



**Texel  
Industries  
Limited**

Block No. 2106, Santej-Khatraj Road, Santej, -382 721.  
Dist.: Gandhinagar. Gujarat, INDIA.  
CIN : L29100GJ1989PLC012576  
Tel. : 08980026110, 08980026220, Fax : (02764) 286334  
E-mail: info@geotexelin.com, URL: www.geotexelin.com



16<sup>th</sup> July, 2019

To  
**BSE Limited**  
**Listing Department**  
Phiroz Jeejeebhoy Tower,  
25<sup>th</sup> Floor, Dalal Street  
Mumbai – 400 001  
**BSE Company Code: 526638**

Dear Sir,

**Sub: Submission of Annual Report for the Financial Year ended 31<sup>st</sup> March, 2019**

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report for the financial year ended 31<sup>st</sup> March, 2019 along with the Notice convening the 30<sup>th</sup> Annual General Meeting (AGM) of the Company scheduled to be held on Saturday, 10<sup>th</sup> August, 2019 at 10.00 a.m. at the Registered Office of the Company.

The above Annual Report along with the Notice of AGM is also available on the website of the Company viz. [www.geotexelin.com](http://www.geotexelin.com).

You are requested to take the above in your records.

Thanking you,

**Yours faithfully,  
For Texel Industries Limited**

*Shweta Sultania*

**Shweta Sultania  
Company Secretary & Compliance Officer**



Encl: As above

# 30<sup>th</sup> Annual Report 2018-2019







# TEXEL INDUSTRIES LIMITED

CIN - L29100GJ1989PLC012576

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Kirit Narotamdas Mehta	DIN - 00444837	Chairman & Independent Director
Mr. Shailesh Ramniklal Mehta	DIN - 01457666	Managing Director
Mr. Naresh Ramniklal Mehta	DIN - 02888018	Non-Executive Director
Dr. Christy Leon Fernandez	DIN - 00090752	Independent Director
Ms. Jasmin Nahidakhtar Vhora	DIN - 07173838	Independent Director

### COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Shweta Sultania (w.e.f. 01<sup>st</sup> October, 2018)

### CHIEF FINANCIAL OFFICER

Mr. Vikram Patel (w.e.f. 23<sup>rd</sup> May, 2018)

### STATUTORY AUDITORS

#### M/s. Sunil Poddar & Company

Chartered Accountants,  
Ahmedabad

### INTERNAL AUDITORS

#### M/s. Pabari & Company

Chartered Accountants,  
Ahmedabad

### SECRETARIAL AUDITORS

#### M/s Sandip Sheth & Associates

Company Secretaries,  
Ahmedabad

### BANKERS

- Union Bank of India
- Bank of Maharashtra
- Punjab National Bank
- HDFC Bank

### REGISTERED & CORPORATE OFFICE

Block No. 2106, Santej-Khatraj Road,  
Nr. Shah Alloys Ltd., Village: Santej,  
Tal: Kalol, Dist: Gandhinagar -382721, Gujarat

**Phone** – +918980026220/ 26110

**Email** – [finance@geotexelin.com](mailto:finance@geotexelin.com)

**Website** - [www.geotexelin.com](http://www.geotexelin.com)

**GST NUMBER: 24AAACT7085R1ZN**

**SECURITY CODE: BSE - 526638**

**ISIN NUMBER: INE594V01028**

### REGISTRAR & SHARE TRANSFER AGENT

#### M/s Link Intime India Private Limited

5<sup>th</sup> Floor, 506 to 508,  
Amarnath Business Centre – 1 (ABC-1),  
Beside Gala Business Centre,  
Nr. St. Xavier's College Corner,  
Off C G Road, Ellisbridge, Ahmedabad - 380006.

**Phone** – (079) 2646 5179 / 86 / 87

**Email** - [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in)

**Website** - [www.linkintime.co.in](http://www.linkintime.co.in)

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## TEXEL INDUSTRIES LIMITED

CIN: L29100GJ1989PLC012576

**Regd. Office:** Block No. 2106, Santej-Khatraj Road, Nr. Shah Alloys Ltd.,

Vill: Santej, Tal: Kalol, Dist: Gandhinagar – 382 721, Gujarat, India

**Phone:** 8980026110/ 8980026220, **E-Mail:** finance@geotexelin.com,

**Website:** www.geotexelin.com

## NOTICE OF 30<sup>TH</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the **30<sup>th</sup> Annual General Meeting** of the Members of **TEXEL INDUSTRIES LIMITED** will be held on **Saturday, 10<sup>th</sup> August, 2019 at 10.00 a.m.** at the Registered Office of the Company at Block No. 2106, Santej – Khatraj Road, Nr. Shah Alloys Limited, Village Santej, Tal: Kalol, Dist: Gandhinagar – 382721, Gujarat, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - (a) the Audited Standalone Financial Statements of the Company for the Financial Year ended on 31<sup>st</sup> March, 2019 and the Reports of the Board of Directors and Auditors thereon; and
  - (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended on 31<sup>st</sup> March, 2019 and the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Shailesh Ramniklal Mehta (DIN: 01457666), who retires by rotation and, being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### 3. **Re-appointment of Mr. Shailesh Ramniklal Mehta, as Managing Director of the Company:**

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

**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 203, Schedule V and all other applicable provisions of the Companies Act, 2013 (the “Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force), read with Articles of Association of the Company and such other approvals as are necessary, consent of the members of the Company be and is hereby accorded to the re-appointment of Mr. Shailesh Ramniklal Mehta (holding DIN:01457666), as the Managing Director of the Company for a period of three years with effect from February 15, 2020, on the terms and conditions including remuneration (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the Explanatory Statement, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company.

**RESOLVED FURTHER THAT** in the event of any loss, absence or inadequacy of the profits of the Company, the remuneration mentioned in the Explanatory Statement shall be paid to Mr. Shailesh Ramniklal Mehta, as minimum remuneration and the same shall be subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013 and as may be amended from time to time.

**RESOLVED FURTHER THAT** Nomination and Remuneration Committee of the Board be and is hereby authorized to revise from time to time during the tenure of the appointment of Mr. Shailesh Ramniklal Mehta, the remuneration payable to him subject to overall limits laid down in Sections 197, Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) subject to the approval of the Board of Directors without further approval of the members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration.

**RESOLVED FURTHER THAT** the Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to the above resolution.”

#### 4. **Re-appointment of Mr. Kirit Narotamdas Mehta, as an Independent Director of the Company:**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Kirit Narotamdas Mehta (holding DIN: 00444837), an Independent Director of the Company, who is eligible for re-appointment and has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, be and is

hereby re-appointed as an Independent Director of the Company for a period of five consecutive years commencing from 10<sup>th</sup> August, 2019 to 09<sup>th</sup> August, 2024, whose period of office shall not be liable to determination by retirement by rotation in accordance with the provisions of the Companies Act, 2013 as per the recommendation of the Nomination and Remuneration Committee.

**RESOLVED FURTHER THAT** the Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to the above resolution."

**5. Re-appointment of Dr. Christy Leon Fernandez, as an Independent Director of the Company:**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. Christy Leon Fernandez (holding DIN: 00090752), an Independent Director of the Company, who is eligible for re-appointment and has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company for a period of five consecutive years commencing from 29<sup>th</sup> September, 2019 to 28<sup>th</sup> September, 2024, whose period of office shall not be liable to determination by retirement by rotation in accordance with the provisions of the Companies Act, 2013 as per the recommendation of the Nomination and Remuneration Committee.

**RESOLVED FURTHER THAT** the Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to the above resolution."

**6. Payment of remuneration to Dr. Christy Leon Fernandez, Independent Director of the Company:**

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

**"RESOLVED THAT** in accordance with the provisions of Section 197 of the Companies Act, 2013 ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any amendments thereto or modification thereof and as per the recommendation of the Nomination and Remuneration Committee, Dr. Christy Leon Fernandez, Independent Director of the Company be paid remuneration by way of commission which shall not exceed one percent of the net profits of the Company in terms of Section 197 of the Act, and computed in the manner referred to in Section 198 of the Act, for a period not exceeding five years, for each of the financial years commencing from 01.04.2019 and ending on 31.03.2024, as the Board of Directors of the Company ('the Board') may determine based on performance and guidelines framed by the Board for this purpose, in addition to the fees for attending the meetings of the Board and its Committees.

**RESOLVED FURTHER THAT** the Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to the above resolution."

**7. Re-appointment of Mrs. Jasmin Nahidakhtar Vhora, as an Independent Director of the Company:**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Jasmin Nahidakhtar Vhora (holding DIN: 07173838), an Independent Director of the Company, who is eligible for re-appointment and has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company for a period of five consecutive years commencing from 13<sup>th</sup> February, 2020 to 12<sup>th</sup> February, 2025, whose period of office shall not be liable to determination by retirement by rotation in accordance with the provisions of the Companies Act, 2013 as per the recommendation of the Nomination and Remuneration Committee.

**RESOLVED FURTHER THAT** the Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to the above resolution."

**8. Increase in borrowing powers of the Company under Section 180(1)(c) of the Companies Act, 2013:**

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

**"RESOLVED THAT** in supersession of the earlier resolution passed by the Members at their 28<sup>th</sup> Annual General Meeting held on 19<sup>th</sup> August, 2017 and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 and the rules framed thereunder ('the Act') and the Articles of Association of the Company, the approval of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as 'Board' which term shall include a Committee thereof authorized for the purpose) of the Company, to borrow, from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (including

non-fund based banking facilities) as may be required for the purpose of the business of the Company, from one or more Banks, Financial Institutions and other persons, firms, bodies corporates, whether in India or abroad, notwithstanding that the monies so borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may at any time exceed the aggregate of the paid up capital of the Company, its free reserves (reserves not set apart for any specific purpose) and securities premium account, provided that the total amount that may be borrowed by the Board and outstanding at any point of time, shall not exceed the sum of ₹ 100 Crores (Rupees One Hundred Crores only).

**RESOLVED FURTHER THAT** the Board of Directors (or a Committee thereof constituted for this purpose) be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

**9. Creation of charge/ security over the assets/ undertakings of the Company under Section 180(1)(a) of the Companies Act, 2013:**

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

**"RESOLVED THAT** in supersession of the earlier resolution passed by the Members at their 28<sup>th</sup> Annual General Meeting held on 19<sup>th</sup> August, 2017 and pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and the rules framed thereunder ('the Act'), the approval of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as 'Board' which term shall include a Committee thereof authorized for the purpose) of the Company, to create mortgage(s)/charge(s) and/or hypothecation in addition to the existing mortgage(s) / charge(s) and / or hypothecation created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any part of the immovable and / or movable properties and assets of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company in the form of first and / or second and / or pari- passu / subservient mortgage, charge and / or floating charge to secure in favor of Financial Institutions, Banks, Lenders, etc. for securing the borrowings of the Company availed / to be availed, by loans sanctioned / to be sanctioned by the Financial Institutions, Banks and any other Lender(s) to the Company or any other third party from time to time for an amount at any point of time, shall not exceed the sum of ₹ 100 Crores (Rupees One Hundred Crores only), together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges and other expenses and charges and all other monies payable by the Company to the said Financial Institutions, Banks and Lenders in respect of such loans and borrowings on such specific terms and conditions and covenants in respects of enforcement of security as may be stipulated in that behalf and agreed to between the Company, Financial Institutions, Banks and its Lenders, etc.

**RESOLVED FURTHER THAT** the Board of Directors (or a Committee thereof constituted for this purpose) be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

**10. Giving guarantees or providing securities in respect of any loans to any Body Corporate or Persons and/ or making investments in the securities of any Body Corporate in excess of the limits specified under Section 186 of the Companies Act, 2013:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act (including any modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary, the approval of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as 'Board' which term shall include a Committee thereof authorized for the purpose) of the Company for making investment(s) in excess of limits specified under section 186 of Companies Act, 2013 from time to time in acquisition of securities of any body corporate or for giving guarantees or providing securities in respect of any loans to any body corporate or other person / entity whether in India or outside India, as may be considered appropriate for an amount not exceeding ₹ 100 Crores (Rupees One Hundred Crores only).

**RESOLVED FURTHER THAT** the Board of Directors (or a Committee thereof constituted for this purpose) be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

**11. Raising of funds by issue of Securities:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 62(1) read with Section 42 of the Companies Act, 2013, and the Companies (Share Capital and Debentures) Rules, 2014 and any other applicable provisions of the Companies Act, 2013, Companies (Prospectus and Allotment of Securities) Rules, 2014 and such other Rules as may be issued from time to time, The Securities Contracts (Regulation) Act, 1956, Securities and Exchange Board of India Act, 1992 and the Rules framed there under including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") (including any statutory amendments, modifications or re-enactments thereof for the time being in force), Foreign Exchange Management Act, 1999 as amended including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulation, 2000, and the Rules framed there under, the Securities and Exchange Board of India (the "SEBI") and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (the "GOI"), the Reserve Bank of India (the "RBI"), SEBI and/or any other



competent authorities and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory amendments, modifications or re-enactments thereof for the time being in force) and such other regulatory approvals/permissions as may be necessary including the approval, if any, of any other competent authorities and subject to such conditions and modifications as may be prescribed or imposed by any of them, while granting such approvals, consents, permissions and sanctions and which may be agreed to by the Board of Directors of the Company (the "Board") including any committee which the Board has constituted to exercise its powers including the power conferred by this resolution, the consent, authority and approval of the Company be and is hereby accorded to the Board to create, offer, issue and allot either in India or in the course of international offering(s) in one or more foreign markets by way of a private placement such number of Equity Shares, and/or any other financial instruments convertible into equity shares (including warrants or otherwise in registered or bearer form) or through an issuance of fully convertible debentures/partly convertible debentures/ non-convertible debentures, convertible/ non-convertible preference shares into Equity Shares, whether rupee denominated or denominated in Foreign currency (**hereinafter collectively referred to as "Securities"**) or any combination of securities to any person including but not limited to foreign/ resident investors (whether institutions, incorporated bodies, mutual funds and/or individuals or otherwise) foreign institutional investors, foreign portfolio investors, Indian and/or multilateral financial institutions, mutual funds, Non-Resident Indians, (collectively referred to as ("Investors") whether or not such Investors are existing members of the company through one or more tranches, such number of equity shares of face value of ₹10/- (Rupees Ten each), as may be decided by the Board at the appropriate time at such price or prices, at a discount (including but not limited to any discount as may be permitted under SEBI ICDR Regulations or premium to the market price or prices on each Equity Share and on such terms and conditions including securities, rate of interest etc., as well as the discretion to determine the categories of Investors including to the existing members by way of right issue and/or other entities by way of preferential allotment to whom the offer, issue and allotment shall be made to the exclusion of all other categories of Investors at the time of such issue, offer and allotment considering the prevailing market conditions and other relevant factors wherever necessary, as the Board may determine in its absolute discretion at the time of issue of the Securities in accordance with SEBI ICDR Regulations and wherever necessary in consultation with the book running lead manager as may be appointed by the Company in relation to the issue of Securities, for an aggregate amount not exceeding ₹ 10 Crores (Rupees Ten Crores Only) as may be permitted/permissible under applicable laws and regulations there under, and the Board be and is hereby authorized to finalize all such terms and conditions and the matters incidental thereto as it may in its absolute discretion thinks fit in accordance with all applicable laws, rules and regulations for the time being in force in this regard (the "issue").

**RESOLVED FURTHER THAT** if any issue of aforesaid Securities or any combination of Securities is made by way of a Private Placement and/or Right Issue in terms of the aforesaid regulations, the allotment of the Securities, or any combination of Securities as may be decided by the Board shall be completed within twelve months from the date of this resolution or such other time as may be allowed under the SEBI Regulations or any other applicable regulations for the time being in force.

**RESOLVED FURTHER THAT** the relevant date for the determination of applicable price for the issue of any Securities, shall be as per the regulations/guidelines prescribed by SEBI or any other regulator and the pricing of any Equity Shares issued on the conversion of the securities shall be made subject to and in compliance with the applicable rules and regulations; and such price shall be subject to appropriate adjustments in the applicable rules/guidelines/statutory provisions.

**RESOLVED FURTHER THAT** the Equity Shares so issued by the Company shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari passu with the existing Equity Shares of the Company, in all respects as may be provided under the terms of issue and in the offer documents.

**RESOLVED FURTHER THAT** the Equity Shares so issued shall be listed on the Stock Exchange, where the existing equity shares of the Company are listed.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board or its appointed delegates/committees, be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable as may be required to create, offer, issue and allot the aforesaid securities and to resolve and settle any question, difficulty or doubt that may arise in this regard and to do all such other acts, deeds, matters and things in connection or incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby also authorized to delegate (to the extent permitted by law) all or any of the powers herein conferred to any committee of Directors or Managing Director or any directors or any officer or officers of the Company, as it may in its absolute discretion deem fit in order to give effect to the aforesaid resolution."

## **12. Conversion of Loan into Equity Shares under Section 62(3) of the Companies Act, 2013:**

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

**"RESOLVED THAT** pursuant to Section 62(3) and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed there under, and all other applicable laws (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the Memorandum of Association and Articles of Association of the Company and applicable regulations and subject to all such approval(s), consent(s), permission(s), sanction(s), if any, of appropriate statutory, governmental and other authorities and

departments in this regard and subject to such condition(s) and modification(s) as may be prescribed or imposed, while granting such approval(s), consent(s), permission(s) or sanction(s), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred as 'Board' which term shall include a Committee thereof authorized for the purpose) to exercise its powers including powers conferred by this resolution, to the extent permitted by law), on the terms and conditions contained in the financing documents, such terms and conditions to provide, inter alia, to convert the whole or part of the outstanding loans of the Company, (as specified or as may be specified by the Financial Institutions/Banks under the financing documents executed or to be executed in respect of the financial assistances which have been availed or which may be availed) by the Company under the lending arrangements (existing and future arrangements) with various Banks and Financial Institutions (hereinafter collectively referred to as the "Lenders"), at the option of the Lenders, the loans or any other financial assistance categorized as loans (hereinafter referred to as the "Financial Assistances"), in Foreign Currency or Indian Rupees, which have been availed from the Lenders or as may be availed from the Lenders, from time to time, not exceeding ₹ 100 Crores (Rupees One Hundred Crores only), consistent with the existing borrowing powers of the Company under Section 180(1)(c) of the Companies Act, 2013, into fully paid up equity shares of the Company on such terms and conditions as may be stipulated in the financing documents and subject to applicable laws and in the manner specified in a notice in writing to be given by the Lenders (or their agents or trustees) to the Company (hereinafter referred to as the "Notice of Conversion") and in accordance with the following conditions:

- (i) the conversion right reserved as aforesaid may be exercised by the Lenders on one or more occasions during the currency of the Financial Assistances;
- (ii) on receipt of the Notice of Conversion, the Company shall allot and issue the requisite number of fully paid-up equity shares to the Lenders or any other person identified by the Lenders as from the date of conversion and the Lenders may accept the same in satisfaction of the part of the loans so converted;
- (iii) the part of the loan so converted shall cease to carry interest as from the date of conversion and the loan shall stand correspondingly reduced. The installments of the loan payable after the date of conversion as per the financing documents shall stand reduced proportionately by the amounts of the loan so converted. The equity shares so allotted and issued to the Lenders or such other person identified by the Lenders shall rank pari passu with the existing equity shares of the Company in all respects.
- (iv) in the event that the Lenders exercise the conversion right as aforesaid, the Company shall issue the equity shares to the Lenders or such other person identified by the Lenders and as a result of the conversion get the equity shares listed with the stock exchanges where the Company is listed and for the said purpose the Company shall take all such steps as may be necessary to the satisfaction of the Lenders or such other person identified by the Lenders, to ensure that the equity shares are listed as required by the Lenders or such other person identified by the Lenders.
- (v) The loans shall be converted into equity shares at a price to be determined in accordance with the applicable Securities and Exchange Board of India Regulations at the time of such conversion.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to finalize the terms and conditions for raising the Financial Assistances, from time to time, with an option to convert the Financial Assistances into equity shares of the Company anytime during the currency of the Financial Assistances, on the terms specified in the financing documents, including upon happening of an event of default by the Company in terms of the lending arrangements.

**RESOLVED FURTHER THAT** the Board or a Committee thereof constituted for this purpose) be and is hereby authorized to issue, offer and allot from time to time to the Lenders such number of equity shares for conversion of the outstanding portion of the loans as may be desired by the Lenders.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board or its appointed delegates/committees, be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable as may be required to create, offer, issue and allot the aforesaid shares and to resolve and settle any question, difficulty or doubt that may arise in this regard and to do all such other acts, deeds, matters and things in connection or incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby also authorized to delegate (to the extent permitted by law) all or any of the powers herein conferred to any committee of Directors or Managing Director or any directors or any officer or officers of the Company, as it may in its absolute discretion deem fit in order to give effect to the aforesaid resolution."

**Registered Office:**

Block No. 2106, Santej – Khatraj Road,  
Nr. Shah Alloys Limited, Village Santej,  
Tal: Kalol, Dist: Gandhinagar – 382721, Gujarat

**By Order of the Board of Directors**

**Place : Mumbai**

**Date : 19<sup>th</sup> June, 2019**

**Shweta Sultania**  
**Company Secretary & Compliance Officer**  
**Membership No.: ACS 22290**

NOTES:

1. Explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR WHERE THAT IS ALLOWED, ONE OR MORE PROXIES, TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD REACH THE COMPANY'S REGISTERED OFFICE EITHER IN PERSON OR THROUGH POST NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
4. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% 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.
5. Corporate members are required to send a certified true copy of Board Resolution pursuant to the provisions of Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote on their behalf at the meeting.
6. Details as required, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard-2 on General Meetings in respect of the Directors seeking appointment/ re-appointment at the AGM are provided in Annexure-A to this Notice.
7. The Company's Statutory Auditors, M/s. Sunil Poddar & Company, Chartered Accountants, were appointed as Statutory Auditors of the Company for a period of five consecutive years at the 28<sup>th</sup> Annual General Meeting (AGM) of the Company held on 19<sup>th</sup> August, 2017 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors. The said appointment was subject to ratification by the Members of the Company at every subsequent AGM. However, pursuant to the Companies Amendment Act, 2017, enforced on 7<sup>th</sup> May, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every subsequent AGM. 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 from continuing as Statutory Auditors.
8. In case of joint holders attending the meeting, only such joint holders who are higher in the order of the names will be entitled to vote.
9. Members/proxies/authorised representatives are requested to bring the duly filled Attendance Slip enclosed herewith for attending the Annual General Meeting.
10. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.
11. Members holding shares in electronic form are requested to intimate immediately any change in their address or any other changes with regard to their Identity proof to their Depository Participants with whom they are maintaining their demat accounts.
12. Members holding shares in physical form are requested to advise any change in their address or any other changes with regard to their Identity proof mandates immediately to the Company / Link Intime India Private Limited (RTA of the Company) at the following address quoting reference of the Registered Folio Number:  
  
**M/s Link Intime India Private Limited**  
5<sup>th</sup> Floor, 506 to 508, Amarnath Business Centre – 1 (ABC-1),  
Beside Gala Business Centre, Nr. St. Xavier's College Corner,  
Off C G Road, Ellisbridge, Ahmedabad - 380006.  
Phone – 079 2646 5179/86/87 Email - ahmedabad@linkintime.co.in
13. Relevant documents referred to in the Notice and the accompanying Statement are open for inspection by the Members at the Registered Office of the Company during business hours on all working days, up to the date of the Annual General Meeting.
14. Members desirous of getting any information on the Annual Accounts, at the Annual General Meeting, are requested to write their queries and send at least 7 days before the Annual General Meeting so as to enable the Management to keep the information ready at the meeting.
15. The Annual Report and Notice of 30<sup>th</sup> Annual General Meeting along with the attendance Slip and Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with the Registrar/Depository Participant(s) unless a member has requested for the hard copy of the same. For members who have not registered their email addresses, physical copies of aforesaid documents are sent by the permitted mode. Members may note that this Notice and the Annual Report for the F.Y. 2018-19 will also be available on the Company's website viz. [www.geotexelin.com](http://www.geotexelin.com).
16. To support the 'Green Initiative' the Members who have not registered their e-mail addresses are requested to register the same with Link Intime India Private Limited /Depository Participant(s).

17. For the convenience of the Members and for proper conduct of the Meeting, entry to the place of the Meeting will be regulated by the Attendance Slip, annexed to the Proxy Form. Members/ Proxies/ Authorised Representative are requested to bring the attendance slip duly filled in and to affix their signature at the place provided on the Attendance Slip and hand it over at the counters at the venue.
18. Members are requested to incorporate their Folio Number in the Attendance Slip/Proxy Form, for easy identification of attendance at the Meeting.
19. Members are requested to bring their copies of the Annual Report to the meeting for their reference.
20. The Company has a designated Email ID: **"invrelations@geotexelin.com"** for redressal of Shareholders'/Investors complaints/grievances. In case you have any queries, complaints/grievances, then kindly write at the above mentioned email address.
21. If any of the members are holding shares in the same name or in the same order of names, under different folios, then members are requested to notify the same to the Registrar and Share Transfer Agent for consolidation of their shareholding into a single folio.
22. A Route map showing directions to reach the venue of the 30<sup>th</sup> Annual General Meeting is drawn on last page of this annual report as per the requirement of the Secretarial Standards -2 on "General Meeting".
23. The Securities and Exchange Board of India (SEBI) has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all the securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to M/s Link Intime India Private Limited, RTA of the Company by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative Members are requested to submit a copy of bank passbook / statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.

#### **Process and manner for voting through electronic means:**

1. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS2) issued by The Institute of Company Secretaries of India, the Company is pleased to provide to its Members the facility to cast their votes electronically, through e-voting services provided by Central Depository Services Limited ("CDSL"), on resolutions set forth in this Notice. The Members may cast their votes using an electronic voting system from a place other than the venue of the Annual General Meeting ("remote e-voting"). Instructions for remote e-voting are given herein below. The Resolutions passed by remote e-voting are deemed to have been passed as if they have been passed at the Annual General Meeting.
2. The facility for voting through ballot paper shall be made available at the Annual General Meeting and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the Annual General Meeting.
3. The Members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the meeting but shall not be entitled to cast their vote again.
4. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners are maintained by the Depositories as on the **Cut-off date of Saturday, 3<sup>rd</sup> August, 2019**, shall be entitled to avail the facility of remote e-voting as well as voting at the ensuing Annual General Meeting. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
5. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the **Cut-off date i.e. Saturday, 3<sup>rd</sup> August, 2019**, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or through the Poll Paper at the ensuing Annual General Meeting. Such members may obtain Sequence No. for remote e-voting by sending a request at [finance@geotexelin.com](mailto:finance@geotexelin.com) and cast vote after following the instructions for remote e-voting as provided in the Notice convening the meeting, which is available on the website of the Company and CDSL. However, if you are already registered with CDSL for remote e-voting then you can use your existing User ID and Password for casting your vote.
6. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
7. The voting rights of the members shall be in proportion of their shares to the paid up equity share capital of the Company as on the **Cut-off date i.e. Saturday, 3<sup>rd</sup> August, 2019**.
8. **M/s D. A. Rupawala & Associates, Chartered Accountants, Ahmedabad**, has been appointed as the Scrutinizer to scrutinize the remote e-voting and poll process at the Annual General Meeting in a fair and transparent manner.
9. The Scrutinizer shall immediately, after the conclusion of voting at ensuing Annual General Meeting, will first count the votes cast at the ensuing Annual General Meeting, thereafter unblock the votes cast through Remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall, submit a Scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the results of the voting forthwith, within 48 hours of conclusion of the Annual General Meeting.
10. The Results declared along with the Scrutinizer's Report shall be placed on the website of CDSL **[www.cdslindia.com](http://www.cdslindia.com)** and on the website of the Company **[www.geotexelin.com](http://www.geotexelin.com)**, within 48 hours after the conclusion of the 30<sup>th</sup> AGM of the Company and shall also be communicated to the Stock Exchanges where the shares of the Company are listed.



**The instructions for shareholders voting electronically are as under:**

- a) The remote **E- voting period commences at 10.00 a.m. on Tuesday 6<sup>th</sup> August, 2019 and ends at 5.00 p.m. on Friday 9<sup>th</sup> August, 2019 (both days inclusive)**. During this period the shareholders of the Company holding shares either in physical form or dematerialized form as on the **Cut-off date i.e. Saturday, 3<sup>rd</sup> August, 2019** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- b) The shareholders should log on to the e-voting website **www.evotingindia.com**
- c) Click on "Shareholders".
- d) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- e) Next enter the Image Verification as displayed and Click on Login.
- f) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any Company, then your existing password is to be used.
- g) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on address label/ sticker affixed on the envelope of the Annual Report sent in physical form. For those having Email IDs the sequence number is sent by email.</li> </ul>
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the Depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (d).</li> </ul>

- h) After entering these details appropriately, click on "SUBMIT" tab.
- i) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- j) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- k) Click on the EVSN of Texel Industries Limited for which you choose to vote.
- l) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- m) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.
- n) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- o) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- p) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- q) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- r) Shareholders can also use Mobile app - "m - Voting" for e voting. m - Voting app is available on Apple, Android and Windows based Mobile. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).

**Note for Non – Individual Shareholders and Custodians:**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
- After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at “**www.evotingindia.com**” under help Section or write an email to “**helpdesk.evoting@cdslindia.com**”.

**Registered Office:**

Block No. 2106, Santej – Khatraj Road,  
Nr. Shah Alloys Limited, Village Santej,  
Tal: Kalol, Dist: Gandhinagar – 382721, Gujarat

**Place : Mumbai**

**Date : 19<sup>th</sup> June, 2019**

**By Order of the Board of Directors**

**Shweta Sultania**

**Company Secretary & Compliance Officer**

**Membership No.: ACS 22290**

## **ANNEXURE TO THE NOTICE**

### **Explanatory Statement**

**(Pursuant to the provisions of Section 102 of the Companies Act, 2013)**

In conformity with the provisions Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to special business contained in the accompanying Notice.

