



About The Company:

Company started as a partnership firm under the name Shree Mohit Industries on May 13, 1999. It was converted into a Public Limited Company under the name Texmo Pipes and Products Limited on July 3, 2008 and received the Certificate of commencement of business on July 28, 2008.

Company is engaged into manufacturing of range of PVC and HDPE pipes viz. suction & delivery hose pipe, rigid PVC pipes, elastomeric sealing ringfit PVC Pipe (Gasket Pipe), PVC casing and ribbed screen casing pipes, SWR pipe, plumbing pipe, conduit pipe, capping casing strips, column pipe, HDPE plain pipe, sprinkler pipe, PLB HDPE cable duct and drip irrigation system. The Company has marketing presence in the states of Madhya Pradesh, Maharashtra, Uttar Pradesh, Gujarat, Andhra Pradesh and Rajasthan

The company plans to raise Rs 42.50-45 crore from this issue. The market Cap of the company will be Rs 101.43 crore post the issue.

Book Running Lead Manager:

Almondz Global Securities Limited

Registrar: Karvy Computershare Private Limited

CARE Ratings:

CARE has assigned an IPO Grade 2 to the IPO of Texmo Pipes and Products Ltd. CARE assigns IPO grading on a scale of 5 to 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. A CARE IPO Grade 2 indicates that the company has “Below Average Fundamentals.

How will the capital raised by be used?

- Expansion of product range.
- Setting up of Manufacturing facility for injection moulding.
- Meeting long term working capital requirements.
- General Corporate Purposes.
- Issue Expenses.



Details of IPO

Issue Size:50,00,000 Equity shares

Face value: Rs 10/-per share

Issue opens on: Tuesday ,February 16.2010

Issue closes on: Friday ,February 19,2010

Price band:Rs 85/- to Rs90/- per equity share

Lot Size:75 Equity Shares and in multiplies of 75 equity shares

Exchanges: NSE,BSE

Issue Size:

S.No.	Main Category	No of equity shares reserved
1	QIB	50% (Up to 24,50,000 Equity Shares)
2	Non Inst.	15% (At least 7,35,000 Equity Shares)
3	Retail	35% (At least 17,15,000 Equity Shares)
4	Employee	100000
Total	1+2+3	50,00,000 Equity shares



Why to Invest:

- **Existing client relationship:** Idea cellular accounts for 16% of total sales in FY 2008-09
- **Quality of products:** Shree Mohit Industries (now Texmo Pipes and Products Limited) was accredited with ISO-9001:2000 certification in respect of quality management systems by SGS United Kingdom Limited in the year 2002. The current certification is valid till April 14, 2011.
- **Marketing and distribution network:** The company has 169 exclusive dealers covering 6 states viz. Madhya Pradesh, Maharashtra, Rajasthan, Uttar Pradesh, Andhra Pradesh and Gujarat
- **Customer base:** The company has diverse customer base from different industry sector / segment like telecommunication, agriculture, and potable water supply.
- **RONW** growing with the CAGR of 78% during the past three years

Risks:

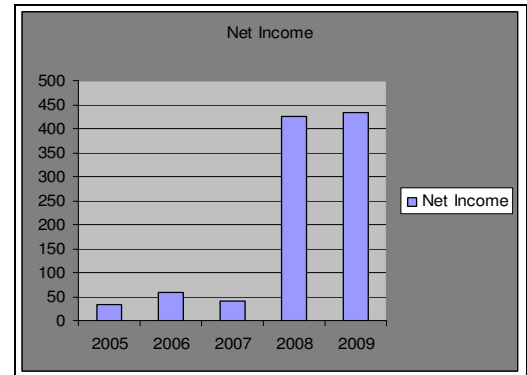
- Negative cash flow for past few financial years.
- Competition from the peer companies which are available at better valuations.
- Full capitalization of capacity is yet to realize and substantial expansion plans which thus far to prove their profitability.

Financials:

The company's total income was Rs 4702.76 crores for the FY09 ended March 09. The profit of the company was Rs 432.92 crores for the same period.

Conclusion:

The Indian Pipe Industry with presence across all categories of pipes viz. Steel pipes, cement pipes and Polyvinyl Chloride (PVC) pipes, is among the top three manufacturing hubs after Japan and Europe. India is also becoming a major export hub to countries like USA, Europe and Middle East. Pipes are essential for transporting fluids like oil, water, etc and gases across the country. Pipe transportation is an economical mode of transport compared to traditional modes of rail, road and sea transport.. Despite these advantages, India with its large geographical area has very low pipe penetration levels at 32% compared to global average of 79% in oil and gas transport. CARE Research estimates the demand for PVC and Cement pipes to increase at a Compounded Annual Growth Rate (CAGR) of 12-14% over the next five years. (Source: CARE's research report on Indian pipe Industry dated February 2009). The P/E of the company at the lower price band of Rs 85 stood at 11.07 while at the upper price band of Rs 90 it stands at 11.72 where industry average P/E stood at 23.2. However valuations seem to be average. Long term investors can subscribe to the issue.



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NSE - INB 231219636, INF 231219636 BSE - INB 011219632

