalents including Other Bank Balances	839.18	839.18	1,140.31	1,140.31
(iv) Loans	3,836.02	3,836.02	3,616.89	3,616.89
(v) Other Financial Assets	16.36	16.36	859.40	859.40
II At FVTPL				
(i) Investments	-	-	-	-
<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2019</b>		<b>As at 31<sup>st</sup> March, 2018</b>	
	<b>Carrying Value</b>	<b>Fair Value</b>	<b>Carrying Value</b>	<b>Fair Value</b>
<b>B. <u>Financial Liabilities</u></b>				
(i) Borrowings	4,898.64	4,898.64	5,626.06	5,626.06
(ii) Trade Payables	5,920.12	5,920.12	4,965.64	4,965.64
(iii) Other Financial Liabilities	280.00	280.00	383.97	383.97

**(b) Interest Rate Risk**

Interest rate risk is the risk that the future cash flow with respect to interest payments on borrowing will fluctuate because of change in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligation with floating interest rates.

**(c) Interest Rate Sensitivity**

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs.

The Group is subject to variable interest rates on some of its interest bearing liabilities. The Group's interest rate exposure is mainly related to debt obligations. The Group also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term loans.

As at March 31, 2019, financial liability of 481.91 lakhs was subject to variable interest rates. Increase/decrease of 100 basis points in interest rates at the balance sheet date would result in decrease/increase in profit/(loss) before tax of Rs. 48.19 Lakhs for the year ended March 31, 2019.

The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly to changes in

market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

(Note: The impact is indicated on the profit/(loss) before tax basis).

**(d) Commodity Price Risk**

Commodity price risk arises due to fluctuation in prices of raw material. The company has a risk management frame work aimed at prudently managing the risk arising from the volatility in raw material prices and freight costs. The Group's commodity risk is managed centrally through well-established trading operations and control processes. In accordance with the risk management policy, the Company carefully calibrates the timing and the quantity of purchase

**(e) Credit Risk**

Credit risk is the risk that a customer or counter party to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. Credit risk arises mainly from the outstanding receivables from customers. The Group has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The credit ratings/market standing of the customers are evaluated on a regular basis.

**(f) Liquidity Risk**

Liquidity risk arises from the Group's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities . The Group maintains adequate cash and cash equivalents along with the need based credit limits to meet the liquidity needs.

**(g) Hedge Accounting**

The Group has established risk management policies to hedge the volatility arising from exchange rate fluctuations in respect of firm commitments and highly probable forecast transactions, through foreign exchange forward and options contracts. The proportion of forecast transactions that are to be hedged is decided based on the size of the forecast transaction and market conditions. As the counter party for such transactions are highly rated banks, the risk of their non-performance is considered to be insignificant.

The Group uses derivatives to hedge its exposure to changes in movement in foreign currency. Where such derivatives are not designated under hedge accounting, changes in the fair value of such hedges are recognised in the Statement of Profit and Loss.

The Group may also designate certain hedges, usually for large transactions, as a cash flow hedge under hedge accounting, with the objective of shielding the exposure from variability in cash flows. The currency, amount and tenure of such hedges are generally matched to the underlying transaction(s). Changes in the fair value of the effective portion of cash flow hedges are recognised as cash flow hedging reserve in Other Comprehensive Income. While the probability of such hedges becoming ineffective is very low, the ineffective portion, if any, is immediately recognised in the Statement of Profit and Loss.

For **Anil Kamal Garg & Company**  
Chartered Accountants  
ICAI Firm Registration No. 004186C

For and on the behalf of the Board

**Devendra Bansal**  
Partner  
Membership No. 078057

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

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

Place : Indore  
Date : May 21<sup>st</sup>, 2019

**Mohit Agrawal**  
Chief Executive Officer

**Shyam Sunder Agrawal**  
Company Secretary

Place : Burhanpur  
Date : May 21<sup>st</sup>, 2019

**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 Lakhs)

<b>Name of Subsidiary</b>	<b>Tapti Pipes and Products Limited FZE (Note (i) &amp; (ii))</b>
Reporting period	2018-19
Share capital	6075.63
Reserves & surplus	(29.03)
Total assets	6104.66
Total Liabilities	827.01
Investments	-
Turnover	-
Profit before taxation	(975.30)
Provision for taxation	-
Profit after taxation	(975.30)
Proposed Dividend	-
% of shareholding	100%

Note:

- i) Converted into Indian Rupees at the Exchange rate USD 1 = 69.17 INR.
- ii) The financial statements have been audited by a firm of Chartered Accountants other than Anil Kamal Garg & Company.

**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 Lakh)

<b>Name of Jointly Controlled Entity</b>	<b>NIL</b>
<b>1. Latest audited Balance Sheet Date</b>	<b>31.03.2019</b>
<b>2. Shares of Jointly Controlled Entity held by the company on the year end</b>	<b>Not Applicable</b>
<b>Number</b>	<b>Not Applicable</b>
<b>Amount of Investment in Jointly Control Entity</b>	<b>Not Applicable</b>
<b>Extend of Holding %</b>	<b>Not Applicable</b>
<b>3. Description of how there is significant influence</b>	<b>Not Applicable</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>Not Applicable</b>
<b>6. Profit / Loss for the year</b>	<b>Not Applicable</b>
i. Considered in Consolidation	<b>Not Applicable</b>
ii. Not Considered in Consolidation	<b>Not Applicable</b>

Note

- 1. M/s. Mangal Murti Minerals ceased to be Associated partner w.e.f. 01.09.2018.