#### **Item No. 3**

Mr. Shailesh Ramniklal Mehta has a successful track record in plastic industry for more than 30 years. He leads the Company and has rich experience in handling the overall management affairs of the company. He implemented many best practices of the manufacturing and project implementation in the company.

During his tenure he has continuously contributed in the growth of the Company. Considering several aspects and his increased responsibilities, the Board of Directors has on recommendation of Nomination and Remuneration Committee considered it appropriate and advisable to re-appoint him for a period of 3 years with effect from February 15, 2020 subject to the approval of the members of the company in general meeting.

In the event of any loss, absence or inadequacy of profits of the Company, the Company can pay remuneration to their managerial personnel as per the limits mentioned in Section II of Part II of Schedule V of the Companies Act, 2013 if the conditions mentioned therein are fulfilled. One of the conditions being that “a special resolution is required to be passed at the general meeting of the company for payment of remuneration for a period not exceeding three years”. In view of the above the remuneration has been fixed on the basis of recommendation of the Nomination and Remuneration Committee for a period of 3 years with effect from February 15, 2020.

The principal terms and conditions of re-appointment of Mr. Shailesh Ramniklal Mehta, Managing Director are as under:

#### **1. Period of Re-appointment**

The period of re-appointment is for the period from 15<sup>th</sup> February, 2020 to 14<sup>th</sup> February, 2023.

#### **2. Remuneration**

**(Amount in ₹)**

<b>Component</b>	<b>CTC P.A</b>
Basic	40,46,880/-
HRA	7,14,120/-
<b>Total (a)</b>	<b>47,61,000/-</b>
<b>Perquisites</b>	
Medical Insurance	50,000/-
Accidental Insurance	10,000/-
Utility (Electricity, Telephone, Property tax etc.)	3,00,000/-
<b>Total (b)</b>	<b>3,60,000/-</b>
<b>Grand Total (a)+(b):</b>	<b>51,21,000/-</b>

Gratuity: The Company shall pay gratuity as per the Company's rules.

He shall be liable to retire by rotation.

He will be entitled for Annual Increment upto 25% of last salary drawn as may be recommended by Nomination and Remuneration Committee and approved by the Board of Directors. The first annual increment shall fall due on 1<sup>st</sup> April, 2020.

In addition to above, he will be entitled for performance bonus up to 10% of the Net Profits of the preceding financial year, subject to the overall limit of the managerial remuneration as per Schedule V of the Companies Act, 2013.

**Explanation:**

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

**Conveyance facilities:**

The Company shall provide repairs, maintenance and running expenses for car owned by Managing Director.

**Income Tax:**

Income tax will be deducted at source as per applicable laws / rules.

Further, the terms and conditions of the re-appointment of Mr. Shailesh Ramniklal Mehta, shall be governed as per the draft agreement to be executed by and between the Company and Mr. Shailesh Mehta, Managing Director of the Company.

As per the provision of Sections 196, 197, Schedule V and all other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force), the re-appointment of and payment of remuneration to Managing Director requires the approval of the Shareholders in General Meeting and hence necessary Special Resolution has been proposed for your approval.

**This statement containing following information is given as per Section II of Part II of Schedule V of the Companies Act, 2013:**

I	General Information:		
(1)	Nature of industry	Plastic Manufacturing Industry	
(2)	Date or expected date of commencement of commercial production	The Company is engaged in production of multilayer reinforced Geo-Membrane and P.E. Protection Cover since August,1989.	
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.	
(4)	<b>Financial performance based on given indicators on Standalone basis</b>	<b>2018-19 (₹ in Lacs)</b>	<b>2017-18 (₹ in Lacs)</b>
	Revenue from Operations	11235.36	9108.62
	Other Income	35.83	56.72
	Profit before Tax	333.89	423.41
	Total Tax Expense	82.55	119.33
	Profit after Tax	251.34	304.08
	Other Comprehensive Income	50.51	(1.68)
	Total Comprehensive Income	301.85	302.40
(5)	Foreign investments or collaborations, if any.	For details of foreign investments made by the company, please refer to Note no 2.2 of the Standalone Financial Statements forming part of the Annual Report for FY 2018-19. The Company has not entered into any Foreign collaboration.	
II	Information about the appointee:		
(1)	Background details	Mr. Shailesh Ramniklal Mehta is one of the promoter and founder of the Company. He is in board since 1989 and has wide experience in the management of the affairs of the Company. Further Mr. Shailesh Ramniklal Mehta has rich hands on experience and knowledge in the areas of manufacturing, finance and administration.	
(2)	Father's Name	Shri Ramniklal V. Mehta	
(3)	Date of Birth	29 <sup>th</sup> January, 1960	
(4)	Educational Qualification	Bachelor of Commerce	

(5)	Past remuneration	During F.Y. 2018-19, he was paid annual remuneration of ₹ 41,40,000/- plus perquisites and performance bonus.
(6)	Recognitions and Awards	None
(7)	Job Profile and his suitability	Mr. Shailesh Mehta, Managing Director is responsible for the day to day management of the Company and he is assisted by Functional HOD's. He is working under the superintendence and control of the Board of Directors. He has vast experience of Plastic Industry and he has continuously contributed in the growth of the Company.
(8)	Remuneration Proposed	As per details given above.
(9)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	The proposed remuneration is commensurate with the skills and experience of the appointee Mr. Shailesh Mehta, Managing Director of the Company. The remuneration proposed is in line with and prevailing in similar industry and having regard to the size of the Company.
(10)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr. Shailesh Ramniklal Mehta has no pecuniary relationship directly or indirectly with the Company except to the extent of his shareholding in the Company.
<b>(III) Other information:</b>		
(1)	Reasons of loss or inadequate profits	The company has not suffered losses during the F.Y. 2018-19. The Company's products are very well accepted in the domestic markets. The Company has made significant growth and sales of the company has also increased significantly. However, due to increase in production cost, finance cost, employee cost, sales and distribution expenses, research and development expenses etc., it has affected the Company's profitability and hence profits are lower.
(2)	Steps taken or proposed to be taken for improvement	The Company's expansion and modernisation plans and the various steps taken by the company for curtailing expenditure. All this would help the Company to further improve its results and profitability.
(3)	Expected increase in productivity and profits in measurable terms.	The Company is focusing more on expansion projects to take advantage of latest technology. This will enable the Company to improve its turnover and profits in years to come. The Company has taken various steps under the guidance of Mr. Shailesh Ramniklal Mehta for improvement and development of the Company.
<b>IV. Disclosures</b>		
(1)	The remuneration package of Mr. Shailesh R Mehta is as mentioned above in the Explanatory Statement. A copy of the draft agreement which will be executed with the Managing Director shall be open for inspection by the Members at the Registered Office of the Company between 10:00 am to 5:00 pm on all working days (Monday to Friday) except Saturdays, Sundays and holidays up to the date of Annual General Meeting.	
(2)	The required disclosures to the shareholders of the Company about remuneration package of the managerial personnel and all elements of remuneration package such as salary, benefits, bonuses, stock options, pensions etc., of all the directors; details of fixed component and performance linked incentives along with the performance criteria; service contract, notice period, severance fees; stock option details, if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable has been made in the Annual Report of the Company, wherever applicable.	

The appointment and remuneration of Mr. Shailesh R. Mehta has been approved by the Board of Directors. The Board of Directors of your Company recommends the approval of the appointment of Mr. Shailesh R. Mehta, on new terms with effect from 15<sup>th</sup> February, 2020 for a period of three years.

Mr. Shailesh R. Mehta satisfies all the conditions as set out in Part I of Schedule V as also under Section 196 of the Companies Act, 2013 for being eligible to be appointed as a Managing Director of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

The Board of Directors are of the opinion that the appointment of Mr. Shailesh R. Mehta as the Managing Director is in the best interest of the Company and accordingly, your Directors recommends the resolution set out in Item No.3 for approval of the members as a Special Resolution.



Except Mr Shailesh Raminklal Mehta being an appointee, Mr Naresh Raminklal Mehta and their relatives, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested financially or otherwise in the proposed resolution.

#### **Item No. 4**

Mr. Kirit Narotamdas Mehta (holding DIN: 00444837) is a Chairman and Independent Director of the Company, who holds office up to the date of the ensuing Annual General Meeting. He fulfils the requirement of Independent Director as laid down under Section 149 of the Companies Act, 2013 read with the Rules framed thereunder and is eligible for re-appointment as an Independent Director on passing of a Special Resolution by the shareholders of the Company. The Company has received from him a declaration that he meets the criteria of independence as provided under section 149(6) of the Act, in connection with his re-appointment as an Independent Director.

The Board of Directors at the meeting held on 27<sup>th</sup> May, 2019, on the recommendation of the Nomination and Remuneration Committee and based on the performance evaluation, the Board has proposed his re-appointment as an Independent Director for a second term of five consecutive years, commencing from 10<sup>th</sup> August, 2019 to 09<sup>th</sup> August, 2024. He is not disqualified from being appointed as a Director of the Company in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board, Mr. Kirit Narotamdas Mehta fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Kirit Narotamdas Mehta is independent of the management of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, the re-appointment of Mr. Kirit Narotamdas Mehta as an Independent Director is being placed before the Members for their approval.

He possesses the appropriate skills, experience and knowledge, inter alia, in the field of finance, audit and taxation matters. Keeping in view his vast experience and knowledge, it will be in the interest of the Company to have him as an Independent Director on the Board of the Company.

The copy of the draft appointment letter containing the terms and conditions of the appointment of Mr. Kirit Narotamdas Mehta as an Independent Director of the Company shall be open for inspection by the Members at the Registered Office of the Company between 10:00 am to 5:00 pm on all working days (Monday to Friday) except Saturdays, Sundays and holidays up to the date of the Annual General Meeting.

Your Directors recommends the passing of the proposed Special Resolution.

Except Mr Kirit Narotamdas Mehta, being an appointee and his relatives, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested financially or otherwise in the proposed resolution.

#### **Item No. 5**

Dr. Christy Leon Fernandez (holding DIN: 00090752) is an Independent Director of the Company, his term of office is expiring on 28<sup>th</sup> September, 2019. He fulfils the requirement of Independent Director as laid down under Section 149 of the Companies Act, 2013 read with the Rules framed thereunder and is eligible for re-appointment as an Independent Director on passing of a Special Resolution by the shareholders of the Company. The Company has received from him a declaration that he meets the criteria of independence as provided under section 149(6) of the Act, in connection with his re-appointment as an Independent Director.

The Board of Directors at the meeting held on 27<sup>th</sup> May, 2019, on the recommendation of the Nomination and Remuneration Committee and based on the performance evaluation, considers that the background, experience and contributions made by Dr. Christy Leon Fernandez during his tenure, his association will be beneficial to the Company and it is proposed to re-appoint him as an Independent Director under Section 149 and other applicable provisions of the Companies Act, 2013 read with SEBI (LODR) Regulations 2015 to hold office for a second term of 5 consecutive years commencing from 29<sup>th</sup> September, 2019 to 28<sup>th</sup> September, 2024. He is not disqualified from being appointed as a Director of the Company in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board, Dr. Christy Leon Fernandez fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Dr. Christy Leon Fernandez is independent of the management of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, the re-appointment of Dr. Christy Leon Fernandez as an Independent Director is being placed before the Members for their approval.

The copy of the draft appointment letter containing the terms and conditions of the appointment of Dr. Christy Leon Fernandez as an Independent Director of the Company shall be open for inspection by the Members at the Registered Office of the Company between 10:00 am to 5:00 pm on all working days (Monday to Friday) except Saturdays, Sundays and holidays up to the date of the Annual General Meeting.

Your Directors recommends the passing of the proposed Special Resolution.

Except Dr. Christy Leon Fernandez, being an appointee and his relatives, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested financially or otherwise in the proposed resolution.

#### **Item No. 6**

Dr. Christy Leon Fernandez (holding DIN: 00090752) is an Independent Director of the Company and looking to his performance and contributions in the growth of the Company, his re-appointment for a second term of five consecutive years is being proposed at Item No. 5 of this notice.

Dr. Fernandez was in Indian Administrative Service (Ex-IAS Officer) and he possess vast skills, experience and knowledge and keeping in view his vast experience, knowledge and contributions in the growth of the Company, it will be in the interest of the Company to have him as an Independent Director on the Board of the Company.

Looking to the time devoted and contributions made by Dr. Christy Leon Fernandez in the growth of the Company, the Board of Directors at the meeting held on 27<sup>th</sup> May, 2019, recommended for the approval of the Members, payment of remuneration by way of commission to Dr. Fernandez which shall not exceed one percent of the net profits of the Company in terms of Section 197 of the Act and computed in the manner referred to in Section 198 of the Act, for a period not exceeding five years, for each of the financial years commencing from 01.04.2019 and ending on 31.03.2024, as set out in the Resolution. All the other Independent Directors of the Company have given consent letters for waiving their rights to receive commission.

Your Directors recommends the passing of the proposed Special Resolution.

Except Dr. Christy Leon Fernandez, being an appointee and his relatives, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested financially or otherwise in the proposed resolution.

#### **Item No. 7**

Mrs. Jasmin Nahidakhtar Vhora (holding DIN: 07173838) is an Independent Director of the Company, her term of office is expiring on 12<sup>th</sup> February, 2020. She fulfils the requirement of Independent Director as laid down under Section 149 of the Companies Act, 2013 read with the Rules framed thereunder and is eligible for re-appointment as an Independent Director on passing of a Special Resolution by the shareholders of the Company. The Company has received from her a declaration that she meets the criteria of independence as provided under section 149(6) of the Act, in connection with her re-appointment as an Independent Director.

The Board of Directors at the meeting held on 27<sup>th</sup> May, 2019, on the recommendation of the Nomination and Remuneration Committee and based on the performance evaluation, the Board has proposed her re-appointment as an Independent Director for a second term of five consecutive years, commencing from 13<sup>th</sup> February, 2020 to 12<sup>th</sup> February, 2025. She is not disqualified from being appointed as a Director of the Company in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board, Mrs. Jasmin Nahidakhtar Vhora fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Mrs. Jasmin Nahidakhtar Vhora is independent of the management of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, the re-appointment of Mrs. Jasmin Nahidakhtar Vhora as an Independent Director is being placed before the Members for their approval.

Looking to her performance and contributions in the growth of the Company, it will be in the interest of the Company to have her as an Independent Director on the Board of the Company.

The copy of the draft appointment letter containing the terms and conditions of the appointment of Mrs. Jasmin Nahidakhtar Vhora as an Independent Director of the Company shall be open for inspection by the Members at the Registered Office of the Company between 10:00 am to 5:00 pm on all working days (Monday to Friday) except Saturdays, Sundays and holidays up to the date of the Annual General Meeting.

Your Directors recommends the passing of the proposed Special Resolution.

Except Mrs. Jasmin Nahidakhtar Vhora, being an appointee and her relatives, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested financially or otherwise in the proposed resolution.

#### **Item No. 8 & 9**

Pursuant to the provisions of Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company, except with the consent of the Company by a Special Resolution, cannot borrow moneys, apart from temporary loans in excess of aggregate of the paid up capital, free reserves and securities premium account nor can create charge / security over the assets / undertaking of the Company which would be required to secure the borrowings.

The members of the Company had at their 28<sup>th</sup> Annual General Meeting held on 19<sup>th</sup> August, 2017, approved borrowing limits of upto ₹ 50 Crores. In order to meet the fund requirements of proposed expansion plans, routine capex and working capital requirements, it is proposed to increase borrowing limits from ₹ 50 Crores to ₹100 Crores and to create charge / security over the assets / undertakings of the Company for such borrowings.

Your Directors recommends the proposed Special Resolutions mentioned at Item Nos. 8 & 9 of this Notice for shareholders' approval.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested financially or otherwise in the proposed resolutions mentioned at Item Nos. 8 & 9 of this Notice.

**Item No. 10**

The provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended to date, provides that no company is permitted to, directly or indirectly, (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more. Further, the said Section provides that where the giving of any loan or guarantee or providing any security or the acquisition as provided under Section 186(2) of the Act, exceeds the limits specified therein, prior approval of Members by means of a Special Resolution is required to be passed at a general meeting.

In view of the above and considering the long term business plans of the Company, which may require the Company to make sizeable investments and issue guarantees/ securities to persons or bodies corporate, from time to time, for which prior approval of the Members is being sought.

Therefore, your Directors recommends the proposed Special Resolution mentioned at Item No. 10 of this Notice for shareholders' approval.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested financially or otherwise in the proposed resolution.

**Item No. 11**

In order to meet the fund requirements of proposed expansion plans, capital expenditure, working capital requirements of the Company and for meeting the issue expenses, etc., the Company proposes to raise funds by issue of Equity Shares, and/or any other financial instruments convertible into equity shares (including warrants) or through an issuance of fully convertible debentures/partly convertible debentures/ non-convertible debentures, convertible/ non-convertible preference shares into Equity Shares, whether rupee denominated or denominated in Foreign currency (hereinafter collectively referred to as "Securities") or any combination of securities or any other method as may be permitted under applicable laws, in one or more tranches by way of a Private Placement and/ or Right Issue.

The approval of members is sought hereby to raise funds by offering securities to any person including but not limited to foreign/ resident investors (whether institutions, incorporated bodies, mutual funds and/or individuals or otherwise) foreign institutional investors, foreign portfolio investors, Indian and/or multilateral financial institutions, mutual funds, Non-Resident Indians, (collectively referred to as ("Investors") whether or not such Investors are existing members of the company.

The members may please note that, the proposed resolution at Item no. 11 is only an enabling resolution and the detailed terms and conditions of the offer will be determined in consultation with lead managers, advisors, underwriters and such other authorities and agencies as may be required to be consulted by the Company in due consideration of prevailing market conditions and other relevant factors. As the price of the Securities shall be determined at a later stage, exact number of securities to be issued shall also be crystallized later. However, an enabling resolution is being proposed to give adequate flexibility and discretion to the Board to finalize the terms of the offer.

The equity shares, if any, allotted on issue, conversion of Securities shall rank pari passu in all respects with the existing Equity Shares of the Company.

The Special Resolution seeks to authorize the Board of Directors of which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution to issue Securities or any combination of Securities by way of a Private Placement and/ or Right Issue under applicable laws, in consultation with the Lead Managers, Legal Advisors and other intermediaries to any persons, whether or not they are members of the Company.

Therefore, your Directors recommends the proposed Special Resolution mentioned at Item No.11 of this Notice for shareholders' approval.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested financially or otherwise in the proposed resolution.

**Item No. 12**

In terms of Section 62(3) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and Rules framed there-under, to enable the Banks and Financial Institutions (hereinafter referred to as the "Lenders") to convert the outstanding loans or any other financial assistance categorized as loans (hereinafter referred to as the "Financial Assistances"), in foreign currency or Indian Rupee, availed or to be availed from the Lenders from time to time, at their option, into equity shares of the Company upon the terms and conditions as contained in the financing documents and at a price to be determined in accordance with the applicable provisions of Securities and Exchange Board of India Regulations (SEBI Regulations) at the time of such conversion.

Pursuant to the provisions of Section 62(3) of the Companies Act, 2013, the proposed resolution at Item no. 12 requires approval of the members by way of a Special Resolution, to enable the Lenders, in terms of the lending arrangements, entered or to be entered, and as may be specified by the Financial Institutions/Banks under the financing documents executed or to be executed in respect of the Financial Assistances availed/

to be availed, at their option, to convert the whole or part of their outstanding Financial Assistances into equity shares of the Company, upon such terms and conditions as may be deemed appropriate by the Board and at a price to be determined in accordance with the applicable SEBI Regulations at the time of such conversion.

Therefore, your Directors recommends the proposed Special Resolution mentioned at Item No.12 of this Notice for shareholders' approval.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested financially or otherwise in the proposed resolution.

#### **ANNEXURE- A TO THE NOTICE**

##### **Details of the Directors seeking appointment/re-appointment at the Annual General Meeting**

[Pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings]

<b>Particulars</b>	<b>Mr. Shailesh R Mehta</b>	<b>Mr. Naresh R Mehta</b>	<b>Mr. Kirit N Mehta</b>	<b>Dr. Christy L Fernandez</b>	<b>Mrs. Jasmin Vhora</b>
<b>DIN</b>	01457666	02888018	00444837	00090752	07173838
<b>Date of Birth</b>	29/01/1960	06/12/1961	31/01/1950	26/06/1949	28/07/1988
<b>Qualification</b>	Bachelor of Commerce	B.S. & M.S. (U.S.A.) Plastic Engineering	Chartered Accountant	M.Sc., Phd, formerly in I.A.S.	Company Secretary
<b>Experience</b>	More than 30 Years	More than 20 Years	More than 40 years	More than 40 years	Around 3 years
<b>Original Date of Appointment</b>	02/08/1989	02/08/1989	20/02/1995	29/09/2014	13/02/2015
<b>Expertise in specific functional area</b>	Plastic Manufacturing Industry	Plastic Manufacturing Industry	Finance, Audit, Taxation matters	Public Administration Management of Navratna Miniratna, Public Sector Companies in Trade, Commerce, Oil, Sectors.	Company Law
<b>Details of Directorship held in other Listed entities</b>	Nil	Nil	Nil	Nil	Nil
<b>Details of Membership/ Chairmanship of other Board Committees</b>	Nil	Nil	Nil	Nil	Nil
<b>Shareholding in the company</b>	74,725	99,801	5,100	Nil	Nil
<b>Relationship, if any between Directors</b>	Brother of Mr. Naresh Mehta, Non-Executive Director	Brother of Mr. Shailesh Mehta, Managing Director	Nil	Nil	Nil

#### **Registered Office:**

Block No. 2106, Santej – Khatraj Road,  
Nr. Shah Alloys Limited, Village Santej,  
Tal: Kalol, Dist: Gandhinagar – 382721, Gujarat

**Place : Mumbai**

**Date : 19<sup>th</sup> June, 2019**

#### **By Order of the Board of Directors**

**Shweta Sultania**  
**Company Secretary & Compliance Officer**  
**Membership No.: ACS 22290**



## DIRECTORS' REPORT

To,  
The Members,

Your Directors take pleasure in presenting the 30<sup>th</sup> Annual Report of the Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2019.

### 1. FINANCIAL PERFORMANCE:

The financial performance of your Company on standalone basis for the Financial Year ended 31<sup>st</sup> March, 2019 is summarized below:

(₹ in Lakhs)

Particulars	Financial Year ending	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Total Revenue	11271.19	9165.34
<b>Profit before Interest, Depreciation &amp; tax (EBIDTA)</b>	<b>576.34</b>	<b>561.98</b>
Less: Finance Cost	169.76	87.47
Less: Depreciation	72.68	51.11
<b>Profit Before Tax (PBT)</b>	<b>333.89</b>	<b>423.41</b>
Less: Provisions for Taxation Including Deferred Tax	82.55	119.33
<b>Profit for the Year</b>	<b>251.34</b>	<b>304.08</b>
Other Comprehensive Income	50.51	(1.68)
<b>Total Comprehensive Income for the Year</b>	<b>301.85</b>	<b>302.40</b>

The Standalone and Consolidated Financial Statements for the financial year ended 31<sup>st</sup> March, 2019, forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs.

### 2. PERFORMANCE AT A GLANCE ON STANDALONE BASIS:

During the Financial Year 2018-19, there has been improvement in the performance of the Company as compared with the previous year. The Company registered total operating revenue of ₹ 11235.36 lakhs for the year ended 31<sup>st</sup> March, 2019 as compared to ₹ 9108.62 lakhs in the previous year registering a growth rate of approx. 23.35%. The Company registered a net profit after tax of ₹ 251.34 lakhs for the year ended 31<sup>st</sup> March, 2019 as compared to ₹ 304.08 lakhs in the previous year, thereby registering a decrease of 17.35% in the Net Profits due to increase in production cost, finance cost, employee cost, sales & distribution expenses, research & development expenses etc.

### 3. MATERIAL CHANGES AND COMMITMENTS:

There have been no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this report.

### 4. DIVIDEND:

In view of the future expansion plans, the Board of Directors have not recommended any dividend on the Equity Share Capital of the Company for the financial year ended 31<sup>st</sup> March, 2019.

### 5. TRANSFER TO RESERVES:

During the year under review, the Company has not transferred any amount to General Reserve out of the amount available for appropriation.

### 6. DEPOSITS:

During the year, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force) from the public or the members and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

### 7. SHARE CAPITAL:

The Paid-up Equity Share Capital of the Company as on 31<sup>st</sup> March 2019 stands at ₹ 52,229,210/- i.e. 52,22,921 Equity Shares of ₹ 10/- each.

During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on 31<sup>st</sup> March, 2019, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

### 8. FULL REDEMPTION OF PREFERENCE SHARE CAPITAL:

During the year under review, the Company has made full redemption of its Preference Share Capital as per the terms of

settlement agreed between the Company and the Preference Shareholder.

## 9. EXPANSION & MODERNISATION:

During the year under review, the Company installed a new machinery viz. 'Multilayered Geo Composite Resin Coating Machine' for product diversification and value addition. This machine will be used for manufacturing different types of Geomembranes which will be used for waterproofing in the housing sector.

The Company already launched its first new product on 11th April, 2019 manufactured from the above machinery. At present the new product will be catering to domestic markets.

## 10. SUBSIDIARIES & ASSOCIATE COMPANIES:

Your Company has a Wholly Owned Subsidiary Company in the name of "Texel Industries (Africa) Limited" (hereinafter referred as WOS) which was incorporated on 12<sup>th</sup> June, 2018 in Kenya. There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013.

During the period under review, the Board of Directors reviewed the affairs of its WOS. In accordance with Section 129(3) of Companies Act, 2013, the Consolidated Financial Statements of the Company and its WOS in accordance with the relevant accounting standards have been prepared which forms part of the Annual Report. Further, a statement containing the salient features of the financial statements of our WOS in the prescribed format i.e. Form AOC-1, forms an integral part of this report and is annexed as **Annexure – F**.

## 11. POLICY FOR DETERMINING MATERIAL SUBSIDIARY:

The Board of Directors of the Company has approved the revised Policy for Determining Material Subsidiary in line with the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, as amended. The said policy is available on the website of the company viz. [www.geotexelin.com](http://www.geotexelin.com) and can be downloaded from the weblink: [http://geotexelin.com/wp-content/uploads/bsk-pdf-manager/Policy\\_for\\_determining\\_Material\\_Subsiidiary\\_141.pdf](http://geotexelin.com/wp-content/uploads/bsk-pdf-manager/Policy_for_determining_Material_Subsiidiary_141.pdf)

## 12. UPDATE ON SUSPENSION OF TRADING:

The trading in the Securities of the company was suspended by Bombay Stock Exchange (BSE) with effect from 10th September, 2001.

The Company was declared a Sick Industrial Company in terms of Section 3(1)(o) of Sick Industrial Companies Act, 1985 and rehabilitation scheme was sanctioned by BIFR vide its order dated 31<sup>st</sup> August, 2015 for the revival of the Company. The Company received exit order from BIFR reference vide BIFR order dated 30<sup>th</sup> November, 2016.

The Company is under the process to obtain the Revocation of suspension of trading from BSE consequent upon receipt of

requisite approval from BSE for listing and trading approval for the shares issued on preferential basis pursuant to BIFR Orders for the revival of the Company.

Further, Reduction in Capital of the Company was ordered by BIFR for the revival of the company and was approved by Hon'ble Gujarat High Court. The Company also received from BSE for Reduction of Capital listing approval on 2<sup>nd</sup> April, 2019 and trading approval on 15<sup>th</sup> May, 2019.

The Company have submitted all the documents to the revocation department for in-principal approval for revocation of suspension order and is awaiting for the same.

Further, as on date there are no pending compliances and all the necessary dues to BSE have been paid including payment of Listing Fees for F.Y. 2019-20.

## 13. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report as required under Regulation 34(2)(e) read with Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015 is provided in a separate section and forms an integral part of this Report and is annexed as **Annexure A**.

## 14. CORPORATE GOVERNANCE:

Maintaining of high standards of Corporate Governance has been fundamental to the business of your Company since its inception.

However, the report on Corporate Governance as required under Regulation 34 (3) read with Schedule V of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 is not provided pursuant to Regulation 15 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015. The report on Corporate Governance is not required to be prepared by your Company since the basic test for applicability of such regulation with criteria for paid up equity share capital of ₹ 10.00 Crores and net worth of ₹ 25.00 Crores has not crossed as on the last date of the previous financial year.

Therefore, taking Auditors Certificate on Corporate Governance as required under Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 is not applicable to the Company.

## 15. ANNUAL SECRETARIAL COMPLIANCE REPORT:

The Annual Secretarial Compliance Report under Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 read with SEBI circular no: CIR/CFD/CMD1/27/2019 dated 8th February, 2019, BSE circular no. LIST/COMP/10/2019-20 dated 9<sup>th</sup> May, 2019 and BSE circular no LIST/COMP/12/2019-20 dated 14th May, 2019 is not applicable to the Company due to exemption under Regulation 15(2) of SEBI (LODR) Regulations, 2015.

## 16. EXTRACT OF ANNUAL RETURN:

The extract of annual return in Form MGT-9 as required under Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 forms an integral part of this Report and is annexed as **Annexure B**.

## 17. RELATED PARTY TRANSACTIONS:

All related party transactions for the year under review are in the ordinary course of business and at arm's length basis and thus disclosure in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required.

All Related Party Transactions are placed before the Audit Committee for approval. Omnibus approval was obtained on a yearly basis for transactions which are of repetitive nature. A statement containing details of all Related Party Transactions are placed before the Audit Committee and the Board of Directors for review and approval on a quarterly basis.

No Material Related Party Transactions, i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statements, were entered with related parties during the year under review.

The details of the related party transactions as per Indian Accounting Standard (Ind-AS) are mentioned in Note [No. 4] in the notes to the accounts of the Financial Statements.

In line with the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, as amended, the Company has formulated a 'Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions'. The said policy is available on the website of the company viz. [www.geotexelin.com](http://www.geotexelin.com) and can be downloaded from the weblink [http://geotexelin.com/wp-content/uploads/bsk-pdf-manager/Policy\\_on\\_Materiality\\_of\\_Related\\_Party\\_Transactions\\_and\\_on\\_dealing\\_with\\_Related\\_PartyTransactions\\_142.pdf](http://geotexelin.com/wp-content/uploads/bsk-pdf-manager/Policy_on_Materiality_of_Related_Party_Transactions_and_on_dealing_with_Related_PartyTransactions_142.pdf)

## 18. REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL & PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure C** to this report.

The statement containing particulars of employees as required under section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be provided upon

request. In terms of Section 136 of the Companies Act, 2013, the Report and accounts are being sent to the members and others entitled thereto, excluding the information on employee's particulars which is available for inspection by members at the registered office of the Company during business hours on working days of the Company. If any member is interested in obtaining a copy of the same, such member may write to the Company Secretary in this regard.

## 19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY:

The Company has not granted any loans, or provided any guarantees or made any investments under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 during the year under review.

During the year, the Company has acquired its Wholly Owned Subsidiary Company (WOS) incorporated on 12th June, 2018 in Kenya in the name of Texel Industries (Africa) Limited, by making investment of KES 1,00,000 (divided into 10,000 Ordinary Shares of KES 10.00 each) towards 100% of the subscription amount of the Share Capital of its WOS.

For details of investments made in shares of WOS please refer Note no 2.2 and for loans granted to WOS please refer Note no 2.3 of the Standalone Financial Statements forming part of the Annual Report for F.Y. 2018-19.

## 20. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### Composition of the Board:

Your Company believes that our Board needs to have an appropriate mix of executive, non-executive and Independent Directors to maintain its independence, and separate its functions of governance and management. As on 31<sup>st</sup> March, 2019, our Board comprised of 5 members, consisting of 1 Non-Executive-Non-Independent Director, 3 Independent Directors including the Chairman of the Company and 1 Executive Director and none of the directors are disqualified under Section 164 of the Companies Act 2013.

The Independent Directors constitute 60% of the Board's strength-more than the requirements of the Companies Act, 2013 and the Listing Regulations. 1 out of 5 members is a women Director. The Board periodically evaluates the need for change in its size and composition.

The following is the Composition of the Board as at 31<sup>st</sup> March, 2019:

Names of the Director	Category
Mr. Kirit Narotamdas Mehta	Chairman & Independent Director
Mr. Shailesh Ramniklal Mehta	Managing Director (Promoter)
Mr. Naresh Ramniklal Mehta	Non-Executive Director (Promoter)
Dr. Christy Leon Fernandez	Independent Director
Mrs. Jasmin Nahidakhtar Vhora	Independent Director

Relevant details, in terms of Sub-regulation (3) of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the Directors proposed to be re-appointed, are provided in the Notice for convening the 30<sup>th</sup> Annual General Meeting of the Company.

#### **Retirement by rotation and subsequent re-appointment:**

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Article of Association of the Company, Mr. Shailesh Ramniklal Mehta (Managing Director) is liable to retire by rotation at the ensuing AGM and being eligible offers himself for re-appointment. The Board recommends his re-appointment.

#### **Reappointment of Managing Director:**

The present term of appointment of Mr. Shailesh Ramniklal Mehta as a Managing Director is valid up to 14<sup>th</sup> February, 2020. The Board has, subject to the approval of the Members in the forthcoming AGM, approved the re-appointment of Mr. Shailesh Ramniklal Mehta as a Managing Director for another period of Three years w.e.f 15<sup>th</sup> February, 2020.

#### **Reappointment of Independent Directors:**

The present term of appointment of Mr. Kirit Narotamdas Mehta as an Independent Director is valid upto the date of the ensuing Annual General Meeting. The Board has, subject to the approval of the Members in the forthcoming AGM, approved the re-appointment of Mr. Kirit Narotamdas Mehta as an Independent Director for another period of five years w.e.f 10<sup>th</sup> August, 2019.

The present term of appointment of Dr. Christy Leon Fernandez as an Independent Director is valid up to 28<sup>th</sup> September, 2019. The Board has, subject to the approval of the Members in the forthcoming AGM, approved the re-appointment of Dr. Christy Leon Fernandez as an Independent Director for another period of five years w.e.f 29<sup>th</sup> September, 2019.

The present term of appointment of Mrs. Jasmin Nahidakhtar Vhora as an Independent Director is valid up to 12<sup>th</sup> February, 2020. The Board has, subject to the approval of the Members in the forthcoming AGM, approved the re-appointment of Mrs. Jasmin Nahidakhtar Vhora as an Independent Director for another period of five years w.e.f 13<sup>th</sup> February, 2020.

#### **Board Meeting:**

The Board meets at regular intervals to discuss and decide on Company / Business policy and strategy apart from other Board business. The Board Meetings are pre-scheduled and a tentative annual calendar of the Board 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 are noted and confirmed in the subsequent Board Meeting.

The Board business generally includes consideration of important corporate actions and events including:-

- quarterly and annual result announcements;
- oversight of the performance of the business;
- declaration of dividends;
- development and approval of overall business strategy;
- Board succession planning;
- review of the functioning of the Committees and
- other strategic, transactional and governance matters as required under the Companies Act, 2013, Listing Regulations and other applicable legislations

The notice of Board meeting is given well in advance to all the Directors. Usually, meetings of the Board are held in Mumbai. The Agenda of the Board Meetings is set by the Company Secretary in consultation with the Chairman and the Managing Director of the Company. The Agenda is circulated a week prior to the date of the meeting. The Board Agenda includes an Action Taken Report comprising the actions emanating from the Board Meetings and status update thereof. The Agenda for the Board Meetings covers items set out as per the guidelines in Listing Regulations to the extent it is relevant and applicable. The Agenda for the Board Meetings include detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

Prior approval from the Board is obtained for circulating the Agenda items with shorter notice for matters that form part of the Board Agenda and are considered to be in the nature of Unpublished Price Sensitive Information.

The minutes of proceeding of each Board meetings are maintained in terms of statutory provisions.

During the Financial Year ended 31<sup>st</sup> March, 2019, Board of Directors of the Company met Six (6) times i.e. on **23<sup>rd</sup> May, 2018; 31<sup>st</sup> July, 2018; 12<sup>th</sup> November, 2018; 28<sup>th</sup> December, 2018; 31<sup>st</sup> January, 2019; 06<sup>th</sup> March, 2019**. The maximum gap between two meetings was not more than 120 days:

<b>Name of Director</b>	<b>No. of Board Meetings Attended/ Held</b>	<b>Attendance at the Last Annual General Meeting held on 10<sup>th</sup> September, 2018</b>
Mr. Kirit Narotamdas Mehta	5/6	Yes
Mr. Shailesh Ramniklal Mehta	5/6	Yes
Mr. Naresh Ramniklal Mehta	2/6	No
Dr. Christy Leon Fernandez	4/6	No
Mrs. Jasmin Nahidakhtar Vhora	1/6	Yes



### Key Managerial Personnel:

Pursuant to Section 203 of the Companies Act 2013, the following are the Key Managerial Personnel of the Company as on 31<sup>st</sup> March, 2019:

1.	Mr. Shailesh Ramniklal Mehta	Managing Director
2.	CS Shweta Sultania	Company Secretary & Compliance Officer
3.	Mr. Vikram Patel	Chief Financial Officer

- CS Priyanka Kuntamal was appointed as a Company Secretary and Compliance Officer of the Company w.e.f. 14<sup>th</sup> May, 2018 and resigned from her post w.e.f. 12<sup>th</sup> September, 2018 and in place of her, the Company has appointed CS Shweta Sultania as a Company Secretary and Compliance Officer of the Company w.e.f. 01<sup>st</sup> October, 2018.
- Mr. Vikram Patel was appointed as a CFO w.e.f. 23<sup>rd</sup> May, 2018.

### Declaration of Independence from Independent Directors:

The Company has received the Declarations from all the Independent Directors confirming that they meet the criteria of Independence as prescribed under the provisions of Section 149 of the Companies Act, 2013 read with the schedules and Rules issued thereunder as well as Regulations 16 of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

### Familiarization Programme for Independent Directors:

In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a familiarization programme for the Independent Directors. At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected from him as a Director of the Company. The Director is also explained in detail the Compliance required from him under Companies Act, 2013, the Listing Regulations and other various statutes and an affirmation is obtained. The Chairman and Managing Director also has a one to one discussion with the newly appointed Director to familiarize him with the Company's operations.

Further, on an ongoing basis as a part of Agenda of Board / Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's, industry and regulatory updates, strategy, finance, risk management frame work, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters.

The details of the familiarization programme for Directors are available on the Company's website at "[http://geotexelin.com/wp-content/uploads/bsk-pdf-manager/Familiarization\\_Programme\\_for\\_Independent\\_Directors\\_84.pdf](http://geotexelin.com/wp-content/uploads/bsk-pdf-manager/Familiarization_Programme_for_Independent_Directors_84.pdf)"

### Independent Director's Meeting:

Schedule IV of the Companies Act, 2013 and the Rules thereunder mandate that the Independent Directors of the Company to hold at least one meeting in a year, without the attendance of Non-Independent Directors. At such meetings, the Independent Directors review the performance of (i) Chairman, Non-Independent Directors and the Board as a whole, (ii) Chairman of the Company taking into account views of Executives and Non-Executive Directors and

(iii) assessing the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

During the year under review, one meeting of the Independent Directors was held on **31<sup>st</sup> January, 2019**. All the Independent Directors were present at the meeting.

### Annual Evaluation made by the Board of its own Performance and that of its Committee and Individual Directors:

The Nomination and Remuneration Policy of the Company empowers the Nomination and Remuneration Committee to formulate a process for evaluating the performance of Directors, Committees of the Board and the Board as a whole.

Pursuant to the provisions of the Companies Act, 2013 read with Rule 8(4) of the Companies (Accounts) Rules, 2014 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the process for evaluation of the performance of the Director(s) / Board / Committees of the Board was initiated by the Nomination and Remuneration Committee.

The Board has carried the evaluation of its own performance, individual Directors, its Committees, including the Chairman of the Board on the basis of attendance, contribution and various criteria as recommended by the Nomination and Remuneration Committee of the Company. The evaluation of the working of the Board, its committees, experience and expertise, performance of specific duties and obligations etc. were carried out. The Directors expressed their satisfaction over the evaluation process.

The Independent Director(s) also evaluated the performance of Non – Executive Directors and the Chairman of the Board at the meeting of Independent Director(s) held on 31<sup>st</sup> January, 2019. The outcome of surveys and feedback from Directors was discussed at the respective meetings of Board, Committees of Board and meetings of Independent Directors.

The Board evaluation was conducted through questionnaire having qualitative parameters and feedback based on ratings.



## 21. COMMITTEES OF THE BOARD:

The Board of Directors has constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function under their respective Charters. These Committees play an important role in the overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting.

The Board of Directors of the Company have constituted the following Committees:

- A. Audit Committee
- B. Nomination & Remuneration Committee
- C. Stakeholders Relationship Committee
- D. Finance and Investment Committee
- E. Risk Management Committee

### Meeting and Attendance:

During the Financial Year ended 31<sup>st</sup> March, 2019, the Audit Committee met Four (4) times i.e. on **23<sup>rd</sup> May, 2018; 31<sup>st</sup> July, 2018; 12<sup>th</sup> November, 2018; 31<sup>st</sup> January, 2019**. The maximum gap between two meetings was not more than 120 days. The requisite quorum was present at all the Meetings:

The Table below provides the Composition and Attendance of the Audit Committee:

Name of Members	Designation	Category of Director	No. of Audit Committee Meetings Attended / Held
Mr. Kirit Narotamdas Mehta	Chairman	Independent Director	3/4
Mr. Shailesh Ramniklal Mehta	Member	Managing Director	4/4
Dr. Christy Leon Fernandez	Member	Independent Director	4/4
Mrs. Jasmin Nahidakhtar Vhora	Member	Independent Director	1/4

### The Terms of Reference of the Audit Committee are broadly as follows:

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b) Changes, if any, in accounting policies and practices and reasons for the same
  - c) Major accounting entries involving estimates based on the exercise of judgment by management
  - d) Significant adjustments made in the financial statements arising out of audit findings
  - e) Compliance with listing and other legal requirements relating to financial statements
  - f) Disclosure of any related party transactions
  - g) Qualifications in the draft audit report
- 5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- 7) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  - 8) Approval or any subsequent modification of transactions of the company with related parties;
  - 9) Scrutiny of inter-corporate loans and investments;
  - 10) Valuation of undertakings or assets of the company, wherever it is necessary;
  - 11) Evaluation of internal financial controls and risk management systems;
  - 12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - 13) 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;
  - 14) Discussion with internal auditors of any significant findings and follow up there on;
  - 15) 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;
  - 16) 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;
  - 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - 18) To review the functioning of the Whistle Blower mechanism;
  - 19) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
  - 20) Reviewing the Management letters/ letters of Internal Control weaknesses issued by Statutory Auditors;
  - 21) Review of Management discussion and analysis of financial condition and results of operations;
  - 22) Review of Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - 23) Review of Internal audit reports relating to internal control weaknesses;
  - 24) Review of appointment, removal and terms of remuneration of the Chief internal auditor; and
  - 25) Carrying out any other function as may be required in pursuance of the decision of the Board of Directors of the Company or any provision under the Companies Act or SEBI (LODR) Regulations, 2015 or any other applicable law.
- B. NOMINATION AND REMUNERATION COMMITTEE:**
- In compliance with Section 178 of the Companies Act, 2013 & Regulation 19 of the SEBI (LODR) Regulations, 2015, the Board has constituted the "Nomination and Remuneration Committee" (NRC).
- Nomination and Remuneration Policy:**
- In accordance with the provisions of Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee recommended the nomination and remuneration policy relating to the appointment, removal and remuneration of the Directors, Key Managerial Personnel and Senior Management Personnel which was approved and adopted by the Board of Directors.
- The said policy can be downloaded from the weblink: "[http://geotexelin.com/wp-content/uploads/bsk-pdf-manager/Nomination\\_and\\_Remuneration\\_Policy\\_147.pdf](http://geotexelin.com/wp-content/uploads/bsk-pdf-manager/Nomination_and_Remuneration_Policy_147.pdf)".
- As on 31<sup>st</sup> March, 2019 the NRC Committee comprise of 4 Directors/Members out of which 3 are the Independent Directors, one is a Non-Executive Director.
- During the year under review, the committee was reconstituted pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19(2) of SEBI (LODR) Regulations, 2015. Mr. Kirit Narotamdas Mehta, the Chairman of NRC was re-designated as Member of NRC and Dr. Christy Leon Fernandez, the Member of NRC was re-designated as Chairman of NRC.
- Meeting and Attendance:**
- During the Financial Year ended 31<sup>st</sup> March, 2019, the Nomination and Remuneration Committee met Twice (2) on **23<sup>rd</sup> May, 2018 & 12<sup>th</sup> November, 2018** and the requisite quorum was present at the Meeting.

**The Table below provides the Composition and Attendance of the Nomination and Remuneration Committee:**

Name of Members	Designation	Category of Director	No. of Nomination and Remuneration Committee Meetings Attended/Held
Dr. Christy Leon Fernandez	Chairman	Independent Director	2/2
Mr. Naresh Ramniklal Mehta	Member	Non-Executive Director	0/2
Mr. Kirit Narotamdas Mehta	Member	Independent Director	1/2
Mrs. Jasmin Nahidakhtar Vhora	Member	Independent Director	1/2

The Nomination and Remuneration Committee is responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, ongoing succession planning and appointment procedures for both internal and external appointments.

**The role of Nomination and Remuneration Committee, inter alia, includes:-**

- 1) To recommend to the Board the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 2) To recommend to the Board the Remuneration payable to the Directors, Key Managerial Personnel and Senior Management personnel.
- 3) To formulate a criteria for determining qualifications, positive attributes and independence of a Director and to recommend to the Board the Policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- 4) Formulate criteria for evaluation of the Independent Directors and the Board.
- 5) To carry out evaluation of every Director's performance.
- 6) Ensure that level and composition of remuneration is reasonable and sufficient, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- 7) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 8) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- 9) To ensure that as per the prevailing HR policy of the Company there is an appropriate induction program

for newly appointed Key Managerial Personnel new Senior Management personnel.

- 10) To provide the Key Managerial Personnel and Senior Management personnel with reward based fixed and incentive pay which is directly linked to their efforts, performance, dedication, achievement and operations of the Company.
- 11) To recommend to the Board the appointment, removal and the remuneration payable to a relative of a Director.
- 12) To assist the Board in fulfilling its responsibilities.
- 13) To perform such other functions as may be necessary or appropriate for the performance of its duties.

The detailed terms of reference of the Nomination and Remuneration Committee which is covered under Nomination and Remuneration Policy can be accessed on the Company's website at the link: "[http://geotexelin.com/wp-content/uploads/bsk-pdf-manager/Nomination\\_and\\_Remuneration\\_Policy\\_147.pdf](http://geotexelin.com/wp-content/uploads/bsk-pdf-manager/Nomination_and_Remuneration_Policy_147.pdf)".

**C. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

In compliance of provisions of Section 178 of Companies Act, 2013 & Regulation 20 of the SEBI (LODR) Regulations, 2015, the Board has constituted Stakeholders' Relationship Committee. The Stakeholders Relationship Committee is entrusted with the responsibility of addressing the shareholders'/ investors' complaints with respect to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate share certificates, transmission of shares and other shareholder related queries, complaints etc.

**Meeting and Attendance:**

During the Financial Year ended 31<sup>st</sup> March, 2019, the Stakeholders Relationship Committee met once (1) on **12<sup>th</sup> November, 2018** and the requisite quorum was present at the Meeting.

**The table below provides the Composition and Attendance of the Stakeholders' Relationship Committee:**

Name of Members	Designation	Category of Director	No. of Stakeholders Relationship Committee Meetings Attended/Held
Mr. Kirit Narotamdas Mehta	Chairman	Independent Director	1/1
Mr. Shailesh Ramniklal Mehta	Member	Managing Director	1/1
Dr. Christy Leon Fernandez	Member	Independent Director	1/1

**The Terms of Reference of the Stakeholders' Relationship Committee are broadly as follows:**

- 1) To allot the Equity Shares of the Company, and to supervise and ensure;
- 2) To attend to requests from the shareholders for transfer / transmission of shares and all matters incidental or related thereto;

- 3) To attend to matters relating dematerialization / rematerialisation of shares / other securities and all matters incidental or related thereto;
- 4) To advise the Board on matters incidental or relating to issue of Bonus Shares & Rights Shares, etc.;
- 5) To consider and resolve grievances of the security holders of the Company, including complaints related

to the transfer of shares, non-receipt of annual report and non-receipt of declared dividends;

- 6) To investigate complaints relating to allotment of shares, approval of transfer or transmission of shares or any other securities;
- 7) To attend to issue of duplicate certificates and new certificates on split / consolidation / renewal;
- 8) To attend to matters relating to compliance with the SEBI (LODR) Regulations, 2015 and other statutory requirements concerning the interests of holders of shares and other securities;
- 9) To carry out any other function as may be required in pursuance of the decision of the Board of Directors of the Company or any provision under the Companies Act or SEBI (LODR) Regulations, 2015 or any other applicable law.

#### **Redressal of Investor Grievances:**

The Company and its Registrar and Share Transfer Agent addresses all complaints, suggestions and grievances expeditiously and replies are sent usually within 7-10 days except in case of dispute over facts or other legal impediments and procedural issues. The Company endeavors to implement suggestions as and when received from the investors.

#### **D. Finance and Investment Committee:**

In order to take the monetary decisions quickly, your company has formulated Finance and Investment Committee in Board Meeting held on 31<sup>st</sup> July, 2018 as per the provision of Companies Act 2013. Every resolution passed by the Committee shall be noted at a subsequent meeting of the Board. There was no Finance and Investment committee meeting held during the year.

#### **The Composition of the Finance and Investment Committee is as follows:**

Name of Members	Designation	Category of Director
Mr. Kirit Narotamdas Mehta	Chairman	Independent Director
Mr. Shailesh Ramniklal Mehta	Member	Managing Director
Mrs. Jasmin Nahidakhtar Vhora	Member	Independent Director

#### **The Terms of Reference of the Finance and Investment Committee are broadly as follows:**

The Company has formulated a finance and Investment Committee with a view to delegate power

- a) To borrow money;
- b) To invest funds of the company; and
- c) To grant loans or give guarantee or provide security in respect of loans.

#### **E. Risk Management Committee:**

The Risk Management Committee as per Regulation 21(5) of the SEBI (LODR) Regulations, 2015 is not applicable to the Company as the Company does not fall under top 100 listed Companies on the basis of market capitalization. However as good corporate governance, your company has constituted a Risk Management Committee in compliance with Regulation 21(1) of the SEBI (LODR) Regulations, 2015.

As per Regulation 17(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to lay down the procedures about the risk assessment and minimization procedures.

There was no Risk Management Committee meeting held during the year.

#### **The Composition of the Risk Management Committee is as follows:**

Name of Members	Designation	Category of Director
Mr. Kirit Narotamdas Mehta	Chairman	Independent Director
Mr. Shailesh Ramniklal Mehta	Member	Managing Director
Dr. Christy Leon Fernandez	Member	Independent Director

#### **The Terms of Reference of the Risk Management Committee are broadly as follows:**

1. To ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management;
2. To establish a framework for the company's risk management process and to ensure its implementation;
3. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices; and
4. To achieve business growth with financial stability.

The detailed terms of reference of the Risk Management Committee is available on the website of the Company at "[http://geotexelin.com/wp-content/uploads/bsk-pdf-manager/Policy\\_on\\_Risk\\_Management\\_87.pdf](http://geotexelin.com/wp-content/uploads/bsk-pdf-manager/Policy_on_Risk_Management_87.pdf)".

#### **22. DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(3) (c) & Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- a) In the preparation of the annual accounts, the applicable accounting standards and Schedule III of the Companies

Act, 2013 had been followed along with proper explanation relating to material departures;

- b) 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 as at the 31<sup>st</sup> March, 2019 and of the profit and loss of the company for financial year ended 31<sup>st</sup> March, 2019;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis; and
- e) Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) 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.

## 23. AUDIT REPORTS AND AUDITORS:

### A. STATUTORY AUDITORS:

M/s. Sunil Poddar & Co., Chartered Accountants (Registration No.110603W), Ahmedabad are the Statutory Auditors of the Company.

The Shareholders of the Company have approved appointment of M/s. Sunil Poddar & Co. as the Statutory Auditors of the Company for five years, i.e. from the conclusion of the 28<sup>th</sup> Annual General Meeting held on 19<sup>th</sup> August, 2017 until the conclusion of the 33<sup>rd</sup> Annual General Meeting. Consequent to the amendment in Section 139 (1) of Companies Act, 2013, ratification of appointment of the statutory auditor at every Annual General Meeting is omitted and hence your Company has not proposed ratification of appointment of M/s. Sunil Poddar & Co., Chartered Accountants, Ahmedabad at the forthcoming AGM.

The Statutory Auditors have confirmed their eligibility and qualifications required under Sections 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules issued thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

### AUDITOR'S REPORT:

- The Auditors' Report for the Financial Year ended 31<sup>st</sup> March, 2019 does not contain any qualification, reservations or adverse remark. The Auditors' Report is enclosed with the Financial Statements in this report.

- As regards the comments made in the Auditors' Report, the Board is of the opinion that they are self-explanatory and does not require further clarification.

### B. SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Sandip Sheth & Associates, Practicing Company Secretaries, Ahmedabad, to conduct Secretarial Audit of the Company for the Financial Year ended 31<sup>st</sup> March, 2019.

The Secretarial Audit Report in Form No. MR-3 for the financial year ended 31<sup>st</sup> March, 2019 forms an integral part of this report and is annexed as **Annexure – D**.

The following are the explanations/ comments of the Board on the observations made by the Secretarial Auditors in their Audit Report:

1. As mentioned in point no. 12 above, the company has already made application to Revocation Department of BSE for revocation of suspension order consequent upon receipt of requisite approvals from BSE for listing and trading approval for the shares issued on preferential basis pursuant to BIFR Orders for the revival of the Company. The company is hopeful that it will receive in-principal approval for revocation of suspension order from BSE within a month's time;
2. In the Board Meeting held on 6<sup>th</sup> March, 2019, the Company has re-constituted the Nomination and Remuneration Committee as per the provisions of Section 178 of the Companies Act, 2013;
3. The Members of the Company have already approved the remuneration of Managing Director in the Annual General Meeting of the Company and the revision in such remuneration is well within the limits approved in the Annual General Meeting of the Company;
4. The report of Board of Directors for F.Y. 2017-18 was signed inadvertently by the Managing Director of the Company;
5. The Company shall comply with the requirement of filing statement of unclaimed or unpaid amount as per IEPF provisions within due course of time;
6. As mentioned in point no. 12 above, the trading in the securities of the Company is suspended w.e.f 10<sup>th</sup> September, 2001. Due to suspension of trading, the dematerialization process of company's physical shares is on hold due to which the Company is not being able to convert physical shares of promoters in demat form.



**C. INTERNAL AUDITORS:**

The Board of Directors has appointed M/s Pabari & Co, Chartered Accountants (FRN: 144036W), Ahmedabad as the Internal Auditors of the Company for the Financial Year ended 31<sup>st</sup> March, 2019.

**24. INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS:**

The Statutory Auditors of the Company have not reported any fraud to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

**25. CORPORATE SOCIAL RESPONSIBILITY:**

The provisions of Section 135 of the Companies Act, 2013 and Rules made there under are not applicable to the Company for the Financial Year ended 31<sup>st</sup> March, 2019.

**26. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The Particulars as prescribed under sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, forms an integral part of this report and is annexed as **Annexure – E**.

**27. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE:**

There are no significant and material orders passed by the Regulators/Courts/Tribunals which would impact the going concern status of the Company and its future operations.

**28. BUSINESS RESPONSIBILITY REPORT:**

The Business Responsibility Report as per Regulation 34(2) of the SEBI (LODR) Regulations, 2015 is not applicable to the Company as the Company does not fall under top 500 listed Companies on the basis of market capitalization.

**29. DIVIDEND DISTRIBUTION POLICY :**

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, top 500 listed entities based on market capitalization are required to formulate a Dividend Distribution Policy. Accordingly, your Company is not required to formulate the Dividend Distribution Policy.

**30. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:**

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (the 'Act') and Rules made thereunder, Your Company has a policy and framework for employees to report sexual harassment cases at workplace and its process ensures complete anonymity and confidentiality of information.

During the year under review, the company has complied with the provisions relating to the constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year, no complaints with allegations of sexual harassment were received by the Company.

**31. VIGIL MECHANISM:**

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in compliance with the provisions of Section 177(9) &(10) of the Companies Act, 2013 and Regulation 22 of the SEBI (LODR), 2015, 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 a letter to the Task Force or to the Chairman of the Audit Committee. The Vigil Mechanism and Whistle Blower Policy may be accessed on the Company's website at the link: "[http://geotexelin.com/wp-content/uploads/bsk-pdf-manager/Policy\\_on\\_Vigile\\_Machanism\\_89.pdf](http://geotexelin.com/wp-content/uploads/bsk-pdf-manager/Policy_on_Vigile_Machanism_89.pdf)"

**32. COST RECORDS:**

The Company has duly prepared and maintained the cost records of the business activities carried out by the Company during the financial year 2018-19 as required pursuant to the provisions of Section 148(1) of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Rules, 2014.

**33. RISK MANAGEMENT POLICY :**

The Company has a robust Enterprise Risk Management framework which enables it to take certain risks to remain competitive and achieve higher growth and at the same time mitigate other risks to maintain sustainable results.

Under the framework, the Company has laid down a Risk Management Policy which defines the process for identification of risks, its assessment, mitigation measures, monitoring and reporting. While the Company, through its employees and Executive Management, continuously assess the identified Risks, the Audit Committee reviews the identified Risks and its mitigation measures annually.

For a detailed risk management policy please refer the website link: "[http://geotexelin.com/wp-content/uploads/bsk-pdf-manager/Policy\\_on\\_Risk\\_Management\\_87.pdf](http://geotexelin.com/wp-content/uploads/bsk-pdf-manager/Policy_on_Risk_Management_87.pdf)".

**34. AFFIRMATION AND DISCLOSURE:**

All the Members of the Board and the Senior Management Personnel have affirmed their compliance with the Code of Conduct as on 31<sup>st</sup> March, 2019 and a declaration to that effect, signed by the Managing Director, forms an integral part of this report and is annexed as **Annexure – G**.

### 35. Awards and Recognitions:

#### Awards:

During the year under review, the Company has received an award from Asian African Chamber of Commerce for “Leadership in Sustainable Technologies in Agriculture and Fisheries” held at the Asian African leadership forum.

#### Recognitions:

1. **ISO 9001:2015** (Quality Management System Standard)
2. 1<sup>st</sup> Company in India to obtain ISI license for marking under IS: 15351
3. Carries ISI mark as per BIS standard **IS 15351:2015** for **Agro Textiles Laminated High Density Polyethylene (HDPE)** woven geomembrane for water proof lining.
4. Carries ISI mark as per BIS standard **IS 7903:2011** for **Textiles Tarpaulins made from High Density Polyethylene (HDPE)** woven fabric.
5. Carries ISI mark as per BIS standard **IS 15907:2010** for **Agro Textiles High Density Polyethylene (HDPE)** woven beds for vermiculture.
6. Carries ISI mark as per BIS standard **IS 16190:2014** for **Agro Textiles High Density Polyethylene (HDPE)** laminated woven lay Flay Tube for irrigation purpose.