**For: Anil Kamal Garg**  
**Firm Reg No 004186C**  
**Chartered Accountants**

**For Texmo Pipes and Products Limited**

**Devendra Bansal**  
**Partner**  
**Membership No 078057**

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

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

**Date: 21<sup>st</sup> May 2019**  
**Place: Burhanpur**

**Shyam Sunder Agrawal**  
**Company Secretary**

**ANNUAL GENERAL MEETING – 24.09.2019**

**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 Tuesday, 24<sup>th</sup> day of September 2019 at 12.30 P. 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](mailto: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		DPID	

I/We, being the member(s) of ..... Shares of the above named company, hereby appoint

<b>1.</b>	Name		
	Address		
	E-mail Id Or falling him		Signature
<b>2.</b>	Name		
	Address		
	E-mail Id Or falling him		Signature
<b>3.</b>	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 11<sup>th</sup> Annual General Meeting of the Company, to be held on Tuesday, 24<sup>th</sup> September, 2019 at 12:30 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:-

Resolutions	For	Against
<b>1.</b> To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements for the year ended as at March 31st, 2019, and the Reports of the Directors and the Auditors thereon for the said period.		
<b>2.</b> To appoint a Director in place of Mr. Vijay Prasad Pappu who retires by rotation and offer himself for reappointment.		
<b>3.</b> To ratify remuneration of Cost Auditor under section 148 of Companies Act, 2013.		
<b>4.</b> To Appoint Mr. Parvez Anjum as an Independent Director for a term of five consecutive years.		

Signed this.....day of .....2019.

Signature of Shareholder -----

Signature of Proxy Holder(s) -----

Affix Revenue Stamp
---------------------------

**NOTE: This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the company, not less than 48 hours before the commencement of the Meeting.**

**Texmo Pipes and Products Limited**  
**98, Bahadarpur Road, Burhanpur - 450 331, Madhya Pradesh**

Dear Shareholders,

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 send the same to the following address:

**Karvy FinTech Private Limited**  
**(Formerly known as KCPL Advisory Services P Ltd)**  
 (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/-**  
**Mahesh Thakur**  
**Company Secretary**

**E-COMMUNICATION REGISTRATION FORM**

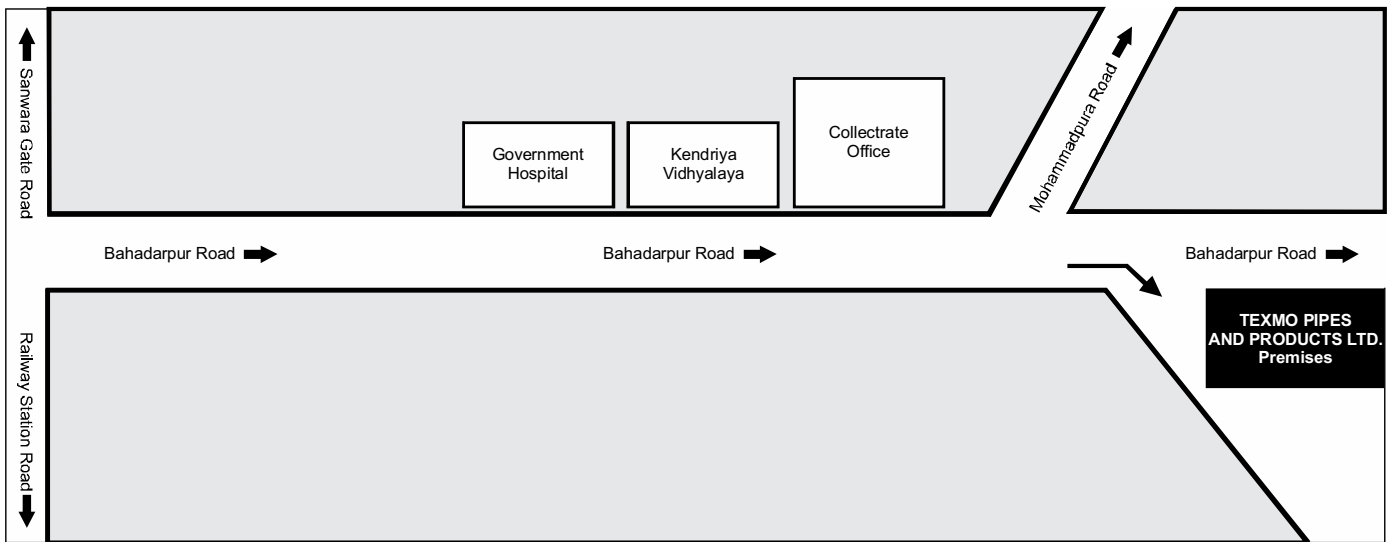
Folio No. /DP Id and Client ID: .....  
 Name of 1st Registered Holder: .....  
 Name of Joint Holder(s): .....  
 Registered Address: .....  
 .....  
 E-Mail address (to be Registered): .....

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: .....  
 (1<sup>st</sup> 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



# टेक्समो

पाईप्स एण्ड प्रोडक्ट्स लिमिटेड

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## सॉलिड एण्ड लिंक प्रूफ

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

Toll free no. **1800 270 0190**

[www.texmopipe.com](http://www.texmopipe.com) [texmopipe@texmopipe.com](mailto:texmopipe@texmopipe.com) [Textmo Pipes and Products Ltd](https://www.facebook.com/TextmoPipesandProductsLtd)

**TEXMO PIPES AND PRODUCTS LIMITED**

Regd. Off. : 98, Bahadarpur Road, BURHANPUR - 450 331 (M.P.)  
Tel. : (07325) 255122, 252353, 251210, 253833 Fax : (+91) 7325-253273