### 36. Registration of Liaison Office:

During the year under review, the company has registered a Liaison office in Qingdao City, China.

### 37. ENVIRONMENT AND SAFETY:

- A. **Health & Safety:** The Company is conscious of the importance of environmentally clean and safe operations.

The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

- B. **Environment:** The Company always strives hard to give importance to environmental issues in normal course of operations. Adherence to Environmental and pollution control Norms as per Gujarat Pollution Control guideline is of high concern to the Company.

### 38. CERTIFICATION FROM MANAGING DIRECTOR AND CFO:

In terms of Regulation 17(8) read with part B of Schedule II of SEBI LODR Regulations, the Certification by Managing Director and CFO has been obtained and the said certification has been placed before the Board Members of the Company for perusal.

### 39. OTHER DISCLOSURES:

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

### 40. APPRECIATION:

The Board of Directors place on record sincere gratitude and appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year.

The Board conveys its appreciation for its customers, shareholders, suppliers as well as vendors, bankers, business associates, regulatory and government authorities for their continued support.

**For and on behalf of the Board**

**Place : Mumbai**  
**Date : 27<sup>th</sup> May, 2019**

**Kirit Narotamdas Mehta**  
**Chairman & Independent Director**  
**DIN – 00444837**

**“Annexure – A”**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**Pursuant to Regulation 34(2)(e) and Schedule V of SEBI (LODR) Regulations 2015**

Your Directors have pleasure in presenting the “Management Discussion and Analysis Report” for the Financial Year ended on 31<sup>st</sup> March, 2019.

**A. OVERALL REVIEW OF THE COMPANY “TEXEL INDUSTRIES LIMITED”:**

Established in 1989, Texel Industries Limited has attained the leadership position in the Geomembranes and PE Protection Covers manufacturing industry due to its excellent credentials, zeal to excel and an unswerving commitment to quality.

It is pioneer of Tarpaulins and Geomembranes in India with a comprehensive experience of almost three decades. Texel is among the largest Geomembranes and PE Protection Covers manufacturers and suppliers in India.

Texel is having an installed capacity of manufacturing 6522 metric tonnes (M.T.) of Geomembranes and PE Protection Covers on an annual basis. During F.Y. 2018-19 the company achieved the production level of 6296 M.T. The capacity utilization was 96% (approx.) during F.Y. 2018-19 against 80% (approx.) during F.Y. 2017-18.

The Company is manufacturing a range of Geo-synthetic Textile products which are used in Agriculture, Aquaculture, Civil Engineering Projects and disaster relief.

Texel Industries has a strong focus on Research and Development for process improvement, cost reduction and new product development. This is evident in the fact that Texel continuously modifies its production process to enhance flexibility on the use of various types and quality of the raw materials.

During the Financial Year 2018-19 under review; the performance of the Company has improved in comparison to the previous years. The revenue from operations has increased to ₹ 11235.36 lakhs in the current year, against ₹ 9108.62 lakhs in the previous year, at a growth rate of approx. 23.35% as compared to previous year. But due to increase in production cost, finance cost, employee cost, sales & distribution expenses, research and development expenses etc., the Net Profits of the company dropped by 17.35% i.e. the Net Profits after Tax on standalone basis for the current year is ₹ 251.34 lakhs, against ₹ 304.08 lakhs in the previous year.

Further, the Company has added up its assets by installation of new machineries and equipment's of new technology to maintain the quality standards and other essential factors effecting the operations of the Company.

Your Company has always tried its best to maintain the trust of its stakeholders and after coming out of the BIFR, our Company is continuously making its best efforts to increase the turnover and profit of the Company so that company can reward its shareholders for not losing their trust in the company by declaring the dividends in the coming years and the management of the Company do assures a reasonable amount of return and Company's progress to the satisfaction of the stakeholders in near future.

Further, the following information on the economy and industry is based on the various reports on industry and websites and the Company is not responsible for any discrepancy/error in the information.

**B. OVERVIEW OF THE GLOBAL ECONOMY:**

After strong growth in 2017 and early 2018, global economic activity slowed notably in the second half of 2018-19. The global economy was projected to grow at 3.9 % in 2018 and 2019. But the scenario was totally different due to the escalation of US-China trade tensions, tighter credit policies in China, some slowdown across developed markets and financial tightening alongside the normalization of monetary policy in the larger advanced economies have all contributed to a significantly weakened global expansion, especially in the second half of 2018. This weakness is expected to continue in the first half of 2019, the World Economic Outlook (WEO) projects a decline in growth in 2019 for 70 % of the global economy. Global growth, which peaked at close to 4 % in 2017, softened to 3.6 % in 2018, and is projected to decline further to 3.3 % in 2019. (Source: IMF)

During 2018 the emerging and developing markets of Asia maintained their steady progress at 6.4%. The Indian economy expanded at 7.1% in 2018 and 6.7% in 2017, whereas China's growth deteriorated from 6.9% in 2017 to 6.6% in 2018. (Source: IMF)

**C. OVERVIEW OF THE INDIAN ECONOMY:**

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships.

The Indian economy started the fiscal year 2018-19 with a healthy 8.2% growth in the first quarter on the back of domestic resilience. Growth eased to 7.3%, in the subsequent quarter due to rising global volatility, largely from financial volatility, normalized monetary policy in advanced economies, externalities from trade disputes, and investment rerouting. Further, the Indian rupee suffered because of the crude price shock, and conditions exacerbated as recovery in some advanced economies caused faster investment outflows.

According to the International Monetary Fund (IMF), India is expected to grow with a GDP of 7.3% in 2019 and 7.5% in 2020, supported by the continued recovery of investment and robust consumption, thus remaining the fastest growing major economy of the world.

The growth will be supported through further realization of efficiency gains from the newly adopted Goods and Services Tax, and the other reforms which will be helpful for the development of Indian Economy.

The interim Union Budget for 2019-20 was announced in Parliament on February 01, 2019. It focuses on supporting the needy farmers, economically less privileged workers in the unorganized sector and salaried employees, while continuing the Government of India's drive towards better physical and social infrastructure.

The World Economic Outlook believes that in India, continued implementation of structural and financial sector reforms with efforts to reduce public debt are essential to secure the economy's growth prospects.

**India is facing an acute water shortage that is likely to get worse. The Government of India is launching a country wide water conservation schemes so that we can conserve water for future generations. The situation can get worse in the next few years, as India remains highly vulnerable to a water crisis, especially in view of climate risks.**

**The products of our company i.e. Geomembranes, Tarpaulins and Geotanks are useful for water conservation and harvesting. The company is also planning to develop new products which will be very useful for conservation and harvesting of water.**

**As the Government of India is now focusing towards water conservation and harvesting, this could be a turning point for the Company as the Company's products are designed for water conservation and harvesting and it can be used in various such applications. This will create huge opportunities for Company's products in the field of water conservation and water harvesting.**

## D. INDUSTRY INSIGHT

### • Global Geomembrane Market

Geomembranes are impermeable membrane liners composed of polymers that are used in Civil Engineering for Geotechnical applications. Their primary function is to act as a barrier to liquids or vapors and are mainly used for lining of covers in liquid and solid storage facilities.

Geomembrane helps to prevent contamination from grounds and pollutants in commercial buildings, residential structures, and infrastructures such as metro stations and

airports. Growth of the construction sector in China and India with favorable regulatory norms to improve domestic infrastructure is expected to catalyze the product demand in near future.

The global Geomembrane market size was valued at USD 1.73 billion in 2018 and is expected to witness a CAGR of 4.9% from 2019 to 2025. Growth in construction and mining sectors is projected to drive the market.

Over the past years, the European Commission and EPA have framed various regulations intended for the implementation of waste management practices in manufacturing, mining and oil & gas sectors. As a result, geosynthetic materials are expected to find applications as shielding medium to control erosion and provide environmental protection.

### • Asia-Pacific Geomembrane Industry

Asia Pacific is the largest market of Geomembranes due to demand in various end user industries such as aquaculture, water management, agriculture, and building & construction especially in China region followed by India, and Japan. In addition, increasing demand for agriculture, and aquaculture industry in the India, Pakistan, Bangladesh and Burma has made Asia Pacific largest consumer of the global Geomembranes market followed by increasing in the consumption of Geomembranes market in Europe region.

There has been a growing demand from construction sector for Geomembranes in India because of its various mechanical properties such as tensile strength & elongation, tear resistivity, impact resistivity, and interface shear strength. Such positive factors are expected to augment the consumption of Geomembrane in the construction industry in India.

The future for the Indian Geomembrane industry looks promising, both by strong domestic consumption as well as export demand.

## E. OPPORTUNITY AND THREATS

Today, the business industry for Tarpaulins and Geomembranes is experiencing increased growth and the usage of the same in various segments.

India is expected to display a moderate growth in the Geomembranes market as it has developed infrastructure and has fewer road construction projects underway. However, Geomembranes are increasingly being used to curb erosion in the large number of water bodies that are present in this region. A number of experiments undertaken by regulatory bodies is anticipated to result in the increased demand for Geomembranes for several new applications.

Since the farming community is given prominence by the Central and State Government, there is a likelihood for the demand of company's product increasing in the coming period. The Company is also planning to develop new products to offer solutions to the farmers in the areas of water conservation and water harvesting. The coming period can be a big boon for the company but on the other hand the marketing has also become competitive and the company expects more competition in future.

To continue to deliver value, your company will have to adopt a new approach to be able to sense and respond dynamically to customer demands, market opportunities and external threats.

To ensure sustainable and consistent growth, Company has developed a sound risk management framework so that the risks assumed by the Company are properly assessed and monitored continuously.

The Risk Management and Control Systems are considered to be in balance with your company's risk profile and appetite, although such systems can never provide absolute assurance, your company's Management and Control Systems are subject to continuous review and adaptations in order to remain in balance with its growing business size and changes in its risk profile. Necessary insurance policies are in place to take care of all the important machineries to minimize losses if any during business operations.

## F. PRODUCT WISE PERFORMANCE

Your company continues to be innovative and pioneering in its Geomembrane and Tarpaulin products in India by offering best-in-class products to its customers and increasing its geographical reach of services. The Company has increased its total number of customer touch points through the growing network. Currently your company is catering to the need of Domestic Markets only but the Company's products have good demand in the international markets.

The product wise performance of the Company is briefly described herein below.

- **Geomembranes**

Geomembranes are impermeable membrane liners composed of polymers that are used in Civil Engineering for Geotechnical applications. Their primary function is to act as a barrier to liquids or vapors and are mainly used for lining irrigation pond (Water conservation), Lining Aquaculture Pond, Canal Lining, Lining Effluent Treatment Pond.

During FY 2018-19, due to increase in demand of the product the company registered a growth rate of 28.30% by achieving Annual Sales of ₹ 7053.00 Lakhs in the current

year against ₹ 5497.08 Lakhs in the previous year thereby contributing 62.78% to the total turnover of the Company.

- **Tarpaulins**

The other core product of your company is Tarpaulin. Basically we are providing two types of Tarpaulin:

- Agro Sheet- specialized for harvesting and processing of agricultural products.
- General Purpose—it caters to the needs of various industries like FMCG, construction, transportation etc.

Basically, Agro Sheet caters to the need of Farmers for their agricultural activity which is supplied to the farmer under various Government Schemes and the general purpose sheet caters to the need of various industries in retail segment.

During FY 2018-19, due to increase in demand of the product the company registered a growth rate of 99.61% by achieving Annual Sales of ₹ 1972.23 Lakhs in the current year against ₹ 988.06 Lakhs in the previous year thereby contributing 17.55% to the total turnover of the Company.

- **Other Products**

Your company is also manufacturing following products, namely:

- Geotank- used for aquaculture and water storage;
- Azolla Bed- used for azolla fern cultivation in animal husbandry and dairy industry;
- Vermibed- used for organic farming;
- Grow Bags- used for vegetable cultivation.

Your company is focusing in expansion of these products also like its two main products i.e. Geomembrane and Tarpaulin.

## G. RISK AND CONCERN

Risk is an inherent part of any business. With the slowdown in Global Economic growth and due to the escalation of US-China trade tensions, macroeconomic stress in Argentina and Turkey, disruptions to the auto sector in Germany, tighter credit policies in China, and due to the continuous strengthening of US dollar against Indian Rupee and other currencies. All this has led to a demand recession across the globe, there has been an increase in prices in Indian markets. The input costs are continuously increasing without proportionate rise in selling prices.

There are various types of risks that threaten the existence of a Company like Strategic Risk, Business Risk, Finance Risk, Foreign Exchange Risk, Environment Risk, Personnel Risk, Operational Risk, Reputation Risk, Regulatory Risk, Technology Risk, Political Risk, etc.



With rapid urbanization in the close vicinity of the plant, the Company will be investing more on environmental protection systems, policies and practices, leading to a possible increase in the cost of production.

Your Company aims at enhancing and maximizing shareholders value by achieving appropriate trade-off between risk & returns.

#### **H. HUMAN RESOURCE MANAGEMENT AND INDUSTRIAL RELATIONS**

We believe that our employees are the backbone of our organization. We are committed to provide equal opportunities to all our employees and it emphasizes on welfare of its employees and it strives to engage and retain talented workforce at all levels. Your Company is confident that its Human Capital will effectively contribute to the long term value enhancement of the organization. The Company continuously nurtures this environment to keep its employees highly motivated, result oriented and adaptable to changing business environment. As on 31.03.2019, there are total 75 (seventy five) employees working on the pay roll of the company.

#### **I. OUTLOOK**

Your Company's growth is linked to overall economic activity, inflation trends and disposable income. To overcome the challenges and competition, we have taken various initiatives to reduce the operational cost, development of new innovative value added products, and exploring new markets based on certain parameters, to achieve better margins in the future.

Your Company is focused on growing its business across all products, regions and formats and will continue to pursue its strategy of targeting growth while maintaining financial discipline and not compromising on profitability.

We aim to achieve healthy annual growth in the coming years. As the revenue grows, we expect our EBITDA margins also to improve over the next 4-5 years. On the whole the outlook for the Company continues to remain positive.

#### **J. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

Your Company has an adequate system of internal controls to ensure that all the assets are safeguarded and are productive. Necessary checks and controls are in place to ensure that transactions are properly verified, adequately authorized, correctly recorded and properly reported. The Internal Auditors of the Company conduct Audit of various departments to ensure that internal controls are in place and are submitting quarterly reports to the Audit Committee. The management maintains adequate internal financial control systems encompassing its entire business operations, statutory compliances and Financial Reports.

#### **K. CONCLUSION**

Your Company's primary focus will be to grow volumes across markets. The Company will address each market depending on local conditions and consumer trends. While we recognize that the global environment is extremely challenging, there are new opportunities emerging to meet consumer needs. Your Company will focus on profitable growth through a mix of brand led growth, innovation and cost efficiencies.

**For and on behalf of the Board**

**Kirit Narotamdas Mehta**  
**Chairman & Independent Director**  
**DIN – 00444837**

**Place : Mumbai**  
**Date : 27<sup>th</sup> May, 2019**

**"Annexure – B"**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

As on the Financial Year ended on 31st March, 2019

[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>CIN</b>	L29100GJ1989PLC012576
<b>Registration Date</b>	02 <sup>nd</sup> August, 1989
<b>Name of the Company</b>	<b>TEXEL INDUSTRIES LIMITED</b>
<b>Category / Sub-Category of the Company</b>	Limited by Shares/Non-Govt. Company
<b>Address of the registered office and contact details</b>	Block No.2106, Santej Khatraj Road, Nr. Shah Alloys Ltd., Village: Santej, Tal: Kalol, Dist : Gandhinagar-382721, Gujarat. <b>Tel.</b> - +91-8980026110/220 <b>Email:</b> finance@geotexelin.com <b>Website:</b> www.geotexelin.com
<b>Whether listed Company (Yes/No)</b>	Yes, the equity shares are listed on BSE (Security code - 526638), however trading is suspended since 2001. The company has already applied to BSE for revocation order for suspension of trading and is expecting to receive the same in near future.
<b>Name, address and contact details of Registrar and Transfer Agent, if any</b>	<b>M/s Link Intime India Private Limited</b> 5 <sup>th</sup> Floor, 506 to 508, Amarnath Business Centre-1 (ABC-1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad - 380006 <b>Phone</b> – (079)2646 5179/86/87 <b>Email</b> – ahmedabad@linkintime.co.in

**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:

<b>Sr. No.</b>	<b>Name and Description of main Products / Services</b>	<b>NIC Code of the Product / Service</b>	<b>% to total turnover of the Company</b>
1.	Manufacture of Tarpaulin and Geomembrane	13925	80.33

**III. Particulars of Holding, Subsidiary and Associate Companies:**

<b>Sr. No.</b>	<b>Name and address of the Company</b>	<b>Corporate Identification Number (CIN)</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>% of Shares Held</b>	<b>Applicable Section</b>
1.	Texel Industries (Africa) Limited Building LR No 1870/11/572, Street: Matundu Lane, District: Westlands, County: Nairobi, P.O Box-14208, Westlands.	N.A.	Subsidiary	100%	2(87)

**IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity):**

**a) Category-wise Shareholding:**

<b>Category of Share holder</b>	<b>No. of Shares held at the beginning of the year (As at 01<sup>st</sup> April, 2018)</b>				<b>No. of Shares held at the end of the year (As at 31<sup>st</sup> March, 2019)</b>				<b>% Change during the year</b>
	<b>Demat</b>	<b>Physical</b>	<b>Total</b>	<b>% of Total Shares</b>	<b>Demat</b>	<b>Physical</b>	<b>Total</b>	<b>% of Total Shares</b>	
<b>A. PROMOTERS</b>									
(1) INDIAN									
a) Individual/ HUF	0	15,04,022	15,04,022	28.80	0	15,04,022	15,04,022	28.80	0
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total A(1)</b>	<b>0</b>	<b>15,04,022</b>	<b>15,04,022</b>	<b>28.80</b>	<b>0</b>	<b>15,04,022</b>	<b>15,04,022</b>	<b>28.80</b>	<b>0</b>

Category of Share holder	No. of Shares held at the beginning of the year (As at 01 <sup>st</sup> April, 2018)				No. of Shares held at the end of the year (As at 31 <sup>st</sup> March, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) FOREIGN</b>									
a) NRI-individuals	0	2,84,732	2,84,732	5.45	0	2,84,732	2,84,732	5.45	0
b) Other Individuals	-	-	-	-	-	-	-	-	
c) Bodies Corporate	-	-	-	-	-	-	-	-	
d) Banks/FI	-	-	-	-	-	-	-	-	
e) Any Other	-	-	-	-	-	-	-	-	
<b>Sub Total A(2)</b>	<b>0</b>	<b>2,84,732</b>	<b>2,84,732</b>	<b>5.45</b>	<b>0</b>	<b>2,84,732</b>	<b>2,84,732</b>	<b>5.45</b>	<b>0</b>
<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>0</b>	<b>17,88,754</b>	<b>17,88,754</b>	<b>34.25</b>	<b>0</b>	<b>17,88,754</b>	<b>17,88,754</b>	<b>34.25</b>	<b>0</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) INSTITUTIONS</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	
b) Banks / FI	-	-	-	-	-	-	-	-	
c) Central Govt	-	-	-	-	-	-	-	-	
d) State Govt(s)	-	-	-	-	-	-	-	-	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	
f) Insurance Companies	-	-	-	-	-	-	-	-	
g) FIs	-	-	-	-	-	-	-	-	
h) Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	
i) Others (specify)	-	-	-	-	-	-	-	-	
<b>Sub-total (B)(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(2) NON INSTITUTIONS</b>									
a) Bodies Corp.	0	10,36,345	10,36,345	19.84	0	10,16,345	10,16,345	19.46	-0.38
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	0	14,45,122	14,45,122	27.67	0	14,64,622	14,64,622	28.04	0.37
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	0	9,52,700	9,52,700	18.24	0	9,52,700	9,52,700	18.24	0
c) Qualified Foreign Investor	-	-	-	-	-	-	-	-	
d) Any Other (specify)									
i) Non Resident Individuals	-	-	-	-	-	-	-	-	
ii) HUF	0	0	0	0	0	500	500	0.01	0.01
iii) Clearing Members	-	-	-	-	-	-	-	-	
<b>Sub Total B(2)</b>	<b>0</b>	<b>34,34,167</b>	<b>34,34,167</b>	<b>65.75</b>	<b>0</b>	<b>34,34,167</b>	<b>34,34,167</b>	<b>65.75</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>0</b>	<b>34,34,167</b>	<b>34,34,167</b>	<b>65.75</b>	<b>0</b>	<b>34,34,167</b>	<b>34,34,167</b>	<b>65.75</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	
<b>GRAND TOTAL (A + B + C)</b>	<b>0</b>	<b>52,22,921</b>	<b>52,22,921</b>	<b>100</b>	<b>0</b>	<b>52,22,921</b>	<b>52,22,921</b>	<b>100</b>	<b>0</b>

**b) Shareholding of Promoters:**

Sr. No.	Name of share holder	Shareholding at the beginning of the year (As at 01 <sup>st</sup> April, 2018)			Shareholding at the end of the year (As at 31 <sup>st</sup> March, 2019)			% Change during the year
		No of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares (of individual promoter)	No of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares (of individual promoter)	
1.	Mr. Bhupendra Ramniklal Mehta	1,06,691	2.04	0.00	1,06,691	2.04	0.00	0.00
2.	Mr. Naresh Ramniklal Mehta	99,801	1.91	0.00	99,801	1.91	0.00	0.00
3.	Mr. Shailesh Ramniklal Mehta	74,725	1.43	0.00	74,725	1.43	0.00	0.00
4.	Mrs. Avani Shailesh Mehta	10,75,316	20.59	0.00	10,75,316	20.59	0.00	0.00
5.	Mrs. Muktaben Ramniklal Mehta	65,276	1.25	0.00	65,276	1.25	0.00	0.00
6.	Mrs. Sujata Naresh Mehta	19,150	0.37	0.00	19,150	0.37	0.00	0.00
7.	Mr. Ramniklal Vrajilal Mehta	28,072	0.54	0.00	28,072	0.54	0.00	0.00
8.	Mrs. Sonal Bhupendra Mehta	9,460	0.18	0.00	9,460	0.18	0.00	0.00
9.	Mrs. Harsha Shah	10,160	0.19	0.00	10,160	0.19	0.00	0.00
10.	Mr. Shailesh Dwarkadas Shah	2,781	0.05	0.00	2,781	0.05	0.00	0.00
11.	Ms. Riddhi Sahil Parikh	2,100	0.04	0.00	2,100	0.04	0.00	0.00
12.	Ms. Rishita Pravit Parikh	2,100	0.04	0.00	2,100	0.04	0.00	0.00
13.	Mr. Dilipbhai Bhikhabhai Bhakta	1,700	0.03	0.00	0	0	0.00	-0.03
14.	Mr. Krishnakant Vakharia	2,360	0.05	0.00	2,360	0.05	0.00	0.00
15.	Mrs. Leela Vakharia	1,700	0.03	0.00	1,700	0.03	0.00	0.00
16.	Mr. Sunil Shah	550	0.01	0.00	550	0.01	0.00	0.00
17.	Ms. Avishi Anuj Shredalal	1,880	0.04	0.00	1,880	0.04	0.00	0.00
18.	Mr. Aman Mehta	200	0.00	0.00	200	0.00	0.00	0.00
19.	Mr. Rajendra Bhakta	2,32,648	4.45	0.00	2,32,648	4.45	0.00	0.00
20.	Mr. Mahendra Bhakta	52,084	1.00	0.00	52,084	1.00	0.00	0.00
21.	Mr. Ashesh Dilipbhai Bhakta	0	0	0.00	1,700	0.03	0.00	0.03
<b>Total</b>		<b>17,88,754</b>	<b>34.25</b>	<b>0.00</b>	<b>17,88,754</b>	<b>34.25</b>	<b>0.00</b>	<b>0.00</b>

**c) Change in Promoter's Shareholding:**

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year (As at 01 <sup>st</sup> April, 2018)		Date wise Increase/ Decrease in Shareholding during the year	Increase/ Decrease in shareholding	Reason	Shareholding at the end of the year (As at 31 <sup>st</sup> March, 2019)	
		No. of shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Mr. Dilipbhai Bhikhabhai Bhakta	1700	0.03	20/03/2019	-1700	Inter-se Transfer among Promoter Group	0	0.00
2.	Mr. Ashesh Dilipbhai Bhakta	0	0	20/03/2019	1700	Inter-se Transfer among Promoter Group	1700	0.03

**d) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the year (As at 01 <sup>st</sup> April, 2018)		Date wise Increase/ Decrease in Shareholding during the year	Increase/ Decrease in shareholding	Reason	Shareholding at the end of the year (As at 31 <sup>st</sup> March, 2019)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Sky Point Technical Textiles Pvt. Ltd.	5,00,000	9.57	-	-	-	5,00,000	9.57
2.	Mr. Mihir Bhandari	3,00,000	5.74	-	-	-	3,00,000	5.74
3.	Mr. Ulhas Paymaster	3,00,000	5.74	-	-	-	3,00,000	5.74
4.	Mr. Naresh Madhukant Shah	2,00,000	3.83	-	-	-	2,00,000	3.83
5.	The New India Assurance Co. Ltd.	1,25,000	2.39	-	-	-	1,25,000	2.39
6.	National Insurance Co. Ltd.	1,25,000	2.39	-	-	-	1,25,000	2.39
7.	Union Bank Of India	1,00,000	1.91	-	-	-	1,00,000	1.91
8.	D D Shah Fragrances Pvt. Ltd.	80,775	1.55	-	-	-	80,775	1.55
9.	Mr. Mukesh Chimanlal Patani	53,850	1.03	-	-	-	53,850	1.03
10.	Mr. Khushrooh Pheroz Byramjee	45,000	0.86	-	-	-	45,000	0.86

**Note:** Multiple Folios of Top Ten Shareholders are clubbed on the basis of their PAN.

**(e) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year (As at 01 <sup>st</sup> April, 2018)		Date wise Increase/ Decrease in Shareholding during the year	Increase/ Decrease in shareholding	Reason	Shareholding at the end of the year (As at 31 <sup>st</sup> March, 2019)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Mr. Shailesh Mehta	74,725	1.43	-	-	-	74,725	1.43
2.	Mr. Kirit Mehta	5,100	0.10	-	-	-	5,100	0.10
3.	Mr. Naresh Mehta	99,801	1.91	-	-	-	99,801	1.91

**(V) Indebtedness:** Indebtedness of the Company including interest outstanding / accrued but not due for payment: (in ₹)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year (As at 01<sup>st</sup> April, 2018)</b>				
i) Principal Amount	1648452.00	13096641.00	0.00	14745093.00
ii) Interest Due but not paid	0.00	365640.00	0.00	365640.00
iii) Interest Accrued but not due	0.00	0.00	0.00	0.00
<b>Total ( i + ii + iii)</b>	<b>1648452.00</b>	<b>13462281.00</b>	<b>0.00</b>	<b>15110733.00</b>
<b>Change in indebtedness during the Financial Year</b>				
i) Addition	0.00	12700000.00	0.00	12700000.00
ii) Reduction	316341.00	11500000.00	0.00	11816341.00
<b>Net Change</b>	<b>(316341.00)</b>	<b>1200000.00</b>	<b>0.00</b>	<b>883659.00</b>
<b>Indebtedness at the end of the Financial Year (As at 31<sup>st</sup> March, 2019)</b>				
i) Principal Amount	1332111.00	14296641.00	0.00	15628752.00
ii) Interest Due but not paid	0.00	643168.00	0.00	643168.00
iii) Interest Accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i + ii + iii)</b>	<b>1332111.00</b>	<b>14939809.00</b>	<b>0.00</b>	<b>16271920.00</b>



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (in ₹):**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount in ₹
		Mr. Shailesh Mehta (Managing Director)	
1.	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	41,40,000/-	41,40,000/-
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	1,04,451/-	1,04,451/-
	(c) Profits in lieu of salary under Section 17(3) Income- Tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	-	-
5.	Others-Performance Bonus	30,65,545/-	30,65,545/-
	<b>Total (A)</b>	<b>73,09,996/-</b>	<b>73,09,996/-</b>
	Ceiling as per the Act	Total Managerial remuneration is within the limit of 5% of the net profit of the Company as per Section 197 and 198 read with Schedule V of the Companies Act, 2013. Due to inadequate profit during the F.Y. 2018-19, the remuneration mentioned at Point no. VI. A. above was paid as per Section II of Part II of Schedule V of the Companies Act, 2013.	

**B. Remuneration to other Directors:**

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount in ₹
		Mr. Kirit Mehta	Dr. Christy Fernandez	Mrs. Jasmin Vhora	
1.	Independent Directors				
	Fee for attending Board committee meetings	50,000/-	40,000/-	10,000/-	100,000/-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	50,000/-	40,000/-	10,000/-	100,000/-
2.	Other Non-Executive Directors	<b>Mr. Naresh Mehta</b>			
	Fee for attending Board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (2)</b>	-	-	-	-
	<b>Total (B)=(1+2)</b>	<b>50,000/-</b>	<b>40,000/-</b>	<b>10,000/-</b>	<b>100,000/-</b>
	<b>Total Managerial Remuneration (A) + (B)</b>	-	-	-	<b>74,09,996/-</b>
	Overall Ceiling as per the Act	11% of Net Profits of the Company calculated under Section 198 of the Companies Act, 2013			

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				
		CEO	Ms. Priyanka Kuntamal (CS)*	Ms. Shweta Sultania (CS)**	Mr. Vikram Patel (CFO)***	Total Amount in ₹
1.	Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	1,80,061/-	5,15,568/-	6,07,602/-	13,03,231/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify...	-	-	-	-	-
5	Others- Incentive	-	-	-	85,000/-	85,000/-
<b>Total</b>		-	<b>1,80,061/-</b>	<b>5,15,568/-</b>	<b>6,92,602/-</b>	<b>13,88,231/-</b>

\* CS Priyanka Kuntamal was Company Secretary & Compliance Officer during the period from 14/05/2018 to 12/09/2018.

\*\* CS Shweta Sultania was appointed as Company Secretary & Compliance Officer w.e.f 01/10/2018.

\*\*\* Mr. Vikram Patel was appointed as CFO w.e.f 23/05/2018.

**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	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**For and on behalf of the Board**

Place : Mumbai  
Date : 27<sup>th</sup> May, 2019

**Kirit Narotamdas Mehta**  
Chairman & Independent Director  
DIN – 00444837

**"Annexure – C"**

**DETAILS OF REMUNERATION OF DIRECTORS, KMPs AND EMPLOYEES**

**Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Remuneration) Rules, 2014**

1	The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2018-19	Director's Name	Ratio of Remuneration of director to the Median remuneration
		Mr. Shailesh Mehta	21.86

Note:

- Median Remuneration for the financial year 2017-18 is ₹ 1,92,794/- and financial year 2018-19 is ₹ 3,34,422/-.
- The aforesaid details are calculated on the basis of the gross remuneration received by the employees for the financial year 2017-18 & 2018-19.

2	The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any in the Financial Year 2018-19	Director's/CFO/CS	% increase in remuneration
		<ol style="list-style-type: none"> <li><b>Mr. Shailesh Mehta</b> - Managing Director</li> <li><b>Ms. Priyanka Kuntamal</b> - CS (From 14/05/2018 to 12/09/2018)</li> <li><b>Mr. Vikram Patel</b> - CFO (w.e.f 23rd May 2018)</li> <li><b>Ms. Shweta Sultania</b> - CS (w.e.f 01st October, 2018)</li> </ol>	<p>41.19%</p> <p>Nil</p> <p>Nil</p> <p>Nil</p>
3	Percentage increase in the median remuneration of employees in the Financial Year 2018-19	During Financial Year 2018-19, the percentage increase in the median remuneration of employees as compared to previous year was approximately 73.46%.	
4	Number of permanent employees on the rolls of the Company	There were 75 employees on the pay roll of the Company as on 31st March, 2019.	
5	The Average percentile increase in salaries of employees other than managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average increase in remuneration is 24.54% for Employees. Increase in remuneration of Managerial Personnel during last financial year is disclosed in point no. (2) above. There was no exceptional circumstances for increase in the managerial remuneration.	
6	Affirmation that the remuneration is as per the remuneration policy of the Company	It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.	

**For and on behalf of the Board**

**Kirit Narotamdas Mehta**  
**Chairman & Independent Director**  
**DIN – 00444837**

**Place : Mumbai**  
**Date : 27<sup>th</sup> May, 2019**

**"Annexure – D"**

**FORM NO. MR 3**

**[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]**

**SECRETARIAL AUDIT REPORT**

For the Financial Year ended on 31st March, 2019

To,  
The Members,  
Texel Industries Limited  
CIN: L29100GJ1989PLC012576  
Block No. 2106, Santej-Khatraj Road,  
Nr. Gayatri Farm House, Vil-Santej,  
Tal-Kalol, Dist.-Gandhinagar, Gujarat

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Texel Industries Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019 (hereinafter referred to as "Audit Period") 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:

We 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 Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii.) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv.) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment; however there are no instance of any Foreign Direct Investment or External Commercial Borrowing during the period under review;
- (v.) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

During period under report, no specific law is applicable to the Company.

We have also examined compliance with the applicable clauses/ regulations of the following, to the extent applicable to the Company during the audit period:

- (i.) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii.) The Listing Agreements entered into by the Company with Stock Exchange i.e. BSE Limited.
- (iii.) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time.

We report that, during the year under review, the Company has complied with the provisions of the Acts, rules, regulations and guidelines mentioned above.

We further report that, there were no actions/ events in pursuance of:

- a) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- b) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- c) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- d) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- e) Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

requiring compliance thereof by the Company during the financial year.

We further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by auditor/ other designated professionals.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** there are moderate 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.

**We further report that 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 observations:**

- The trading in the securities of the Company has been suspended by the BSE Limited and continued to be the same in the reporting period;
- During the period under review the Company has made re-composition of Nomination and Remuneration Committee in line with the provisions of Companies Act, 2013;
- The revision in remuneration of Managing Director during the period under review is not placed before the Board and NRC Committee of the Board of Directors however such revision is within the overall limit as approved by the Members in the General Meeting read with provisions of Schedule V of the Companies Act, 2013;
- The report of the Board of Directors for the financial year 2017-18 has been signed by the Managing Director of the Company;
- The Company has not filed statement of unclaimed or unpaid amount as per IEPF provisions;
- Shareholding of the promoters is in physical mode.

**We further report that** during the audit period, there were no other specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**For, Sandip Sheth & Associates**  
Practicing Company Secretaries  
Firm Unique Code: P2001GJ041000

**Prashant Prajapati**  
Partner

**Date : 27<sup>th</sup> May, 2019**

**Place : Ahmedabad**

ACS: 32597  
CP No.: 12531

This report is to be read with our letter of even date which is annexed as **"Annexure A"** and forms an integral part of this report.

#### **"Annexure – A"**

To,  
The Members,  
Texel Industries Limited  
CIN: L29100GJ1989PLC012576  
Block No. 2106, Santej-Khatraj Road,  
Nr. Gayatri Farm House, Vil-Santej,  
Tal-Kalol, Dist.-Gandhinagar, Gujarat

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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 are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the representations from the Management and respective departmental heads about the Compliance of laws, rules and regulations and happening of events etc. during the audit period.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis, for the purpose of issuing Secretarial Audit Report.
6. The Secretarial Audit 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.
7. We conducted our audit in the manner specified under section 204 of the Companies Act, 2013 and Rules made there under, which seeks an opinion and reasonable assurance about the compliance status of various applicable acts and rules to the Company.

**For, Sandip Sheth & Associates**  
Practicing Company Secretaries  
Firm Unique Code: P2001GJ041000

**Prashant Prajapati**  
Partner

**Date : 27<sup>th</sup> May, 2019**  
**Place : Ahmedabad**

ACS: 32597  
CP No.: 12531



**"Annexure – E"**

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

**[Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014]**

<b>(A) Conservation of energy</b>		
(i)	the steps taken or impact on conservation of energy;	44 Nos. of 250 watt plant lights were replaced by 160 watt LED lights resulting in saving of 4 kilo watt per hour.
(ii)	the steps taken by the company for utilizing alternate sources of energy;	Not Applicable
(iii)	the capital investment on energy conservation equipment's;	₹ 2.65 lakhs
<b>(B) Technology absorption</b>		
(i)	the efforts made towards technology absorption;	During the year under review: (i) 5 Nos. of Sealing Trolley automation was done. (ii) A new machinery viz. 'Multilayered Geo Composite Resin Coating Machine' was installed for product diversification and value addition.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution;	(i) Due to automation of sealing trolley, joint quality of Geomembranes have improved substantially which resulted in improvement of product quality. (ii) With the installation of new machinery viz. 'Multilayered Geo Composite Resin Coating Machine' the company developed a new product viz. Water Proof Membrane.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	Not Applicable
	(a) the details of technology imported;	Not Applicable
	(b) the year of import;	Not Applicable
	(c) whether the technology been fully absorbed;	Not Applicable
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	Not Applicable
(iv)	the expenditure incurred on Research and Development	₹ 11.85 Lakhs
<b>(C) Foreign exchange earnings and outgo</b>		
(i)	Foreign Exchange earnings	Nil
(ii)	Foreign Exchange outgo	₹ 92.83 Lakhs

**For and on behalf of the Board**

**Place : Mumbai**  
**Date : 27<sup>th</sup> May, 2019**

**Kirit Narotamdas Mehta**  
**Chairman & Independent Director**  
**DIN – 00444837**

**"Annexure – F"**

**FORM NO. AOC-1**

**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

**Part "A": Subsidiaries**

(Amount in ₹)

Sr. No.	Particulars	Details
1	Name of the subsidiary	Texel Industries (Africa) Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	1KES = 0.688 INR
4	Share Capital	68,800
5	Reserves & Surplus	(28,87,554)
6	Total Assets	12,11,038
7	Total Liabilities	40,29,792
8	Investments	0
9	Turnover	0
10	Profit before taxation	(28,87,554)
11	Provision for taxation	0
12	Profit after taxation	(28,87,554)
13	Proposed Dividend	0
14	% of shareholding	100%

**Part "B": Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Name of Associates/Joint Ventures	
1	Latest audited Balance Sheet Date	Not Applicable
2	Shares of Associate/Joint Ventures held by the company on the year end	
	i. No.	
	ii. Amount of Investment in Associates/Joint Venture	
	iii. Extend of Holding %	
3	Description of how there is significant influence	
4	Reason why the associate/joint venture is not consolidated	
5	Net worth attributable to Shareholding as per latest audited Balance Sheet	
6	Profit / Loss for the year	
	i. Considered in Consolidation	
	ii. Not Considered in Consolidation	

**For and on behalf of the Board**

**Place : Mumbai**  
**Date : 27<sup>th</sup> May, 2019**

**Kirit Narotamdas Mehta**  
**Chairman & Independent Director**  
**DIN – 00444837**

**"Annexure – G"**

**DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT**

**Regulation 34(3) read with Schedule V (D) of the SEBI (LODR), 2015**

I do hereby declare that pursuant to Schedule V (D) read with Regulation 34(3) of the Listing Regulations, all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2019.

**For and on behalf of the Board**

**Place : Mumbai  
Date : 27<sup>th</sup> May, 2019**

**Shailesh Ramniklal Mehta  
Managing Director  
DIN – 01457666**

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Texel Industries Limited**

#### **Report on the Audit of Standalone Ind AS financial statements**

We have audited the accompanying Ind AS financial statements of **Texel Industries Limited** ('the Company'), which comprise the balance sheet as at 31<sup>st</sup> March, 2019, the statement of profit and loss, statement of changes in equity and the cash flow statement for the year ended, and a summary of significant accounting policies and other explanatory information.

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 ("the Act") 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 31<sup>st</sup> March, 2019, and profit (including other comprehensive income), 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 Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements under the provisions of the Act and the Rules there under, 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.

#### **Management's Responsibility for the Standalone Ind AS 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 and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility for the audit of Standalone Ind AS financial statements**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. While making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the entity has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the 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 the paragraph 3 and 4 of the order.
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 purposes 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 and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the companies (Indian Accounting Standards) Rules 2015 as amended.
  - e) on the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 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 Auditor's 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—  
The company has filed Special Civil Application on 18/05/2016, before Honourable Gujarat High Court for quash and to set aside the notice of demand raised by Employees Provident Fund Organisation for ₹ 11, 31, 463/- on late payment of remittance for the period November, 1998 to January, 2014 vide its notice dated 25.04.2016 and to put a stay on the notice of demand dated 25.04.2016 during Pending admission and hearing of the present petition.*



- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amount which were required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.
3. With respect to the matter to be included in the Auditors' Report under section 197(16): In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For, SUNIL PODDAR & CO.**

Chartered Accountants

Firm Reg. No. 110603W

**(CA SUNIL PODDAR)**

Partner

M. No. 041209

Place : Ahmedabad

Date : 27<sup>th</sup> May, 2019

## **Annexure - A to the Independent Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31<sup>st</sup> March, 2019, we report that:

- I.
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- II.
  - a. The management has conducted the physical verification of inventory at reasonable intervals.
  - b. The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- III. The Company has granted loans to parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
  - a. In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company
  - b. In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
  - c. There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- IV. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- V. The Company has not accepted any deposits from the public and hence the directions issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- VI. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- VII.
  - a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.
  - b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.
  - c. According to the information and explanations given to us, there are no material dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- VIII. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The company has not taken any loan either from financial institutions or from the Government and has not issued any debentures.
- IX. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- X. Based upon the audit procedures performed and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

- XI. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.
- XII. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- XIII. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- XIV. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- XV. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- XVI. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For, SUNIL PODDAR & CO.**  
Chartered Accountants  
Firm Reg. No. 110603W

**(CA SUNIL PODDAR)**  
Partner  
M. No. 041209

Place : Ahmedabad  
Date : 27<sup>th</sup> May, 2019

## **Annexure - B to Independent Auditors' Report of even date on the Standalone Ind AS financial statement of the Texel Industries Limited ("the Company")**

### **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 Texel Industries Limited ("the Company") as of 31<sup>st</sup> March, 2019 in conjunction with our audit of the Standalone Ind AS 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 judgement, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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, SUNIL PODDAR & CO.**  
Chartered Accountants  
Firm Reg. No. 110603W

**(CA SUNIL PODDAR)**  
Partner  
M. No. 041209

Place : Ahmedabad  
Date : 27<sup>th</sup> May, 2019

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

[Amount in ₹]

Particulars	Notes No.	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant and Equipment	2.1	8,47,79,995	7,15,39,342
Capital Work in Progress	2.1	71,800	-
Other Intangible assets	2.1	21,000	21,000
Financial Assets			
Investments	2.2	69,012	-
Loans	2.3	38,53,464	-
Other Financial Assets	2.4	1,35,85,302	68,76,290
Income Tax Assets (Net)		25,998	25,998
Other non-current assets	2.5	<b>1,08,32,679</b>	<b>41,97,503</b>
<b>Total</b>		<b>11,32,39,250</b>	<b>8,26,60,133</b>
<b>Current Assets</b>			
Inventories	2.6	16,16,56,268	13,36,06,331
Financial Assets			
Trade Receivables	2.7	18,32,78,120	12,36,82,008
Cash and cash equivalents	2.8	21,60,600	51,66,704
Bank balances other than Cash and Cash Equivalents	2.9	73,77,702	58,34,877
Other Financial Assets	2.1	47,73,512	56,68,940
Other Current Assets	2.11	29,57,121	49,30,881
<b>Total</b>		<b>36,22,03,323</b>	<b>27,88,89,741</b>
<b>TOTAL</b>		<b>47,54,42,573</b>	<b>36,15,49,874</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Equity Share Capital	2.12	5,22,29,210	5,22,29,210
Other Equity	2.13	11,92,92,895	9,02,75,237
<b>Total</b>		<b>17,15,22,105</b>	<b>14,25,04,447</b>
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	2.14	67,20,299	97,67,031
Other financial liabilities	2.15	7,50,000	7,50,000
Provisions	2.16	31,22,376	22,31,704
Deferred tax liabilities (Net)	3.10	44,21,873	55,95,542
<b>Total</b>		<b>1,50,14,548</b>	<b>1,83,44,277</b>
<b>Current liabilities</b>			
Financial Liabilities	2.17	92,08,168	50,79,890
Borrowings	2.18		
Trade Payables			
Total outstanding dues of micro and small enterprise		15,56,688	-
Total outstanding dues of creditors other than micro and small enterprise		22,89,59,051	13,35,89,958
Other financial liabilities	2.19	7,57,699	1,36,78,058
Other current liabilities	2.20	2,82,54,309	2,94,04,504
Provisions	2.21	1,09,52,937	51,25,065
Liability For current Tax (Net)	3.10	92,17,068	1,38,23,675
<b>Total</b>		<b>28,89,05,920</b>	<b>20,07,01,150</b>
<b>TOTAL</b>		<b>47,54,42,573</b>	<b>36,15,49,874</b>
Significant Accounting Policies	1		
Accompanying Notes are an integral part of the Financial Statements			

### In terms of our report attached

#### For Sunil Poddar & Co.

Chartered Accountants  
Firm. Reg. No. 110603W

#### [CA. Sunil Poddar]

(Partner)  
Membership No. 041209

Place : Ahmedabad

Date : 27<sup>th</sup> May, 2019

### For and On Behalf of the Board of Director of M/s Texel Industries Limited

#### Shailesh R.Mehta

Managing Director  
DIN: 01457666

#### Vikram Patel

CFO

Place : Mumbai

Date : 27<sup>th</sup> May, 2019

#### Kirit N. Mehta

Chairman & Independent Director  
DIN: 00444837

#### Shweta Sultania

Company Secretary  
Membership No.: ACS 22290



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

[Amount in ₹]

Particulars	Notes	Year ended 31 <sup>st</sup> March 2019	Year ended 31 <sup>st</sup> March, 2018
<b>Revenue</b>			
Revenue from Operations		1,12,35,36,006	91,08,61,573
Other Income	3.2	35,82,556	56,72,380
<b>Total Revenue (I)</b>		<b>1,12,71,18,562</b>	<b>91,65,33,953</b>
<b>Expenses</b>			
Cost of Materials Consumed	3.3	66,11,69,346	47,89,53,359
Purchases of Stock-In-Trade	3.4	19,70,98,406	24,69,73,133
Changes In Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	3.5	(46,97,019)	(3,95,40,365)
Employees Benefits Expense	3.6	3,63,09,724	2,58,82,364
Finance Costs	3.7	1,69,76,348	87,46,842
Depreciation and Amortisation expense		72,68,270	51,11,366
Other Expenses	3.8	17,96,04,222	14,80,66,703
<b>Total Expenses (II)</b>		<b>1,09,37,29,297</b>	<b>87,41,93,402</b>
<b>Profit Before Exceptional item and Tax (I)-(II)</b>		<b>3,33,89,265</b>	<b>4,23,40,551</b>
Exceptional items		-	-
<b>Profit Before Tax</b>		<b>3,33,89,265</b>	<b>4,23,40,551</b>
Tax Expense	3.10		
Current Tax		94,28,639	1,39,00,091
Deferred Tax (PL)		(11,73,670)	(19,67,121)
<b>Total Tax Expense</b>		<b>82,54,969</b>	<b>1,19,32,970</b>
<b>Profit from continuing operations (III)</b>		<b>2,51,34,296</b>	<b>3,04,07,581</b>
<b>Profit from discontinued operations</b>		-	-
Tax expense of discontinued operations		-	-
<b>Profit from discontinued operations (after tax) (IV)</b>		-	-
<b>Profit for the period V (III+IV)</b>		<b>2,51,34,296</b>	<b>3,04,07,581</b>
<b>Other Comprehensive Income / (Expenses)</b>			
Items that will not be reclassified to profit or loss		50,70,910	(1,25,959)
Income tax relating to items that will not be reclassified to profit or loss		(19,727)	(41,646)
<b>Other Comprehensive Income for the year (VI)</b>		<b>50,51,183</b>	<b>(1,67,605)</b>
<b>Total Comprehensive Income for the year (V)+(VI)</b>		<b>3,01,85,479</b>	<b>3,02,39,976</b>
<b>Earnings Per Equity Share (Face Value ₹ 10 each)</b>			
Basic (₹)	3.9	5.78	5.79
Diluted (₹)		5.78	5.79
Significant Accounting Policies	1		
Accompanying Notes are an integral part of the Financial Statements			

### In terms of our report attached

**For Sunil Poddar & Co.**  
Chartered Accountants  
Firm. Reg. No. 110603W

**[CA. Sunil Poddar]**  
(Partner)  
Membership No. 041209

**Place :** Ahmedabad  
**Date :** 27<sup>th</sup> May, 2019

**30<sup>th</sup> Annual Report 2018-19**

### For and On Behalf of the Board of Director of M/s Texel Industries Limited

**Shailesh R.Mehta**  
Managing Director  
DIN: 01457666

**Vikram Patel**  
CFO

**Place :** Mumbai  
**Date :** 27<sup>th</sup> May, 2019

**Kirit N. Mehta**  
Chairman & Independent Director  
DIN: 00444837

**Shweta Sultania**  
Company Secretary  
Membership No.: ACS 22290

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019

[Amount in ₹]

Particulars		Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>A</b>	<b>Cash flow form operating activities</b>		
	Net profit/(loss) before tax	<b>3,33,89,265</b>	<b>4,23,40,551</b>
	<b>Adjustment for</b>		
	Depreciation / Amortisation	72,68,270	51,11,366
	Profit/Loss on discard of Assets	-	(9,492)
	Interest expense	1,69,76,349	87,46,842
	Interest income	(35,82,556)	(53,25,691)
	<b>Operating cash flow before working capital changes</b>	<b>5,40,51,328</b>	<b>5,08,63,576</b>
	(Increase) / Decrease in other current/non-current assets	(1,90,46,615)	21,92,003
	(Increase) / Decrease in trade receivable	(5,95,96,112)	(4,32,00,864)
	(Increase) / Decrease in inventories	(2,80,49,937)	(3,78,27,467)
	Increase / (Decrease) in trade payable	9,69,25,780	7,36,38,191
	Increase / (Decrease) in other current/non current liabilities	(31,18,392)	(2,12,75,225)
	<b>Cash generated from operations</b>	<b>4,11,66,052</b>	<b>2,43,90,214</b>
	Income taxes paid (net)	1,43,85,500	36,97,078
	<b>Net cash generated by operating activities</b>	<b>2,67,80,552</b>	<b>2,06,93,136</b>
<b>B</b>	<b>Cash flow from investing activities</b>		
	Purchase of fixed assets	(2,05,80,722)	(2,88,36,458)
	Assets held for sale	-	-
	Investment in Subsidiaries	(69,012)	-
	Investment in Non-Current Bank Fixed deposits	47,18,151	-
	Interest received	35,82,556	53,25,691
	<b>Net cash used in investing activities</b>	<b>(1,23,49,027)</b>	<b>(2,35,10,767)</b>
<b>C</b>	<b>Cash flow from financing activities</b>		
	Proceeds from equity	-	-
	Proceeds from long-term borrowing	(30,46,733)	41,23,890
	Proceeds from short-term borrowing	41,28,277	53,43,702
	Change in General Reserves	-	-
	Interest paid	(1,69,76,349)	(87,46,842)
	<b>Net cash generated from / used in financing activities</b>	<b>(1,58,94,805)</b>	<b>7,20,750</b>
	<b>Net (decrease)/increase in cash &amp; cash equivalents (A+B+C)</b>	<b>(14,63,280)</b>	<b>(20,96,881)</b>
	Cash and cash equivalents at beginning of the period	1,10,01,582	1,30,98,463
	<b>Cash and cash equivalents at end of period (Refer Note 2.8 &amp; 2.9)</b>	<b>95,38,302</b>	<b>1,10,01,582</b>

The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discontinuing operations.

See accompanying notes forming part of the financial statements

### In terms of our report attached

**For Sunil Poddar & Co.**  
Chartered Accountants  
Firm. Reg. No. 110603W

**[CA. Sunil Poddar]**  
(Partner)  
Membership No. 041209

**Place :** Ahmedabad  
**Date :** 27<sup>th</sup> May, 2019

### For and On Behalf of the Board of Director of M/s Texel Industries Limited

**Shailesh R.Mehta**  
Managing Director  
DIN: 01457666

**Vikram Patel**  
CFO

**Place :** Mumbai  
**Date :** 27<sup>th</sup> May, 2019

**Kirit N. Mehta**  
Chairman & Independent Director  
DIN: 00444837

**Shweta Sultania**  
Company Secretary  
Membership No.: ACS 22290

## STATEMENT OF CHANGES IN EQUITY

### A. EQUITY SHARE CAPITAL

	Amount in ₹
<b>As at 1<sup>st</sup> April, 2017</b>	<b>5,22,29,210</b>
Changes in equity share capital	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>5,22,29,210</b>
Changes in equity share capital	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>5,22,29,210</b>

### B. OTHER EQUITY

[Amount in ₹]

	Securities Premium Account	Accumulated Losses	General Reserve	Capital Redemption Reserve	Capital Reserve	Surplus as per Statement of Profit and Loss	Other Comprehensive income  Remeasurement gain/(loss) on defined benefit plans	Total
<b>Balance as at 1<sup>st</sup> April, 2017</b>	<b>1,94,99,668</b>	<b>(50,44,789)</b>	-	<b>33,33,332</b>	<b>2,92,29,210</b>	<b>1,30,30,718</b>	<b>(2,60,746)</b>	<b>5,97,87,393</b>
Profit For The Year	-	-	-	-	-	3,04,07,581	-	3,04,07,581
Add:- Remeasurement gain/(loss) on defined benefit plans	-	-	-	-	-	-	(1,67,605)	(1,67,605)
Add. Excess / (Short) provision of Income Tax	-	-	-	-	-	2,47,868	-	2,47,868
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>1,94,99,668</b>	<b>(50,44,789)</b>	-	<b>33,33,332</b>	<b>2,92,29,210</b>	<b>4,36,86,167</b>	<b>(4,28,351)</b>	<b>9,02,75,237</b>
Profit For The Year	-	-	-	-	-	2,51,34,296	-	2,51,34,296
Add:- Transfer to Capital Redemption Reserve on account of redemption of preference share capital	-	-	-	1,30,00,000	-	-	-	1,30,00,000
Less:- Transfer to Capital Redemption Reserve on account of redemption of preference share capital	-	-	-	-	-	1,30,00,000	-	1,30,00,000
Add:- Remeasurement gain/(loss) on defined benefit plans	-	-	-	-	-	-	50,51,183	50,51,183
Add. Excess / (Short) provision of Income Tax	-	-	-	-	-	(11,67,821)	-	(11,67,821)
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>1,94,99,668</b>	<b>(50,44,789)</b>	-	<b>1,63,33,332</b>	<b>2,92,29,210</b>	<b>5,46,52,642</b>	<b>46,22,832</b>	<b>11,92,92,895</b>

#### In terms of our report attached

**For Sunil Poddar & Co.**  
Chartered Accountants  
Firm. Reg. No . 110603W

**[CA. Sunil Poddar]**  
(Partner)  
Membership No. 041209

**Place :** Ahmedabad  
**Date :** 27<sup>th</sup> May, 2019

**30<sup>th</sup> Annual Report 2018-19**

#### For and On Behalf of the Board of Director of M/s Texel Industries Limited

**Shailesh R.Mehta**  
Managing Director  
DIN: 01457666

**Vikram Patel**  
CFO

**Place :** Mumbai  
**Date :** 27<sup>th</sup> May, 2019

**Kirit N. Mehta**  
Chairman & Independent Director  
DIN: 00444837

**Shweta Sultania**  
Company Secretary  
Membership No.: ACS 22290

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### NOTE NO.1.1

#### COMPANY BACKGROUND

Texel Industries Limited is a Public Limited Company, incorporated in India under the provisions of the Companies Act, 1956. The Company is engaged in the business of manufacturing of Tarpaulins and Geomembrane.

### NOTE NO. 1.2

#### SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE COMPANY:

##### 1. Basis of preparation

###### a) Compliance with Ind AS

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

###### b) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- 3) defined benefit plans - plan assets measured at fair value;

###### c) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

###### d) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupees as per the requirement of Schedule III, unless otherwise stated.

##### 2. Use of estimates and judgements

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected. Significant judgments and estimates about the carrying amount of assets and liabilities include useful lives of tangible and intangible assets, impairment of tangible assets, intangible assets including goodwill, investments, employee benefits and other provisions and recoverability of deferred tax assets.

##### 3. Property, plant and equipment

The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2016 as the deemed cost under IND AS. Hence regarded thereafter as historical cost.

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

#### Depreciation methods, estimated useful lives and residual value

Depreciation calculated on Factory Buildings, Plant and Equipment, Vehicle, Furniture, Computer is provided on a Straight Line Method, over the estimated useful lives of assets.

Asset Class	Useful Life
Building	30 years
Plant and Machinery	15 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Vehicles	8 years
Computer	3 years

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

In case of pre-owned assets, the useful life is estimated on a case to case basis.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

### 4. Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, 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.

### 5. Inventories

Inventories of Raw Materials, Work-in-Progress, Stores and spares, Finished Goods and Stock-in-trade are stated 'at cost or net realisable value, whichever is lower' except for Waste / Scrap which are valued at net realisable value. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used are 'First-in-First-out', 'Weighted Average cost' or 'Specific identification', as applicable. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

### 6. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has only single business segment hence the detailed disclosure related to segment reporting is not required to be made.

### 7. Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Preference shares, which are mandatorily redeemable on a specific date are classified as liabilities. The dividend on these preference shares is recognised in Statement of Profit and Loss as finance costs.

### 8. Borrowing costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

### 9. Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

### 10. Revenue recognition

Revenue from the sale of goods is recognized when the significant risk and rewards have been transferred to the buyer, the recovery of the consideration is probable and amount of revenue can be measured reliably.

Revenue from services is recognised when the performance of agreed service has been completed.

The revenue from operation is recognised at fair value of the consideration received or receivable excluding Duties and taxes collected on behalf of government.

Interest income from financial assets is recognised using effective interest rate method.

### 11. Employee benefits

#### a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.



## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### b) **Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

### c) **Post-employment obligations**

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity and pension; and
- (b) defined contribution plans such as provident fund.

#### **Pension and gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

#### **Defined Contribution Plans**

Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss as incurred.

### **Termination benefits**

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

## **12. Foreign currency translation**

### a) **Functional and presentation currency**

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

### b) **Transactions and balances**

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

## **13. Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognised only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### 14. Earnings PerShare

#### Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

#### Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### 15. Government Grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Profit and Loss on a straight - line basis over the expected lives of related assets and presented within other income.

## STANDALONE NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 2.1 PROPERTY, PLANT AND EQUIPMENT

[Amount in ₹]

	Gross Block			Depreciation / Amortisation			Net Block As at 31 <sup>st</sup> March 2019
	As at 1 <sup>st</sup> April 2018	Additions	Deductions	As at 31 <sup>st</sup> March 2019	Additions	Deductions	
<b>Current Year ended 31<sup>st</sup> March 2019</b>							
<b>TANGIBLE ASSETS</b>							
Freehold Land	24,03,616	-	-	24,03,616	-	-	24,03,616
Buildings	3,89,73,718	70,83,969	-	4,60,57,687	14,18,385	-	2,14,59,734
Plant and Equipments	10,25,54,193	1,07,24,542	-	11,32,78,735	38,10,250	-	6,59,53,073
Furniture and Fixtures	74,11,187	5,88,398	-	79,99,585	3,92,580	-	46,95,620
Vehicles	43,17,145	4,88,274	-	48,05,419	4,00,602	-	21,25,898
Office Equipments	69,21,070	16,23,740	-	85,44,810	10,00,819	-	55,61,314
Electric Installations	86,41,494	-	-	86,41,494	2,45,634	-	71,55,712
<b>Total Tangible Assets</b>	<b>17,12,22,423</b>	<b>2,05,08,923</b>	<b>-</b>	<b>19,17,31,346</b>	<b>72,68,270</b>	<b>-</b>	<b>10,69,51,351</b>
<b>Total Capital Work-in-Progress</b>	<b>-</b>	<b>71,800</b>	<b>-</b>	<b>71,800</b>	<b>-</b>	<b>-</b>	<b>71,800</b>
<b>INTANGIBLE ASSETS</b>							
Trade Mark	21,000	-	-	21,000	-	-	21,000
<b>Total Intangible Assets</b>	<b>21,000</b>	<b>-</b>	<b>-</b>	<b>21,000</b>	<b>-</b>	<b>-</b>	<b>21,000</b>
<b>TOTAL</b>	<b>17,12,43,423</b>	<b>2,05,80,723</b>	<b>-</b>	<b>19,18,24,146</b>	<b>72,68,270</b>	<b>-</b>	<b>8,48,72,795</b>

	Gross Block			Depreciation / Amortisation			Net Block As at 31 <sup>st</sup> March 2018
	As at 1 <sup>st</sup> April 2017	Additions	Deductions	As at 31 <sup>st</sup> March 2018	Additions	Deductions	
<b>Previous Year ended 31<sup>st</sup> March 2018</b>							
<b>TANGIBLE ASSETS</b>							
Freehold Land	24,03,616	-	-	24,03,616	-	-	24,03,616
Buildings	3,40,46,322	49,27,396	-	3,89,73,718	12,08,253	-	1,89,32,369
Plant and Equipments	8,55,64,769	1,69,89,424	-	10,25,54,193	25,27,423	-	6,21,42,823
Furniture and Fixtures	50,57,020	23,54,167	-	74,11,187	2,06,511	-	43,03,040
Vehicles	15,80,894	27,36,251	-	43,17,145	2,08,602	-	31,08,147
Office Equipments	52,62,152	16,58,918	-	69,21,070	6,54,499	-	17,25,296
Electric Installations	84,61,700	1,79,794	-	86,41,494	3,06,078	-	45,60,495
<b>Total Tangible Assets</b>	<b>14,23,76,473</b>	<b>2,88,45,950</b>	<b>-</b>	<b>17,12,22,423</b>	<b>51,11,366</b>	<b>-</b>	<b>9,96,83,081</b>
<b>Total Capital Work-in-Progress</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INTANGIBLE ASSETS</b>							
Trade Mark	21,000	-	-	21,000	-	-	21,000
<b>Total Intangible Assets</b>	<b>21,000</b>	<b>-</b>	<b>-</b>	<b>21,000</b>	<b>-</b>	<b>-</b>	<b>21,000</b>
<b>TOTAL</b>	<b>14,23,97,473</b>	<b>2,88,45,950</b>	<b>-</b>	<b>17,12,43,423</b>	<b>51,11,366</b>	<b>-</b>	<b>7,15,60,342</b>

Note: Deduction of fixed assets represents the old assets which is not being in used & written off

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 2.2 INVESTMENTS

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
In Wholly owned Subsidiaries:		
Equity Instruments: Unquoted (At Cost)		
Texel Industries (Africa) Limited.	69,012	-
10,000 Equity Shares of KES 10 each fully paid		
	<b>69,012</b>	<b>-</b>

### 2.3 LOANS

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Unsecured , considered good.</b>		
Loans to Related Parties		
To wholly owned subsidiary	38,53,464	-
	<b>38,53,464</b>	<b>-</b>

### 2.4 OTHER NON-CURRENT FINANCIAL ASSETS

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Security Deposits	84,78,592	64,70,252
Fixed Deposits with Bank (Maturity Greater than twelve Months)	47,18,151	-
Loan To Staff	3,88,559	4,06,038
	<b>1,35,85,302</b>	<b>68,76,290</b>

**Note:-** Refer Note Mentioned in Note No. 2.9

### 2.5 OTHER NON-CURRENT ASSETS

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Balances with Government Authorities	75,025	75,025
Other Loans and Advances (includes Advances to Suppliers, etc.)	1,07,57,654	41,22,478
	<b>1,08,32,679</b>	<b>41,97,503</b>

### 2.6 INVENTORIES (Valued at lower of cost or net realisable value, unless otherwise stated)

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Raw Materials	5,57,86,329	3,40,42,025
Work-in-Progress	5,00,64,885	7,50,59,170
Finished Goods	5,09,95,009	2,10,88,893
Stores and Spare parts	46,13,340	30,04,726
Waste / Scrap (valued at net realisable value)	1,96,706	4,11,517
	<b>16,16,56,268</b>	<b>13,36,06,331</b>

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**2.7 TRADE RECEIVABLES**

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Unsecured, Considered Good	18,32,78,120	12,36,82,008
Doubtful	-	-
	<b>18,32,78,120</b>	<b>12,36,82,008</b>
Less: Provision for doubtful debts	-	-
	<b>18,32,78,120</b>	<b>12,36,82,008</b>
<b>Others</b>		
Unsecured, Considered Good	-	-
	<b>18,32,78,120</b>	<b>12,36,82,008</b>

**2.8 CASH AND CASH EQUIVALENTS BALANCES WITH BANKS**

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Cash and Cash Equivalents</b>		
Balances with Banks	21,39,141	51,37,593
Cash on Hand	21,459	29,112
	<b>21,60,600</b>	<b>51,66,704</b>

**2.9 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Fixed Deposits with Banks (Maturity upto twelve months )	73,77,702	58,34,877
	<b>73,77,702</b>	<b>58,34,877</b>

Note: Bank deposits with a carrying amount of ₹ 1,14,89,668/- (PY ₹ 53,13,300/-) are given as margin against bank guarantee.

Total Bank deposits maturity less than twelve months ₹ 73,77,702/- & maturity Greater than twelve Months ₹ 47,18,151/-.

**2.10 OTHER CURRENT FINANCIAL ASSETS**

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Income Due But Not Received	47,73,512	56,68,940
	<b>47,73,512</b>	<b>56,68,940</b>

**2.11 OTHER CURRENT ASSETS**

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Prepaid Expenses	3,53,614	1,91,032
Balances with Government Authorities	3,83,111	3,83,111
Other Short-Term Loans and Advances (including Advances to Suppliers etc.)	22,20,396	43,56,738
	<b>29,57,121</b>	<b>49,30,881</b>



## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 2.12 EQUITY SHARE CAPITAL

#### 2.12.1 Authorised

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
1,00,00,000 (PY 1,00,00,000) Equity Shares of ₹ 10 each	10,00,00,000	10,00,00,000
35,00,000 (PY 35,00,000) Preference Shares of ₹ 10 each	3,50,00,000	3,50,00,000
	<b>13,50,00,000</b>	<b>13,50,00,000</b>

#### 2.12.2 Issued, Subscribed and Fully Paid Equity Shares

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
52,22,921 (PY 52,22,921) Equity Shares of ₹ 10 each fully paid	5,22,29,210	5,22,29,210
	<b>5,22,29,210</b>	<b>5,22,29,210</b>

- The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share held.
- The Board of Directors has not recommended any dividend for the year ended 31<sup>st</sup> March, 2019.
- In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

#### 2.12.3 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

	Number of Shares	Amount in ₹
<b>As at 01<sup>st</sup> April, 2017</b>	<b>52,22,921</b>	<b>5,22,29,210</b>
Changes in equity share capital	-	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>52,22,921</b>	<b>5,22,29,210</b>
Changes in equity share capital	-	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>52,22,921</b>	<b>5,22,29,210</b>

#### 2.12.4 List of Shareholders holding more than 5 % shares in the Equity Share Capital of the Company:

	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Equity Shares</b>				
Ms. Avani S Mehta	10,75,316	20.59%	10,75,316	20.59%
Mr. Mihir Bhandari	3,00,000	5.74%	3,00,000	5.74%
Mr. Ulhas Paymaster	3,00,000	5.74%	3,00,000	5.74%
SkyPoint Technical Textiles Pvt. Ltd.	5,00,000	9.57%	5,00,000	9.57%

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**2.13 OTHER EQUITY**

[Amount in ₹]

	Securities Premium Account	Accumulated Losses	General Reserve	Capital Redemption Reserve	Capital Reserve	Surplus as per Statement of Profit and Loss	Other Comprehensive income  Remeasurement gain/(loss) on defined benefit plans	Total
<b>Balance as at 1<sup>st</sup> April, 2017</b>	<b>1,94,99,668</b>	<b>(50,44,789)</b>	-	<b>33,33,332</b>	<b>2,92,29,210</b>	<b>1,30,30,718</b>	<b>(2,60,746)</b>	<b>5,97,87,393</b>
Profit For The Year	-	-	-	-	-	3,04,07,581	-	3,04,07,581
Add:- Remeasurement gain/(loss) on defined benefit plans	-	-	-	-	-	-	(1,67,605)	(1,67,605)
Add. Excess / (Short) provision of Income Tax	-	-	-	-	-	2,47,868	-	2,47,868
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>1,94,99,668</b>	<b>(50,44,789)</b>	-	<b>33,33,332</b>	<b>2,92,29,210</b>	<b>4,36,86,167</b>	<b>(4,28,351)</b>	<b>9,02,75,237</b>
Profit For The Year	-	-	-	-	-	2,51,34,296	-	2,51,34,296
Add:- Transfer to Capital Redemption Reserve on account of redemption of preference share capital	-	-	-	<b>1,30,00,000</b>	-	-	-	<b>1,30,00,000</b>
Less:- Transfer to Capital Redemption Reserve on account of redemption of preference share capital	-	-	-	-	-	<b>1,30,00,000</b>	-	<b>1,30,00,000</b>
Add:- Remeasurement gain/(loss) on defined benefit plans	-	-	-	-	-	-	50,51,183	50,51,183
Add. Excess / (Short) provision of Income Tax	-	-	-	-	-	(11,67,821)	-	(11,67,821)
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>1,94,99,668</b>	<b>(50,44,789)</b>	-	<b>1,63,33,332</b>	<b>2,92,29,210</b>	<b>5,46,52,642</b>	<b>46,22,832</b>	<b>11,92,92,895</b>

**2.14 NON-CURRENT BORROWINGS**

[Amount in ₹]

	<b>As at 31<sup>st</sup> March, 2019</b>	<b>As at 31<sup>st</sup> March, 2018</b>
<b>Secured</b>		
<b>Term loans from Banks</b>		
ICICI Bank Ltd.	9,88,658	13,84,640
<b>Total</b>	<b>9,88,658</b>	<b>13,84,640</b>
[Hypothecation of Vehicle]		
<b>Unsecured</b>		
Intercompany Loan	51,35,000	77,85,750
Loans From Related Parties	3,41,641	3,41,641
Loans From Others	2,55,000	2,55,000
<b>Total</b>	<b>57,31,641</b>	<b>83,82,391</b>
	<b>67,20,299</b>	<b>97,67,031</b>

**Note:**

- ICICI Bank Loan interest rate 8.25% p.a.
- Inter corporate Loan carries interest at 12% or 18% p.a. with payout of interest on quarterly basis and the loan is repayable on demand.
- Loans from related party includes loan payable to Non Executive Director of the Company. No interest is payable towards the loan.

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 2.15 OTHER NON CURRENT FINANCIAL LIABILITIES

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Trade - Deposit	7,50,000	7,50,000
	<b>7,50,000</b>	<b>7,50,000</b>

### 2.16 NON CURRENT PROVISIONS

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>For Employees Benefits</b>		
Provision for Gratuity	22,61,876	17,12,902
Provision for Sick Leave	1,72,603	1,10,524
Provision for Leave encashment	6,87,896	4,08,278
	<b>31,22,375</b>	<b>22,31,704</b>

### 2.17 CURRENT BORROWINGS

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Unsecured</b>		
Intercompany Loan	92,08,168	50,79,890
<b>Total</b>	<b>92,08,168</b>	<b>50,79,890</b>

Note:- Refer Note Mentioned in Note No. 2.14

### 2.18 TRADE PAYABLES

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Due to micro and small enterprise	15,56,688	-
Due to Others	22,89,59,051	13,35,89,958
	<b>23,05,15,739</b>	<b>13,35,89,958</b>

#### Note:-

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2018-19, to the extent the company has received intimation from the "Suppliers" regarding their status under the Act.

a.	Principal and interest amount remaining unpaid	15,56,688	-
b.	Interest due thereon remaining unpaid	1,81,765	-
c.	Interest paid by the company in terms of section 16 of the Micro, Small and Medium enterprise Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
d.	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Macro, Small and Medium Enterprise Act, 2006	-	-
e.	Interest accrued and remaining unpaid	-	-
f.	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

### 2.19 OTHER CURRENT FINANCIAL LIABILITIES

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Current Maturity of Long Term Debts	3,43,453	2,63,812
Dividend Payable on Preference Shares	4,14,246	4,14,246
Preference Share	-	1,30,00,000
	<b>7,57,699</b>	<b>1,36,78,058</b>

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 2.20 OTHER CURRENT LIABILITIES

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Other Payables (including Statutory Dues, etc.)	48,68,340	53,57,047
Advances From Customer	2,33,85,969	2,40,47,458
	<b>2,82,54,309</b>	<b>2,94,04,504</b>

### 2.21 CURRENT PROVISIONS

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Provision for Gratuity	20,49,582	20,38,450
Provision for Sick Leave	19,851	13,324
Provision for Leave encashment	1,16,668	52,853
Provision for Expenses	87,66,836	30,20,438
	<b>1,09,52,937</b>	<b>51,25,065</b>

### 3.1 REVENUE FROM OPERATIONS

[Amount in ₹]

	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
(i) Sale of Products	1,11,10,93,289	92,90,46,033
(ii) <b>Other Operating Revenues</b>		
Sale of Waste	1,24,42,717	1,04,93,022
(iii) Less : Excise Duty	-	2,86,77,482
	<b>1,12,35,36,006</b>	<b>91,08,61,573</b>

### 3.2 OTHER INCOME

[Amount in ₹]

	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>Interest Income on :</b>		
Interest Income on others	31,57,107	49,13,511
Interest on Bank FD	4,25,449	4,12,180
Others Receipt	-	3,46,689
	<b>35,82,556</b>	<b>56,72,380</b>

### 3.3 COST OF MATERIALS CONSUMED

[Amount in ₹]

	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Opening Stock	3,40,42,025	3,65,46,749
Add : Purchases and Incidental Expenses	68,29,13,650	47,64,48,635
Less : Sales	-	-
Less : Closing Stock	5,57,86,329	3,40,42,025
	<b>66,11,69,346</b>	<b>47,89,53,359</b>

### 3.4 PURCHASES OF STOCK-IN-TRADE

[Amount in ₹]

	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Traded Goods	19,70,98,406	24,69,73,133
	<b>19,70,98,406</b>	<b>24,69,73,133</b>

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 3.5 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

[Amount in ₹]

	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>Opening Inventories</b>		
Finished Goods	2,10,88,893	51,41,849
Process Stock	7,50,59,170	5,21,34,665
Waste/Scrap	4,11,517	3,14,018
	<b>9,65,59,580</b>	<b>5,75,90,532</b>
<b>Closing Inventories</b>		
Finished Goods	5,09,95,009	2,10,88,893
Process Stock	5,00,64,885	7,50,59,170
Waste/Scrap	1,96,706	4,11,517
	<b>10,12,56,599</b>	<b>9,65,59,580</b>
(Increase) / Decrease in Stocks	(46,97,019)	(3,89,69,049)
Less : (Increase) / Decrease in Excise Duty on Stocks	-	5,71,317
	<b>(46,97,019)</b>	<b>(3,95,40,365)</b>

### 3.6 EMPLOYEES BENEFIT EXPENSES

[Amount in ₹]

	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Salaries and Wages	3,45,15,112	2,40,22,742
Contribution to Provident and other Funds	9,01,888	7,39,837
Staff Welfare Expenses	8,92,724	11,19,785
	<b>3,63,09,724</b>	<b>2,58,82,364</b>

### 3.7 FINANCE COSTS

[Amount in ₹]

	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Interest on Borrowing	17,30,109	8,90,503
Interest on Trade payable	1,52,46,239	76,34,339
Processing Fees	-	2,22,000
	<b>1,69,76,348</b>	<b>87,46,842</b>

### 3.8 OTHER EXPENSES

#### 3.8.1 Manufacturing Expenses

[Amount in ₹]

	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Consumption of Stores, Spare Parts and Components and Incidental Expenses	89,56,469	1,22,08,411
Processing Charges	6,12,81,601	4,24,18,023
Power & Fuel	2,60,39,720	2,25,67,979
Repairs to Buildings	3,72,299	2,73,933
Repairs to Machinery	3,76,730	5,31,991
	<b>9,70,26,819</b>	<b>7,80,00,337</b>



## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 3.8.2 Administration, Selling and Distribution Expenses

[Amount in ₹]

	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Advertisement and Sales Promotion	13,30,579	80,18,004
Insurance	4,74,122	4,66,048
Rates and Taxes	3,67,838	24,27,800
Directors' Sitting Fees	1,00,000	80,200
Bank Charges & Commission	2,04,372	1,32,621
Repairs & Maintenance- Computer & Other	6,45,681	10,28,594
Conveyance Exp.	15,95,648	16,79,848
Freight and forwarding	2,30,33,582	1,75,79,648
Legal and professional charges	1,22,05,057	88,50,934
Post & Telegram	4,05,883	3,29,119
Printing and stationery	5,62,834	9,02,387
Sales commission	1,30,10,448	64,68,962
Security Charges	9,78,241	5,20,241
Sundry balance w/off	21,569	(5,318)
Telephone Expenses	30,682	28,931
Site Expense	78,90,021	14,02,150
Research & Development Exp.	11,96,718	-
Foreign Marketing Exp.	35,37,457	-
Travelling Expenses	51,13,050	17,42,698
Other General & Miscellaneous Expenses	57,78,044	33,53,906
Bad debts/advance written off	4,69,637	95,98,867
Provision for post-sales support & warranties	35,25,940	53,45,726
	<b>8,24,77,402</b>	<b>6,99,51,366</b>

### 3.8.3 Auditors' Remuneration (excluding service tax) charged to Statement of Profit and Loss

[Amount in ₹]

	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>Payments to Statutory Auditors:</b>		
Audit Fee	1,00,000	1,15,000
Tax Audit Fee	-	-
<b>Total</b>	<b>1,00,000</b>	<b>1,15,000</b>

### 3.9 EARNINGS PER SHARE:

[Amount in ₹]

		Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Net profit for the year attributable to equity shareholders	In Rupees	3,01,85,479	3,02,39,976
Weighted-average-number of equity shares outstanding	Nos	52,22,921	52,22,921
Basic Earnings Per Share (Face Value of ₹ 10 each)	In Rupees	5.78	5.79
Diluted Earnings Per Share (Face Value of ₹ 10 each)	In Rupees	5.78	5.79

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 3.10 INCOME TAXES EXPENSE

Tax expense recognized in the statement of Profit and Loss

[Amount in ₹]

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>Current Tax</b>		
Current Tax on taxable income for the year	94,28,639	1,39,00,091
<b>Total current tax expense</b>	<b>94,28,639</b>	<b>1,39,00,091</b>
<b>Deferred tax</b>		
Deferred tax charges/(credit)	(11,73,670)	(19,67,121)
MAT Credit (taken)/utilised	-	-
<b>Total deferred income tax expense/(benefit)</b>	<b>(11,73,670)</b>	<b>(19,67,121)</b>
<b>Total income tax expense</b>	<b>82,54,969</b>	<b>1,19,32,970</b>

A) reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

[Amount in ₹]

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Enacted income tax rate in India applicable to the company	27.820%	33.063%
Profit Before Tax	3,33,89,265	4,23,40,551
<b>Current Tax expenses on Profit Before tax expenses at the enacted income tax rate in India</b>	<b>92,88,894</b>	<b>1,39,99,056</b>
<b>Tax effect of the amount which are not deductible/(taxable) in calculating taxable income</b>		
Permanent Disallowances	40,532	1,95,056
Income not considered for tax purpose	-	(3,138)
Expenses not allowed for tax purpose	35,82,591	28,19,476
Additional Allowable for tax purpose	(34,83,378)	(31,10,359)
Deferred Tax for Current Year	(11,73,670)	(19,67,121)
Other	-	-
<b>Total Income tax expense/(Credit)</b>	<b>82,54,969</b>	<b>1,19,32,970</b>

Consequent to reconciliation items shown above, the effective tax rate is 24.72% (2017-18: 28.18%)

B) The Movement in deferred tax assets and liabilities during the year ended 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2019

[Amount in ₹]

	As at 1 <sup>st</sup> April, 2017 - Deferred Tax Liabilities/ (Asset)	Charge/(Credit) in statement of Profit and Loss	As at 31 <sup>st</sup> March, 2018 - Deferred Tax Liabilities/ (Asset)	Charge/(Credit) in statement of Profit and Loss	As at 31 <sup>st</sup> March, 2019 - Deferred Tax Liabilities/ (Asset)
Depreciation	89,77,591	(14,79,352)	74,98,239	6,83,257	68,14,982
Provision for Gratuity	(10,01,991)	(2,96,277)	(12,98,268)	(42,771)	(12,55,497)
Provision for Leave Encashment	(4,12,936)	2,10,486	(2,02,450)	87,882	(2,90,332)
Provision of Bonus	-	-	-	2,46,298	(2,46,298)
Provision of Warranty	-	(4,01,978)	(4,01,978)	1,99,005	(6,00,983)
<b>Total Deferred Tax Liabilities/(Asset)</b>	<b>75,62,664</b>	<b>(19,67,121)</b>	<b>55,95,543</b>	<b>11,73,670</b>	<b>44,21,873</b>

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**4. Details of Related Party Transaction**

[Amount in ₹]

Particulars	KMP	Relative of KMP	Entity in which KMP/Relative of KMP having significant influence	Subsidiary
<b>A) Transaction During the year</b>				
<b>Salary &amp; Perquisites to Managing Director</b>				
Shailesh R Mehta	73,09,996 (51,77,303)	- -	- -	- -
<b>Salary Relative of KMP</b>				
Avishi Sharedalal	- -	4,46,889 (1,10,118)	- -	- -
Anisha Mehta	- -	78,788 -	- -	- -
<b>Director Sitting Fees</b>				
Kirit Mehta	50,000 (40,000)	- -	- -	- -
Dr. Cristy Fernandez	40,000 (30,000)	- -	- -	- -
Mrs. Jasmin Nahidakhtar Vhora	10,000 (10,000)	- -	- -	- -
<b>Reimbursement of expenses</b>				
Kirit Mehta	10,000 -	- -	- -	- -
Mrs. Jasmin Nahidakhtar Vhora	10,000 -	- -	- -	- -
<b>Legal and professional fees</b>				
G.P. Kapadia & Co	- -	- -	- (8,00,000)	- -
Mrs. Avani S Mehta	- -	- (1,20,000)	- -	- -
<b>Risha Aquapruv Infrastructure LLP</b>				
Reimbursement of Freight Charges	- -	- -	25,96,621 (14,31,951)	- -
Sales Promotion	- -	- -	- (23,74,525)	- -
Site Expense (Labour Charges)	- -	- -	77,46,025 (9,58,723)	- -
Reimbursement of Stamping Fees	- -	- -	19,500 -	- -
Reimbursement of Tender Fees	- -	- -	18,579 (1,594)	- -
<b>Moneeto Plasti-Feb P. LTD</b>				
Sales	- -	- -	53,76,752 (24,72,336)	- -
Purchase of Raw Material	- -	- -	24,00,454 -	- -
Sales Promotion	- -	- -	- (22,63,045)	- -
<b>Anjaneya Enterprise</b>				
Jobworks charges	- -	- -	66,725 (58,175)	- -

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 4. Details of Related Party Transaction (Contd...)

[Amount in ₹]

Particulars	KMP	Relative of KMP	Entity in which KMP/Relative of KMP having significant influence	Subsidiary
Purchase of Raw Material	- -	- -	2,13,66,615 (65,87,800)	- -
Sales	- -	- -	1,15,79,604 (69,64,231)	- -
<b>Grow Materials LLC</b>				
Purchase of Raw Material	- -	- -	9,40,888 -	- -
<b>Texel Industries (Africa) Limited.</b>				
Loan Given	- -	- -	- -	38,04,422 -
Interest On Loan	- -	- -	- -	49,042 -
<b>(B) Closing balances</b>				
<b>Receivable from</b>				
Moneeto Plasti-Feb P. LTD	- -	- -	16,14,060 -	- -
Risha Infrastructure	- -	- -	- (10,98,951)	- -
Anjaneya Enterprise	- -	- -	- (5,13,584)	- -
<b>Payable to</b>				
Moneeto Plasti-Feb P. LTD	- -	- -	- (17,41,323)	- -
Anjaneya Enterprise	- -	- -	2,78,776 -	- -
Risha Aquapruf Infrastructure LLP	- -	- -	46,83,562 (57,24,408)	- -
Naresh R Mehta	4,40,151 (4,40,151)	- -	- -	- -
Shailesh R Mehta	17,44,745 -	- -	- -	- -
Anisha Mehta	- -	18,178 -	- -	- -
Avishi Sharedalal	- -	41,914 -	- -	- -
Grow Materials LLC	- -	- -	9,40,888 -	- -
G.P. Kapadia & Co	- -	- -	- (4,64,000)	- -
<b>Loans &amp; Advances - Receivable</b>				
Crossland Housing & Const. Limited	- -	- -	10,00,000 (10,00,000)	- -
Mehta & Dholabhai	- -	- -	6,15,209 (6,15,209)	- -
Texel Industries (Africa) Limited.	- -	- -	- -	38,53,464 -

Figures in brackets relates to previous year ended on 31<sup>st</sup> March, 2018

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**5. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:**

[Amount in ₹]

Particulars	As At 31 <sup>st</sup> March, 2019	As At 31 <sup>st</sup> March, 2018
5.1 Claims/disputed liabilities not acknowledged as liability:		
(a) EPF Interest and Damages		
(The company has filed Special Civil Application on 18/05/2016, before Honourable Gujarat High Court for quash and set aside the notice of demand raised by Employees Provident Fund Organisation for ₹ 11,31,463/- on late payment of remittance for November,1998 to January, 2014 vide notice dated 25.04.2016 and to stay on the notice of demand dated 25.04.2016 during pending admission and hearing of the present petition).	11,31,463	11,31,463
(b) Bank Guarantee (against 100% margin money in form of deposits)	1,14,89,668	53,63,300

Cash outflows for the above cases are determinable only on receipt of judgements pending at various forums/authorities.

**6. DEFINED BENEFIT PLAN**

The Company has adopted Accounting Standard 19 (Ind AS-19) "Employee Benefits" which is mandatory from accounting periods starting from 01<sup>st</sup> April, 2017. Accordingly, the Company has provided for gratuity based on actuarial valuation done as per Projected Unit Credit Method.

**I. Reconciliation of opening and closing balance of Defined Benefit Obligation (Unfunded)**

[Amount in ₹]

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
	Gratuity	Gratuity
Present value of obligation as at the beginning	37,51,352	28,95,258
Current service cost	3,36,535	2,80,647
Past Service Cost	-	10,00,000
Interest cost	2,94,481	2,12,512
Benefits paid	-	(4,53,540)
Actuarial (Gain) / Loss	(70,910)	(1,83,525)
<b>Present value of obligation as at the end (Unfunded)</b>	<b>43,11,458</b>	<b>37,51,352</b>

**II. Reconciliation of opening and closing balance of fair value of plan assets**

Not applicable as Gratuity and Leave Liability is unfunded.

**III. Reconciliation of fair value of assets and obligation**

Not applicable as Gratuity and Leave Liability is unfunded.

**IV. Expense recognised during the year**

[Amount in ₹]

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
	Gratuity	Gratuity
Service cost	3,36,535	12,80,647
Interest cost	2,94,481	2,12,512
Actuarial (Gain) / Loss	(70,910)	(1,83,525)
<b>Net cost included in 'Employee Benefit Expense'</b>	<b>5,60,106</b>	<b>13,09,634</b>

**V. Investment Details**

Not applicable as Gratuity and Leave Liability is unfunded.

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### VI. Actuarial Assumptions for Gratuity

	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Discount rate (per annum)	7.85%	7.34%
Expected rate of return on plan assets (per annum)	N.A.	N.A.
Rate of escalation in salary (per annum)	7.00%	7.00%

### VII. Other disclosures

[Amount in ₹]

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Present value of obligation as at the end - Gratuity	43,11,458	37,51,352
Surplus/(deficit) - Gratuity	(43,11,458)	(37,51,352)
Experience adjustment on plan liability - Gratuity	85,189	(84,744)
Actuarial Loss / ( Gain ) due to change in assumptions - Gratuity	14,279	(98,781)

### 7.1 a) Details of imported and indigenous raw material consumed:

Particulars	Year ended 31 <sup>st</sup> March, 2019		Year ended 31 <sup>st</sup> March, 2018	
	Amount in ₹	%	Amount in ₹	%
Imported raw material	26,65,661	0.40%	1,41,84,737	2.96%
Indigenous raw material	65,85,03,685	99.60%	46,47,68,622	97.04%
<b>Total</b>	<b>66,11,69,346</b>	<b>100%</b>	<b>47,89,53,359</b>	<b>100%</b>

### 7.1 b) Value of import on CIF basis:

[Amount in ₹]

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Raw material	26,65,661	1,41,84,737
Capital goods	-	-
Others	-	-

### 7.1 c) Earnings in foreign currency:

[Amount in ₹]

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Export of goods on FOB basis	-	-
Others	-	-

While preparing financial statements of the year, previous year figures have been reclassified/regrouped wherever necessary.

Significant Accounting Policies

Accompanying Notes are an integral part of the Financial Statements

### In terms of our report attached

**For Sunil Poddar & Co.**  
Chartered Accountants  
Firm. Reg. No . 110603W

**[CA. Sunil Poddar]**  
(Partner)  
Membership No. 041209

**Place :** Ahmedabad  
**Date :** 27<sup>th</sup> May, 2019

**30<sup>th</sup> Annual Report 2018-19**

### For and On Behalf of the Board of Director of M/s Texel Industries Limited

**Shailesh R.Mehta**  
Managing Director  
DIN: 01457666

**Vikram Patel**  
CFO

**Place :** Mumbai  
**Date :** 27<sup>th</sup> May, 2019

**Kirit N. Mehta**  
Chairman & Independent Director  
DIN: 00444837

**Shweta Sultania**  
Company Secretary  
Membership No.: ACS 22290



## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Texel Industries Limited**

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

#### **Opinion**

We have audited the accompanying consolidated Ind AS financial statements of **Texel Industries Limited** (hereinafter referred to as "the Holding Company") and its wholly owned subsidiary Texel Industries (Africa) Ltd. which comprise the balance sheet as at 31<sup>st</sup> March, 2019, the consolidated statement of profit and loss and the consolidated cash flow statement for the year ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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 ('ICAI'), and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Management's Responsibility for the Consolidated Ind AS financial statements**

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the entities 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 each entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments 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 the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity 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 entity or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the entities included in the Group is responsible for overseeing the financial reporting process of each entity.

#### **Auditor's Responsibility for the audit of Consolidated Ind AS financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the entity has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### **Other Matters**

The Consolidated Financial Statements include the Group's share of net loss and net liabilities amounting ₹ 28.62 lacs for the year ended 31<sup>st</sup> March, 2019, as considered in the Consolidated Financial Statements, in respect of one wholly owned subsidiary, whose financial statements have not been audited by us. These financial statements and other financial information have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this wholly owned subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act, insofar as it relates to the aforesaid wholly owned subsidiary, is based solely on the information furnished to us.

Our opinion on the Consolidated 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**

A. 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 purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors of the Holding Company and its subsidiaries which are incorporated outside India, as on 31<sup>st</sup> March, 2019 and taken on record by the Board of Directors of respective companies, none of the directors of the Group companies incorporated outside India is disqualified as on 31<sup>st</sup> March, 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 with reference to financial statements of the Holding Company and its subsidiary companies incorporated outside India and the operating effectiveness of such controls, refer to our separate report in Annexure A

- B. With respect to the other matters to be included in the Auditor's 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–  
*The company has filed Special Civil Application on 18/05/2016, before Honourable Gujarat High Court for quash and to set aside the notice of demand raised by Employees Provident Fund Organisation for ₹11, 31, 463/- on late payment of remittance for the period November, 1998 to January, 2014 vide its notice dated 25.04.2016 and to put a stay on the notice of demand dated 25.04.2016 during Pending admission and hearing of the present petition.*
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. 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 holding company and subsidiary company.
  - iv. The disclosures in the consolidated financial statements regarding holdings as well as dealing in specified banks notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> November, 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31<sup>st</sup> March, 2019.
- C. With respect to the matter to be included in the Auditors' Report under section 197(16): In our opinion and according to the information and explanations given to us, the remuneration paid by the holding company and subsidiary company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For, SUNIL PODDAR & CO.**  
Chartered Accountants  
Firm Reg. No. 110603W

**(CA SUNIL PODDAR)**  
Partner  
M. No. 041209

**Place :** Ahmedabad  
**Date :** 27<sup>th</sup> May, 2019

## **Annexure - A to the Independent Auditors' Report**

Annexure A to the Independent Auditor's Report (Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### **Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of Texel Industries Limited ("the Holding Company") as of 31<sup>st</sup> March, 2019, we have audited the internal financial controls with reference to the financial statements of the Holding Company and its subsidiary.

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

The respective Board of Directors of the Holding company and its subsidiary are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding company and its subsidiary, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") 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 the respective entity'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 Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiaries which are incorporated outside India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, 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 ICAI. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, 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 internal financial control system with reference to financial statements of the Holding Company and its subsidiaries which are incorporated outside India.

### **Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 Holding Company and its subsidiaries which are incorporated outside India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31<sup>st</sup> March, 2019, based on the internal control with reference to financial statements criteria established by the Holding Company and its subsidiaries which are incorporated outside India, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For, SUNIL PODDAR & CO.**  
Chartered Accountants  
Firm Reg. No. 110603W

**(CA SUNIL PODDAR)**  
Partner  
M. No. 041209

**Place :** Ahmedabad  
**Date :** 27<sup>th</sup> May, 2019

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

[Amount in ₹]

Particulars	Notes No.	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant and Equipment	2.1	8,48,65,279	7,15,39,342
Capital Work in Progress	2.1	71,800	-
Other Intangible assets	2.1	21,000	21,000
Financial Assets			
Other Financial Assets	2.2	1,35,85,302	68,76,290
Income Tax Assets (Net)		25,998	25,998
Other non-current assets	2.3	1,08,32,679	41,97,503
<b>Total</b>		<b>10,94,02,058</b>	<b>8,26,60,133</b>
<b>Current Assets</b>			
Inventories	2.4	16,16,56,268	13,36,06,331
Financial Assets			
Trade Receivables	2.5	18,32,78,120	12,36,82,008
Cash and cash equivalents	2.6	32,57,762	51,66,704
Bank balances other than Cash and Cash Equivalents	2.7	73,77,702	58,34,877
Other Financial Assets	2.8	47,73,512	56,68,940
Other Current Assets	2.9	29,85,713	49,30,881
<b>Total</b>		<b>36,33,29,077</b>	<b>27,88,89,741</b>
<b>TOTAL</b>		<b>47,27,31,135</b>	<b>36,15,49,874</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Equity Share Capital	2.10	5,22,29,210	5,22,29,210
Other Equity	2.11	11,64,30,765	9,02,75,236
<b>Total</b>		<b>16,86,59,975</b>	<b>14,25,04,446</b>
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	2.12	67,20,299	97,67,031
Other financial liabilities	2.13	7,50,000	7,50,000
Provisions	2.14	31,22,375	22,31,704
Deferred tax liabilities (Net)	3.10	44,21,873	55,95,543
<b>Total</b>		<b>1,50,14,547</b>	<b>1,83,44,278</b>
<b>Current liabilities</b>			
Financial Liabilities			
Borrowings	2.15	92,08,168	50,79,890
Trade Payables	2.16		
Total outstanding dues of micro and small enterprise		15,56,688	-
Total outstanding dues of creditors other than micro and small enterprise		22,89,71,022	13,35,89,958
Other financial liabilities			
Other current liabilities	2.17	7,57,699	1,36,78,058
Provisions	2.18	2,83,93,030	2,94,04,505
Liability For current Tax (Net)	2.19	1,09,52,937	51,25,065
<b>Total</b>	3.10	<b>92,17,069</b>	<b>1,38,23,674</b>
<b>TOTAL</b>		<b>28,90,56,613</b>	<b>20,07,01,150</b>
		<b>47,27,31,135</b>	<b>36,15,49,874</b>
Significant Accounting Policies	1		
Accompanying Notes are an integral part of the Financial Statements			

### In terms of our report attached

**For Sunil Poddar & Co.**  
Chartered Accountants  
Firm. Reg. No. 110603W

**[CA. Sunil Poddar]**  
(Partner)  
Membership No. 041209

**Place :** Ahmedabad  
**Date :** 27<sup>th</sup> May, 2019

### For and On Behalf of the Board of Director of M/s Texel Industries Limited

**Shailesh R.Mehta**  
Managing Director  
DIN: 01457666

**Vikram Patel**  
CFO

**Place :** Mumbai  
**Date :** 27<sup>th</sup> May, 2019

**Kirit N. Mehta**  
Chairman & Independent Director  
DIN: 00444837

**Shweta Sultania**  
Company Secretary  
Membership No.: ACS 22290

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

[Amount in ₹]

Particulars	Notes	Year ended 31 <sup>st</sup> March 2019	Year ended 31 <sup>st</sup> March, 2018
<b>Revenue</b>			
Revenue from Operations		1,12,35,36,006	91,08,61,573
Other Income	3.2	35,33,514	56,72,380
<b>Total Revenue (I)</b>		<b>1,12,70,69,520</b>	<b>91,65,33,953</b>
<b>Expenses</b>			
Cost of Materials Consumed	3.3	66,11,69,346	47,89,53,359
Purchases of Stock-In-Trade	3.4	19,70,98,406	24,69,73,134
Changes In Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	3.5	(46,97,019)	(3,95,40,365)
Employees Benefits Expense	3.6	3,90,56,611	2,58,82,364
Finance Costs	3.7	1,69,76,348	87,46,842
Depreciation and Amortisation expense		72,68,270	51,11,366
Other Expenses	3.8	17,96,70,422	14,80,66,704
<b>Total Expenses (II)</b>		<b>1,09,65,42,384</b>	<b>87,41,93,403</b>
<b>Profit Before Exceptional item and Tax (I)-(II)</b>		<b>3,05,27,136</b>	<b>4,23,40,550</b>
Exceptional items		-	-
<b>Profit Before Tax</b>		<b>3,05,27,136</b>	<b>4,23,40,550</b>
Tax Expense	3.10		
Current Tax		94,28,639	1,39,00,091
Deferred Tax (PL)		(11,73,670)	(19,67,121)
<b>Total Tax Expense</b>		<b>82,54,969</b>	<b>1,19,32,970</b>
<b>Profit from continuing operations (III)</b>		<b>2,22,72,167</b>	<b>3,04,07,580</b>
<b>Profit from discontinued operations</b>		-	-
<b>Tax expense of discontinued operations</b>		-	-
<b>Profit from discontinued operations (after tax) (IV)</b>		-	-
<b>Profit for the period V (III+IV)</b>		<b>2,22,72,167</b>	<b>3,04,07,580</b>
<b>Other Comprehensive Income / (Expenses)</b>			
Items that will not be reclassified to profit or loss		50,70,910	(1,25,959)
Income tax relating to items that will not be reclassified to profit or loss		(19,727)	(41,646)
<b>Other Comprehensive Income for the year (VI)</b>		<b>50,51,183</b>	<b>(1,67,605)</b>
<b>Total Comprehensive Income for the year (V)+(VI)</b>		<b>2,73,23,350</b>	<b>3,02,39,975</b>
<b>Earnings Per Equity Share (Face Value ₹ 10 each)</b>			
Basic (₹)	3.9	5.23	5.79
Diluted (₹)		5.23	5.79
Significant Accounting Policies	1		
Accompanying Notes are an integral part of the Financial Statements			

### In terms of our report attached

**For Sunil Poddar & Co.**  
Chartered Accountants  
Firm. Reg. No. 110603W

**[CA. Sunil Poddar]**  
(Partner)  
Membership No. 041209

**Place :** Ahmedabad  
**Date :** 27<sup>th</sup> May, 2019

**30<sup>th</sup> Annual Report 2018-19**

### For and On Behalf of the Board of Director of M/s Texel Industries Limited

**Shailesh R.Mehta**  
Managing Director  
DIN: 01457666

**Vikram Patel**  
CFO

**Place :** Mumbai  
**Date :** 27<sup>th</sup> May, 2019

**Kirit N. Mehta**  
Chairman & Independent Director  
DIN: 00444837

**Shweta Sultania**  
Company Secretary  
Membership No.: ACS 22290



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

[Amount in ₹]

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>A Cash flow from operating activities</b>		
Net profit/(loss) before tax	3,05,27,136	4,23,40,550
<b>Adjustment for</b>		
Depreciation / Amortisation	72,68,270	51,11,366
Profit/Loss on discard of Assets	-	(9,492)
Interest expense	1,69,76,348	87,46,842
Interest income	(35,33,513)	(53,25,691)
<b>Operating cash flow before working capital changes</b>	<b>5,12,38,241</b>	<b>5,08,63,575</b>
(Increase) / Decrease in other current/non-current assets	(1,52,21,743)	21,92,004
(Increase) / Decrease in trade receivable	(5,95,96,112)	(4,32,00,865)
(Increase) / Decrease in inventories	(2,80,49,937)	(3,78,27,467)
Increase / (Decrease) in trade payable	9,69,37,751	7,36,38,191
Increase / (Decrease) in other current/non current liabilities	(29,79,673)	(2,12,75,225)
<b>Cash generated from operations</b>	<b>4,23,28,527</b>	<b>2,43,90,214</b>
Income taxes paid (net)	1,43,85,500	36,97,078
<b>Net cash generated by operating activities</b>	<b>2,79,43,027</b>	<b>2,06,93,136</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets	(2,06,66,006)	(2,88,36,458)
Assets held for sale	-	-
Investment in Subsidiaries	-	-
Investment in Non-Current Bank Fixed deposits	47,18,151	-
Interest received	35,33,513	53,25,691
<b>Net cash used in investing activities</b>	<b>(1,24,14,342)</b>	<b>(2,35,10,767)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from equity	-	-
Proceeds from long-term borrowing	(30,46,732)	41,23,890
Proceeds from short-term borrowing	41,28,278	53,43,702
Change in General Reserves	-	-
Interest paid	(1,69,76,348)	(87,46,842)
<b>Net cash generated from / used in financing activities</b>	<b>(1,58,94,802)</b>	<b>7,20,750</b>
<b>Net (decrease)/increase in cash &amp; cash equivalents (A+B+C)</b>	<b>(3,66,118)</b>	<b>(20,96,881)</b>
Cash and cash equivalents at beginning of the period	1,10,01,582	1,30,98,463
<b>Cash and cash equivalents at end of period (Refer Note 2.6 &amp; 2.7)</b>	<b>1,06,35,464</b>	<b>1,10,01,582</b>

The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discontinuing operations.

See accompanying notes forming part of the financial statements

### In terms of our report attached

**For Sunil Poddar & Co.**  
Chartered Accountants  
Firm. Reg. No. 110603W

**[CA. Sunil Poddar]**  
(Partner)  
Membership No. 041209

**Place :** Ahmedabad  
**Date :** 27<sup>th</sup> May, 2019

### For and On Behalf of the Board of Director of M/s Texel Industries Limited

**Shailesh R.Mehta**  
Managing Director  
DIN: 01457666

**Vikram Patel**  
CFO

**Place :** Mumbai  
**Date :** 27<sup>th</sup> May, 2019

**Kirit N. Mehta**  
Chairman & Independent Director  
DIN: 00444837

**Shweta Sultania**  
Company Secretary  
Membership No.: ACS 22290

## STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

### A. EQUITY SHARE CAPITAL

	Amount in ₹
<b>As at 1<sup>st</sup> April, 2017</b>	<b>5,22,29,210</b>
Changes in equity share capital	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>5,22,29,210</b>
Changes in equity share capital	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>5,22,29,210</b>

### B. OTHER EQUITY

[Amount in ₹]

	Securities Premium Account	Accumulated Losses	General Reserve	Capital Redemption Reserve	Capital Reserve	Surplus as per Statement of Profit and Loss	Other Comprehensive income  Remeasurement gain/(loss) on defined benefit plans	Total
<b>Balance as at 1<sup>st</sup> April, 2017</b>	1,94,99,668	(50,44,789)	-	33,33,332	2,92,29,210	1,30,30,718	(2,60,746)	5,97,87,393
Profit For The Year	-	-	-	-	-	3,04,07,580	-	3,04,07,580
Add:- Remeasurement gain/(loss) on defined benefit plans	-	-	-	-	-	-	(1,67,605)	(1,67,605)
Add. Excess / (Short) provision of Income Tax	-	-	-	-	-	2,47,868	-	2,47,868
<b>Balance as at 31<sup>st</sup> March, 2018</b>	1,94,99,668	(50,44,789)	-	33,33,332	2,92,29,210	4,36,86,166	(4,28,351)	9,02,75,236
Profit For The Year	-	-	-	-	-	2,22,72,167	-	2,22,72,167
Add:- Transfer to Capital Redemption Reserve on account of redemption of preference share capital	-	-	-	1,30,00,000	-	-	-	1,30,00,000
Less:- Transfer to Capital Redemption Reserve on account of redemption of preference share capital	-	-	-	-	-	1,30,00,000	-	1,30,00,000
Add:- Remeasurement gain/(loss) on defined benefit plans	-	-	-	-	-	-	50,51,183	50,51,183
Add. Excess / (Short) provision of Income Tax	-	-	-	-	-	(11,67,821)	-	(11,67,821)
<b>Balance as at 31<sup>st</sup> March, 2019</b>	1,94,99,668	(50,44,789)	-	1,63,33,332	2,92,29,210	5,17,90,512	46,22,832	11,64,30,765

#### In terms of our report attached

**For Sunil Poddar & Co.**  
Chartered Accountants  
Firm. Reg. No . 110603W

**[CA. Sunil Poddar]**  
(Partner)  
Membership No. 041209

**Place :** Ahmedabad  
**Date :** 27<sup>th</sup> May, 2019

**30<sup>th</sup> Annual Report 2018-19**

#### For and On Behalf of the Board of Director of M/s Texel Industries Limited

**Shailesh R.Mehta**  
Managing Director  
DIN: 01457666

**Vikram Patel**  
CFO

**Place :** Mumbai  
**Date :** 27<sup>th</sup> May, 2019

**Kirit N. Mehta**  
Chairman & Independent Director  
DIN: 00444837

**Shweta Sultania**  
Company Secretary  
Membership No.: ACS 22290

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### NOTE NO.1.1

#### COMPANY BACKGROUND

Texel Industries Limited is a Public Limited Company, incorporated in India under the provisions of the Companies Act, 1956. The Company is engaged in the business of manufacturing of Tarpaulins and Geomembrane.

### NOTE NO. 1.2

#### SIGNIFICANT ACCOUNTING POLICIES:

##### 1. Basis of preparation

###### a) Compliance with Ind AS

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

###### b) Basis of preparation

The functional currency of the Company and group is the Indian Rupee (₹). The functional currency of foreign subsidiaries is the currency of the primary economic environment in which the entity operates.

The consolidated financial statements are presented in Indian Rupees and all values are rounded off to the nearest rupee, except when otherwise indicated.

###### c) Basis of consolidation

The Company consolidates all entities which are controlled by it.

The Company establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity.

Entities controlled by the Company are consolidated from the date control commences until the date control ceases.

All inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

###### d) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities that are measured at fair value;

- 2) assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- 3) defined benefit plans - plan assets measured at fair value;

###### e) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the group's normal operating cycle and other criteria set out in the Schedule III to the Act.

###### f) Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest Rupees as per the requirement of Schedule III, unless otherwise stated.

#### Use of estimates and judgements

The estimates and judgements used in the preparation of the consolidated financial statements are continuously evaluated by the group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the group believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected. Significant judgements and estimates about the carrying amount of assets and liabilities include useful lives of tangible and intangible assets, impairment of tangible assets, intangible assets including goodwill, investments, employee benefits and other provisions and recoverability of deferred tax assets.

##### 2. Property, plant and equipment

The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2016 as the deemed cost under IND AS. Hence regarded thereafter as historical cost.

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

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 Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

### **Depreciation methods, estimated useful lives and residual value**

Depreciation calculated on Factory Buildings, Plant and Equipment, Vehicle, Furniture, Computer on a Straight Line Method, over the estimated useful lives of assets.

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

In case of pre-owned assets, the useful life is estimated on a case to case basis.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

### **3. Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, 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.

### **4. Inventories**

Inventories of Raw Materials, Work-in-Progress, Stores and spares, Finished Goods and Stock-in-trade are stated 'at cost or net realisable value, whichever is lower' except for Waste / Scrap which are valued at net realisable value. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formula used are 'First-in-First-out', 'Weighted Average cost' or 'Specific identification', as applicable. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

### **5. Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has only single business segment hence the detailed disclosure related to segment reporting is not required to be made.

### **6. Borrowings**

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Preference shares, which are mandatorily redeemable on a specific date are classified as liabilities. The dividend on these preference shares is recognised in Statement of Profit and Loss as finance costs.

### **7. Borrowing costs**

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

### **8. Provisions and contingent liabilities**

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

### **9. Revenue recognition**

Revenue from the sale of goods is recognized when the significant risk and rewards have been transferred to the buyer, the recovery of the consideration is probable and amount of revenue can be measured reliably.

Revenue from services is recognised when the performance of agreed service has been completed.

The revenue from operation is recognised at fair value of the consideration received or receivable excluding Duties and taxes collected on behalf of government.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

Interest income from financial assets is recognised using effective interest rate method.

### 10. Employee benefits

#### a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

#### b) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

#### c) Post-employment obligations

The group operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity and pension; and
- (b) defined contribution plans such as provident fund.

#### Pension and gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

#### Defined Contribution Plans

Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss as incurred.

#### Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the group recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

### 11. Foreign currency translation

#### a) Functional and presentation currency

The consolidated financial statements are presented in Indian rupee (₹), which is holding Company's functional and presentation currency.

#### b) Transactions and balances

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 12. Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the group has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognised only when and to the extent there is convincing evidence that the group will pay normal income tax during the specified period. Such asset is

reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the group will pay normal income tax during the specified period.

### 13. Earnings Per Share

#### Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

#### Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### 14. Government Grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Profit and Loss on a straight - line basis over the expected lives of related assets and presented within other income.



## CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 2.1 PROPERTY, PLANT AND EQUIPMENT

[Amount in ₹]

	Gross Block			Depreciation / Amortisation			Net Block As at 31 <sup>st</sup> March 2019
	As at 1 <sup>st</sup> April 2018	Additions	Deductions	As at 31 <sup>st</sup> March 2019	Additions	Deductions	
<b>Current Year ended 31<sup>st</sup> March 2019</b>							
<b>TANGIBLE ASSETS</b>							
Freehold Land	24,03,616	-	-	24,03,616	-	-	24,03,616
Buildings	3,89,73,718	70,83,969	-	4,60,57,687	14,18,385	-	2,14,59,734
Plant and Equipments	10,25,54,193	1,07,24,542	-	11,32,78,735	38,10,250	-	6,59,53,073
Furniture and Fixtures	74,11,187	6,63,362	-	80,74,549	3,92,580	-	46,95,620
Vehicles	43,17,145	4,88,274	-	48,05,419	4,00,602	-	21,25,898
Office Equipments	69,21,070	16,34,060	-	85,55,130	10,00,819	-	55,61,314
Electric Installations	86,41,494	-	-	86,41,494	2,45,634	-	71,55,712
<b>Total Tangible Assets</b>	<b>17,12,22,423</b>	<b>2,05,94,207</b>	-	<b>19,18,16,630</b>	<b>72,68,270</b>	-	<b>10,69,51,351</b>
Total Capital Work-in-Progress	-	71,800	-	71,800	-	-	71,800
<b>INTANGIBLE ASSETS</b>							
Trade Mark	21,000	-	-	21,000	-	-	21,000
<b>Total Intangible Assets</b>	<b>21,000</b>	-	-	<b>21,000</b>	-	-	<b>21,000</b>
<b>TOTAL</b>	<b>17,12,43,423</b>	<b>2,06,66,007</b>	-	<b>19,19,09,430</b>	<b>72,68,270</b>	-	<b>8,49,58,079</b>

	Gross Block			Depreciation / Amortisation			Net Block As at 31 <sup>st</sup> March 2018
	As at 1 <sup>st</sup> April 2017	Additions	Deductions	As at 31 <sup>st</sup> March 2018	Additions	Deductions	
<b>Previous Year ended 31<sup>st</sup> March 2018</b>							
<b>TANGIBLE ASSETS</b>							
Freehold Land	24,03,616	-	-	24,03,616	-	-	24,03,616
Buildings	3,40,46,322	49,27,396	-	3,89,73,718	12,08,253	-	2,00,41,349
Plant and Equipments	8,55,64,769	1,69,89,424	-	10,25,54,193	25,27,423	-	6,21,42,823
Furniture and Fixtures	50,57,020	23,54,167	-	74,11,187	2,06,511	-	43,03,040
Vehicles	15,80,894	27,36,251	-	43,17,145	2,08,602	-	17,25,296
Office Equipments	52,62,152	16,58,918	-	69,21,070	6,54,499	-	45,60,495
Electric Installations	84,61,700	1,79,794	-	86,41,494	3,06,078	-	69,10,078
<b>Total Tangible Assets</b>	<b>14,23,76,473</b>	<b>2,88,45,950</b>	-	<b>17,12,22,423</b>	<b>51,11,366</b>	-	<b>9,96,83,081</b>
Total Capital Work-in-Progress	-	-	-	-	-	-	-
<b>INTANGIBLE ASSETS</b>							
Trade Mark	21,000	-	-	21,000	-	-	21,000
<b>Total Intangible Assets</b>	<b>21,000</b>	-	-	<b>21,000</b>	-	-	<b>21,000</b>
<b>TOTAL</b>	<b>14,23,97,473</b>	<b>2,88,45,950</b>	-	<b>17,12,43,423</b>	<b>51,11,366</b>	-	<b>7,15,39,342</b>

Note: Deduction of fixed assets represents the old assets which is not being in used & written off

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 2.2 OTHER NON-CURRENT FINANCIAL ASSETS

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Security Deposits	84,78,592	64,70,252
Fixed Deposits with Bank (Maturity Greater than twelve Months)	47,18,151	-
Loan To Staff	3,88,559	4,06,038
	<b>1,35,85,302</b>	<b>68,76,290</b>

**Note:-** Refer Note Mentioned in Note No. 2.9

### 2.3 OTHER NON-CURRENT ASSETS

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Balances with Government Authorities	75,025	75,025
Other Loans and Advances (includes Advances to Suppliers, etc.)	1,07,57,654	41,22,478
	<b>1,08,32,679</b>	<b>41,97,503</b>

### 2.4 INVENTORIES (Valued at lower of cost or net realisable value, unless otherwise stated)

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Raw Materials	5,57,86,329	3,40,42,025
Work-in-Progress	5,00,64,885	7,50,59,170
Finished Goods	5,09,95,009	2,10,88,893
Stores and Spare parts	46,13,340	30,04,726
Waste / Scrap (valued at net realisable value)	1,96,706	4,11,517
	<b>16,16,56,268</b>	<b>13,36,06,331</b>

### 2.5 TRADE RECEIVABLES

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Unsecured, Considered Good	18,32,78,120	12,36,82,008
Doubtful	-	-
	<b>18,32,78,120</b>	<b>12,36,82,008</b>
Less: Provision for doubtful debts	-	-
	<b>18,32,78,120</b>	<b>12,36,82,008</b>
<b>Others</b>		
Unsecured, Considered Good	-	-
	<b>18,32,78,120</b>	<b>12,36,82,008</b>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**2.6 CASH AND CASH EQUIVALENTS BALANCES WITH BANKS**

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Cash and Cash Equivalents</b>		
Balances with Banks	32,36,303	51,37,593
Cash on Hand	21,459	29,112
	<b>32,57,762</b>	<b>51,66,704</b>

**2.7 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Fixed Deposits with Banks (Maturity upto twelve months )	73,77,702	58,34,877
	<b>73,77,702</b>	<b>58,34,877</b>

**Note:**

Bank deposits with a carrying amount of ₹ 1,14,89,668/- (PY 53,13,300) are given as margin against bank guarantee.

Total Bank deposits maturity less than twelve months ₹ 73,77,702/- &amp; maturity Greater than twelve Months ₹ 47,18,151/-.

**2.8 OTHER CURRENT FINANCIAL ASSETS**

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Income Due But Not Received	47,73,512	56,68,940
	<b>47,73,512</b>	<b>56,68,940</b>

**2.9 OTHER CURRENT ASSETS**

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Prepaid Expenses	3,53,614	1,91,032
Balances with Government Authorities	4,02,185	3,83,111
Other Short-Term Loans and Advances (including Advances to Suppliers etc.)	22,29,914	43,56,738
	<b>29,85,713</b>	<b>49,30,881</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 2.10 EQUITY SHARE CAPITAL

#### 2.10.1 Authorised

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
1,00,00,000 (PY 1,00,00,000) Equity Shares of ₹ 10 each	10,00,00,000	10,00,00,000
35,00,000 (PY 35,00,000) Preference Shares of ₹ 10 each	3,50,00,000	3,50,00,000
	<b>13,50,00,000</b>	<b>13,50,00,000</b>

#### 2.10.2 Issued, Subscribed and Fully Paid Equity Shares

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
52,22,921 (PY 52,22,921) Equity Shares of ₹ 10 each fully paid	5,22,29,210	5,22,29,210
	<b>5,22,29,210</b>	<b>5,22,29,210</b>

1. The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share held.
2. The Board of Directors has not recommended any dividend for the year ended 31<sup>st</sup> March, 2019.
3. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

#### 2.10.3 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

	Number of Shares	Amount in ₹
<b>As at 01<sup>st</sup> April, 2017</b>	<b>52,22,921</b>	<b>5,22,29,210</b>
Changes in equity share capital	-	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>52,22,921</b>	<b>5,22,29,210</b>
Changes in equity share capital	-	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>52,22,921</b>	<b>5,22,29,210</b>

#### 2.10.4 List of Shareholders holding more than 5 % shares in the Equity Share Capital of the Company:

	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Equity Shares</b>				
Ms. Avani S Mehta	10,75,316	20.59%	10,75,316	20.59%
Mr. Mihir Bhandari	3,00,000	5.74%	3,00,000	5.74%
Mr. Ulhas Paymaster	3,00,000	5.74%	3,00,000	5.74%
SkyPoint Technical Textiles Pvt. Ltd.	5,00,000	9.57%	5,00,000	9.57%

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**2.11 OTHER EQUITY**

[Amount in ₹]

	Securities Premium Account	Accumulated Losses	General Reserve	Capital Redemption Reserve	Capital Reserve	Surplus as per Statement of Profit and Loss	Other Comprehensive income  Remeasurement gain/(loss) on defined benefit plans	Total
<b>Balance as at 1<sup>st</sup> April, 2017</b>	<b>1,94,99,668</b>	<b>(50,44,789)</b>	-	<b>33,33,332</b>	<b>2,92,29,210</b>	<b>1,30,30,718</b>	<b>(2,60,746)</b>	<b>5,97,87,393</b>
Profit For The Year	-	-	-	-	-	3,04,07,580	-	3,04,07,580
Add:- Remeasurement gain/(loss) on defined benefit plans	-	-	-	-	-	-	(1,67,605)	(1,67,605)
Add. Excess / (Short) provision of Income Tax	-	-	-	-	-	2,47,868	-	2,47,868
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>1,94,99,668</b>	<b>(50,44,789)</b>	-	<b>33,33,332</b>	<b>2,92,29,210</b>	<b>4,36,86,166</b>	<b>(4,28,351)</b>	<b>9,02,75,236</b>
Profit For The Year	-	-	-	-	-	2,22,72,167	-	2,22,72,167
Add:- Transfer to Capital Redemption Reserve on account of redemption of preference share capital	-	-	-	1,30,00,000	-	-	-	1,30,00,000
Less:- Transfer to Capital Redemption Reserve on account of redemption of preference share capital	-	-	-	-	-	1,30,00,000	-	1,30,00,000
Add:- Remeasurement gain/(loss) on defined benefit plans	-	-	-	-	-	-	50,51,183	50,51,183
Add. Excess / (Short) provision of Income Tax	-	-	-	-	-	(11,67,821)	-	(11,67,821)
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>1,94,99,668</b>	<b>(50,44,789)</b>	-	<b>1,63,33,332</b>	<b>2,92,29,210</b>	<b>5,17,90,512</b>	<b>46,22,832</b>	<b>11,64,30,765</b>

**2.12 NON-CURRENT BORROWINGS**

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Secured</b>		
<b>Term loans from Banks</b>		
ICICI Bank Ltd.	9,88,658	13,84,640
<b>Total</b>	<b>9,88,658</b>	<b>13,84,640</b>
[Hypothecation of Vehicle]		
<b>Unsecured</b>		
Intercompany Loan	51,35,000	77,85,750
Loans From Related Parties	3,41,641	3,41,641
Loans From Others	2,55,000	2,55,000
<b>Total</b>	<b>57,31,641</b>	<b>83,82,391</b>
	<b>67,20,299</b>	<b>97,67,031</b>

**Note:**

- ICICI Bank Loan interest rate 8.25% p.a.
- Inter corporate Loan carries interest at 12% or 18% p.a. with payout of interest on quarterly basis and the loan is repayable on demand.
- Loans from related party includes loan payable to Non Executive Director of the Company. No interest is payable towards the loan.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 2.13 OTHER NON CURRENT FINANCIAL LIABILITIES

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Trade - Deposit	7,50,000	7,50,000
	<b>7,50,000</b>	<b>7,50,000</b>

### 2.14 NON CURRENT PROVISIONS

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>For Employees Benefits</b>		
Provision for Gratuity	22,61,876	17,12,902
Provision for Sick Leave	1,72,603	1,10,524
Provision for Leave encashment	6,87,896	4,08,278
	<b>31,22,375</b>	<b>22,31,704</b>

### 2.15 CURRENT BORROWINGS

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Unsecured</b>		
Intercompany Loan	92,08,168	50,79,890
<b>Total</b>	<b>92,08,168</b>	<b>50,79,890</b>

Note:- Refer Note Mentioned in Note No. 2.14

### 2.16 TRADE PAYABLES

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Due to micro and small enterprise	15,56,688	-
Due to Others	22,89,71,022	13,35,89,958
	<b>23,05,27,710</b>	<b>13,35,89,958</b>

#### Note:-

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2018-19, to the extent the company has received intimation from the "Suppliers" regarding their status under the Act.

a.	Principal and interest amount remaining unpaid	15,56,688	-
b.	Interest due thereon remaining unpaid	1,81,765	-
c.	Interest paid by the company in terms of section 16 of the Micro, Small and Medium enterprise Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
d.	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Macro, Small and Medium Enterprise Act, 2006	-	-
e.	Interest accrued and remaining unpaid	-	-
f.	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

### 2.17 OTHER CURRENT FINANCIAL LIABILITIES

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Current Maturity of Long Term Debts	3,43,453	2,63,812
Dividend Payable on Preference Shares	4,14,246	4,14,246
Preference Share	-	1,30,00,000
	<b>7,57,699</b>	<b>1,36,78,058</b>



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 2.18 OTHER CURRENT LIABILITIES

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Other Payables (including Statutory Dues, etc.)	50,07,061	53,57,047
Advances From Customer	2,33,85,969	2,40,47,458
	<b>2,83,93,030</b>	<b>2,94,04,505</b>

### 2.19 CURRENT PROVISIONS

[Amount in ₹]

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Provision for Gratuity	20,49,582	20,38,450
Provision for Sick Leave	19,851	13,324
Provision for Leave encashment	1,16,668	52,853
Provision for Expenses	87,66,836	30,20,438
	<b>1,09,52,937</b>	<b>51,25,065</b>

### 3.1 REVENUE FROM OPERATIONS

[Amount in ₹]

	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
(i) Sale of Products	1,11,10,93,289	92,90,46,033
(ii) <b>Other Operating Revenues</b>		
Sale of Waste	1,24,42,717	1,04,93,022
(iii) Less : Excise Duty	-	2,86,77,482
	<b>1,12,35,36,006</b>	<b>91,08,61,573</b>

### 3.2 OTHER INCOME

[Amount in ₹]

	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>Interest Income on :</b>		
Interest Income on others	31,08,065	49,13,511
Interest on Bank FD	4,25,449	4,12,180
Others Receipt	-	3,46,689
	<b>35,33,514</b>	<b>56,72,380</b>

### 3.3 COST OF MATERIALS CONSUMED

[Amount in ₹]

	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Opening Stock	3,40,42,025	3,65,46,749
Add : Purchases and Incidental Expenses	68,29,13,650	47,64,48,635
Less : Sales	-	-
Less : Closing Stock	5,57,86,329	3,40,42,025
	<b>66,11,69,346</b>	<b>47,89,53,359</b>

### 3.4 PURCHASES OF STOCK-IN-TRADE

[Amount in ₹]

	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Traded Goods	19,70,98,406	24,69,73,134
	<b>19,70,98,406</b>	<b>24,69,73,134</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 3.5 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

[Amount in ₹]

	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>Opening Inventories</b>		
Finished Goods	2,10,88,893	51,41,849
Process Stock	7,50,59,170	5,21,34,665
Waste/Scrap	4,11,517	3,14,018
	<b>9,65,59,580</b>	<b>5,75,90,532</b>
<b>Closing Inventories</b>		
Finished Goods	5,09,95,009	2,10,88,893
Process Stock	5,00,64,885	7,50,59,170
Waste/Scrap	1,96,706	4,11,517
	<b>10,12,56,599</b>	<b>9,65,59,580</b>
(Increase) / Decrease in Stocks	(46,97,019)	(3,89,69,049)
Less : (Increase) / Decrease in Excise Duty on Stocks	-	5,71,317
	<b>(46,97,019)</b>	<b>(3,95,40,365)</b>

### 3.6 EMPLOYEES BENEFIT EXPENSES

[Amount in ₹]

	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Salaries and Wages	3,72,61,758	2,40,22,742
Contribution to Provident and other Funds	9,01,888	7,39,837
Staff Welfare Expenses	8,92,965	11,19,785
	<b>3,90,56,611</b>	<b>2,58,82,364</b>

### 3.7 FINANCE COSTS

[Amount in ₹]

	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Interest on Borrowing	17,30,109	8,90,503
Interest on Trade payable	1,52,46,239	76,34,339
Processing Fees	-	2,22,000
	<b>1,69,76,348</b>	<b>87,46,842</b>

### 3.8 OTHER EXPENSES

#### 3.8.1 Manufacturing Expenses

[Amount in ₹]

	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Consumption of Stores, Spare Parts and Components and Incidental Expenses	89,56,469	1,22,08,411
Processing Charges	6,12,81,601	4,24,18,023
Power & Fuel	2,60,39,720	2,25,67,979
Repairs to Buildings	3,72,299	2,73,933
Repairs to Machinery	3,76,730	5,31,991
	<b>9,70,26,819</b>	<b>7,80,00,337</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 3.8.2 Administration, Selling and Distribution Expenses

[Amount in ₹]

	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Advertisement and Sales Promotion	13,30,579	80,18,004
Insurance	4,74,122	4,66,048
Rates and Taxes	4,19,656	24,27,800
Directors' Sitting Fees	1,00,000	80,200
Bank Charges & Commission	2,19,996	1,32,621
Repairs & Maintenance- Computer & Other	6,45,681	10,28,594
Conveyance Exp.	15,95,648	16,79,848
Freight and forwarding	2,30,33,582	1,75,79,648
Legal and professional charges	1,22,29,137	88,50,934
Post & Telegram	4,05,883	3,29,119
Printing and stationery	5,62,834	9,02,387
Sales commission	1,30,10,448	64,68,962
Security Charges	9,78,241	5,20,241
Sundry balance w/off	21,569	(5,318)
Telephone Expenses	30,682	28,931
Site Expense	78,90,021	14,02,150
Research & Development Exp.	11,96,718	-
Foreign Marketing Exp.	35,37,457	-
Travelling Expenses	51,13,050	17,42,698
Other General & Miscellaneous Expenses	57,52,722	33,53,906
Bad debts/advance written off	4,69,637	95,98,867
Provision for post-sales support & warranties	35,25,940	53,45,726
	<b>8,25,43,602</b>	<b>6,99,51,366</b>

### 3.8.3 Auditors' Remuneration (excluding service tax) charged to Statement of Profit and Loss

[Amount in ₹]

	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>Payments to Statutory Auditors:</b>		
Audit Fee	1,00,000	1,15,000
Tax Audit Fee	-	-
<b>Total</b>	<b>1,00,000</b>	<b>1,15,000</b>

### 3.9 EARNINGS PER SHARE:

[Amount in ₹]

		Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Net profit for the year attributable to equity shareholders	In Rupees	2,73,23,350	3,02,39,975
Weighted-average-number of equity shares outstanding	Nos	52,22,921	52,22,921
Basic Earnings Per Share (Face Value of ₹ 10 each)	In Rupees	5.23	5.79
Diluted Earnings Per Share (Face Value of ₹ 10 each)	In Rupees	5.23	5.79

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 3.10 INCOME TAXES EXPENSE

Tax expense recognized in the statement of Profit and Loss

[Amount in ₹]

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>Current Tax</b>		
Current Tax on taxable income for the year	94,28,639	1,39,00,091
<b>Total current tax expense</b>	<b>94,28,639</b>	<b>1,39,00,091</b>
<b>Deferred tax</b>		
Deferred tax charges/(credit)	(11,73,670)	(19,67,121)
MAT Credit (taken)/utilised	-	-
<b>Total deferred income tax expense/(benefit)</b>	<b>(11,73,670)</b>	<b>(19,67,121)</b>
<b>Total income tax expense</b>	<b>82,54,969</b>	<b>1,19,32,970</b>

A) reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

[Amount in ₹]

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Enacted income tax rate in India applicable to the company	27.820%	33.063%
Profit Before Tax	3,05,27,136	4,23,40,550
<b>Current Tax expenses on Profit Before tax expenses at the enacted income tax rate in India</b>	<b>84,92,649</b>	<b>1,39,99,056</b>
<b>Tax effect of the amount which are not deductible/(taxable) in calculating taxable income</b>		
Permanent Disallowances	40,532	1,95,056
Income not considered for tax purpose	-	(3,138)
Expenses not allowed for tax purpose	35,82,590	28,19,476
Additional Allowable for tax purpose	(34,83,378)	(31,10,359)
Deferred Tax for Current Year	(11,73,670)	(19,67,121)
Other	7,96,246	-
<b>Total Income tax expense/(Credit)</b>	<b>82,54,969</b>	<b>1,19,32,970</b>

Consequent to reconciliation items shown above, the effective tax rate is 27.04% (2017-18: 28.18%)

B) The Movement in deferred tax assets and liabilities during the year ended 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2019

[Amount in ₹]

	As at 1 <sup>st</sup> April, 2017 - Deferred Tax Liabilities/ (Asset)	Charge/(Credit) in statement of Profit and Loss	As at 31 <sup>st</sup> March, 2018 - Deferred Tax Liabilities/ (Asset)	Charge/(Credit) in statement of Profit and Loss	As at 31 <sup>st</sup> March, 2019 - Deferred Tax Liabilities/ (Asset)
Depreciation	89,77,591	(14,79,352)	74,98,239	6,83,257	68,14,982
Provision for Gratuity	(10,01,991)	(2,96,277)	(12,98,268)	(42,771)	(12,55,497)
Provision for Leave Encashment	(4,12,936)	2,10,486	(2,02,450)	87,882	(2,90,332)
Provision of Bonus	-	-	-	2,46,298	(2,46,298)
Provision of Warranty	-	(4,01,978)	(4,01,978)	1,99,005	(6,00,983)
<b>Total Deferred Tax Liabilities/(Asset)</b>	<b>75,62,664</b>	<b>(19,67,121)</b>	<b>55,95,543</b>	<b>11,73,670</b>	<b>44,21,873</b>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**4. Details of Related Party Transaction**

[Amount in ₹]

Particulars	KMP	Relative of KMP	Entity in which KPM/Relative of KMP having significant influence
<b>A) Transaction During the year</b>			
<b>Salary &amp; Perquisites to Managing Director</b>			
Shailesh R Mehta	73,09,996 (51,77,303)	- -	- -
<b>Salary Relative of KMP</b>			
Avishi Sharedalal	- -	4,46,889 (1,10,118)	- -
Anisha Mehta	- -	78,788 -	- -
<b>Director Sitting Fees</b>			
Kirit Mehta	50,000 (40,000)	- -	- -
Dr. Cristy Fernandez	40,000 (30,000)	- -	- -
Mrs. Jasmin Nahidakhtar Vhora	10,000 (10,000)	- -	- -
<b>Reimbursement of expenses</b>			
Kirit Mehta	10,000 -	- -	- -
Mrs. Jasmin Nahidakhtar Vhora	10,000 -	- -	- -
<b>Legal and professional fees</b>			
G.P. Kapadia & Co	- -	- -	- (8,00,000)
Mrs. Avani S Mehta	- -	- (1,20,000)	- -
<b>Risha Aquapruv Infrastructure LLP</b>			
Reimbursement of Freight Charges	- -	- -	25,96,621 (14,31,951)
Sales Promotion	- -	- -	- (23,74,525)
Site Expense (Labour Charges)	- -	- -	77,46,025 (9,58,723)
Reimbursement of Stamping Fees	- -	- -	19,500 -
Reimbursement of Tender Fees	- -	- -	18,579 (1,594)
<b>Moneeto Plasti-Feb P. LTD</b>			
Sales	- -	- -	53,76,752 (24,72,336)
Purchase of Raw Material	- -	- -	24,00,454 -
Sales Promotion	- -	- -	- (22,63,045)
<b>Anjaneya Enterprise</b>			
Jobworks charges	- -	- -	66,725 (58,175)

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 4. Details of Related Party Transaction (Contd...)

[Amount in ₹]

Particulars	KMP	Relative of KMP	Entity in which KMP/Relative of KMP having significant influence
Purchase of Raw Material	-	-	2,13,66,615 (65,87,800)
Sales	-	-	1,15,79,604 (69,64,231)
<b>Grow Materials LLC</b>			
Purchase of Raw Material	-	-	9,40,888 -
<b>(B) Closing balances</b>			
<b>Receivable from</b>			
Moneeto Plasti-Feb P. LTD	-	-	16,14,060 -
Risha Infrastructure	-	-	- (10,98,951)
Anjaneya Enterprise	-	-	- (5,13,584)
<b>Payable to</b>			
Moneeto Plasti-Feb P. LTD	-	-	- (17,41,323)
Anjaneya Enterprise	-	-	2,78,776 -
Risha Aquapruf Infrastructure LLP	-	-	46,83,562 (57,24,408)
Naresh R Mehta	4,40,151 (4,40,151)	-	- -
Shailesh R Mehta	17,44,745 -	-	- -
Anisha Mehta	-	18,178	- -
Avishi Sharedalal	-	41,914	- -
Grow Materials LLC	-	-	9,40,888 -
G.P. Kapadia & Co	-	-	- (4,64,000)
<b>Loans &amp; Advances - Receivable</b>			
Crossland Housing & Const. Limited	-	-	10,00,000 (10,00,000)
Mehta & Dholabhai	-	-	6,15,209 (6,15,209)

Figures in brackets relates to previous year ended on 31<sup>st</sup> March, 2018



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 5. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:

[Amount in ₹]

Particulars	As At 31 <sup>st</sup> March, 2019	As At 31 <sup>st</sup> March, 2018
5.1 Claims/disputed liabilities not acknowledged as liability:		
(a) EPF Interest and Damages		
(The company has filed Special Civil Application on 18/05/2016, before Honourable Gujarat High Court for quash and set aside the notice of demand raised by Employees Provident Fund Organisation for ₹11,31,463/- on late payment of remittance for November, 1998 to January, 2014 vide notice dated 25.04.2016 and to stay on the notice of demand dated 25.04.2016 during pending admission and hearing of the present petition).	11,31,463	11,31,463
(b) Bank Guarantee (against 100% margin money in form of deposits)	1,14,89,668	53,63,300

Cash outflows for the above cases are determinable only on receipt of judgements pending at various forums/authorities.

### 6. DEFINED BENEFIT PLAN

The Company has adopted Accounting Standard 19 (Ind AS-19) "Employee Benefits" which is mandatory from accounting periods starting from 01<sup>st</sup> April, 2017. Accordingly, the Company has provided for gratuity based on actuarial valuation done as per Projected Unit Credit Method.

#### I. Reconciliation of opening and closing balance of Defined Benefit Obligation (Unfunded)

[Amount in ₹]

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
	Gratuity	Gratuity
Present value of obligation as at the beginning	37,51,352	28,95,258
Current service cost	3,36,535	2,80,647
Past Service Cost	-	10,00,000
Interest cost	2,94,481	2,12,512
Benefits paid	-	(4,53,540)
Actuarial (Gain) / Loss	(70,910)	(1,83,525)
<b>Present value of obligation as at the end (Unfunded)</b>	<b>43,11,458</b>	<b>37,51,352</b>

#### II. Reconciliation of opening and closing balance of fair value of plan assets

Not applicable as Gratuity and Leave Liability is unfunded.

#### III. Reconciliation of fair value of assets and obligation

Not applicable as Gratuity and Leave Liability is unfunded.

#### IV. Expense recognised during the year

[Amount in ₹]

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
	Gratuity	Gratuity
Service cost	3,36,535	12,80,647
Interest cost	2,94,481	2,12,512
Actuarial (Gain) / Loss	(70,910)	(1,83,525)
<b>Net cost included in 'Employee Benefit Expense'</b>	<b>5,60,106</b>	<b>13,09,634</b>

#### V. Investment Details

Not applicable as Gratuity and Leave Liability is unfunded.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### VI. Actuarial Assumptions for Gratuity

	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Discount rate (per annum)	7.85%	7.34%
Expected rate of return on plan assets (per annum)	N.A.	N.A.
Rate of escalation in salary (per annum)	7.00%	7.00%

### VII. Other disclosures

[Amount in ₹]

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Present value of obligation as at the end - Gratuity	43,11,458	37,51,352
Surplus/(deficit) - Gratuity	(43,11,458)	(37,51,352)
Experience adjustment on plan liability - Gratuity	85,189	(84,744)
Actuarial Loss / ( Gain ) due to change in assumptions - Gratuity	14,279	(98,781)

### 7.1 a) Details of imported and indigenous raw material consumed:

Particulars	Year ended 31 <sup>st</sup> March, 2019		Year ended 31 <sup>st</sup> March, 2019	
	Amount in ₹	%	Amount in ₹	%
Imported raw material	26,65,661	0.40%	1,41,84,737	2.96%
Indigenous raw material	65,85,03,685	99.60%	46,47,68,622	97.04%
<b>Total</b>	<b>66,11,69,346</b>	<b>100%</b>	<b>47,89,53,359</b>	<b>100%</b>

### 7.1 b) Value of import on CIF basis:

[Amount in ₹]

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Raw material	26,65,661	1,41,84,737
Capital goods	-	-
Others	-	-

### 7.1 c) Earnings in foreign currency:

[Amount in ₹]

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Export of goods on FOB basis	-	-
Others	-	-

While preparing financial statements of the year, previous year figures have been reclassified/regrouped wherever necessary.

Significant Accounting Policies

Accompanying Notes are an integral part of the Financial Statements

### In terms of our report attached

**For Sunil Poddar & Co.**  
Chartered Accountants  
Firm. Reg. No . 110603W

**[CA. Sunil Poddar]**  
(Partner)  
Membership No. 041209

**Place :** Ahmedabad  
**Date :** 27<sup>th</sup> May, 2019

**30<sup>th</sup> Annual Report 2018-19**

### For and On Behalf of the Board of Director of M/s Texel Industries Limited

**Shailesh R.Mehta**  
Managing Director  
DIN: 01457666

**Vikram Patel**  
CFO

**Place :** Mumbai  
**Date :** 27<sup>th</sup> May, 2019

**Kirit N. Mehta**  
Chairman & Independent Director  
DIN: 00444837

**Shweta Sultania**  
Company Secretary  
Membership No.: ACS 22290

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## TEXEL INDUSTRIES LIMITED

CIN: L29100GJ1989PLC012576

**Regd. Office:** Block No. 2106, Santej-Khatraj Road, Nr. Shah Alloys Ltd.,

Vill: Santej, Tal: Kalol, Dist: Gandhinagar – 382 721, Gujarat, India

**Phone:** 8980026110/ 8980026220, **E-Mail:** finance@geotexelin.com,

**Website:** www.geotexelin.com

### Attendance Slip

**30<sup>th</sup> Annual General Meeting on Saturday, 10<sup>th</sup> August, 2019 at 10.00 a.m.**

Reg. Folio No./ DP ID-Client ID	
No. of shares held	

Name & Address of the Shareholder : \_\_\_\_\_

Joint Holder 1 : \_\_\_\_\_

Joint Holder 2 : \_\_\_\_\_

Name of the Proxy/Authorised Representative, if any : \_\_\_\_\_

I/We hereby record my presence at the 30<sup>th</sup> Annual General Meeting of the Company on Saturday, 10<sup>th</sup> August, 2019 at 10.00 a.m. at the registered office of the company.

\_\_\_\_\_  
Member's/ Proxy's Signature

**Notes:**

1. Please fill this attendance slip and hand it over at the entrance of the meeting hall.
2. Members/Proxy Holders/Authorised Representatives are requested to show their Photo ID Proof for attending the Meeting.
3. Authorized Representatives of Corporate members shall produce proper authorization issued in their favour.

## TEXEL INDUSTRIES LIMITED

CIN: L29100GJ1989PLC012576

**Regd. Office:** Block No. 2106, Santej-Khatraj Road, Nr. Shah Alloys Ltd.,

Vill: Santej, Tal: Kalol, Dist: Gandhinagar – 382 721, Gujarat, India

**Phone:** 8980026110/ 8980026220, **E-Mail:** finance@geotexelin.com,

**Website:** www.geotexelin.com

### Form No. MGT-11

### Proxy Form

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rules 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) : \_\_\_\_\_

Registered Address : \_\_\_\_\_

E mail Id : \_\_\_\_\_

Folio No / Client ID : \_\_\_\_\_

DP ID : \_\_\_\_\_

I/We being the member(s), holding \_\_\_\_\_ Equity Shares of Texel Industries Limited, hereby appoint:

1) Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/ her

2) Name: \_\_\_\_\_ Address: \_\_\_\_\_

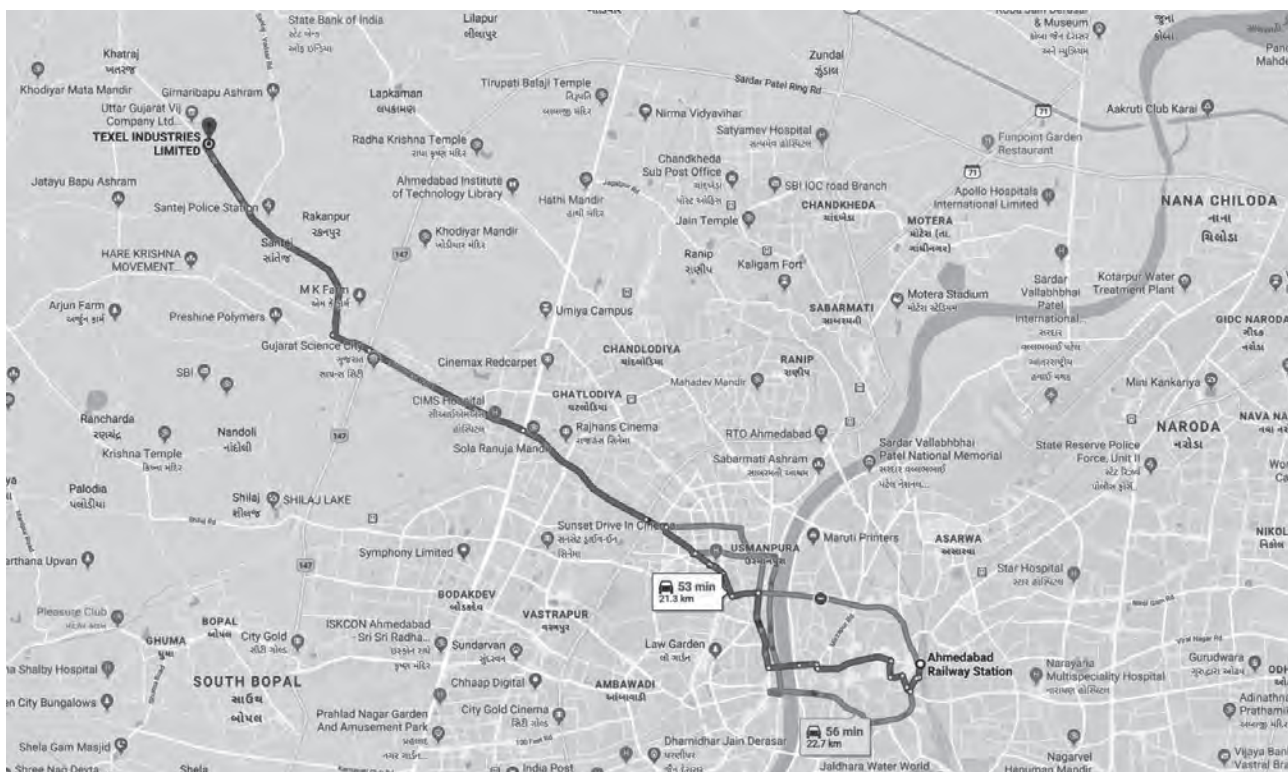
E-mail id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/ her

3) 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 30<sup>th</sup> Annual General Meeting of the Company to be held on Saturday, 10<sup>th</sup> August, 2019 at 10.00 a.m. at the registered office of the company and at any adjournment thereof in respect of such resolutions as are indicated below:

## ROUTE MAP OF THE VENUE OF 30TH ANNUAL GENERAL MEETING



### Ordinary Business:

1. Adoption of :
  - (i) the Audited Standalone Financial Statements of the Company for the Financial Year ended on 31st March, 2019 and the Reports of the Board of Directors and Auditors thereon; and
  - (ii) the Audited Consolidated Financial Statements of the Company for the Financial Year ended on 31st March, 2019 and the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Shailesh Ramniklal Mehta (DIN: 01457666), who retires by rotation and, being eligible, offers himself for re-appointment.

### Special Business:

3. Re-appointment of Mr. Shailesh Ramniklal Mehta, as Managing Director of the Company.
4. Re-appointment of Mr. Kirit Narotamdas Mehta, as an Independent Director of the Company.
5. Re-appointment of Dr. Christy Leon Fernandez, as an Independent Director of the Company.
6. Payment of remuneration to Dr. Christy Leon Fernandez, Independent Director of the Company.
7. Re-appointment of Mrs. Jasmin Nahidakhtar Vhora, as an Independent Director of the Company.
8. Increase in borrowing powers of the Company under Section 180(1)(c) of the Companies Act, 2013.
9. Creation of charge/ security over the assets/ undertakings of the Company under Section 180(1)(a) of the Companies Act, 2013.
10. Giving guarantees or providing securities in respect of any loans to any Body Corporate or Persons and/ or making investments in the securities of any Body Corporate in excess of the limits specified under Section 186 of the Companies Act, 2013.
11. Raising of funds by issue of Securities.
12. Conversion of Loan into Equity Shares under Section 62(3) of the Companies Act, 2013.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Signature of Shareholder \_\_\_\_\_

Signature of Proxy holder (s) \_\_\_\_\_

Affix  
Revenue  
Stamp  
₹ 1

### Notes:

1. This form of proxy in order to be effective should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
2. Please refer to the Notice of the 30th Annual General Meeting for the Resolutions and Explanatory Statement.

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## This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.





**CONSERVE WATER,  
CONSERVE LIFE**



 **Texel  
Industries  
Limited**

BLOCK NO. : 2106, SANTEJ-KHATRAJ  
ROAD. NEAR SHAH ALLOYS LTD.,  
VILLAGE : SANTEJ - 382 721.  
TAL. : KALOL, (N.G.)  
DIST. : GANDHINAGAR, GUJARAT (INDIA)  
CIN : L29100GJ1989PLC012576

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**URL** [www.geotexelin.com](http://www.geotexelin.com)